

## Investors Have Their Eyes on Marijuana Market

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Investors are paying more attention to the burgeoning marijuana market, in light of the drug's legalization in Washington state and Colorado, *USA Today* reports. With more states considering similar legislation, and a growing number of Americans favoring legalization, the business community's interest is increasing.

The trade journal *Medical Marijuana Business Daily* estimates the \$1.5 billion legal market could reach \$6 billion by 2018. "The industry has grown up a lot since we launched in 2011," said the publication's editor, Chris Walsh. "It was the activists and hippies. We're seeing more grownups over the past two years, and it's accelerating in the last six months."

Investors are looking to back consulting firms, insurance agencies and software companies to serve the marijuana market, the article notes. They see a large, fragmented market, with a lack of leadership and tools to develop it. They are avoiding investing in businesses that buy and sell marijuana directly, since the drug remains illegal under federal law.

Instead, they are investing in companies such as Leafly, a website and mobile app with 2.3 million monthly visitors, which reviews marijuana strains.

Even if investors do not directly profit from marijuana sales, they could be affected by money-laundering laws, if money from drug proceeds are involved, according to Mark Kleiman, who is advising Washington state on regulating marijuana sales.

Some experts say the legal marijuana market won't expand as quickly as some entrepreneurs think. "To the extent that there's money to be made, a lot of it is already being made" by illegal operations, says Harvard economist Jeffrey Miron. "The notion that there will be new wealth is exaggerated."