



October 18, 2023

Esteemed Senators and Members of the Senate Cannabis Subcommittee,

I write to you today as a CAURD licensee, a Social and Economic Equity applicant, and an unwavering advocate for the future of New York State's cannabis industry. In this pivotal moment, I join my fellow advocates in an impassioned plea to our esteemed representatives, urging immediate action from the State, the Office of Cannabis Management (OCM) and the Cannabis Control Board (CCB) to safeguard the very essence of the Marijuana Regulation and Taxation Act (MRTA). Together, we carry the hopes and aspirations of a brighter, more equitable future.

Today, the stories of CAURD members and other stakeholders will lay bare their experiences and hurdles. These are the living testimonies that drive our plea, illuminating the very essence of our struggle. The challenges we face in establishing our cannabis businesses are not mere numbers on a balance sheet. With each passing day, we witness potential tax revenue, essential for advancing state projects in education, healthcare, and infrastructure, slipping through our fingers. We are not merely entrepreneurs; we are invested in the prosperity and well-being of the great State of New York. Our commitment is to both our businesses and the future of our State—a future where our voices matter.

It is a profound injustice that while we, the legal participants, wrestle with seemingly insurmountable obstacles, the illegal market thrives, evading accountability and selling untested, potentially harmful products. These underground operators undermine our dedication to public health and safety and unjustly, pilfer market share from those who strive to operate within the bounds of the law. It is an affront to justice and calls for swift and decisive action. As CAURD applicants, we played by the rules, fully aware that any deviation would result in being excluded from the legal market. However, it seems that there is no effective way to prevent those who have previously violated the integrity of MRTA from entering the market. These individuals have had over two years to accumulate funds to the tune of millions of tax-free dollars, while many CAURD applicants are on the brink of financial ruin and have lost investors due to the entry of ROs and MSOs and the injunction predicated on the lackluster legal framework and defense put forth by OCM.

It is imperative that we do not teach future generations that following the rule of law is futile, based on the current handling of these issues. It's high time we take assertive action and ensure that those who have abided by the rules are not left behind and opportunists who violated the law are held accountable and not permitted in the legal industry.



The consequences ripple far and wide. Each day, we forgo job creation and economic empowerment opportunities, leaving countless families waiting for their chance at financial stability. This isn't a challenge confined to our dispensaries alone; it resonates throughout various interconnected industries—delivery services, software development, security firms, construction teams, and marketing agencies—all tied to our success, all sharing in our setbacks. The longer we remain mired in these issues, the more elusive customer trust and loyalty become. The illegal retail market, once established, becomes an insurmountable obstacle to legal enterprises. We demand clarity, consistency, and unwavering commitment to restore confidence in our legal framework.

Our collective journey began in the spirit of good faith, guided by each directive and with a steadfast commitment to the guidelines set by OCM. We attended meetings, invested heavily, and had faith in the promises laid before us. Finding ourselves ensnared in legal battles and facing off with the grey, illicit market and the deep-pocketed, corporate-funded "green market" is not only a matter of business; it is a matter of moral and ethical integrity. We stand unwavering in our commitment to upholding rigorous standards of regulation, oversight, and public safety,

It is painfully evident that OCM is grappling with a capacity issue, leading to the neglect of crucial tasks such as enforcing laws against illegal cannabis dispensaries, reviewing applications and legal frameworks, and engaging with community boards. This shortage of resources has a disproportionate impact on social equity entrepreneurs, who often lack the financial means to address the shortcomings in initiatives meant to protect and uplift them. Many opportunities are available to bridge the gaps in impacted communities, which could provide employment opportunities for young people, similar to those who work as poll workers during election seasons. This practical approach not only helps provide financial support to New Yorkers but also opens doors to careers within the rapidly growing cannabis industry. It is unjustifiable for social equity to suffer due to a lack of resources.

Moreover, we advocate for the establishment of a dedicated 1-800 number and submission portal for reporting and documenting media that expose illegal cannabis dispensaries. Let us work hand in hand with our communities to both "see and say something." This is essential to ensuring a thriving and safe environment for all.

To right the wrongs of the failed war on drugs and the flawed cannabis rollout, we call for implementing specific incentives to empower small businesses, particularly those owned by social and economic individuals. These incentives should mirror the support provided to MWBEs, tipping the scales of righteousness towards hardworking New Yorkers and away from deep-pocketed corporate interests.



Furthermore, stringent safeguards must be implemented to prevent corporate interests from dominating the market. CAURD applicants served as a testing ground for OCM, learning from the painful experiences we endured. It is unjust for ROs and MOs to gain early entry, reaping the benefits of a better-equipped OCM at the expense of CAURD applicants. The learning curve, forged through our pain and suffering, must be acknowledged before allowing free-market principles to run amok in favor of the privileged.

We demand an unyielding and unwavering increase in enforcement efforts targeting illegal dispensaries. We must take decisive action against this illicit market, collaborating with community members and law enforcement agencies. It is an absolute injustice that no resource was spared when attacking communities during the failed war on drugs, yet we continue to employ a feeble approach to stores operating in plain sight. It is time to take a resolute and uncompromising approach to combat this issue and ensure that justice is served.

We demand nothing less than the same iron-fist approach that our communities endured for decades. Let us be unequivocal—this is not a plea to reignite the failed drug policies of the past. We wholeheartedly denounce any excuse to perpetuate the injustices that befell our communities. Our call for heightened enforcement is exclusively directed towards the burgeoning gray market retailers who are making a mockery of our State, even as I draft this testimony. We acknowledge that many of those within the legacy black market have been providing our communities with essential medicinal relief for years, long before the State recognized the potential for tax revenue from the plant. Our focus remains steadfast on addressing the flagrant violations and disregard for the law by these newcomers who undermine the very principles of our State's cannabis regulations.

Our plea is simple: hear our voices, embrace the profound impact of our collective efforts, and take decisive action that serves the best interests of New York State. The moment to act is upon us, and your choices will reverberate through generations.

Thank you for your attention and your commitment to justice.

Sincerely,
Sean McKenzie
CAURD Licensee
SEE Applicant
Native New Yorker