

**Amend HB 556**  
**So we can Keeping the Promises of House Bill 2 in 2019**

Good Afternoon, I thank you for giving me this opportunity to testify regarding HB 556 and the need to amend it. My name is Jume Akinagbe and I am a long time resident of Maryland for over 40 years, I graduated from University of Maryland with a degree in Neurobiology and Physiology and have operated a medical practice in Maryland for the last 20 years with multiple locations and over 45 staff. During this same 20 years I have been involved in the cannabis industry the last 10 years 20 years nationally. I am very familiar with multiple cannabis markets from Maryland, New York, New Jersey, Illinois, Georgia, Virginia, Ohio just to name a few. I consider myself subject matter experts in both as social equity company and also the implementation of many of these states' roll out of their cannabis programs.

I applied with a group in 2015 for the cannabis licenses in Maryland and also in 2019.

As you know, today this month is Black History Month and I wish to read you a quote from MLK which I strongly believe is relevant for this moment in history.

Martin Luther King, Jr. Quotes. The ultimate measure of a **man** is not where he stands in moments of **comfort** and convenience, but where he stands at **times** of challenge and controversy.

At times of challenge and controversy some of us will decide to do what is right while sacrificing self. While others of us decide to stand in comfort since it is convenient while injustice practices are **care out** before our eyes. In 1863 Abe Lincoln signed the Emancipation Proclamation promising several things to African Americans in this great nation; however, after his death the leaders of the time decided it was inconvenient to keep those promises. This lack of willingness to keep the intent of the Emancipation Proclamation brought Dr. Martin Luther King to the footsteps of the Lincoln Memorial 100 years later in 1963 to remind the nation and lawmakers that there were promises made 100 years prior that African Americans were still waiting for them to be kept. Dr. King stated

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*One hundred years later, the Negro lives on a lonely island of poverty in the midst of a vast ocean of material prosperity. One hundred years later, the Negro is still languishing in the corners of American society and finds himself an exile in his own land. So we have come here today to dramatize a shameful condition.”*

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We have come to **cash** our check that was promised to us in HB2 that has not yet been realized and hoping that HB 556 will recommit itself to increase minority's participation in the Medical Cannabis Industry in Maryland for African, Americans, Native of Americans and women. Although small steps have been made by MMCC level the playing field in regards to minority inclusion within Maryland's precarious cannabis industry there are still significant steps that remain toward this idea of inclusion for minorities. Maryland Minority Owned Business businesses only have a small number of licenses, while the MSO continues to dominate the cannabis space in Maryland.

These issues in HB 556 must be addressed or the ultimate goal of increasing minorities participation, license holders, in Maryland will not be accomplished.

paying into a cannabis fund does not help social equity groups but help the multi-state operators (MSOs) who received their licensees in 2016. Among these individuals/entities (16) only one of the licensees was African American . These entities already have a head start of a few years. By paying into a cannabis fund they gain further access to an emerging market and deepen their market share with the newly licensed from 2020 and the future license who perhaps would be 30% African Americans.

It ultimately becomes nearly impossible for newly social equity licensees to catch up and gain any meaningful market share that will allow them to be profitable now and perhaps ever. What would happen is that these social equity groups will ultimately sell their licenses to MSO once they cannot gain reasonable market share to operate in a very regulated industry with tremendous overhead.

The whole payment into a fund is front, smoke screen, that looks benevolent by MSO but it's self serving. Social equity often doesn't have difficulty gaining access to capital post-licences it's pre-licenses capital is the challenge. So if they truly want to help, have them start a cannabis fund for social equity teams for pre-license that is not tied to them gaining access first into the recreational market. This fund can be utilized by the social equity team to gain train for application writing, pre-license application fee subsidized and so on.

Briefly these are the many issues with HB 556 and how to fix them

#### **Labor for Medication-Exploration waiting to happen**

- 1) The concept of working for your medication leaves possible room for cannabis entities to abuse fair wage in Maryland . This will drive down wages for minority individuals looking to obtain good paying jobs in the cannabis industry. If companies can get none employees to work they ultimately will fill their workforce with free labor. There are legal issues that also arise. What happens to an individual who is working for medication if they are hurt on site? Are they entitled to workmans compensation? What protects them from overwork? Is the person protected by the Equal Employment Opportunity Commission (EEOC) but they are not employees and so on.
- 2)
- 3) Also, there is no labor peace agreement (LPA) to protect the workers from unfair employment practices and entities.
- 4) In addition, this practice of working for medicine will drive down wages and which will make it challenging for entities who don't wish to participate in this free labor for medication to find good paying employees. This will decrease revenue if cannabis employers cannot find good employees and ultimately impact the tax revenue collected by the state of Maryland.
- 5) How do cannabis entities measure labor for medication? Would one volunteer experience be worth more therefore their medication is more?

#### **Expungement of Records**

- 6) Finally, expungement needs to happen uniformly without people having to go through some type of lengthy legal process to have their records expunged. The State knows who needs to be expunged; they should just do it and send these individuals a letter letting them know of the expungement. There cannot NEVER be a truly fully running recreational cannabis industry in Maryland without true social justice for the long injustice of the war drugs that adversely impacted many black families for generations to come.

#### **Merit Based not Lottery**

- 7) The awarding of licenses should be merit based NOT lottery. If you wish to see the nightmare of lottery based systems look to the debacle in Illinois in 2020 to current. Entities/individuals that have the financial means will put in as many lottery tickets in order to increase their odds. How many social equity individuals/entities have hungered, even millions of dollars just for the lottery. If the lottery is the method of choice then it needs to be cap, limit the number of entries. In Ariconon you can see how the lottery was abused by MSO going to homeless shelters in order to stack the deck on the lottery.
- 8) Entities that were awarded licenses in 2016 that are not minority should have at least 36 months before entering the recreational market. Look to Massachusetts implementation of such regulations where social equity groups enter the market first. Failure to have a method that allows for social equity teams from 2016 and 2020 to enter the recreational market first will not help them but the very large MSO with deep pockets.
- 9) Higher fee for entities that are MSO to transition into the recreational market. To help fund social equity applicants pre-licenses so they can have an opportunities at licenses. Use for training and preparing them to apply, win and sustain operation in the industry.

- 10) Tie the MSO entry into the recreational market to the current and future social equity groups such as in Massachusetts (brothers'/sisters keeper type of program). They cannot get into the recreational market until social equity groups, newly awarded licenses, are operational for 36 months. Tie the MSO destiny to the social equity groups, basically 1 for 1. When a social equity company opens, the none social equity gets to open.. It can look a bit unfair, the arrest of so many African Americans under the failed war on drugs was equally not fair and destroyed generations of African Americans families.
- 11) There should be a path for social equity teams from 2016, 2020 and moving forward to be vertically integrated. I have seen many of these large entities attempting to squeeze the few social equity companies with licenses out of the industry by selling products to them at higher price. This tactic leaves these social equity companies vulnerable to selling due to struggling and low profit margin.
- 12) The Office of Social Equity should score the applications, not the office of Alcohol, Tobacco, and Cannabis Commission (ATCC). The ATCC, law enforcement (police officers) should NOT be scoring these applications intended to increase more African Americans in the industry. The ATCC ethnic race doesn't reflect that of Maryland and is more Caucasian. The Office of Social Equity more likely will reflect the race of those it is intended to help. The Office of Social Equity will focus on the intent of the bill of making at least if not more than 30% of licenses are awarded to social equity groups/individuals since we have a disparity study to show where the disparity exists in Maryland.
- 13) This is not a favorite thing to say but I must say it. White women should not be categorized as minority for these licenses. This classification was a methodology utilized to ensure that these licenses still go to predominantly White applicants. White women being classified as a minority is a backdoor. We need a stricter definition of social equity to ensure it helps those who actually faced discrimination, rather than taken advantage of by MSOs who will put their wives or daughters on applications to game the system.

I will leave you with Dr. King's words:

*In a sense we have come to our nation's capital to cash a check. When the architects of our republic wrote the magnificent words of the Constitution and the Declaration of Independence, they were signing a promissory note to which every American was to fall heir.*

This is why you must amend HB 556 and not vote for it. By amending it EVERY Americans fall heir to the wealth that is generated from the medical cannabis industry and NOT the well politically connected and wealthy.