

Speaker 1 ([00:13](#)):

[inaudible] hello and welcome to the higher enlightenment podcast brought to you by higher yields cannabis consulting. My name is Adam and I am part of the higher yields creative team. Today's subject will be emerging States today on the show we have Stephanie till who is the founder and CEO of green rush index data, and also leads the mirror project, which she will explain to us shortly. It's great to have you on the show, Stephanie.

Speaker 2 ([00:46](#)):

Good to be here. Our

Speaker 1 ([00:48](#)):

Other guest is Peter Privo, who is the senior business consultant of bridge West CPAs. Thanks for joining us, Peter. Thanks man. It's great to be here. So Stephanie, could you tell us about green rush index date?

Speaker 2 ([01:05](#)):

So the, the, the big name is actually the reason why it's green rush index data is because it grew out of the mirror project. And, uh, so that started in 2016 and it's still going on and it's a collection mission. It's a collecting mission to collect and preserve any and all information I can get on the start and evolution of the cannabis industry in this quasi illegal period before it becomes federally legal. Um, because as we learned with casinos and, and some other industries, if you don't collect ephemera, so like do tubes, uh, uh, little promotional items that get sent out at ad events and whatnot, if you don't collect some of these things, they get lost to the wind and nobody ever sees them. And to me, it's important because packaging is changing all the time, um, how you're allowed to market yourself changes constantly.

Speaker 2 ([02:06](#)):

And so seeing how that evolves and how these companies are pivoting to ensure compliance and, and continue to operate was really important to me, just from the start as a patient. Um, but I also saw a need for, uh, research and compliance tools that, uh, are affordable to social equity clients. And honestly, as somebody who was working on, uh, applications, I got sick of buying reports that were like 700 to \$1,200. And not even having a full, useful page on me that I needed information on, um, and thinking, well, if I just had time to do this bit of research by myself for a little bit, I'd have had way more information. Our community impact a piece for locations would be so much stronger, but that's hard as a consulting firm to do. And so, um, due to some, uh, disagreements in how things should be run in terms of I'm very research focused on, on everything I'm very data-driven and wanting to focus more on that. I decided to create green rush index data, which is just a different way of saying cannabis archive, because all index data is an archive. The green rush is cannabis. So it's a very long-winded way of saying I study cannabis books.

Speaker 2 ([03:45](#)):

Um, but it also, it also keeps me off of the IRS is little list of marijuana things. So it makes it a little easier there too.

Speaker 3 ([03:55](#)):

Yeah, I can understand that. Okay, Peter, uh, could you explain your position?

Speaker 4 ([04:00](#)):

I'm senior business consultant at bridge West CPAs, and then with the firm for several years now. And we were basically functioned much like a traditional CPA firm and, um, the company was founded in 2009 in Colorado by our current CEO, Jim Marty, and, uh, you know, Jim had been a CPA in the Denver Metro area for quite some time. And he began to get approached by existing clients and also people within the community there in Denver, early on in 2009. And he was one of the few CPAs willing to tackle this two 80 issue head on and it brought him a tax court and brought him all sorts of places. And, you know, I've been lucky to have Jim as a mentor and someone to kind of guide me through this process. And I'm a, I'm a native of new Orleans Louisiana. So, um, I do work remotely for the firm and that's one of the things I love about it though, is we bring a lot of different perspectives together over there. You know, we've got the Denver office, which is where we started, got a big team up in Minnesota, myself down South. And then we've also got some associates out in California now as well. So, you know, we, we pretty much cover every state where marijuana is legal. We have about 400 licensed clients and, um, a lot of different work, everything from two 80 to bookkeeping, valuations, mergers sales, and then obviously public company filings and full gamut of, uh, accounting services.

Speaker 3 ([05:19](#)):

So higher yields, cannabis consulting along with green rush index data and bridge West CPAs just partnered up back in March and we're working on a project involving emerging States. Could you to elaborate on what the partnership is and what we mean and what we are working towards? When we say emerging States

Speaker 2 ([05:41](#)):

For me, the emerging States are States that are looking to either finally legalize medical marijuana or expand access to adult use. And so, uh, for us, um, when I spoke with higher earlier this year, I asked what's the one thing that you're really wanting to do, uh, in capturing the attention of potential clients. And they said, well, we want to be the most knowledgeable. So that was the conversation I had with Corey is we want to make sure that everybody knows, we know our stuff we know about these States before we go in. And for me, that was perfect. That dovetails really well with what I was wanting to do, which is making sure that, um, consulting firms did have the tools to be knowledgeable about the States before they went in and did these licensing applications to be able to better serve their clients. And so the emerging States report came out of that need to understand which States look like they're going to be legalizing soon or expanding access. So we know generally timelines of when applications might start becoming available, what that will look like for owners. And also from the tax standpoint, which has been really helpful with bridge West CPAs, um, help Jenny, what kind of a market are we looking at if they do actually legalize, um, how beneficial would that be to the state's economy and so on? Yeah.

Speaker 4 ([07:14](#)):

And I think to echo what Stephanie just said, I mean, totally agree. Like, you know, from our perspective, the CPA firm, so much of the work that we're doing is it's related to last month, it's related to last quarter, you know, and obviously we have our projections and we have things that we're watching for the future, but just the nature of accounting is that we're usually working in last quarter or last year. And so we saw this partnership as an opportunity to, um, to kind of work with people that are more forward-looking in the industry and, you know, Stephanie's expertise in tracking legislation and tracking regulations and higher yields knowledge on application work. We just saw it as a great, great marriage, if you will, where we could come in and bring our expertise. But at the same time, you're getting this exact

data that Stephanie's talking about and getting it in real time because, um, you know, we just, don't always as a firm when we're focused solely on the federal government and their taxation of this plant, you know, we don't always have time to follow legislation in every state. And so that's been really good for us, I think, to, to kind of open up our horizons on that and to be thinking more holistically and thinking about new markets, you know, earlier on than we would've been, I would've been able to with our staffing,

Speaker 3 ([08:21](#)):

How much do you think COVID-19 has affected the legislation and the frameworks that go into expanding these things? Has it hurt

Speaker 2 ([08:30](#)):

Some States I'd say for some States that were, they were so close, like New York was so close. Um, they had had a dis uh, dispute last year over, I think, how they were going to allocate funds and, and some other, uh, you know, the last little legislative chewing of the fat over what exactly goes where, but for the most part had had a framework, they just couldn't meet the deadline to actually hash all of that out. And so the hope we'll have it this year. It was in, uh, the governors, but I think it was 16, 17 C. And the way that it's outlined you can see exactly what they're looking to go for. And they're going to be very social equity heavy in New York for the adult use licenses. So that wouldn't have been a really big boon for them this year, if they could have done that, because it would have opened up licensing by early 20, 21.

Speaker 2 ([09:26](#)):

In fact, they were supposed to have a legislative framework in place before July 1st. So, you know, we could have seen where that was going to go, but, um, with the legislature, with state legislatures having to close, because it just wasn't possible to meet in person. And some, you know, some legislatures were hesitant to meet at all and in person or digitally, um, others have actually chosen to meet digitally and make that work. And so you'll see like smaller municipalities in California had done that because they had a licensing period open and had to extend, um, the deadlines for application materials, because it used to be for them that you had to deliver all these materials in person and that just wasn't going to work, um, not with the spread of the virus. So, um, so it's been a mixed blessing in that the state, there were plenty of States that were looking to have it either on the ballot or, uh, deal with it through the legislature that just couldn't.

Speaker 2 ([10:36](#)):

Um, I think Missouri was trying to get something on the ballot that didn't work. Um, Idaho was going to have it on the ballot and then it got pulled off. I'm trying to think of another one. Nebraska was able to get it in there, which is good. So Nebraska it's on the ballot. Um, and it is also, I believe it will be for Arizona. They're the only one that's still kind of up in the air as to whether or not it's it, or isn't on the ballot at this point in time. But, um, yeah, it definitely changed the picture a bit. Cause I, I, um, for higher yields, I did a report in January called the cannabis legalization report 2020, just to see who was out there, who was looking to do that. And at the time we had, for months, we had Vermont, Arizona, Florida, New Mexico, New Jersey, Rhode Island, New York, Montana, Missouri, Idaho, South Dakota, Tennessee, all looking to make some sort of change in their cannabis laws that would, um, benefit, uh, patients and be kind of a being for the industry. And some of them were considered Longshots then and have dropped off. And others that surprised me, like Nebraska kind of surprised me. I really wasn't sure

if they were going to be able to pull that out. And so I'm really glad to see that it did make it to the ballot. Yeah. COVID definitely changed the landscape from where we thought we'd be in January, for sure.

Speaker 4 ([12:06](#)):

Yeah. Definitely agree with that. And I mean, I can give some, some anecdotal stories from being on the ground, that legislative session on Louisiana, which is when you lose a third of it, right. When they take away a full 40 days or 35 days out of a 90 day session, that's a big deal. And, you know, a lot was stable. I was still able to get accomplished in a short period of time. Um, and I will say, I guess the silver lining was that yeah, it slowed down the government, it slowed down some of the activist groups, but it also slowed down the opposition, you know, people had other stuff to worry about, you know, like, and so that's really, I guess the only bright spot I could see is that, you know, some of the opposition groups were just not as concerned about this issue as maybe they would have been in a non COVID session.

Speaker 2 ([12:51](#)):

Well, that and cannabis got labeled an essential business. I mean, that's something that's huge. If you think about it for the industry, they very well could have just said no, uh, they have to close too, but they didn't. And, um, I sincerely hope that plenty of, uh, businesses did the best they could with that, that they could, because these are trying times, and I know that a lot of the sales numbers dropped. And so a lot of people would have had to let go of some staff, but you know, the hope is that it didn't have as negative an impact on the cannabis industry as it could have if they weren't considered essential.

Speaker 3 ([13:35](#)):

Okay. Just to clarify, you read off a pretty long list of States that we were looking at at the beginning of this year, some of them actually made it to the ballot. Could you go over which ones did make it to the ballot? I think we are looking at South Dakota, Mississippi and New Jersey, as I recall. Is that correct?

Speaker 2 ([13:56](#)):

Yes. So, uh, South Dakota, Mississippi, New Jersey. And, uh, just as recent as I believe last week, Nebraska did finally say yes, we did make it to invalid Arizona. It's still just, uh, seeing when the signatures get validated if they made the number, because they were fairly certain that they had the right number, but of course it has, has to go through that validating process. And so if they're off, even by just a couple, um, it won't make it to the ballot. And that's, that's been kind of a heartbreaker for the, the campaigns in Arizona, because the reason it didn't pass in 2016 was because the bill or not the bill, sorry, the initiative that they had just wasn't as protective of patient rights. It didn't, it didn't protect them. People. They really wanted to protect. And ultimately the people who originally put it up, uh, no longer it, um, this time around they've made the adjustments. So hopefully it is make it to the ballot because I know there are plenty of people in Arizona who would love to see it, uh, go full adult use.

Speaker 3 ([15:05](#)):

Okay. So New Jersey I understand is going full legalization, including recreational. Is that true?

Speaker 2 ([15:13](#)):

Yeah. So they already has, um, a medical program that they are continuing to work on. I know for awhile there, they didn't even allow the use of pesticides of any pesticides because there aren't any that are federally allowed for cannabis use, which is interesting. I mean, the garden state was basically saying,

unless there's one that is on the federal EPA list of something that you can use, you couldn't use it, but cannabis is illegal. So there wouldn't have been one. So they were in a bit of a catch 22 and they found out that what happens when you have very limited, uh, um, pest management procedure options available is that you end up with some buggy weed. There was a lot of that. Um, so they did make changes to that, but, um, they're actually looking to, uh, amend their constitution with this particular ballot amendment.

Speaker 2 ([16:08](#)):

So it's not just putting in a law that says, okay, you have to do this as absolutely, um, a huge change in their constitution, in their state constitution to basically say, no, this is a right, that you're, that they, adults should be allowed to possess a certain amount. You know, they shouldn't be penalized for utilizing cannabis. So that will be huge. Um, and it opens the door to the Northeast because once New Jersey goes, then you're going to see, uh, New York, Connecticut, and basically all the neighboring States working together to try to cobble together a framework that works for all of them. So that the state laws aren't that different from state to state in the Northeast, because they're all so closely together. If one of them is more beneficial than the other, as, as much as we try to detract from going over state lines to get your cannabis, that doesn't stop people from doing it.

Speaker 3 ([17:08](#)):

Now, how about South Dakota? What are they doing there?

Speaker 2 ([17:12](#)):

So South Dakota is interesting in that it has two ballot initiatives, one that would just legalize medical marijuana, and one that legalizes both medical and adult use at the same time and requires a framework for him. So all of, so tackling all three of those issues at once is kind of a huge step. And it's a first and in my knowledge, and I could be wrong, but I think it's the first time that we've seen both medical and adult use addressed in the same ballot initiative and the masking for this basically demanding that the state, um, comes up with regulations for hemp as well. And so, um, it'll be massive because then it allows for South Dakota to basically have a marijuana market overnight, not just medical, medical and adult use. And so it makes it a little bit difficult and trying to project what kind of a market size it is.

Speaker 2 ([18:06](#)):

And I, and I think Peter can actually speak to this a little bit more because, um, I know for me, it's a, it's a big thing in that it allows expanded access across the board. So people don't have to be on a list. They don't have to disclose their medical history or, or go to a doctor just to be able to get this particular kind of medication, which I know here in Nevada was a big deal for white question two was ultimately successful because we had a lot of people who didn't want to be on any kind of list who didn't want to risk losing VA benefits or anything else like that, just so that they could get a medication that was less harmful than what was, or at least they believe is less harmful than what they're being prescribed. So, um,

Speaker 4 ([18:49](#)):

You have to be some incentive for the medical consumer, right? Like, you know, all the negative things you just named that way negative, but the drawbacks, the red tape being on the list being, um, you know, on the, on the hook with the VA potentially, or maybe if you own a firearm, I mean, lots of

different reasons why people wouldn't want to disclose that they're doing this since it's federally illegal. So, I mean, obviously there has to be some incentive for the medical consumer to go through all that trouble. And obviously we expect that there would potentially be lower tax rates on the medical side, but maybe it's higher, um, higher concentration in the product, higher milligram limits, higher possession limits. So I think that's certainly an interesting experiment that we haven't seen before. I mean, typically we're seeing a several year gap between that medical transition to adult use. And so, um, you know, as with a lot of things in this industry is like kinda going to get my popcorn ready for that when there's going to be some interesting data. So come out of that show, should it go down that way?

Speaker 2 ([19:44](#)):

I totally feel like a policy nerd just kind of be like, how's this, are they going to make this work? Because from States that a medical program, if they didn't do something to protect it, um, people dropped off of it precipitously. Like it happened here. I've I've, I think it happened to a certain degree in Colorado. I know it did in Oregon and in California, their numbers are hard to tell for, uh, for a fact how many people actually dropped off because there's a lot of people who will use California as a way to get an out of state, um, cannabis cards. So their numbers are a little harder to have

Speaker 4 ([20:25](#)):

California was a Seesaw. Everyone got really excited about recreational, and then it took a long time to get off the ground. So people had to go back and renew their medical card for a year that they probably wouldn't have. So California, very hard to bead on that in that regard.

Speaker 2 ([20:39](#)):

I think California's harder to read because there were so many things that they weren't accounting for when we went to recreational there or to adult use, um, in that California didn't really have a regulatory framework for their medical program there. I mean, there were some, but not as expansive as Colorado, Washington, Oregon, Nevada, like even Alaska had regulations that were stiffer than what California had. And so California went from being very kind of loosely regulated to being very heavily regulated overnight. And a lot of companies just couldn't compete in, in that system. And also they weren't having to do quality assurance testing for, uh, their cannabis products. And they were buying from patients in a lot of places creating somewhat of a gray market, except that when you start testing the cannabis for the longest time, 20% or better of it was failing, um, which is just when you think about how many patients with immune, uh, who are immunocompromised, were smoking cannabis that had mold that, you know, wasn't maybe, uh, that maybe had a hard metals or heavy metals or pesticides in them.

Speaker 2 ([22:04](#)):

Like you don't want to make the situation worse, like the thing that's supposed to be making you better. So I don't, I'm a huge proponent of yeah. And definitely for testing cannabis products, um, both for potency and for, um, quality to make sure that there aren't all these other things in it so that you know what you're getting, and you can have a general idea of how clean the operations are from the people who are making, what is essentially your medicine or your recreational product. Like you wouldn't want to tour an Anheuser-Busch facility and see a bunch of rats or people just, you know, not taking standard good, uh, good manufacturing practices. Why would anyone expect that in cannabis?

Speaker 3 ([22:57](#)):

So Mississippi, they have something on the ballot surprising to many, um, from my understanding they have, they do have something on the ballot, but there were two different bills and they seem kind of deceptive in how they sit side by side. So starting with you, Stephanie, uh, could you elaborate on that?

Speaker 2 ([23:17](#)):

So yeah, I can a little bit. Um, Mississippi was definitely not one. I anticipated being on the 2020, um, bandwagon for legalization, just because the Bible belt has been very slow to move that needle. So to see Mississippi on there and Nebraska, which is more, a Heartland state for me, is very encouraging for the whole legalization movement because it says we are, whether they're successful or not, we're getting there. We may not be there yet, but we're getting there. And Mississippi is a really great example of this because they do have a very good medical layout for what they're looking for that has, uh, is open to quite a few different ailments for, um, valid initiative, 65, but 65 a, which was put in place. Um, it was added to the ballot by the state legislature is actually more restrictive. There are fewer, uh, ailments allowed, um, to access that as a medication. And, uh, it gives much greater government oversight over any potential industry that would arise. So 65, a, there are a lot of people who are suggesting that that was put in place to split the vote, confused voters, um, basically make it to where 65 just doesn't succeed. And so there's a whole lot, uh, there's a whole lot on the team who are promoting ballot initiatives, uh, ballot initiative 65 to make sure that our messaging is clear, make sure that, uh, that voters really know which one is the one that they want.

Speaker 4 ([25:00](#)):

Don't speak on that for a moment as well. I'm so 65, I think has 22 qualifying conditions, 65 a doesn't list, any right. It just says terminally ill. Um, 65 has possession one that's I think it's two and a half ounces, 65, a silent on that. Um, one, you know, we'll keep going back and forth here and toggling one lays out tax rates. One gives that power to the legislature. So it certainly seems very deceptive. And, um, you know, unlike Stephanie, whenever she said she was surprised to see Mississippi gathered the signatures, I actually was not, um, living in a neighboring state, you know, I've traveled through Mississippi a lot and a lot went to college with a lot of people from there. I know that there is a culture of this in Mississippi. It's just very much hidden, you know, all secrets hide in plain sight.

Speaker 4 ([25:45](#)):

And so I, I was not surprised that Mississippi would get the signatures. I was very surprised whenever the state legislature decided to come in and try to, you know, push this off the rails in such a deceptive manner. And if you guys will allow me, I'll actually read the two ballot initiatives to you right now because it'll, it just blows me away. So initiative 65, it says, should Mississippi allow qualified patients with debilitating medical conditions as certified by Mississippi licensed physicians to use medical marijuana, very simple. That's all it says. Now, when you read 65 eight, it says almost the exact same thing, shall Mississippi establish a program to allow the medical use of marijuana products by qualified persons with debilitating conditions. Those two things, the wording is practically identical. And so if your average person doesn't have the, you know, information in front of them or does it know to drill down is it's going to be interesting at the ballot box. And, um, I just, um, definitely it's kind of like a, I guess a double-edged sword here. It's like super excited to see it come, but you know, also concerned about the fact that it's, it's going to be a hard one.

Speaker 2 ([26:57](#)):

Absolutely. Well, and this year it's going to be very difficult to know on election night, whether or not it passes or fails, um, because there are so many people who are calling for mail-in balloting, uh, just for a safety standpoint, which I absolutely understand. Um, but as somebody who's trying to watch the, how these things play out and is going to be sort of a nail biter that lasts for like a week to two weeks before we really know how well any of these initiatives end up doing. Um, so in November I plan on basically stocking up on Tums and, and some fine, fine Guinness, you know, alternating feet, sweet. Oh, the anxiety. And, and just either celebrating or commiserating with some friends over how some of these things go, but a lot of these are looking good. So I mean, Mississippi I'm hopeful. I really am.

Speaker 4 ([28:00](#)):

Something's definitely, we should maybe even talk about this after, but so what happens if they both pass? I feel like that's a long shot in a state like Mississippi, but I haven't even dug deep enough to know that myself as someone who does, you know, kind of nerd out on this, so to speak, that's a question I keep coming back to is like, what if they both pass? I don't know what happens then, but I guess that's

Speaker 2 ([28:20](#)):

Cause then they would be put in the position of having to make both law and one is far more expanded in its access. So yeah, I, I don't know. Cause they, with them specifically saying it has to be terminally ill that cuts the number down immensely. I wonder, um, a total aside, um, would it be possible? Cause I know that you said, uh, trying to spit ball, the size of a medical market is a little difficult because you have to know how many people generally speaking have the qualifying conditions when it's very loosely worded as to what qualifies that opens up Pandora's box. And that we really can't know exactly what the size of the medical market is. Um, but the terminally ill one, we know exactly how narrow that market has got to be. I wonder if we could almost, um, kind of take a look at that and sort of spitball a projection as to which one would be more beneficial realistically. Um, if 65 goes are [inaudible] mainly because I think that's something that if we were talking about it, that's got to catch the attention of the people who are actually running this campaign. So

Speaker 4 ([29:35](#)):

Yeah, no, definitely. I mean, we can dig into those numbers and play around with it a little bit. I think that'd be super interesting, but just even just going off the top of my head and seeing what's happening with Louisiana, you're talking, you know, under 10,000 patients, if it's just terminally ill and if it's very few license holders, I mean, it's not going to get traction for quite some time. And, um, that may be the intention here. It's, it's hard to, it's hard to really know the truth when you peel back the layers here.

Speaker 2 ([30:02](#)):

Yeah. I think it would have to, it would really require a deeper dive into who's in the legislature. What, where they really sit on this issue to see exactly why they would feel the need to stunt this in such a way. Is it that they're afraid of having the cannabis industry there or is it that there's a fear that things might move really fast because I know that in some States the push to not have medical is because it's never enough. Once we have medical, then in a few years, we're going to have full legalization and that's too fast for a lot of places, which I can understand. There's still plenty of States where you can't even buy alcohol on Sundays. So why it's slower moving.

Speaker 3 ([30:45](#)):

I'd like to throw in a third option. Some of these States and Georgia reminds me of this a little bit. I think they're fine with legalizing medical or adult use in some of these States, but they're really not fine with letting anybody control it. Um, in my opinion, it, it almost seems like Mississippi would be fine with it as, as long as the political network benefits from it, friends, family, et cetera. Um, making sure the right people are owning the cannabis licenses in that state not to get too political, but would you agree that that might be the third option?

Speaker 4 ([31:24](#)):

I think I, sorry, Stephanie, I didn't mean to cut you off, but looking at, you know, we'll talk about Georgia and Louisiana. Both of those are putting a lot of, um, a lot of stock in this university basis, right. Which goes right in line with the comment you just made about controlling, you know, who gets it and having those people vetted, but don't discount in the South, uh, especially the Southeast, the power, it's the Sheriff's and the DA's associations and those lobbies, like they still have a lot of power down here and they are, they along with, um, rehab centers and also some religious groups are pretty much the only people fighting it. And you really look at that holistically, like we have polling numbers, right? And you have lots of polling data and it suggests the public by a landslide is ready for this, but the Sheriff's and the DAS. And some of those other groups that I mentioned are not, and for better or for worse, those folks are still powerful in the South and have a lot of sway.

Speaker 2 ([32:19](#)):

Well, and that kind of, uh, you bringing up the, the people who are opposing this, every single one of those people benefits in some way with keeping this illegal, um, rehab centers for all the good that they can do. And, and I'm not going to say that rehab centers don't do good, but out of all of the substances that are out there, cannabis has zero deaths attributed to its use to just strict cannabis use zero. So, um, are there people who, um, may, um, make it into a harmful habit for themselves? That's always a possibility with any substance. Um, but the way that some people who own these rehab centers have kind of positioned themselves as this is absolutely dangerous. It's super harmful. It's a gateway drug when that's been proven not to be the case. Um, there are other things that are more of a gateway into harder, um, harder drugs and alcohol use.

Speaker 2 ([33:27](#)):

And it usually stems from trauma, not from, Ooh, I decided to smoke a joint. Now I want to try heroin. It just doesn't work that way. But, um, yeah, Sheriff's departments, um, pres for-profit prisons like governors have to keep for-profit prisons at a certain level or they have to pay, uh, they actually have to pay the prisons for not having it at a certain capacity. And so one of the ways that it makes it very easy to keep that at capacity is to continue to charge people with marijuana crimes up there. Uh, because most of the time, people who go in aren't going in strictly for marijuana crimes, that was one of the things we found out here in Nevada, which made it so difficult to try to correct some of the mistakes of the drug war was like, if somebody is in jail just for weed right now, they really shouldn't be it's legal now.

Speaker 2 ([34:26](#)):

Um, and coming to find out that one, we don't exactly have full figures in a lot of States on how many people are in for cannabis crimes. Illinois does a great job in tracking them, but I know Nevada doesn't have anything where we can, as researchers just go to a website, pull data, it's having to go through freedom of information, act requests and wait months for data to come in. So, you know, uh,

decriminalization and legalization, uh, poses a very real threat to anyone who drives their income from continuing to criminalize this plant and the people who use it.

Speaker 3 ([35:08](#)):

So what States personally interest you too, and why we can start with you, Stephanie.

Speaker 2 ([35:17](#)):

Um, so for me watching what has happened with Idaho, seeing that they dropped it, um, but it was even considered in Idaho, which is a super conservative state. I mean, the penalties for possession in Idaho are pretty stiff and it's just not typically the state culture doesn't seem to be one that is very open to that. And that could be that it's, that things are shifting. So for me, I like following the States that are, uh, somewhat poster children for the regions that they're in. Right. Because it is kind of like having a thermometer in that room just to kind of testing what's the temperature, like how close, closely, how warm are we on that idea? Are we still a few years off? Are we getting closer than we were? Because even whether Mississippi makes it or not. So like Idaho, Mississippi, South Dakota, those are my big three right now to watch because the Northeast is going to be doing their own thing.

Speaker 2 ([36:24](#)):

And they'll probably work collectively, like I was saying before to cobble together regulations, um, that worked for that Northeastern region and make sense for them, Pennsylvania might be an interesting holdout. Um, but when you look at States like Idaho and South Dakota, which have traditionally not been overly fond with having cannabis there, and the fact that South Dakota has two different initiatives on the ballot for people to choose from, they could either choose to just go medical at this point in time or go full up. Um, I think that's very big and it does, it will signal where they really are in terms of the level of comfort that they have with cannabis in their state. It does, to me, these all show a shift towards greater legalization will be closer to national legalization than we have been. Um, and seeing how Mississippi pans out and South Dakota will, should be able to give us a little bit better indicator of how long we have to wait on the national level, because like these conservative standouts are willing to consider it. We may be closer than we have thought to at least on a national level, being a lot more comfortable with it. And it may not be a federal crime for much longer. So hopeful.

Speaker 4 ([37:50](#)):

Yeah, I'd say on my side is definitely, um, slightly different answer. Um, the Florida market has always fascinated me. It's, it's also a neighboring state from where I grew up and I am a seasonal resident of Florida. And, um, so I just watching that market develop and start out as basically a high CBD program and then start with five licenses and go to have most of them issued through legal challenges and then watching, you know, one, one particular company kind of runaway with the market, take 60% of it. And the rest of the group trying to play catch up, the whole debacle would flower the, um, the Supreme court challenges. And whether you can grow at home, then seeing some of the, the industry money come in and how that changed Florida and competing initiatives and then deferment, affirming ballot initiatives. I mean, to me, it's just a super fascinating state and it's a huge prize, 20 plus million people much.

Speaker 4 ([38:43](#)):

Like I talk about Mississippi earlier, you know, it's not front and center like a state like California or Oregon or Washington, but there's a huge culture, um, for cannabis in this state. And I don't know, I just

kinda wonder where Florida goes next. Like what, what, what happens do we see this, you know, cartel style oligopoly play out for another 10 years, do do, do people come in and make changes? I mean, it just, it's one of those markets. I mean, you look at the numbers, you know, when you really look at the raw sales numbers and you look at the profitability and the fact that one of the only cashflow positive companies in the entire industry is making their money here. It's a very fascinating state to me from a numbers perspective and from another state that really, I like to watch a lot lately as Missouri.

Speaker 4 ([39:28](#)):

And that's because we've done a lot of work there as a firm. Um, Missouri is one that kind of surprised me. I wasn't following it before it happened. And you know, it kind of goes back to the whole value of bridge West. Participating in this, in this group is that, you know, we can start to be more real-time with our decisions and where to deploy our people and, you know, where we think we need to be working. Missouri's one I have, you know, have a lot of clients there. I've made a lot of friends there. And, um, I know a lot of folks that have moved from other States in the region to go work there in this industry. So I'm hopeful that Missouri, you know, for better or for worse, they've got their problems. It's like any other new state, but I'm just very curious to see what this new launch looks like and what happens.

Speaker 4 ([40:08](#)):

And Missouri is one I'm keeping a very close eye on and then home state of Louisiana at a lot of changes made this legislative session. I mean, this is something I've been personally working on since 2014. So, um, it's been a lot of ups and downs and, um, I'm hopeful that where we're at today while there's still so much to do, I'm just very curious to see what happens with the supply chain there, because you only have two, two cultivators, right? And they're, university-based unlimited canopy. They can pretty much grow as much as they want, but there's just, it's had a hard time getting off the ground. The changes that got made this past session we're really involved around, um, basically doing a way with the list of qualifying conditions and allowing that catch on provision like we talked about earlier. So any, any debilitating condition that a doctor sees fit took away some of the red tape for a physician to actually register, right? So now if you're licensed and in good standing with the board of medical examiners, they no longer have additional regulatory authority over what you do as a doctor. And so, you know, it's, it's baby steps, but it's definitely it's one that I'll always be paying attention to because it affects my day-to-day life.

Speaker 2 ([41:19](#)):

Those are absolutely huge baby steps. By the way, I was going to ask you if that those really were successful, because I know that they were working on them. And then

Speaker 4 ([41:27](#)):

August 1st, all of those take effects, basically everything that was out there this year passed except for flour and for Haley in Louisiana. So, you know, we got there some other little tidbits that are in there. There's some banking protections for state first state licensed banking or financial institutions, which, you know, that to me was almost a feel, good deal, feel good, bill, you know, because the real problem on that side is with the FDA and the federal regulators. So, you know, Hey, I'd rather see that exist than not right. Cause right now there's only two banks in the state that are willing to bank the industry. So maybe that'll help, help ease things up. Maybe it more, it normalizes it more. Um, also another small tidbit from this year was, um, criminal immunity for the hospital systems, right? We have a lot of, you

know, we have a lot of patients who are in the hospital system that have an interest in this, but your big hospital systems in the state basically put gag orders.

Speaker 4 ([42:22](#)):

If you will, on their physicians and said, no, you can't do this because it's illegal. And so now we've put in some immunity on the state level for that, um, define what a recommendation is or is not because our recommendation was very prescriptive before. I mean, you literally had to say, what products did the dosage form and all that. It wasn't a recommendation at all. It was a, it was a prescription disguise, the recommendation. So that got legally defined. And then they also added in some additional language about the meter dose inhaler and that product's been legal for a year now, and it's still not to market. And that speaks back to me with wondering like Kansas supply chain and really do what it needs to do. And, um, I think it can, I really do. I mean, I have a lot, I mean, first off an LSU alumni, I love the school.

Speaker 4 ([43:05](#)):

Southern university is a great institution. These are both big agricultural colleges and they can hire as many subcontractors as they want. Right. So if LSU wants to bring in 10 of the best companies in the world to grow over there, they can do that. So there's a lot of flexibility with that, but it's also, I also worked at a university for five years. I know that universities a lot like government, there's a lot of bureaucracy involved and you know, it's extra baggage, it's extra costs for the patients. And so to me, I'm just, you know, really standing by and seeing these, these changes had happened this year. And I'm like, okay, well, where does this go? And can, can these guys execute on this? And that's, that's, that's what TBD at the moment is almost like three States in one, then that, you know, you have the East coast park, you know, St.

Speaker 4 ([43:53](#)):

Augustine beach, Jacksonville, all the way down to the keys, right. That's, you know, the Atlantic side, then you've got the panhandle region, which is, to me, like, it's almost an extension of Alabama. Like just when, when you drive around that area, versus the other areas, they look totally different. And then that leaves central Florida, which is its own beast altogether. And so you really have a lot of different cultures. Like you said, people with transient businesses are not transient, but they bring their, their culture from their home state and they sell, you know, the New York style pizza here. And so I'm super, I mean, again, I know I already spoke on it, but just Florida to me after I've been watching it for a long time, just to watch the rollercoaster ride, that it has

Speaker 2 ([44:33](#)):

Literally three States agreed well. And, um, when you meant, you've mentioned Florida and, uh, did you know that earlier this year that there was a proposal or a bill proposal to, uh, no longer allow for vertical integration? Because, because of the monopolization that's been going on in Florida cannabis, they're like we cannot allow from this point forward anymore, um, vertical integration. And unfortunately that wasn't successful, but I think, I think they were onto something, at least in markets where it's clear that, um, some companies are able to gobble up other ones rather quickly and take a disproportionate market share. Um, it certainly doesn't help the patients or the, or, uh, adult consumers, one that's legalized at, from a price point standpoint, if there's only one really course to go to

Speaker 3 ([45:33](#)):

Federal legalization versus federal decriminalization, what, what do you think is the difference between these two models and what, what do you think are the pros and cons of legalization and decriminalization on the federal level? Uh, let's start with you, Stephanie.

Speaker 2 ([45:52](#)):

Uh, see, this is one of those times where out of have like, Oh, go with Peter first. Cause he can at least tell you from the financial side, what that could mean, but I can tell you from, um, I know that it seems like an either or there's, there's really probably three decent options. Um, so decriminalization would just make it to where it's, um, you're less likely to be charged with a crime for it, but it's not full legalization in that you can actually cultivate sell produce products or anything else like that. So decriminalization is generally the, the foot in the door to getting legalization. And we've seen that in other States where it's just basically like, okay, well, we're not going to focus on that, right. In terms of enforcement, we're just not going to deal with it anymore. The problem with that is that there are in multiple States and even at the federal level, plenty of people who make money off of criminalization of cannabis.

Speaker 2 ([46:52](#)):

So there's going to be immense pushback from them. So just from the decriminalization standpoint, it's going to affect law enforcement. It's going to affect the prison industry. It's going to affect any industries that rely on prison, labor, um, to decrease their cost of production. Legalization comes with the potential to actually kill the cannabis industry. As we know it, because once it becomes fully federally illegal, um, there's nothing to stop the Phillip Morris's of the world. Um, you know, the industry, big pharma, depending on how they legalize it would determine which of those three main sectors would benefit most in investing in cannabis. And we won't see the culture that we have even now. I mean, the cannabis culture has changed just in the last four years. Um, let alone, and depending on which market you're looking at in Colorado, I'm sure that the cannabis culture completely shifted once you saw, um, adult use, because there was a much stronger patient, uh, culture here in Nevada before we had adult use.

Speaker 2 ([48:11](#)):

And then that, that changed dramatically almost overnight. As soon as people could have legal sales, a lot of the products that were available for patients weren't available anymore because there just wasn't enough demand for them when you have, um, limits on the sizes for the adult use or recreational consumer. And if they're buying bigger bulk from the company standpoint, it doesn't make them as much money to make the medical products. And they're losing out if they're making them more potent, but only getting like a small amount for it because that was medical. Whereas now they can stretch it out a little bit more and, you know, they can make a little bit better money. So a lot of the CBD flower products that we saw, um, kind of disappeared from our market. Um, so flower that was more of a one-to-one is a lot rare in this particular market because of legal action.

Speaker 2 ([49:18](#)):

If you go to a full legalization without doing something, to safeguard the state markets, what you're going to have is a whole lot of people who may not know that much about cannabis as a product or as a plant and or how it even works. Like the fact that it's, uh, an entourage effect that gives you the effect that you get from each strain and why each one feels a little bit different when you consume it. If you have people in charge who don't understand that they're just going to go for potency and they're going

to go for the least expensive options for making it, which is not good for anyone. So, um, the third option that I said was the States act, which is the one that Elizabeth Warren and Cory Gardner put forward. I think that's the best one so far in that it protects the state's right to make a choice to have these markets and basically says the federal government will stay out of that decision. Um, is it a perfect solution? No, but until we dismantle all of these other systems that profit off of putting people in jail for cannabis use or possession, we're not going to be able to see it be effective at a federal level. Like we're, we're gonna push back from those people who still profit off of it being illegal, I guess, is where I'm wanting to go with that. When I saw you nodding a few times, Peter.

Speaker 4 ([50:50](#)):

Yes. Um, I mean, so much to unpack here first off and, you know, I will use a very much a go-to CPA phrase and be like, well, it depends because there's so many factors that go into this, but you know, if you'd had talked to me in January of 2020 before COVID, and before all the, all the things that have happened this year, I would have almost said, well, legalization is a foregone conclusion and that'll happen. We don't know when, but it's going to happen. And I think deep down, I still do believe that, but my, my crystal, ball's not working as good as I thought it was. And, um, so yeah, I'll kind of start by unpacking some of the decrim talk and I feel like there's more and more of that happening today than there was even a year ago. And I think that's for obvious reasons, um, because of the election and just because of certain, you know, certain stances and things that have been made public.

Speaker 4 ([51:39](#)):

And, um, I think, you know, the D Chrome, like Stephanie said, it was a pathway to legalization. I agree with that, but I don't see it as a cop out. It's like, Oh, we can't figure this out right now. So let's just kind of throw a patch on it and see what happens. But realistically, I think it will do almost more harm than good because they'll take away the incentive for these States to figure it out, but it will keep the private prison industry and all these groups that we're talking about, well funded and at the same time and incentivize us criminals to go out and do what they do. And I used the word criminal loosely, but, you know, just strictly defining it as like it's going to incentivize people to break the wall. Like maybe they're not criminals by nature, but, you know, taking that approach and saying, Oh, well, it's not illegal anymore.

Speaker 4 ([52:23](#)):

Unless you do this, this and this and this didn't, it's highly illegal. And so, you know, the deep ground to me, I just feel like it was a cop out. And I think that, you know, as a, as a country and as individual regions, I think that we're a little bit more sophisticated than that at this point, right. We've seen this experiment unfold so many times already, and there is a lot of data out there and we've just spent, you know, an hour here and we've barely scratched the surface on some of the data that's out there. So I think if the governments, you know, whether it be States or federal, if they really spent the time and the energy, they see the solutions that are out there and granted, none of them are perfect and there will always be a work in progress, but I would prefer, and I do think that it would, the industry would probably benefit more from seeing some sort of States act or some sort of some sort of legislation that makes it legal, but full well, knowing, like, I know that certain States will never give up the power, right?

Speaker 4 ([53:15](#)):

Like certain States are going to roadblock those until the end. And so it almost has to be some sort of piecemeal system like that. Even if you go back and look at the hemp, you know, the hemp legislation

passed in 2018 States still have a lot of power in alcohol industry, right? States still have a lot of power in that. We talked about it earlier. Some places don't allow you to sell liquor on Sunday and Utah, the beers weaker. And, you know, so I think that, you know, the answer is already out there. We just need to, um, to keep pushing, to show it to people and then have, um, you know, have the buy-in and another big piece. And I've talked about this before with this group is, you know, to share us the DAS, these groups, they rely on this enforcement for their budget.

Speaker 4 ([54:00](#)):

And I think one of the big pieces that's missing today is the DUI technology. You know, um, we've talked about this in our calls before, but I think that the moment there is a reliable way to tell when someone's really intoxicated and behind the wheel, and then you can find them like you do with alcohol, or like a lot of other substances, even prescription pills. Um, if you have a way to enforce that, they really enforce it. It holds up in court. I think that alleviates a lot of the concerns that we keep going back and forth on. And a lot of it is driven by budgets, state budgets, and that stuff's only getting tighter right now. So that's a, it's my roundabout way of answering that question.

Speaker 2 ([54:39](#)):

You mentioned technology, I know that Oklahoma just recently put money towards a breathalyzer, some breathalyzer technology that they think will work will certainly be interesting to see if it actually does because, uh, the DUI issue is, uh, one of the hurdles that a lot of States have with even legalizing it, because how are you going to tell if somebody's driving under the influence? Um, and for those people who are patients, who've gotten DUIs, um, because of it and because they test your blood, and of course the analytes are in your blood, they're in your system for a very long time, uh, depending on your health and, you know, body fat ratio and all sorts of other factors. So having the technology to be able to solve the DUI question would be huge. I think that would take away a lot of reservations, um, but true, but you know, it also depends on how people are feeling on the social justice issue of it all, because really at the end of the day, making cannabis legal, taking away that incentive to, uh, put people behind bars for a plant would be a massive boom for social justice, because it's, it has destroyed a lot of families.

Speaker 2 ([56:01](#)):

It's destroyed a lot of lives just in the enforcement of it because it's, it's not even, we've seen that in numerous States that it's not even on who's getting arrested and who's getting charged and how those, um, sentences are prescribed. You know, I mean, it just, it would be huge in terms of social justice. When we finally get to the point where in this country being in possession of cannabis, doesn't risk your livelihood. It doesn't rescue or freedom, you know, so I mean, I'm, I'm ever the optimist and I'm hopeful that we'll get there very, very soon, but I'm looking at the data. I'm a little leery. I don't, I wasn't a fan of Bernie Sanders option to just legalize it and it through executive order because it, the reason why it's taken so long with the States is to navigate these, uh, concerns of law enforcement, the concerns of, you know, parents groups and religious groups and the medical community.

Speaker 2 ([57:10](#)):

And so it sweeping legislation. Isn't the answer. If there's not enough, not enough input from the community and the stakeholders in it, I guess on that same vein, let's think about the amount of capital that's gotten deployed. This was 2010 in this industry, right? Every state's built their own system from the ground up, practically, every state that's doing it. And so to just ignore those stakeholders at this

junction and say, Oh, well, you know, I get that. You, you know, you just built all this stuff. We gave you a license a year ago, but you know, now we don't really care about that. That to me is a disservice to, um, to everyone that kind of blaze the trail here. I know a lot of maybe your state lawmakers don't care about that, but those are their constituents. Those, those people pay taxes. That to me is a big deal and it shouldn't be ignored.

Speaker 1 ([58:03](#)):

So that's about all the time we have for today. It was great to have you guys on, and it was very informative. We hope to have you back very soon. So stay safe guys and have a great week look forward to it. Have we get to talk more soon? Thanks for listening everybody for more information about the higher enlightenment podcasts, or if you have show ideas or would like to be a guest on our podcasts, check out the description below for more information about sponsorship or advertising on the higher enlightenment podcast. Please call us at eight four, four high yields. That's eight four four eight chai, Y I E L D S. Or visit our website@higheryieldsconsulting.com. Thanks for listening. Have a great day. And we'll talk to you soon. [inaudible].