

**Federal and State Committee**  
**TESTIMONY**

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March 15 / 16, 2023

Senate Bill 135: Creating the medical cannabis regulation act to regulate the cultivation, processing, distribution, sale and use of medical cannabis.

Testimony: Neutral

Juanita Ramos, Principal Lobbyist  
Common Bridge Partners / Undoo / Kodion Consulting / Headington

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Chairman Thompson, Vice Chair Kloos, Ranking Member Faust Goudeau, Members of Committee

My name is Juanita Ramos. I represent members of Kansas-based businesses who have several issues with this bill. Thank you for allowing me this opportunity to present testimony on the proposed SB135 legislation to legalize "medical cannabis."

Over the years, I have educated lawmakers, advocated for my clients who are the people of this state, small business and civic-minded, all who are and have been the ones involved in this journey.

I am a voice advocating and insisting that quality, consistent Good Manufacturing Practices (GMP) cultivation, formulations, Good Laboratory Practice (GLP) accurate testing, and solid regulatory and regulatory requirements must prove Kansas Medical Cannabis is safe for patient product delivery. With the legalization of medical cannabis, Kansas will have access to science, artificial intelligence / plant recognition, technology, biotechnology, and ***the first Medical Cannabis Dosing Study, globally***. The anticipated study will be a collaboration among Kansas institutes of higher learning researchers, scientists, physicians, compounding pharmacists and pharmacists, law enforcement, and in discussion with physicians Johns Hopkins as well as other collaborations with clinical studies in and out of the USA. This double-blind study is to be focused on developing and delivering data to support the medical cannabis clinical study, with the focal point on dosing *and the* creation of a medical cannabis subject matter. With this comes access to the most advanced metered dosing delivery device(s) and products certified by Health Canada. Devices are in the process of submitting the paperwork for FDA approval on devices.

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I am a voice for the small business people - Kansas mom-and-pop shops. And, a voice for opening up opportunities for citizens of America's more conservative state that is **the leader and center of agriculture, responsible for feeding a considerable percentage of America, and top-tier exporters of over \$11.7 Billion to the world.**

As a voice, I desire to empower and assist in speaking about opportunities and hoping many Kansas residents can enter into the cannabis industry.

I have also been a voice to state and federal lawmakers and citizens that **we must prevent Kansas' demise, similar to other states who have been focused on listening from outside of Kansas lobbying efforts otherwise known as MSOs.**

***I am not opposed to SB135 which is why I am speaking neutrally. However, I am opposed to the piece of this legislation, that opens it up for outsiders or multi-state operators by high application and licensing fees.***

MSOs don't have to work at surviving. Consolidation in the MSO world is a real thing. It accurately represents capitalism taking out generational business and forcing out establishments that are the thread of communities in this state.

*You cannot "squeeze the blood out of a rock, but MSOs can squeeze blood out of small businesses."*

According to MJ Biz Daily, Metrotimes, CBC, and KGW, reports show:

- Ten Cannabis MSOs owe more than \$500M to the IRS.
- Curaleaf Holdings bailed out in California, Oregon, and Colorado, cutting payroll by 10% or 4% of their workforce.
- Ayr Wellness eliminated 180 jobs and canceled its acquisition of a \$55m (cash, stock, and seller notes) Chicago dispensary.
- Canopy Growth laying off 800 - net loss amounted to \$266.7 million.
- Michigan's "Skymint's" financial collapse is the latest sign that the state's oversaturated market is causing significant problems in the cannabis industry, owing more than \$127 million, *Crains Detroit Business* first reported.
- There are five MSOs in receivership in Michigan alone.

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- In Missouri, the MSOs can keep the number of licenses they possess confidential. They can thank a state that doesn't believe in transparency or open policy, and these same MSOs are waiting at the Kansas border - - have more than five licenses.

The rich history of Kansas has shown that this state has always been a trailblazer. Kansas has set their own path and have always done do things their way.

Today, the focus is on attracting economic drivers such as science, technology, and biotechnology, leading a new way for business growth and future success. People want and deserve the ownership and funds to be legitimate. They want funds and owners to be even. **This could be the biggest economic start-up driver this state has ever seen.**

We have heard from law enforcement, leadership, and the medical community, who want to study and ensure we have the technology, equipment, and staff to support this industry. And we have heard stories from patients who desire quality and a consistent ***bipartisan medical cannabis program and products***. Unfortunately, we have also listened and heard to other voices, witnessed protests disrespecting and placing blame on lawmakers for taking too long to pass legislation, and a few of us have been receivers of vile, vicious, and disgusting messages "advocating for legalization for patient access and adult use" with alternative motivations.

***We can and do have a framework for a very good bipartisan medical program.***

Mr. Chairman, I ask, "do committee members want to cast their vote to support a bill that opens up a door to MSOs who do not want to pay taxes and instead cut people's jobs, and increase the unemployment rate? Do you vote to support MSOs focused on shuttering, eradicating, and squeezing the last drop of blood out of small businesses?

After meeting and speaking with members of the legislature, I do not believe any of you would use your voice or vote to support this legislation for MSOs to come to Kansas. I address you because in Kansas, ***a medical program should truly be a medical program.***

Thank you.

I shall stand for questions when appropriate



**Cannabis chain once worth \$1.7 billion and called the 'Apple store of weed' is now nearly**

**falling as the once-hot pot industry faces a major reckoning.**

**The company, MedMen, said that it has only \$15.6 million in cash remaining versus \$137.4 million in debt.**

BY **VERNE KOPYTOFF**  
February 6, 2023, 7:57 PM CST

## Canopy Growth closing Smiths Falls HQ, laying off 800 workers

Cannabis company lost \$266.7M in most recent quarter



Tara Deschamps - The Canadian Press - Posted: Feb 09, 2023  
7:05 AM CST | Last Updated: February

MERC

## One of Michigan's largest cannabis companies is under receivership as industry struggles

Skymint's financial collapse is the latest sign that the state's oversaturated market is causing significant problems in the cannabis industry

By Steve Neuvling on Wed, Mar 8, 2023 at 10:57 am  
Detroit Metro Times



**Ten Multistate Cannabis Companies Owe \$500M To The IRS, Says A New Report -**

**Acreage Holdings (OTC:ACRDF), Ascend Wellness Holdings (OTC:AAWH)**

An analysis of financial filings by Green Market Report showed that **ten publicly traded multistate cannabis companies are carrying over \$500 million in federal tax debts.**



**Cannabis MSO Ayr Wellness lays off 180 workers nationwide**

By **Kate Robertson**, Writer  
February 3, 2023 - Updated February 3, 2023



**Washington State Liquor and Cannabis Board**

**Cannabis testing lab Praxis shut down for falsifying test results**

Located in Centralia, Washington, Praxis was found to have falsified testing data to provide high tetrahydrocannabinol (THC) potency results for more than 1200 samples of cannabis.



**Marijuana MSO Curaleaf bails on California, Oregon and Colorado, cuts workforce by 4%**

*(This story was updated at 3:10 p.m. ET with quotes from Curaleaf CEO Matt Darin.*

*(The update includes a clarification that the company is cutting payroll by 10%, which amounts to 4% of its workforce.)*



**Seeking Alpha Review**

## Life Expectancy Declining At Some MSO Companies

James V. Baker  
Sep. 19, 2022 11:33 PM ET

MSO executives and investors believe that banks are anxious to lend money to MSO companies.

As Chairman of the American Bankers Association (ABA) Commercial Lending Schools, I helped train thousands of bank lending officers and doubt they will lend to MSOs; because, as shown in this article, MSOs have not demonstrated an ability to generate free cash flow, which is necessary to repay loans.

Loans to money-losing companies with negative cash flows are likely to be classified as substandard, doubtful, or loss by bank regulatory authorities and jeopardize a loan officer's career. Company executives need to face this reality and focus on creating positive free cash flow as fast as possible because the clock is ticking.

## Ten Multistate Cannabis Companies Owe \$500M To The IRS, Says A New Report

by Joana Scopel, Benzinga

Data as of June 30, 2022

Company	Cash coverage if taxes paid (months)	Cash coverage if taxes unpaid (months)	Federal tax owed	Cash and equivalents on hand	Free cash flow
Acreage Holdings	2	10	\$21 million	\$29 million	(\$12 million)
Ascend Wellness	9	17	\$44 million	\$140 million	(\$32 million)
Ayr Wellness	8	13	\$20 million	\$116 million	(\$35 million)
Cresco Labs	6	24	\$59 million	\$92 million	(\$15 million)
Columbia Care	3	6	\$31 million	\$81 million	(\$57 million)
Curaleaf	10	41	\$125 million	\$187 million	(\$18 million)
Green Thumb Industries	121	14	\$6.5 million	\$145 million	(\$3 million)
TerrAscend	5	10	\$13 million	\$48 million	(\$19 million)
Trulieve	9	13	\$24 million	\$181 million	(\$54 million)
Verano Holdings	-35	63	\$161 million	\$92 million	(\$5 million)

Source: Company financial filings

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Cannabis companies filed more claims against their product liability policies in the first six months of 2022 than in the past five years. The recalls and litigation are also impacting product liability coverage, where rates are expected to rise from 10% to 15% in 2023.

Source: <https://www.hubinternational.com>