

# Insert Title

- Cannabis is federally illegal in the United States. However, as of the date of this report, 39 states have legalized cannabis in some form for recreational or medicinal use.
- The current consumer market for recreational and medicinal cannabis in the United States is estimated to be more than \$40 billion, including both legal and illegal consumption.
- We believe that it is a question of when—not if—the federal prohibition on cannabis will end. In analyzing how the end of prohibition may affect the cannabis industry, we have assumed that prohibition ends by 2020. However, even with federal prohibition, the cannabis industry today is large and dynamic.
- We estimate that the U.S. cannabis consumer market for legalized recreational and medicinal use was \$4.4 billion in 2015 and will grow to \$9.5 billion in 2019. Once legalized federally, we estimate this market will grow to \$37 billion within 5 years and \$50 billion within 10 years.
- Potential cannabinoid-based therapeutic applications have been identified for more than 40 medical conditions, including arthritis, cancer, chronic pain, epilepsy, glaucoma and HIV/AIDS. While this market will not develop until after the end of prohibition, we believe that the future cannabinoid-based pharmaceuticals market may ultimately exceed \$50 billion annually.
- Therefore, we believe that there is a potential \$100 billion market for cannabis. A broad range of investment opportunities exists both now and in the future for sophisticated investors who are willing to take significant risks.

# HISTORY of CANNABIS

The idea that this is an evil drug is a very recent construction, and the fact that it is illegal is a “historical anomaly, Marijuana has been legal in many regions of the world for most of its history.

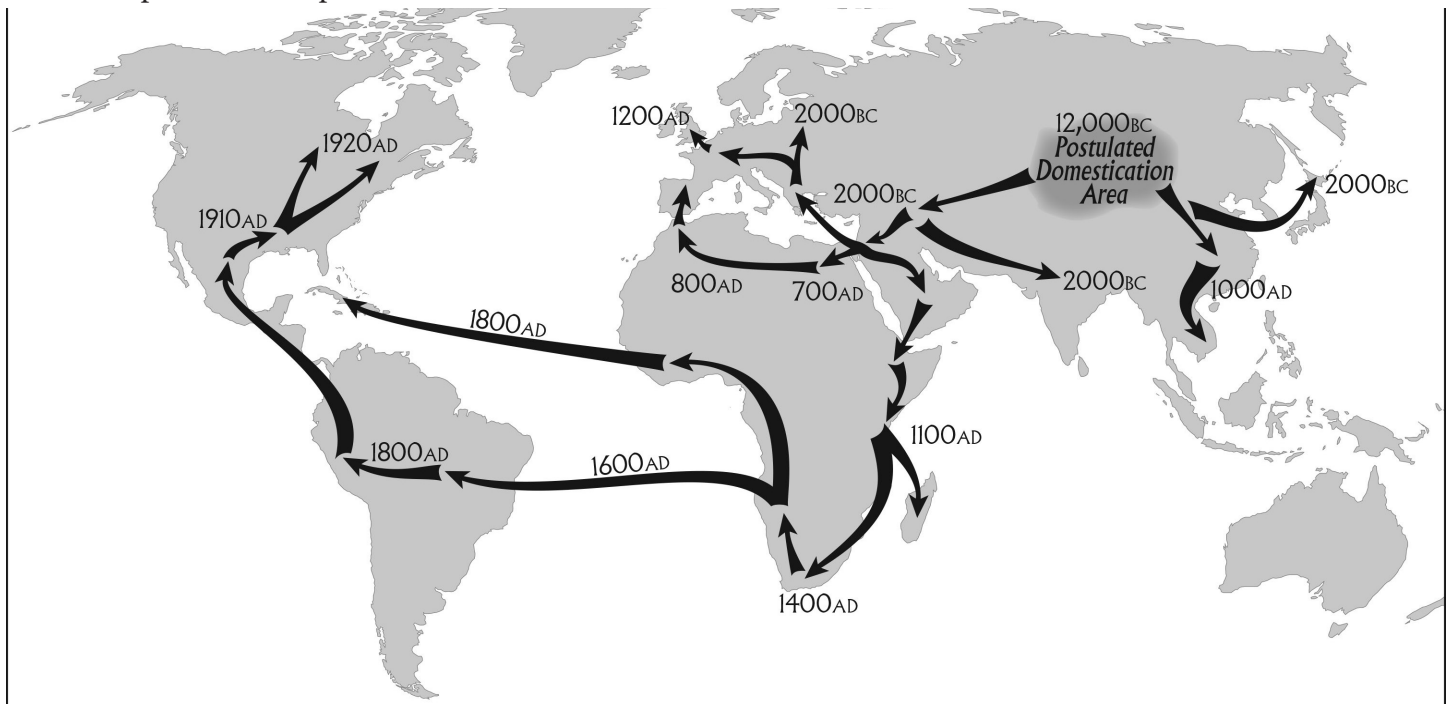
In 1997, a hemp rope dating back to 26,900 BC was found in Czechoslovakia, making it the oldest known object to be associated with cannabis. Since that time, hemp has played an important role in humanity’s development. For thousands of years marijuana was not only legal, but an important crop among cultures throughout history, and held commercial, medicinal, and spiritual value.

The cultivation of cannabis, commonly known as marijuana, can be traced back at least 12,000 years, which places the plant among humanity’s oldest cultivated crops. Cannabis plants are believed to have

drug occurred in 2737 BC by the Chinese emperor Shen Nung. He documented the drug’s effectiveness in treating the pains of rheumatism and gout. Both hemp and psychoactive marijuana were widely used in ancient China. The ancient Chinese used virtually every part of the Cannabis plant: the root for medicine; the stem for textiles, rope and paper making; the leaves and flowers for intoxication and medicine; and the seeds for food and oil.

From China, coastal farmers took marijuana to Korea around 2000 B.C. or earlier. It reached India between 2000 B.C. and 1000 B.C., when the region was invaded by the Aryans, a group that spoke an archaic Indo-European language. They called cannabis “bhang.” In India, the Aryan religion grew through oral tradition and was recorded in the four Vedas , or books of knowledge compiled between 1400 and 1000 B.C. They worshipped the spirits of plants and animals, and marijuana played an active role in their rituals.

After this really long “trip” throughout the pre-modern and modern worlds, cannabis finally came to the United



evolved in Central Asia in the regions of Mongolia and southern Siberia. The earliest cultural evidence of Cannabis comes from the oldest known Neolithic culture in China.

States at the beginning of the 20th century. It arrived in the southwest United States from Mexico, with immigrants fleeing that country during the Mexican Revolution of 1910-1911.

The first recorded use of marijuana as a medicinal

Many early prejudices against marijuana were thinly

veiled racist fears of its smokers, often promulgated by reactionary newspapers. Mexicans were frequently blamed for smoking marijuana, property crimes, seducing children and engaging in murderous sprees.

Americans laws never recognized the difference between Cannabis sativa L. and Cannabis sativa. The plant was first outlawed in Utah in 1915, and by 1931 it was illegal in 29 states, according to the report.

In 1930, Harry Aslinger became the first commissioner of the Federal Bureau of Narcotics (FBN) and undertook multiple efforts to make marijuana illegal in all states. In 1937, the Marijuana Tax Act put cannabis under the regulation of the Drug Enforcement Agency, criminalizing possession of the plant throughout the country.

Today, the federal government still classifies marijuana as a Schedule I controlled substance, along with heroin and LSD, indicating it has high potential for abuse and addiction, no accepted medical uses and no safe level of use.

Comparison between Cannabis and Common Stimulants and Substances						
	Alcohol	Coffee	Tobacco	Painkillers	Anti-depressants	Cannabis (Future)
Primary Usage	Recreational	Recreational	Recreational	Medicinal	Medicinal	Recreational / Medicinal
Adult Penetration %	50%	50%	17%	40%	25%	20%
Consumer Monthly Spending	\$45 to \$200	\$80 to \$100	\$40 to \$80	\$50 to \$200	\$50 to \$100	\$50 to \$500
U.S. Retail Market Size	\$200B	\$35B	\$100B	\$300B	\$60B	\$100B

Source: Ackrell Capital estimates

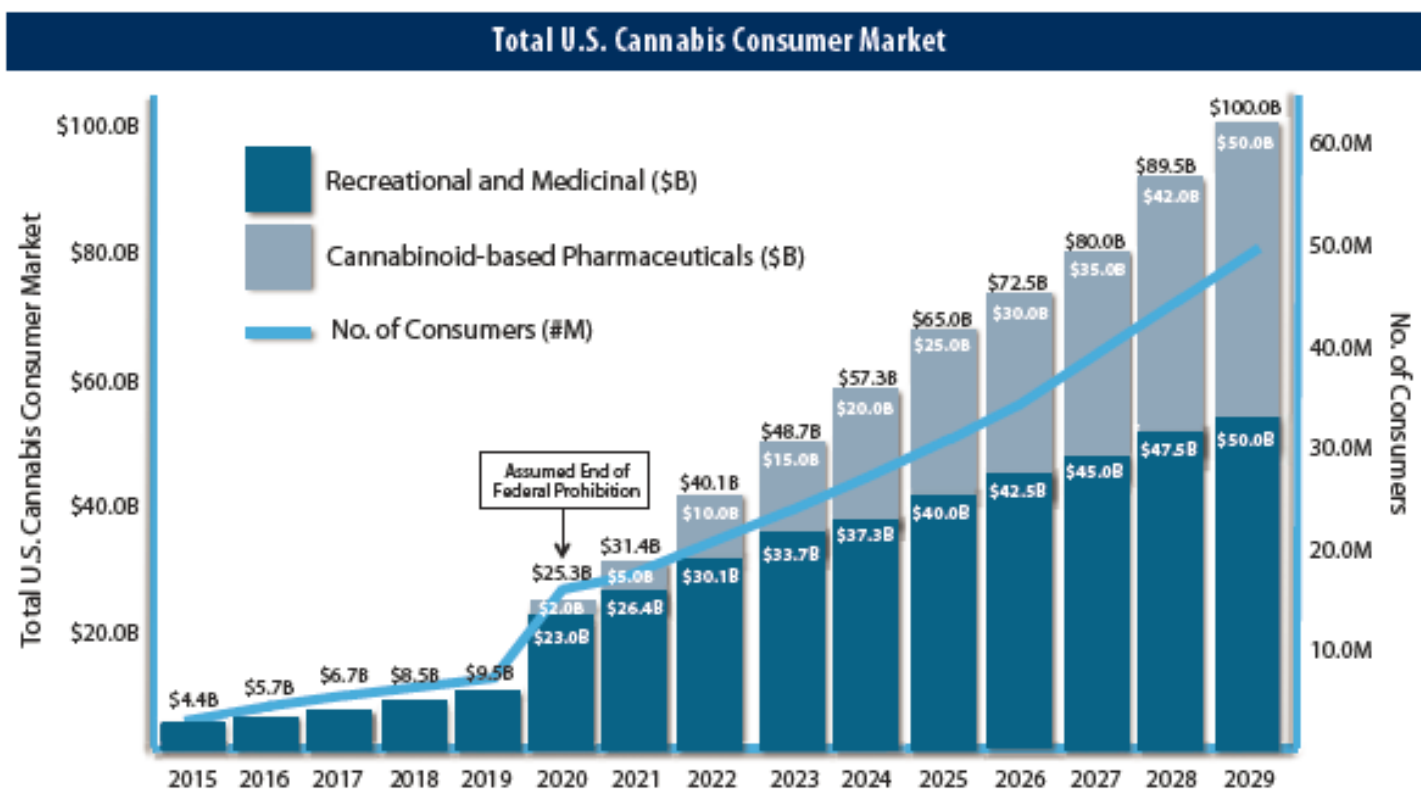
## Next Wave of State Legalizations

In the next few years, we expect many states to hold voter referendums for the legalization of cannabis for recreational or medicinal consumption. States voting on recreational consumption may include Arizona, California, Connecticut, Maine, Michigan, Nevada, Ohio, Rhode Island and Vermont; states voting on medicinal consumption may include Florida, Kentucky and Ohio. While such referendums may not pass in each state, we expect the overall trend toward legalization of cannabis laws at the state and local level to continue.

we are at the very early stages of a powerful secular growth cycle for cannabis-based solutions and companies. Within 5 to 10 years, we believe that cannabis use will become mainstream, and a host of mature companies will be dominating the market. In the near term, we believe only one thing is certain: the market will continue to change rapidly.

As the cannabis industry continues to evolve, market opportunities for well-managed, well resourced and well-positioned companies should be significant. The greatest value will be created by those companies able to drive affordably the awareness and adoption of their solutions, take advantage of economies of scale and leverage technology to optimize their operations. New companies will emerge and poorly positioned companies will disappear. Although some early entrants have had success with only modest invested capital, we believe that low barriers to entry, access to capital and eventual pricing pressure will remain issues for most.

Both pure plays and derivative plays will enable investors to participate in the market's anticipated growth, but the risks will continue to be significant. Eventually, we expect a full roster of cannabis companies will go public in the years following the end of federal prohibition, and soon thereafter we may begin to see the development of the next Starbucks®, Marlboro, Pfizer or See's Candies. Ultimately, we believe that large incumbent players in agriculture, alcohol, pharmaceuticals and tobacco may enter and potentially dominate certain segments of the market. In the meantime, in view of rapidly changing industry dynamics, we believe that private, emerging companies represent the most attractive opportunities.



Source: Ackrell Capital estimates. See Chapter IV: U.S. Cannabis Market Estimates.

# Welcome to Jimi's Cannabis Collection

Purple Haze Properties will have licensing, IP rights to states, and world territories for Jimi's Cannabis Collection- a lifestyle brand dedicated to the greatest Rock and Roll guitarist in history. With over 2 billion fans worldwide, Jimi's line of Cannabis Strains, Edibles, and Medical CBD topical applications will be licensed to corporations and holders of cultivation, production and dispensaries licenses worldwide.

\* High Times Cannabis Cup  
\* 2016 SoCal Medical Cannabis Cup

## FULL-SPECTRUM THERAPEUTIC CANNABIS OILS

CBD, THC, & RAW ORGANIC EXTRACTS. MADE FROM 100% CA. GROWN CANNABIS & AMERICAN HEMP.

### Cancer

Two cannabis components can have a significant effect on the size of cancerous tumors in the brain, especially when combined with radiotherapy, according to new research. The study says the growths can virtually "disappear." Try our non-decarb and activated cannabis therapeutic oils today! (Full Study: <http://mct.aacrjournals.org/>)

### Pain Relief

RAND CORP - "We find that states permitting medical marijuana dispensaries experience a relative decrease in opioid addictions and opioid overdose deaths. The mitigating effect of medical marijuana laws is specific to states that permit dispensaries. Source: Forbes / Julie Weed.

### Inflammation

A colleague of Mechoulam's, Marc Feldman at Imperial College, London, tested CBD on mice that had a version of rheumatoid arthritis. He found that CBD reduced the mice's inflammation by 50% at the right dosage. Source: <http://www.medicaljane.com/2012/12/20/cannabidiol-cbd-medicine-of-the-future/>

### Relaxation

An international group of researchers led by Vanderbilt University has discovered for the first time that there are cannabinoid receptors in the amygdala. The amygdala is one of the primary brain regions involved in regulating anxiety and the flight-or-fight response. Source: <https://www.psychologytoday.com>

### Focus & Creativity

Many of the "greats" including Shakespeare have been fans of cannabis oil to boost creativity and focus. Try these formulas and prepare to amaze yourself!

