Finding marijuana businesses to acquire at fire-sale prices

$12.95

Marijuana Business Magazine®

Insights for cannabis executives, investors & entrepreneurs

VOL 5 • ISSUE 1 • January 2018

20 PEOPLE TO WATCH IN 2018



Virgil Grant
Social Justice Crusader



Pete Kadens
Jolly Green Giant



Chris Leavy
$250 Million Man?



Amy Poinsett
Comeback Kid?



Rob Sands
Captain of Cannabooze



Sundie Siefried
Cannabis Banking Savior?

Cannabis execs who could make waves – for one reason or another



+ Tapping crop insurance | Hiring a salesperson | Netflix promotion

northtext

312.869.9070

IF YOU'RE NOT MESSAGING YOUR CUSTOMERS, *THEN SOMEBODY ELSE IS!*

SMS is the best and most effective way to increase your daily store traffic.
Our clients say a blast brings in 10-50 incremental customers *(per 1000 messaged)*.
MESSAGING PAYS FOR ITSELF 10 TIMES OVER!

- ✓ A 420 sending number to increase brand effectiveness.
- ✓ UP TO 240 CHARACTERS PER MESSAGE (50% more than others). More info to your customers means more sales.
- ✓ Picture messaging (MMS) available.
- ✓ Reliable delivery. No blocking.
- ✓ Excellent customer service. Need help building your opt in list? We got you covered.
- ✓ Great prices. Discounts for higher volumes.
- ✓ No contracts or setup fees.

90%
OF SMS ARE READ WITHIN 3 MINUTES OF RECEIPT. YOU CAN'T AFFORD NOT TO USE NORTHTEXT.



WWW.NORTHTEXT.COM/DISPENSARY | 312.869.9070

VETERAN OWNED BUSINESS

In business since 2007

AFINIA LABEL®

Powered by memjet®

Simplify your labeling from seed to sale

Stop outsourcing and using multiple labels now. **Experience the freedom of in-house label printing.**

Change information from label to label

- ✓ Lot / Batch #s
- ✓ Dates
- ✓ Strain / Type
- ✓ Testing Data
- ✓ THC / CBD %
- ✓ Barcodes





Get an instant rebate of up to $500.
For details and to become eligible, visit:

afinialabel.com/mjbiz

- NO LONG LEAD TIMES
- LOWER LABEL COSTS
- NO MINIMUM ORDERS
- EASILY ADD VARIABLE DATA

MEDICINE MAN TECHNOLOGIES

INDUSTRY LEADING CANNABIS CULTIVATION AND CONSULTING



PROVEN METHODS AND RESULTS

License Application Support

Operating Plans & Procedures

Facility Planning & Design Services

Seminars & Private Consultations

Cultivation Max™ Services

POWERED BY: SUCCESS NUTRIENTS & THREE A LIGHT

OTC MARKETS, SYMBOL: MDCL • 303.371.0387

MEDICINEMANTECHNOLOGIES.COM


THREE A LIGHT®
SUCCESS™
NUTRIENTS

Marijuana Business Magazine®

Insights for cannabis executives, investors & entrepreneurs

President and CEO	Cassandra Farrington CassandraF@MJBizDaily.com
Vice President of Editorial	Chris Walsh ChrisW@MJBizDaily.com
Senior Editors	Roger Fillion RogerF@MJBizDaily.com Kevin Huhn KevinH@MJBizDaily.com
Staff Writers	Matt Lamers MattL@MJBizDaily.com Kristen Nichols KristenN@MJBizDaily.com Omar Sacirbey OmarS@MJBizDaily.com Bart Schaneman BartS@MJBizDaily.com John Schroyer JohnS@MJBizDaily.com
Data and Charts	Eli McVey EliM@MJBizDaily.com
Contributors	Lisa Greim, Margaret Jackson, Joseph Peña, John Rebchook
Sales	Mary Pemberton MaryP@MJBizDaily.com Molly Ford MollyF@MJBizDaily.com Angela Toney AngelaT@MJBizDaily.com Brooke Moore BrookeM@MJBizDaily.com
Marketing	Christopher Day Kendra Branch-Brett Andrea Evers Seth Mitchell
Technology	Amy Davis, Jeff Farrington Laura Femino
Graphic Design	Brian Gilbert
Subscriber Services	Lisa Burstein
Customer Service	CustomerService@MJBizDaily.com 401.354.7555 ext. 1
Co-founder	Anne Holland

To start/change/cancel your subscription, visit MJBizMagazine.com, call us at 401.354.7555 x1 or email us at CustomerService@MJBizDaily.com. Marijuana Business Magazine subscriptions are currently free to qualified US cannabusiness professionals and investors age 21 and over only.

To advertise with us, email Sales@MJBizDaily.com or call us at 401.354.7555 x 2.

Marijuana Business Magazine, Volume 5, Issue 1, January 2018

ISSN 2376-7375 (print); ISSN 2376-7391 (online)

Marijuana Business Magazine is currently published ten times per year by *Marijuana Business Daily™*, a division of Anne Holland Ventures Inc. POSTMASTER: Please send address changes to: Marijuana Business Daily, 2750 S. Wadsworth Blvd., Suite D200, Denver, CO 80227.

Copyright 2018 by *Marijuana Business Daily*, a division of Anne Holland Ventures Inc. All rights reserved. Materials may not be reproduced in whole or in part without written permission. For reprints of any article, please contact Customer Service.

http://MJBizMagazine.com

Who's Behind This Magazine?



Founded in early 2011, *Marijuana Business Daily*™ focuses solely on cannabis businesses and the investors who back them.

If you are leading or financing a cannabis-related company, we help you prosper via trusted information services and exceptional events.

Our publications have the highest business readership in the industry. Our events are sellouts, year after year after year. And, we've been cited everywhere from *Harvard Business Review* and the *Wall Street Journal* to *Forbes, Fortune* and *Fast Company*.

Do you need practical information, real-life data or industry connections to help your business grow? You'll find what you need in one of our publications or at our national events.

We are here to help the multibillion-dollar cannabis industry prosper. Let us know how we can serve you.

Marijuana Business Daily®

A division of Anne Holland Ventures Inc.
Marijuana Business Daily Headquarters 2750 S. Wadsworth Blvd. Suite D200, Denver, CO 80227
CustomerService@MJBizMedia.com • Phone: 401.354.7555 x1
Twitter: @MJBizDaily • www.MJBizDaily.com

urban-gro®

COMPLETE SYSTEM DESIGN, INTEGRATION & COMMISSIONING



HELPING CULTIVATORS ACHIEVE SUSTAINED SCALABILITY WITH INNOVATIVE CULTIVATION TECHNOLOGY

HPS/CMH/LED/HYBRID LIGHTING • CLIMATE CONTROL WITH IRRIGATION DISTRIBUTION • ROLLING BENCH SYSTEMS • AIR FLOW & SANITATION SYSTEMS • BIOCONTROLS • CROP PROTECTION PRODUCTS • SOLEIL® WIRELESS SENSE & CONTROL TECHNOLOGY

urban-gro.com • 720-390-3880 • info@urban-gro.com

In This Issue





FEATURES

40 Preparing for the Worst
Marijuana growers can tap crop insurance, other options to protect their plants against loss.

48 Distressed Opportunities
Experts offer tips for finding marijuana businesses on the block at fire-sale prices.

56 Twenty People to Watch in 2018
As we hurtle into 2018, the editorial staff at Marijuana Business Magazine singled out 20 executives in the cannabis space who bear watching in the year ahead.

72 Ten Business Takeaways From MJBizCon
Marijuana Business Magazine journalists share valuable business tips and insights collected during the largest gathering of cannabis professionals in the world.



DEPARTMENTS

12 Money Matters

New recurring feature: We talk with a mover and shaker in cannabis finance – and list the latest news involving capital raises, investment trends and related issues.

32 Hemp Notebook

New recurring column: Marijuana Business Magazine journalist Kristen Nichols gives her take on hemp news and issues facing the industry.

36 The Executive Page

New recurring feature: A cannabis industry executive shares business tips and advice, as well as insights from their own professional experiences.

76 Retail Business Strategies: Lights, Camera, Action!

A look at how one retailer helped launch a Netflix show – and partnered with a mainstream company.

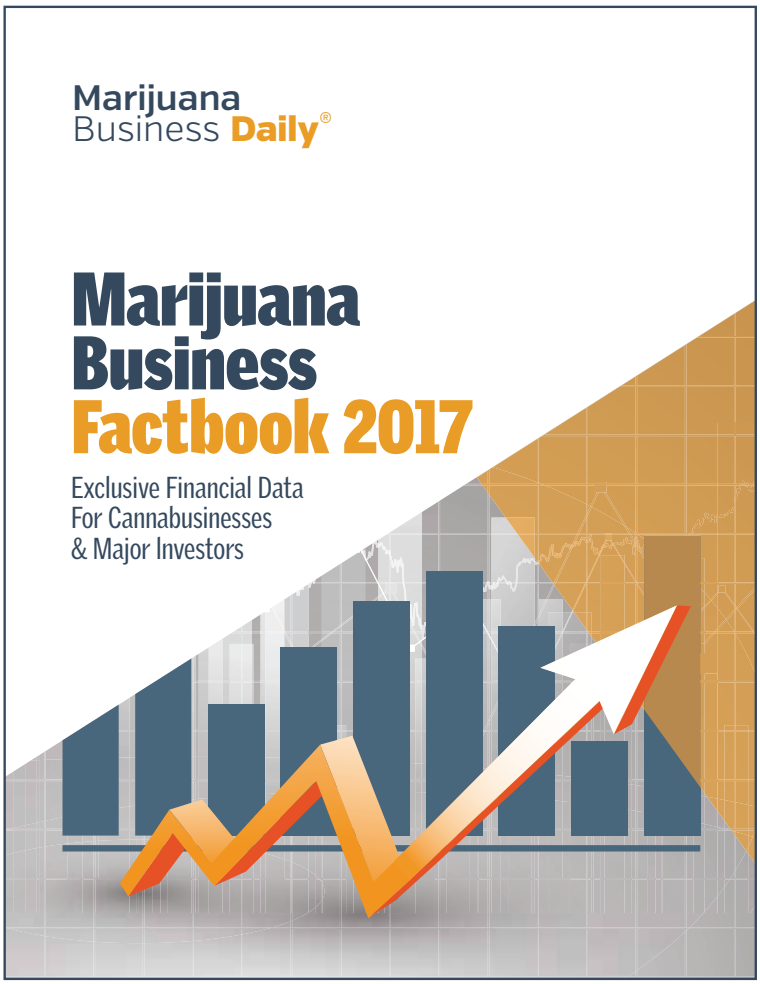
82 Ancillary Business Strategies: Branching Out

A pioneering security company confronts the challenges of branching out to develop a trimming, drying and distribution business.

From the CEO's Desk 8
Cannabusiness By The Numbers 10
My Favorite Things 14
Five Questions with George Blankenship ... 16
Industry Developments 18
Trends and Hot Topics 34
Hire Learning 88
Company News 98
Movers & Shakers 104
Market at a Glance: New Jersey 109
Advertiser Index 110
Insightful Industry Observations 112

PRINT + PDF DOWNLOAD

Marijuana Business Factbook 2017



All-new research from the editors of Marijuana Business Daily

Order now at MJBizFactbook.com or call 401.354.7555 x1

2018 in the Windshield



Another year has come and gone for the cannabis industry, one full of developments that continued to cement the status of legalized marijuana markets as part of the future global economy.

California and Canada are well on their way to establishing marketplaces to serve consumers and medical patients at home and abroad with safe, legal cannabis products. Investors continue to enter the space, with greater confidence and larger checks. The M&A market is heating up. The first mainstream alcohol company has made a big play into cannabis. … Who will be next to move?

The industry is showing signs of increasing maturity in other ways. Data hacks, IP theft and executive disputes all grabbed headlines in 2017. The industry is looking in the mirror and seeing ways in which our issues are not so different from those affecting society at large, including diversity and sustainability. Once high-flying industry darlings face tough roads ahead to recapture market share. While these are unfortunate developments for the companies and individuals involved, in many ways they are necessary elements of a healthy business ecosystem that needs to constantly keep its eyes open both for threats and for opportunities.

As MJBizDaily enters 2018, I have my eyes open to all these continued market developments and how they affect my own business, as well as leading the team here to develop better business information services to help you understand these changes. Emerging markets, emerging technologies, emerging strategies and intelligent solutions will be the fuel that drives the future of the cannabis industry. We're specifically focused on what's next – hence the refocus of the annual spring conference to MJBizConNEXT. Check out all the details at https://mjbizcon.com/next and get registered now. Don't miss this chance to learn, connect and experience things that will help you effectively navigate your own business through this changing landscape.

There is a longstanding Chinese blessing/curse: "May you live in interesting times." Whatever you may say about the cannabis industry, for all its risks and hiccups, for all its ups and downs, this is the most interesting adventure I've ever had. And I'm glad all of you are here on this adventure with the team at MJBizDaily.

Wishing each of you happiness and prosperity in the new year,



Cassandra Farrington
President & CEO


Smart cultivation solutions rooted in experience.
POWER SOLUTIONS/COGENERATION
DESICCANT DEHUMIDIFICATION
FERTIGATION/WATER RECIRCULATION
ENERGY EFFICIENT LIGHTING
MOBILE PLANT TRANSPORT
CONSTRUCTION/INSTALLATION
ADVICE: PLANNING & DESIGN
HIGH PERFORMANCE SUBSTRATES
You know EnviroTech. But did you know our roots throughout the entire industry run especially deep? It's true. From design to fertigation to installation and beyond, our expertise knows no bounds.
Visit **envirotechcultivation.com** for answers to all your questions.
EnviroTech
CULTIVATION SOLUTIONS
Plants, People, Passion

Jackpot! A look at Nevada's soaring rec market

Nevada's recreational marijuana industry is off to a sizzling start.

After voters legalized adult-use cannabis in the 2016 election, Nevada regulators authorized an "early start" to the rec program that allowed licensed medical marijuana dispensaries to begin adult-use cannabis sales July 1. While a legal entanglement between the state and an alcohol wholesalers group over transportation rights complicated the program's early rollout, sales blew away initial projections.

Here's a closer look at the first two months of recreational cannabis sales in Nevada:

$60M

Total recreational marijuana sales during July and August, the first two months of Nevada's "early start" program

58

Number of dispensaries licensed to sell adult-use marijuana in Nevada – in other words, nearly all of the 60 licensed MMJ dispensaries throughout the state

$30M

Average monthly rec sales in Nevada – double the average monthly sales in Colorado two months after that state's adult-use program launched in early 2014

43M

Number of estimated visitors who visited Las Vegas in 2016, the seventh-highest among all cities in the United States

Sources: Nevada Department of Taxation, World Atlas

ÆssenseGrows

MASS SCALE CLONING

PERFECT CLONES EVERY TIME



With **Ætrium 2.1**

Freedom. Pest prevention. Immunity from supply shocks. Just a few of the many benefits from using the ***Ætrium 2.1*** cloning & vegging system. Generate 3000+ strong, rooted clones every 10 days in one fully contained unit. Eliminate pest introduction from the outside. Perfect and clone your own special strains and never pay for cuttings again.
No chains. Pure strains. Only from AEssenseGrows.

ÆssenseGrows

Visit AEssenseGrows.com



Investing & Finance Insight

Hadley Ford

Q&A with the Co-Founder and Managing Director of iAnthus Capital

Editor's note: Our new monthly Money Matters will examine cannabis investing, capital raises, financial management and other issues. It will feature a Q&A, news and a notable financial factoid.

Before co-founding iAnthus Capital Holdings in 2014, Hadley Ford spent 14 years on Wall Street with companies such as Goldman Sachs. That experience has been pivotal to the growth of iAnthus, a New York-based marijuana investment and operations company that trades on the Canadian Stock Exchange. The firm uses those proceeds to fund its U.S. operations. It owns marijuana grow and retail companies in five states – Colorado, New Mexico, Massachusetts, New York and Vermont – plus a 6% stake in a Florida medical cannabis business.



What is the best cannabis investment you've made?

I could say the best option that we bought is Vermont, because we paid several million dollars, and that state's likely to go full rec and we'll have one of five licenses in a $100 million market. But it hasn't gone full rec yet. And if it never goes full rec, it wasn't a great investment.

What is the biggest cannabis investment mistake you've made, and what lesson did you learn?

Our worst investment was in Colorado. But that has nothing to do with the investment but rather the regulatory oversight and the fact that Colorado regulators don't allow for outright ownership of a license. So, we've had to do unbelievably convoluted things to put capital to work in Colorado because we can't own a license.

As compelling as Colorado is and as compelling as it would be to put lots of money to work there, we did an initial small investment hoping that the structure we had used would be approved by regulators. We did that a year ago, and it still hasn't been approved. The lesson learned from that worst case is that some guy you never heard of, who's not an elected official, who just wakes up on the wrong side of bed, can make your life miserable.

What is the best investing tip you can share?

The best thing we've done is buy cash registers – to buy licenses. Our best investment is that any time somebody is going to buy medical or recreational cannabis in the United States, we want our investors to benefit from that. Our best investment is in a license to sell cannabis in an oligopoly state, a state with a restricted number of licenses.

What is your top goal for the coming year?

We would like to show revenue in Massachusetts and revenue in New York. We'd like to look like a real operating company. Right now we look like a collection of opportunities. A year from now, I'd like to be saying, "Same-store growth quarter over quarter was X, and we've opened four new stores in these counties." I want our earnings calls to sound like Starbucks or Dunkin' Donuts.

Your company has raised about $55 million to date. How have you spent that capital?

We've spent the most money in Massachusetts and the second most in Colorado, followed by New Mexico, Vermont, Florida and New York. ◆

Big Hits

MedMen Seeks $250 Million Fund

MedMen, based in Los Angeles, aims to raise $250 million to invest in cannabis businesses in California, Nevada and New York. The marijuana management and investment firm's new fund, MedMen Opportunity Fund II, will target plant-touching companies, including retailers and growers. If successful, it would be the biggest raise in the cannabis industry to date.

Poseidon Launches $150 Million Fund

Poseidon Asset Management – a San Francisco investment company focused on the cannabis industry – has launched a second fund with the goal of raising $100 million-$150 million. If successful, the investment fund would be one of the marijuana industry's largest.

LeafLink Lands $10 Million

LeafLink, an online inventory and ordering platform for marijuana businesses, raised $10 million in Series A funding. Nosara Capital, a London venture capital firm, led the round. The funding follows a $3 million raise in April led by Lerer Hippeau Ventures, which invested in the popular news website Buzzfeed.

Aurora Gets Busy

Aurora Cannabis has arranged a private placement of its securities to raise $80 million (CA$100 million), giving the Alberta, Canada, marijuana producer a cash cushion totaling more than $268 million. The cash-rich company has been steamrolling ahead with aggressive domestic and international expansion plans.

Hydropothecary Strikes Deal to Raise $50 million

Hydropothecary, a licensed marijuana producer in Quebec, Canada, has reached a deal to raise at least $50 million (CA$60 million) that it plans to put toward working capital and general corporate purposes. Under the so-called bought deal transaction, a group of underwriters has agreed to purchase 60,000 units of Hydropothecary convertible debentures. The convertible debentures can be turned into stock.

Number of Note: $1.8 billion

Capital raises in the global cannabis industry reached a whopping $1.8 billion in the first three quarters of 2017, up from $720 million a year ago, according to Viridian Capital Advisors' Cannabis Deal Tracker. The raises are a compilation of deals brokered by 164 public companies and 105 private ones, with an average raise of $6.7 million. ◆

– Omar Sacirbey

MY FAVORITE THINGS

Each month we survey a group of marijuana industry executives, asking them to name a favorite item – such as a trimmer, extraction technology or edibles ingredient. We welcome your suggestions for topics. Email us at editorial@mjbizdaily.com.

This month we've asked five cultivators to share their favorite lighting technology:



PRISCILLA VILCHIS *CEO, Premium Produce*

Las Vegas | Pick: Gavita Pro 1000

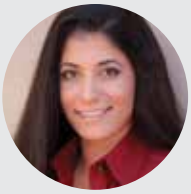
We prefer Gavita Pro 1000 variable grow lights. These have a dial that allows us to adjust wattage easily, save energy and reduce our company's carbon footprint. The bulbs are easily replaceable, inexpensive and environmentally disposable. The reason the choice of growing lights is so important for us is because of the impact lights can have on the environment, and in the long term these lights provide a great return on investment. Being able to reduce our electricity use also supports further scaling of our grow operations.



KYLE KUSHMAN *Grower*

Los Angeles | Pick: SolisTek A1+

The new SolisTek A1+ comes with all the features common in the industry, like 120/240 volt and metal halide/HPS compatible. It also has "smart start" to protect circuitry and six different usable wattage settings. But this all-in-one, double-ended fixture makes great use of the best feature to come along in ballast technology since digitals. You can control up to 300 lights on two independent light cycles. Their software allows simple commands to simulate sunrise and/or sunset, with the brightness and timing chosen by you. Up to 25 temperature sensors per room can dim or turn lights off in case of unforeseen heat rise. Link up by downloading the app for use on any Android PDA. It's very easy to set up and use. The interface is simple, giving you access to functionality which can help maximize growth potential, protect against crop failures and enhance ripening.



LILACH MAZOR POWER *Founder and managing director, Giving Tree Wellness Center*

Phoenix | Pick: Gavita Pro 1000

We use a Gavita Pro 1000 light in our grow. It's been an amazing change. We have had four different generations of lights. It mimics the sunlight and the sunset. If there's any change in temperature it will lower the watts so it won't get too hot in the room. All those little things have made a big difference for us.



JOHN CACHAT *CEO, CCV Research*

Sheffield Village, Ohio | Pick: Solatube SkyVault

Solatube SkyVault (natural lighting skylight). Why? Full spectrum, natural sunlight is free and improves diversity and concentrations of cannabinoids and terpenes.



CASEY O'NEILL *Co-operator, Happy Day Farms*

Mendocino County, California | Pick: The Sun

The sun. It's free. No fossil fuels are required. It's sustainable and always on time.

– Bart Schaneman

FREE YOURSELF - FROM - CASH

with PayQwick™

"The PayPal® of Pot" - Forbes Magazine



- Business-to-Business Electronic Payment Hub for the Cannabis Industry
- Merchant Services Utilizing VISA MasterCard
- eCommerce Payment Gateway for Cannabis Exchanges and Delivery Services
- Process Payroll Through PayQwick
- Make Excise Tax Payments with PayQwick
- Web Based Interface + Mobile App

PayQwick.com

1-888-PAY-QWICK

Visa® and MasterCard® are registered trademarks of Visa International Service Association and MasterCard International Incorporated, respectively. Use of the trademarks by PayQwick, such as the use of them on this advertisement, does not imply any affiliation with or endorsement by Visa International Service Association or MasterCard International Incorporate

Building Credibility to Succeed in the Long Term

Five Questions with George Blankenship, Former Tesla, Apple and Gap Executive

by Kristen Nichols

Steve Jobs was so impressed by George Blankenship that he hired him to develop a line of retail stores for Apple. Tesla's Elon Musk did the same.

A pioneer in innovative retail strategy, Blankenship is heralded for creating the immensely successful Apple Store concept and for helping make Tesla a household name by developing innovative showrooms and flawless customer service – versus the heavy advertising and sponsorship spending used by most automobile manufacturers. Blankenship was a keynote speaker at the annual MJBizCon in Las Vegas in November.

In an interview with Marijuana Business Magazine, Blankenship discussed the future of the marijuana industry. He touched on the sector's current "image issue" and spelled out steps marijuana retailers and other businesses can take to succeed in the long term.

What are your initial impressions of the marijuana industry – what do you think it's doing well from a business standpoint, where do you think it's falling short?

The marijuana industry has a bit of an image issue, given the various ways the business could be pursued. A lot of people have long-standing perceptions of the industry, going back to the "Summer of Love" 50 years ago.

The marijuana industry has this perception issue and an education shortfall as to what marijuana could actually be used for. You don't have to do a whole lot of research to understand the potential benefits. But which direction is it going to go – as a way to get high, or a way to treat things like glaucoma, all these other conditions? As the population ages, there's a lot of different ways the industry could go.

In which direction do you see the most business potential?

I think there could be a lot of business done in just selling marijuana to people who want to take marijuana home and use it to get high. That could be a very successful business venture.

But I do think that somewhere down the way someone is going to nail how to communicate in a professional way the truly medical benefits that can be derived from cannabis. And we'll get over this stigma. And that's when we'll see this industry take off. Somebody is going to figure out how to do that.



You've held executive roles at some of the biggest brands in the world. What advice can you give on this front to the marijuana industry, where branding is just starting to professionalize?

There has to be some demonstration of credibility. If you're walking around a neighborhood and you see green flags waving and doctors inviting you to come on in to get marijuana, that is not demonstrating credibility. There's a professionalism that has to surround it, and you have to communicate without sounding like you have an ulterior motive to sell something. And have a serious way of going about that.

It's really about demonstrating credibility by establishing which direction you're going to go – medical or recreational – and then creating messaging around it that suits the particular customer you're going after.

Tesla and Apple stores are known for making technology a centerpiece of the customer experience. What role do you think technology should or shouldn't play in a retail cannabis store? Are touchscreens helpful, or is it more important to focus on person-to-person interaction?

When we first started opening Tesla stores, most people didn't know what a Tesla was. So we used technology to explain it to them, on a touchscreen to answer those questions. The marijuana business can use it the same way.

In order for the marijuana industry to thrive going forward, it's probably going to want to recruit more customers. It's going to want more customers than it already has. And if you're going to do that, you're going to have people coming in who don't have a lot of information. They're going to be wanting information.

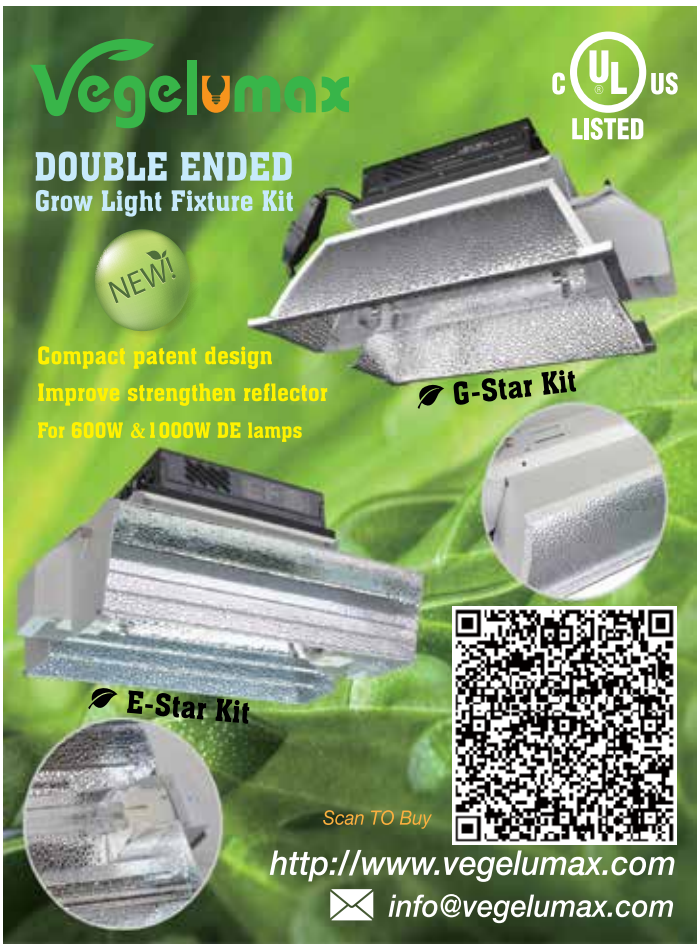
What better way to do that than use technology? It builds that credibility. It tells the same story to everyone coming in. It's not just Smokin' Joe over in the corner, and if you come in with this question, he has this answer, and the next guy, there's a different answer.

It's a standardized set of information that you can also have on a website, so you can go home and look on a website and get that exact same information. That starts to bring you around to having trust and confidence in that store and that brand. There's a consistent story that looks professional.

Once your marijuana brand has established credibility, how do you build a customer relationship? Many marijuana businesses are banned by law from tracking consumer purchases, or don't want to alienate customers who may be skittish because marijuana is federally illegal.

The key is you don't have a selling motion. You don't tell people what you want them to know about a car so that they buy a car. You don't tell them what you want them to know about technology so they buy a computer. You let them discover what it is they want to know, and that is different than trying to close a sale.

They're getting information and getting to know the company and not feeling out of place. So if you create that kind of environment, where people gain information at their pace, it will work. You don't need to get their email to put on a mailing list. Customers will seek you out. ◆



What's Happening:

National & International News Developments

Sessions Confirms Status Quo on Marijuana Policy – for Now

Despite Attorney General Jeff Sessions' decidedly anti-marijuana statements since he took over the U.S. Department of Justice, it appears cannabis businesses are safe from his agency for the time being.

Asked during a congressional committee hearing about the DOJ's policy on the marijuana industry, Sessions replied:

"Our policy is the same really, fundamentally, as the [Obama] policy, which is that the federal law remains in effect and a state can legalize marijuana for its law enforcement purposes, but it still remains illegal with regard to federal purposes."

In other words, Sessions hasn't yet decided to tear up the 2013 Cole Memo, which was issued by the Obama administration and laid the groundwork for the current U.S. recreational marijuana industry.


Justin Trudeau

Canada's Marijuana Legalization Bill Clears Major Hurdle, Heads to Senate

Canada's House of Commons gave final approval to legislation legalizing recreational cannabis, sending the measure to the Senate for its consideration.

Prime Minister Justin Trudeau's government compromised on key parts of the legislation, ditching a rule that limited home plants to under 39 inches and requiring legislation for marijuana edibles and concentrates be brought forward within a year.

The bill faces a potentially rough ride in the unelected Senate, where members appointed by liberal and conservative prime ministers have openly mulled whether the July 1 deadline to legalize recreational marijuana is attainable.

Senators have the ability to hold up and revise legislation but rarely reject it.

Report: International Cannabis Market Will Surpass $31 Billion

The international legal marijuana market will reach $31.4 billion by 2021, according to a study by the Brightfield Group, a cannabis market research firm.

It came on the heels of another major international cannabis report released this past fall.

In the earlier report, London-based Prohibition Partners published its own research estimating that Europe's medical and recreational markets could combine for close to $67 billion in a few years.

The Brightfield study estimates that the global market is currently worth $7.7 billion but will see a compound annual growth rate of 60% as more nations launch legalized medical and recreational programs.

The United States is now responsible for 90% of global cannabis sales, but that market share will plummet by more than a third, to 57% by 2021, according to Brightfield's report.



Call Us When You Fail. Or better yet, when you're planning to succeed.

Increasingly growers and indoor farmers are telling us the air conditioners and dehumidifiers they have been using are not giving them the control of space conditions they need.

Desert Aire's GrowAire™ Solutions integrate the control of temperature and relative humidity. This eliminates the need to purchase separate air conditioning and dehumidification equipment. In addition to providing precise indoor climate management that boosts yields and crop traits, this leads to annual energy savings of approximately 30%.

So if you're planning for your grow room and indoor farm to succeed, please contact us at ***Desert-Aire.com/Succeed***. Email ***Info@Desert-Aire.com***. Or call us at ***262.946.7400***.

Let's have a conversation here:

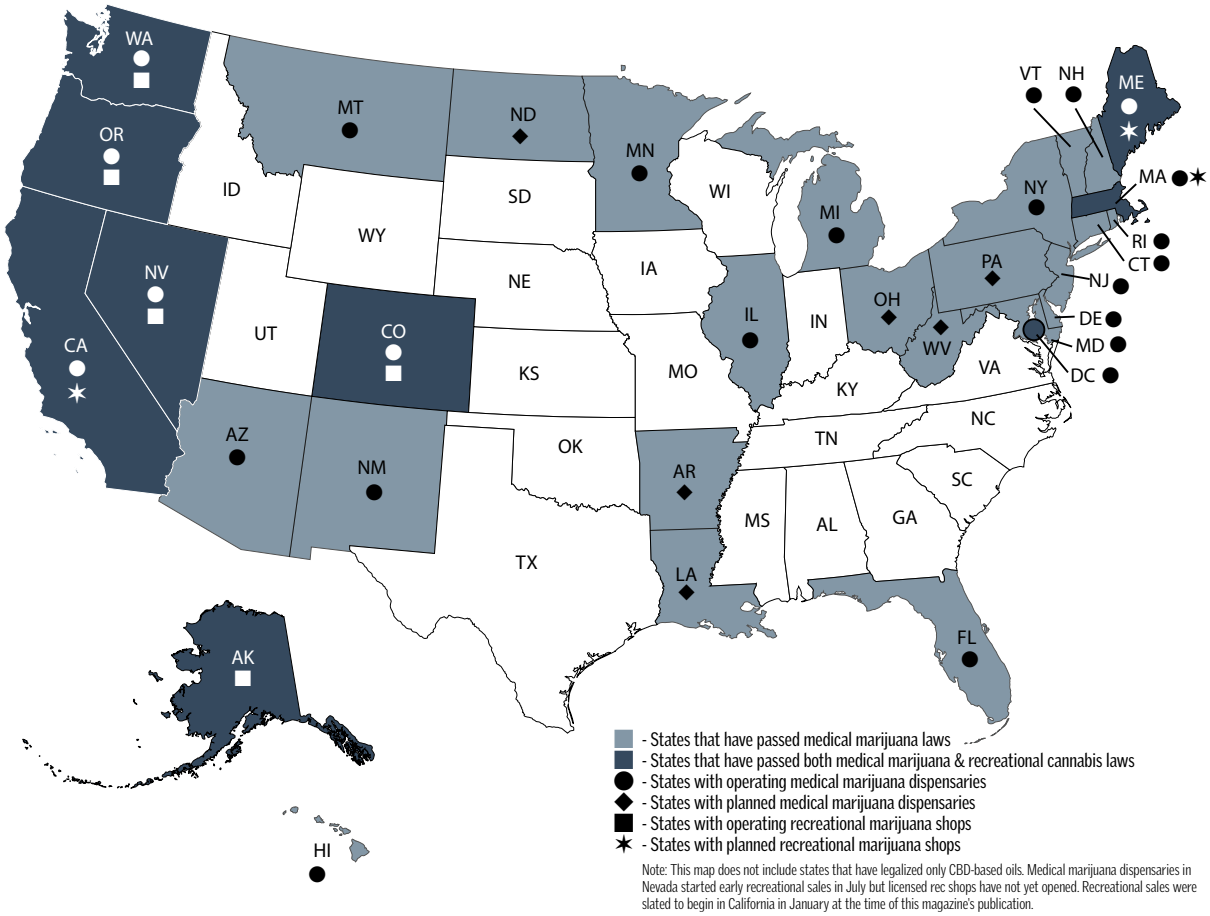
- ***2018 AHR Expo, January 22-24, Chicago, Booth #2549***
- ***CannaCon Seattle Expo, February 15-17, 2018, Booth #538***
- ***Cannabis 2018 Cultivation Conference, March 12-14, Oakland, Booth #700***

DESERT AIRE
Est. 1978
Celebrating 40 Years

a subsidiary of MULTISTACK



State News Developments



© 2017 *Marijuana Business Daily*, a division of Anne Holland Ventures, Inc. All rights reserved.

Data is current as of 12/17/2017



Alaska

A committee will look at issues surrounding the testing of marijuana products amid inconsistency in potency results from Alaska's two labs, the state's top marijuana regulator said. However, Erika McConnell, director of the Alcohol and Marijuana Control Office, couldn't estimate how long that process might take. During a recent Marijuana Control Board meeting, McConnell recommended a review of testing regulations and cited, among other reasons, evidence of "significant deviation" in potency-testing results of the same product by Canntest and Steep Hill Alaska.



Arizona

A local attorney filed a lawsuit asking the state's Court of Appeals to decide whether the $150 patient card fee is legal, a move that could affect Arizona's medical marijuana market. Lawyer Sean Berberian claims the $150 fee is unnecessarily high because it generates more than enough revenue to cover the cost of running the program. After administrative costs, those fees have generated $38 million since 2011 for the Arizona Health Department.

WHOLESALE GREENLANE EXCLUSIVE

WORLD'S FIRST EVER DUAL-CHAMBER VAPORIZER

II

DOUBLE BARREL



PROCEED WITH CAUTION

greenlane

WHOLESALE ORDERS CALL
877.292.7660 | GNLN.COM



California

Regulators released long-awaited rules that will govern the state's emerging cannabis sector from fields to sales. Initially, the state will issue only temporary licenses to growers and retailers, provided they have a local permit to open for business. Other changes appeared significant: Preliminary information from the state indicated a maximum 1-acre cap would be set on most cultivators. In what would be a major shift, the regulations did not include that language, placing limits on only certain growers' licenses.



Colorado

Federal drug authorities sent another round of warning letters to CBD producers about making health claims. The recipients included CW Hemp, the Colorado Springs company that supplies the popular Charlotte's Web medicine for intractable epilepsy. The Food and Drug Administration sent four warning letters to two Colorado companies – CW Hemp and Pueblo-based That's Natural! Marketing & Consulting – as well as to Greenroads Health of Pembroke Pines, Florida, and Natural Alchemist of El Dorado Hills, California.

PACKAGE MORE IN LESS TIME

Weigh, fill, wrap or bag!











SWIFTY BAGGER FOR STAND UP POUCHES



CONTAINER FILLING



SLEEKWRAPPER FOR EDIBLES



WHOLESALE PACKAGING

PAXIOM | GROUP
LAS VEGAS – MIAMI – MONTREAL – TORONTO

702.450.0808
PACKINGCANNABIS.COM



Delaware

The state's oft-delayed medical marijuana program is experiencing another holdup. Columbia Care, a multi-state MMJ company headquartered in New York, has postponed by at least six months the opening of its facility in The First State. Columbia Care's facility was to be the third operating dispensary in Delaware. Because of zoning, permitting and construction delays, however, Columbia Care now isn't expected to begin sales in Delaware until spring 2018, said a spokeswoman for the state's health and social services department.



Florida

In an effort to get medical marijuana to consumers more quickly, the health department has awarded a third-party contract to produce the state's MMJ identification cards. Regulators have fallen behind because of a flood of MMJ registrations over the past several months. The $7.9 million contract went to Jacksonville-based Veritec Solutions, a subsidiary of Intuition. Under the contract – which will be paid over a five-year period – Veritec will collect $4.19 per registry identification card for the first 199,999 cards it produces annually.

INTRODUCING
THE
BUD
GOBLET™



Available Base Colors

Hybrid

Indica

Sativa

Frosted

Available February 2018!

Now Taking Pre-Orders

Bud Bar DISPLAYS
Commercial Fixtures

The Way Cannabis Is Sold.

BudBarDisplays.com

916 - 858 - 2000



Indiana

Gov. Eric Holcomb told retailers they have 60 days to take CBD products off their shelves, but he also said state legislators could craft a new law allowing CBD sales. The governor's mixed messages come as the Hoosier State tries to make sense of conflicting policies regarding nonintoxicating cannabidiol. Indiana allows the use of CBD oil to treat epilepsy, but it also bans the sale and production of CBD. The confusion got worse after Indiana Attorney General Curtis Hill said CBD products are illegal to sell or possess.



Maine

Marijuana businesses hoping to serve Maine's recreational cannabis market will probably have to wait until 2019 and possibly longer depending on how the state's gubernatorial race shakes out this year. Standing in the way is Gov. Paul LePage. The Republican appears to have the will and the means to undermine the state's adult-use marijuana program, which he demonstrated by vetoing a lawmaker-approved bill to implement recreational cannabis. Officials must go back to the drawing board and create a new implementation and regulatory framework for Maine's recreational marijuana industry.

nextec

sage | Authorized Partner

CannaBusiness Technology

Track it all from seed to sale

- Manage operations, finance and accounting in one system
- Connect directly to state regulatory systems
- Track products automatically with RFID
- Reduce labor costs
- Runs in the cloud

Visit our website:
nextecgroup.com/cannabis



Michigan

A campaign to legalize recreational cannabis submitted signatures to state officials in the hopes of qualifying for the 2018 ballot. The Coalition to Regulate Marijuana Like Alcohol turned in more than 360,000 signatures to the secretary of state's office, well over the 252,523 necessary to make the ballot, campaign officials said. The coalition also announced the support of the National Cannabis Industry Association. The coalition already includes the Marijuana Policy Project, Drug Policy Alliance and several other state and national organizations.



Montana

Regulators proposed a slew of updated rules for medical cannabis companies. The proposed rules deliver more clarity to those looking to participate in the state's MMJ industry. The wide-ranging proposal covers license fees and an inventory track-and-trace system. It also cites contaminants for which MMJ will be tested. For instance, "four types of heavy metals, 15 solvents and 59 pesticides" were identified. The rules are expected to take effect April 30 at the latest.



COOL CLEAN TECHNOLOGIES
INDUSTRIAL CO2 EXTRACTION PROCESS:

- SIMPLE LOADING & UNLOADING
- MINIMAL MAINTENANCE
- AUTOMATIC DISPENSING OF EXTRACT
- AUTOMATED "PUSH BUTTON" OPERATION
- RECYCLES 99% OF CO2 PER RUN
- FDA APPROVED TECHNOLOGY
- EASY CLEANUP
- LESS POST PROCESSING
- NO BIOMASS DRYING
- REMOTE MONITORING
- SMALL FOOTPRINT
- RETAINS TERPENES

PRODUCES PURER OIL WITH BETTER TASTE & SMELL, MINIMAL WAX, AND LESS WATER & PARTICULATE!!

COOL CLEAN TECHNOLOGIES, LLC
MAKING MACHINES FOR OVER 20 YEARS!!

HEADQUARTERS
EAGAN, MN

WEST COAST OFFICE
TEMECULA, CA

CONTACT US FOR EQUIPMENT INFO AT 651-842-8600 & SALES@COOLCLEAN.COM



Nevada

The state Tax Commission extended the emergency regulations that allow recreational marijuana sales to continue by another 120 days. The rules were scheduled to expire Nov. 1. The emergency rules were originally enacted to enable an "early rollout" of the rec program – beginning July 1 – while the legislature finalized regulations for a full adult-use industry. Lawmakers must still approve the rules.



New Jersey

The momentum to legalize recreational cannabis continues to grow. Adding fuel to speculation that New Jersey could be the next state to legalize recreational marijuana, incoming governor Phil Murphy has selected Pete Cammarano as his chief of staff. Cammarano founded the New Jersey Cannabis Industry Association – which campaigns for adult-use legalization in the Garden State – last year. Murphy pledged while running for office that he would legalize rec cannabis, possibly within his first 100 days in office.

CANNAMAV

LABELS & PACKAGING

SEE US AT CANNACON IN SEATTLE
FEBRUARY 15TH-17TH, BOOTH #535

- MEETING ALL YOUR LABEL NEEDS
- FAST TURNAROUND
- INSTANT ONLINE PRICING
- ANY TYPE – SHAPE – SIZE

800 537-8816

www.CannaMav.com/mb6

A Division of MaverickLabel.com





New Mexico

University of New Mexico researchers say the legal availability of medical marijuana has the potential to reduce opioid use among chronic pain patients. The work of associate psychology professor Jacob Miguel Vigil and assistant economics professor Sarah See Stith was published in the journal PLOS ONE. The results indicate a strong correlation between enrollment in New Mexico's medical marijuana program and cessation or reduction of opioid use. Vigil says informal surveys showed a significant proportion of patients substituted their opioid prescriptions with cannabis.



New York

Gov. Andrew Cuomo signed legislation to add post-traumatic stress disorder to the list of conditions that can legally be treated with medical marijuana in the state. The move opens another sales avenue for the state's MMJ businesses, which have been stymied by restrictive regulations. The Democratic governor said 19,000 New Yorkers with PTSD could be helped by medical marijuana, including veterans, police officers and survivors of domestic violence, crime and accidents.

You're a Professional. **Trim like one.**



With daily complications and pressing timelines, uptime is crucial to your harvest. Twister Trimmers are meticulously designed to give you the quality, speed and reliability you need to make this the best harvest yet.

3 YEARS
Full 3 Year Warranty

+2 YEARS
Twister Edge Extended Care

12/7
Tech Support Open 12 Hours Daily

TWISTER BY KEIRTON

Trim WET or DRY

The T2 and T4 are the only trimmers on the planet that can trim both.

Higher speed, Better quality

Get a 20% boost in speed and better quality control with a conveyor and multi-machine setup.

LEARN MORE AT
TWISTERTRIMMER.COM
Need a hand? Give us a call.
1.888.254.3204



North Dakota

The health department accepted requests for proposals for a traceability system to help monitor the state's impending medical marijuana program. Companies had until Dec. 27 to submit their RFPs. North Dakota voters approved an MMJ program in November 2016, and state lawmakers earlier this year crafted regulations that the governor approved in April. Medical cannabis sales aren't expected to begin for another year.



Ohio

Regulators were sorting through 370 applications for business licenses to open medical cannabis dispensaries. Now that the deadline for applications has passed, the state's Board of Pharmacy must find the best candidates. Ohio planned to award up to 60 dispensary licenses statewide, but no applications were received for two geographic districts that accounted for three of the permits. Dispensaries can sell oil, patches, edibles, flower and other approved medical cannabis products.



Oregon

A lawsuit to halt a planned marijuana cultivation site because of potentially detrimental cannabis smells will continue. Yamhill County Judge John Collins denied a motion to dismiss Momtazi Family vineyard's complaint that marijuana odors would damage wine grapes with "foul-smelling particles." Prospective cannabis cultivators Steven, Mary and Richard Wagner had asked the judge to throw out the lawsuit because there was no evidence odors would cross property lines and the planned marijuana operation wasn't yet definite. The case could be a precursor to similar legal moves.



Rhode Island

At least one of the state's three medical cannabis dispensary chiefs is afraid the launch of the Massachusetts recreational market will be the death of his business. Seth Bock – the CEO of Greenleaf Compassionate Care Center in Portsmouth – told a Rhode Island legislative committee that unless officials make changes to the MMJ program, he believes many of the roughly 19,000 registered patients will opt to shop across state lines instead of renewing their medical cards. Bock told the panel that many Rhode Island MMJ patients may take the attitude of "saying you know what, I don't want my name on a list."



Washington state

The majority of licensed cannabis businesses have turned to BioTrackTHC's Universal Cannabis System as a stopgap measure while the industry operates without a state-sanctioned seed-to-sale framework. Florida-based BioTrackTHC's seed-to-sale contract expired Oct. 31, and the state's new provider – Denver-based MJ Freeway's Leaf Data Systems – isn't expected to go online until January at the earliest. In the meantime, BioTrackTHC developed a workaround that's essentially a clone of the seed-to-sale system it previously provided to Washington.

– Roger Fillion

Note: Entries sourced from Marijuana Business Daily and other international, national and local news outlets. These developments occurred before this magazine's December publication deadline, so some situations may have changed.

CLONEX®

CLONEX PROPAGATION SYSTEM

1 DIP



CLONEX
ROOTING GEL

2 MIST



CLONEX
MIST

3 DUST



CLONEX
ROOT MAXIMIZER

4 FEED



CLONEX
CLONE SOLUTION

ROOTED IN RESULTS

HDI™
HYDRODYNAMICS INTERNATIONAL

Best-in-Glass

From custom molded lids, to electroplated decaling, we can help you create the right look, at the right price for your target audience. We know how to make just about anything.




pollen gear™
ASTM CERTIFIED
CHILD RESISTANT
salve
tincture
sprayer
flower
concentrate
edibles
rollerball
Exclusively distributed by Greenlane Dispensary Services. Call 877-916-0480 to order.

Cash Crop?

Why 2018 could see the hemp market soar ... or fizzle

by Kristen Nichols



Kristen Nichols

It's going away. Or maybe it's taking over the world. When it comes to hemp, the plant's tantalizing potential is a huge mystery. And 2018 is going to see many clues to the mystery fall into place.

That's a big reason Marijuana Business Magazine is dramatically ramping up its coverage of the hemp industry – to keep you abreast of what to watch in this emerging market. And you can start with this column for a monthly take on where the hemp industry is headed.

How hot is hemp right now? The hemp-derived CBD market is projected to balloon to $1.65 billion by 2021. That's an increase of more than 400% in just four years, according to cannabis market analysis firm Brightfield Group.

And that doesn't count hemp's non-CBD uses. We're talking building materials. Automotive components. Food toppings (hemp seeds on yogurt, anyone?). One Denver entrepreneur is even planning to start making snowboards from hemp in 2018.

You can see why so many businesses are jumping on the hemp bandwagon, and why states are jockeying to attract more hemp farmers and processors. But there are developments brewing in Washington DC that you'll want to watch if you're in the hemp business or considering getting into it.

> **"Expect intense lobbying by rival hemp producers and states to see their priorities written into law."**

Enter the Farm Bill

I'm talking about the Farm Bill, a periodic update to the nation's agricultural laws, including farmer subsidies and government spending on this crop or that. It's a routine piece of sausage-making that seems boring, unless you consider how it could make or break America's place in the global hemp market.

The 2014 Farm Bill created the modern U.S. hemp industry, because it ended decades of federal prohibitions on growing the plant. More than half the states – 30-plus – have created hemp programs since 2014, each hoping to give its farmers a new revenue stream and a piece of this huge new market.

But the 2014 Farm Bill left holes a mile wide, and that's why the 2018 version is so important for hemp pioneers to watch. Expect intense lobbying by rival hemp producers and states to see their priorities written into law. Four potential changes to keep an eye out for

1. **Extract Clarity:** The 2014 law didn't tell states how the hemp plant could be used. Some states limit hemp production to seed and fiber – aka the "soap-and-rope" model. Others permit farmers to grow hemp for the emerging market for CBD extraction. CBD has proved to be far more lucrative



for growers than seed and fiber. So the hemp industry is pushing for extraction to be expressly permitted in all states. Agronomists say that three high-CBD hemp plants destined for extraction can produce as much profit as a whole acre of corn. And giving hemp growers permission to extract CBD in any state – via the 2018 Farm Bill – could unleash thousands more acres for hemp-based CBD production and change market dynamics for all.

2. **Water Help:** Expect Congress to look at including water rights in the 2018 Farm Bill. The 2014 version applied only to agriculture officials, not other federal agencies that control watershed rights across much of the American West. The oversight led one Montana hemp farmer to lose her entire crop last year, when the U.S. Bureau of Reclamation said the Farm Bill didn't authorize it to allow her to access federal water. A group of western senators tried to solve the problem with a bill about hemp and water, but the attempt didn't work. Expect the water debate to resurface in the 2018 Farm Bill.

3. **Subsidy Guarantees:** There's no free market in American agriculture. The federal government uses farmer subsidies to control commodity prices for everything from wheat to rice to peanuts. Farm subsidies protect farmers from ruin in case of drought or flood, and farmers are therefore leery of endangering them. There's little talk of using farm subsidies to stabilize the hemp market. But expect farmers to push for language in the 2018 Farm Bill guaranteeing that they won't endanger other subsidy payments by devoting some of their land to hemp.

4. **Seed Action:** Sounds crazy, but the 2014 Farm Bill allowed states to import viable seeds from other countries, but not each other. That's right. A Vermonter can buy live hemp seed from Poland, but not from neighboring New York. Expect language in the 2018 Farm Bill to change that.

Stay Tuned

In short, the 2018 Farm Bill could change everything, opening the market to thousands more farmers and increasing competition. Some warn that hemp prices could bottom out if traditional farmers enter the market in greater numbers. As one economist grimly quipped last year at a hemp conference in Kentucky, "American farmers are so good, they can grow the money right out of anything."

Lucky for you, you've got Marijuana Business Magazine and *Marijuana Business Daily* watching every development that could impact the hemp industry, from new laws to business deals to notable market trends.

Which takes us to the $64,000 question: Is hemp going to change the world? We'll see. But no matter what happens, we've got you covered. ◆

Kristen Nichols covers hemp for Marijuana Business Magazine. She can be reached at kristenn@mjbizdaily.com.

New Jersey Rising?

The Garden State could become a marijuana hub if governor-elect Phil Murphy legalizes adult-use cannabis – as he promised to do


Phil Murphy

by John Schroyer

With November's election of Democrat Phil Murphy as New Jersey's next governor, the odds of the Garden State becoming the next to legalize adult-use cannabis practically went through the roof.

During last year's campaign, Murphy famously promised to legalize marijuana in his first 100 days in office. The state legislature – which is solidly Democratic – already has a potential bill lined up for him.

The measure may or may not be what ends up getting passed by lawmakers in 2018. Regardless, the big takeaway from Murphy's runaway victory is that New Jersey stands to become the first state in the nation to legalize recreational cannabis through a legislature – as opposed to the ballot box.

Lawmakers in many states have already passed medical marijuana legalization measures. Up until now, however, victories for recreational MJ have been achieved through popular vote, with activist groups taking their cases straight to voters instead of trying to finesse state lawmakers and governors. Elected officials, meanwhile, have been more cautious – despite activists having predicted for years that state legislators in Rhode Island and Vermont were poised to legalize adult use.

If rec in New Jersey does become a reality, it would be another milestone for the cannabis industry for three reasons:

1. The Domino Effect

Other state legislatures could potentially follow suit. Politicians of all stripes are often cautious to endorse risky causes that might backfire with voters. But if New Jersey lawmakers pave the way, it's possible other New England states could become emboldened and move ahead with rec legalization in 2018.

That's important. Only about half the states have a ballot measure process. The rest – including New Jersey and most of the eastern United States – must change laws through their legislatures. For that to happen with rec cannabis, state lawmakers would, in effect, have to opt into the marijuana industry.

2. East Coast Marijuana Hub

Depending on the legal framework, New Jersey could offer loads of business opportunities and potentially immense retail sales numbers – perhaps more than $1 billion a few years after the market launches – given its proximity to New York City and Philadelphia.

And if state lawmakers craft industry regulations with an eye toward competing with nearby Massachusetts, potentially through lower taxes or more retailers, New Jersey could become the biggest cannabis business hub east of the Mississippi River.

3. A New Brick in the Cannabis Wall

Rec legalization in New Jersey could be yet another brick in the wall being built by legal states to protect the industry from federal intervention by the Department of Justice and Attorney General Jeff Sessions.

The DOJ has not ripped up the Cole Memo or begun raiding state-licensed MJ businesses, at least not yet. One reason that hasn't happened is arguably because several states – including California, Colorado, Nevada and Washington – have made it clear to Sessions and the Trump administration that they would fight tooth and nail in court if the DOJ tried to interfere with their legal MJ programs. Murphy's election means those states would have another ally ready to go to the mat.

Questions Remain

To be sure, rec legalization by the New Jersey Legislature is not a certainty. If it does happen, a big question would be the type of industry lawmakers allow. Would it be an open market, for example, with every business license applicant receiving a permit as long as he or she meets certain criteria?

Such a system would be in line with what Alaska, California, Colorado and Oregon have implemented. By contrast, many medical cannabis states – including New Jersey – have specific license caps, allowing only a handful of growers, retailers and other plant-touching business types.

The bill on the table now in New Jersey leaves many such questions unanswered. It includes provisions that would give regulators the authority to decide whether to license only one retailer per county, or more than that. Lawmakers would have to iron out such details before they deliver a bill to Murphy's desk.

The earliest that would happen – since Murphy won't take office formally until mid-January – is probably February or March.

One Advocate's Viewpoint

One longtime New Jersey cannabis activist, Evan Nison, told Marijuana Business Magazine that he believes the legislature has long leaned toward an open market-style approach. He noted that one version of New Jersey's 2010 MMJ law originally was patterned after Colorado's program, which never had license caps.

But internal state political wrangling changed that, and New Jersey ended up allowing just six dispensaries for the entire state. [If rec passes, the biggest industry winners currently look to be New Jersey's six MMJ licensees, who would likely get first crack at adult-use business permits.]

Either way, New Jersey is poised to make a big splash in the MJ industry in coming years – assuming Murphy can deliver on his promise to legalize adult-use cannabis. From all current signs, it looks as if he will. ◆



Shanel Lindsay

President and founder of Ardent Cannabis, a Boston biotech firm that provides at-home decarboxylators



Executives should lead by example and with humility, so that should be at the top of your list.

Editor's note: Welcome to our new column, The Executive Page. Each month we'll ask a cannabis industry executive for business tips and advice, as well as insights from their own professional experiences.

What was your biggest business "aha" moment?

I've been a cannabis patient for more than 15 years to treat an ovarian cyst. I had always relied on at-home methods for creating medicine but knew they weren't really accurate and reliable. Testing these methods in the lab demonstrated just how imprecise they really were. That's when I realized I couldn't get the results I wanted using the options available. I knew then I had to create something that would.

What's your top tip when hiring for executive-level positions?

Have a clearly defined role and ideal candidate profile in mind when writing the job description. Map out what you expect from candidates and what "essentials" they must bring to the table. That said, don't get tunnel vision. Being a leader is about thinking outside the box, so there's nothing wrong with considering someone who doesn't fit your mold. Above all, look for people who aren't afraid to roll up their sleeves and get dirty. Executives should lead by example and with humility, so that should be at the top of your list.

What's your biggest lesson learned in the cannabis business?

Being naïve about how essential it is to have a plan B, C *and* D in this industry.

Best tip for staying on top of a fast-changing industry while also taking the role of a traditional executive?

Read as much as you can about the industry. I tell my new hires at Ardent that they should follow a number of different information sources and use a critical eye when reviewing cannabis news. Building business relationships with a diverse network of professionals within and outside the industry is also critical to success. In fact, it's the key to fully incorporating cannabis into the broader business landscape.

How do you know when to go it alone and when to work with others?

When I started Ardent, I had well thought-out one-, three-, five- and 10-year plans. No matter how many units we sell or new products we develop, I always refer back to those plans. If I see an opportunity to work with someone who will help both of us further our goals, and if I really believe in a person and the product they offer, I'm happy to work with them. That said, every decision and partnership is forged with our underlying goals in mind.

– Kristen Nichols

Are you a MASTER of your craft?

Schools & Tools

DUAL USE SYSTEM
RUN AND DONE IN MINUTES

Subzero Ethanol Extraction Filtration system

80 L, 160 L, 240 L Systems

-60° C Ethanol Extraction
3-5 Micron Filtration

Same system can be used for:
- Live Resin Extraction
- 300 PSI Rating
- 100% Propane Extraction (5x More Terpenes)

Shatter Perfect System

Paired with -80°c 30 L chiller

Short Paths



Three Phase Power Chillers Now Available!



-80°C / 30L
-30° / 30L
$19,999

10L -30°F	$4,690
30L -30°F	$6,990

60 Hz European Components

Rotary Evaporators
FASTEST RECOVERY RATE ON THE MARKET



5L	$4,200
20L	$8,999
50L	$12,000

For additional equipment see our online catalog

We match invoices!

Equipment sold separately or as a system.

Installation is available for first time users.

Equipment packages designed and installed with your production goals in mind.



SCHOOLSANDTOOLS.NET

206.890.1847

Education • Production Optimization • Laboratory & Facility Design • Engineering
I-502 Product Integration • Customized Product Lines • Production Diversification
Lab, Farm, & Kitchen Tenancies • Lab & Extraction Equipment • Equipment Design

R(evolution)²



$499

DEva - 1000W DE

- High efficiency through low frequency Silent Square wave technology runs cooler.
- Ushio Pro Plus bulb included in your choice of HPS or Metal Halide DE.
- Pick your voltage: 120/240/277v or the Industrial 347/480v.
- 3 Year warranty.
- Aerospace grade parts and design.
- 40% more usable, brighter light.
- Field repairable for zero downtime.

THE NEW CHOICE OF PROFESSIONALS



$299

RLC-1 CONTROLLER

All digital. <

Controls 512 lights in two zones. <

LEARN MORE AT
REVMICRO.COM



PREPARING *for the* WORST

Marijuana growers can tap crop insurance, other options to protect their plants against loss

by Margaret Jackson

The deadly wildfires that ravaged Northern California last fall torched more than 30 marijuana farms.

The devastation delivered a harsh reminder to the cannabis industry: Most growers lack crop insurance to protect themselves in the event of a major financial loss.

By contrast, mainstream farmers across the United States can insure their wheat, corn and other crops against natural disasters and tumbling farm prices thanks to Uncle Sam. Chalk it up to a government-run company, the Federal Crop Insurance Corp.

But federal crop insurance is not an option for cannabis cultivators, whether they're growing hemp or marijuana, because the plant remains illegal in the eyes of Uncle Sam.

Insurance, however, is arguably more important for cannabis businesses: They're not eligible for bankruptcy protection and often can't rely on traditional banking for a short-term loan if something goes horribly wrong. If there is a loss that's not covered by insurance, there may be no way to recover.

"If something were to happen, if there were a fire or a big theft, you're just in trouble," said Gerry Jones, managing partner of Cannabis Insurance Solutions, a brokerage in Littleton, Colorado, that provides insurance products to the cannabis industry. "It takes three months to regrow that crop, and the margins are really thin."

A handful of companies will cover marijuana and hemp growers through a form of crop insurance – provided the plants are cultivated indoors or are inside a facility when the loss occurs. A typical crop insurance policy costs from 1.5% to 1.8% of a business' total revenue.

But you need to pick your agent and policy carefully, and there are some other insurance products businesses can purchase to help when disaster strikes your crop.

Here are tips for how to safeguard your plants against loss.

EXECUTIVE SUMMARY

Marijuana growers can purchase crop insurance to protect their crops against loss. Below are tips for what to consider if you want to buy coverage:

- A form of crop insurance is available for cannabis growers – provided the plants are cultivated indoors or are inside a facility when the loss occurs.
- Find a good agent who is familiar with the details of the policy – and the cannabis industry – to make sure your business is compliant with its conditions.
- Read your policy's fine print so you know what the policy requires; conditions can include everything from how far the cameras are from the door to how long video recordings are kept.
- Don't expect a mainstream insurance company to insure your crops or business.
- Consider protecting your company with business interruption insurance in the event of a crop loss.

Many Growers Forego Insurance

Jones said most cannabis growers don't purchase crop insurance, largely because they're "focused on their core business and just want to get up and running."

In addition, those same growers are like many in fire-destroyed California, where much of the crop is cultivated outdoors – and so ineligible for crop insurance.

While many cannabis growers don't want to pay for crop insurance – reasoning that any claims would be denied – Jones said it's the cost of doing business. For starters, many outside investors in a company may insist on it. Also, the idea that insurance companies won't pay claims is wrong.

In 2015, for example, Cannabis Insurance Solutions paid a $106,000 claim to Cannabis Corp. after thieves used a crowbar to break into the Denver company's cultivation facility and swipe the crop.

More recently, California Insurance Commissioner Dave Jones gave Stockton-based Golden Bear Insurance Co. the green light to start writing policies and offering coverage for cannabis business owners.

Jones, in a statement this past fall, did not cite crop insurance. But the commissioner did say "investors, owners and operators of cannabis businesses all should have insurance coverage available to help them recover when something goes wrong just as any other legalized business does."

Find a Good Agent

A good agent is invaluable when seeking crop insurance. Even though Cannabis Corp. has such insurance and received a payout, it wasn't easy to get the underwriter to fund the claim. Cannabis Insurance Solutions jumped into the middle of the dispute and convinced the adjuster to pay the claim.

"Insurance adjusters are third-party companies that review the claim and match it to the contract language in the coverage to make sure the claim should be paid," said Jones of Cannabis Insurance Solutions.

"Cannabis is new to most of these folks, and they may have some preconceived idea about how operations in cannabis work. It came down to definitions around the type of crop and how the insured was curing the plants. It took some back and forth," he added. "We produced a document outlining the definitions, pictures and various processes to ultimately get the crop loss claim approved and fully paid."

That's why it's critical to work with a knowledgeable agent who understands the insurance industry and the cannabis business, said Cannabis Corp. CEO Jeff Mascio.

"Having a competent insurance agent is absolutely imperative," he noted.

Mascio said the insurance company and its agent both must be intimately familiar with the details of the policy and ensure the insured business is compliant with all the conditions spelled out. Mascio's own crop insurance policy runs hundreds of pages.



Gerry Jones, managing partner of Cannabis Insurance Solutions, a brokerage in Littleton, Colorado. *Photo courtesy of AmyJones Photography*

"If certain criteria were not met, they were not going to cover certain claims," he added. "The best thing to do is find a competent agency that's going to focus on all of the details and source all of the different options."

Read the Fine Print

The conditions contained in a policy can include everything from how far cameras are from the door to how long video recordings are kept. Other conditions are likely to revolve around security and sprinkler systems.

"Policies will require that central station alarms must be on and operational during nonbusiness hours for theft coverage to apply," said Patrick McManamon, founder and managing director of Cannasure Insurance Services, an insurance provider in Westlake, Ohio. "Or they will require that you have one to secure theft coverage."



Patrick McManamon, founder and managing director of Cannasure Insurance Services in Westlake, Ohio. *Photo courtesy of Thomas & Thomas Photography*

Ziel

Ensure regulatory compliance

Preserve potency and terpenes

Proprietary radio frequency technology

APEX ORGANIC PROCESS FOR MOLD AND YEAST REDUCTION

- Used by medium and large-scale cultivators to reduce mold and yeast
- Reduces mold and yeast to <10,000 cfu/g in one cycle with starting counts as high as 150,000 cfu/g
- Organic and chemical-free process that is non-toxic, non-ionizing, non-oxidizing
- Easy-to-use push button operation with pre-programmed processing formulation
- Process up to 100 lb/hr pre- or post-cure



ZIELCANNABIS.COM | +1 888 612 9895

Most insurers, he added, will provide a better property rate or discounts if the business has a sprinkler system in place, but they are not mandated.

Insure Plants From Seed to Sale

Cannabis Insurance Solutions, for its part, insures marijuana and hemp plants grown indoors during six different growth phases:

- Seed
- Seedling (clones)
- Vegetative
- Flowering (buds)
- Harvested, curing and drying
- Finished stock that's bagged, tagged and ready for sale

The insurer has policies for growers, dispensaries, extractors and manufacturers, as well as policies for plant-touching ancillary companies such as testing labs.

Because cannabis plants are tracked from seed to sale, it's easy to determine the amount of a loss.

"It's a set amount we work with the grower on," Jones said. "The further up the stage you go, the more valuable the plant becomes. The percentages are based on the wholesale value of the plant.

"That's important from an insurance perspective because it's tracked, so you know how much it's worth," Jones added. "The valuation of those plants grows the closer you get to it being harvested."

Pick Your Policy Carefully

Jones said he is troubled by the many insurance agents who sell products that cannabis businesses think will cover their crops. But, in reality, they won't. Traditional insurance companies, he said, will sell a cannabis business a policy without knowing what industry it's in – and the document will specifically exclude cannabis.

Though crop insurance is what it boils down to, Cannasure's McManamon said the term is a misnomer, largely because nobody insures cannabis that's grown outdoors.

"When you see the term crop insurance, it's really just property coverage for plants if there's a fire, theft or vandalism," said McManamon, whose company has about 1,000 customers, with Colorado companies making up 30%-40% of its business. More than half of Cannasure's customers grow marijuana indoors.

Cannasure assigns a value to the plants based on information its customers provide when filling out their applications. It generally costs $1 to $1.50 per $100 of insurable value to cover cannabis plants.

"We've covered theft and vandalism at cultivation facilities where they've destroyed the door and stolen the finished stock," McManamon said. "If they own the building, we insure the building just like any business."

That includes coverage for plants that were grown outside but moved indoors after being harvested. It also includes greenhouse structures.

"If a fire reached that location, it would be covered," McManamon said. "But if the crop is outdoors, there's no coverage. Winds, rain and fire can destroy it, and it's such a new industry that there's not any coverage there."

McManamon said it likely will be years before there's an insurance product that will cover outdoor crops.

That will come as little comfort to outdoor growers, particularly those devastated by fire in Northern California.

"A lot of people have spent the last year preparing for legalization and were relying on the harvest season to replenish their cash," said California grower Kyle Kushman. "Now they're destitute." ◆

OTHER OPTIONS

If crop insurance isn't an option, there are other avenues a grower can pursue.

Skepticism over whether an insurance company would actually pay for the loss of a crop led Tim Cullen, chief executive of Denver-based Colorado Harvest Company, to buy business interruption insurance instead of crop coverage.

If a crop is lost or the building is damaged, business interruption coverage provides a six-month Band-Aid that would enable Cullen to make payroll and keep his employees while the company isn't in production.

"Business interruption insurance lets me know that we'd still be able to get through that rough patch," he said.

"Our products are so much more expensive than a traditional agricultural model. Are they going to be excited about paying $2,000 a pound for the crop we lost? Probably not," Cullen noted. "There are a number of companies that still treat us like we're an illegal business. There's a long list of companies that won't work with marijuana companies."

Chris Driessen, president of Organa Brands – the parent of OpenVape, Bakked, Magic Buzz and District Edibles – said his company grows crops in nine states where it does business, but not in Colorado or California. The company grows the crops indoors, but it does not insure them against loss, which Driessen said can be prevented in most cases by good growing practices.

"Our experience has been that [insurance is] cost prohibitive," Driessen said. "And you shouldn't be losing indoor crops. It's almost always operator error."

– Margaret Jackson

GROWER'S CHOICE

It's the **RIGHT** Choice

HORTICULTURAL FIXTURE

GC-315 CERAMIC METAL HALIDE

GC-630NS CERAMIC METAL HALIDE





Intertek 5008543

STRONG · COMPACT · EFFICIENT

For more info visit: www.growersc.com

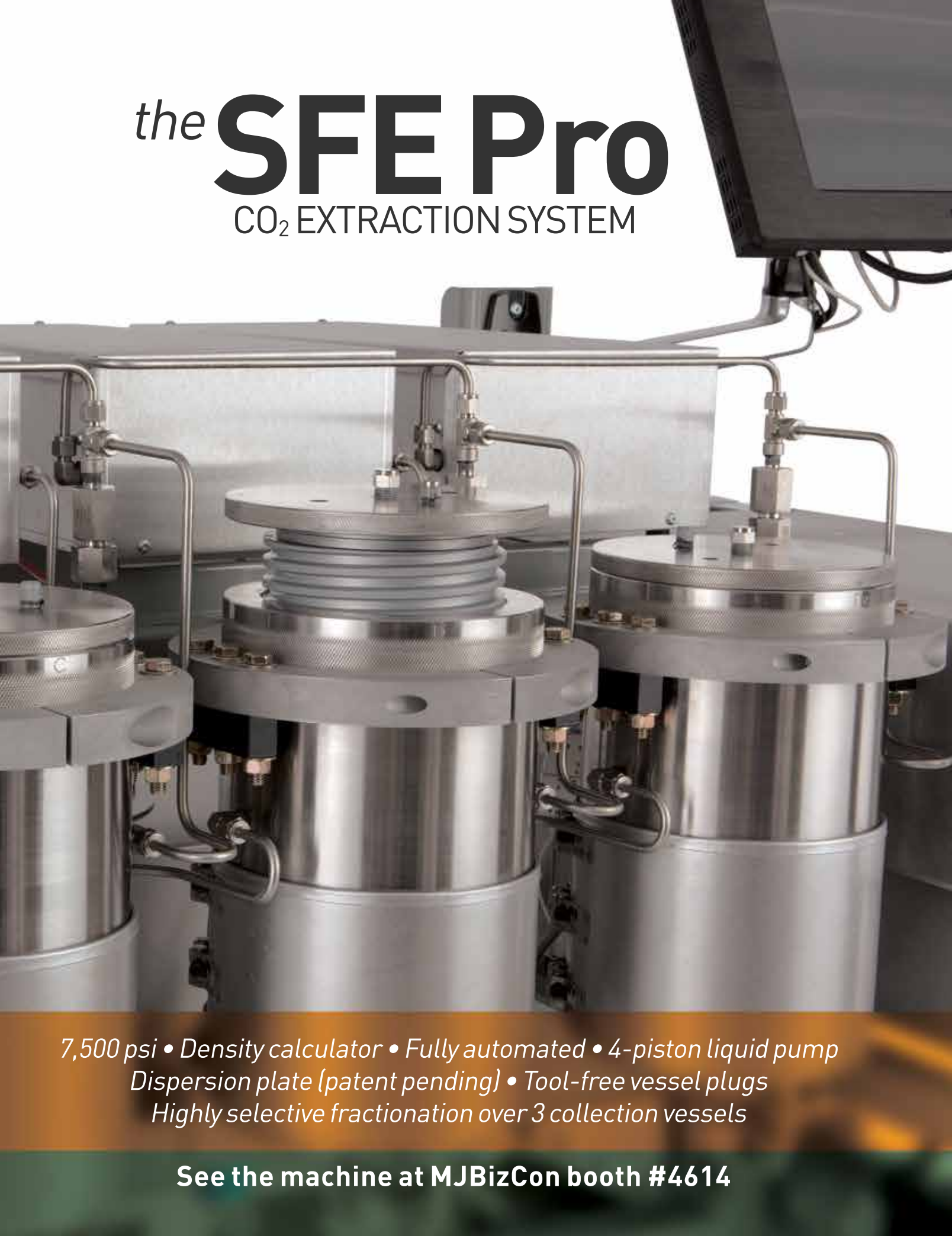
Beautifully designed.
Thoughtfully engineered.



GREEN MILL SUPERCRITICAL

"I'm your density."
— George McFly

GreenMillSupercritical.com


the SFE Pro
CO_2 EXTRACTION SYSTEM
7,500 psi • Density calculator • Fully automated • 4-piston liquid pump
Dispersion plate (patent pending) • Tool-free vessel plugs
Highly selective fractionation over 3 collection vessels
See the machine at MJBizCon booth #4614

DISTRESSED

Tips for finding businesses on the block at fire-sale prices

by John Rebchook



Marijuana businesses are a hot property.

Scores of new grows, retailers, ancillary firms and infused product manufacturers are opening their doors as recreational and medical markets sprout up across the nation. Real estate prices for marijuana operations are sky high, as are valuations on cannabis businesses. But nothing goes up forever – a rule of thumb that can ultimately be a boon for bargain hunters looking for a good deal, be it a home, a stock … or a marijuana business. If the industry takes a downturn either nationally or in specific markets, underperforming companies could put themselves on the block at discounted prices.

"All commodities, whether you are talking about corn, natural gas or oil, go through a boom-and-bust cycle," said Jonathan Rubin, CEO of New Leaf Data Services, which tracks wholesale marijuana prices. "Cannabis is no different."

There hasn't been a huge wave of distressed sales yet – the industry is still in its growth phase – but many think a correction could be coming in the next three to five years thanks to factors ranging from oversupply to industry consolidation. And there are opportunities now in some of the more mature markets such as Colorado.

While the real bargains might not materialize for several years, investors and entrepreneurs can prepare early to capitalize on any correction when it does occur.

Following are tips and advice on buying distressed marijuana businesses and real estate when the time comes.

OPPORT



UNITIES

Cannabis Correction Factors

How could a marijuana industry correction come about?

One possibility involves California's new recreational cannabis market, which is expected to unleash a flood of marijuana into the market and create more pressure on wholesale prices and some businesses.

It's an extremely hot market now as entrepreneurs and investors prepare for a surge in business. Real estate prices in California have jumped, and anyone wanting to buy or rent space for a cannabis business must pay a hefty premium on top of already expensive real estate.

"Most groups are into build or renovate mode and planning to occupy themselves or lease out at cannabis rates, which tend to be significantly higher than traditional commercial leases," said Morgan Paxhia, managing partner of San Francisco-based Poseidon Asset Management.

Looking ahead, however, distressed opportunities may arise when undercapitalized operators compete against sophisticated businesses that have extremely deep pockets. This trend could force the smaller players to close up shop or seek buyers. There also might be more immediate opportunities to snap up existing medical cannabis companies in California that can't make the switch to a regulated market on their own.



Morgan Paxhia of Poseidon Asset Management. *Photo courtesy of Poseidon Asset Management*

Lawyer C. Adam Foster has seen some businesses make big strategic missteps – which could lead to fire sales – in Denver, where he's a partner at the Hoban Law Group specializing in marijuana law. Foster knows of a number of Denver cultivators in recent years that expanded their operations – for example, from about 10,000 square feet to some 50,000 square feet of warehouse space. After signing multiyear leases, the growers encountered financial troubles for one reason or another, including cost overruns and crop failures. These growers then failed to meet their rent obligations.

Another factor that could trigger distressed sales is marijuana business owners who violate increasingly complex MJ regulations and laws. There already have been instances where business owners committed serious rules violations and were given six months by regulators to sell their businesses, according to Foster.

In those cases, he estimates a new buyer could potentially scoop up the business for a 25%-75% discount.

Foster expects that unsophisticated cannabis business owners will run into similar regulatory problems in California especially because the new rec and medical markets are more tightly regulated than the previous MMJ industry.

"The industry has become much more regulated and complicated," he said.

In 2011, for example, all the marijuana rules and regulations in the United States covered about 200 pages. By 2016, they could fill a book with more than 700 pages, he said.

Finding a Distressed Business

You can use a variety of methods to track down a distressed business. But don't expect the task to be easy.

"There's no efficient market yet for transaction opportunities," said Anthony Georgiadis, a partner in Chicago-based Green Thumb Industries, which owns coast-to-coast MJ cultivation and retail operations.

"Up to this point, they've usually been word of mouth," he said.

That likely will continue, according to Leslie Bocksor, a former investment banker who founded Electrum Partners, a Las Vegas consultancy.



Anthony Georgiadis, a partner at Green Thumb Industries. *Photo courtesy of Green Thumb Industries*

"Everything in this industry comes from networking," and finding a distressed business will be no exception, he said.

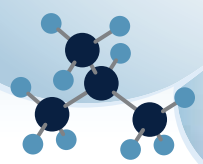
You also might tap into your lender network, suggested Paxhia. Lenders might have an early line on operators that are struggling to make their payments.

For example, some "hard money" lenders – which provide high-interest loans to risky businesses, including marijuana entrepreneurs – could be quick to look for another MJ business owner if the initial one can't make its payments.

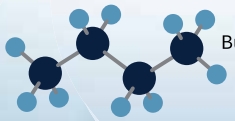
EXECUTIVE SUMMARY

The marijuana industry is on a roll, with new businesses launching across the nation and prices for property to launch a new venture climbing. But there are opportunities to buy struggling businesses at discounted prices, and an eventual correction could prove a boon to bargain hunters. Be aware that:

- Cannabis is like any other commodity business and is vulnerable to boom-and-bust cycles.
- Falling wholesale prices, industry consolidation and other factors could result in faltering MJ companies becoming available at bargain prices.
- You'll need a network of industry sources, lenders, real estate brokers and landlords to locate distressed businesses.
- Cultivators and poorly capitalized businesses are considered potentially ripe targets for bargain hunters.
- You should be wary of buying a cultivation facility that previously used pesticides or any business with past links to the black market.



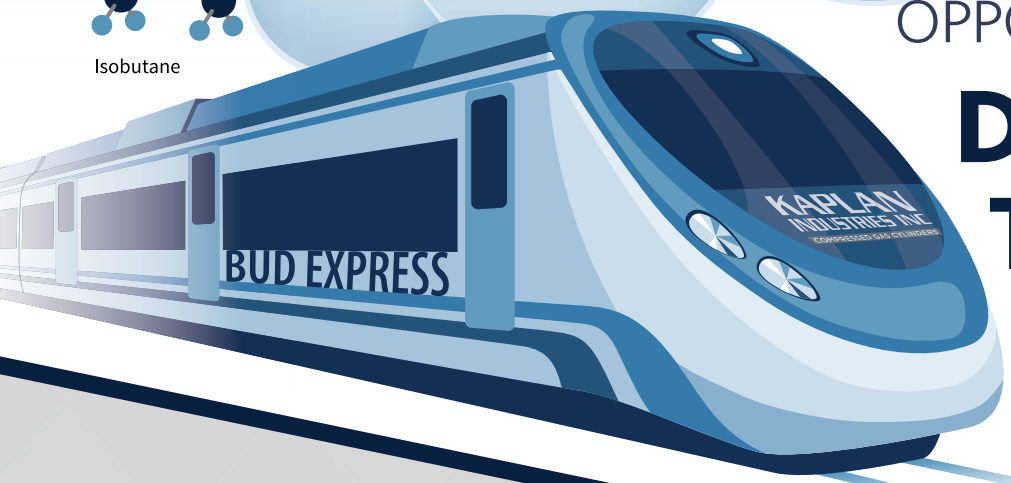
Isobutane

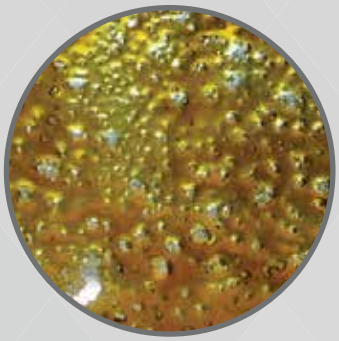


Butane

TOMORROW'S
OPPORTUNITIES TODAY

Don't Miss The Train









Hydrocarbons for BHO Refrigeration Process

- ✓ 99.5 + High Purity
- ✓ Shipped in DOT and CGA approved cylinders and valve
- ✓ All cylinders 100% cleaned and washed prior to filling
- ✓ Returnable/Re-fillable
- ✓ Pre-packaged, in stock ready to ship
- ✓ Available in 70/30 mix and others as needed



KAPLAN INDUSTRIES INC
COMPRESSED GAS CYLINDERS

YOUR TOTAL CYLINDER SOLUTION SUPPLIER
TOLL FREE: 800-257-8299 | KAPLAN@KAPLANINDUSTRIES.COM
A proud member of **GAWDA** *for over 62 years*

Landlords are another source. It's common for a landlord to bankroll, or carry back, the loan on a property. That's because commercial banks won't make loans on MJ cultivation facilities, Foster said.

If the first company fails, a new business that gets wind of the space could be better positioned than the failed operator because that firm already would have hundreds of thousands of dollars sunk into the heating, ventilation and air conditioning system, electrical upgrades and security.

A well-connected real estate broker who specializes in cannabis properties also might be able to help you find a distressed property.

"No one is going to advertise that they are a disaster," noted Paxhia, so a broker specializing in MJ properties could be aware of a floundering business.

In Denver, Foster knows of several brokerage firms that from time to time have listings of businesses that are for sale. Those lists could be a starting point to determine whether the business owner is under pressure to sell, he said.

You also can check the foreclosure notices published in local and national papers such as The Wall Street Journal.

"I've known people to skim the public trustee (the government agency that sells foreclosed properties in Colorado) notices and, after doing a little research, have found cultivation facilities in foreclosure," Foster said.

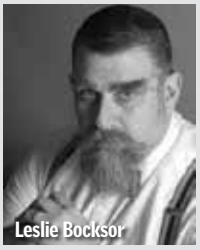
BUYER BEWARE

If you're interested in buying a cultivation center or a retail shop, even at a bargain price, be concerned about mold and other environmental problems as well as issues such as poor parking.

"I think there are tons of red flags," said Adam Koh, the editorial director at Cannabis Benchmarks, which researches the wholesale price of cannabis as a division of New Leaf Data Services. Previously, he served as a cannabis consultant and a cultivation manager for a large MJ operation in Denver.

"I remember once these HVAC contractors cut a hole in a wall (in a warehouse in central Denver) and there was so much mold that they immediately got restoration guys to come in and that was not cheap," he noted.

"And something that a lot of people in the industry don't want to talk about is the use of pesticides. Unfortunately, pesticide residue could be another issue," Koh added. "I would not buy a cultivation warehouse unless I had a very thorough environmental inspection."


Leslie Bocksor

Leslie Bocksor – a former investment banker who founded Electrum Partners, a Las Vegas consultancy – said he would not buy a distressed property if the reason it failed was because the former owners had some connection to the black market.

"You have to be concerned about being tainted by the reputation of the former owners," he cautioned. "I don't want to have anything to do with a property whose former owners had a connection to the black market or even the gray market."

Morgan Paxhia, managing partner of San Francisco-based Poseidon Asset Management, said it's important to look closely at why the initial business failed.

Was it because of a poor location and lack of parking? Or was it because a retailer couldn't compete against a vertically integrated competitor whose costs were lower? Could you bring value to the property with better management and a better display?

"You have to look at every business on a case-by-case basis," he said.

– John Rebchook

Sectors Ripe for Picking

Cultivators are the most vulnerable to falling wholesale cannabis prices, Rubin said.

"It all comes down to basic economics of supply and demand," he added. "Wholesale prices are coming down because legal supply is outpacing legal demand."

Georgiadis of Green Thumb Industries made a similar point.

"We know supply is going to increase," said Georgiadis, who lives in Florida. "However, we have no real way of being able to quantify demand. My guess is that in the short term, prices will spike … and that over time you will see gradual price compression to the point where wholesalers and retailers make gross margins more in line with traditional industries."

That, in turn, could pressure less-efficient cultivators if the selling price falls below their cost of production.

Businesses that lack deep pockets also could land in hot water.

"Those who aren't well-funded are in danger of becoming road kill," Bocksor said.

Foster already has seen cases in Denver where cultivators projected paying $500,000 to upgrade a warehouse only to discover it cost about $700,000 – and the construction process took eight months instead of the expected four or five months. "If you don't have a cash cushion, it can be hard to absorb" those unexpected costs, he said.

Rubin likened cannabis growers to a small farmer.

"A small farmer might be able to survive one bad season," he noted, "but he might not be able to survive back-to-back bad seasons." ◆

CUSTOM CANNABIS PACKAGING SOLUTIONS

- DIRECT SOURCE
- 20+ YEARS OF EXPERIENCE
- FAST TURNAROUND
- PROFESSIONAL RESULTS GUARANTEED
- IN-HOUSE DESIGN EXPERTS



CONCENTRATE CONTAINERS

DROPPER BOTTLES

SHATTER ENVELOPES

GLASS JARS

MYLAR BAGS

POP TOP BOTTLES

BIOHAZARDINC

VISIT BIOHAZARDINC.COM

FOR CUSTOM PRINTING ON THESE AND OTHER PACKAGES

CANNABIS BUSINESSES FOR SALE

Description	Location	Price
Mobile delivery dispensary	San Ramon. East Bay	$200,000
Fully licensed mobile dispensary opportunity	Rancho Mirage	$325,000
Mobile delivery dispensary	San Diego county	$200,000
Pre-ICO Fully-licensed cultivation opportunity	LA County	$1.9 million
Cultivation opportunity in Potter Valley	Mendocino County	$2.2 million
Hayward mobile delivery dispensary	Alameda County	$64,000
Recreational dispensary - FULLY TURN KEY	Oregon	$4.2 million
ensed & ce	Mendocino County	$495,000 PENDING SALE

GREENLIFE BUSINESS

Greenlife Business is the leading Cannabis Business Consulting firm in California. We are also expert at selling Cannabis businesses – with over 60 sold so far this year.

Greenlifebusiness.com



GREENLIFE BUSINESS

Want to join the Cannabis gold-rush, but not sure where to start?

GREEN LIFE ONE DAY WORKSHOPS

All aspects of the business covered in detail - from cultivation to retail. Everything you need to know.

Industry renowned guest speakers, expert in all areas - from attorneys to growers. Fully interactive Q&A

Legality and licensing. Do's and don'ts of sales and marketing while staying within the law.

FULL DAY (9-5PM) **$175**

Usual price **$350**

Greenlifebusiness.com

20 PEOPLE TO WATCH IN 2018

A look at some North American cannabis business executives who could make waves – for one reason or another – in the year ahead

by Marijuana Business Magazine staff

The cannabis industry is poised for huge growth in 2018 thanks in part to the expected launch of several massive new marijuana markets such as California and Canada, which will generate billions of dollars in sales and create tens of thousands of business opportunities.

The changing business climate will lead to new challenges, struggles and potentially failures for companies and the individuals behind them.

As we hurtle into 2018, the editorial staff at Marijuana Business Magazine singled out 20 executives in the cannabis space who bear watching in the year ahead. To be sure, there are scores of executives who could be included on this type of list. It's by no means comprehensive, nor is it meant to "rank" executives in any fashion.

Rather, it's a sampling of some individuals from across the industry who we think are worth keeping an eye on for a variety of reasons, including:

- Their company is planning or poised for significant expansion.
- Their business is encountering fierce business or financial headwinds.
- Their company is staking out a new path for the marijuana industry.
- Their business is positioned to capitalize on the launch of a major new marijuana market.
- The individual is positioned to influence key marijuana regulations and policy.

The executives are listed in alphabetic order, with their ages (if provided) as of November 2017.

No doubt you may disagree with our picks – or have ideas for others. We'd love to hear from you. Email us at editorial@mjbizdaily.com.



Steve DeAngelo

Harborside/FLRish, *Executive Director*
Age: 59

BACKSTORY: Steve DeAngelo co-founded Harborside Health Center in Oakland in 2006 and built it up over the years to a patient list of more than 300,000. He brought in his brother Andrew, also in 2006, to help run the operations, and together they have transformed Harborside into one of the most well-known medical cannabis dispensaries in the nation. The brothers have since launched a new greenhouse cultivation business, FLRish.

WHY TO WATCH: DeAngelo has been a pioneer in the legal cannabis industry for more than a decade and has won multiple landmark legal cases against law enforcement authorities that have broken new ground for marijuana entrepreneurs. But can this member of the old guard maintain Harborside's brand presence in what will likely be a saturated and fiercely competitive market, once California's new regulated system launches? He also hopes to win a U.S. Tax Court case to exempt state-licensed MJ businesses from Section 280E of the federal tax code. If successful, the case would represent a milestone.

BIGGEST GOAL IN 2018: Expanding Harborside operations across the state and winning the 280E case – which has been argued, with DeAngelo awaiting a decision.

Isaac Dietrich

MassRoots, *CEO*
Age: 25

BACKSTORY: Dietrich founded MassRoots in 2013. The publicly traded Denver company shot to national prominence as a cannabis-focused social media platform, raising millions from investors. It also made a bid – albeit unsuccessful – to become the first marijuana company listed on the Nasdaq. Over the past year, however, revenue plunged, losses piled up and the company's shares tanked. In October, the board ousted Dietrich as CEO and sued him for alleged theft and illegal drug use. In December, however, Dietrich orchestrated a return to his old position as CEO, thanks to a deal brokered with the three MassRoots board members who fired him. Those board members resigned, as did the CEO who had replaced Dietrich.

WHY TO WATCH: MassRoots had been a media darling. But the upheaval of 2017 and years of red ink have fanned speculation about whether the company can be salvaged. Dietrich is now in the hot seat. Can he raise needed capital and make MassRoots a viable business?

BIGGEST GOAL IN 2018: "Delivering returns for MassRoots shareholders by being at the forefront of California recreational cannabis implementation, acquiring synergistic technology companies, and developing a cannabis industry-centric cryptocurrency," Dietrich wrote in an email.



Kristina Garcia

Women Grow, *CEO*
Age: 36



BACKSTORY: Founded in 2014, Women Grow nosedived three years later after strategic missteps and rapid U.S. and international expansion caught up with the company. At its peak, Women Grow had 44 chapters across the United States and Canada. But then dozens of chapters closed, the number of local Women Grow events shriveled, key individuals left and the company's reputation soured in some circles. The business has reorganized and remains alive as an events and networking venture. Garcia – who recently changed her name from Neoushoff after getting married – took over as CEO of Women Grow last year. She was previously the chief operating officer, having joined the company in 2015.

WHY TO WATCH: As an ancillary business that made a name for itself by empowering women in the marijuana industry, it remains to be seen whether the company can reclaim some of the star power it achieved in 2014 and 2015. Today, Women Grow apparently wants to stick with its original vision of empowering women cannabis entrepreneurs, while making that mission a profitable one.

BIGGEST GOAL IN 2018: Women Grow's "Leadership Summit in 2018 will show what we can do when we come together to inspire one another," Garcia wrote in an email.



Christina Gonzalez

G FarmaBrands, *CEO*
Age: 40

BACKSTORY: Gonzalez became CEO of California-based G Farma in 2015, taking over for her ex-husband and founder, Ata, who remains a consultant. Under Gonzalez, G Farma has four plant-touching units that sell a range of products – flower, oil extracts and infused beverages – as well as non-plant-touching ventures that include consulting, license procurement, real estate management and media. G Farma says it distributes to more than 1,100 Southern California stores. It also has operations in Washington state. In late 2016, G Farma took a major hit when the Calaveras County Sherriff's office raided one of its facilities and seized about 2.5 tons of plants worth about $10 million.

WHY TO WATCH: G Farma is still bouncing back from the 2016 raid, and with California's newly regulated marijuana program launched, Gonzalez has positioned the company to capitalize on the world's largest MJ market. G Farma is building an Innovation Center in Desert Hot Springs, in Southern California. It will include about 64,000 square feet of greenhouse space – much of which will be leased to grower-tenants – and a 30,000-square-foot manufacturing facility. While G Farma has a reputable legacy and experienced growers, some observers have questioned the wisdom of building in Desert Hot Springs, where high temperatures can make for pricey air-conditioning bills. Last June, Gonzalez partnered with New York-based Tech Holdings to develop a fast-acting cannabis delivery system, and in October she landed a deal to distribute Julian Marley's JuJu Royal cannabis brand to Southern California retailers.

BIGGEST GOAL IN 2018: "We will continue gaining market share by producing high-quality cannabis and cannabis products at low prices," Gonzalez wrote in an email. "The increased consumption of our brands will be my main focus!"

Virgil Grant

Southern California Coalition, *President;* California Minority Alliance, *Secretary;* California Cannabis, *CEO*
Age: 50



BACKSTORY: Grant has been a fixture in the Southern California MJ industry for two decades, first as a dispensary owner in Los Angeles and now as a political powerhouse with the Southern California Coalition and the California Minority Alliance. He's a key industry advocate in talks with the L.A. City Council about regulations for cannabis businesses. The city is likely to become a cannabis industry juggernaut in 2018 – and one of the few municipalities to include social equity language in its regulations, aimed at giving minorities a leg up in the local MJ industry.

WHY TO WATCH: Grant is likely to be an important player in how L.A.'s regulations are rolled out, particularly when it comes to the social equity language. The city council's proposed regulations would give special preference to business license applicants deemed to have been disadvantaged by the federal government's war on drugs. The details are still being ironed out. Among Grant's plans: "pushing responsible and inclusive policies ... to ensure more minorities and disenfranchised communities are able to participate" in the cannabis industry, he wrote in an email.

BIGGEST GOAL IN 2018: Grant wants to make his newest venture, California Cannabis, the "No. 1 brand in the country." But that seems secondary to his target of empowering minorities to take part in the marijuana industry. Part of that, Grant said, is ensuring that disenfranchised communities have "viable sources of capital" to help minorities get started in the MJ industry.



Jim Hagedorn

Scotts Miracle-Gro, *CEO*
Age: 62 (approximate)

BACKSTORY: Hagedorn unveiled audacious plans in 2016 to invest $500 million in the cannabis industry and transform his iconic lawn and garden company into an MJ powerhouse. He's been on a spending spree since, buying ancillary cannabis companies such as Gavita, which produces grow lights, and Botanicare, a marijuana-centric nutrient business. In September, he finalized a $250 million deal to unload Scotts' gardening business interests in seven countries. It means most of Scotts' revenue will come from North America, which is the global powerhouse of the cannabis industry.

WHY TO WATCH: Will 2018 prove to be the year Hagedorn begins to turn Scotts into a marijuana behemoth? Hagedorn's decision to unload the company's overseas interests leaves Scotts positioned to gobble up marijuana businesses in North America – should he choose to do so. Hagedorn's focus has been hydroponics – through Scotts' Hawthorne Gardening Co. subsidiary – in addition to interests in nutrients, lighting, hardware and fertilizer. One analyst speculated Hagedorn could make Scotts a controlling investor with companies throughout various MJ sectors. Both the United States and Canada are fertile grounds for acquisitions.

BIGGEST GOAL IN 2018: Hagedorn – who wasn't available for comment – appears focused on building upon his North American cannabis assets after selling off the company's international holdings. In terms of Scotts' overall performance, the company projects sales growth of 4%-6% in fiscal 2018, with its Hawthorne subsidiary providing "nice tailwinds," according to a news release.

Bob Hoban

Hoban Law Group, *Managing Partner*
Age: 42

BACKSTORY: Hoban has carved out a unique niche in the cannabis industry. The Denver attorney has offices in every state where recreational marijuana is legal, plus a team of hemp specialists handling everything from securities-related work to private-equity placement. Hoban was slated to open four new offices in the European Union in late 2017 and plans to open two more in Latin America in 2018.

WHY TO WATCH: The Hemp Industries Association is spearheading a lawsuit in California targeting the U.S. Drug Enforcement Administration over its announcement in late 2016 that cannabidiol is a Schedule 1 controlled substance. Hoban is arguing this pivotal case for the hemp industry. The case – to be heard in February – could unleash the cannabidiol market and stop authorities in states like Indiana and Nebraska from banning CBD. But if Hoban loses, the CBD market will likely be limited to states where marijuana is legal.

BIGGEST GOAL IN 2018: International expansion. "We have accepted the challenge of being global cannabis industry leaders and experts … to move the industry forward across six countries," Hoban wrote in an email.



Jesce Horton

Saints Cannabis, PV Ventures,
Minority Cannabis Business Association
CEO of Saints Cannabis and PV Ventures; Chairman of MCBA
Age: 34

BACKSTORY: In 2007, Siemens recruited Horton from Florida State University, where he studied engineering. He spent seven years with the German industrial manufacturing conglomerate, gaining valuable management and finance experience and learning about the importance of efficient business processes. In 2014, Horton founded Panacea Valley Gardens, a medical cannabis cultivation center in Portland, Oregon; and he founded a Portland dispensary, Panacea. Both are housed under PV Ventures. Horton is also co-founder and chairman of the Minority Cannabis Business Association. His newest project is Saints Cannabis, a vertically integrated cannabis campus. It will include indoor and greenhouse cultivation, processing, a recreational retail outlet, plus research and development operations – all on one Portland property.

WHY TO WATCH: With Saints Cannabis, Horton will have to manage many moving parts. But if Horton can tap his business know-how to make Saints a success, he could help pioneer a new cannabis industry model. As a leader with the Minority Cannabis Business Association, Horton will have highly visible roles that could prove important as the marijuana industry struggles to become more inclusive.

BIGGEST GOAL IN 2018: "Gaining the funding and partnerships needed to remain competitive in the fast-growing industry," he wrote in an email.



INTRODUCING THE ALL NEW

G PEN GIO

(FOR LIQUIDS)



WHOLESALE GREENLANE EXCLUSIVE

greenlane

WHOLESALE ORDERS CALL
877.292.7660 | GNLN.COM



Pete Kadens

Green Thumb International
CEO
Age: 40

BACKSTORY: Kadens started three companies before entering cannabis, including a solar energy business that was sold to the Fortune 500 firm Edison International. In 2016, Kadens became CEO of Chicago-based Green Thumb, a medical marijuana holding company with licenses for 19 vertically integrated MMJ businesses in five states. Kadens is among the MJ entrepreneurs who emphasize both philanthropy and profit. He's chairman of StreetWise, a nonprofit that supports the homeless, and CEO of Purpose Investors, his own venture, which funds businesses that have a significant social impact. Kadens also has sought to woo communities through open letters in local newspapers where Green Thumb wants to enter.

WHY TO WATCH: If Green Thumb continues to expand successfully, it won't just become one of the more powerful multistate players. Kadens and his company would also demonstrate to industry leaders that it's OK to be a loud and socially conscious cannabis executive.

BIGGEST GOAL IN 2018: Expansion. "I'd love us to have three times more patient-consumer interactions in 2018 versus 2017. In conjunction with this, we always want to increase patient-consumer retention year-over-year, a clear signal that we are improving our customer experience," Kadens wrote in an email. "To achieve this, we need to continue to deliver on our commitment to successfully achieve on schedule and on budget construction of our grow, process and retail facilities." GTI also hopes to expand into Ohio and Arkansas, but that depends on whether it can win licenses there.

8 Government Movers and Shakers to Watch

Government leaders will help shape the North American cannabis industry this year – for better or for worse. The following eight movers and shakers, listed in alphabetical order, are among those worth keeping tabs on in 2018.



PATRICK BROWN: With current Ontario Premier Kathleen Wynne facing possible election defeat this spring, it could fall on Opposition Leader Brown to roll out the legalization plan for Canada's largest province. Will the pro-business Progressive Conservative allow private retailers? Good question. Brown is keeping his cards close to his chest.



PHIL MURPHY: The incoming governor of New Jersey famously pledged to legalize recreational marijuana in his state within his first 100 days in office. It's now on him and the Democratically controlled legislature to deliver on that promise. If successful, New Jersey could become a billion-dollar marijuana market within a few years of its launch.



GAVIN NEWSOM: Newsom is arguably the frontrunner in the California governor's race – which will be decided in November. As lieutenant governor, he was a vocal supporter of recreational marijuana legalization in 2016. Taken together, Newsom could be in a major position of power to influence cannabis policy in the world's largest marijuana market – assuming he wins, of course.



DANA ROHRABACHER: As a longstanding congressional Republican – and an ally of President Donald Trump – Rohrabacher has been the tip of the spear in the U.S. House of Representatives in protecting cannabis businesses with the Rohrabacher-Blumenauer Amendment. He's also one of the co-founders of the Congressional Cannabis Caucus, and if anyone in Congress will be able to bend the ears of

Tim Keogh

AmeriCann, *CEO*
Age: 38



BACKSTORY: It's ironic that a guy who first earned a living managing marinas and yacht clubs would seek his fortune with a land-based pursuit: marijuana cultivation. In 2014, Tim Keogh became CEO of AmeriCann, which buys real estate and develops it with state-of-the-art greenhouses and processing facilities and then leases space to growers. Among other projects, AmeriCann is developing a massive 2.26-million-square-foot site in Massachusetts that previously belonged to the Boston Beer Co. The Massachusetts Medical Cannabis Center is slated to be AmeriCann's crown jewel.

WHY TO WATCH: AmeriCann is not the only real estate firm trying to break into cannabis through leasing and not touching the plant. But it is among the biggest. How the firm fares, particularly with its Massachusetts facility, will shed light on whether the leased-growing-space model can succeed.

BIGGEST GOAL IN 2018: "Our goal is to establish the Massachusetts Medical Cannabis Center as the new standard for cultivation and processing cannabis and expand the system to new markets," Keogh wrote in an email. Those markets include California, New Jersey and Michigan. "The legacy model for cultivation and processing, in an indoor environment, is not efficient from a construction standpoint nor is it sustainable to operate at scale."

congressional leadership or even the White House on marijuana policy, it's probably Rohrabacher.



ENRIQUE PEÑA NIETO: The president of Mexico signed off on medical marijuana legalization in his country in June 2017. And while he may have done so reluctantly, given his previously anti-marijuana public stances, his change of heart may signal that Mexico – and Latin America in general – could be much more open to marijuana reforms and legalization moves in the near future. In particular, cannabis advocates would prefer to see the nation's MMJ program allow full-strength cannabis instead of only low-potency products, and that's an arena in which Peña Nieto could have significant influence.



JEFF SESSIONS: Donald Trump's attorney general hasn't clarified what he intends to do, or not do, about federal marijuana policy. That means 2018 could be another year of the status quo – with marijuana remaining illegal at the federal level but the Department of Justice simply choosing not to enforce federal law – or it could see the start of a real court fight between states that have legalized and the Trump administration.



JUSTIN TRUDEAU: In November, Canada's House of Commons approved the government's bill to legalize recreational marijuana. But significant hurdles remain in the Senate and there is opposition from some provinces. Whether the federal government hits its July implementation deadline depends largely on how Prime Minister Trudeau handles those challenges.



DONALD TRUMP: More than a year after winning the presidency, the U.S. commander in chief has still not spelled out a marijuana policy. While Trump said on the campaign trail he believed marijuana legalization or prohibition should be left to the states, he also hasn't closed the door on federal enforcement by Attorney General Sessions.

– John Schroyer and Matt Lamers



Chris Leavy

MedMen, *Co-Chairman and Partner*
Age: 46

BACKSTORY: Leavy spent 20 years in asset management, including senior roles with heavy hitters like Morgan Stanley, Oppenheimer Funds and BlackRock, where he oversaw $115 billion in equity funds. Barron's named him a "Top 100 Fund Manager." Leavy retired in his early forties – but cut short his retirement to join Los Angeles-based MedMen in the spring of 2017. Since then, Leavy has led the company's investment and acquisition efforts, applying the same strategies – buying undervalued assets in high-barrier markets – that earned him Wall Street kudos. Last year saw MedMen's acquisition of Bloomfield Industries – a financially strapped New York MMJ business – and the closing of a $60 million fund to new investors. To round out a busy year, MedMen set the daunting goal of raising $250 million for a new investment fund, a record sum for the cannabis industry.

WHY TO WATCH: Because of Leavy's pedigree, MedMen's sometimes-brash style and the firm having to close its first fund before it hit its $100 million target, Leavy and MedMen are on industry observers' radars. That means people will be paying close attention to whether Bloomfield succeeds, and whether MedMen can actually raise $250 million. And if MedMen does hit its target, how will it spend the money?

BIGGEST GOAL IN 2018: "My priority is finding and securing for our investors great assets at undervalued prices. … We are in a buyers' market right now and will be as long as the traditional private equity world remains on the sidelines," he wrote in an email. "That means we have to remain disciplined and turn down deals that would be attractive in an environment where the buyers are many. By turning down these deals, we can deploy our capital in the most promising areas and maximize the return prospects for our investors."

Bruce Linton

Canopy Growth, *CEO*
Age: Not available

BACKSTORY: Linton co-founded Canopy (formerly Tweed) with entrepreneur Chuck Rifici in 2014. Linton – the CEO of a string of tech companies before his current gig – helped take Canopy public in April 2014. Linton has since transformed Canopy into Canada's undisputed cannabis industry leader. The company's fiscal year 2017 revenue totaled $31 million (CA$39.9 million), making it Canada's largest MMJ company – although it has not turned a profit. Canopy also is the largest marijuana company by market capitalization, totaling $2.9 billion (CA$3.7 billion) as of late November.

WHY TO WATCH: Canada is preparing to legalize recreational marijuana in mid-2018. As the industry leader, Linton and Canopy have the most to gain if legalization succeeds – and the most to lose if it stumbles. In October, Linton secured the cannabis industry's first major investment from an alcohol company, with U.S. beverage giant Constellation Brands buying a 9.9% stake in Canopy for $190 million (CA$245 million). The move positions both companies to capitalize on the infused-drinks market. Canopy also is positioned to buy smaller rivals.

BIGGEST GOAL IN 2018: In a regulatory filing, Linton said Canopy's "objective is to win and retain significant future market share," adding "we remain focused on the expansion of our cultivation capacity, extraction platform and finished branded products programs."





Asha Oroskar

Orochem Technologies, *CEO*
Age: Not available

BACKSTORY: A molecular biologist, Oroskar might seem an unlikely revolutionary. But her Naperville, Illinois, company might well change the entire cannabis industry. Orochem invented a new way to extract CBD from the hemp plant and then sued the Colorado cannabis company it was working with, Whole Hemp. The dispute centers on technology that Orochem used to extract CBD from industrial hemp.

WHY TO WATCH: The Orochem-Whole Hemp dispute needs to be on every cannabis company's radar. Orochem wants to become the first company to get federal trade-secret protection for a cannabis invention. Orochem alleges that Whole Hemp officials pretended to be interested in producing CBD for Orochem when the company's true intent was to discover proprietary extraction techniques. Orochem is suing in U.S. District Court in Illinois, not state court. As more marijuana companies work across state lines and build partnerships, the Orochem case could set an important precedent.

BIGGEST GOAL IN 2018: Oroskar declined to discuss the lawsuit. But the suit would indicate she's interested in the cannabis market. "Orochem's trade secrets provide it with significant advantages in the production of THC-free CBD," according to the complaint.

Amy Poinsett

MJ Freeway, *CEO*
Age: 50

BACKSTORY: Poinsett helped pioneer seed-to-sale software in the marijuana market. More than a thousand dispensaries and recreational shops nationwide use MJ Freeway's Tracker point-of-sale software, and several states have signed contracts with the company to use its Leaf Data Systems seed-to-sale traceability program. But multiple outages in 2016 and 2017 saw retailers losing important data, leading to significant losses in revenue and a loss of customer confidence in the Denver company.

WHY TO WATCH: Can Poinsett rebound from the string of outages? The company's reputation has taken a major hit. And while Poinsett says MJ Freeways is on the upswing, speculation swirls over the company's future. Despite the thin ice, MJ Freeway is poised to make significant gains on both the point-of-sale and state seed-to-sale traceability fronts. Last year, the company landed traceability contracts in Washington state and Pennsylvania. Looking ahead, Poinsett is pinning her hopes on the rollout of the company's second-generation MJ Platform software, which she says will solve the outage issues.

BIGGEST GOAL IN 2018: Poinsett wrote in an email that she would like to increase MJ Freeway's market reach to 60% of all businesses using its second-generation platform in regulated cannabis markets.





Kim Rivers

Trulieve, CEO
Age: 39 (approximate)

BACKSTORY: As the head of Florida's largest medical marijuana business, Rivers has overseen rapid growth in her state's potentially monster market. Her company claims to have been the first to market when Florida transitioned from a CBD-only program to full-strength MMJ. Rivers also claims Trulieve was the first in the state to make an MMJ home delivery, perform an in-store sale and open a dispensary. As of late November, the company listed 13 dispensaries across Florida.

WHY TO WATCH: Under Rivers' leadership, Trulieve serves around a sixth of the state's MMJ patients – a sizable chunk of revenue considering dispensary sales are forecast to be $600 million-$800 million in the next three to five years in the Sunshine State, according to the 2017 Marijuana Business Factbook. Can Rivers – who was unavailable for comment – continue Trulieve's breakneck pace of expansion and remain the dominant player in this massive market?

BIGGEST GOAL IN 2018: Trulieve has laid out plans to have 25 dispensaries – the maximum allowed in Florida – open by the end of 2018.

Rob Sands

Constellation Brands, CEO
Age: 59

BACKSTORY: Sands is a lawyer who rose to lead Constellation Brands, an alcoholic beverage giant that distributes popular beers, wines and liquors – from Corona beer and Robert Mondavi wine to Svedka vodka. This past year he become a pioneering figure in the marijuana industry after Constellation bought a 9.9% stake in Ontario-based Canopy Growth, with the option to raise that stake to just under 20%.

WHY TO WATCH: Will New York-based Constellation up its stake in Canopy – or make other strategic investments in cannabis? And is the Canopy deal a warmup for Constellation to eventually become a big cannabis player in the United States? It would appear so. Sands told the Wall Street Journal his company is essentially gambling that it can learn enough in Canada to give it an edge in the "highly likely" event the United States legalizes marijuana.

BIGGEST GOAL IN 2018: Sands and Constellation haven't said what they expect from the Canopy investment, and Sands declined interview requests. If Sands' interviews with other media outlets are any guide, he has no plans to take his eyes off the alcohol market. He told CNBC last summer that Constellation plans to focus on acquiring shelf space for Constellation brands in stores. Will he apply that strategy to marijuana?



seed

EDUCATE CUSTOMERS. SELL MORE PRODUCT.

Seed is an interactive software application that helps educate your customers and enhance their retail experience so you can sell more product.



www.getseed.io



Sundie Seefried

Colorado Credit Union, *CEO*;
Safe Harbor Private Banking, *Chairwoman*
Age: 56

BACKSTORY: Seefried's credit union handles about $80 million in monthly legal marijuana business deposits. How did she accomplish that? Seefried passed up retirement to see how her credit union could solve what she saw as a local community problem: marijuana businesses being forced to rely on cash, leaving them vulnerable to theft. Consulting with bankers, lawyers and cannabis business owners, Seefried developed a marijuana banking program – dubbed "Safe Harbor Private Banking" – based on rigorous compliance with the Obama-era Cole Memo. In 2017, she took her "Safe Harbor Private Banking" program and transformed it into a company with the same name. Colorado, Massachusetts, Maryland, Pennsylvania, Ohio and Arkansas have all been testing the new company's program.

WHY TO WATCH: Seefried hopes her Safe Harbor company will serve banks in about 20 states in 2018. How well the new company's approach works or doesn't work - and whether banking regulators will allow it to exist – will start to become clear.

BIGGEST GOAL IN 2018: "In addition to maintaining the safety and soundness of the credit union," she wrote in an email, "we will be focused on bringing education and cannabis banking options to other financial institutions, allowing them to bank the industry and keep their communities safe, as we've done here in Colorado."

Michael Steinmetz

Flow Kana, *CEO*
Age: 34

BACKSTORY: Flow Kana, a San Francisco distributor that specializes in craft-grown marijuana, looks different than when Steinmetz launched it in 2015. Then, Steinmetz used technology and delivery drivers to bring cannabis grown by small farmers directly to consumers, spearheading a marijuana farm-to-table movement. Since then, Flow Kana has raised hundreds of thousands of dollars, and in early 2017 it bought an 80-acre property in Northern California that was the former home of Fetzer Wines. Steinmetz plans to transform the property into a campus serving small growers.

WHY TO WATCH: The January launch of California's newly regulated marijuana market has fanned fears that small farmers will be forced out by "big marijuana." Steinmetz aims to ensure that doesn't happen by giving small growers a place where they can bring their crops for drying, curing and trimming – a process he said accounts for about 60% of growers' costs. Steinmetz hopes to use this cooperative model to prove that small cannabis farmers can compete and be profitable.

BIGGEST GOAL IN 2018: "As California transitions into the adult-use recreational market in 2018, Flow Kana's top priority is to help small cannabis farmers survive this evolution of the industry," Steinmetz wrote in an email. "What we've seen in other states is the default vertical integration; but we are building a model that builds a healthy supply chain, while also supporting and serving the small farmers and the legacy that they have been cultivating for decades."





Noah Stokes

The Cannabis Distribution Co. and CannaGuard, *CEO*
Age: 34

BACKSTORY: Stokes is among those breaking new ground in the cannabis industry by fashioning a company that offers a wide range of services, from security and IT solutions to trimming and distribution. He initially founded Oregon-based CannaGuard Security in 2014 to offer compliance, armed guard and transport services. He and his team next built The Cannabis Distribution Company, which manages cannabis drying, trimming, storage and distribution for multiple Oregon MJ growers. (See story on page 82.) TCD Co., as the new business is called, is housed along with CannaGuard's other companies under a new parent: OmniTek Holdings. The parent company has approximately 180 employees and offers customers a range of services, including security, curing, transport and storage.

WHY TO WATCH: It remains to be seen whether Stokes can pull off his ambitious plans. Could this be too many irons in the fire? Or will other companies follow suit, spurred by his success?

BIGGEST GOAL IN 2018: Stokes plans to expand from Oregon and Washington state into the massive California market. He aims to establish a place where retailers and wholesalers alike can shop from a supply as large and consistent as possible.



Nancy Whiteman

Wana Brands, *Co-owner*
Age: 59

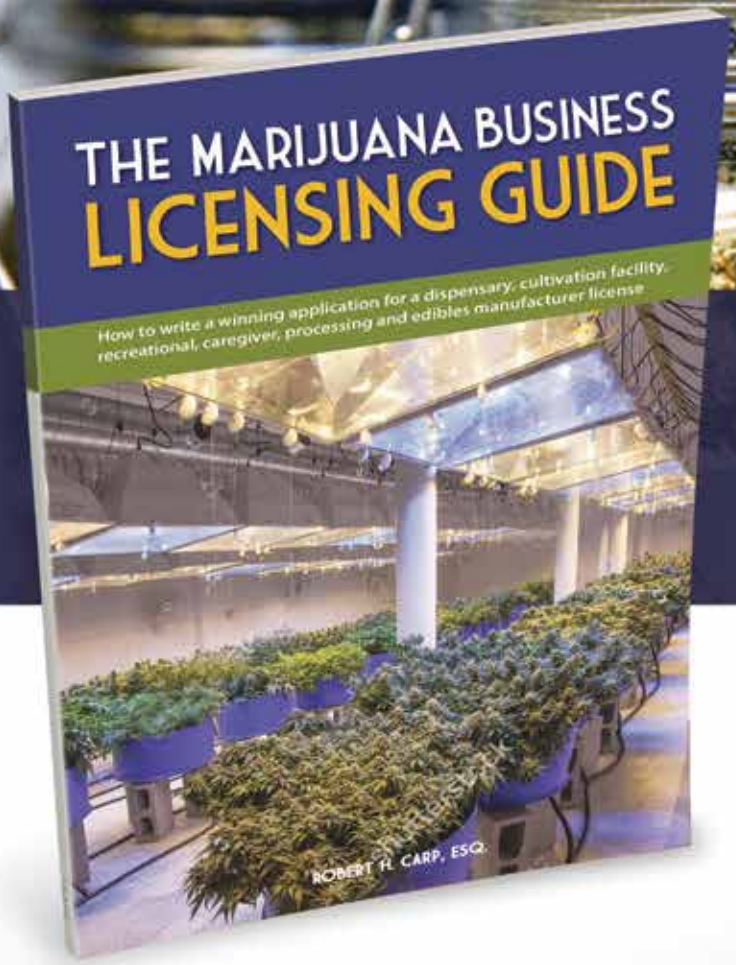
BACKSTORY: Whiteman founded Boulder, Colorado-based Wana in 2010 "when the barriers for entry in Colorado were very low," by her own account. Since then, she's given Wana a multistate presence. In 2017, the company's edibles were available in Colorado, Nevada and Oregon – with more states planned in 2018. Meanwhile, Wana has gone from five employees working in a 300-square-foot production facility to 100 workers laboring in a 17,000-square-foot manufacturing facility.

WHY TO WATCH: Wana is one of a few edibles brands that is positioned to become a truly national – if not international – infused products company. And 2018 could be the year it hits that milestone. "We're currently in discussions (with potential business partners) in almost every territory where cannabis is legal or on the path to being legal," Whiteman noted in an email. If her plans work out, Wana will have a business presence in the largest state cannabis markets come 2019.

BIGGEST GOAL IN 2018: Expand. By early 2018, Wana should have product on shelves in Arizona. It also plans to have a footprint in Illinois and Florida in the first quarter of 2018. By the end of the year, Wana expects to have moved into California, Maryland, Michigan, Pennsylvania and Ohio. ◆

Matt Lamers, Kristen Nichols, Omar Sacirbey, Bart Schaneman, John Schroyer and Roger Fillion contributed to this report.





How to Get Your Cannabis Business License Easily

ONLY $249.95

This Guide Gives You Winning Answers of Over 400 Questions Your State Application Asks You

Are you a soon to be cannabis entrepreneur ready to get a head start above your competitors in the industry? The first thing you need is The Marijuana Business Licensing Guide, which will save you tens of thousands of dollars usually spent on consultants, lawyers, writers, and other who claim to be "application experts". Inside there are bullet proof answers to many of the merit based questions now asked by state regulators. Need an answer for an anti-diversion policy? It's inside. Transportation of cannabis products?Check. Safety equipment and policies? Check.

Go to **www.marijuanabusinessoperations.com** and review the table of contents and some sample answers. You won't find any better documentation anywhere.

We do Applications in All States!

Your hand will be held every step of the way through the application process. What's the right corporate set up to minimize taxes? We will take care of it.

Any and all documentation you need from the application, business plan, standard operating procedures,operating agreements, subscription agreements for investors, etc., can be handled by us.

ORDER YOUR MONEY SAVING GUIDES TODAY AT:
WWW.**MARIJUANABUSINESSOPERATIONS**.COM

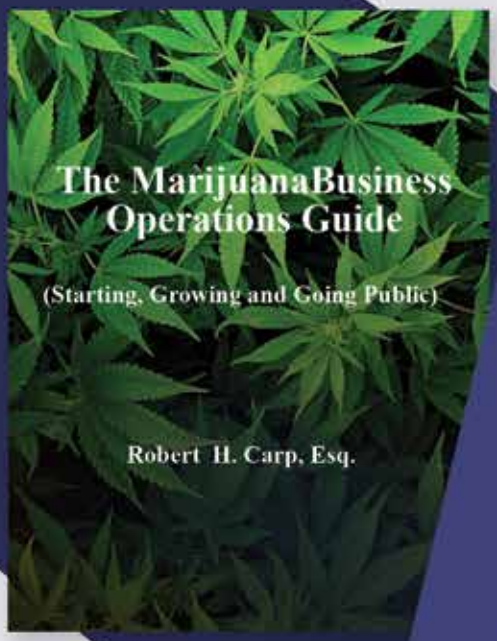


Order Now!
WWW.**MARIJUANABUSINESSOPERATIONS**.COM



THE MARIJUANA BUSINESS
LICENSING GUIDE
ROBERT CARP, ESQ
Questions?
Ask the author
email to **rcarp@post.harvard.edu**

If you're going to spend thousands for a licenseapplication, don't you want it to be perfect?



These Are The Books That Will Save You Thousands of Dollars

The Marijuana Business Guide and Operations Guide is your bible you'll take with you everywhere you go. We've given you a step by step process from creating a business plan to providing employee training handbooks you can use easily. It's all contained in these 360 pages of highly classified documents you'll need.

a) A 40 page business plan that's raised millions for our clients
b) Security operatons guide
c) Inventory control guide
d) Patient education guide
e) Employee Handbook
f) Compliance Checklists and much more!

ONLY
$99.95



This guide will help you meet your goals faster with less effort on your part. Your competitors will be left wondering what hit them!

The IRS 280E Guide will save you time and money by helping you understand and minimize your exposure to IRS §280E. You'll learn how to minimize your tax issues and maximize your cost of goods sold for significant tax savings.

The book contains sample income statements, balance sheets, and fully prepared sample tax returns for:

Dispensaries
Cultivation Facilities
Manufacturers
Processors
Edibles Companies

ONLY
$99.95

Why wait? Grab your go to guides now so you can skyrocket your cannabis business ahead of your competitors!



VISIT **MARIJUANABUSINESSOPERATIONS.COM**
FOR INQUIRIES CALL: **(617) 861-4529**

10 Business Takeaways From MJBizCon

Tips & insights from the largest gathering of cannabis professionals in the world

by Marijuana Business Magazine staff

From learning how to start a marijuana company to discovering strategies for expanding an existing business, the 18,000-plus attendees at MJBizCon in November got loads of actionable advice from more than 100 cannabis industry experts.

The event - run by *Marijuana Business Daily*, which publishes this magazine – was held at the Las Vegas Convention Center and featured 45 sessions focused on cultivation, retail, infused products and concentrates, business strategies, investing, marketing and Canada's cannabis industry, among other topics.

MJBizCon also hosted pre-conference tracks on the hemp industry, the science of cannabis and the basics of operating a marijuana business.

Marijuana Business Magazine journalists fanned out across the conference to collect business insights and tips from the sessions. Below are 10 takeaways.



Marijuana entrepreneurs had their pick of more than 100 speakers and over 45 sessions at MJBizCon. *Photo by Keoni Concepts*

1

Raise More Money Than You Think You'll Need

To build a fully integrated marijuana business in a highly regulated state, you'll need to deploy about $10 million, according to Pete Kadens, CEO of Green Thumb International. His Chicago-based medical marijuana holding company owns licenses for 19 vertically integrated MMJ businesses in five states.



Kadens also offered this advice: Be prepared to raise more money than you think you'll need. Some of your potential investors will no doubt get cold feet for one reason or another.

"I always say that for every $30 million we raised, only $10 million ended up in our bank account after people who committed talked to their lawyers, CPA, financial adviser and spouse," Kadens said.

In one typical example, he noted, an investor will promise money but then condition it with this caveat: "I have to talk to my spouse," Kadens said. Translation: "Yeah, he's out."

Kadens' advice: Be prepared for rejection.

"You cannot get upset easily or overly dramatic about people falling out," he said. "It will happen. You need to build a very robust investor pipeline just like you would a sales pipeline, and you need to track and manage that pipeline methodically."

2

Get the Right People

With all the demands of getting a marijuana company up and running, it's easy to overlook the one aspect of your business that's probably the most important – building your team.

You've heard this advice before, but it can't be stressed enough.

"Surround yourself with people who are experts and trust them to help you build your business," said Lynn Hondred, CEO of Colorado-based Mary's Medicinals, a multistate provider of pharmaceutical-grade cannabis products. "Know what you know, and know what you don't know."





Shon Williams takes a simple approach to hiring: "I have a no-jerk rule."

"It's cancerous to your overall business and can destroy the culture of your business, and culture is key to your success," added Williams, director of portfolio management and design at MJardin, a Colorado consultancy specializing in cannabis cultivation.

"Position plus personality, character, integrity and overall diversity – including from a background standpoint – is important. … You must trust the people around you."

And, lest you forget, Williams stressed: "Make sure YOU are not the jerk."

3

Know Your Customer

Up to a third of adults in California, Colorado, Nevada, Oregon and Washington state use marijuana. That's over 11 million potential customers for marijuana businesses just in those five states, according to an August 2017 study by Ana Hory, the CEO of California-based Enlucem, a wellness community where users share how cannabis has helped them.



Though Hory's study was specific to those western states, it shows the importance of business intelligence in running a marijuana company.

Among her findings in those states, Hory uncovered these stats about cannabis customers:

- 61% are male
- 61% are 41 or younger
- 43% are married

Hory's study also found that the overwhelming preferred product type for heavy cannabis users is loose flower, followed by edibles, pre-rolls and vape cartridges. At the bottom of the list: infused topicals, drinks and tinctures.

She also found that the vast majority of consumers – 78% – are looking for relaxation from their marijuana products, with relief from pain, anxiety and insomnia also comprising purchase motives.

Perhaps one of the more significant findings is that affordability is by far the biggest driver behind retail cannabis purchases. While potency, strains and other considerations still figure into the equation, a whopping 84% of survey respondents said price point was their top priority.

4 Don't Give Up on Social Media

Cannabis companies can't market on social media because industry giants such as Google and Facebook have policies blocking industries illegal under federal law, right? Wrong.

Natalie Cupps DiBlasi, co-founder of LACED Agency and social media strategist in Redondo Beach, California, said there are plenty of ways cannabis companies can get noticed online. Some of her tips:

Social media companies, including Instagram and Twitter, remove posts that seem to sell "marijuana" or "cannabis" – sometimes even "hemp." So, don't use those words. Instead, think about promotions that might escape censors. What about promoting a "Wellness Wednesday" at your dispensary? Or throwing a "Chocolate Week" around Valentine's Day to move edibles? Get creative with promotions that won't raise alarms.



Don't use images of the plant. Period.

Photos and videos are a must. Show people relaxing, or feeling better or having fun. Don't show cannabis. Show the effects that cannabis has on people.

Don't stop at Facebook. Pinterest is extremely popular with women, and YouTube reaches more 18-to-49-year-olds than any cable network in the United States. Both platforms are slower to block cannabis posts than some other platforms.

Even if you're rejected by Facebook, keep trying to market on the platform. "You can't miss the chance to market to the world's largest social media audience."

DeBlasi said it's also important for cannabis companies to prepare for global legality by establishing brand credibility. So, include language in every single piece of online marketing that your company complies with state and local laws and that cannabis products are intended for adults. "Make it clear that you are a responsible company," she added.

5 Capitalize on the Potential of Hemp-Derived CBD

There's a huge untapped cannabis market out there. It's for cannabidiol, where few brands have any consumer recognition and there is opportunity galore for new producers.



Bethany Gomez – director of research for the cannabis market research firm Brightfield Group – has studied the nation's hemp-derived CBD market. Her conclusion: No one is yet doing a great job marketing the product.

Of the 200 or so brands selling hemp-derived CBD products, none has more than 7% market share. That's a shame, Gomez said, because there are so many positives to the product. It doesn't impair users, and 88% of hemp-derived CBD users surveyed by Brightfield classified it as being "very" or "extremely effective" in treating medical conditions.

CBD makers might not be permitted to make medical claims, but consumers can, and their response level will spread organically, Gomez said. That means getting "earned media," or coverage from news outlets, which Gomez said CBD makers can do by ensuring customers know how to find them online.

6 Apply Big Ag Techniques to Cannabis Cultivation

Marijuana growers would be well-served to learn from Big Agriculture practices, according to Hybrid Tek founder Dan Gustafik, whose Oregon company provides design, engineering and consulting services to cannabis cultivators.



Because Big Ag is a giant industry – it represents 5.5% of gross domestic product in the United States – it can, at times, have best-in-class technology, heightened efficiency learned through trial and error, and sustainability practices that cannabis cultivators can apply to their operations.

"Commercial agriculture has been advancing for years with innovations in cultivation methods, design and equipment," Gustafik said.

If you're looking to improve your grow operation, it would be a smart move to capitalize on the experience and innovations developed in traditional agriculture, particularly in the organic herb market. These farmers have gained efficiencies by using:

- Affordable and scalable LED lighting.
- Vertical farming techniques. Stacking plants saves an enormous amount of space.
- Mobile-rack systems can streamline your grow operation and help you scale in small spaces.

7 Be Aware That Particle Size Matters in Extraction

A number of factors can influence extraction quality, such as the temperature and pressure used in the process, as well as the time and flow rate.



But particle size – or the size of the product put into the extraction system – can also make a difference, said Markus Roggen, vice president of extraction at OutCo, a California cultivation and extraction company.

In short, the smaller or finer a cannabis flower, the better, because it flows more smoothly through the extraction machine and results in a preferred product. For that reason, it's good to mill your flower before putting it into the extraction machine. "Particle size is really important in extraction, and it also helps with packing," Roggen added.

8 Take a Chance on Microdosing



Microdosing can be a powerful tool for edibles makers that want to tap a new and growing customer demographic, according to Jordan Tishler, president and chief medical officer at Inhale MD, a Boston medical practice specializing in cannabis therapeutics.

Microdosing is exactly what it sounds like: Consumers seeking the hard-to-define "wellness" benefits ingest relatively small amounts of infused cannabis products containing, say, 1-2 milligrams of THC as opposed to the more common industry standard of 10 milligrams.

These consumers are a burgeoning customer base for the cannabis industry and often include highly educated and wealthy purchasers. They are looking mostly for reliability in their infused products and usually are happy with one of the primary side benefits of microdoses: They don't come with unwanted side-effects such as intoxication or extra calories from, say, brownies or chocolates.

Daily microdose use, Tishler noted, can lead to daily consumption and potentially bigger sales figures for companies willing to explore this new niche.

9 Be Organized in Planning Your Exit



If you're the owner or top executive of a marijuana business, leaving the company isn't just an emotional decision. It's also a strategic challenge. If done incorrectly, you could leave potential successors and employees in a tough spot, said Darren Weiss, general counsel for Maryland-based Verano Brands, a multi-state cannabis operator and manufacturer of infused products.

The foundation to a good exit is recognizing the different types of strategies – including selling to a bigger company or passing the company on to a family member or friend – and identifying which one is best for you and the company. You want your company to continue to thrive.

Another key factor is being well organized so your business is attractive to potential suitors. What buyer, for example, wouldn't be deterred by a company's inability to provide documents – articles of organization, financials, shareholder agreements, etc. – or other information in a timely and organized fashion?

Owners seeking an exit should also seek to maximize the company's value, which Weiss said is simply done by increasing earnings and reducing risks. Ways to increase earnings include cutting discretionary expenses, systematizing business practices, instituting employee incentive programs and reducing owner compensation. Ways to reduce risk include making sure key employees stay on after you leave so that the company's management remains stable.

10 Don't Ignore Canada



Whether you're considering the Canadian market or simply looking for new ideas or metrics to apply to your business, you should watch the goings-on as the nation legalizes recreational cannabis this summer. Some key areas to consider, according to Miles Light, founding partner of Marijuana Policy Group (MPG), a Colorado firm that provides analysis, investment and policy advice to private and government clients:

- **Retail:** Entrepreneurs will find plenty of business opportunities in retail. But those opportunities will vary greatly by province. That's because each province is tasked with coming up with its own distribution and retail model, and some are more business friendly than others. Investors will find retail opportunities in Alberta, Manitoba, Newfoundland and British Columbia. They will be shut out in Ontario, Quebec and New Brunswick — which together account for almost two-thirds of Canada's population.

- **Supply Versus Demand:** Estimates of annual demand for recreational cannabis currently average 600 metric tons per year, but MPG found that actual demand will be much higher. A higher rate of consumption means revenue forecasts should be adjusted upward. It does not, however, mean there will be a bigger shortage. Light doubts it will take long for supply to meet demand. As in other markets, the key segment is 18- to 24-year-olds. By contrast, the fastest-growing segment in Colorado is seniors (over 60 years old), which could carry over to Canada. Another key segment in the rec market will be males, who will account for about double the number of female users.

- **Medical Consumption:** The market for MMJ will continue to be a significant force in the Canadian market. "Heavy users," which Light defined as almost everyday use, consume most of the overall cannabis. Almost 40% of medical patients are "near daily" users compared with about 20% of recreational consumers. Canada had over 200,000 medical marijuana patients as of mid-2017, the latest public data available, and that is sure to grow. As of late 2017, at least two major Canadian pharmacy chains had struck deals to sell MMJ to patients. ◆

Roger Fillion, Kristen Nichols, Omar Sacirbey, Bart Schaneman, Kelly Schmeer and John Schroyer contributed to this report.

Lights, Camera, Action!

You may never promote a TV sitcom in your dispensary – but here's how one retailer helped launch a Netflix show

by Lisa Greim

To promote "Disjointed" – an original series set in a Los Angeles dispensary, starring Kathy Bates – Netflix teamed up last year with a West Hollywood dispensary, Alternative Herbal Health Services.

Netflix commissioned the dispensary to create 12 medical marijuana strains. The strain names were featured on the show, and Alternative Herbal Health Services sold the actual product. To prevent Netflix and show producers from running afoul of federal law, Alternative Herbal Health Services handled all the details of packaging and sales.

In addition, the Alternative Herbal Health Services store, on Santa Monica Boulevard, was redecorated inside to look like Ruth's Alternative Caring – the dispensary featured in "Disjointed," which aired its first 10 episodes in late August 2017.



Dina Browner, co-owner of Alternative Herbal Health Services, serves as a consultant to the Netflix show "Disjointed." *Photo by Eitan Miskevich*

Such cobranding is a hot trend in mainstream consumer marketing. Cover Girl developed a Star Wars-themed line of "light side" and "dark side" makeup. Uber and Spotify promote "soundtracks for your ride." BMW and Louis Vuitton collaborated on a campaign, "The Art

EXECUTIVE SUMMARY

To promote "Disjointed" – an original series set in a Los Angeles dispensary and starring Kathy Bates – Netflix teamed with a California medical marijuana company. Here's what you need to know about the partnership:

- Netflix worked with Alternative Herbal Health Services in West Hollywood and commissioned a line of 12 medical marijuana strains that were featured on the show and sold in the dispensary.
- Netflix redecorated the interior of Alternative Herbal Health Services to make it resemble the dispensary featured in the show.
- The partnership garnered international press attention and generated publicity for Alternative Herbal Health Services in the mainstream media.
- While not the first, the partnership appears to be the most wide-ranging of its kind in the marijuana industry and could serve as a template for other MJ businesses seeking to exploit a pop culture tie-in.
- The dispensary co-owner, Dina Browner, served as a consultant on the set of "Disjointed."

PACKAGE MORE IN LESS TIME

Use the PrimoCombi to fill containers, jars or bags in a fraction of the time!

OPERATING SYSTEM

- ✔ Windows™, Skype™, VNC™, LogMeIn™, Crystal reports™
- ✔ Unlimited recipes, coded for quick load
- ✔ Customizable security levels
- ✔ Unlimited languages / create your own language
- ✔ USB and COM ports for peripherals, cameras and phone
- ✔ Customize your reports with Crystal Software™ reporting
- ✔ Auto-email production reports
- ✔ Real-time data-stream
- ✔ Updateable software and firmware
- ✔ Bar code scanner ready





DELICATE TRANSFER



PRIMOCOMBI WEIGH-FILLER



CONTAINER FILLING SOLUTIONS



Visit one of our System Centers & see our products in action!



CONTAINER FILLING



SWIFTY BAGGER FOR STAND UP POUCHES



SLEEKWRAPPER FOR EDIBLES



WHOLESALE PACKAGING

PAXIOM | GROUP
LAS VEGAS – MIAMI – MONTREAL – TORONTO

PACKINGCANNABIS.COM

702.450.0808

HISTORY LESSON

The promotional partnership struck between Netflix and Alternative Herbal Health Services in West Hollywood, California, is not the first cannabis-themed joint marketing campaign in Los Angeles. But it's the most mainstream, with the greatest potential to change how marijuana brands are perceived by consumers.

For Kevin Smith's 2014 indie film "Tusk," two strains were sold for a time at Buds & Roses dispensary in Studio City, Calif.

The campaign for "Disjointed," however, was more wide-ranging. It involved the creation of a dozen strains and an interior makeover of Alternative Herbal Health Services to make the dispensary resemble the one featured in the show.

And unlike "Tusk," "Disjointed" has old-school roots. It's a multicamera workplace sitcom, created by Executive Producer Chuck Lorre of "The Big Bang Theory" and "Two and a Half Men," and David Javerbaum, a writer and producer on "The Daily Show" with 13 Emmy awards to his credit.

The show's critical reception has been lukewarm – Rotten Tomatoes gave it a 21% rating – and some in the cannabis industry object to stereotypes and inaccuracies.

On the show, for example, budtenders at Ruth's Alternative Caring smoke at the store, a major infraction in real life, and trippy animated sequences show what one character, a young veteran, supposedly experiences when he uses pot to treat his post-traumatic stress disorder.

Yet the show is culturally important, Philadelphia Inquirer critic Nick Vadala wrote, "because of the mundaneness with which it treats pot. We are slowly but surely entering a world where marijuana is ordinary enough to be boring. … Whether the show is a laugh riot or not is sort of beside the point."

– Lisa Greim

of Travel," that showcased the craftsmanship and upscale masculinity of both brands. It included a $20,000 luggage set designed to fit in the rear parcel shelf of a $135,700 BMW i8.

While not the first in the marijuana industry, the Netflix-Alternative Herbal Health Services partnership appears to be the most wide-ranging and could serve as a template for other MJ businesses seeking to exploit a pop culture tie-in.

The Netflix collaboration proved to be a media coup and garnered international press attention. Such partnerships, scaled for a specific market, can help a cannabis business gain media exposure in mainstream channels and attract new customers.

"This is the first truly mainstream collaboration," said Dina Browner, co-owner of Alternative Herbal Health Services and a consultant for "Disjointed." As someone who advises marijuana brands on marketing and product development, Browner sees "endless opportunities" for partnerships as legal markets expand.

Here's how the Netflix-Alternative Herbal Health Services partnership worked.

A Partnership is Born

Alternative Herbal Health Services is not your typical dispensary. First opened in 2004, the store is literally down the street from Hollywood, with a client list that includes rapper Snoop Dogg, who gave Browner her nickname, "Dr. Dina."

The Netflix promotional partnership came about because Browner began working with "Disjointed" co-creators Chuck Lorre and David Javerbaum from the show's inception. She has lent her cannabis expertise to other films and shows and is credited as a cannabis consultant on all 20 episodes of "Disjointed."

Initially, Browner was skeptical when showrunners first approached her. "I assumed they'd make fun of us, but then I read the script," she said. "They make fun of everybody equally. It's a sitcom."

As cannabis consultant, she worked with writers and on set to depict day-to-day life in a dispensary. The producers wanted somebody who knew the details, Browner said. "They gave me the script. I said, 'Jack Herer was not a strain in 1973.' They said, 'You're hired.'"

Browner said her life was the inspiration for both Ruth Whitefeather Feldman, the protagonist of "Disjointed," and Nancy Botwin, the main character in "Weeds," a Showtime series about a suburban mom turned dealer.

Dispensary Gets a Makeover

The promotion required an interior makeover for Alternative Herbal Health Services, given that a separate faux storefront wasn't possible. So the Netflix creative team turned the dispensary into a replica of Ruth's Alternative Caring.

Designers wrapped the walls of the West Hollywood store to resemble the "Disjointed" set, with blackboard menus, signage and a sunset mural.

It took about four days, Browner said, and people liked the new décor so much she kept it in place after the premiere weekend. Another pop-up promotion for "Disjointed" will take place when the next 10 episodes are released in January.

www.budmaster.co.uk visit us @Booth 4523

Cropmaster LED

ADVANCED LED LAMPS, MADE IN THE UK



CROPMASTER ++ is so Much More

1. 700+ µmol Osram Horticultural LED 100,000hr LED Lifespan
2. IOT Interaction & Control From Anywhere
3. Dynamic Spectrum & Event Calendar
4. Data Harvesting from Multiple Sensor Data Sources
5. Interactive and Responsive Smart Lighting
6. Multi Protocol Mesh Networking

Netflix, for its part, said the "fan activation" campaign built awareness before the launch of "Disjointed" by engaging fans of its other hit shows, including "Arrested Development" and "Orange Is the New Black."

Developing the Strains

Netflix's design shop, Brooklyn, New York-based Carrot Creative, worked with Browner for months to curate 12 cannabis strains. Carrot suggested a mood for each show, and Browner matched them to the taste and effects of existing strains, then coordinated production with her store's team of growers. Carrot designed the glass jars with wood stoppers and colorful labels.

The new strains included fictional hybrids alluded to in "Disjointed" episodes, including Eve's Bush, an indica hybrid "for getting in touch with your inner goddess," and Rutherford B. Haze, a sativa hybrid. While the strain names were fictitious, their contents were real: Inside each glass jar was an eighth of an ounce of cannabis.



To promote Netflix's "Disjointed," Alternative Herbal Health Services in West Hollywood was redecorated to resemble the dispensary featured in the show. *Photo by Christina Welsh*



Dina Browner, center, co-owner of Alternative Herbal Health Services, poses with "Disjointed" star Kathy Bates and the show's co-creator and showrunner, David Javerbaum. *Photo by Dougie Baldwin*

Netflix and Carrot declined to comment for this story. But Carrot's executive creative director, Jonathan Santoro, told Adweek that Netflix's attorneys approved the partnership with Alternative Herbal Health Services and carefully worked out the legal details.

"Netflix or Carrot never physically touched the flower," Santoro told Adweek. The strains were packaged and sold by dispensary employees. Alternative Herbal Health Services purchased the marijuana and kept all the proceeds. By contrast, Netflix, co-creator Lorre and Warner Bros. Television did not have a financial involvement in the cannabis itself.

The eighths sold for $35-$65 including tax, the regular prices for the cannabis used in the fictitious strains. Each buyer on premiere weekend also received a free gift bag with "Disjointed" swag, including a hat, T-shirt, lighter, pins and stickers.

Netflix provided the decorations, promo packaging and gift bag items and also paid for extra services for the premiere party at the store, such as security and valet parking.

The promo was successful. About 27 pounds of the promo strains sold out in hours, Browner said, as cast, crew and fans of "BoJack Horseman," "Grace and Frankie" and other Netflix shows came in to check out the merchandise.

Job Description

As a consultant on "Disjointed," Browner tapped her nearly 15 years of expertise as a cannabis retailer, beginning with script development. She spent six weeks with the writers, helping them understand how a dispensary works. She fact-checked that the strains were what a real caregiver would recommend for a particular medical condition.

And she convinced the writers to include a U.S. Drug Enforcement Administration raid in the final episode. Together, they figured out how the show's characters would violate federal law in a way that would not break the audience's emotional connection with the cast.

To create an authentic-looking dispensary set on the back lot at Warner Bros., Browner worked with the show's set designer to develop realistic displays and product assortment. Instead of stocking the dispensary set with fictional brands, she contacted her vendors, including Raw Natural Rolling Papers, based in Alcoy, Spain; Kiva Confections, a maker of infused chocolates and mints from Oakland, California; and Hitman Glass, a Los Angeles supplier of water pipes.

Actual cannabis was not allowed on the set. So the vendors provided empty packages or unmedicated versions of their products. The prop marijuana flower on the set was a British concoction, Honeyrose Earth Impact, made from wild lettuce, clover, mallow leaves and rose petals. "It tastes like a Russian brothel and a cat litter box combined," Browner quipped. "You can see it on people's faces" when they take a hit.

The brands weren't charged for product placement, which can typically cost $25,000-$500,000 for a streaming series, according to the marketing agency Hollywood Branded.

During rehearsals and shooting, Browner taught actors the right way to handle a dab rig or roll a joint, or what budtenders should be doing behind the counter during scenes. One actor even spent time on a grow site, learning the right way to handle plants.

Oscar-winning actor Kathy Bates, who plays dispensary owner Ruth Whitefeather Feldman, told TV host Stephen Colbert in October that "Dr. Dina" helps the show feel real to cannabis users, while educating nonusers, and still being funny.

For the final episode featuring the DEA bust, Browner showed the actors video of a real raid at her dispensary. "She had it on her phone," Bates said. "Twelve guys in the black SWAT things, coming in this tiny little dispensary. It was very scary."

Browner also coached the actors playing DEA agents. It was an intense day on set, Browner added: "Kathy would say, 'Dina, what should I be feeling right now? What's going through my mind?'"

Browner said there's power in being able to show 100 million Netflix viewers that cannabis is healing medicine, that the feds can shut down a state-licensed business and that regular people use marijuana. "Anytime you put what we do in people's living rooms, we break stigma," she said. "That's the victory." ◆

HiLUX GRO™
professional grade horticulture lamps

USHIO Professional Grade Lamps

Professional growers will not use just any lamps to get just any results. They require specialty grade lamps to maximize their growth and profits. This is why professionals choose USHIO, a Japanese specialty lighting manufacturer.

Don't wait, upgrade your system today with USHIO's Hilux Gro™ professional grade CMH, MH and HPS lamp types.

- High Output Lamp Technology
- Engineered in ISO 9001 Certified Facility
- Highest Quality and Consistent Performance
- Robust Plants Through High Blue Light Output
- Long Average Life and Low Energy Consumption
- Tubular Low Profile Design for Compact Fixtures
- Reliable Operation Throughout the Growth Cycle

(Operate lamps on suitable ballasts and ignitors only. Operate lamps on high frequency ballast only specifically designed for DE lamps.)



USHIO

www.ushio.com | 800-838-7446

NEW AMH-DE1000W



As a third-party logistics hub providing storage, distribution and trimming services, The Cannabis Distribution Company's facility is stocked with product from large and small growers. *Photo courtesy of TCD Co.*

Branching Out

How a pioneering security company has confronted the challenges of branching out to develop a trimming, drying and distribution business

by Joseph Peña

The team behind Oregon-based CannaGuard Security implemented a Herculean change last year.

Executives decided to branch out from the compliance, armed guard and transport offerings that the company built its name on and expand into the plant-touching side of the marijuana industry. In particular, CannaGuard executives launched a third-party logistics business that manages cannabis drying, trimming, storage and distribution for multiple Oregon MJ growers.

It's nearly unheard of for an ancillary cannabis company to undertake such a move, let alone do it successfully. But by all accounts, it seems CannaGuard has done just that.

The Cannabis Distribution Company (TCD Co.), as the new business is called, is housed along with CannaGuard's other companies under a new parent: OmniTek Holdings. The parent company now has approximately 180

EXECUTIVE SUMMARY

CannaGuard Security last year launched TCD Co., a third-party logistics business that manages cannabis drying, trimming, storage and distribution for multiple MJ growers. TCD Co. works in tandem with CannaGuard's security and compliance services, all of which are housed under OmniTek Holdings. Company executives offered these tips for ancillary businesses expanding into plant-touching operations:

- Products that help your clients effectively operate in the regulated cannabis market – inventory software, for example – are harder to come by. So TCD Co. customized its own software.
- Plant-touching services you plan to offer – trimming or drying, for example – should be scaled and, when possible, customized to serve the needs of individual clients.
- Anti-contamination practices are critical, and an open-door policy on your operations provides clients – the MJ growers – with peace of mind.
- Landing a wholesale distribution license is costly and takes considerable time.



Noah Stokes, chief executive officer of CannaGuard and OmniTek Holdings.
Photo courtesy of TCD Co.

employees and offers customers a range of services, including security, curing, transportation and storage.

Business has been brisk for the new venture.

TCD's 40,000-square-foot marijuana storage facility in Portland, Oregon, is near capacity. As of October, the company was providing trimming and drying services to four large marijuana producers and 12 smaller ones, as well as providing inventory and sales services to 12 farms in Oregon. Executives anticipate the company will eventually nearly double its staff of 80 trimmers.

Third-party logistics hubs are common in many industries – think online retail giant Amazon, food-service distributor Sysco, or trucking or parcel-delivery carriers such as FedEx and UPS that serve multiple customers. But TCD appears to be among the pioneers in the cannabis industry, and its strategy could serve as a template for other businesses.

Noah Stokes, OmniTek Holdings' CEO, said the demand for full-scale distribution services from CannaGuard's existing clients helped executives identify the opportunity.

But moving from an ancillary business into plant-touching operations – and scaling the operations for a large, centralized hub – has been challenging. It's meant navigating new licensing processes and filing proper regulatory documents, as well as pivoting from other strategic development opportunities. It's also meant resource-sharing among the businesses, finding new facilities and hiring and training a workforce.

"A lot of what we're doing is stuff that just hasn't ever been done in the regulated space," Stokes said. "When you add that layer of the regulated space – with pesticides, cross-contamination, trimming, packaging, seed-to-sale tracking, sales, third-party logistics and security – all these things together really add a significant layer of complexity."

Software Solutions a Challenge

Unlike other industries, products that help companies effectively operate in the regulated cannabis market are harder to come by.

LANDING A NEW LICENSE

Securing a license as a marijuana grower or retailer is tough enough. But what if you're an ancillary company planning to expand into plant-touching operations? It can be a costly and time-consuming process.

Just ask Oregon-based CannaGuard Security, which in 2014 began providing compliance, armed guard and transport services. The following year, the company's executives decided to launch a third-party logistics business – The Cannabis Distribution Company (TCD Co.) – that manages cannabis drying, trimming, storage and distribution for multiple MJ growers.

But before it could get off the ground, TCD needed an Oregon Liquor Control Commission wholesale distribution license. That required all the company's owners to submit to federal background checks.

The company also had to secure a Land Use Compatibility Statement from Portland showing its new facility meshed with the city's comprehensive plan and regulations. And TCD had to give state cannabis regulators its security and operating plans plus details about the company's corporate structure and funding.

The application process took hundreds of hours in October and November 2016, according to Noah Stokes, the CEO of TCD's parent, OmniTek Holdings.

It's inexpensive to fill out the application – a couple hundred dollars, he said – but the associated costs add up. Inspection and licensing fees are compounded by the costs of outfitting a building to pass the inspection. That can cost upwards of several hundred thousand dollars, Stokes said.

TCD finally secured its marijuana distribution license in November 2016.

But the time-consuming process put other strategic development on hold.

Stokes said resources were allocated to TCD's launch that otherwise would have gone into developing CannaGuard's brand in California and other states. Stokes and his team, for example, had to pivot and apply for TCD's Oregon license so they could open the company's new facility in time for the harvest at the end of the 2016 outdoor growing season.

– Joseph Peña

For example, finding effective inventory software that meets the unique needs of the legal cannabis industry is challenging, Stokes said.

TCD needed software that was simple to use. It also had to integrate with Oregon's seed-to-sale tracking system and handle distribution for a third-party logistics hub that houses multiple growers' products at different stages of production.

That software didn't exist. But TCD, leveraging the CannaGuard team's experience with technology and software development, was prepared to do the heavy lifting.

In September, TCD bought and deployed inventory software it purchased from Washington state's Verde-Mark. The software works in conjunction with METRC, the Franwell seed-to-sale tracking system used in Oregon.



The Cannabis Distribution Company delivers product to Oregon retailers.
Photo courtesy of TCD Co.

The software also has an e-commerce feature that allows retailers to browse the distribution company's inventory and add items to a shopping cart. Those goods are then transported to buyers – the retailers – in CannaGuard Transport's secure vehicles.

TCD has spent more than $100,000 developing the software to tailor it for the cannabis industry, and it plans to spend more than $1 million to make the software commercially available to its Oregon clients – plus those in California and Colorado. Like Salesforce, TCD plans to host the software in the cloud and charge clients for the license to use the technology.

www.cbscientific.com
720-370-3554

CB Scientific

CannaDERME™



TRANSCUTANEOUS CANNABINOID PENETRATION
NANO-EMULSION FOR SUSTAINED TIME RELEASE

TEST 4
Cannabinoid Detection Kit
THC - CBD - EDIBLES



ENSURE YOUR PRODUCT QUALITY
WORKS WITH CANNABIS BUDS, EXTRACTS AND OILS,
MOST EDIBLES AND VAPES

Offering Customized Trimming

In February 2017, TCD acquired Cut & Dry, an Oregon mobile trimming business, to run its in-house product care operations.

Jon Pelzner, Cut & Dry's CEO, joined TCD as vice president of business development to scale its cannabis processing operations - including its trimming and drying services - and its tactics for avoiding cross-contamination among growers' plants.

"Primarily, what we're looking for are clients who can grow great flower but might not have the ancillary services dialed in on their farms," Pelzner said. "We want to take the ancillary need off their plate because the allocation of resources for trimming, drying, storing, and transportation – security aside – is so vast, and the business acumen that is needed to develop those services internally just requires so much bandwidth, that we want to be a solution for farms that want to focus on growing and only growing."

TCD's trim consultants meet with clients to fill in a three-page consultation form to understand trim specifications and build a client profile that includes information on the bud's structure, density, height and moisture content – all factors that affect how cannabis is trimmed, Pelzner said.

"We don't take the stance that we're the masters of trimming and we're going to trim it how we want it – we give the most comfort to clients by telling them, 'You tell us how you want it done, and we'll find the most efficient way to execute your trim preferences,'" Pelzner said.

Trim leaders then study the client's profile and teach TCD's trimmers how they should be trimming a client's product.

For TCD's hand-trimming operations, staff work with 300 grams of cannabis at a time, which Pelzner's team identified as the sweet spot for trimmers to be most efficient. By contrast, 200 grams resulted in high bin turnover, meaning trimmers finished quickly and spent too much time returning bins of trimmed cannabis and taking new bins; 400 grams bogged trimmers down.

Each bin comes with a time-stamped receipt to monitor how long trimmers take to trim different product, and that time is entered into a system to help standardize processes. The receipts also identify the flower by client, strain and the ID from the METRC seed-to-sale-tracking system.

The receipts track valuable, post-trim data, too, such as loss percentage and



average trim ratios, which tell growers exactly how much yield is generated by a specific strain or phenotype. TCD shares that information with growers so they can reallocate resources for higher-yield strains for future grows. The receipts also allow floor managers to keep real-time tabs on trimmers' progress and individual bin ratios, which all help to standardize trimming. If one trimmer yields a high ratio of a particular strain, trim leads can audit other trimmers' techniques to yield similar ratios.

Trim trainers also monitor operations to be sure trimmers are using the most efficient practices – rotating by the stem while trimming, for example.



The Cannabis Distribution Company's 40,000 square-foot storage facility in Portland, Oregon, was nearly at capacity as of last fall. *Photo courtesy of TCD Co.*

Dialing in the Drying

Honing the strategy for its drying operations for multiple clients was "a whole new beast," Pelzner said. It was a challenge figuring out how to get the marijuana from farms to the warehouse without over-handling the product.

As a solution, the team retrofitted cargo vans and 20-foot trailers with a specialty racking system. Staffers take the racks to the farms, rack the product there and then load it into the trailers. They drive it back to the warehouse and move the racks directly into drying crates. The process minimizes virtually all touching of the plant once it's racked – which reduces degradation and breakage of trichomes.

1 GRAM FILLS

AUTOMATED WEIGHING

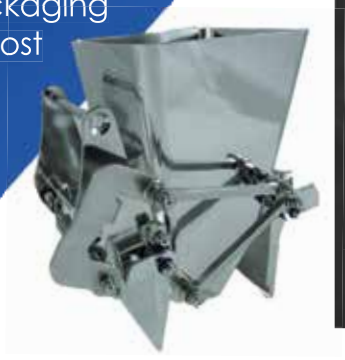
ALL MADE POSSIBLE WITH MULTIPOND

MULTIPOND

Advanced Weighing Technologies
German Engineered & Manufactured

Proven solutions to accurately weigh 1 gram target weights or more. Backed with over 70 years of weighing experience, MULTIPOND provides a reputable solution within the packaging industry offering the most reliable and accurate radial combination scales.





Edible Gummies? Sticky or sugar sanded we can weigh those too.

MULTIPOND America Inc. | 2301 Hutson Road | Green Bay, WI 54303 | 920-490-8249
sales@multipondamerica.com | www.multipond.com

All the drying crates in the warehouse are painted with anti-microbial paint and fitted with exhaust systems and dehumidifiers. They're also electronically temperature and moisture monitored, so staff can check levels in the dry rooms through a mobile app.

"If anything goes a little haywire, we get notified and can send someone up immediately to the crate to fix the issue," Pelzner said.

Anti-Contamination a Priority

TCD expects to dry and trim 65,000-100,000 pounds of cannabis through next fall – and with that volume, anti-contamination practices are top of mind.

TCD has teams of 36 trimmers who work with two quality-control leads and a floor manager in client-specific rows, and there are never more than two clients' products on each trimming floor at any given time.

Trim staffers use a vacuum, isopropyl alcohol to remove buildup, and hydrogen peroxide to kill bacteria on trim bins, separation bins, scissors, trim trays, tables and chairs. They also replace butcher paper on tables for every client's product.

Anyone who steps on to the trimming floor is required to wear medical booties, and floors are swept daily and mopped weekly. Trimmers also wear gloves that are never reused.

TCD is transparent with its clients and has an open-door policy, meaning clients can peek in on operations at any time.

The result of TCD's diligent anti-contamination efforts: zero events of cross-contamination as of this past fall.

"The diligence in our anti-cross-contamination work is how we've gotten where we are," Pelzner said. "Anyone can trim bud. It's how we trim and how we guarantee your product is safe in our hands."

Looking ahead, such diligence could allow CannaGuard, TCD and the other businesses that make up OmniTek Holdings to become trendsetters for the marijuana industry.

"Our ultimate goal is to have this really beautiful cycle, where CannaGuard starts with a company during the application and works with them through the licensing period. Then, once they're licensed, TCD can help them take their product to market, or help them find products to fill their shelves," said Stokes, the CEO. "We're building new infrastructure, policies, processes and software from the ground up." ◆



How to Hire, Train and Manage a Salesperson for Your Cannabis Company

by Bart Schaneman

Salespeople can make or break your business – especially in the world of cannabis, where the path to a successful close can be different than in other industries and first impressions are immensely important.

When hiring a sales representative, it's important to remember that you'll be sending this person into the marketplace as the face of your company. These people will be pitching your product or service to growers, retailers and others.

So it's crucial this person reflects your values, your type of product and your corporate culture. If you're

EXECUTIVE SUMMARY

Hiring a salesperson can have a major impact on the success of your cannabis business. When staffing your sales team:

- Look for a candidate who is a born salesperson – including someone with a thick skin who can handle rejection.
- Err on the side of professionalism first, cannabis knowledge second.
- Know that word of mouth is a great way to find candidates.
- Pay your sales team a combination of a set salary and a commission that will keep people motivated to hit their quotas.
- Set realistic sales quotas and clear expectations for performance.



Lawrence Hudson, right, vice president of sales at Dr. Kerklaan Therapeutics, meets with a client at a dispensary. *Photo courtesy of Dr. Kerklaan Therapeutics*

YGREEN

SC1

FULL CERAMIC VAPE PEN CARTRIDGE

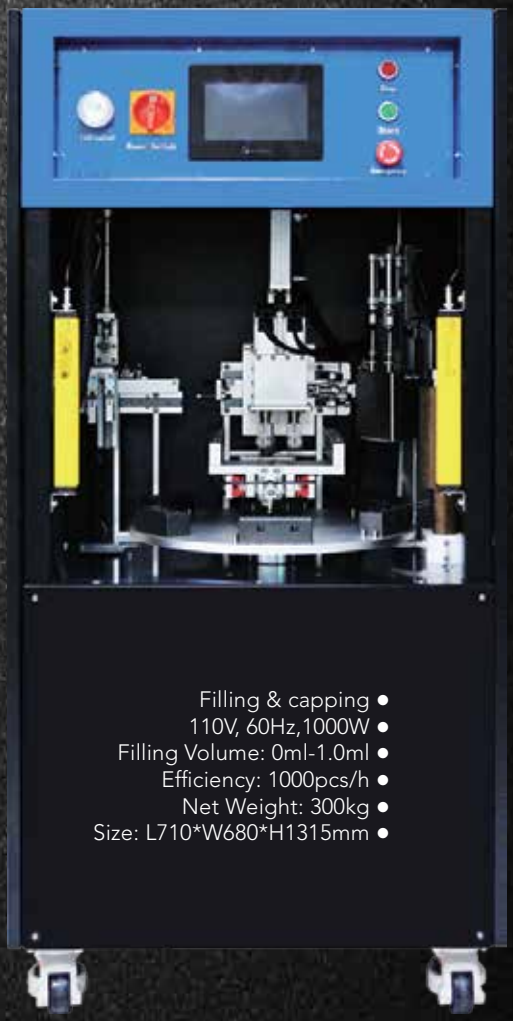


- Volume: 0.5/1.0ml
- Coil: Ceramic rod, Wickless,Glue free
- Mouthpiece: Metal
- Color: gold/silver
- Tank:Detachable Glass

Full ceramic | Glue free | Detachable

E200

AUTOMATIC OIL FILLING AND CAPPING MACHINE



- Filling & capping
- 110V, 60Hz,1000W
- Filling Volume: 0ml-1.0ml
- Efficiency: 1000pcs/h
- Net Weight: 300kg
- Size: L710*W680*H1315mm

Auto capping | High efficiency | Less manpower

www.ygreen.cn | E-mail: 001@ygreen.cn | 818-818-8683

HK Stock Code: 03318

Ygreen(Shenzhen Ygreen Technology Co., Ltd) is subsidiary of Shenzhen BOTON Flavor and Fragrances Group

selling medicinal products to dispensaries, you want a sober-minded sales rep who focuses on the health benefits of your products. If you're selling high-potency concentrates to an adult-use shop, you might want a former budtender or extractor who can speak to the customers' experience.

Industry executives agree you need someone who's a born salesperson. You're looking for experience, but you're also looking for innate characteristics such as self-confidence, a propensity to strike up an easy rapport and an ability to convey the value and benefit of what that person is selling. It's easier to train someone about your product versus teaching that person how to sell it.

That person should also be aggressive, personable, self-motivated and have a great work ethic.

"Hiring good salespeople is a very tough thing," said Ben Wu, president and chief operating officer of Santa Ana, California-based Kush Bottles, which sells packaging and supplies to cannabis companies. "Because ultimately these are salespeople. If you can't talk yourself into a job, you're probably not a good salesperson."



Phil McCutcheon, left, and Brice Murtaugh are territory sales managers for Kush Bottles. *Photo courtesy of Kush Bottles*

WHAT TO LOOK FOR

Andrew Kerklaan - president and founder of Dr. Kerklaan Therapeutics, a medical marijuana topicals company in Marin, California - wants a determined go-getter.

"Someone who's ready to knock on lots of doors and possibly face 'no' a bunch of times but can get up the next day and do it over again," he said.

A long track record of sales success is one good indicator. On a personal level you want someone who is confident and won't get rattled by rejection.

Kerklaan also likes someone with cannabis industry experience, but those people are hard to find in such an emerging business. The next best attribute, he said, is sales experience in another industry. Kerklaan has had luck with hires from the pharmaceutical industry.

"Sometimes a person is a bit disenchanted with the whole pharma industry and what they're selling there," he said. "So they're very keen to get involved with the natural products."

Persistence, commitment, passion and follow-up are all key characteristics of a good salesperson, said Mark Friedman, director of sales and marketing for MedPharm Holdings, a Denver-based company that provides cannabis-based pharmaceutical products.

"I'm looking for sales experience first, cannabis experience second," Friedman said. "I feel like a good professional salesperson can be taught about products more easily than you can teach someone to be a salesperson."

For the Kush Bottles sales staff, Wu is looking for one of the same characteristics that any mainstream business would want: professionalism.

His company has been around since 2010, and it's moving away from the idea that a candidate who is familiar with cannabis will make a good salesperson.

Instead, Wu wants someone who works hard and understands that "this is a large industry that's growing exponentially every day. Having a desire to learn is critically important."

For instance, Wu has salespeople on staff who do not use cannabis but take an interest in it by reading up and watching videos.

"They do really well because they're able to relate to cannabis producers and processors," he noted.

Wu also wants people with professional sales experience who can demonstrate self-discipline and make quick decisions on the spot. He looks for people who can tactfully tell a client no when presented with a circumstance that might have a negative outcome.

What type of circumstance do you want to avoid?

"A salesperson can walk into a shop and a guy offers them a hit or an edible and pretty soon that salesperson's day is derailed," Wu said.

And he's looking for candidates who understand they have sales quotas and that time is money.

"We need to stay active and we need to push and have that sense of urgency," Wu said.

The name commercial growers have trusted for decades



SELECTION • EXPERTISE

Parsource's long-term affiliation with professional growers and our wide selection of innovative lighting make us the most tried and trusted partner in the horticultural market.

Contact us for more information at
Parsource.com | 855-727-5483

PARsource® lighting solutions

WHERE TO LOOK

Kerklaan has found candidates through cannabis staffing agencies, online sites such as LinkedIn and by mining his personal network and the contacts of his staff.

"We've had some good success with Craigslist," he added. "But I would say word of mouth has been the most successful."

Friedman likes to post opportunities on LinkedIn and Facebook.

In particular, he's had success with the Facebook page Colorado Badged Network, a site for registered marijuana industry workers in Colorado.

He also posts on the employment-related search engine Indeed.com and the staffing agency Vangst Talent Network.

Wu posts job ads on LinkedIn and Kush Bottles' Facebook and Instagram pages.

Kush Bottles also has a careers page on its site. But word of mouth works just as well.

"This industry still continues to be pretty well connected internally," he said.

HOW TO TRAIN

Dr. Kerklaan Therapeutics has new hires accompany veteran salespeople during their visits to retailers.

The more experienced sales reps show the new hires the company's systems and procedures, such as proper regulatory paperwork, product selling points, new dispensary on-boarding procedures and the order-tracking software called CannTrade. The reps also introduce them to clients. Afterward, the new hires are trained on the company's customer relationship management system.

"It's a matter of training them up to our brand and our procedures," Kerklaan said.

At MedPharm, Friedman views the training process as a key problem area for businesses.

"That's where most people fall down," he said.

Friedman likened the training process to drinking from a fire hose for the first 60-90 days.

This period has potential downsides for the company.

During this time, for example, current customers may slow purchases or stop them completely until the new rep is proven. There also may be situations where a customer liked the previous rep and stops doing business with the company. This can take time to reverse.

To combat such developments, Friedman set up a program where expectations and sales performance goals such as quotas are detailed in the first week. Weeks two through eight include classroom time with Friedman, where he goes over sales tactics as well as homework assignments and field and event training.

He also has one-on-one meetings every other week with the reps in which they discuss struggles and what they can improve on. In addition, Friedman conducts collaborative weekly sales meetings with the whole staff where

WHAT TO WATCH OUT FOR

When evaluating a candidate for a sales position, watch out for a lack of confidence, poor attention to detail and a limited understanding of the job.

At the packaging and supplies company Kush Bottles, president and chief operating officer Ben Wu is wary of an interviewee who lacks the confidence to make eye contact.

Another red flag is a spotty job history.

"If you're a salesperson who's had 10 sales jobs, and none of them for more than two months, it's probably not a good fit," said Wu, whose company sells packaging and supplies to cannabis businesses.

He also evaluates the candidate's criminal background.

"This is a cash-heavy industry," he said. "Just like any other business, you have to make sure that you're hiring employees you can trust."

Dr. Andrew Kerklaan, president and founder of the medical cannabis topicals company Dr. Kerklaan Therapeutics, won't hire someone if they're in it for the wrong reasons.

"There are lots of people piling into the cannabis industry," he said. "You have to make sure you see the right motivation in them."

He avoids candidates who appear too financially driven and those who are just chasing the latest trend – in this case, marijuana.

Mark Friedman – director of sales and marketing for MedPharm Holdings, a provider of cannabis-based pharmaceutical products – has been hiring people for 20-plus years and emphasizes the importance of a first impression.

"If you're looking for a sales position, your resume is your sales presentation and your product is you," he said.

Misspellings and punctuation errors on a resume are a bad start.

"I had a guy submit a cover letter where he misspelled the name of my company," Friedman said. "He was disqualified."

He's also looking for a specific understanding of what the job entails.

"If they think the job is 8 to 5, Monday through Friday, we have a discussion that that's not really what it's about," Friedman said. "Sales is a 24/7 gig."

– Bart Schaneman

GROW

~~GAME~~ CHANGER.

INTRODUCING GROW SYSTEMS *from EYE HORTILUX!*

- Patent-pending technologies!
- Best-in-class light uniformity over the plant canopy!
- Meets UL 8800 criteria!
- Optimized for EYE HORTILUX grow lamps!

To learn more, call **1-800-811-6057** or visit **www.eyehortilux.com/growchanger**

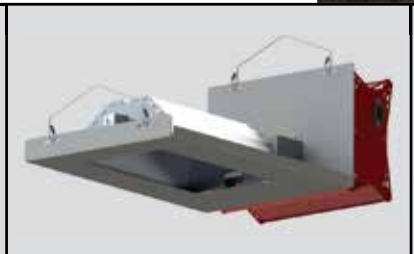


SE 600
GROW LIGHT SYSTEM





LED 240-R



DE 1000 FC2



CMH 315



T5 54-8

#GrowChanger

www.eyehortilux.com/growchanger

HORTILUX® is a trademark of Iwasaki Electric Co., and is registered in USA and Japan.

EYE HORTILUX®
horticulture lighting specialists™

people share challenges and the solutions they've developed.

Wu also recognizes that training is vitally important to the success of his sales team.

In recent years, Kush Bottles has invested more money into training its staff.

"We invest a lot in training our salespeople to get them up to speed," Wu said. "We want that sense of urgency, but we don't want to throw them into the fire and watch them flounder."

During training, Wu emphasizes to his sales team the necessity of focusing on compliance, given its importance within the cannabis industry. He tells them that not adhering to compliance standards could jeopardize the entire operation.

HOW TO PAY YOUR SALEPERSON

You need to pay your salespeople the right mix of salary and commission to ensure they can cover their car payments, rent and other expenses – yet stay motivated enough to go out and make or exceed their quotas.

Mark Friedman – director of sales and marketing for MedPharm Holdings, a provider of cannabis-based pharmaceutical products – pays a new hire a salary of $30,000 or $40,000 a year, plus commission. This structure gives his salespeople enough to cover their personal expenses but remain hungry to earn a decent commission.

He's looking for someone with at least two years of outside sales experience or two to three years in the hospitality field.

The pay structure starts as 50% salary and 50% commission, which Friedman expects will turn into 35% and 65%, respectively, "because they're going to be such great salespeople they're going to make a lot of commission."

He also helps with cellphone, mileage, business travel and entertainment.

Dr. Andrew Kerklaan – president and founder of Dr. Kerklaan Therapeutics, a medical marijuana topicals company – declined to divulge what he pays his sales representatives. But he did say it's salary plus commission.

"As opposed to merely throwing them out there with commission only," he said.

He recognizes that his company is based in the San Francisco Bay Area, one of the most expensive areas in the nation, so he needs to keep his sales reps' salaries competitive with the rest of the region.

Ben Wu, president and chief operating officer of the packaging and supplies company Kush Bottles, also declined to give specific numbers. But he did say his salespeople "have unlimited earning potential." He tells them that any salesperson at Kush Bottles can make more money than anyone in the company, even the CEO.

"We'd be happy for you to make money," he said.

Pay structure at his company is part salary, part commission.

"We want to incentivize our staff to grow as much as possible," he said. "This is a new industry, so we don't want people to worry about paying their rent while they get up to speed."

– Bart Schaneman

HOW TO MANAGE

Kerklaan's company is expanding – with products in about 40 dispensaries in California – so he's very involved with the day-to-day sales activities as the business grows.

"We're in the early days here, so I'm still pretty hands-on," he said. "I like to be interacting a lot with [the sales reps]."

He receives official sales reports via email.

"But I like the personal update through text or phone call to share the win, to check in," Kerklaan added.

Friedman considers himself more of a coach than a manager.

"I'm not a micromanager," he said. "I don't need to know where they are every moment of the day. But I do want them planned and focused on what they have do that day."

Friedman does communicate with his salespeople closely. He expects to see a salesperson's schedule for the day in his inbox by 9 a.m. He reviews it to see what the rep wants to get out of the market – for example, what each individual's sales goals are for the day.

At the end of the day, he asks: "How did it go today? What were your struggles? What can I do to help you?"

Wu uses the quota system with his salesforce.

He isn't only evaluating how much money a salesperson is bringing in, but he also notices any revenue-driven activities, such as networking with clients, site visits and seeking out new customers. The sales staff submits reports he can review.

Wu also monitors how quickly his reps follow up with clients. His staff uses an integrated CRM system that provides visibility on sales rep activity. Having that visibility on sales activity and follow-up is critical for any organization, Wu said.

"Ultimately, we're a metric-driven company," he said. "You have to measure yourself with metrics." ◆

NEW ORLEANS

2018

MAY 9-11

MJBizConNEXT



Kevin O'Leary
Keynote Speaker

EXPERIENCE THE FUTURE OF THE MARIJUANA INDUSTRY

MJBizConNEXT brings the future of the rapidly expanding cannabis industry to you. Join senior level executives expanding their companies, top growers and extractors leading their fields, and emerging industry professionals seeking to be tomorrow's leaders.

Brought to you by the editors of MJBizDaily, this is your chance to experience what's NEXT in cannabis!

visit **mjbizcon.com/NEXT** to register

WHEN INDOOR CANNABIS

SELLS FOR

$1,000 PER POUND

OUR GROWERS WILL THRIVE.

WILL YOU SURVIVE?



PALO VERDE CENTER

BLYTHE, CALIFORNIA

96 SPACES AVAILABLE SECURE YOUR LEASE NOW

PALO VERDE

+1 713-231-3606

@PALOVERDECENTER

#PALOVERDECENTER

WWW.PALOVERDECENTER.COM

LOWER OVERHEAD
HIGHER PROFITS

LOWEST LOCAL TAXES
$3 per square foot canopy tax

LOWER LABOR COSTS
Contract trained labor during peak periods

LOWER ELECTRIC BILLS
33% off standard rates

LOWER TESTING COSTS
Save 33% through volume discounts

LOWER SUPPLY COSTS
Cooperative buying = Maximum Discounts

NO MORE WATER BILLS
Included in your rent

EXPEDITED LICENSING
Save time and money through our licensing structure

MARKET PROXIMITY
Two hours to Phoenix and three hours from both Los Angeles and Las Vegas.

UNLIMITED CULTIVATION/MFG LICENSES
The City of Blythe has no limits on qualified licensees

LEASE RATES START AT $2.50 / SF PER MONTH
NNN CHARGES ESTIMATED AT .40/SF PER MONTH

FOR MORE INFORMATION CONTACT US
INFO@PALOVERDECENTER.COM

PALO VERDE CENTER, LLC. COPYRIGHT 2017, PALO VERDE CENTER LLC., METRIC LOGO COPYRIGHT 2017© ALL RIGHTS RESERVED.

Wheelin' & Dealin'

Recent deals, acquisitions and other announcements from North American cannabis companies

by Omar Sacirbey

U.S. DEVELOPMENTS

Marijuana REIT Buys Arizona Property for $15 Million, Strikes Lease Deal

Innovative Industrial Properties – a San Diego-based real estate investment trust (REIT) which leases real estate to medical marijuana businesses – has agreed to buy an Arizona property for $15 million. The property comprises over 350,000 square feet of greenhouse and industrial space. The deal involves a sale-leaseback transaction with a subsidiary of The Pharm, one of Arizona's largest wholesalers of MMJ.

Under the agreement, The Pharm unit plans to continue to use the facility for medical cannabis cultivation. The Pharm subsidiary is also expected to make certain improvements to the property after the deal closes. Innovative Industrial Properties will reimburse the subsidiary for up to $3 million, meaning the REIT's total investment in the property could total as much as $18 million.

The lease is set to last for 15 years, with two options to extend the term for two additional five-year periods. The lease provides for an initial annualized aggregate base rent of $2.5 million.

MariMed Buys Grow Site for Client

MariMed, a Newton, Massachusetts, holding company with operations in several states, has purchased a 137,500-square-foot industrial building on 17 acres in New Bedford, Massachusetts, for $6.9 million. MariMed will develop approximately 70,000 square feet into a "state-of-the-art" medical cannabis cultivation and production facility that has been leased to ARL Healthcare, a nonprofit Massachusetts grower. MariMed helped ARL Healthcare with its successful application to be awarded a Massachusetts dispensary license.

Marley MJ Company Expanding

Julian Marley, son of reggae icon Bob Marley, was a busy entrepreneur in late 2017. His marijuana company, JuJu Royal, struck a partnership with G FarmaBrands to distribute JuJu brand products to recreational shops and medical marijuana dispensaries in Southern California under the state's newly regulated MJ market. California-based G FarmaBrands – through its subsidiary Finka Distribution – said it distributes to more than 1,100 cannabis stores. Besides California, JuJu Royal has distribution in Washington state, Colorado and Puerto Rico. It also has a CBD-only product in the United Kingdom.

Marley also announced a partnership with the Maricann Group, which has a medical cannabis production facility in Ontario to produce and distribute JuJu products in Canada. The three-year deal also gives JuJu the first right of refusal for distribution in Europe.

Exclusive Offer!



Two Critical Resources For One Unbeatable Price!

Only $849

The **Marijuana Business Factbook** and the **Marijuana Business License Directory** are the most trusted sources for all marijuana business information, news and research.

Purchase both the Marijuana Business Factbook and the Marijuana Business License Directory for the bundle discount price of $849. A full $200 off the combined retail price!

Visit MJBizBooks.com to order today!

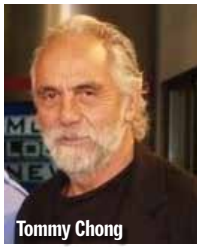

Damian Marley

Youngest Marley Tries CBD Line

California-based Stony Hill Corp., a marijuana company founded by Damian Marley, the youngest son of late reggae star Bob Marley, launched a line of hemp-derived CBD products. They include CBD tinctures, gummies and topical creams that will sell under the name Stony Hill CBD on the Stony Hill website and in "select locations" in the United States.

Organa Brands Partner in Jamaica Gets Grow License

Organa Brands – a provider of vape pens, edibles and other infused products – said its partner in Jamaica, Timeless Herbal Care, has received a cultivation license from the country's Cannabis Licensing Authority. Under the partnership, Denver-based Organa Brands will produce and distribute CO_2-extracted cannabis oil products in Jamaica. The agreement will make Organa Brands products available via Timeless Herbal Care's production and cultivation facility.


Tommy Chong

Chong Bong Partnership

Los Angeles-based Daily High Club, an online cannabis accessory store, has partnered with comedian and actor Tommy Chong to produce a smoking supply box that will include paraphernalia such as rolling papers and glass. It will be delivered monthly to customers' homes.

Colorado Retailer Expands into Canada

Denver-based marijuana retail chain LivWell Enlightened Health has acquired a "significant" equity stake in an Alberta, Canada, cannabis producer, 51st Parallel. Executives from the two companies declined to disclose specific financial terms, but the deal essentially makes the Canadian company a LivWell affiliate.

LivWell's deal is believed to be the first time an American cannabis company has made a strategic move into Canada with the possibility of establishing an integrated business that offers both production and retail operations.


Allison Justice, Outco's VP of cultivation

San Diego's Lone Grow Ups Production

Anticipating increased demand from California's new adult-use market, San Diego County's only licensed cannabis grower will increase production from 1,000 pounds in 2017 to at least 2,000 pounds this year and possibly as much as 5,000 pounds. In addition to its San Diego site, Outco has two licensed grow facilities in Long Beach, which will produce 1,000 pounds per month once operational.

Steep Hill Expanding Into Oregon

Steep Hill, one of the largest U.S. cannabis testing labs, said it is expanding into Oregon – a move that will give the company a presence in eight states. The California-based company has licensed its brand and testing technology to a local Oregon partner, Dr. Carl Balog, an anesthesiologist who already owns a medical toxicology lab.

Balog will open Steep Hill Oregon in the second quarter of 2018 in Portland. In addition to testing cannabis before it goes to market, Balog will aid in Steep Hill's research into further medical applications for marijuana. Steep Hill already has labs in Alaska, Arkansas, California, Hawaii, Maryland, New Mexico and Washington state.

Hoban Goes International

Denver-based Hoban Law Group is expanding internationally, with four new offices in the European Union that were due to open in late 2017 and two offices that will open in Latin America by spring. The new international offices will deal primarily with structured finance, M&A activity, worldwide trade, regulatory law and equity placement exclusively in the cannabis industry.

Arizona Real Estate Company Working on Third Grow Park

Scottsdale, Arizona-based Zoned Properties, a canna-centric real estate company that operates two medical cannabis grow sites, announced plans to build a 47.6-acre business park in Chino Valley, roughly 100 miles north of Phoenix.

CANADA DEVELOPMENTS

Groundbreaking Partnership

Three leading international cannabis businesses are pooling their intellectual property and technology to create products for the global marijuana market, starting with Canada. Under the joint venture, Ontario's Canopy Growth will give ownership stakes in one of its wholly owned licensed medical marijuana producers to Amsterdam's Green House Brands and Denver-based Organa Brands.

In exchange for a stake in Agripharm, Green House and Organa Brands have granted an exclusive, royalty-free license to the Ontario cultivator to use their technology, trademarks, genetics and other intellectual property.

The joint venture will create a Canadian base for both Green House – which owns Strain Hunters, Green House Seed Co. and King of Cannabis – and Organa Brands, a provider of vape pens, edibles and other infused products.

The two companies plan to use the partnership as a springboard to access the global market by leveraging Canopy's international operations in Canada, Australia, Germany and other nations.

Accelerated Growth Solutions

AGS

Mechanical Systems For Controlled Indoor Agricultural Environments

AG-SOLUTIONS.NET ▪ (888) 369-1395



- Precision Air Conditioning & Dehumidification
- Air Cooled and Water Cooled Packaged Systems With Modulating Compressors and Reheat
- 1/2 Ton - 5 Ton Water Cooled Air
- Conditioner / Dehumidifiers
- Cogeneration Systems
- Custom Air Handlers
- Facility Automation Controls
- Odor Abatement Systems
- Chilled Water Systems
- Project Management & Engineering



Unrivaled Precision In Environmental Control

Offices in California and New York
Contact us directly for a free quote!
AG-SOLTUIONS.NET
888.369.1395

Member of the National
Cannabis Industry Association

© 2018 AGS. All rights reserved. The AGS Logo is a trademarks of Accelerated Growth Solutions. All other trademarks referenced are trademarks of their respective owners.

Aurora on Buying Spree

Canadian medical marijuana producer Aurora Cannabis is buying privately owned Canadian greenhouse company Larssen for an undisclosed sum. Larssen is involved with over 15 cannabis industry clients globally, including five Canadian licensed producers, according to a news release. Aurora plans to leverage its ownership of Larssen to pressure other cannabis producers to enter partnerships.

Aurora also announced an $18 million (CA$25 million) acquisition of Quebec-based H2 Biopharma, giving the LP its second grow site in Quebec and fourth in Canada.

The deals came days after Aurora commenced a hostile $425 million (CA$544 million) takeover attempt of rival producer CanniMed Therapeutics in what could be the largest takeover in the industry to date.

Cronos Strikes $13.5 Million Stock Deal

Cronos Group closed a stock deal that raised $13.5 million (CA$17.2 million) to fund research and development, expand Canadian cannabis production capacity and develop distribution infrastructure. Toronto-based Cronos said that 5,476,190 common shares were sold at a price of $2.45 (CA$3.15) each under the transaction. The so-called bought deal offering was underwritten by a syndicate led by Vancouver-based PI Financial Corp.

Toronto LP Anchors in Colombia

Canadian licensed producer company PharmaCielo has been granted the first Colombian licenses to cultivate marijuana with unrestricted percentages of THC and CBD. PharmaCielo Colombia Holdings S.A.S. – a subsidiary of the Toronto-based parent company PharmaCielo – has built a cultivation facility with 1.3 million square feet of greenhouse space since receiving a license to manufacture in 2016.

Toronto Software Company Lands $2 Million From Snoop Dogg's VC Firm

Canadian seed-to-sale software company Trellis has raised $2 million in a funding round led by Case Verde Capital, the marijuana-focused venture capital firm run by a team that includes rapper Snoop Dogg.

A Long-Time Leader in Serving New Jersey's Alcoholic Beverage Community

A Pioneer in Serving New Jersey's New Cannabis Industry

Post Polak Goodsell & Strauchler has one of the leading Hospitality & Alcoholic Beverage practices in New Jersey. We pride ourselves on our familiarity with New Jersey liquor laws and regulations and our positive working relationships with the administrators and governing personnel who enforce those laws and regulations and with municipalities throughout the state.

We are proud to welcome Jeffrey Warsh to establish a new cannabis industry practice group. Jeff is an alcoholic beverage and cannabis law attorney and registered governmental affairs agent with over 30 years of experience in highly regulated industries. Our practice group advises entrepreneurs in the complex and evolving field of cannabis law, providing guidance and insight into entity formation and capital raising, real estate and zoning, permitting and regulatory compliance, and enforcement and transactions related to the licensing of alcoholic beverages and cannabis.

Contact us to learn more:

Paul D. Strauchler
Jeffrey A. Warsh
Douglas J. Sherman
Jerry Fischer

Post Polak Goodsell & Strauchler P.A.

425 Eagle Rock Avenue, Suite 200 • Roseland, NJ • 07068-1717 • (973) 228-9900 • postpolak.com

The Toronto-based software provider, which launched in 2014 and now has customers in California and Canada, said it will use the funding to expand into additional U.S. markets and grow its overall business.

British Columbia Holding Company Buys California Dispensary

Marapharm Ventures, a British Columbia holding company, has entered into an agreement to buy Green Leaf Wellness, a 3-year-old dispensary in Desert Hot Springs, California, for $1.6 million (CA$2 million).

Canopy Expands Hemp Business

Canopy Growth is moving further into the Canadian hemp market with the acquisition of hemp land in Saskatchewan that could scale to over 2,000 acres.

The medical marijuana producer announced the acquisition of Green Hemp Industries.

In addition to buying farm operations and associated assets, equipment, genetic stock and other property from the company's principal, Jason Green, Canopy will operate about 300 acres of existing hemp production. Canopy said it anticipates that acreage will be scalable to 2,200 acres for the 2018 growing season.

Once the deal closes, Canopy will reimburse Green for crop "input expenses" and give him 24,576 common shares of Canopy stock. Canopy expects to issue up to another 24,576 common shares if Green's company hits certain production-related milestones. Green also will lead Canopy's hemp division.

Liberty Strikes Deal to Produce Mary's Medicinals Products in Florida

Toronto-based Liberty Health Sciences – a medical cannabis investor and operator focusing on U.S. markets – said it struck a partnership with MM Technology Holdings to produce and distribute the Colorado company's line of Mary's Medicinals marijuana products in Florida. The three-year deal is subject to approval from Florida regulators. ◆

Have a company announcement you want us to consider? Send a press release or general information to OmarS@MJBizDaily.com. [Note: We're looking for news about expansions, financing, deals, partnerships and similar developments, not product-related announcements.]

Total Grow Control
THE AUTONOMOUS HORTICULTURE CO.

Customized Solutions for Indoor Cultivators.

- Water Purification, Reclamation and Recycling Experts
- Industrial-Grade Components
- Security and Camera Integration
- Automatic Nutrient Mixing, pH adjustment and Delivery
- Turn-key Containerized systems for Growing, Curing & Extraction
- Unparalleled data collection. reporting & analytics to replicate success and identify/eliminate mistakes.

Increase yield and reduce expenses.
Free Consultation!
info@totalgrowcontrol.com



MEET *Eden*, THE MOST COMPREHEHENSIVE CONTROL SYSTEM FOR INDOOR CANNIBIS GROWERS.
For Cultivators seeking the greatest efficiency, reliability and flexibility in your facilities. Eden maintains the perfect environmental growing conditions including temperature. lighting. humidity. CO2 to Oxygen ratio. automatic nutrient mixing. pH adjustment and delivery.



CALL US NOW! (720)316-6284 | www.totalgrowcontrol.com

Movers & Shakers

A look at some recent hiring moves in the marijuana industry

by Omar Sacirbey


Chris Jeffery

New CEO Shakes Up Leafly Workforce

When **Chris Jeffery** was determining what to do after selling his food delivery tech firm OrderUp to Groupon for $69 million in 2015, he sought guidance from one of OrderUp's board members and lead investors. That investor happened to be friends with the management team at Privateer Holdings and arranged a meeting for Jeffery, who had expressed interest in the cannabis space. A few meetings later, he joined Seattle-based Leafly, the popular strain information website owned by Privateer, as CEO. He started his new job in mid-October – and soon after shed more than a dozen employees.

Why the layoffs? He needed engineers.

Jeffery said he was drawn to Leafly by the opportunity to "define a space" but felt that if he and Leafly were to succeed, he would need to hire more engineering and design resources.

"There are some things that we do really well right now and some things that some people think we do well but that we have to do better," Jeffery told Marijuana Business Magazine. "We have to continue to build out our engineering team, which is the primary focus for me."

The only way to hire engineers was to cut other positions, however, so Jeffery cut 15 people in mid-November.

"That was my decision," Jeffery said. "I have a different view on how you build a company, and it's bringing more design and UI and UX, and data teams and engineering teams. We needed to find those resources somewhere. It was a tough situation, but I'm doing what I think is best for the company in the long term, and hopefully that will pay off."

The cuts were made in almost all departments, including marketing, sales and editorial, Jeffery said. "We had to get a little bit leaner with most departments," he said. The engineering team, however, is hiring.

In related news, shortly after the Leafly layoffs, Seattle-based Privateer laid off an unspecified number of workers from its information technology, human resources and legal departments.

Also, Leafly's former CEO, **Drew Reynolds**, became Privateer's chief operating officer.

Kampia Steps Down – but Not Out – at MPP

The founder of Marijuana Policy Project, **Rob Kampia**, has bowed out as executive director of the



pro-legalization organization. Kampia, who co-founded MPP in 1995, will become director of strategic development and will continue to serve on the boards of directors for both MPP and the MPP Foundation. **Matthew Schweich**, who joined MPP in 2015 as the director of state campaigns, will become the interim executive director until the organization finds a permanent replacement for Kampia.


Scott Kveton

MassRoots Gets New CEO After Founder's Ouster

The board of directors of Denver-based MassRoots, the once high-flying canna-centric social media and technology firm, fired founder and CEO **Isaac Dietrich** and replaced him with vice president **Scott Kveton.** Kveton previously served as director of business development at Odava, an Oregon tech firm that MassRoots acquired in July 2017. Under Kveton, MassRoots has filed a civil lawsuit against Dietrich, alleging he stole more than $250,000 from the company.

In a civil suit, filed Nov. 14 in Denver District Court, the financially strapped MassRoots also accused Dietrich of "illegal drug use" and "improper sexual activities." Dietrich – who remains a member of the MassRoots board of directors – called the lawsuit "completely unfounded" and "frivolous."

Plumb Job

Prūf Cultivar, a cannabis growing company in Oregon, has hired veteran grower **Jeremy Plumb** as director of production science. Plumb is co-founder of the Portland dispensary Farma. He also serves on the technical advisory committee of the Resource Innovation Institute, which focuses on sustainable practices in the cannabis industry. And Plumb is the executive director of the Open Cannabis Project, which is compiling an archival record of all existing cannabis strains.


Phillip Jacobson

Colorado Company Gets New Cultivation Chief

L'Eagle Services, a Denver retail cannabis dispensary and grow, has appointed **Phillip Jacobson** as director of cultivation.

Jacobson will train and supervise department staff and oversee the plant

health program, according to L'Eagle. He will also work with the production team to optimize plant production while implementing sustainable methods and technologies.

Before joining L'Eagle, Jacobson owned and operated PGJ Enterprises, a Denver consulting business. Since 2004, Jacobson has built and managed numerous commercial cultivation facilities, directing and managing grow operations. Before his consulting gig, Jacobson worked on wind farm development.


Nathalie Bourque

Quebec Licensed Producer Gets New Board Member

Hydropothecary Corp., a licensed marijuana producer in Quebec, Canada, has appointed **Nathalie Bourque** to its board. Bourque currently is the Quebec chair of Hill+Knowlton Strategies and also serves on the boards of Alimentation Couche-Tard, Héroux-Devtek and McGill University.

MJ Industry Vets Make California Cannabis Board

California's Department of Consumer Affairs has released the names of members of the state's new Cannabis Advisory Committee under the Bureau of Cannabis Control. The committee will advise BCC and the other licensing authorities – the California Department of Food and Agriculture and the Department of Public Health – on the development of regulations that help protect public health and safety and shrink the cannabis black market. The advisory committee's members include:

- **Avis Bulbulyan**, CEO of SIVA Enterprises, a consultancy
- **Timmen Cermak**, private psychiatrist
- **Matt Clifford**, attorney for Trout Unlimited
- **Bill Dombrowski**, president and CEO of the California Retailers Association
- **Jeff Ferro**, director of the Cannabis Workers Rising campaign under the United Food and Commercial Workers
- **Kristin Heidelbach**, director of the Teamsters Joint Councils 7 and 42
- **Eric Hirata**, chief deputy director of the Department of Alcoholic Beverage Control
- **Alice Huffman**, president and CEO of A.C. Public Affairs
- **Catherine Jacobson**, director of clinical research at British Columbia-based Tilray
- **Arnold Leff**, public health officer for the Santa Cruz County Department of Public Health
- **Kristin Lynch**, deputy executive director of the Service Employees International Union, Local 1021
- **Kristin Nevedal**, chief compliance officer for Sunfed
- **Joe Nicchitta**, countywide coordinator for Los Angeles County's Office of Marijuana Management
- **Lavonne Peck**, owner of Native Network Consulting
- **Matt Rahn**, mayor pro tem of Temecula
- **Keith Stephenson**, founder and CEO of the Purple Heart Patient Center
- **James Sweeney**, principal for James W. Sweeney & Associates
- **Tamar Todd**, policy manager and legal director for the Drug Policy Alliance
- **Helena Williams**, captain for the California Highway Patrol
- **David Woolsey**, sergeant for the San Jose Police Department, Division of Medical Marijuana Control
- **Ben Wu**, president and chief operating officer for Kush Bottles
- **Beverly Yu**, assistant policy analyst for the United Domestic Workers

Maryland Gets New Top MMJ Regulator

Only days after legal medical marijuana sales began in Maryland, the state's MMJ commission hired a new director. **Joy Strand**, a hospital executive, is replacing **Patrick Jameson**, who resigned in November.

Strand had been serving as CEO of Crisfield-based McCready Health, where she led a health organization that included a hospital and several other health care services. In 2015, McCready Health partnered with Wellness Farms, a medical marijuana cultivation startup.

Hoban Hires IPO Star

The Hoban Law Group's North American corporate practice group has hired **Andrew Telsey**, an experienced securities attorney who the Denver firm said has taken more cannabis companies public than any other attorney in the nation.

NCIA Hires Chief of Staff

The National Cannabis Industry Association appointed **Genifer Murray** as its chief of staff. She will be based in Denver. Murray is a former president and founder of Denver-based CannLabs, one of the first cannabis testing labs in the nation, and a founding member of the Women's CannaBusiness Network.

BudTrader.com Drafts Former NFL Star

BudTrader.com, an online medical marijuana marketplace, announced that former NFL star **Marvin Washington**

has become an investor in the California company and joined its advisory board. The board already includes former WeedMaps Chief Technology Officer Grant Koneke, and Jim Skelton, former CEO of Ocean Pacific apparel. During his 11 seasons in the NFL, Washington played for the New York Jets, San Francisco 49ers and Denver Broncos, winning a Super Bowl with the Broncos in 1998.



Pioneering Colorado Bank Regulator Leaves Post

Chris Myklebust, a Colorado state bank and financial services commissioner who made it easier for banks in the state to serve marijuana businesses, resigned. A spokeswoman for the Department of Regulatory Agencies, which announced Myklebust's departure, told the Denver Post he "is pursuing his own business." Myklebust was appointed as Colorado's State Bank Commissioner in July 2015. He served as the state's commissioner of financial services from 2006 to 2015.

Former Food Exec Makes Double Splash

Diane Jang, former president at Sunrise Soya Foods and former general manager at Earth's Own Food, has joined two cannabis companies. Alberta, Canada-based Aurora Cannabis appointed Jang to its board of directors. And Hempco Food and Fiber – a British Columbia-based manufacturer and distributor of hemp food products for humans and animals – hired her as CEO. In that post, Jang succeeds **Charles Holmes**, who will continue to serve as Hempco's president to focus on the commercial development of the organization.

Commercialization Pro Joins Hemp Products Company

Rocky Mountain High Brands – a Dallas company that specializes in manufacturing and distributing hemp-infused food and beverage products – hired **John Blackington** as chief commercialization officer. He will direct the company's product development, marketing, sales and customer service. Blackington has been a senior executive for several food and beverage companies, including the Coca-Cola Co. ◆

Hired or promoted someone for a senior-level position? Send a news release or general information to OmarS@MJBizDaily.com

The most trusted source for marijuana business research!



Use discount code **Factbook20** at checkout and save 20% off the retail price!

ORDER YOUR COPY TODAY AT **MJBIZFACTBOOK.COM**

GROW GREEN
HIGH EFFICIENCY WITHOUT THE HIGH COSTS
Remove airborne contaminants and molds from indoor air and ventilation air – and remove odors from exhaust air – without the usual high costs of energy and maintenance.
Dynamic Air Quality Solutions
www.DynamicAQS.com
Dynamic V8 Air Cleaning System
Dynamic Activated Carbon Matrix

Marijuana Business Factbook
The most trusted source for marijuana business research!
Use discount code Factbook20 at checkout and save 20% off the retail price!
ORDER YOURS TODAY AT MJBizFactbook.com

GATEWAY
APPROVED MARIJUANA ZONE IN LONG BEACH, CA
LEGALLY CULTIVATE, MANUFACTURE, DISTRIBUTE CANNABIS
LARGE FENCED AND SECURE PARKING AREA
3 - INDUSTRIAL WAREHOUSES - 19,800SF
LOT SIZE - 52,032SF
MIKE HILTON (310)-734-2297
RYAN HARCHUT (310)-734-2336
SITE
HTTPS://VIMEO.COM/237426000

TUNDRA RESTAURANT SUPPLY
End product perfection with commercial grade supplies!
Baking Supplies | Storage | Shelving | Heavy-duty Equipment & Everything In Between
Save $15 today at etundra.com with code MJBIZ15.
*Save $15 on an order of $50 or more. Offer is valid at www.etundra.com until 12/31/2017 11:59 PM MST.

INTRODUCING KUSHIEJOBS.COM
KUSHIEJOBS
KUSHIEJOBS.COM
SET YOUR SIGHTS HIGHER • FIND TOP SHELF TALENT
SEARCH JOBS IN THE MJ FIELD!

NEED TO EXTRACT 100+ LBS AT A TIME?
FDA APPROVED
COOL CLEAN TECHNOLOGIES LARGE SCALE CO2 INDUSTRIAL EXTRACTION PROCESS:
~ AUTOMATIC DISPENSING OF EXTRACT ~ FDA APPROVED TECHNOLOGY
~ SIMPLE LOADING & UNLOADING MATERIAL ~ REMOTE MONITORING
~ FULLY AUTOMATED "PUSH BUTTON" OPERATION ~ RECYCLES 99% OF CO2
Making machines for over 20 years!!
Contact us for equipment info at 651-842-8600 & sales@coolclean.com

360
INSURANCE & RISK MANAGEMENT
Growers
Transporters
Dispensaries
Property Mgmt.
Manufacturers
Ancillary Biz
CALL OR EMAIL TODAY!
517.712.5577
info@cannabis360insurance.com

New Jersey

New Jersey's medical marijuana program grew more rapidly than anticipated in 2016, driven by a series of small changes and the addition of three new dispensaries in late 2015. Those factors gave patient counts a shot in the arm and drove down the state's sky-high MMJ prices. But challenges remain, as restrictions on the types of MMJ products allowed to be sold may keep potential patients from leaving the black market. Also, the recent opening of the state's sixth and final dispensary could prove to be a loss for the state's five existing outlets by way of reduced market share.



Main measure	Senate Bill 119
Year passed	2010
Cannabis business regulations	Very heavy. Only six dispensaries are allowed initially under state law, and the state health department will review the program every two years to determine whether more should be approved. Dispensaries undergo an intensive application and registration process and are subject to numerous regulations, including those covering recordkeeping, cultivation limits, security and hours of operations. Dispensaries must grow their own cannabis – separate, stand-alone wholesale cultivations operations are not allowed. The limits on allowable forms of marijuana are some of the most restrictive in the country. And the requirement that all products contain no more than 10% THC is considered overly restrictive and onerous.
Patient registry	Mandatory – patients must get a written recommendation from a doctor and register with one dispensary at a time (and may not purchase from the others)
Sampling of state medical marijuana licensing fees	**Application:** $20,000 **License:** $20,000
What to watch	• Pro-cannabis candidate Phil Murphy, a Democrat, won New Jersey's gubernatorial race in November, positioning the state to become the first in the nation to legalize adult-use cannabis through the legislature. The Democrat-controlled legislature already has a legalization bill in the works, though it remains to be seen how soon the governor-elect could sign off on any adult-use measure. • New Jersey's Medicinal Marijuana Review Panel gave final approval to five conditions that can be treated with MMJ – a number that fell far short of the 43 conditions the committee had recommended. The panel proposed adding anxiety, migraine, Tourette's syndrome, chronic pain related to musculoskeletal disorders and chronic pain related to internal organs. The state's health commissioner has up to 180 days to decide whether to approve the extra conditions.

Our Advertisers

Accelerated Growth Solutions LLC 101
AEssense Corp. 11
Afinia Label 1
Bio Hazard Inc 53
Bud Bar Displays 23
Budmaster LED Ltd /Bud Box Grow Tents 79
C360 108
CannaMav 26
CB Scientific 84
Colorado Extraction Systems ..... Inside Backcover
Cool Clean Technologies, LLC 25
Desert Aire LLC 19
Dynamic Air Quality Solutions 108
Envirotech Greenhouse Solutions 9
Gateway Business Properties 108
Green Life Business LLC 54-55
Green Mill Supercritical 46-47
Greenlane Dispensary Services 21
Greenlane Dispensary Services 61
Greenlane Dispensary Services 30-31
Grower's Choice 45
Hortilux 93
Hydrodynamics International 29
Kaplan Industries Inc. 51
Kushie Jobs 108
Marijuana Business 95, 99, 107, 108, 111
MarijuanaBusinessOperations.com 70-71
Medicine Man Technologies 2-3
MULTIPOND America Inc. 86
NexTec Group 24
NorthText Inc. ..... Inside Front Cover
Palo Verde Center (formerly Blythe Cultivation Center) 96-97
PARSource 91
Paxiom Group 22
Paxiom Group 77
PayQwick, LLC 15
PolyScience 87
PortaFab 85
Post Polak Goodsell & Strauchler 102
Revolution Microelectronics Co., Ltd 38-39
Schools and Tools 37
Seed 67
Shenzhen Ygreen Technology Co., Ltd 89
SIVA Enterprises ..... Backcover
Suluxlight Lighting Co., Ltd 17
Tecogen 35
Total Grow Control 103
Twister Trimmer by Keirton 27
Urban-Gro 5
Ushio America,Inc. 81
Ziel Cannabis 43

Stay Current on Your Cannabis Industry News



As the leading business news information resource for the medical marijuana and retail cannabis industry; Marijuana Business Daily's editors bring dispensaries, professional cultivators, edibles and infused product makers, ancillary service providers and finance professionals the information and networking they need to flourish within the cannabis industry.

Marijuana Business Daily® | Marijuana Business Daily® Canada | Hemp Industry Daily

Visit mjbizdaily.com to subscribe today!

What They're SAYING



"We want men to be a part of our good ol' girl network, too."

– **Andi B. Goldman**, principal at ABG Advisory, discussing at MJBizCon's Women in Cannabis Luncheon the importance of diversification and inclusivity in the industry.

Source: Marijuana Business Daily



"This is that grow-up moment. If something's gangrene, sometimes you have to cut it off."

– **Nic Easley**, CEO of 3C Consulting, on how recent downsizing by marijuana companies is simply a sign of the industry's maturation.

Source: Marijuana Business Daily



"You have to have believable financial statements."

– **Pete Kadens**, CEO of Green Thumb Industries, offering tips to MJBizCon attendees on how to secure a marijuana business license.

Source: Marijuana Business Daily

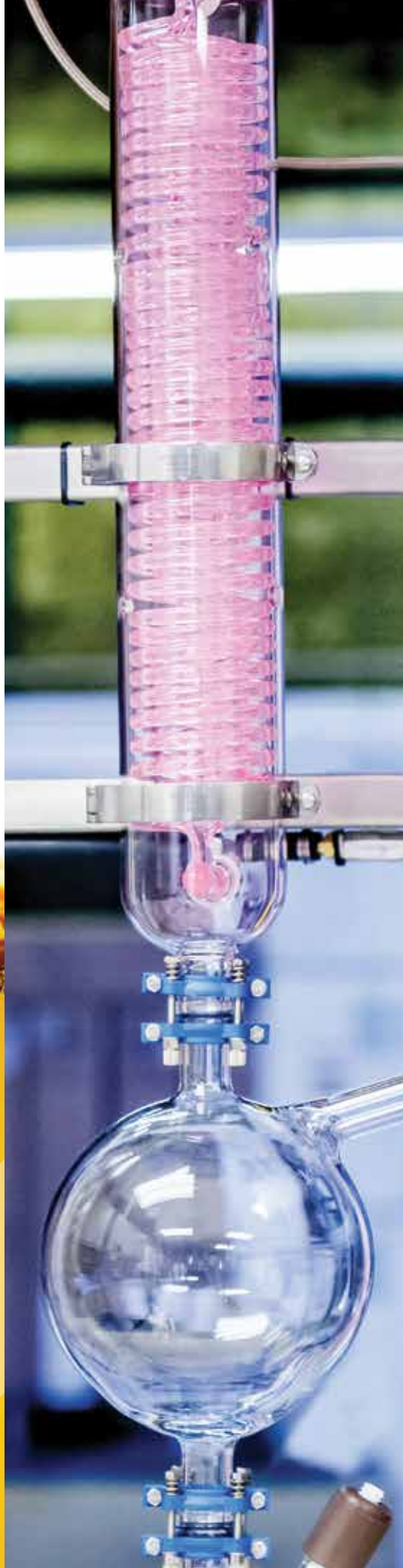
COLORADO
EXTRACTION SYSTEMS

the smart choice

CHILLED ALCOHOL EXTRACTION

Colorado Extraction Systems makes industry leading alcohol extraction and separation systems that are easy to use and maintain. All of our systems are designed with one-button technology and backed by expert training. Smart design and superior customer relationships result in unparalleled satisfaction every time.





THE BEST EXTRACTION EQUIPMENT IN THE INDUSTRY

Operating together, our SprayVap™ and Triple X-Tract™ systems provide a seamless closed loop system that allows you to extract all the essentials and create the purest oils possible.

SPRAYVAP™ SYSTEM + TRIPLEXTRACT™ SYSTEM

SCHEDULE A DEMO

ColoradoExtraction.com | 1.800.513.5560 | sales@coloradoextraction.com



LET US LEAD THE WAY

NAVIGATING THE CANNABIS INDUSTRY CAN BE COMPLEX. OUR INDUSTRY EXPERTISE AND IN-DEPTH KNOWLEDGE OF ALL STATE REGULATORY REQUIREMENTS AND APPLICATION PROCESSES ARE FUNDAMENTAL TO OUR UNMATCHED SUCCESS RATE.

SCHEDULE YOUR CONSULTATION TODAY.

SIVA
ENTERPRISES

LOS ANGELES, CA

E: INFO@SIVALLC.COM

T: 818.562.3362

SIVALLC.COM