



September 11, 2019

Governor Gavin Newsom
c/o State Capitol, Suite 1173
Sacramento, CA 95814

Chief Lori Ajax
Bureau of Cannabis Control
P.O. Box 419106
Rancho Cordova, CA 95741

RE: Bring Weedmaps Into Compliance – ENFORCE AB 97

Dear Governor Newsom and Chief Ajax:

Following years of illegal operations that have propagated the illicit cannabis market and endangered Californians, Weedmaps publicly announced on August 21, 2019 its intention to finally remove illegal, unlicensed retailers from its advertisements in California. Now, nearly three weeks have passed and rather than moving to protect Californians by stopping advertisements for the illicit market now, Weedmaps continues to offer vague timelines, like the one it reiterated today. Meanwhile, the legislation intended to force its hand – AB 1417 – was shelved. To curtail this illegal activity that is continuing to channel Californians directly into a dangerous and illicit market, the United Cannabis Business Association (UCBA) is respectfully requesting that the state of California moves to enforce laws that are already on the books to finally curb Weedmaps' advertisement of unlicensed retailers in the here and now.

This year, we have taken crucial steps in the right direction to keep Californians safe and ensure the ongoing vitality of the legal cannabis market. The first of which was the passage of Assembly Bill 97 (AB 97), an enforcement tool that allows the state to impose \$30,000 a day fines for non-licensee violations. But these tools are only effective when they are being used. **AB 97 took effect July 1, 2019 and we request the state immediately and retroactively impose the maximum fines permissible by law on Weedmaps' illegal operations.**

The severity of this situation cannot be underscored. We know too well the dangers of the unlicensed and unregulated market. Just last week, after a series of deaths, the federal Food and Drug Administration (FDA) formally warned consumers to avoid vapes containing THC. While still under investigation, all 57 cases so far in California have involved purchases from unlicensed "pop-up" shops. This outbreak serves as a tragic reminder of the dangers that the unlicensed industry poses to consumers. Licensed retailers are required to adhere to strict testing mandates

that help prevent incidents like this from happening – the reality is, unless you are buying from a legal dispensary there is no guarantee of safety. All the while, **an audit of Weedmaps’ platform this week showed a total of 3,757 active dispensaries or delivery services in California, only 922 of which have a potential license listed. This means, using Weedmaps, Californians are almost 3 times more likely to shop at an unlicensed retailer than a licensed one.**

Based on the current volume of unlicensed accounts active on Weedmaps, if the state were to enforce AB 97, California could levy fines against the platform of up to \$85 million per day. There’s simply no reason to wait, Californians are in danger.

UCBA, the state’s leading cannabis trade association, represents legal retailers from across the state who have long been on the frontlines of this issue. Every day that Weedmaps continues to advertise for unlicensed retailers they are putting consumers at risk and suppressing the growth and very existence of the legal market. The unlicensed operators on Weedmaps do not pay taxes or the cost of compliance with local and state regulations, do not follow required worker or consumer protections and do not allow labor unions to organize workers, in turn allowing them to charge a fraction of the cost. Put simply, these retailers, that are allowed easy access to the public through Weedmaps, profit without contributing to California while risking the health and safety of our state’s residents.

UCBA is committed to continued collaboration and partnership with the state to achieve our shared goal of protecting Californians and helping the legal market grow. We have been strongly encouraged by your leadership on this issue to date, but now is not the time to take our feet off the gas. **This hard-fought window of opportunity must be seized, and AB 97 should be enforced to ensure Weedmaps’ toothless announcements are followed with real action. With more than 75 percent of Weedmaps’ platform advertising for the illicit market, to do nothing is a cost too great.**

We look forward to further dialogue on this issue and are available to meet and discuss as requested.

Sincerely,

Jerred Kiloh
President
United Cannabis Business Association

Cc: Senator Steve Glazer, Chair, Business and Professions Committee
Senator Ling Ling Chang, Vice-Chair, Senate Business and Professions Committee
Assemblymember Evan Low, Chair, Business and Professions Committee
Assemblymember Bill Brough, Vice-Chair, Business and Professions Committee
Senator Nancy Skinner, Chair, Public Safety Committee
Senator John Moorlach, Vice-Chair, Public Safety Committee
Assemblymember Reggie Jones-Sawyer, Chair, Public Safety Committee
Assemblymember Tom Lackey, Vice-Chair, Public Safety Committee
Assemblymember Rob Bonta

Senator Steve Bradford
Senator Maria Elena Durazo
Senator Scott Wiener
Assemblymember Gipson
Assemblymember Cooley