

# **Does Legal Cannabis Present a Level Playing Field for Minorities?**

California Minority Counsel Program

Virtual Conference 2020

September 23, 2020

1:30-2:30 pm PDT

# Meet the Moderator & Panelists

- **Embert P. Madison, Jr.** (Moderator)

- Attorney at Hoge Fenton

- <https://www.hogefenton.com/our-people/embert-p-madison/>

- **Lanese Martin**

- Cannabis Regulatory Commission for the City of Oakland
- Co-Founder and Co-Executive Director of the Hood Incubator

- <https://www.hoodincubator.org/meet-the-team>

- <https://fullcolorfuture.org/full-color-50/the-hood-incubator/>

- **Cedric Haynes**

- Director of Public Policy and Partnerships, Weedmaps

- <https://www.linkedin.com/in/cedric-haynes-5bb46143/>

- **Reese Benton**

- Owner of Posh Green Cannabis Boutique

- <https://www.poshgreencollective.com/who-we-are>

- **Shahiedah Palmer**

- Associate Attorney at Arent Fox LLP

- <https://www.arentfox.com/attorneys/shahiedah-palmer>

# Learning Objectives

- During this program, participants will:
  - Explore the unique challenges faced by various private and public stakeholders within the legal cannabis market: business owners, local government and advocates.
  - Discuss the common hurdles business owners, especially minority entrepreneurs, face in obtaining capital and navigating the legal landscape to start and maintain their cannabis businesses.
  - Review the criteria local government officials use to determine which cannabis businesses are approved within their jurisdiction.
  - Analyze the considerations cannabis advocates encounter to educate local, state, and federal decision makers on the market realities while working with those same stakeholders to combat the unlicensed market.
  - Brainstorm how diverse attorneys can make their mark in the cannabis industry.

# What are the biggest regulatory issues facing the industry?

## Discussion Questions:

- How does federal prohibition impact the industry?
  - H.R. 1588 – Ending Federal Marijuana Prohibition Act of 2019
    - <https://www.congress.gov/bill/116th-congress/house-bill/1588/text?format=txt>
- What challenges and opportunities would the Marijuana Opportunity Reinvestment and Expungement (MORE) Act, if passed, provide to cannabis stakeholders and how does the MORE Act interplay with the SAFE (Secure And Fair Enforcement) Banking Act?
  - S.2227 - MORE Act of 2019: <https://www.congress.gov/bill/116th-congress/senate-bill/2227>
  - H.R. 1595 - SAFE Banking Act of 2019: <https://www.congress.gov/bill/116th-congress/house-bill/1595/text>

# What business challenges and opportunities are unique to the California cannabis industry?

## Discussion Questions:

- How has COVID-19, and the subsequent economic slowdown in many industries, affected the legal cannabis industry in southern versus northern California?
  - “COVID-19’s Continued Impacts on Cannabis Operators” (National Law Review)  
<https://www.natlawreview.com/article/covid-19-s-continued-impacts-cannabis-operators>
  - “US Cannabis CEOs say coronavirus crisis will speed up legalization: ‘We have been deemed essential’”  
<https://www.cnbc.com/2020/04/19/how-the-covid-19-crisis-may-impact-cannabis-legalization.html>
- Which cities initially deemed cannabis businesses “essential” and which ones did not? What hurdles had to be overcome for cannabis to be deemed “essential”?
  - “Amid coronavirus pandemic, California gov classifies cannabis industry as ‘essential’ during state’s effective lockdown”  
<https://mjbizdaily.com/california-gov-classifies-cannabis-industry-as-essential-during-lockdown/>
- Which city is the “Gold Standard” when it comes to legal cannabis policy?
  - California Cannabis Laws by County: <http://cannabusinesslaw.com/california-cannabis-laws-by-county/>
- How is the traditional/unlicensed market impacting the legal market?
  - “California’s Cannabis Industry Marred by Limited Supply Chain and Heavy Tax Burden”  
<https://www.cannabisbusinesstimes.com/article/california-licensed-illicit-markets-huckleberry-hill-farms-full-moon/>

# How diverse is the cannabis industry?

## Discussion Questions:

- What is the current demographic and geographic breakdown of cannabis licensees?
  - “Chart: Percentage of cannabis business owners and founders by race” (September 11, 2017)  
<https://mibizdaily.com/chart-19-cannabis-businesses-owned-founded-racial-minorities/>
  - “Black entrepreneurs struggle to join legal weed industry” (February 11, 2020)  
<https://www.nbcnews.com/news/nbcblk/black-entrepreneurs-struggle-join-legal-weed-industry-n1132351>
- Are efforts being made to ensure that the cannabis industry is diverse? If so, what are those efforts and is there an unequal deployment of resources?
  - “Social Equity Advocates Push to Diversify the Cannabis Industry” (April 8, 2020)  
<https://thcnet.com/news/social-equity-advocates-push-to-diversify-the-cannabis-industry>
- How can attorneys support overall social equity to overcome the impact of the War on Drugs?
  - International Cannabis Bar Association: <https://www.canbar.org/>

# Cannabis Information

California Cannabis Portal: <https://cannabis.ca.gov/>

## **An Overview of Legal Cannabis: Learning from Other States and How to Maximize Benefits**

By Alex Lleras, State Manager, Government Relations, Weedmaps and Cedric Haynes, Director of Public Policy and Partnerships, Weedmaps

- <https://www.womenlegislators.org/wp-content/uploads/2019/12/AlexSlides.pdf>

## **“Four Years After Legalization, California Has Had Unexpected (and Often Disappointing) Results”**

- <https://420intel.com/articles/2020/07/14/four-years-after-legalization-california-has-had-unexpected-and-often>

## **60 Minutes: “Marijuana in California: How the state’s legalization of weed has not destroyed the black market”**

- [https://www.cbs.com/shows/60\\_minutes/video/FquHqWvI1uErHCtURpIg0g1bZqyld6oR/marijuana-in-california-how-the-state-s-legalization-of-weed-has-not-destroyed-the-black-market/](https://www.cbs.com/shows/60_minutes/video/FquHqWvI1uErHCtURpIg0g1bZqyld6oR/marijuana-in-california-how-the-state-s-legalization-of-weed-has-not-destroyed-the-black-market/)

## **“Massachusetts Leads in giving social equity applicants exclusive access to cannabis delivery licenses”**

Published in the Marijuana Business Daily (online)

- [https://mjbizdaily.com/massachusetts-social-equity-applicants-get-exclusive-access-to-cannabis-delivery-licenses/?utm\\_medium=email&utm\\_source=newsletter&utm\\_campaign=MJD\\_20200903\\_News\\_Daily&elqTrackId=54268F0D0A4AE93A2F3D2169BBCD1F90&elq=a54c9fa317c74d258a8a6a2d1974f09a&elqaid=3959&elqat=1&elqCampaignId=2829](https://mjbizdaily.com/massachusetts-social-equity-applicants-get-exclusive-access-to-cannabis-delivery-licenses/?utm_medium=email&utm_source=newsletter&utm_campaign=MJD_20200903_News_Daily&elqTrackId=54268F0D0A4AE93A2F3D2169BBCD1F90&elq=a54c9fa317c74d258a8a6a2d1974f09a&elqaid=3959&elqat=1&elqCampaignId=2829)

# Cannabis Organizations

- Supernova Women: A Space for Women of Color in Cannabis  
<https://www.supernovawomen.com/>
- The Hood Incubator: Organization that seeks to end the drug war and reverse its harmful impacts on Black communities nationwide.  
<https://www.hoodincubator.org/>
- Equity Sessions: The San Francisco Cannabis Equity Working Group  
<http://www.equitysessions.com/>
- The California Cannabis Industry Association:  
<https://www.cacannabisindustry.org/>
- The National Cannabis Industry Association: <https://thecannabisindustry.org/>