



Testimony by Larry Levy, CEO of Lucid Green

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Chairman Cooney and members of the Senate Standing Committee on Cannabis, my name is Larry Levy and I am the Founder and CEO of Lucid Green, a leader in the cannabis technology space. I appreciate the opportunity to submit testimony regarding technology, enforcement and education in New York's cannabis market.

It is no secret that the flourishing illicit market in New York is challenging the roll out of the regulated market. A recent New York City's Independent Budget Office Report estimated that 1,500 unlicensed retailers operating in the City may hold as much as \$484 million worth of marijuana products at any moment in time. That number translates into \$19.4 million in lost tax revenue for the City of New York.

New York has the incredibly challenging task of implementing the most equitable market in the country while contending with entrenched and sophisticated illicit operators.

In order to accomplish its goals, the State needs to use all of the tools at their disposal to shut down illicit operations and provide consumers with the information they need to access legal dispensaries and products. We should look to how technology can be part of the solution.

Lucid Green was founded on the premise that the key to a safe, well-regulated adult-use cannabis market is access to information. Lucid Green's technology platform utilizes a unique QR code that every stakeholder in the cannabis supply chain - from brands, to retailers, to consumers - can access by scanning the code with their phone. This unique QR code is printed on the label of each product and is unique to each item. For brands, distributors, and retailers, these codes streamline and improve supply chain operational support and inventory management. Similarly, by scanning the same QR code on the cannabis product with their phone, consumers can easily access all the relevant information they need about a product to have a safe, consistent, and enjoyable experience. This includes authenticating the product and accessing information on dosage and effects.

Lucid Green has already made significant progress in the cannabis market with over 45 million LucidIDs in circulation. We've forged partnerships with more than 400 brands and expanded our reach to over 100 retail locations, all while serving the needs of 100,000+ registered users through our app, each month.

The Office of Cannabis Management has begun to embrace utilizing emerging technology by requiring dispensaries to post QR codes in licensed dispensary windows - similar to the widely popular restaurant grading system in New York City. That said, there's much more we can do to provide key stakeholders with full access to information, including:



1. Requiring the use of an identifier to track the entire supply chain. This allows regulators, including the Department of Tax and Finance and law enforcement agencies to use this same code to audit licensed (and illicit) dispensaries to ensure products have not been diverted from other states.
2. Educating the consumer to look for the QR stores at retail stores and on products. When consumers scan LucidIDs they are presented with a product description, dosage recommendations, and the independent lab report both in summary and detail Certificate of Analysis (COA) forms. Having this information from a simple scan, enables consumers to make informed decisions and keeps every stakeholder in the supply chain accountable.

I appreciate the opportunity to comment on the issues impacting every stakeholder in the supply chain, offer readily available solutions via Lucid Green's technology and look forward to working with the Legislature and the Office of Cannabis Management to build a safe, transparent, and successful adult-use cannabis market in New York. OUR GOAL REMAINS TO ALLOW CONSUMERS TO CONVENIENTLY PURCHASE SAFE CANNABIS AT AN AFFORDABLE PRICE.

I am happy to answer any questions you may have.