

February 28, 2020

The Honorable Shane E. Pendergrass
Health and Government Operations Committee
Lowe House Office Building
6 Bladen Street
Annapolis, MD 21401

Re: Support of HB 1449, Health – Medical Cannabis Reauthorization Act

Chair Pendergrass and committee members,

My name is Ashley Colen and I am the proud owner of an independent dispensary in Queen Anne's County. I come before you today because minority inclusion is still an issue.

Despite the legislative addition of four licenses added last year, without explicit guidance and wording for minority status assessment from legislation, such as an MBE qualification with MDOT, the MMCC has not taken the appropriate steps to level the playing field in regards to minority inclusion within Maryland's precarious cannabis industry. As demonstrated by their initial rankings where companies such as multi-national operator Acreage Holdings of which former speaker of the house John Boehner is a board member and stakeholder, and Anheuser Busch were among the top ranked teams for a grow license that was reserved for a Maryland Minority Owned Business. These companies are multinational, and multibillion-dollar companies. The intention of the minority licenses was to award licenses to Maryland Minority and Economically disadvantaged companies, not just the appearance of one with members who are not involved in the construction of the companies operating agreements they are being excluded from. The entire application process is now under investigation and likely to be undertaken by the FBI before long, meaning that the current Growers who are alleging that more licenses coming online is imminent are false claims. How can the MMCC continue down the path of award of these licenses when one of the people integral in getting the process to fruition has just pled guilty to bribery and corruption charges involving this very process? Its counter intuitive and a belittling to all the true Maryland Minority companies that have been working and fighting for these licenses since 2015.

The legislature must intervene this legislative session to add more licenses to ensure minority inclusion in the Maryland cannabis market and the success of existing minority businesses such as independent dispensaries who are being systematically shut out by vertical integrated businesses, many of whom have multiple dispensaries.

The original legislation allowed for unlimited processing licenses and was scheduled to reassess the landscape of supply and demand regarding licenses in June of 2018. However, before the legislature had that opportunity the current stakeholders in the growing and processing tier, through a coordinated lobbying effort, were successful in having a moratorium placed capping grow licenses at 22 and processors at 28, contrary to logic of supply and demand and reality of necessity in our state.

There are 93,265 patients currently, and the MMCC receiving on average 175+ applications per day. The patient population is exploding in our state and has far surpassed original estimates and continues to climb. With not enough product in the state, its keeping prices high and driving people back to the black market. If you go to dispensaries that are owned by grows and processors, there is plenty of product in

their inventory, but independent dispensaries that are supposed to be fed by those same grows are being starved out in an effort to push the dispensaries to failure in hopes their licenses go up for sale, a strategy seen performed by multi-state operators nationwide.

We beg the legislature to do the right thing for Maryland's patients and small businesses. Please do not shy away from their responsibilities to make laws for our state so that it runs smoothly and justly. If the legislature refuses to add new licenses this session because of fears of improprieties among their peers there ***will*** be businesses that have to close and sell out to big out of state companies. That is the last thing that you, our leaders want to see. Please help Maryland's minority and economically disadvantaged cannabis professionals.