

February | 2017

PEOPLE + PLANTS + PRODUCTS

maTM

For The Cannabis
PROFESSIONAL

15+
PROFITABLE
PRODUCTS

SPECIAL

How To
NOT
Get Robbed



Spotlight
SOCAL SAFE

Top Shelf
COLUMBIA
CARE NYC

The New Face of Security

How CannaGuard is redefining
the business of protection.

\$7.95 U.S. / \$8.95 CANADA FEB 2017



WWW.MG RETAILER.COM



Relieve. Create.
Relax. Enjoy.



Simple, discrete and stylish,
the HIGHLIGHTER is the perfect cannabis
vapor pen, for at home or on the go.



www.getbloomfarms.com



REBEL YELL

They live life to the beat of a different drummer, are sure of who they are and what they stand for.

They're the free and forward thinkers, innovators and creators whose ideas and words inspire, polarize, spark imaginations and powerfully connect.

They're rebels, outcasts, Davids in a world of Goliaths, that come from the least likely of places.

They tread where others fear to go, dislike conforming to the norm, and don't care much for the man or his machine because they truly embrace freedom.

It's hard to fool them because they have a clear perspective on the world and see things for what they really are.

They're fiercely aware of what's right and wrong, speak their minds and take no prisoners.

They look at life differently, society can't pigeon hole them or put them in box, and they see things where others don't.

Their ideas are sometimes out on the fringe, the ragged edge. They have to be, because they're open to the possibilities and realities that change the world.

Some see them as a fish out of water, trouble makers and oddballs. We see them as gifted, profound and uniquely brilliant.



855-984-1771

KUSHYPUNCH.COM

ORDER@KUSHYPUNCH.COM

IG official_kushypunch_

FIND THE
ARTIST
IN YOU





CALM

CRUISE

CREATE



CANNDESCENT™


CALIFORNIA

THE ART OF FLOWER™

AVAILABLE AT THESE FINE
DISPENSARIES AND
DELIVERY SERVICES:

Point Loma Patient Consumer Co-Op
Ocean Beach
619-574-0415 | plpcc.org

Mankind Cooperative
San Diego
858-247-0953 | mankindcoop.com

A close-up photograph of a person's hands. The left hand is positioned on the fretboard of an acoustic guitar, while the right hand holds a lit cannabis cigarette, with a small amount of smoke rising from it. The person is wearing a dark-colored long-sleeved shirt. The background is softly blurred, showing what appears to be a window with natural light and some indoor plants.

At CANNDESCENT, we marry the mastery
of cannabis cultivation with the canvas of your life.
Choose an effect below to curate your experience.
That is The Art of Flower.™

CONNECT

CHARGE

WWW.CANNDESCENT.COM

Harbor Collective
San Diego
619-841-2045 | harbormmcc.com

Alternative Patient Care (Delivery)
San Diego
619-794-7395 | apcmmj.com

Torrey Holistics
San Diego
858-558-1420 | torreyholistics.com

99 High Tide
Malibu
310-456-9930 | 99hightide.com

Greenly (Delivery)
Los Angeles
323-813-6420 | Greenly.me

New Level Collective (Delivery)
Santa Barbara
805-403-4544

Always Greenest (Delivery)
San Diego
619-481-2421

Freedom Medical Association (Delivery)
San Diego
619-214-1646

X Factor Organics (Delivery)
Yucca Valley
760-660-0985



32

Columbia Care NYC

On a mission to set the standards for compassion, professionalism, quality, caring, and innovation.

14 | HARVEST

News & information from around the nation.

30 | CYBERSECURITY

MJ Freeway's third-party investigation reveals a "criminal, malicious hack" of its system.

32 | TOP SHELF

Columbia Care is A-Number-One under former Goldman Sachs exec Nicholas Vita.

34 | SPOTLIGHT: Insurance

Cover Cannabis offers full-service coverage to a range of compliant cannabis businesses.

36 | SPOTLIGHT: Security

Celebrating its 100th year, SoCal Safe offers cannabis-specific safes, lockers, and vaults.

38 | CORNER OFFICE

Arcview's Troy Dayton on the state of investing, what sectors are hot, and 2016's best deals.

52 | FEATURE STORY

Experts, business owners, and security consultants on effective ways to secure your business.



38



64

60 | SECURITY

Emerald Canine Services trains German Shepherds and Belgian Malinois for protection.

62 | CHARTS/NUMBERS

A graphic look at margins, growth, and monthly sales.

64 | RETAILING

Native Roots Visual Merchandising Manager Breezy Lenz goes beyond making things look pretty.

66 | BANKING

PayQwick casts a critical eye on the use of cryptocurrencies in the cannabis industry.

68 | SACRAMENTO INSIDER

R.E. Graswich reports from the capital on California's complicated cannabis politics.

71 | HASHTAG

72 | PRODUCTS

Things that cut, grind, chop, vape, smoke, grow, and taste really, really good.

78 | OPINION

CannDescent CEO Adrian Sedlin on the need to speak and support.



42

COVER STORY

CannaGuard's Noah Stokes is building a revolutionary business on the bones of old technology.

STRESSFUL.



STRESS LESS.

INTRODUCING

THE DABARATUS

The DABARATUS provides a clean, one-click solution for dabbing - dispensing a dab of Bakked's terpene rich cannabis distillate. The DABARATUS delivers unsurpassed purity and convenience for the diligent dabber.

Stress less. Sesh without the mess.



BAKKED

Available in Indica, Sativa, Hybrid, & CBD



bakked.com

All Bakked products
are infused with
Organa Labs certified oil





A Nonpartisan Plant

WE WRITE THIS ISSUE DURING INTERESTING TIMES, indeed, when the nation is cloven in two and the industry is fixed in a state-imposed patchwork of laws, unable to break free and make itself whole. Partition, not unity, is the order of the day, with people defining themselves—and often their businesses—by where they stand in the continental divide. It's unsettling, no matter which side you're on.

It's somewhat ironic, then (or perhaps not) that the soft theme of this issue is security, something anyone who works in cannabis keeps foremost on his or her mind and few take for granted. From cultivation to retail to delivery, risk is pervasive in the cannabis food chain, not only in terms related to loss of product or money, but also to one's ability to survive. Regulatory uncertainty combines with market uncertainty, which in turn combines with personal uncertainty. Alliances necessary to ensure a bright future come apart like bloody episodes of *Game of Thrones*.

Yes, chaos rules, with more to come as our Nihilist in Chief tears apart what may never be rebuilt or replaced. And yet, within the center of it all, straight like the true thing it is, stands the cannabis plant, resonant with quiet dignity and ignorant of our myopic obsessions. It meets each of us on equal footing, engaging us honestly, biologically, spiritually, as individuals. Endocannabinoid facts—real ones, not alternative ones—are at play within us, though most of us remain blissfully unaware as it's happening. It doesn't matter. The gift bequeaths itself anyway. We are blessed with the benefits of a nonpartisan plant.

Tom Hymes
tom@cannmg.com



When you have finished with this magazine please recycle it.

OUR DO NO HARM MANTRA IS THE CORE OF OUR BUSINESS VALUES.

WE ALL SHARE THE COMMON GOAL OF WORKING SMARTER TO REDUCE OUR CARBON FOOTPRINT WITH SUPPLIERS, CUSTOMERS AND EMPLOYEES DRAMATICALLY REDUCING WASTE TO LANDFILL, SIGNIFICANTLY CUTTING PAPER AND MATERIAL USAGE COMPLYING WITH ENVIRONMENTAL STANDARDS AND PROGRAMS THAT HELPS US ACHIEVE THIS MISSION.

WE ONLY USE RECYCLED PAPERS AND SOY BASED INKS ON OUR PRINTED PRODUCTS WHENEVER POSSIBLE.



mg magazine is printed in the USA and all rights are reserved. ©2017 by CANN Media Group, LLC. *mg* considers its sources reliable and verifies as much data as possible, although reporting inaccuracies can occur; consequently, readers using this information do so at their own risk. Each business opportunity and/or investment inherently contains criteria understanding that the publisher is not rendering legal or financial advice. Neither CANN Media Group, LLC, nor their employees accept any responsibility whatsoever for their activities. All letters sent to *mg* magazine will be treated as unconditionally assigned for publication, copyright purposes and use in any publication or brochure and are subject to *mg* magazine's unrestricted right to edit and comment.

mg

For the Cannabis Professional

EDITOR IN CHIEF: Tom Hymes

EXECUTIVE EDITOR: Rob Hill

CREATIVE DIRECTOR: Angela Derasmo

CONTACT: Editorial@cannmg.com

CONTRIBUTING EDITORS

Adrian Z. Sedlin, Anastasia Kaufman, Benjamin Hoopes, Bruce Margolin, Chauntelle Tibbals, Danny Reed, David Hodes, Heidi Marks, Jeffrey D. Welsh, Kenneth J. Berke, Josh Wurzer, Leslie Bocskor, Lukian Kobzeff, Luke K. Stanton, Jackson, Joanne Cachapero, Larry J. Towns, Luna Stower, Matthew Rosen, Megan Stone, Michael S. Chernis, Michael Ray, Nancy A. Shenker, Neil Juneja, R.E. Graswich, Sahar Ayinehsazian, Sean MaHannah, Scott Jordan, Shara Ross, Steve Javors, Stewart Tongue, Tera McGrath, Tom Quigley, Travis Turner

COPY EDITOR: Kathee Brewer

ADVERTISING & MARKETING

ADVERTISING DIRECTOR: Debbie Caracciolo

SALES DEPARTMENT:

Brie Ann Gould, Stephanie Smith

CONTACT: Sales@cannmg.com

PHOTOGRAPHY

COVER PHOTOGRAPHY: Thomas O'Brien

CONTRIBUTING PHOTOGRAPHERS: Allison Becket,

Amarett Jans, Hew Burney, Kristen Angelo,

Mike Rosati, Timothy White

PHOTO EDITOR: Zack Korn

MAKE UP: Elena Gharbigi

CONTRIBUTING ARTISTS

Amanda Nelson-Sinagra, Ryan Caradang,

Zack Korn

DATA MANAGEMENT

DATA MANAGER: Sonia Erazo

ONLINE DEPARTMENT

BRAND MANAGER: Ryan Caradang

WEB DEVELOPMENT: Executionists

SOCIAL MEDIA: Danny Reed

VIDEO DEPARTMENT: Eric Mittleman, TJ Roberts

BUSINESS OFFICES

CHIEF EXECUTIVE OFFICER: Darren B. Roberts

EXECUTIVE DIRECTOR OF CONTENT: Linda Friedman

DIRECTOR OF OPERATIONS: Erin Zavala

CREATIVE STRATEGIST: Gavin Antill

PUBLIC RELATIONS: Craig Melone

EXECUTIVE ASSISTANTS: Jane Smith, Taz

GENERAL INFORMATION: Hello@cannmg.com

MAILING ADDRESS

21333 Oxnard Street, Second Floor

West Hills, CA 91367

(310) 421-1860

cann **mg**

www.mgretailer.com

A CANN Media Group Publication

mg magazine Vol. 3, No. 2, (ISSN 2379-1659) is published monthly and is available to all qualified cannabis industry professionals by readership request or is also available for purchase \$7.95 per issue through publishing offices of CANN Media Group, 6520 Platt Avenue, Suite 399, West Hills, CA 91307, or online at: subscribe.mgretailer.com. Application to mail at Periodicals Pending postage rate is pending at Canoga Park, CA. and at additional mailing offices. POSTMASTER: Send all UAA to CFS. Non-postal and military facilities – Send electronic address corrections per STID instructions. Sample Identification Statement: Pending Publication.

DUNLEVIE

DUNLEVIE.CO



Harvest

All the news that's fit to smoke.

- POLICE SUPPORT LEGALIZING
- CALIFORNIA SELLING EARLY
- INAUGURATION DAY FREEBIES
- SESSIONS ASKS FOR NEW LAW



MARIJUANA ARRESTS SPIKE IN PENNSYLVANIA

BUCKS COUNTY, PA— As cities and towns throughout Pennsylvania enact measures to lessen or repeal legal sanctions against possessing cannabis, arrests for the same are skyrocketing in many Commonwealth counties.

“A review of data in the Pa. Uniform Crime Reporting System (UCR) from 2007-2016 shows the sharpest rise in marijuana possession arrests occurred in the last three

years in all counties but Allegheny and Philadelphia,” reported Philly.com. “These ‘Code 18F’ offenses mean those arrested possessed less than 30 grams of cannabis.”

Even though 2,500 citizens of the Commonwealth died of opiate overdoses in 2014, “Marijuana possession remained the most arrested drug-related offense, in some counties by a ratio of more than five to one,” added Philly.com.



CALIFORNIA POT SHOPS ARE SELLING RECREATIONAL-USE BEFORE IT'S LEGAL

ANAHEIM, CA— Getting a jump on the competition, dozens of retail shops throughout California are selling cannabis to people without requiring a doctor's recommendation, reported the *Orange County Register*. Many of the shops jumped the advertising gun, as well, informing customers that, based on the November passage of Proposition 64, the new law requires only that consumers be age 21 or older to purchase weed. As the newspaper added, however, "Prop. 64 also makes it clear that businesses can't start selling recreational cannabis until the state establishes a licensing system, which is expected to take until Jan. 1, 2018."

The *OC Register* assigned cannabis beat writer Brooke Edwards to see for herself how difficult it might be to score cannabis without a recreational license. It was easy. "During a visit to the unlicensed Anaheim dispensary Tuesday, a worker behind tinted glass in the lobby did ask to see a doctor's recommendation for medical marijuana," she wrote. "But when I told him I didn't have one, he said my driver's license verifying I was over 21 was fine so long as I still signed a form stating 'under penalty of perjury' that I was a legitimate medical marijuana patient."

POLL

Two-thirds of police officers support legalizing cannabis

COPLAND— A poll conducted by the Pew Research Center over a four-month period in 2016 found two-thirds of the respondents expressed support for legalizing cannabis.

"A survey of nearly 8,000 law enforcement officials showed roughly seven in ten think weed should be legal for one reason or another," reported the *Washington Times*. "Specifically, 32 percent of police officers polled said they thought pot should be legal for both medical and recreational use, while 37 percent favored legalizing weed solely for medicinal reasons, the study found. Thirty percent of the officers surveyed said marijuana should be illegal across the board, medical and recreational weed alike."

During November elections, voters in eight states legalized either the medical or recreational use of cannabis.



ARKANSAS MEDICAL MARIJUANA COMMISSION ALLOWS 32 VENDORS

LITTLE ROCK, Ark.— The powers that be have decreed the entire state of Arkansas will have to make do with thirty-two pot shops "to be evenly distributed among the state's four congressional districts," reported the Associated Press. The Arkansas Medical Marijuana Commission also set application and licensing fees for dispensaries during its January meeting.

"Dispensaries that choose not to grow medical marijuana will be charged a \$2,500 initial license fee and a \$10,000 yearly fee. Dispensaries will also have to pay a \$7,500 application fee," the AP noted. "Dispensaries that do grow their own medical marijuana plants would be charged a \$25,000 license fee and a \$32,500 annual fee."

A final draft of the regulations must be completed by January 23.

\$53.3 billion
Amount consumers spent
on marijuana—legal,
medical, and illicit
—in 2016.

(Source: ArcView
Market Research)

CONGRESS



Sessions asks for new cannabis law; Rohrabacher delivers

WASHINGTON, D.C.— The day after U.S. Attorney General nominee Senator Jeff Sessions testified before the Senate Judiciary Committee, Trump-supporter and medical cannabis user California Republican Rep. Dana Rohrabacher gave a short speech during the House Morning Hour to bring Sessions up to speed on current (and future) federal cannabis law. The following is a full transcript of the congressman's comments.

Thank you, Mr. Speaker. I rise today to praise Senator Jeff Sessions, President-elect Trump's nominee for attorney general. And I'm praising Senator Sessions today for [his] inspiring testimony before the Senate Judiciary Committee yesterday. During his confirmation hearings, Senator Sessions was questioned on a wide variety of issues that will be under his purview as our attorney general. Included in numerous topics covered were questions about his intentions to enforce federal law as it pertains to marijuana policy.

Senator Sessions is a patriot. He's a constitutionalist. He's a man of the highest moral integrity, and I have complete confidence that, if confirmed as attorney general, he will faithfully enforce our laws—not just those he agrees with, but all the laws duly enacted by Congress.

As it pertains to marijuana policy, he promises to do the same, to follow the law. During his exchanges on that topic of medical marijuana policy, being questioned by Senator[s] [Patrick] Leahy and [Mike] Lee, Senator Sessions stated his intention to follow federal law. At one point, he indicated that if Congress no longer desired to make possession and distribution of marijuana an illegal act, and I quote, "Congress should pass a law to change the rules."

At this time, I feel compelled to point out that federal law has been changed and currently prohibits individuals who are acting in compliance with their state's medical marijuana laws. In fact, a provision has been in the law since December of 2014, when Congress passed and President Obama signed into law the Consolidated and Further Continuing Appropriations Act. The

Act included a provision passed on the floor of the House as an amendment earlier that year by a vote of 219–189. The following year, a similar provision was passed by a wider margin of 242–186. That provision, offered by myself and co-sponsored by my colleague Sam Farr, restricts the federal government from superseding state law when it comes to the use of medical marijuana. This law will remain in effect through April 28 of this year, and...I expect that the House and the Senate are both on record on this, that this provision will be renewed. That is especially, I'm confident of that, when realizing that President-elect Trump is on the record—as he stated in the last campaign—that this issue should be left to the states. Thus, I am confident that this legal provision, which says that the federal government shall not supersede a state law when it comes to medical marijuana, that this will be renewed.

Importantly, in August of last year, the Ninth Circuit Court of Appeals ruled in U.S. v McIntosh that federal funds cannot be used to prosecute those in compliance with their state's medical marijuana laws.

This provision will be part of American law as long as it is renewed, and if Congress continues to make this part of the law, and I am confident that if Congress does that, that Attorney General Jeff Sessions, my friend, the person I admire greatly, will abide by the provisions and thus respect state medical marijuana laws as dictated by Congress and enforced by the judiciary.

As he rightly pointed out in his testimony yesterday, Senator Sessions said it will be his duty to see to it that the laws under his purview as attorney general are faithfully executed, and this includes the Rohrabacher–Farr limitations that no funding shall be used to prosecute those throughout our country who are in compliance with their state's medical marijuana laws.

All of this comes down to a constitutional theory and a constitutional commitment to what we call the 10th Amendment, and that is that the states have a right to make determinations in all of those areas that the federal government should not be involved in. This should definitely be left to the states.

NEW YEAR, NEW FLAVORS.



KOROVA'S NEWEST ADDITIONS, GINGER CHEW, WHITE CHOCOLATE
PISTACHIO, AND SATURDAY MORNING COOKIES, EACH 150mg THC.

KOROVAEDIBLES.COM

[f /KOROVAEDIBLES](#) [@KOROVAEDIBLES](#) [@KOROVAEDIBLES](#)



Yucca Valley town council says no to cannabis retail

YUCCA VALLEY, CA— The small item by Yucca Valley's community radio station got it right: "If you thought the passage of Prop 64—which legalized recreational marijuana in California—would allow you to open up a pot business in Yucca Valley, think again." Officials put any such notion to bed in mid-January when the town council voted unanimously not to allow any cannabis businesses to set up shop in town.

"Mayor Merl Abel linked the council's policy direction with the residents' rejection of Measure X in 2015, which would have allowed medical marijuana in town limits," reported Z1077fm.com.

"We did have a recent vote on this particular issue...and they did turn down medical marijuana dispensaries and businesses in our town," said Abel. "It's very dangerous to override the voters. My opinion is we already have quite a few tobacco and vape shops. I don't think we need to add marijuana shops to it as well."

SCIENTISTS TEST CANNABIS CHEWING GUM TO TREAT IRRITABLE BOWEL SYNDROME

WAGENINGEN, Netherlands— Leave it to cannabis to treat irritable bowel syndrome, a crippling condition affecting 3.5 million Americans every year. Thus far, doctors have been unable to develop effective treatments for an ailment so common it is known by its abbreviation, IBS, but now there may be a light at the end of the colon.

"A team at Wageningen University in the Netherlands claims CBD—a key property in marijuana—could ease the colon spasms that seem to be the root cause of symptoms," reported the *Daily Mail*. "Next month, [trials] will begin, testing a cannabis-infused chewing gum made by U.S. firm Medical Marijuana Inc."

According to the article, preliminary results indicate "the drug would interact with the endogenous cannabinoid receptors in sufferers' digestive tract, loosening tension."



9,000 PRE-ROLLS: THE INAUGURATION DAY FREEBIES THAT BROUGHT EVERYONE TOGETHER

WASHINGTON, D.C.— Inauguration Day 2017 brought Americans together all right—for free joints! And why not? These were nonpartisan pre-rolls, handed out with equal enthusiasm by both pro- and anti-Trumpers to a rainbow coalition of adults who started queuing up at 7:30 a.m. in a line that was five blocks long by 9 a.m.

Organized and expertly managed by DCMJ, a cannabis advocacy organization co-founded by D.C. activist Adam Eiding, the inaugural #Trump420 event was both a media circus and a sidewalk party. That was fine with Eiding, whose goal for the day was audaciously multicultural. "We want to make it that no matter what color you are, where you came from, it doesn't matter," he said. "We want you to feel the love for this plant, and that people with different viewpoints love this plant."

The event—which took place at Dupont Circle, a twenty-minute walk from the White House, where another crowd was gathering—attracted an estimated 10,000 people from both red and blue states. "I've been able to identify people here from California, Maryland, Virginia, North Carolina, Pennsylvania, New York, New Jersey, West Virginia, Ohio, and Delaware," said Nikolas Schiller, the other co-founder of DCMJ. "Cannabis unites everyone."

Organizers said they anticipated rolling and handing out 8,400 joints, but the total rose to 9,000, a staggering feat of love and generosity. When the joints ran out around 10:45 a.m., Schiller led 200 of the assembled crowd one and one-half miles to the mall near the Lincoln Memorial, where the newly anointed merged unnoticed into the massive throng trying to get in to the inauguration.

Visit mgRetailer.com for photos of the event.

Florida Department of Health unveils proposed medical marijuana regs

TALLAHASSEE, FL— Responding swiftly to voters' November approval of Amendment 2, the ballot measure to legalize medical cannabis in Florida, the state's Department of Health on January 17 released proposed rules and regulations for the new industry.

"Under the proposal, rules and regulations guiding Florida's low-THC medical marijuana program would be applied to the state's wider system," reported MJINews.com. "What that would mean for the market is that Florida would keep the number of licensed dispensing organizations at seven until patient enrollment reached 250,000, at which point one

additional organization could be approved."

The new rules do not sit well with medical cannabis advocates in the state. "The rule is basically ignoring the text of the constitutional amendment at almost every point of the way," Ben Pollara, United for Care campaign manager, told the *Sun Sentinel*. "This is not one of those things that is up for interpretation by a court or anyone else."

Five workshops have been scheduled throughout the state during February for the public and interested parties to share their input on the proposed rules.



OBAMA COMMUTES 20-YEAR SENTENCE OF MODESTO DISPENSARY OPERATOR

MODESTO, CA— With no time to spare, outgoing President Barack Obama granted last-minute clemency to Ricardo Montes, who, along with his partner, was sentenced to federal prison in 2008 for operating the California Healthcare Collective in Modesto. Montes, 37, "will be released from prison on May 19 after serving nine years of a 20-year sentence for illegal marijuana distribution and conducting a continuing criminal enterprise," reported the *Sacramento Bee*.

Cannabis supporters hoped Montes's partner, Luke Scarmazzo, also would be released. "But on Jan. 6, Obama denied the request of Scarmazzo, also 37, to commute his sentence of 21 years and 10 months," reported the *Bee*. "Then Thursday brought dramatically different news for his business partner."

Scarmazzo is eligible for release in 2027.



A happy marriage.

LIQUID AND GAS UNITE IN THE DUAL-PHASE PUMP.

The latest innovation from Apeks, the Dual-Phase Pumping System utilizes both a liquid pump for high CO₂ flows at high pressures and the energy-efficient Diaphragm Compressor gas pump for cold separation processing to protect precious oils from thermal degradation. Available on all our High Production systems.

Our fully-automated CO₂ extraction systems deliver:

- Processing speeds up to 4 pounds per hour!
- Average ROI in just 21 days!

Call 740.809.1160 for a single promotional discount:

\$1,000 off Introductory

\$2,000 off Mid-Range

\$3,000 off High Production

Use promo code: Apeksmgmag

WWW.APEKSSUPERCritical.COM



apeks[®]
SUPERCRITICAL
The Power of CO₂ Extraction™



CANNABICS PHARMACEUTICALS DEVELOPING 5MG THC CAPSULE FOR CANCER PATIENTS

BETHESDA, MD— Cannabics Pharmaceuticals is developing a 5mg THC capsule intended for patients who have not tried cannabis in the past.

“Our mission is to find the right balance between efficacy on the one hand and the elimination of undesired psychoactive effects on other,” said Dr. Eyal Ballan, the company’s chief scientist.

The capsule is under evaluation as a palliative treatment in a clinical study conducted by the oncology department at the Rambam Medical Center in northern Israel, under regulations of the Ministry of Health. The ministry has licensed Cannabics Pharmaceuticals since 2014.

“The majority of our cancer trial patients have no previous experience with cannabis, hence this recalibration of the THC level may be more amenable,” said Cannabics Pharmaceuticals Chief Executive Officer Itamar Borochoy. “We believe there is a significant potential medical market for our 5mg THC capsule in countries that have now instituted medical cannabis regulations.”

Cannabics.com



GROWGENERATION OPENS 11TH STORE IN LAS VEGAS

DENVER— GrowGeneration Corp., one of the largest specialty hydroponic and organic gardening retail store chains serving both the commercial and home cannabis markets, opened its first location in Nevada on January 17. The eleventh store in GrowGen’s network, located at 5885 South Valley View Blvd. in Las Vegas, is a 10,000-square-foot facility that serves small-, medium-, and large-scale commercial growers. The company also operates nine locations in Colorado and one in California.

GrowGen is one of eleven companies recently added to MJIC’s Marijuana Index, which tracks the leading public cannabis companies operating in the United States.

“The addition to the MJIC Marijuana Index is another validation of GrowGeneration’s rapid growth and market position as a leading supplier of equipment and grow supplies to the cannabis and indoor cultivation industry,” said Darren Lampert, GrowGen co-founder and CEO.

GrowGeneration.com and MarijuanaIndex.com



Headset closes \$2.5 million in financing; ramps up client services

SEATTLE— Headset, a leading retail analytics firm for cannabis-related businesses, has closed \$2.5 million in financing as it ramps up its suite of data products. Hypur Ventures, a leading-edge venture capital fund headquartered in Arizona, and Salveo Capital, a Chicago-based private-equity fund specializing in cannabis sector investments, have partnered with Headset to provide a deeper, richer set of tools for the emerging market.

“With this most recent fundraising, we are excited to be able to accelerate development and adoption of Headset products across all legal cannabis markets,” said Cy Scott, co-founder and CEO. “Headset is well positioned to help the cannabis industry make more informed business decisions supported by retail transaction data.”

“Headset specializes in seeing ahead of the curve in terms of trends and innovation in the hyper-competitive cannabis market,” said Hypur managing director Christopher Male. “There’s a lot of synergy with the ecosystem of the Hypur Ventures portfolio.”

Headset.io

NANOLUX

Technology Inc

315W Fixture

Model CMH-315NC-SLF

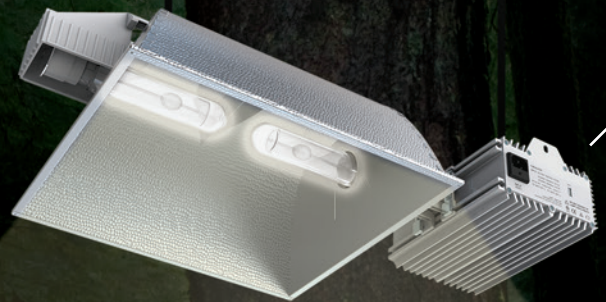
- Lumens (initial) 33,000
- Lumens (total output) 28,096
- ⚡ Volts 120/240V - Amps 2.74/1.37
- ⚡ CRI 3K (91.1)/4K (95.5)
- 🔊 BTU 1140 - umol/s per watt 1.8



630W Fixture

Model CMH-630NC-DLF

- Lumens (initial) 66,000
- Lumens (total out) 52,710
- ⚡ Volts 120/240 - Amps 5.34/2.37
- ⚡ CRI 3K (91.1)/4K (95.5)
- 🔊 BTU 2129 - umol/s per watt 1.8



KEEP YOUR GIRLS HAPPY

nanoluxtech.com



@nanoluxtechnology



ANONYMOUS, LOCATION-BASED SOCIAL NETWORK APP ENGAGES CANNABIS ENTHUSIASTS

DENVER, CO— Duby, a reddit-meets-Instagram social network app that allows marijuana enthusiasts to post content anonymously, reported experiencing more than 20-percent month-over-month growth during the past two years. The app allows cannabis aficionados to unite and share their favorite images, videos, and messages about the plant.

The number of Dubys—in the form of a picture, video, or text—passed to fellow users increased 20-fold, from 10,000 to 200,000 per day. The average user now spends more than 20 minutes per day on the app. Duby recently introduced the app on Android, garnering 40,000 users. The app also works with more than 300 industry partners—including the oil and vape industry leader O.penVAPE—to drive sales in retail locations.

Duby.co



Digipath signs Letter of Intent to acquire clinical lab companies

LAS VEGAS— Digipath Inc., an independent cannabis lab-testing and media firm, has entered into a non-binding letter of intent to acquire two affiliated full-service independent clinical laboratories.

The acquisition targets consist of a family-owned laboratory established in Northern New Jersey in 1948 that provides clinical laboratory services and toxicology testing and an affiliated, fully licensed clinical laboratory operating in New Jersey and Pennsylvania. The latter specializes in toxicology services for pain-management physicians and addiction specialists.

“Pursuing acquisition opportunities in the clinical/diagnostic lab-testing market provides both strategic and financial opportunities for Digipath and its shareholders,” said Digipath Labs President Todd Denkin. “For the diagnostic lab companies we acquire that are domiciled in states where cannabis is legal or is expected to become so, cannabis lab-testing could become an additional service offering by leveraging our expertise and know-how.”

Digipath.com



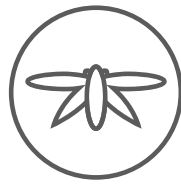
MoonMan's Mistress launches whole-plant CBD product line

SAN FRANCISCO— MoonMan's Mistress, a San Francisco-based artisanal, paleo-centric, clean-eating edibles company, has launched a whole-plant CBD lineup initially offering two products: Chocolate Chip Solar Flare Cookies and Star Cluster Superfood Cookies. Additionally, the company has entered a partnership with Dirt Ninja Farm, an artisanal, beyond-organic, permaculture-based grower to provide clean, healthy medicine for seed-to-table edible experiences.

“This CBD version of our chocolate chip cookie begins with a sunflower seed base and contains beyond-organic, whole-plant cannabis from Dirt Ninja Farm,” stated a company announcement. “As a great source of magnesium, the Solar Flare Cookie promotes a healthy mood and smiles as big as when you were a kid biting into home-baked goodness.”

All of the company's nutrient-dense products are paleo, gluten-free, soy-free, dairy-free, and low-glycemic. Vegan and nut-free options are also available.

MoonMansMistress.com



Firefly²[®]

The Highest Rated Vaporizer. Ever.



“Best Overall Vaporizer”

GIZMODO



CANNAKORP RAISED \$5.7 MILLION IN 2016

STONEHAM, Mass.— CannaKorp, maker of the world's first single-use, pod-based cannabis vaporizing system, has closed its Series A round of funding, raising a total of \$4.1 million on a goal of \$4 million. CannaKorp raised a total of \$5.7 million in 2016, including a seed round earlier in the year that also was oversubscribed (\$1.6 million raised).

"Successfully oversubscribing both our seed and Series A rounds of funding demonstrates the confidence our expanding network of investors has in CannaKorp, and more broadly, in the rapidly growing cannabis industry," said James Winokur, CannaKorp co-founder and CEO. "The excitement and momentum continues to build, providing a powerful tailwind for us as we go to market."

Funds raised will be used for manufacturing, enabling cultivator and dispensary partners, and launching go-to-market activities like the CannaCloud in select markets later this year. The company's rolling launch plan will bring the CannaCloud system to multiple states and cities in North America throughout 2017.

Singularity Capital Management, the lead investor in CannaKorp's Series A round, is a private equity firm focused on the cannabis industry.

"CannaKorp is positioned to be a disruptive force in the booming cannabis industry, led by one of the most impressive teams in the space," said Brett Rentmeester, president and chief investment officer for Singularity Capital Management and a CannaKorp board member.

CannaKorp.com



CannaKorp

Former NORML ED joins VC firm Sensible Alternative Investments

BOSTON— Sensible Alternative Investments, a venture capital firm focused on institutional investment opportunities in the cannabis industry, has named former NORML Executive Director Allen St. Pierre a partner. The cannabis industry is expected to be worth \$50 billion by 2026, and St. Pierre's appointment is further testament that the focus of the marijuana movement has broadened beyond public advocacy to include maximizing responsible cannabis commerce.

SAI is a "leafless" fund founded by Wall Street veterans and fellow partners Martin Joyce, formerly of Credit Suisse, and Mark Slater, a well-known growth company investment banker and investor. The fund focuses on four key areas of the cannabis industry: compliance software and services, real estate, technology, and media. These areas offer the same potential for high returns as other cannabis sectors, but with lower associated risk.

SAI's entry into the cannabis market was an investment in MERRY JANE, the lifestyle-focused media platform launched in 2015 by Snoo Dogg and Ted Chung.

"The question of legalization is no longer 'if' but 'when,'" said St. Pierre. "The next frontier will be establishing the necessary infrastructure for the marijuana industry to flourish, and SAI is bringing the intellectual and financial capital to make that happen."

SAIpartners.com



PAZOO SUBSIDIARY RECEIVES LICENSE TO OPERATE LAS VEGAS TESTING LAB

FLORHAM PARK, N.J.— Pazoo Inc. subsidiary MA & Associates LLC, a cannabis testing laboratory in Las Vegas, was approved by the Las Vegas City Council in January and has received its license to operate a medical marijuana testing lab. The city council approval was the last regulatory hurdle the company needed to cross to legally accept marijuana samples for testing in its fully operational lab.

The company is now in the process of

marketing the lab, hiring additional key employees, and starting to make sales presentations to potential customers in anticipation of testing samples in the immediate future.

"We are very happy to be open for business, and we look forward to serving the Nevada cannabis community for many years to come," said Pazoo CEO David Cunic.

Pazoo.com



THE ABSOLUTE PUREST AND
MOST VERSATILE
VAPORIZER EXPERIENCE

WHIP | BALLOON | GLASS | HERBS | CONCENTRATES | AROMATHERAPY



AVAILABLE AT

VAPORNATION.COM

PHONE: 888-321-VAPOR (8276) • WHOLESALE@VAPORNATION.COM



KING WEEDY

818.339.2542

KingWeedy.com

PREMIUM CANNABIS OIL

70% Potency

Sub-critical
CO2 Extraction

Made from
Industrial Hemp

USDA Certified
Organic

No Pesticides

Available for:
WHOLESALE
RETAIL
PRIVATE LABEL



EVENTS CALENDAR



NEXT MONTH'S INDUSTRY EVENT SCHEDULE

The following is a listing of select industry events taking place during March 2017.

HIGH TIMES CANNABIS CUP MARCH 4-5

Moapa Event Grounds, Las Vegas

Featuring a live grow room, cannabis career fair, edibles village, topical massage spa, and vape lounge, this will be the first-ever *High Times* Cannabis Cup Las Vegas.

CannabisCup.com/las-vegas

CALIFORNIA CANNABIS BUSINESS EXPO MARCH 5-7

Sheraton Marina Hotel, San Diego

With 20,000 square feet of space for quality networking, the third annual spring Cannabis Business Expo is produced by MJIC Media and sponsored by the Marijuana Investor Summit.

CalCanBizExpo.com

THE HEMP & CANNABIS FAIR MARCH 11-12

Benton County Fairgrounds, Corvallis, OR

Offering sessions on growing, harvesting, medicinal uses, legislation, and more, THC Fair brings everything related to hemp and marijuana under one roof. Open to anyone 21 or older.

THCfair.com

THE EMERALD EXCHANGE MARCH 18

Private Ranch, Malibu, CA

Artisanal, small-batch cultivators and medicine makers from NorCal gather in a pristine environment to provide education and select products in a format that encourages dialogue.

Facebook.com/TheEmeraldExchange

NINETEENTH ANNUAL MEDICAL MARIJUANA BENEFIT CONCERT MARCH 18-19

The Wynwood Yard, Miami

For nearly two decades, Ploppy Palace Prods and NORML of Florida have combined an eclectic music festival with an informative conference to be a platform for community interaction.

MedicalMarijuanaBenefitConcert.com

CANNABIS CULTIVATION CONFERENCE MARCH 20-22

Oakland Convention Center, Oakland, CA

Developed by cultivators for cultivators, this year's event will be chaired by Kenneth Morrow, one of the most respected names in cannabis cultivation and extraction.

CannabisCultivationConference.com

HEART OF NATURE MUSIC FESTIVAL MARCH 24-26

Sonoma County Fairgrounds, Santa Rosa, CA

Featuring live entertainment and exhibits representing every facet of the industry and community, the show caters to those who may benefit from the use of medical marijuana.

HeartOfNatureFest.com

FIFTH ANNUAL CANNAGROW EXPO MARCH 25-26

Grand Sierra Resort, Reno, NV

A two-day educational expo for cannabis growers, grow managers, dispensary owners, and grow enthusiasts to explore the latest cannabis cultivation technology, tools, and techniques.

CannaGrowExpo.com

STAY CURRENT ON ALL INDUSTRY EVENTS: mgretailer.com



MAGIC-FLIGHT

HANDMADE PORTABLE VAPORIZERS

—LIFETIME WARRANTY—

LAUNCH BOX
DRY HERB

MUAD-DIB
CONCENTRATE

FLIGHT ESSENTIALS: WATER FILTRATION, GRINDERS, POWER SUPPLIES

AVAILABLE AT



WWW.VAPORNATION.COM

888-321-VAPOR (8276) • WHOLESALE@VAPORNATION



DISPENSING MEDICINE WITH Kenneth “Randy” Trotter OF COLORADO’S SWEET LEAF

KENNETH “RANDY” TROTTER’S road to becoming a budtender has been anything but straight. Before starting at Sweet Leaf a year and a half ago, Trotter, 23, worked in oil fields, putting in long hours for weeks at a time. He used cannabis for relaxation and relief when at home.

“I would use indica and CBD-heavy strains to aid my body from the strenuous work,” he said.

It didn’t take Trotter long to make his mark in the industry. He was a finalist for Budtender of the Year at the 2017 Cannabis Business Awards, and that’s not really surprising. He said he’s driven by a desire to make people as happy as he was when he found a product that helps reduce life’s everyday struggles.

“Seeing a person smile is always my goal at the end of the day,” Trotter said.

TESTING

I do test the products and try to have diverse knowledge across the board and communicate my experience as effectively as possible. Having a personal anecdote for customers makes them feel much more comfortable.

HOBBIES

When I am not at work, you can find me in the mountains. I enjoy going out to shows and community events, too. I am a very approachable person, and I enjoy making new friends.

BEST SELLERS

Our best-selling vape is EvoLabs; for concentrates, Craft Sesh; edibles are Love’s Oven; and for flower, Sueno or Gorilla Glue #4.

AVERAGE PATIENTS PER DAY

Between 150 and 200.

INVENTORY CONTROL

We hand-count inventory every morning and night. If we have any discrepancies, we will stay late to make sure the problem is figured out. If there is a discrepancy in the morning, we will pull the product until we figure what the situation is and what happened.

FUTURE

In a year, I hope to have a Budtender of the Year award. Within five years, I would like to be a district manager or a supervisor. In ten years, if the industry keeps growing the way it is, I aspire to be a partner in a company. *mg*



Having a personal anecdote about the products makes customers feel a lot more comfortable when purchasing.

“

FOR INVENTORY CONTROL, WE HAND-COUNT INVENTORY EVERY MORNING AND NIGHT. IF WE HAVE ANY DISCREPANCIES, WE WILL STAY LATE TO MAKE SURE THE PROBLEM IS FIGURED OUT.

”

**Are you doing
ENOUGH
to protect your inventory?**



FX-7236



Cannabis Safe

S**CALSAFE**

**Guard your inventory with a UL Listed: TL-30x6 safe specifically designed for your industry.
Ask about our new Delivery Transport Safes.**

For 100 years Socal Safe has set the standard for strength, quality and customer care in the security industry. Since 1915 our company has strived to deliver premium customer service with 100% customer satisfaction. Our longevity is testimony to our commitment to protect your assets and your loved ones in all of our security products.

www.SocalSafe.com 800-334-6060

Anatomy of a Hack

MJ FREEWAY REPORTS THAT ITS THIRD-PARTY FORENSIC INVESTIGATION INDICATES NO DATA WAS STOLEN DURING A 'CRIMINAL, MALICIOUS HACK.'

BY TOM HYMES

ON JANUARY 7, a malicious intrusion into MJ Freeway's digital information platform brought down the company's seed-to-sale system, throwing hundreds of clients offline. Nevada's traceability system was among the organizations affected.

"Immediately following the January 7 disruption, the company engaged The Crypsis Group to conduct a comprehensive forensic investigation of the event and assist in the recovery of all client data," said Mark Mermelstein, an attorney with the firm Orrick, Herrington & Sutcliffe and global co-chair of MJ Freeway's cybersecurity and data privacy team. "It is clear to me that MJ Freeway was the victim of a sophisticated, criminal cyber-attack. We have referred the matter to law enforcement, and MJ Freeway has implemented additional security protocols to protect its infrastructure from further attack."

Jeanette Ward, the company's director of data and marketing, shared some information about the attack.

mg: LET'S START AT THE BEGINNING WITH EXACTLY WHAT BROUGHT MJ FREEWAY DOWN.

JEANETTE WARD: Late on January 7, MJ Freeway was the victim of a malicious, criminal cyber-attack. On January 8, our clients began to experience the effects. The MJ Freeway system went offline for all our clients, who also had no access to the MJ Freeway site. The hack was aimed at corrupting files and data and it was unprecedented in terms of its sophistication, and it impacted both our live or production servers as well as our backup servers. We have multiple backup servers and multiple redundancy, and we have them in multiple locations and with multiple companies. The attack hit all of them.

SURELY THE ATTACKERS LEFT COPIOUS CLUES BEHIND.

We know the timeframes and have evidence that helps us begin to put together the steps of how it was done and who did it. There is a Colorado Bureau of Investigation that deals with cybercrimes, and we have referred the matter to them.

WILL YOU BE ABLE TO RECOVER ALL MISSING OR CORRUPTED DATA?

Because we have multiple, redundant backups, there is recoverable data. Think of it like a puzzle: Each backup was a complete picture, and the corruption affected different pieces of that puzzle, so we have to manually pull out uncorrupted files from each backup to make a total picture. The corruption is not uniform, so how much data we can recover will differ for each client. Not every client will get 100 percent of their data back. I would love to promise they will, it would make people happier, but it is highly unlikely.

ARE HIPPA LAW VIOLATIONS A PART OF THIS SCENARIO AS WELL?

One thing I have left unsaid is that we had encryption, and what has been confirmed by a third-party IT security firm that's doing a forensic analysis of the hack is that during the attack, no data was extracted. We can see what the hackers did, and we could see if they did any commands to extract data, and that did not happen during the hack.

BY EXTRACTED, DO YOU MEAN TAKEN, STOLEN, COPIED?

Yes. That was not done, and our data is encrypted. First the data would need to be extracted. One of our tech people explained to me that it's like a safe in a house. First you have to get the safe out of the house, and then it's going to take you forever to try to unlock the safe and take the data. In this hack, the forensic evidence shows that during this attack, that did not happen.

SO, WHILE YOU CAN'T GUARANTEE ALL DATA WILL BE RETURNED, YOU CAN GUARANTEE PATIENTS AND DISPENSARY CUSTOMERS NONE OF THEIR PERSONAL DATA WAS STOLEN?


That's right. It's very important to our clients and their customers, and we want to put them at ease about that.

WERE INVENTORY CONTROL SERVICES ALSO IMPACTED BY THE HACK?

Historical data regarding inventory may be lost. We don't know what we're going to recover for each client, but loss is certainly a possibility.

WHAT IS MJ FREEWAY DOING TO PREVENT ANOTHER HACK OF THIS SCALE AND TYPE?

We have put in specific measures that will bolster us against an attack like this one. We had among the best defenses before, but we have vastly improved defenses now. We're also having a third-party security firm do at least an annual review of our security measures to look for any gaps or holes.

We truly value every one of our clients, and we have been humbled by the support of our clients. The vast majority have remained with us. We are solid and strong and staying in business, despite the rumors circulating. 

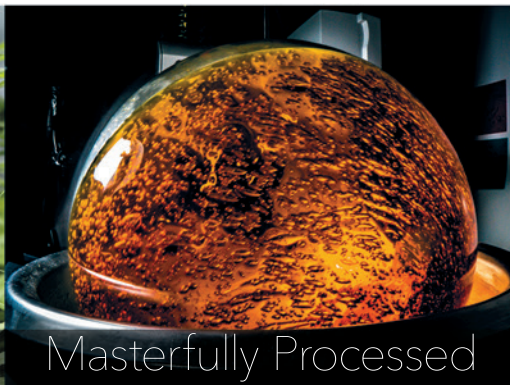
This is an abbreviated version of mg's interview with Jeannette Ward. The complete interview can be found at mgretailer.com. Also visit mjffreeway.com for more information.



*Strain-Specific & Artisan CO2 Extracted Cannabis Oil
No Additives... Ever.*



Sustainably Farmed



Masterfully Processed



Ultra Pure Products

#templeextracts



templeextracts.com



Gotham's Gem

AS MANHATTAN'S FIRST MEDICAL DISPENSARY, COLUMBIA CARE NYC IS A-NUMBER-ONE UNDER THE LEADERSHIP OF FORMER GOLDMAN SACHS EXECUTIVE NICHOLAS VITA.

BY ROB HILL

HEADED by former Goldman Sachs investment banker Nicholas Vita, Columbia Care is a company to watch. The company operates eight medical dispensaries in six states and in October 2016 introduced the world's first solid-fill, controlled-dose cannabinoid capsules in its New York dispensaries. Columbia Care intends to expand distribution to other states in 2017.

Columbia Care NYC was the first medical marijuana dispensary to open in the state: in January 2016 in New York City. Now, the company also operates locations in River-



head, Plattsburgh, and Rochester. Vita faced many challenges, including finding the right people for the team, avoiding the “green-rush charlatans” looking for a quick-buck, and differentiating between medical and recreational businesses. And the competition was steep. In New York State, forty-three companies from across the U.S. applied for only five state licenses. Each license allows the operation of one manufacturing facility and four dispensaries, all of which must be located in the state. However, according to Vita, things have progressed smoothly.

“New York City has been welcoming in

every respect, and it is a great privilege to be part of such a thriving community,” said Vita. “We are grateful to be open in each of our markets, but in New York City in particular we are regularly exposed to people from all over the world who are intrigued and interested in learning more about the industry and company.”

THE IDEA

“Columbia Care was founded to improve people’s lives and the communities we serve by developing and validating the highest-quality medical marijuana applications and products,” Vita said. “We are dedicated to serving patients in an environment and manner that would satisfy our own family members and loved ones if they needed access to this type of medicine to treat an illness.”

DESIGN

“Our facilities are thoughtfully designed to be a comfortable and safe environment where patients can feel at ease,” said Vita. “Upon entering, patients are welcomed into a waiting area until their appointment. They then have the opportunity to meet privately with our pharmacy staff in a consultation room. In all of our facilities, our teams are trained to provide the absolute highest level of professionalism and respect.”

ARCHITECT

RPG, in partnership with local architecture firms.

BUDTENDER REQUIREMENTS

“We look for compassionate, enthusiastic, detail-oriented individuals who take their role seriously and understand the privilege of serving others while building relationships with our patients and supporting our community of members,” Vita said. “In New York, patients work with state-licensed and highly trained pharmacists who are always on site to answer questions and coordinate treatment plans with each patient’s licensed prescriber. At Columbia Care, we use the term ‘pharmacist’ rather than budtender, as it better embodies our mission, which is solely medical.”

“

WE OFFER A NUMBER OF PERKS, INCLUDING EMPLOYEE DISCOUNTS FOR REGISTERED PATIENTS WHO ARE ALSO EMPLOYEES, MEDICAL INSURANCE COVERAGE, TRAINING OPPORTUNITIES IN MULTIPLE MARKETS AND ROLES, SUBSIDIES TO PAY FOR PROFESSIONAL AND ACADEMIC EDUCATION, AND PAID TIME OFF. WE ALSO HOPE TO INTRODUCE AN EMPLOYEE STOCK OWNERSHIP PLAN IN THE NEXT TWENTY-FOUR MONTHS.”

—Nicholas Vita,
CEO, Columbia Care

”


NUMBER OF EMPLOYEES

“We currently employ fewer than fifty employees in New York State, with many more in the other markets where we operate,” said Vita. “We offer a number of perks, including employee discounts for registered patients who are also employees, insurance coverage—medical, vision, dental—training opportunities in multiple markets and roles, subsidies to pay for professional and academic education, and paid time off. We also hope to introduce an employee stock ownership plan in the next twenty-four months.”

AVERAGE NUMBERS OF PATIENTS PER DAY

Eighty to 100 in New York.

SALES GROWTH

“Our business grows about 5 percent to 15 percent top line month-over-month depending upon the market. Managing this sort of growth is a challenge that forces us to remain nimble, circumspect, and acutely aware of our company in a way that most fully integrated manufacturing and distribution companies are never required to consider,” said Vita. 



Did You Know?

COLUMBIA CARE IS THE NATION’S LARGEST AND MOST EXPERIENCED MANUFACTURER AND PROVIDER OF MEDICAL MARIJUANA PRODUCTS AND SERVICES. The company is licensed to operate in highly regulated medical marijuana markets across the U.S., including New York, Massachusetts, Washington DC, Delaware, Illinois, and Arizona. Their mission is to set the standards for compassion, professionalism, quality, caring, and innovation in a burgeoning new industry.

Col-Care.com



Slightly Less-Risky Business

INSZONE INSURANCE SERVICES, AKA COVER CANNABIS, OFFERS PEACE OF MIND TO COMPLIANT BUSINESSES.

BY JOANNE CACHAPERO

OPERATORS IN A QUASI-LEGAL BUSINESS environment like cannabis need to have their risk-management strategy in check, especially as more states prepare to go legal. In a fast-moving, quickly changing climate, even cannabis business owners with small operations want to make double sure they're protected and playing by the book.

So, while you may know the ins-and-outs of retail, staffing, supply lines, and other necessities, if you want to know what's really at stake you should consult with insurance professionals you trust. A good broker will be able to provide a complete picture of the coverage you need to stay in compliance, as well as the best strategy to protect against catastrophes. Whoever said "shit happens" probably was an insurance agent.

Chris Walters, chief operating officer for Inszone Insurance Services—whose marketing arm, Cover Cannabis, promotes coverage for cannabis business operators—spoke with *mg*.

WHAT DOES INSZONE OFFER TO BUSINESSES THAT A TYPICAL INSURANCE AGENCY DOES NOT?

Inszone Insurance Services is a full-service agency. We pride ourselves on being experts in the industries we serve. If we can't do it

well, we won't do it at all, period. Our agency has been alive for more than fifteen years. Our areas of expertise are personal lines (home, auto, umbrella, toys), commercial property (strip malls, apartment complexes), contractors of all kinds, and yes, compliant cannabis businesses. When we commit to service a segment of the insurance market, we go all out. My agents specialize in a specific area, and we keep them focused on their area of expertise.

To earn the trust of clients—which is, in my opinion, the most important element of our job—you have to be an expert in the field. Our agency has been serving cannabis businesses since 2007. I'm proud to say we were the first in the industry. To reach our cannabis business operators (CBOs) more effectively we created Cover Cannabis. With a precise focus in mind, Cover Cannabis is a marketing firm fully dedicated to educating cannabis businesses of all classifications about the coverage available to them.

We receive a lot of referrals from both our customers and professional networks. In addition, we participate in several trade shows each year, as well as more intimate venues such as association meetings, in order to educate CBOs. We're active in political advocacy and make connections there, as well.

WHAT TYPES OF BUSINESSES DO YOU WORK WITH?

Our primary focus has been on compliant cultivators and dispensaries. Over the past few years, we've been providing more and more of our services to compliant manufacturers, delivery services, and processors. There is so much innovation in our industry that the business types or "classifications" are always changing. For instance, we're now working on providing the right scope of coverage for cannabis smoking lounges and tour services.

WHAT TYPE OF SERVICES AND POLICIES DO THEY USUALLY REQUIRE?

Policies are available for compliant commercial cannabis operations. We do not insure personal grows or non-compliant businesses. General liability is the most common coverage request. This type of insurance is typically required by a landlord when leasing space.

We're licensed nationally, and some states have insurance requirements. For instance, Colorado requires a bond and Washington State requires product liability. We help our customers meet those requirements. We also help CBOs protect their investments with a full line of property coverages. Our property policies are designed to insure structures such as buildings and greenhouses, equipment and tools used for grow facilities, finished stock and inventory, cash on hand, and even business income loss after a disaster. For our indoor and greenhouse customers, we also insure their live crop. Our property policies are designed to protect against fire, theft, and vandalism-type losses.

We want our customers to know they can be insured just like any other business. Workers' compensation is something every business with employees should carry to pay in the event of a work-related injury. Commercial auto coverage is available for company

vehicles. We recommend hired and non-owned auto coverage when employees are driving their personal vehicles for business purposes. We even write directors and officers policies. We offer a wide range of solutions.

IS IT DIFFICULT FOR CANNABIS BUSINESSES TO FIND INSURANCE BROKERS OR AGENCIES?

I think there is a stigma. Agency owners and insurance company executives may feel working with cannabis businesses will damage their reputation. You won't see the big insurance companies that advertise on TV writing policies for cannabis businesses any time soon. That's their choice to make. For me, we're happy to serve a market in need. From my perspective, a cannabis operation is a unique business. You want to deal with an agent that knows the ins and outs of the industry. You need an agent who speaks your language.

Most importantly you want to make sure your premiums aren't going to waste. A policy written incorrectly is a waste of money. There have been several products put on the market that literally provide no coverage, yet some agents will still sell them. There are good agencies out there that know the space and can properly underwrite cannabis businesses.

ARE PREMIUMS HIGHER FOR THIS INDUSTRY OVER OTHERS?

There is limited competition, and that may have some effect on pricing. However, premiums are not nearly as high as most expect. Keep in mind: Many of our coverages are not required by law. If there isn't value for the client, they won't buy a policy. Carriers need to consider the risk and charge an appropriate premium.

Cannabis businesses are forced to operate in cash today. They have a product that is high in value and easily moved on the black market. Indoor grow sites use massive amounts of electricity. Gallons of water are stored inside. Public opinion of cannabis businesses is split. These are just a few factors that might contribute to a claim for fire, theft, or vandalism. Exposure to loss is huge.

SHOULD BUSINESSES CONSIDER ANY TYPES OF SPECIAL COVERAGE?

Most of my clients have employees and have yet to purchase workers' compensation insurance. This one is required by law in most states and often overlooked. It's a big step for an old-school cannabis farmer to run formal payroll and buy workers' comp.

Product-liability insurance is the other big one. Without formal standards for product development, testing, packaging, and labeling, CBOs are taking big risks to pave the way. Manufacturers are especially at risk. A marketing defect such as improper labeling or an inadequate safety warning could easily turn into a class action suit with big dollars at stake. CBOs need to have a recall plan in place and be prepared to take decisive action if faced with this type of lawsuit. It's easy to sue someone, and legal defense doesn't come cheap. Product liability insurance is going to provide your defense.

ARE THERE WAYS FOR DISPENSARY OWNERS TO ENSURE AGAINST CATASTROPHIC OR UNFORESEEN EVENTS?

Sure. It's important to note getting busted isn't something we can insure against. Robbery, fire, and product liability are issues we tackle. When a dispensary owner buys a policy, they will need to go through a standard safety inspection of their facility or farm. We want to make sure the facilities are well maintained. A licensed electrical contractor of our client's choice will need to complete an inspection and sign off. A product recall plan needs to be in place.

Outside of that, it comes down to the security measures you take. Dispensary owners are required to have surveillance and a buzz-in door, and inventory needs to remain locked and secured in a safe meeting certain specifications.

Training is the most important aspect in preventing and limiting losses. Standard operating procedures need to be in place for everything from handling cash and product to how you should react during an attempted robbery or fire. Business owners need to be certain their staff will respond correctly under pressure.

WITH RECREATIONAL USE ABOUT TO BECOME LEGAL IN CALIFORNIA, ARE INSURERS READY WITH COVERAGE/ POLICIES FOR THOSE BUSINESSES?

The innovation in the industry is amazing. If we can gain a good understanding of the business, it's likely we can insure it.

WHAT ARE SOME THINGS AN ENTREPRENEUR SHOULD CONSIDER BEFORE STARTING A CANNABIS BUSINESS?


Insurance is typically the last thing considered when preparing to open a shop. It would be wise to move your risk control up near the top of the list. You should certainly be meeting with an attorney, certified public accountant, and insurance agent who know the industry. The legal environment is uncertain, and the risks are real.

WHAT ELSE SHOULD WE KNOW ABOUT INSURANCE?

The right policy and coverage are available to CBOs. Find a good agent and build a trusting relationship with them.

Your agent needs to be aware of all your business operations. Be sure to update them as your business plan changes. For instance, if a cultivator decides to start manufacturing, the policy needs to be endorsed and we need to work on a product-recall plan. Ask a lot of questions and make informed decisions about potential gaps in coverage.

WHAT ARE SOME OF THE UNIQUE PRODUCTS AVAILABLE?

The most unique line is certainly our crop coverage. If a cultivator has crop loss due to fire, theft, vandalism, or equipment breakdown they can recover the wholesale value of the product. The crop valuation uses a very simple formula that's easy for non-insurance people to understand, and the underwriting process is straightforward. Our cultivators frequently are shocked to find out the coverage is more affordable than they thought it would be. 

CoverCannabis.com



A Century of Safety

SOCAL SAFE HAS BEEN PROTECTING ASSETS
FOR CUSTOMERS SINCE 1915.

BY DANNY REED

MOST COMPANIES in the cannabis industry are still in their infancy. That's no surprise: The majority of states that have legalized the medical use of cannabis have done so since 2010, and no states approved recreational use before 2012.


Finding companies within the cannabis industry that have spanned several generations is a rarity, but SoCal Safe is a notable exception. The company was formed in 1915. "I'm told that at that time we were the 243rd company to get a resale permit in California," said Chief Executive Officer Eric Mueller.

In the 1950s, Mueller's father was hired to run the business. About a decade later, he purchased all outstanding shares. Since then, growth has been impressive. "In 2016, we did over \$32 million in sales and service, and it appears that 2017 will also be a banner year," Mueller said.

Why so bullish? One of the industries to which SoCal Safe caters, cannabis, is demonstrating record growth and has extreme security needs. Keeping cash and product under the same roof can attract criminals. "When you don't have the opportunity to take the money you make and deposit it in the bank, you need to have the best protection possible," Mueller said.

While cameras and door locks prevent unauthorized access, SoCal Safe lets shop owners feel confident if those deterrents fail. "A shop's last line of defense is a safe," according to Mueller.

SoCal Safe offers a variety of security products tailored to meet the needs of the cannabis industry. The Cannabis Safe F and FX series are constructed with six internal stainless steel compartments, allowing inventory to be separated by value. The safes bear a two-hour fire resistance rating.

With the future of federal cannabis law and enforcement in limbo as a new presidential administration takes office, banking may remain elusive for the cannabis industry. "I fear that we will see an increase of crime in correlation to the growth of the sector, so making the investment in security should be a focus for the industry," Mueller said. 

**"FOR 100 YEARS SOCAL SAFE
HAS SET THE STANDARD
FOR STRENGTH, QUALITY,
AND CUSTOMER CARE IN THE
SECURITY INDUSTRY."**

—Eric Mueller, CEO, SoCal Safe



socalsafe.com

THERE'S SOMETHING TO BE SAID FOR BEING A PIONEER IN A GROWTH INDUSTRY.

With more than a decade of experience in the cannabis industry, SIVA Enterprises is the most consistently successful partner in applying for state cultivation, manufacturing, distribution, and dispensary licenses in the US. In just the first half of this year, SIVA has helped develop and launch four new cannabis companies: **ZASP** (infused beverages), **Varavo** (edibles & oils), the **Herbal Pain Relief Center** (a dispensary), and **Verdant** (a cannabis distribution company).



Consulting Services
Turnkey Management
Venture Opportunities
Brand Acquisitions & Licensing

To learn how SIVA Enterprises can help you
find success in the cannabis industry,
please visit www.SivaLLC.com





A View from Above

ARCVIEW GROUP CEO TROY DAYTON ON THE STATE OF INVESTING, WHAT SECTORS ARE HOT, AND SOME OF THE BEST DEALS IN 2016.

BY ROB HILL

ARCVIEW GROUP'S 625 INVESTOR MEMBERS have placed more than \$102 million into 137 companies. In 2016, the group made deals with companies including CannaKorp, Mirth, Growcentia, Wurk, and Green Flower Media. *Fortune* magazine named Arcview Chief Executive Officer Troy Dayton one of the seven most powerful people in the cannabis industry.

Dayton has an impressive resume: He is an elected board member for the Marijuana Policy Project, a founding board member of the National Cannabis Industry Association, and the co-founder of Students for Sensible Drug Policy. He also served as the first sales director at Renewable Choice Energy. He's especially proud of his work at Arcview.

"We have built the broadest portfolio in the cannabis sector, with more than seventy companies, by getting an upside in a number of ways," Dayton said. "We get equity when we do a partnership like the ones we have done with Canopy and Cannasure."

Arcview also formed a partnership with NeWAY Capital and a Winner's Fund where they invest \$50k in the company that their members select as the best pitch.

"We don't have a success-fee model, though," he said. "Investors and companies pay the same whether they raise or invest money. All investors make their own decisions and can invest however they want. Arcview is not a party to the deals."

WHAT'S THE CURRENT STATE OF CANNABIS INVESTMENT?

We are definitely seeing an increase in both the number of investors and the amount of capital they are looking to place in the sector. However, if the uncertainty created by Jeff Sessions [as U.S. Attorney General nominee] wasn't there, I bet the interest level would be considerably more explosive. But it's hard to imagine a better outcome for cannabis on Election Day. That has piqued investor interest in a big way.

WALK US THROUGH A FEW DEALS YOU MADE IN 2016.

CANNAKORP: Seeking to become the "Kuerig of cannabis," CannaKorp has developed a pod-based vaporizer, enabling consistent, accurate dosing for the consumer while opening a myriad of attractive branding and distribution opportunities for cannabis producers. The company brought aboard some of Keurig's top talent to ensure every aspect of the product and supply chain are designed with quality and scalability at the fore. CannaKorp oversubscribed its seed round specifically to make room for Arcview investors on their cap table.

MIRTH: Mirth Provisions leverages the Coca Cola business model to develop high-quality infused tonics and fast-acting sublingual sprays. Profitable ever since the first few months of operation, this lean company is snatching up market share in this rapidly growing sector. Arcview investors placed more than \$1 million in Mirth's Series A round. The company has turned its attention to California and Colorado to dramatically expand profits and brand equity as it continues to execute a national brand expansion.

GROWCENTIA: Growcentia develops organically derived microbial plant growth stimulants that enable growers to maximize

Beyond Top Shelf

Cannaline Tube Jars



3.5 gram

1 gram

2 gram

Cannaline Tube Jars for 1, 2 and 3.5 grams are an elegant solution for packaging your top shelf buds. We manufacture them from strong, lab grade borosilicate glass with a custom designed lid that is air and water tight.

As with any Cannaline product, they are fully customizable with printing available on the lid, jar, or both. Custom color lids are also an option.

Cannaline
Products Designed to Innovate

visit our website for:
• Concentrate Containers • Glass Jars
• Smell Proof Bags • Pre-Roll Tubes

301-356-9096
www.cannaline.com

Dedicated to the medicated!

yield and health across plants. Various controlled tests show an increase in plant growth and bud yield. The product Mammoth P is creating quite a buzz among the grower community and gaining remarkable early traction.

WURK: Wurk provides payroll and human resource solutions cannabis business owners need in order to keep their doors open. Looking to address the issue that traditional payroll companies will not work with cannabis clients due to their banks and shareholders, Wurk makes a solution possible through local cannabis banking agreements, cannabis-friendly shareholders, and extensive cannabis industry expertise. A recent graduate of our partner accelerator Canopy, Wurk made a big splash with investors.

GREEN FLOWER MEDIA: Green Flower Media aims to be the main destination for online learning about cannabis and cannabis business. Headed by the person who built Deepak Chopra's online content business, Green Flower has gotten tremendous traction with its courses. I think more Arcview members have invested in Green Flower than any other company in the last 12 months.

HOW MUCH VETTING DOES ARCVIEW DO?

We hear from about two dozen companies every week, and we choose the top three or four we think our members might appreciate. We then have our chief mentor, Francis Priznar, help them prepare for a pitch that gets sent to the whole membership. From there, our members do the vetting by rating the pitches, asking questions of the company on the weekly webinar, giving comments on the online portal, and collaborating offline to share due diligence. Then a selection committee made up of Arcview members decides which companies present form stage. The prospects are then paired with another mentor who helps them prepare for the Shark Stage: three industry experts who play devil's advocate asking tough questions about the company.

Another layer of due diligence happens at NeWAY Capital if they set up an investment vehicle for the prospect.

This being said, investors all make their own decisions and Arcview takes on no fiduciary duties. We always remind people of the old adage "trust, but verify."


Did you know?

More Arcview members have invested in Green Flower Media than any other company in the past twelve months.

IN TERMS OF INVESTING CATEGORIES, ON WHAT ARE YOU MOST BULLISH?

Every time I think the vape market is saturated, I get surprised by another innovation that proves me wrong. Maybe one day I will be right that the vaporizer market is saturated.

The biggest obvious opportunity is obtaining limited licenses for cultivation or dispensing in the new states that are giving out licenses. That's only going to happen once like that in each state.

I think anything related to agricultural technology is the hottest area. Whether it is nutrients, genetics, technology to automate the growing or harvesting, etc., it is exploding. There is a race to see who can produce cannabis the fastest and cheapest with the highest quality. 



Arcview by the NUMBERS

137

Number of companies for which Arcview has raised capital.

\$102 million

Total amount raised.

625+

Number of high-net-worth investors involved.



RIGHT NOW, THE BIGGEST OPPORTUNITY IS GETTING LIMITED LICENSES FOR CULTIVATION OR DISPENSING IN THE NEW STATES THAT ARE GIVING OUT LICENSES. ALSO, I THINK ANYTHING RELATED TO AGRICULTURAL TECHNOLOGY IS A HOT AREA WHETHER IT IS NUTRIENTS, GENETICS, OR TECHNOLOGY TO AUTOMATE THE GROWING OR HARVESTING. THERE IS A RACE TO SEE WHO CAN PRODUCE CANNABIS THE FASTEST AND CHEAPEST WITH THE HIGHEST QUALITY."





1.800.476.9715 GrowersSupply.com/ADMG

ENERGY-EFFICIENT SOLUTIONS TO GROW YEAR-ROUND

GREENHOUSE DESIGNS FOR ANY ENVIRONMENT

Trusted Cannabis Experts
Consulting, Design, Layout & Codes

Blackout Systems
Improve Crop Yields & Quality

Gain Complete Control
Light Deprivation & Ventilation



ZERO PERCENT FINANCING AVAILABLE

RESTRICTIONS
MAY APPLY

**MADE IN
USA** ★

**BUILD IT
AND THEY
WILL DELIVER**

CANNAGUARD'S NOAH STOKES IS SEIZING UNIQUE OPPORTUNITIES TO CREATE DOVETAILING SECURITY, STORAGE, AND DELIVERY SERVICES WITH THE POTENTIAL TO DOMINATE THE CANNABIS FOOD CHAIN.

INTERVIEW BY TOM HYMES

EVEN IN THESE UNCERTAIN TIMES, when the specter of federal prohibition looks like it may extend longer than desired or anticipated, the evolving state of the cannabis industry creates unique opportunities for those with the vision to see the potential that lies before them. Sometimes, the thing being envisioned is made up of individual enterprises that no one has combined properly to create something of greater value. That is the case with Noah Stokes, the president and chief executive of Beaverton, Oregon-based CannaGuard, founded in 2014 to meet the security needs of a newly regulated market with limited options in the face of growing demand.

"CannaGuard came out of OmniGuard, a residential/commercial security company I launched in 2012," said Stokes. "We started getting contacted by people who had medical grows in Oregon, which had just passed laws for medical dispensaries that now needed to get a license requiring them to have initial compliance-verification security systems. We did a trade show and decided we wanted to launch a new brand called CannaGuard, so people would know we would work with them when they called us up, and that we knew what we were doing and what the rules were.

"In August of 2014 we started dipping our toe into Washington State, and it was like piranhas with everyone going nuts," he continued. "We knew stuff was going on up there, but we had been so focused on Oregon that we just didn't know [what to expect]. We'd already been servicing cannabis clients for a year by the time we moved into Washington, where we did thirty or forty projects before realizing there really wasn't any competition. These guys were coming to us on a referral basis because every other place would turn them down."

CannaGuard also levied another advantage in the newly regulating cannabis industry: its geek chops.

THE BEST TECH WINS

Stokes makes clear CannaGuard is not a security company. "We are a tech company that is operating in the security space," he explained. The difference offers a distinct advantage for the company and its clients. "Security in general is 'identify and prevent': Identify access as it's happening and prevent [a problem] before it happens. Through advances in technology, we do it better than security companies that have been in business for fifty years and whose technology has not changed in that entire time except for a few new features or increased camera resolution."

The need may be old-school but the solution is anything but. "We provide basic electronic security: cameras and access security for any licensed facility, including outdoor grows, wholesale, retail, and processors," said Stokes. "The hardware is basic, but the software is what takes it to another level. That's been our approach all along, and people like it."

Stokes said CannaGuard maintains the highest quality standards in security-systems hardware. "We are constantly doing our own internal [research and development], not just of vendors but of specific models and even the firmware of those models," said Stokes. "Trial and error—we've done it so many times with the thousands of cameras out there. We love anything new and immediately throw it into our facilities, where we get to geek out and use it all day, every day. If we hate it, we don't sell it to people. If we love it, we add it to our offering."

But the hardware always takes a back seat to software. "We come from the standpoint of apps and alerts, plus all the software you now have and all the analytics. Anyone can run wires and put in motion detectors, door contacts, and a camera, but with the latest analytics you can have notifications based on geo-fences, so if you leave a site and the system is not armed, you get notified. The camera footage can even interpret what's happening and identify a person or a vehicle over deer or birds, sending real-time identifications that a person has been in your field."

SMILE—YOU'RE ON CANNAGUARD CAMERA

Secure in its technology, CannaGuard has established an enviable safety record. "In over three and one-half years, with over 350 licensed facilities, we have yet to have had a successful break-in in which someone stole more than in a smash-and-grab," said Stokes. "That record is especially pleasing to us, considering the first fifty of those customers called us because they were sick and tired of being broken into so frequently. [Theft] had become a normal part of their business, but we advised them to put that money into a good security system, a one-time expense versus being robbed every three months or so."

That level of expertise extends into the retail environment, where, Stokes said, "you're always going to have a percentage of product the employees are stealing."

The solution, once again, is tech-based. "We're creating a software program that ties in point-of-sale (POS) analytics with our camera



“

THE HARDWARE IS BASIC, BUT THE SOFTWARE IS WHAT TAKES IT TO ANOTHER LEVEL. THAT'S BEEN OUR APPROACH ALL ALONG, AND PEOPLE LIKE IT

—Noah Stokes

”

software, which sends a notification for a voided sale in real time to the security manager of multiple locations, who will be able to look at the camera and see if the employee in question put the money in his or her pocket. The point is, when we install cameras over the registers and scales that can see the denomination of the bills, and the employees know the cameras are that detailed, our customers tell us that profitability goes up ten to fifteen percent.”

BEYOND SECURITY

CannaGuard Transport was launched in Oregon in August 2016 as a natural extension of services already provided by CannaGuard. “Secure transport is one of the bigger facets of this industry that hasn’t really been able to be done, because most states don’t offer a transportation or distribution license,” said Stokes. “It’s one thing to keep products safe in one spot or regularly drive a high volume of cannabis products around, but to do so you must have extremely robust security measures in place. Not only were we well-positioned because of our connections in the industry providing camera and compliance security systems even before many of these places were open, but we now are best qualified to provide bulk product storage and transportation.”

Providing armed guards at facilities as well as armed and armored transportation of product and cash, CannaGuard Transport is a di-

vision of The Cannabis Distribution Company. “We subcontract out to retailers that want a standing guard, we have grows and wholesale facilities with 24/7 guards that we direct-hire out, and we also have our own employees that take the product to the storage facility or other locations,” said Stokes. “For instance, tomorrow we’re making a run of 184 pounds of products and bringing the cash back, and that’s just a point-A-to-point-B transport.”

Transport is “another industry that has not evolved from giant steel boxes driving around on the roads.” Up to the challenge, Stokes said of CannaGuard Transport’s vehicles, “We have so much technology in them, down to real-time tracking that is literally so sensitive that if the driver slams on the brakes, maxes on the gas, deviates from the course, or does a hard turn right or left, we get immediate notifications sent to our dispatch center. We can tap into a 4G router in the car, with cameras inside and outside the vehicle, so I can look from dispatch to see if it’s a pursuit situation or whatever. The driver focuses on getting from point A to point B safely, and we can relay to police exactly what’s happening while it’s happening.”

CannaGuard Transport also has a product storage facility in Portland protected 24/7 by armed guards, active watch monitoring, CannaGuard camera systems, and access control. The hub serves as a model for what the company wants to replicate elsewhere

ECONOMIES OF SCALE

Hot on the heels of CannaGuard Transport’s launch, in late December the company unveiled its newest offerings in its plan to provide a range of cost-effective services to growers seeking to take advantage of economies of scale while preventing product loss due to theft during the vulnerable harvest season.

“If you’re going to lose product it’s going to happen then, when it’s hard to have one farm or one producer monitor everything that’s going on,” said Stokes. “Our large-scale solution is through the distribution company. We have a farmer harvest their product and dry it, and then we offer them trimming services, testing services, bulk packaging services, retail-ready packaging services, distribution sales, and delivery. So now, a farmer doesn’t have to worry about monitoring all that for themselves at each stop; they can hand it to us. With our economy of scale and our secure building, it’s 100 times easier and safer for us to do it for 100 customers at once. This industry is so ripe for economies of scale to come into play.”

imbue

verb (with object)
to inspire or permeate
with a feeling or quality

www.imbueme.co

imbue



He added, “We charge by the pound to store, trim, and bulk package, and then, depending on the retail packaging, we will also charge in that way. Some people might want their product trimmed, and once it’s trimmed, have someone else package it.”

CannaGuard’s plan to offer growers a comprehensive range of services that provide reliable compliance, greater efficiency, and lower costs has been met with predictable enthusiasm, according to Stokes.

“As we build this out and understand the true volume available—because I have not had one person say they did not want to do it—the scale that I thought it was going to be three weeks ago tripled two weeks ago, tripled again last week, and then tripled again in the past four days,” he said. “It is going to be a logistical feat but one we are extremely committed to figuring out, because someone has to do it. Someone has to trim all of this product and package all of it, and I believe we can do it better and for less because we already have the product stored in our building.”

MARKET SHARE

To facilitate commercial relationships between growers and retailers, The Cannabis Distribution Company in early January hosted the first of many events bringing the two groups together for what could be the creation of a commodities marketplace. “The event was phenomenal,” said Stokes. “We tried to keep it to under 100 people to test the proof-of-concept, with twenty to twenty-five growers and about thirty retailers. We wanted to get the logistics set up to see if

producers liked the way retailers presented the products and if retailers liked the way producers presented their products. It was invite-only, and there ended up being about 150 people. All the invitees were customers of ours on the camera side—an added-benefit of using us on the electronic side of things. Not only are we going to think of you first when we do these kinds of events, but we know these guys are generally more professional and dialed-in. We brought our growers and retailers and put them all in a room together, and the response was phenomenal.

“We also learned a ton from it,” he added. “The next one will be bigger: Producers will have more information about different packaging options they want to present and different strains. The website we launched at CannaGuardTransport.com has real-time inventory; people can go online and search the inventory that is stored in our warehouse, order product from seven different growers, generate a ticket, and we take it from the warehouse, load it onto the truck, and have it show up in two days.”

HOME DELIVERY, AMAZON-STYLE

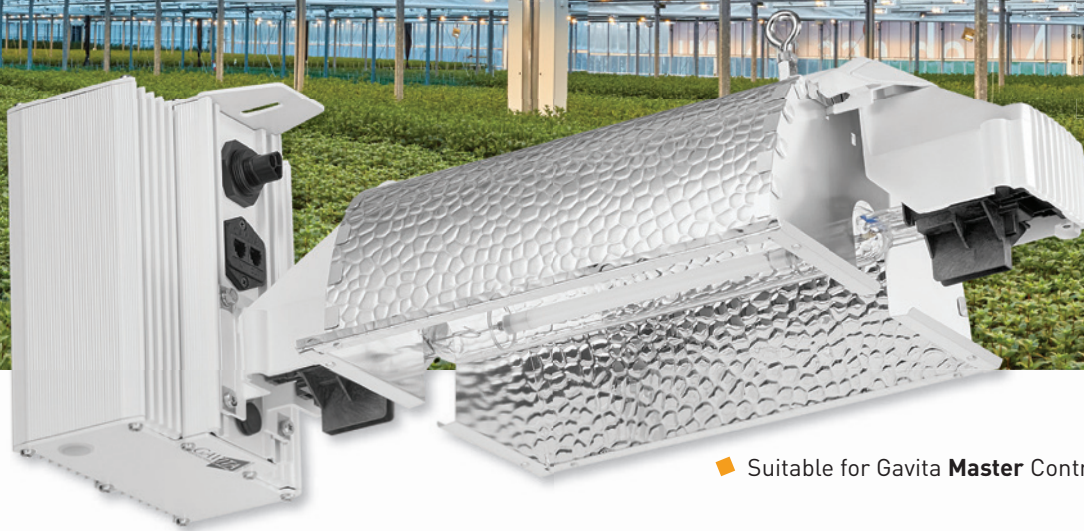
Not surprisingly, Stokes also has a solution in mind for home delivery, which Oregon just legalized. “Technically, it’s legal in the state, and Portland just legalized the ability to have Portland retailers provide home delivery in the city,” he said. “One day, I’m hoping to be able to facilitate straight-to-consumer delivery [that is] kind of like Amazon Prime Now, which has its own vehicles and warehouses

Commercial fixture. Full control.

Pro line e-series

Gavita **Pro 1000^e DE 277-347**

New!



■ Suitable for Gavita **Master** Controller

Gavita's roots are in horticultural projects, lighting climate rooms and greenhouses with tens of thousands of fixtures. For commercial growers we combined the efficiency of 3 phase systems with the ease of control of the Gavita Master Controllers: Introducing the 277 / 347 V e-series fixtures.

Main features:

- 277 / 347 Volt for 3 phase systems in USA and Canada
- Central control through Gavita Master Controller (50-115% output)
- Repeater Bus system allows control of hundreds of fixtures in daisy chains
- Horticultural quality fixture for long life and reliability
- Choice of reflectors



“

I'M HOPING TO BE ABLE TO FACILITATE STRAIGHT-TO-CONSUMER DELIVERY [THAT IS] KIND OF LIKE AMAZON PRIME NOW, WHICH HAS ITS OWN VEHICLES AND WAREHOUSES THAT ARE A CERTAIN DISTANCE FROM YOU AND CAN DELIVER IN TWO HOURS

—Noah Stokes

”

that are a certain distance from you and can deliver in two hours.

“What I would like to see is that through a software platform we’re working with, the consumer can go to the retailer’s website, find the product they want, and order it to be delivered to them directly,” he explained. “The order would go back to our warehouse where the product is stored, and we would be able to facilitate the secure transportation at a scalable level. Right now, the rule is that each retailer must deliver from the retail store, which means that every one of the 200 dispensaries in Portland has to have its own delivery driver. Wouldn’t it be more efficient if there could instead be five delivery trucks that serviced all 200, running all day, every day? The law doesn’t permit it right now, but we hope through legislation to be able to allow it as an option in the future.”

CALIFORNIA DREAMIN’

With a solid vision to redefine the role of a security company in the cannabis industry, Stokes is methodically planning to make his mark in the largest market in the country: California. “We’re massively moving into California,” he said. “Everything we’re doing is to move into the rest of the country.”

In the latter part of January, he planned a trip to the Coachella Valley in Southern California, where he would “tour the largest project in the world that I know of, a 160-acre project in Desert Hot Springs that will be four million square feet of indoor grow when it’s built out over the next five years. It’s just one of about ten large projects in the Coachella Valley that is going forward right now.”

Stokes is moving forward, too. “We’ve set the foundation in Oregon so that we can go into California, because currently there isn’t another state that offers a wholesale distribution license,” he said. “Oregon is the first, and we are by far the largest distributor in the state, even though we just started this thing. In California, whether they require distribution or just allow it, the question will be ‘who is doing it currently?’ There are a couple of distributors in California working under the current model, but [California is] only just starting to get licensed in the cities.”


Stokes clearly thinks he has an upper hand. “The way I see it working is for us to have four or five locations throughout the state, in Humboldt, Sacramento, the Bay Area, [Los Angeles], maybe the desert. But that’s the thing: The state is so big, we have to get the momentum going, which is why

we’re not waiting to work in California.

“I have a meeting in Desert Hot Springs with a group that has a distribution license that wants us to transport 75,000 pounds of trim a month,” he continued. “We’re going to work with them to do secure product transport now. After our license is issued, we will ideally have vehicles transporting product throughout the state anyway, and then we will be able to add our hubs.”

He paused before adding, “Yeah, there’s a small amount of energy and effort being put to dominating the California market, but I believe that through the efficiencies of technology we will outpace and outperform the competition.”

THE END OF PROHIBITION

One day federal prohibition will end, and when it does Stokes intends to be ready. “The distribution model we’re building is to secure the cannabis brands in California and Oregon, the distribution hubs, and the product, and then as the walls drop, to have distribution hubs in the Northwest and on the West Coast ready to go out to New York, Ohio, and Florida. The long-term goal is to have our hubs across the country.” 



THE WORLD'S ONLY PROVIDER OF
TURN-KEY EXTRACTION LABS

PROFESSIONAL SITE PLANNING LAB DESIGN
ENGINEERING COMPLIANCE FIELD VERIFICATION
LICENSING INSTALLATION TRAINING WORKFLOW

SUCCESS
MADE WITH PRECISION®
#1 in Quality, Customer Service & Tech Support

Precision®
Extraction **solutions**

855-420-0020
PRECISIONEXTRACTION.COM

EQUIPMENT | TRAINING | COMPLIANCE | SUPPORT

VAPOR SLIDE™

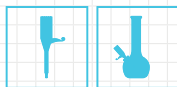


AWARD WINNING 2 IN 1 VAPORIZER

TEMPERATURE CONTROL

1000 MAH L-ION BATTERY

PASS-THROUGH USB CHARGING



NEWLY ENGINEERED OIL CARTRIDGE

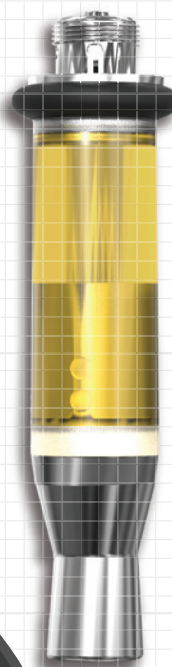
ALL GLASS CARTRIDGE BODY

DUAL CERAMIC TOP COIL DESIGN

PATENTED CARTRIDGE SEAL FOR 14MM WATERPIPER

CANNABIS OIL FROM

EUREKA
vapor



GET YOUR
VAPOR SLIDE

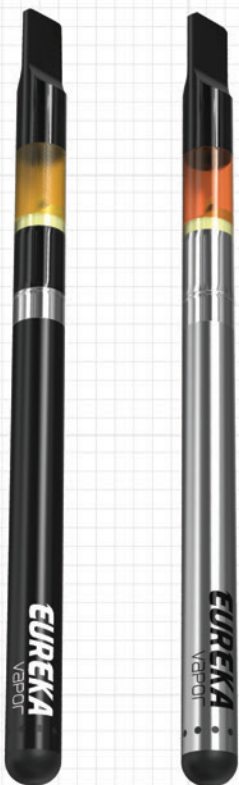
WWW.THEVAPORSLIDE.COM

FOR WHOLESALE INFO:
SALES@THEVAPORSLIDE.COM

FOLLOW US:
[@VAPORSLIDE](https://twitter.com/VAPORSLIDE)



HIGH QUALITY VAPE PENS



- AWARD WINNING 100% NATURAL CANNABIS OIL
- CO2 EXTRACT
- NO CHEMICAL ADDITIVES
- STRAIN SPECIFIC
- 60%-70% THC
- REINTRODUCED CANNABIS TERPENES

AMBER & CLEAR CANNABIS OIL



Ask for Eureka Vapor wherever you purchase your Cannabis products today.

WWW.EUREKAVAPOR.COM

FOLLOW US:
[@EUREKAVAPOR](https://twitter.com/EUREKAVAPOR)

SAFETY & SECURITY, INC.

INDUSTRY EXPERTS, BUSINESS OWNERS, AND
SECURITY CONSULTANTS SPEAK ABOUT THE
MOST EFFECTIVE WAYS TO SECURE YOUR BUSINESS.

BY ROB HILL

IN JUNE 2016, the Colorado dispensary community was stunned when a security guard was shot and killed at Aurora's Green Heart collective. The killing was the first at a licensed marijuana business in Colorado, and it put all cannabis business owners on notice.

"People were a little on edge," said Colin Patrick, general manager for Eufhora, which put up \$3,000 to match federal and city rewards for information about the killers.

However, cannabis-related robberies on the whole seem to be on the decline—thanks, in part, to the many security professionals entering the business with revolutionary tools. From state-of-the-art cameras, safes, and advanced IP technology to canines and secret panic buttons, there have never been more options for protecting your loot.

HIGH TECH, HIGH SECURITY, HIGH ALERT

No matter where a dispensary is located, a thorough security plan with extensive standard operating procedures that address safety and preventative measures is vital. And, of course, state-of-the-art technology is essential. Jerry Tut, chief operating officer for cannabis business development firm Siva LLC, believes spending money on sophisticated systems is paramount. "You should do it all: alarm and camera systems, electronic keyed entry, and identity recognition to enter unauthorized areas are some examples of the security features that I believe all dispensaries should adopt," he said.

Staffing should receive significant attention, too. Understaffing, not performing consistent security system maintenance, hiring inexperienced security staff, and failing to provide comprehensive training are recipes for disaster, Tut said.

"A dispensary operator must recognize the amount of security staff needed in accordance with the number of patients they assist daily and the number of staff they employ," he said. "Also, we recommend weekly security system maintenance."

Siva has worked with virtually all the security brands in one way or another. Tut



SEXY BEAST



*THE UL-TL-30 BY
WORLDWIDE SAFE &
VAULT IS ONE TOUGH
NUTTO CRACK*

When it comes to safes you can't cut corners. The UL-TL-30 is made using state-of-the-art modern technology with superior design and craftsmanship. "All our U.L. Listed safes and vaults are made in the USA," noted Scott Hirsch, President of Worldwide Safe & Vault. In addition, it has six sides of burglary protection, the walls are 3 1/2" thick, the door is 6" thick and is replete with self-lubricating ball bearing adjustable hinges that ensure a lifetime of use. "Our U.L. Listed safes and vaults are compliant with the DEA's code of federal regulations for the storage of schedule 1 and 2 controlled substances," said Hirsch. To top it all off, the combination lock is a UL-Listed three wheel, key changeable combination lock with spy-proof dial.

WorldWideSafe.com
800 932-2278

recommends Vivotek and HIK Vision for camera systems and Roland Security for door security and vaults. For alarm systems, he prefers Armet Alarm.

“Armet Alarm can meet any need, including the most complex and sophisticated ones,” Tut said.

Thanks to advances in cannabis security, the number of robberies in the past few years has fallen, according to Tut. “Dispensary robberies are down drastically compared to when I first came into the industry,” he noted. “A decade ago, we were not as educated in the area of security, and our security systems were not nearly as sophisticated as they are today. In the early stages of this industry, many dispensaries experienced breaches in security, but now with such things as adequate lighting, reinforced perimeter, motion sensors, vibration sensors, facial-recognition cameras, industrial-grade metal doors with sticker locks, industrial-locking deadbolts, latched cover plates, and concealed hinges, it’s become harder to pull off a robbery. You can never go overboard with security in the dispensing business.”

GROWING PAINS, HYBRID GROWS AND THE ONLY TRUE IP SOLUTION

Michael Baker, chief executive officer for Video Veritas LLC, has spent his entire working life in the security business. He’s worked for the U.S. government overseas as well as for industrial, commercial, and residential operations in the private sector. Baker believes understanding human behavior and how to create physical security for people and places is imperative when designing proper security solutions.

“The first thing we did in the cannabis industry was get inside the operations and administrative functions of the organization,” Baker said. “We then developed turnkey solutions—not just cameras, but a true security-grade infrastructure that is integrated into the facility whether it is a grow, dispensary, or transport, or the company is on-boarding personnel. Our systems are the first and only True IP solution, which allows greater flexibility when expanding or

upgrading various aspects of your security, communication, and internet services. We have also created the ability to manage and monitor multiple facilities from anywhere you have an IP address, whether it is a smart phone, tablet, or security operations center (SOC).”

Baker has found security in the cannabis industry is in transition. First, the legislative process is undergoing extreme growth. After many conversations with legislators, Baker has found they are not sure how to treat the industry. Second, grow operators and investors are searching for cost-effective solutions and security providers that will look after their best interest. And an increasing number of growers have been contacting Veritas, even though they may already have spent money with someone else. Baker likes to engage the owners, operators, builders, and contractors early in the process of building their businesses, becoming an effective partner in the development of their facilities.

“This is why we send our people out to work the grows for both indoor and outdoor types. It gives us a better perspective and understanding of what needs to be achieved for the interest of our clients,” Baker said.

The challenges are plenty—especially when it comes to “hybrid grows,” i.e. indoor/outdoor operations. Almost all of them are in remote areas with very little to no infrastructure. In one case Baker worked on, the grow only had “dirty power” (unstable power). Veritas had to identify the risks associated with this type of operation, which included remote location, infrastructure issues (power, water, communication, existing structure), environmental considerations, and wildlife considerations. “All require a unique perspective and create challenges,” he said. “Every facility has its own challenges that require not just technical skill to navigate, but also careful consideration of cost.”

In the end, Baker sees his job as preventing bad things from happening to his clients, educating them, and keeping their employees and customers safe. “Prevention is always our motto. We design our solutions with that in mind,” he said.



TO CATCH A THIEF

*NETWATCH:
ALWAYS WATCHING*

Netwatch is setting the bar for cannabis security with a unique approach. Utilizing live remote monitoring-and-response security, Netwatch promises to make the complex problem of security simple and effective. Includes panic buttons, access control, advanced-grade proprietary software, installation, maintenance, and end-to-end service.

NetWatchUsa.com; (857) 284-8009



MAKE SURE YOU HAVE ADEQUATE LIGHTING, REINFORCED PERIMETER, MOTION SENSORS, VIBRATION SENSORS, FACIAL-RECOGNITION CAMERAS, INDUSTRIAL-GRADE METAL DOORS WITH STICKER LOCKS, INDUSTRIAL-LOCKING DEADBOLTS, LATCHED COVER PLATES, AND CONCEALED HINGES.

—Jerry Tut, COO, Siva LLC



Are you about to buy a burglary safe or vault?

Let a Worldwide Safe & Vault specialist guide you to the correct UL-Rated burglary safe or vault room for your Cannabis Business.



UL-RATED TL-30 HIGH SECURITY BURGLARY & FIRE SAFE

ALL WORLDWIDE UL-RATED BURGLARY SAFES & VAULTS

- Meet & exceed all insurance requirements.
- Meet & exceed all DEA requirements for Schedule 1 & 2 controlled substances.
- Proudly made in the USA.
- Backed by our 24/7 Service Department Team.
- Shipped, delivered & installed globally by our Worldwide Safe & Vault Customer Service Team.

WORLDWIDE SAFE & VAULT

800-932-2278

info@worldwidesafe.com

worldwidesafe.com



DID YOU KNOW...

90-percent of all dispensary robberies are inside jobs.

.....

The average take is between \$10,000 and \$25,000.

.....

For grows, the average take is \$250,000.

IronProtectionGroupSecurity.com

THE ABCS OF CANNABIS SECURITY

BY WILLIAM GLENN WEATHERLY, DIRECTOR OF OPERATIONS, IRON PROTECTION GROUP

I JOINED THE U.S. ARMY AFTER 9/11, when I was 20 years old. I then went through the 18^x program, which took two years of training to complete, and became a Green Beret. During my eight and one-half years within the special operations community, I served four tours in Iraq, one to Africa, and one in the Republic of Georgia.

I have been in the security industry since January 2014 and have seen it all. I have seen guys crawl through a tiny ventilation shaft to get into a cultivation facility. One group of robbers put a ram on their truck to break through the doors on several cultivation sites. I have seen robbers break into the same site several times within a week because the

cultivation site was what we call a “soft target.” The groups of people who are conducting these assaults are very well organized and plan their maneuvers. The best thing any dispensary or cultivator can do is adopt a multifaceted approach:

One, you should have a vulnerability assessment done by a professional. This will tell you where your weak points are and how to best mitigate them.

Two, increase your security profile by having a well-trained and armed guard at your location. Here at Iron Protection Group, we utilize training to put our operators “left of the bang.” That means our operators go through training that helps them perceive

and identify a threat before it is a threat. People give off indicators whether they want to or not. These could be nonverbal cues they cannot hide. By applying what we call a “baseline,” identifying anomalies and accessing your file folders, you can identify those individuals or instances that could be a threat.

Three, have a well-trained operator who knows how to utilize weapons systems. We put our guards through a course very similar to the one I was put through as a Green Beret. To be sure, having a mentally and physically well-trained operator makes all the difference when it comes to security within the cannabis space.



Full Service Odor Control Company

- 100% Bio-degradeable odor neutralizers
- Designing, Installing, and Servicing odor control dispersion systems
- Air Modeling division specializing in EPA recommended dispersion models
- Odor tracer studies
- Advanced Computational Fluid Dynamic (CFD) models

www.ncmenvironmentalsolutions.com

1-855-NCM-5540

TIP SHEET: HOW NOT TO GET ROBBED


BY EMMA CHASEN, GENERAL MANAGER, FARMA DISPENSARY, PORTLAND, OREGON



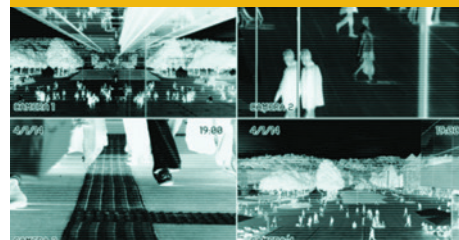
“We have panic buttons stationed at the receptionist desk, every register, and in our back room. In the event of a robbery, we pull the panic button and the police are immediately contacted.”

—Emma Chasen

FARMA'S SYSTEM HAS NEVER BEEN BREACHED. HERE'S WHY.

- * Every square inch of our dispensary is under twenty-four-hour surveillance.
- * Our showroom and receptionist sit behind a locked door. The receptionist opens a window to check in customers, allowing the receptionist to safely evaluate a customer's ability to purchase cannabis. If the person is intoxicated or suspicious, the receptionist can turn them away. If the customer becomes aggressive, the receptionist can close and lock the reception window to ensure safety.
- * We have panic buttons at the reception desk and every register, and in the back room. In the event of a robbery, we hit the panic button and the police are contacted immediately.
- * All employees are trained to evaluate each customer's ability to purchase cannabis and respond quickly and appropriately if a situation develops.
- * We hire people who are smart, rational, calm under pressure, and aware of their surroundings. How staff members react to stressful, potentially dangerous situations will inform how those situations play out. 

FarmaPDX.com



3 SUREFIRE WAYS TO PROTECT YOUR SHOP

[1] STAFF

Have an aware staff. If the receptionist evaluates each customer and the budtending staff possess situational awareness, then there should never be a catastrophic problem.

.....

[2] SECURITY SYSTEM

Have a state-of-the-art security and alarm system. And don't forget the panic buttons.

.....

[3] CAMERAS

Having multiple cameras on every wall in the shop helps to deter shoplifting, as everyone is on camera all the time.

COPS & ROBBERS

BIZARRE WAYS BANDITS CAN GET YOU

2014

HOLE IN THE WALL GANG

In Seattle, thieves stole \$50,000 worth of cannabis from a medical marijuana dispensary by cutting a huge hole in the wall of the facility. Leafly estimated the amount of cannabis taken was about 11 pounds.

2015

SMASH & GRAB

In Wyoming, a van crashed through Total Medz in the middle of the night, and robbers stole nearly \$10,000 worth of cannabis and equipment.

2016

BUSTED

In San Diego, robbers busted through a wall in the business next door to gain entry to Organic Inhale. Luckily, police officers discovered two men loading bags of marijuana into a sedan behind the business and arrested the thieves.

2017

A CUT ABOVE

In Michigan, prowlers cut a hole in the roof of Pure Wellness Apothecary and stole an untold amount of marijuana. The suspects remain at large.

CAMERAS

| ACCESS CONTROL

| ALARMS

CHANGING THE LANDSCAPE OF SECURITY



IN THE CANNABIS INDUSTRY

CannaGuardSecurity.com  **1.844.CannaGuard**

CONTACT US FOR MORE INFORMATION



Raising the Bar(k) on Cannabis Security

EMERALD CANINE SERVICES TRAINS GERMAN SHEPHERDS AND BELGIAN MALINOIS FOR PROTECTION.

BY MIA WILSON

THE ONE “SECURITY SYSTEM” that doesn’t have to be programmed or plugged in *does* require food, water, lots of TLC and the occasional game of fetch. Emerald Canine Services in Naples and Punta Gorda, Florida, trains dogs and then works with them on-site with their new owners to provide “safety, peace of mind, and theft deterrent with an overall sense of security.” Between them, founders Jamie North and Melissa Hepler have thirty-five years of experience training working dogs and were motivated by the number of preventable crimes that plague the cannabis industry. One of the many things that sets Emerald apart: Their dogs do double duty as playful members of the family.

HOW CAN BOTH CANNABIS FARMERS IN REMOTE LOCATIONS AND CANNABIS PROCESSING FACILITIES IN URBAN SETTINGS BENEFIT FROM YOUR SERVICES?

We train our dogs for both situations. We have a high level of expectation with our dogs. Our dogs are socialized and safe to be in crowds for areas of higher development as well as patrol in remote areas. Both areas still need security, and that is what we provide. No location is too big or too small to need or want security.

ARE THERE SITUATIONS IN WHICH ARE DOGS BETTER THAN VIDEO CAMERAS OR ALARMS?

Dogs are better than video in a few situations. For example, if you have a large area, there are going to be some blind spots that cameras cannot reach. The dog is on the ground and patrolling those areas as well as the areas that the camera can see. The dog also has the ability to respond

to a threat, whereas video can only record the situation for later review. A dog is better than just an alarm system for the same reason. An alarm alerts someone to a threat, but then you have to wait for a person to arrive, whereas the dog is already at the scene and able to respond.


WHAT’S UNIQUE ABOUT TRAINING DOGS FOR CANNABIS-INDUSTRY SECURITY?

Unlike police or military dogs, our dogs are more adaptable to a family environment. We have noticed the cannabis industry is family oriented, and so far the families appreciate being able to have the dog as an active member of the family and not just a working or kennel dog.

ARE YOUR CANNABIS CUSTOMERS PRIMARILY GROWERS? ANYONE ELSE?

Yes, they have been mostly growers, but we have had facility owners, collectives, concentrate makers, and transporters contact us with interest in dogs. Our dogs are trained to do “ride-alongs” for money pick-ups and product drop-offs. Our dogs can provide an added level of security when traveling.

WHAT’S THE MOST UNUSUAL REQUEST YOU’VE RECEIVED IN THE CANNABIS SPACE?

Can you train dogs to find lost money? The answer is yes. 



EmeraldCanineServices.com



NCIA'S 4TH ANNUAL

CANNABIS

BUSINESS SUMMIT® & EXPO

A NEW ERA

JUNE 12-14, 2017 • OAKLAND, CA

We are entering A New Era of cannabis business. Prepare yourself. Get ahead or be left behind. The Cannabis Business Summit® is the one conference that will catapult your business forward by delivering updated education and providing powerful connections, all offered to you in California, the state of opportunity!

- Network with **4,000 of your peers** – including growers, dispensaries and infused makers product producers.
- The **highest concentration of legitimate industry technology buyers** and sellers in America's fastest growing industry, all in one place
- 30+ Sessions with **over 100 speakers** to bring you up to speed on the rapid improvements of your industry

Use code
mg15 for
15% off
registration!
Early bird pricing
ends March 24th.

5 EDUCATIONAL TRACKS:



The Fine Print:
Money, Law, and
Your Business



Cultivation &
Processing



Running Your
CannaBusiness



Policy
& Reform



Leading Edge:
Emerging Topics in the
Cannabis Industry

Industry leaders, entrepreneurs, and newcomers will gather to learn best practices for maintaining a successful business, and gain knowledge on emerging topics and policy issues.

NCIA members save \$150! 888.409.4418 | www.cannabisbusinesssummit.com | [#CannaBizSummit](https://twitter.com/CannaBizSummit)

ADVOCACY.

EDUCATION.

COMMUNITY.

WHOLESALE

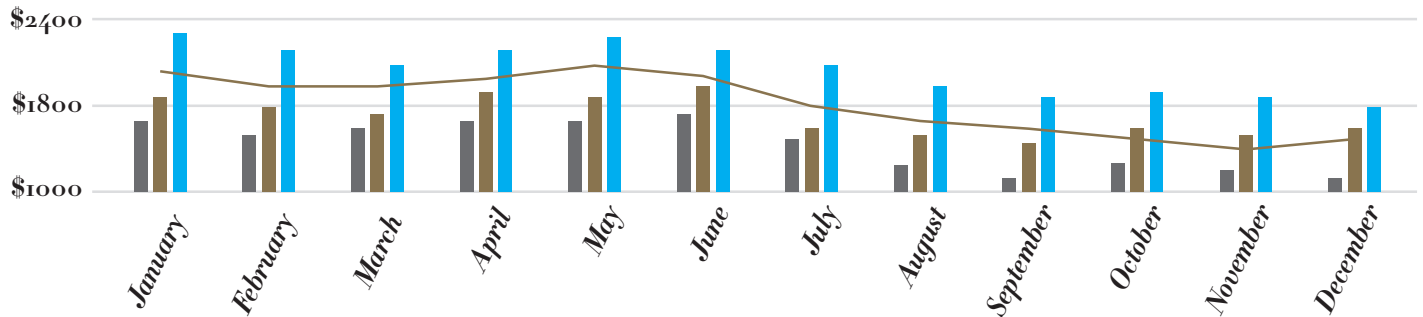
Source: Cannabis Benchmarks

WHOLESALE SPOT PRICES

(BY GROW TYPE)

■ OUTDOOR ■ GREENHOUSE ■ INDOOR ■ US SPOT INDEX

NATIONAL VOLUME WEIGHTED AVERAGES IN \$/POUND

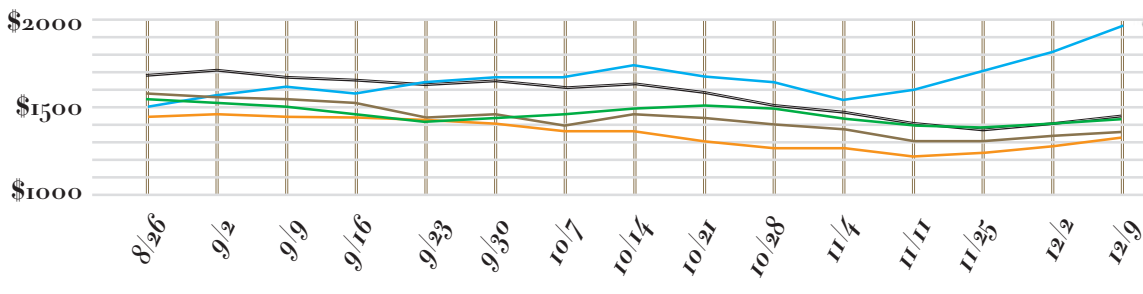


STATE LEVEL SPOT PRICING

TRAILING 4-WEEK AVERAGE \$/POUND

■ COLORADO ■ CALIFORNIA ■ OREGON

■ WASHINGTON ■ US SPOT INDEX

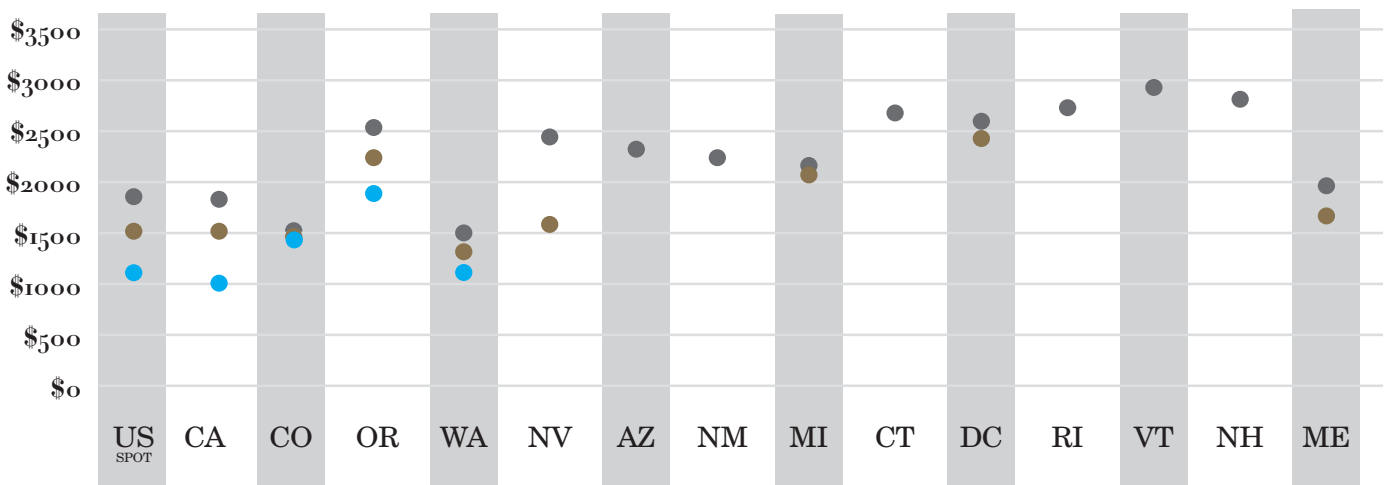


WHOLESALE PRICE

(BY GROW TYPE)

■ OUTDOOR ■ GREENHOUSE ■ INDOOR

NATIONAL VOLUME WEIGHTED AVERAGES IN \$/POUND



Cannabis Benchmarks, in conjunction with GlobalView®, is an international leader in commodity data aggregation, distribution and analytics, is designed for cannabis business decision makers, speculative traders, hedge funds, risk managers, investment banks, debt and equity analysts, and others requiring the ability to conduct detailed modeling and analysis. CannabisBenchmarks.com

RETAIL

Source: BDS Analytics

PERCENTAGE SALES BY STATE

EDIBLES CONCENTRATES FLOWER
PRE-ROLLED TOPICALS

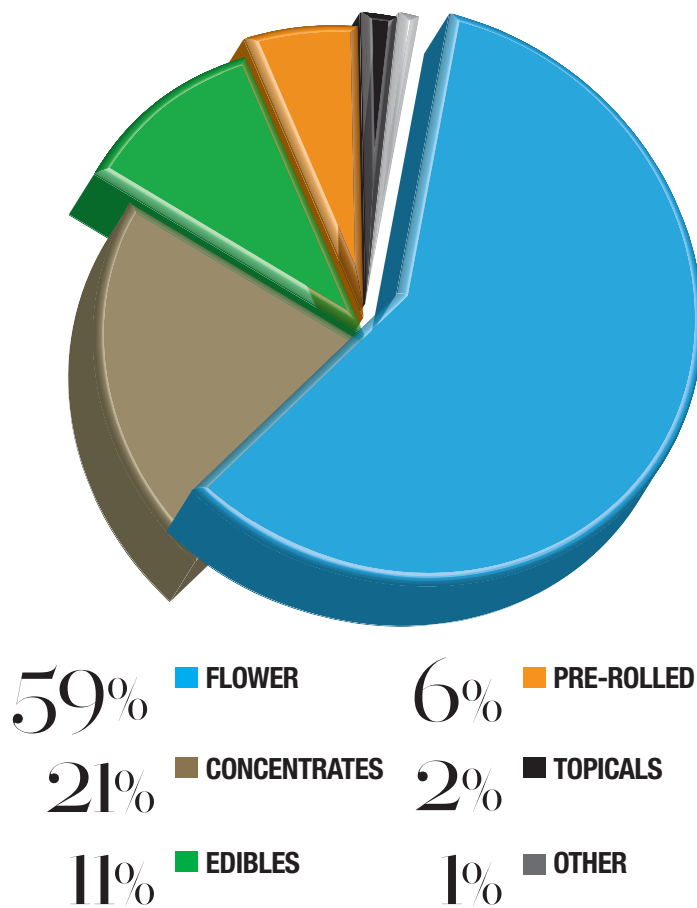


SALES BY CATEGORY

(COLORADO/OREGON/WASHINGTON)

TOP 10 CATEGORIES

(COLORADO/OREGON/WASHINGTON)



\$1,205,550,339

FLOWERS

\$133,161,369

VAPE

\$128,611,011

PRE-ROLLED

\$96,756,947

CANDY

\$80,885,403

WAX

\$75,007,844

SHATTER

\$46,548,271

CHOCOLATES

\$33,247,970

OILS

\$27,047,174

INFUSED FOODS

\$25,337,032

DEVICES

BDS Analytics aims to drive the cannabis sector to thrive with well-informed decisions based on factual data. By capturing millions of transactions from dispensary point-of-sale systems they provide actionable insights based on accurate information enabling dispensaries, brands, and growers to sustain their success.

BDSAnalytics.com

Meet Breezy Lenz

VISUAL MERCHANDISING MANAGER FOR NATIVE ROOTS

BY ROB HILL

BREEZYLENZ, 32, DISCOVERED HER PASSION FOR VISUAL DISPLAYS WHILE SHE WAS IN COLLEGE. She worked at a local Macy's in Fort Collins, Colorado, and loved the experience. "When there wasn't much foot traffic, I'd re-merchandise the store," she said.

Lenz worked in the sector for more than ten years at department stores before becoming the first person to hold the position of visual merchandising manager when she began working at Native Roots in 2016. She works with all seventeen locations.

WHAT ARE YOUR JOB DUTIES?

Ultimately, visual merchandising is about elevating and enhancing the customer experience through a beautiful presentation. In Native Roots stores, visual merchandising includes ensuring everything from our display cases and flower presentations to our apparel and accessories looks as clean as possible. I create directives for each store's visual merchandiser to follow so there is consistency at each retail location.

IS THERE SCIENCE BEHIND WHAT YOU DO?

Yes. My work goes beyond just making things look pretty. I consider how the eye travels and the customer's buying patterns when merchandising. I really try to look at things through the guest's eyes and consider all aspects of their experience. I'm constantly thinking of innovative ways to elevate the Native Roots experience to make it as customer-centric as possible. I visit each store across the state regularly and spend a full day on in-store training for staff and setting the expectations of what the store should look like.


WHAT ARE KEYS FOR DOING YOUR JOB WELL?

First of all, I have to make sure I am physically visiting stores, as well as listening to feedback from employees while in the store and, of course, observing shopper behavior. Staying up-to-date on retail and visual trends is also important. Finally, I focus on fostering great partnerships with our retail operators and the visual team, which ensures consistency from store to store from a team who support the Native Roots brand.

DOES YOUR PHILOSOPHY CHANGE FROM SHOP TO SHOP?

The philosophy I follow remains the same from store to store, but how each store is specifically merchandised changes because of the diverse nature of our stores. While some larger stores have more display space for accessories and apparel, others have a smaller footprint, so I have to be very strategic with placement and scale based on the space available.

HOW IMPORTANT ARE WINDOW DISPLAYS FOR NATIVE ROOTS?

The Colorado cannabis industry has restrictions on window displays even when it comes to displaying apparel. When we have a store with an outside window, we utilize our Native Roots-branded black-and-white wallpaper so we are compliant. 



A TIMELINE: BREEZY'S PATH TO NATIVE ROOTS

2002-2004: Worked at Macy's in Fort Collins, Colorado, during college and discovered her passion for visual displays and flawless merchandising execution. "When there wasn't much foot traffic, I'd re-merchandise the store," she said.

2004-2005: Got her first official merchandising job, working with Hanes and Polo Ralph Lauren underwear and socks for Macy's, Dillard's, and Saks Fifth Avenue in Texas.

2005-2015: Focused on turning around underperforming territories for Ralph Lauren at Macy's, Saks Fifth Avenue, Dillard's, and Nordstrom on the West Coast. "I worked in both the men's and women's divisions and supported the launch of new brand extensions," she noted.

2016: As a Colorado native, Lenz was ready to move home. "I've been able to take the best practices from my experience with Ralph Lauren and apply them to the cannabis industry and have built a visual team with a merchandiser at each of our seventeen locations," she said.

STAND OUT FROM THE COMPETITION

GUARANTEED SAVINGS <<<

RELIABLE PACKAGING SOLUTIONS <<<

DIRECT SOURCE <<<

CUSTOM PRINTING <<<

SHATTER ENVELOPES <<<



BIOHAZARDINC

**THE LEADER IN MARIJUANA PACKAGING SOLUTIONS
FOR GLASS, LABELS AND CUSTOM PRINTING**

www.biohazardinc.com



Cryptocurrency:

A CANNABIS BANKING BLIGHT

BY KENNETH J. BERKE AND SAHAR AYINEHSAZIAN

THE MARIJUANA INDUSTRY is a rapidly expanding sector that has proven profitable for licensed marijuana businesses and the financial institutions that serve them. These profits often are manifested by piles of cash that are costly and dangerous to handle. To solve this problem, some marijuana businesses have turned to cryptocurrency as an alternative. However, cryptocurrency only complicates the marijuana industry by exposing both cryptocurrency users and the banks that serve them to liability for money laundering and tax evasion, thereby putting Washington State's entire legal marijuana industry at risk.

WHAT IS CRYPTOCURRENCY?

Neither paper nor plastic, cryptocurrency is an anonymous, decentralized virtual medium of exchange. By using encryption techniques to regulate currency unit generation and verify fund transfers, cryptocurrencies like Bitcoin, Coinye, Decred, Gulden, Gridcoin, Litecoin, MazaCoin, Monero, Namecoin, Nxt, Peercoin, PotCoin, and Ripple operate independently of a central bank. To use and store

cryptocurrency, an individual creates a "virtual wallet" with a personalized username and password. Every wallet has a unique address, which is linked to its owner's username. The wallet does not store personal information about its owner, granting the owner complete anonymity. To obtain cryptocurrency, individuals can buy existing cryptocurrency units or "mine" new ones. Mining is the process by which individuals can acquire undiscovered units of cryptocurrency by solving mathematical equations. Unlike traditional currency, which has no finite limit and can be minted and multiplied as necessary, once the maximum number of a type of cryptocurrency has been mined, no new amount of that cryptocurrency can be created.

If this seems complicated, it is. In March 2014, the Internal Revenue Service released Notice 2014-21 to explain "how existing general tax principles apply to transactions using virtual currency." The notice stated while "in some environments, [cryptocurrency] operates like 'real' currency...it does not have legal tender status." In the past few years, the United States Securities and Exchange Commission has charged numerous cryptocurrency-reliant companies with

ongoing unlawful and fraudulent activities, noting “[f]raudsters may...be attracted to using virtual currencies to perpetrate their frauds, because transactions in virtual currencies...have greater privacy benefits and less regulatory oversight than transactions in conventional currencies.” SEC Pub. No. 153 (7/13)

WHO USES CRYPTOCURRENCY?

Cryptocurrency’s anonymity and decentralization are especially convenient for drugs, arms and child pornography sellers. As illustrated by now-defunct Silk Road, one of the dark web’s most notorious marketplaces, cryptocurrency allows these parties to anonymously engage in illicit transactions and avoid detection.

Illicit actors are not alone in recognizing cryptocurrency’s advantages. Cryptocurrency also appeals to state licensed marijuana businesses. Because of marijuana’s current status as a Schedule I controlled substance, many banks will not serve marijuana businesses. Consequently, the businesses heavily rely on cash, which is both cumbersome and extremely dangerous. To find a cash alternative, some marijuana businesses have turned to debit/credit card processing (swipe) machines that use cryptocurrency.

“

CRYPTOCURRENCY’S ANONYMITY AND DECENTRALIZATION ARE ESPECIALLY CONVENIENT FOR DRUGS, ARMS AND CHILD PORNOGRAPHY SELLERS.

—Kenneth J. Burke & Sahar Ayinehsazian

”

WHAT ARE THE DANGERS?

While cryptocurrency may seem like a viable cash alternative, it allows marijuana licensees to launder money from illegal drug sales and avoid paying taxes. To minimize the risk, the Washington Liquor and Cannabis Board has specified marijuana businesses may purchase marijuana only with cash, checks, debit/credit cards, electronic funds transfers, or prepaid accounts, or via a licensed money transmitter. (See WAC 314-55-115.) However, marijuana retailers are not banned from accepting cryptocurrency as payment from consumers, exposing the banks that serve them to potential liability for any illicit activities in which retailers may engage.

Swipe machines that allow consumers to pay marijuana retailers using cryptocurrency could be used to facilitate money laundering in just a few simple steps. For example, a retailer might establish an account with a swipe machine provider and instruct the provider to send funds from cryptocurrency transactions to a bank account not held in the retailer’s name. Once the swipe machine is set up, the re-

tailer has a “straw man” purchase cryptocurrency using a debit/credit card and reimburses the straw man using cash the retailer received for marijuana sales on the black market. The retailer then sells the cryptocurrency back to the swipe machine provider, which transfers the funds to the retailer’s designated bank account. At this point, the funds from the black-market sale of marijuana effectively have been laundered.

Marijuana retailers also might use cryptocurrency to sell marijuana that does not comply with state regulations and divert the funds from those sales to an unaffiliated bank account. If a marijuana retailer uses cryptocurrency to divert funds from legal marijuana sales to an unrelated bank account, the business could under-report its gross income and thereby avoid paying income and excise taxes.

WHAT ARE THE CONSEQUENCES?

Cryptocurrency users’ penchant for unlawful transactions threatens Washington’s legal marijuana industry. Under the guidelines outlined in Deputy Attorney General James M. Cole’s 2014 memorandum titled Guidance Regarding Marijuana Enforcement (the “Cole Memorandum”), the federal government will not use its limited resources to prosecute marijuana businesses that abide by their state’s regulations and do not provoke any of the memorandum’s eight enforcement priorities. The enforcement priorities include “preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels” and “preventing state-authorized marijuana activity from being used as a cover or pretext for...illegal activity.”

Use of cryptocurrency could trigger enforcement under the Cole Memorandum by facilitating money laundering, tax evasion, or the unlawful diversion of marijuana sale revenues. Consequently, cryptocurrency’s use could lead to widespread federal prosecution of marijuana businesses and eviscerate Washington State’s marijuana industry altogether.

WHAT CAN BANKS DO?

To protect themselves, banks must vigilantly monitor their marijuana clients for cryptocurrency use, which can be a time-consuming, expensive task. To alleviate the costs, banks may work with third-party compliance companies that ensure licensed marijuana businesses remain compliant and do not use cryptocurrency. PayQwick is one such company.

No matter how banks monitor their clients, they should not accept funds that ever were held as cryptocurrency and should ensure none of their marijuana clients use cryptocurrency. Moreover, if a bank discovers one of its clients has been using cryptocurrency, the bank should take appropriate action. 

Kenneth J. Berke is co-founder and CEO of PayQwick Inc. Sahar Ayinehsazian is director of regulatory and governmental affairs. A federally registered money services business licensed as a money transmitter in both Washington and Oregon, PayQwick provides BSA/AML and state law compliance, cash management, and electronic payment services.



Cheech & Chong's Animated Movie / Twentieth Century Fox Film Corporation

Dealing with drugged driving; Brown's budget for bud

BY R. E. GRASWICH

CAR WINDOWS DOWN, music pumping from the speakers, the pungent aroma of cannabis, the billowing cloud of smoke—such are the cornerstones of marijuana humor, California style.

The fun won't last long. The California State Legislature, most members of which did their best to avoid any personal involvement with the Prop. 64 campaign, is wasting no time plugging legal loopholes.

Gaping among those loopholes was language to discourage people from smoking cannabis behind the wheel. Prop. 64 doesn't

say smoking while driving is okay. Instead, the recreational-use initiative failed to define how the law would address open cannabis containers and smoking in the driver's seat.

Now that voters have spoken by approving the landmark initiative, the legislature is reduced to its more customary role: cleaning up minor mistakes and unintentional oversights in initiative language.

By design, ballot initiatives passed by voters are difficult to change. Major alterations must go back to the ballot for reconsideration by the electorate. Prop. 64 gives the legislature room to maneuver—to update and

clarify language without messing with the law's substance.

State Senator Jerry Hill [D-San Mateo] took the lead on the Prop. 64 cleanup. Hill introduced Senate Bill 65, which creates an infraction penalty for people caught smoking cannabis while driving a car, boat, or plane. Note to pilots: the law will apply while airborne over California.

"This legislation makes our laws for smoking while driving consistent with drinking while driving," Hill said.

The comparison with drinking while driving makes for a good soundbite, but it's not

totally accurate. The consequences for drinking while driving, or driving with an open alcohol container, can be significantly more severe than a ticket for smoking while driving.

Drunk driving and open container rules generally are charged as misdemeanors. That means the suspect usually winds up in handcuffs in the back of a police car and hauled to jail.

Infractions are a lesser offense. By themselves, infractions don't carry the threat of arrest. Cops write up most vehicle-code violations: speeding, a rolled stop sign, things like that. Suspects are cited and sent on their way.

While cleanup legislation such as SB 65 can seem silly for its focus on technical details, those details are important to legislators. Sloppily worded definitions in a loosely written initiative instantly will be seized upon by defense attorneys hired to represent drivers. Judges would have little choice but to throw out the ticket, and tossed tickets don't make law enforcement happy.

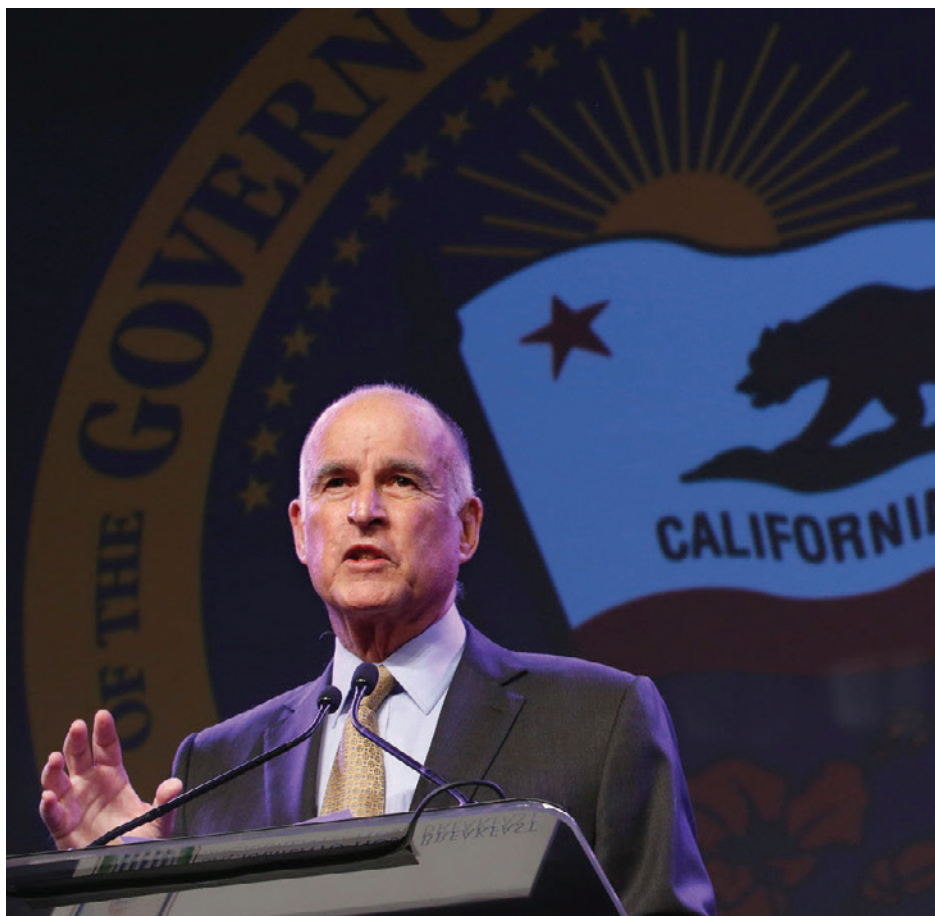
Lawmakers are especially sensitive to demands from the law enforcement community. New regulations for medical and recreational cannabis have created complications for cops, especially where driving is concerned.

Currently, police have no reliable way to rapidly and legally measure how much cannabis a driver may have consumed. Cops want enforceable protocols and equipment to measure impaired drivers during traffic stops, just like they do with suspected drunken motorists. Science is trying to catch up. So far, though, the new laws have moved too fast, beyond the abilities of testing equipment and law enforcement techniques.

SB 65 seeks to remedy some concerns by defining what "open container" means in relation to cannabis. It also tightens language to prohibit smoking cannabis while driving.

Other bills have been introduced in the 2017 legislative session designed to fix or tighten loopholes created by the adult-use initiative and medical cannabis legislation passed in 2015.

The California Highway Patrol is working on ways to legally measure whether a person



AP Photo / Rich Pedroncelli

“

PROP. 64 DOESN'T SAY SMOKING WHILE DRIVING IS OKAY. INSTEAD, THE RECREATIONAL-USE INITIATIVE FAILED TO DEFINE HOW THE LAW WOULD ADDRESS OPEN CANNABIS CONTAINERS AND SMOKING IN THE DRIVER'S SEAT.

”

is operating a vehicle under the influence of cannabis. The legislature advanced the CHP \$3 million for the studies. Arrests and convictions are certain to follow.

BROWN BUDGETS CANNABIS

Gov. Jerry Brown thinks California could come up \$1.6 billion short this fiscal year if cuts aren't made to the state's overall budget, but when it comes to cannabis, Brown has money to burn. The governor wants to give state bureaucrats \$52.2 million to align new regulations for medical and recreational marijuana.

In his 2017-18 budget proposal, Brown claims the dual set of medical and adult-use cannabis rules should be merged into one, saving taxpayers \$25 million in duplicative services. As for the \$52.2 million devoted to marijuana, Brown insists the money will be recovered by fees and taxes as California begins to cash in on the marijuana "green rush."

The generosity shown toward cannabis reverses Brown's tight-fisted approach to

several other budget categories in his latest \$122.5 billion California spending proposal. He wants to cut millions from several popular programs, and he's worried about a deficit for the first time since the economy began to recover in 2012.

Included in the cuts are \$1.7 billion for public schools and community colleges, \$400 million for affordable housing, \$300 million for modernizing state buildings, and \$115.8 million for "middle-class" scholarships that help students at the University of California and Cal State University. Given his proposed cuts, the money Brown wants to spend on cannabis regulations is unique. Chopping education, scholarships and housing upsets the governor's friends in the state legislature.


Brown justified his cannabis generosity by noting the state is currently building two regulatory systems for licensing commercial cannabis cultivation, manufacturing, testing, delivery, distribution, and sales.

One system regulates and licenses medical product; the other licenses and regulates recreational. Both do the same job.

"Implementing the current medical and recreational cannabis statutes separately will result in duplicative costs of an additional \$25 million for a second track-and-trace system," the governor's budget states. "Additionally, a separate regulatory framework for each would lead to confusion among licensees and regulatory agencies, undermining consumer protection and public safety."

Medical cannabis licensing protocols were established by the legislature in three unprecedented bills passed in October 2015. Brown's office negotiated the deal that led to approval. Voters approved recreational rules in November 2016 with Prop. 64. Under the best-case scenario, state cannabis sales licenses will not be issued until late 2017 or early 2018, when the new laws take effect. But don't forget: State licenses

can't be issued until local authorities create permit systems in cities and counties, and the majority of cities and counties in California ban or tightly restrict commercial cannabis operations, and few show any desire to liberalize their position.

The 15-percent state tax on retail cannabis sales can't be collected until both state and local officials figure out their permit and licensing schemes. Local taxes also will be applied to communities that allow commercial cultivation, manufacturing, and sales. Given these complexities, California's green rush won't be gushing cash anytime soon. 



R.E. GRASWICH is a veteran author, journalist, broadcaster, and communications consultant. He has written extensively about state and local politics in California.





Show us some love! #mgmoment

Hard Goods



CANNAKORP CANNACLOUD

This revolutionary, patent-pending, elegant vaporizer, which looks like something Luke Skywalker or Steve Jobs might use, has a hygienic, one-way valve that is detachable for washing—and it's dishwasher friendly.

CANNAKORP.COM



THE MEDTAINER

Not only is The Medtainer the first patented air-tight, water-tight, and smell-proof medical-grade container with a built-in grinder, but the company's products also have been the darling of the tea, culinary, coffee, pharmaceuticals, and veterinary medicine industries for decades. Constructed with FDA-approved medical-grade plastics; environmentally safe.

THEMEDTAINER.COM



REVELRY: THE ESCORT

Part of Revelry's premium, classic accessories line, the Escort's stylish design is composed of silicone-backed nylon. The backpack features dual carbon filters, custom protective lining, waterproof zipper, lockable laptop divider, double side pockets, and a super-secret inner stash pocket.

Available in grey, black, green, and blue.

REVELRYSUPPLY.COM

LUV BUDS GRINDER

LuvBuds's 63mm 4-piece grinder set will liven up any room. The bespoke-looking product, which is available in gloss-red or black, is perfect for the stylish, adventurous person on the go.

ILUVBUDS.COM



LOCK-N LOAD

This is a fresh new chillum with a twisted new feature. It is the first ever screw top chillum. Your customers can pack it, twist on the screw top, and be on the go in seconds. A great point-of-purchase item. Ask about their countertop display. **BIOHAZARDINC.COM**



INTRODUCING

PK > FWD

FOR THE **FORWARD THINKING** RETAILER

The #1 source you can trust for high quality glass, vaporizers & accessories.

NEW CUSTOMER PROMO CODE: **PK50MG**

PK > FWD



A DIVISION OF PHILLIPS AND KING

800-532-4427

WWW.PHILLIPSANDKING.COM

WARNING: USING THIS PRODUCT WILL EXPOSE THE USER TO CHEMICALS KNOWN TO THE STATE OF CALIFORNIA TO CAUSE CANCER OR BIRTH DEFECTS OR OTHER REPRODUCTIVE HARM.

Psychoactive



HIGH GORGEOUS HIGH-BISCUS BODY LOTION

Created by the folks at Yummi Karma, High Gorgeous's High-Biscus Body Lotion, packaged in a whimsical, flowery bottle, was formulated to soothe ailing skin. Infused with 100mg THC and a subtle floral scent, it comforts the body and the senses. HIGHGORGEOUS.COM

HUMBOLDT APOTHECARY LOVE POTION #7

This award-winning tincture, made with coconut MCT oil, cannabis, damiana, kava kava, vanilla bean, cinnamon, cardamom, roasted cacao nibs, stevia, and vitamin E, is an herbal aphrodisiac that is at once effective and tasty. 250mg THC. HUMBOLDT-APOTHECARY.COM



JULIE'S GROOVY GRANOLA BAR

Made with coconut oil infused with organically grown, strain-specific marijuana, Julie's Groovy Granola Bar is not only healthy, but also potent. Gluten-free, pesticide-free, and free of genetically modified foods. JULIESNATURALEDBLES.COM



KURVANA ORIGINALS SOUR DIESEL SATIVA

Kurvana blends science and technology to create high-end, all-natural products. Sour Diesel Sativa, named for its bold, diesel-like aroma, was bred to reduce stress, pain, and depression. Triple-lab-tested and extra-potent, the product contains no glycols/PG/PEG.

KUREBOTANICALS.COM



SWEET RELEAF EXTRA STRENGTH BODY BUTTER

The Extra Strength formulation doubles the amount of medicine in the original. Formulated with shea butter, cacao butter, essential oils, and coconut oil, the product is infused with 100-percent cannabis trichomes. Designed to drench the skin, providing instant relief for chronic pain, inflammation, sore muscles, and skin conditions.

GETSWEETRELEAF.COM

Non-Psychoactive



CANNADERM BODY CREAM

Made with distilled water, mango butter, emulsifying wax, vegetable glycerine, steric acid, optiphen, fractionated coconut oil, cannabis extract, arnica extract, and essential oils, Cannaderm's Body Cream is a rich, medicated, pain-relieving body cream that helps reduce pain, skin irritations, and body discomfort.

CANNADERMUSA.COM



BHUTAN CBDMENDO TINCTURES

Created for inflammation-based diseases such as diabetes, arthritis, and heart disease and for neurologically-based conditions such as anxiety, tremors and mood disorders, Bhutan's tinctures come in flavors including peppermint, lemon, and cinnamon.

Ratio: 1:1 THC:CBD

BHUTANWELLBEING.ORG

NATURE'S NURSE CBD TRANSDERMAL PATCH

Made with powerful hemp CBD, this transdermal patch supplies antioxidant and neuron-protective properties that ease a myriad of skin ailments. Allows for discreet and easy use, delivering medication into the blood stream over an extended period ranging from twelve to forty-eight hours.

NATURESNURSEHEALTH.COM



TREATWELL PET TINCTURE

TreatWell's pet tinctures are a liquid cannabis extraction that can be put directly into a pet's mouth or in their food. The company blends its extracts with MCT oil (fractionated coconut oil) and wild salmon.

TREATWELLHEALTH.COM

MOONMAN'S MISTRESS SUPERFOOD COOKIES

Moonman's Mistress has some of the most eye-catching packaging in the industry, and the company's homemade, old-school cookies are pure comfort food. Superfood Cookies contain 10mg CBD, are vegan-friendly, and has only 7g of sugar.

MOONMANSMISTRESS.COM



Horticulture & Growing

TERPP MK4C TERPENATOR

The great thing about the MK4c—a new closed-loop hydrocarbon extractor designed for butane and propane solvents—is that it comes fully assembled, pressure tested, and certified for the states of Washington and Colorado. Promises to recover up to 99 percent of solvents, remove “mystery oil” and contamination from dirty solvents, and process up to five pounds.

TERPPEXTRACTORS.COM



AIR-POT

Fruit and vegetable growers, horticulture institutions, and top landscapers have all benefited from using Air-Pot landscape containers, which provide instant establishment and an almost 100-percent success rate. Effective from the tropics to the Arctic circle.

AIR-POT.COM



FARMACEUTICALS PREMIUM ALPACA SOIL AMENDMENT

Balances the soil's pH level with natural ingredients to boost plant health and increase growth. Simply dig a six-inch hole in the bed every twelve inches and place one cup of the amendment into each hole. Cover and mix into soil.

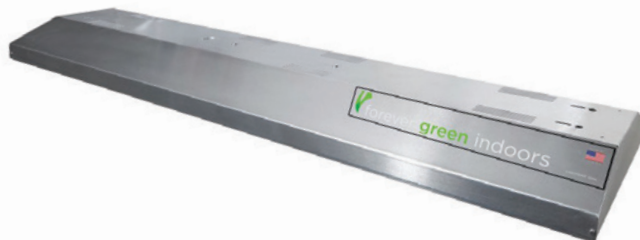
FARMACEUTICALSINTERNATIONAL.COM



SOILSCAPE SOLUTIONS BIO BLEND MIX

Handmade of organic dairy manure, local crushed eggshells, wild-crafted horsetail and nettle, basalt rock, and Biodynamic preparations 502-508, Bio Blend acts as a biological inoculum and food resource, creating a home for microorganisms to thrive.

SOILSCAPESOLUTIONS.COM



FOREVER GREEN INDOORS FGI LIGHTBAR SERIES 100A AND 185A

The FGI Lightbar Series for veg and clone stages uses LEDs that pull only 98.9 watts of electricity yet put out a powerful 252 umols of PAR on a 2'x4' canopy.

FOREVER-GREEN-INDOORS.MYSHOPIFY.COM

Presenting:
payQwick's New Soulmates



www.PayQwick.com

888-PAYQWICK

888-729-7942

Open an Account Today



Coming Soon to a Cash Register near you.

With PayQwick's fully integrated payment, cash management and now **merchant services** platform, you can accept electronic payments from your customers, allowing you to reduce cash transactions, diminish your risk of theft and violent crime and best of all, significantly increase your sales!

Visa® and MasterCard® are registered trademarks of Visa International Service Association and MasterCard International Incorporated, respectively. Use of the trademarks by PayQwick, such as the use of them on this advertisement, does not imply any affiliation with or endorsement by Visa International Service Association or MasterCard International Incorporated.



Welcome to Numa, a proprietary blend of pure, natural foods and organically grown cannabis strains.

Inspired by global flavors and food traditions, Numa Singles are cannabis-infused tapioca powders that offer a spectrum of taste sensations. Each packet contains 40mg cannabinoids with a range of THC and CBD concentrations to help you find your ideal dose.

Be adventurous, learn more at
innovativeedibles.com.



Everything but the weather.
mgretailer.com





It's Our Turn to Speak

IT'S ALSO TIME FOR DIRECT BENEFICIARIES OF THE INDUSTRY TO BEGIN INVESTING IN THE INDUSTRY.

BY ADRIAN SEDLIN

ENTERING 2017, the billion-dollar question on the industry's lips is "what's the Trump administration's cannabis policy?" Everyone wants to know whether Donald Trump and Jeff Sessions will support, oppose, or remain neutral on state-compliant cannabis operations. Good news, friends: I have the answer.

The answer is "that is the wrong question and the wrong thinking." While pundits may choose to decipher Attorney General Jeff Sessions' recent statement that he "won't commit to never enforcing federal law," I'd suggest we spend less time worrying about Trump and reflect on the thing we most control: our own choices and actions. The question for any regulator, patient, smoker, budtender, dispensary owner, cultivator, extractor, manufacturer, lighting company, HVAC supplier, nutrient line, grow medium, greenhouse manufacturer, packaging company, or landlord in the cannabis industry

is "what will you do today and tomorrow to make sure the industry thrives?"

For longer than I wish to recall, the cannabis industry has had a sizable free-rider issue, where direct beneficiaries of the industry fail to invest in the industry. I'll never forget standing in a room of 200-plus people in Oakland, California, while Nate Bradley, executive director of the California Cannabis Industry Association, delivered a rousing speech and put out a call for donations during a VIP party in 2016. That day, Nate raised \$8,500. There were more than 200 cannabis VIPs and at least fifteen cannabis millionaires in that room, and Nate raised \$8,500. Unfortunately, the math gets worse, because a friend and I donated \$2,500 each, so, ultimately, Nate raised \$3,500 from approximately 198 other trade show attendees, speakers, and exhibitors. At best, we covered the room rental and hors d'oeuvres.

**WHETHER IT IS FEAR
OR GREED THAT MOTIVATES
YOU, IT'S TIME TO GET
ACTIVE, GET OUT THERE,
AND START GIVING BACK
SO POLICY ORGANIZATIONS
CAN HOLD OR ADVANCE
THE LINE.**

For those inclined to believe this anecdote is the exception rather than the norm, consider that the National Cannabis Industry Association (NCIA), the nation's leading industry group, has only 1,100 dues-paying members. In stark contrast, little old Calaveras County, California—population 44,709 or 0.014 percent of the U.S. population—received 900 or so applications for cultivation permits in 2016. Hell, my company's Instagram page, @CANDESCENT, acquired more followers in two months than the NCIA has people paying membership dues. Friends, this has nothing to do with CANDESCENT's social media prowess or a lack of execution by the NCIA. Quite simply, apathy runs rampant in cannabis, and donation rates reflect an industry of stoners.

Whether it is fear or greed that motivates you, it's time to get active, get out there, and start giving back so policy organizations can hold or advance the line. We can sit back, fret in apathy, and speculate about the Trump administration, or we can win the day by backing our understanding with time and/or money. Always remember the science is on our side, so if we push respectfully and consistently and with reason and logic, we eventually will win the day.

Right now, with the upcoming tax reforms, we have a phenomenal opportunity to amend IRS Regulation 280(e). Further still, who says the best-case scenario is a continuation of “don't ask, don't tell”? If every cannabis patient and supporter marched on the Washington Mall, we'd have more than 50 million voters on the lawn and the biggest rally in U.S. history. While I am not calling for citizens to hotbox the nation's capital, I fundamentally believe in the statement by V in the movie *V for Vendetta* when he urged “people should not be afraid of their governments. Governments should be afraid of their people.” The early industry pioneers may have had reason to hide, but in 2017, we can throw off our Guy Fawkes masks. We have the numbers to stand up and be counted.

While I always favor a message of empowerment, I also agree with Albert Einstein's famous words: “The difference between stupidity and genius is that genius has its limits.” Should we as individuals fail to support our industry trade organizations, we expose ourselves to serious problems at this very moment. I cannot help remembering Martin Niemoller's ominous holocaust poem.

*First they came for the Socialists, and I did not speak out—
Because I was not a Socialist.
Then they came for the Trade Unionists, and I did not speak out—
Because I was not a Trade Unionist.
Then they came for the Jews, and I did not speak out—
Because I was not a Jew.
Then they came for me—and there was no one left to speak for me.*

I have no knowledge of the Trump administration's position on cannabis and am not suggesting they are stupid or Nazis. I am, in fact, cautiously optimistic that Trump the businessman man will review the science and acknowledge cannabis has medical uses, is not highly addictive, and does not belong on Schedule 1. I am also cau-




tiously optimistic that Trump Inc. will see the opportunity to create jobs and tax dollars through a regulated cannabis industry. Notwithstanding the foregoing, as Rudy Giuliani noted, “Hope is not a strategy.” It thus becomes incumbent on each of us to take ten minutes and follow the this action plan:

1 Even if it means giving up your next gram purchase, **DONATE** at least \$10 to a leading industry trade organization, such as NCIA, MPP, or NORML.

2 IDENTIFY your congressional representative and email him or her, voicing your support for cannabis. If you don't know what to write, send this text: I am writing to inform you, my esteemed representative, that I vote in your district and strongly support the legalization of cannabis for [medical and/or adult use] purposes.

3 FORWARD this article to at least three industry participants you can inspire. Here's a suggested subject line: You need to read this, as it affects your medication and/or how you make your living.

It's your turn to speak. 



ADRIAN SEDLIN is the chief executive officer for CANDESCENT, the first municipally permitted cultivator in Southern California. Visit cannDESCENT.com for more information.

www.CropKingSeeds.com

World Class Cannabis Seeds

CALL TODAY: 1-844-276-7546

LOCAL: (604) 563-0291



**OVER 30 QUALITY STRAINS
TO CHOOSE FROM**

AVAILABLE ONLINE & AT SELECT RETAIL LOCATIONS

SAVE
10% OFF YOUR
ONLINE ORDER
ENTER : **CANNMG**
COUPON :
AT CHECKOUT

Find us on:





SAVE
10% OFF YOUR
ONLINE ORDER
ENTER COUPON: **CANNMG**
AT CHECKOUT

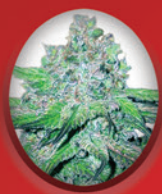
FEMINIZED • REGULAR • AUTO-FLOWERING • DWARF LOW FLYER
VISIT US ONLINE FOR OUR FULL SELECTION



BLUEBERRY



WHITE COOKIES



TRAIN WRECK



CROWN ROYALE



DWARF LOW FLYER

www.CropKingSeeds.com

World Class Cannabis Seeds



WARNING: CANNABIS IS AN ACCUMULATOR PLANT...

Did you know Cannabis was used at the Chernobyl site to help pull radioactive contaminants out of the soil?

They used Cannabis for soil remediation because it's an accumulator plant that absorbs nearly everything in its environment. While soil remediation sounds great, the fact is, the cannabis plants became highly radioactive and had to be disposed of properly as well.

COULD YOU IMAGINE A PATIENT SMOKING RADIOACTIVE WEED?

It's a scary thought, isn't it? In short, cannabis accumulates everything in its environment—including potential toxins—and retains them even after harvest.

In other words, whatever your plants accumulated while growing—you are now smoking. That's why you need to know how to protect yourself and your patients from potential medical marijuana toxicity.

The entire story, along with many other little-known, yet vitally important facts are revealed in a new Bulgarian Academy of Sciences white paper titled:

**"ELIMINATING HEAVY-METAL TOXICITY IN MEDICAL MARIJUANA, TO PRODUCE PATIENTS' MEDICINE SAFER THAN DRINKING WATER...
... WHILE RAISING BUD WEIGHT, THC, AND CANNABINOIDS"**

The author of the white paper, Julian Karadjov, PhD, reveals facts medical marijuana growers absolutely **MUST** know. Here are just a few...

- The little-known fact that makes Cannabis totally different from other plants and why not knowing this can endanger the lives of your patients!

- Why the nutrients you feed your plants could actually be turning them toxic (make sure you check your bloom boosters for this one common ingredient that could be toxic)

- Exactly which heavy metals are toxic and how to protect your patients from ingesting them (there are some heavy metals that are completely harmless. Get the complete list inside)

- Surprising plant tissue sample results of Berlin, Hash Plant, and White Rhino strains of medical marijuana (goes completely against what most growers think is needed to maximize size, weight and potency!)

- The TRUTH about so-called "Pharmaceutical Grade" salts and chelates

- Why you can't trust regulators and other government "watch dogs" to make sure the hydroponics nutrients you feed your plants are safe

- The 2 biggest MYTHS about natural and synthetic chelators and their role in toxic metal absorption

- How to guarantee—with 100% confidence—that your medical marijuana is as pure and harmless as filtered drinking water

- How the University of Mississippi achieved 21% more yield from their cannabis plants with one simple change to their feeding program

- How to nearly DOUBLE the amount of THC and other cannabinoids your plants produce the very next run you start (new test results from Hedron Analytical Inc.)

- As seen on TV: the dangers of medical marijuana cadmium poisoning (and how to help your patients completely avoid this risk!)

And there's more too... the dangers of "home brew" hydroponics nutrient formulations ... African marijuana cadmium dangers... plus other little-known facts most growers never hear about.

The bottom line is: if you grow medical marijuana and care about the safety of your patients at all (or you use marijuana yourself) then you must read this white paper.

It's free to access and available online.
Simply visit

AdvancedNutrients.com/HeavyMetal

to download your copy today.



 **Advanced Nutrients**
Raising the Bud Weights... and Reputations... of Top Growers