

Speaker 1 ([00:11](#)):

[inaudible] hello and welcome to the higher enlightenment podcast brought to you by higher yields cannabis consulting, your seed to sale cannabis business solutions team. My name is Adam. I'm your host today, and part of the creative design team here at higher yields today's podcast deals with cannabis licensing and newly legalized States with special guests, Emily Seelman, and Corey Wagner. So let's get started with the show. Well, first I'll have you guys introduce yourselves. Uh, Emily, could you tell us a little bit about yourself and what you do?

Speaker 2 ([00:49](#)):

My name is Emily Seelman. I am a senior technical writer here at higher yields. I oversee a writing team that supports the application process for people on a local and state level. Prior to my time here, I was a civil litigator in Pittsburgh, Pennsylvania. So I was a trial attorney and I was practicing at a time in Pennsylvania when cannabis was being introduced to the state. So I helped build the cannabis division there, and we supported clients in their endeavors to go after operations licenses in Pennsylvania. And we were very successful at that. Um, so that was kind of my first taste of competitive application licensing processes. Um, and I've been doing that ever since. So I left the firm, I call myself a recovering lawyer. Um, so it's helpful to be in this senior technical, um, writer position and oversee a writing team and having a legal background because I can see all of these issues from a legal perspective, a compliance perspective, as well as a business strategy perspective.

Speaker 1 ([01:49](#)):

Okay. Thanks Emily. Cory, could you tell us a little bit about yourself and what you do? Hey, I'm Corey Wagner. I'm the CEO here at higher yields. Uh, we help cannabis and hemp entrepreneurs around the world, um, along their journeys through regulatory compliance, designing and building their facilities, marketing branding themselves, and helping them grow and make sure they have a growth plan in place, uh, as they get into the industry. Thanks Corey. And onto the first question. So what are the next steps for someone interested in applying for a license when a state passes a new adult use cannabis law?

Speaker 2 ([02:25](#)):

Well, in my opinion, if a state passes a, an adult use cannabis law or medical cannabis law, um, they should be reaching out to a consultant to figure out if this is the right path for them, if they're interested in the industry. But one of the things that I've seen people make a mistake on is waiting too long and when certain laws are passed, but maybe the application round isn't open yet people think they don't have to act upon, you know, their desire to enter into the industry. So in my opinion, and I would say, start researching the industry. If this is something you really want to pursue, reach out to a consultant and figure out what your next steps are, how to best sequence those steps. So you're not wasting time and money, and then figure out how to best establish yourself for when the application round opens up.

Speaker 3 ([03:11](#)):

Thanks. And how should I prepare myself for a cannabis license in a new state? Definitely start early. The earlier you can start, the more prepared you can be, the better off you're going to be. You know, the faster you can get to market usually is, is a good thing. Um, not necessarily always, but making sure that you understand what the state requirements are, um, what what's going to be required from you as a team, as an entity, um, in order to actually apply and receive your permit to start cultivating or extracting or selling dispensing, um, cannabis is going to be a big part of it. And then also making sure

that you're starting to make the local government ties and connections that you need, as well as finding that real estate and making sure you're finding a good piece of real estate, not just a piece of real estate, um, because you know, where that business is located is really gonna determine a lot of its success as, uh, as the industry continues to evolve in that state. Is there a difference between working with an attorney or professional cannabis consultant when applying for a license?

Speaker 2 ([04:13](#)):

Well, I think both are useful, but they're different and that's actually a mistake. I think a lot of people make, they think, ah, this is an application, it's a state application. So I suggest I should just go straight to an attorney. And this is coming from an attorney's perspective. We used to help clients in a law firm. Um, but in my opinion, there are, uh, there's a greater array of services that can be offered by a consultancy, oftentimes not all the time, but frequently there are law firms that will charge you that specialized rate, that a lawyer can only get away with charging. Um, and sometimes it's that you're getting charged those prices for a lawyer to learn off of you. So I would just be cognizant of lawyers, marketing themselves as being able to help you in the cannabis space or their, um, their knowledge in the cannabis space.

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

There are some that are, are really great resources to have, um, but in my opinion, both are useful in their own way. So I believe strongly in engaging with the consultant because consultants have the understanding in the overarching perspective of what you need to do and how to best sequence it and how to best get to your end goal. Uh, without necessarily thinking in only in terms of liability or legal compliance, a lawyers job is to keep you safe from my ability that can oftentimes result in them not being able to help you as strategically as you may need in the cannabis space. There are certain things when you're in the application process or you're building out your facility that you will need lawyers for when you're coming up with your corporate structure, but you're engaging in contracts. I think those are important to get legal opinions on, but when it comes to the actual strategy, the actual application process, the operational build out guidance, all of those things I think are better suited for our consultant. So both of them have a place, but I think it's very important to, to distinguish where they land and how you can best use them.

Speaker 1 ([06:21](#)):

So I assume that a professional cannabis consultant could direct you to the right attorney when needed.

Speaker 2 ([06:28](#)):

Yeah, there are certain consultants that, you know, like higher yields just by our experience is we're a full service. So we can and have the experience in every step of this process, which means we've established relationships and vetted companies in a way that many others haven't. So if you need support in the legal capacity, we can give you our best opinion on who we believe is the best support for you. Uh, cannabis, specializing, CPA firm, um, certain construction firms. So things like that. Um, we've got that experience and we've gone through the hard part of vetting, different companies and the good and bad, and the ugly, the ones who just try to take advantage of clients. So in that way, we're able to help our clients engage with the right resources without first learning through mistakes, which ultimately costs money.

Speaker 1 ([07:18](#)):

Okay, this one's for Cory. So what license type do you think would be the most profitable in a newly legalized state?

Speaker 3 ([07:26](#)):

So it really depends on which state you're looking at. Um, some States are required to be vertically integrated, meaning you have to have retail cultivation and manufacturing. Some States you're allowed to just be a retailer. Um, and a lot of it, you know, kind of depends. Is it a medical market as an adult use market? Um, there's some adult use markets like Oregon, where the market's very saturated from the cultivation side. So the opportunity is really only on the retail side or, or manufacturing. It's very expensive to get into cultivation and with it being so flooded with product, um, it's going to be very difficult to be successful in cultivation. Whereas if you go to the East coast in somewhere like Massachusetts, um, where it's, you know, it's a very small state in, in regards to actual like landmass, but very dense population. Um, also surrounded by other States who are very densely populated and it's the only adult you stayed on the East coast. So in that area, you know, it can be kind of difficult to be on the retail side because you're paying a much higher cost because there's not as much product on the market. So the, really the opportunity there is, is to be in, in cultivation. Um, but each States is going to be a little bit different. And depending on when you approach that state will kind of determine how you should best approach that state.

Speaker 1 ([08:42](#)):

Okay. Some States have application variations for social equity applicants. What does this mean and who can apply under this type of application?

Speaker 2 ([08:53](#)):

Social equity programs look different in different States. So some, I would say the common thread between all of them is providing an opportunity for a certain people group, uh, and that people group has been disproportionately disadvantaged in the past by prior cannabis laws. So in some instances, that means if you live in a certain zip code and have lived there for a certain amount of years, that zip code may be an established quote, disproportionately impacted area. There's other terms for it. But all of them mean the same thing, which is they may be established through poverty levels. How many free lunches are given at school based on need, um, welfare, things like that, or they been, um, the focus of higher arrest rates for prior cannabis crimes, um, like small possession, things like that. So what States are trying to do is, and we've seen this change over the past couple years, and I think it's a great one.

Speaker 2 ([09:51](#)):

They're trying to provide a certain amount of opportunity in the cannabis space for these people. So say you've got a family member that was arrested for small possession back in the day. Well that small possession arrest could have resulted in a felony on their record. And that person, obviously the repercussions of that means they may not be able to get a job. They may not be able to, uh, support their family in the way they otherwise would have been able to. So it's almost like a state's way of, of helping out the people that they hurt in the past. So it's a, it's a really unique model. There's pros and cons to the way they're laid out. Um, but if someone is a social equity applicant in a state, based on that state's rules and requirements around that, then they may be able to get extra points on a license or an application for a license.

Speaker 2 ([10:46](#)):

They may be able to have a certain amount of a state, may have a certain amount of licenses allocated for social equity applicants. So there's a method there that's in place for people to enter into this industry and take part in a sector of the economy that could really change their lives. Now, in reality, how that's played out is, you know, when it comes to the grading of these applications, is it really helping them? That's a conversation for another day, but if someone falls within that category of social equity, they should take advantage of that and use that as their way to enter into the space. So again, it could be through extra points, um, or it could be through the state allocating a certain amount of licenses for them. So it's a great opportunity,

Speaker 3 ([11:32](#)):

More profitable to get a medical marijuana or recreational license. So most well, pretty much every state at this point, um, initially comes out with a medical marijuana license and while the, the amount of the market share the amount of the market that you can actually acquire with a medical license, going to be much smaller than adult use license. Um, so if the opportunity exists, in my opinion, it's always best to go after the adult use first. But if you can get in early, when a state first rolls out its medical program, a lot of times those medical licenses are going to get are going to have the opportunity to quickly transition into adult use or have the first dibs at those adult use licenses. So really the medical license is kind of a placeholder or a way to kind of get your foot in the door.

Speaker 3 ([12:21](#)):

And we saw that a lot in Illinois, you know, for the first couple of years, the medical program was so strict as far as the conditions for people who could actually go get a medical card to go purchase, um, product. So there really wasn't much money and it wasn't very profitable. Um, and it really, wasn't a very good program for medical patients and Illinois for the first few years. But now that adult use is opened up now, you know, it's, it's opened up anybody, who's 21 and over, so the market's much bigger and it's not necessarily, it's not only, um, it's not only Illinois residents who can go in and purchase those products. It's anybody who's over 21 years of age. Okay. So what's the most difficult part of a cannabis license application.

Speaker 2 ([13:06](#)):

I believe that's very client dependent. So oftentimes we'll help clients before an application round opens and it's called a pre-application assessment and to analyze exactly that. So we'll figure out where their strengths are, but more importantly, where their weaknesses are. So they can use this time before an application from round opens to bolster those weak areas. So sometimes it's capital, they need to fundraise more. Um, sometimes it's figuring out where their properties should be, and we've got a design and build division that actually supports that. And we'll help them through green zone assessments, things like that to find property, to figure out if it's properly zone. And if it's not, how do they correct that? Um, some people struggle with having actual operating experience in the cannabis industry. They come from other industries, they want to participate in this industry, but they don't have legal cannabis experience.

Speaker 2 ([13:58](#)):

We've even had clients come to us thinking their illegal growing experience is sufficient, um, to experience for them to put on an applications that's probably the fastest way to get disqualified. Um, so we are, that's kind of the, the, the process that we have in the pre-application assessment, because we, we believe it's very important to utilize the time before an application round starts to figure out where

the weak points are. So that's going to be very client dependent. Uh, we've seen it range pretty much across the gamut for, from, in terms of weaknesses that can be bolstered, but we support every single type of client that comes in with those weaknesses and do our best to help them figure out how they can strengthen those. Or is this even the right industry for you? If this is something you're not willing to correct. If you're not willing to give up some equity to get a cannabis specific operator on your team are, do you actually have a chance of winning an application?

Speaker 2 ([14:54](#)):

So we make those, those, uh, big decisions with them. We help them through that process because it does look so different for everybody. I would say the number one killer of applications is people who wait until the application round opens to just get started because you're putting so much at risk about what you actually need under such a strict time window. And these time constraints will make or break an application. So oftentimes people will wait until the application round opens only to find that they're missing a lot of pieces. So we spend that application window, helping them get to that foundational level and then build their application on that. I would prefer to see you come in and get the support you need before an application round starts and build to that foundational level first, and then use the application window to just shine and to make this application and stand out from everybody else.

Speaker 4 ([15:52](#)):

So what do you think makes, uh, the most ideal cannabis client?

Speaker 2 ([15:58](#)):

Well, for me, it's someone who is willing to work hard is willing to be a team player. It's, it's incredible how much an attitude can make or break an application round. It's someone who is willing to understand that the consultants are here to help you, and to be that guide for you to getting to the finish line. They're the ones who will execute when we ask them to execute. And that's a huge deal because we have had clients in the past where we say, this is what you need to complete this section of an application, or this is how we can best complete this. If we do want X, Y, and Z. And if they don't execute what we ask them to do that, or they ask, we ask, you know, if we can go that direction that can severely put an application, I think, to the bottom of the pack.

Speaker 2 ([16:46](#)):

So someone who's got a good attitude as a kid. It's one thing we asked them to execute, leans on us and calls us whenever they're having, you know, if they're worried about something or, you know, it's a very nerve wracking process. So I particularly enjoy the clients that are communicative and are willing to call and say, Hey, I'm just super nervous. It's getting close to the finish line and I've never done this before. Can you just call me down? And we've done that at three in the morning. You know what I mean? It's a big monstrous process. So a client that understands the veracity of this process, I think is a big thing. And then one kind of going back to your previous question, being willing to fill in the gaps that you need to fill in order to support a quality application. So getting the funding you need, getting the team, you need getting the operational cannabis experience that you need getting the property. When we give you the timeline through which to get a property, everything is in our world is on a strict sequence. So if you don't do the first things we asked you to do, you know, that's a domino effect that could really affect the rest of the application. So it's kind of

Speaker 3 ([17:50](#)):

A, that's a great question because there are so many things that make up an ideal client for me, but I would say those, those are the biggest,

Speaker 1 ([18:00](#)):

Okay. This one's for you, Corey, if you could apply for a cannabis license, what state would you apply in and what kind of license would you apply for?

Speaker 3 ([18:10](#)):

Well, I think it, uh, again, it kind of goes back to who the client is and where they're at in, in the industry for larger multi-state operators, you know, going after the more competitive States is going to be much easier for them because they're, they're going to be a lot more prepared as far as the operational materials and, um, the track record that they're going to need to score well in that state. Um, whereas people who are just trying to kind of get their foot in the door and get started in the industry, you know, Oklahoma, California, Michigan, Massachusetts, are all very progressive States to some degree, and you can get your foot in the door a lot easier there, build up your experience and then start to work towards, um, those more competitive States, as far as what license kind of the same thing is, you know, depending on who the client is, what their interest is, what their passions are and really where they want to be, or what kind of assets do they have when they walk through the door. Because for us, every client's a little bit different. Some, some are well-funded some have properties, some have, um, operational experience. So we really try to identify those strengths early on in kind of our assessment, um, when we're, when we're bringing clients on and starting to assess them and then figure out, you know, what, what are the weaknesses as well? So we can start to position them well for whatever state it is that they're looking to go into, or that we're starting to kind of push them towards.

Speaker 1 ([19:29](#)):

I think that's about all the time we have for today. Uh, I'd like to thank you guys very much for being on our podcast and hope to be talking to you guys again very soon. Awesome. Thanks Adam. Thanks. [inaudible] we'd like to thank everybody for tuning in today and listening to our podcast for information on how to follow the higher enlightenment podcasts. Please be sure to check out the description below you'll receive all the latest and greatest podcasts news and announcements. Also let you know when we release new episodes, if you'd like to be a guest on the higher enlightenment podcasts or have ideas about upcoming episodes, please be sure to check out the description below for information about sponsorship or advertising on the higher enlightenment podcast. Please call us at eight four, four high yield that's eight four four H I Y I E L D, or visited our website@higheryieldsconsulting.com. Thanks. Have a great day. And we'll talk to you. [inaudible].