Goldman SMALL CAP RESEARCH

The Goldman Guide

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INSIDE THIS ISSUE:

KEY TAKEAWAYS

- ⇒ *Monday is 4/20 and that means cannabis stocks take center stage and probably move higher as a group—could be a day trader's delight*
- ⇒ *Many big picture issues, events ad leaders are hopping on board the cannabis train*
- ⇒ *Start reducing positions by not staying married to stocks*
- ⇒ *We are about to re-launch our website and enhance our current offerings*
- ⇒ *Later this month, we will be offering an incredibly unique cannabis newsletter*

KEY STATISTICS

Index	Close	2015
DJIA	17826	0.0%
S&P 500	2081	1.1%
NASDAQ	4932	4.1%
Russell 2000	1252	3.9%

(figures are rounded)

Nothing's Permanent Except Change

The title of this week's Guide is a shortened version of a famous quote of Heraclitus, a Greek philosopher who lived about 2500 years ago, and is still apropos today. Strap yourself in because that means this issue will emphasize philosophy and change.

One obvious philosophical and change in the aggregate is the public's perception, acceptance, and fascination with everything cannabis. Monday's date is 4/20 and that is sure to lead to a lot of proclamations, press releases, and allusions to the growth of the cannabis market in the U.S. As a result, Monday could turn into a day trader's dream.

A year ago, the SEC was cracking down on all pot companies, which actually had a deleterious effect on the entire microcap market. This is one of the reasons (I believe) that it took so long for small stocks to mount its recent comeback. The net result is that a year later, slowly but surely, business, political, scientific, medical, and enforcement leaders have executed a complete about-face on the space, which is why it is as red hot as the end of a joint.

A few months ago, one would look foolish if they predicted oil could be in the mid-$50's per barrel this time of year. Although prospects are still far from favorable, they are at the least less grim, which is actually kinda bullish.

Stock markets are ever-evolving and ever-changing. Instead of sticking to one philosophy that has a history of success, investors would be wise to, as we near the month of May (where you go away), engage in taking some profits to use elsewhere. In other words, do not get married to your stocks, lest that divorce cost you loads later. I am not advocating becoming a serial stock dater, Instead reduce time horizons.

Our Own Changes

Goldman Small Cap Research operates at the nexus of finance, investing, media, and technology and changes on a grand scale occur very frequently. We have made changes in response and evolved over the years, via small steps and modifications here and there. Ironically, despite our focus on aggressive growth companies, our changes have been good ones, but measured steps rather than swift or broad changes.

As we near the sixth anniversary of *The Goldman Guide's* first issue, and the third anniversary of *The 30-30 Report* first release, the time has come for GSCR to engage in new changes to our philosophy, approach, content, website, and offerings. You will see very meaningful changes to the website over the next couple of weeks that should enhance your experience—big time. But the front-end changes are just half of the story. One-of-a-kind content and delivery are the other.

Since I conceived the model nearly 7 years ago, my intent was to provide investors with both sponsored and non-sponsored research on small stocks. We have successfully done so through our two research platforms: *Opportunity* (sponsored) and *Select* (free and premium, non-sponsored.) Interestingly, since we started this venture years ago, the number of investment banks and research firms that focus on the space has dwindled dramatically. So, has volume, availability of capital, and the number of interested investors, to some degree.

With all of the changes to the historical landscape, we have an unusual opportunity to provide you with unique and very useful content, ideas, and opinions that you cannot find anywhere. Now that we are in the late innings of this new initiative, which emphasizes the *Select* platform, we ask for your help in finalizing some details and features of these new offerings. Later this week, we will be emailing a survey with just a handful of questions. We kindly ask you to respond to the survey so that we can appropriately tailor our new offerings based in part, on your responses. Of course all respondents will be able to participate in an upcoming contest as a thank-you. (Details to follow in the survey.)

A New Product from GSCR

We are pleased to announce that one of the changes to our lineup is the future introduction of a new bi-weekly newsletter that focuses on the cannabis industry.

On the drawing board since late 2013, I can assure you that this publication is like nothing you have ever seen and its first issue will be released later this month.

Over 20 years ago, I helped pioneer research on a segment of the small cap market that resulted in the IPOs of dozens of companies representing tens of billions of dollars in market cap for investors. My research team was able to combine public policy, the economy, and the capital markets to officially cover dozens of stocks and identify the best investment and trading opportunities. So, <u>I am probably the only person in this entire arena that has the unique experience in the research coverage of companies in disparate industries coming together to form and build a new, revolutionary market category in which investors can potentially generate big gains.</u>

The success of cannabis will be just like it—and more. For 18 months all I have read is how the cannabis stock situation is like alcohol during Prohibition and once the Feds get their act together we are off to the races. That sentiment does not do justice to the industry's potential. It is just one small part of the story.

Let's not beat around the bush. There far too many questionable companies in the space. There are also many sources of valuable information, much of it just for trading purposes. Those tools have their place, but as companies mature, you will need much, much more than trading alerts, press releases, innuendo and message boards propaganda. We will provide a holistic perspective and guidance approach that will result in an edge in trading and investment research and more. We will tie loose ends and potentialities together for the right publicly traded companies so you are armed with what you need on the long side, and guide you away from stocks to avoid. <u>What will set us even further apart will be our monthly feature on private companies we believe will go public, giving you an edge and preparing you for future IPOs.</u>

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