

Delta-8 Expo
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Keynote Address

Discussing Hemp Products in North Carolina- Peril or Progress?

In this presentation, attorney Rod Kight discusses the rapidly evolving legal landscape in North Carolina regarding hemp products containing cannabinoids such as CBD, delta-8 THC, HHC, CBN, THCV, and CBG. At this time, North Carolina's hemp laws are set to expire at the end of June. Rod discusses what this means, what is being done to fix it, and what to expect if North Carolina allows its hemp laws to lapse. You will hear up to date information on hemp law in North Carolina, an analysis of how North Carolina fits into the national debate regarding impairing cannabinoids, and practical approaches to mitigate risk in this sector.

Hello and welcome to the Delta-8 and CBD Expo in conjunction with the Physicians CBD Council.

My name is Rod Kight. I am an attorney based in Asheville, NC. My law firm, Kight Law Office, has been representing hemp businesses throughout the country and across the supply chain since hemp was first legalized with passage of the 2014 federal Farm Bill. I have been writing a cannabis law blog, Kight on Cannabis, since March 2015. I created the Source Rule, which provided the legal foundation for the CBD industry to flourish and which paved the way for the current market of novel and emerging cannabinoids such as delta-8. I testified at the FDA's only hearing on hemp and CBD in 2019, wrote one of the first cannabis business law books in 2015, am on the editorial board of the only printed peer-reviewed cannabis medical journal in North America, and have written numerous legal opinion letters for clients on a wide range of hemp issues. I am also a member of the legal team that secured an injunction in Texas that has allowed businesses in the state to continue marketing and selling D8 products. Along with attorney Philip Snow, who has been with my firm for many years, I wrote the Hemp Industry Association's official legal opinion letter on delta-8 THC. As an aside, Philip is with you at the conference in Charlotte today to speak on a panel. He is available to speak with you in my absence.

Thanks to Celeste Miranda, Luis Zamudio, Lee Elman, Graciela Moreno, and the entire team of professionals for putting together this important event where we can discuss the present and future of hemp in NC and throughout the country. Thanks also for allowing me to present this keynote address remotely from Mexico, where I am currently spending much of my time working to create legal channels for quality hemp products to be exported from the US to the rapidly growing Mexican market. To that point, I apologize if my internet connection gets laggy or blinks out during my talk. Hopefully, we can make it through without any technical glitches.

I've got a lot to discuss, so let's get started.

Cannabis has always been associated with THC, the cannabinoid that needs no introduction. After hemp became legalized, it quickly became associated with CBD, a previously "emerging cannabinoid" which no longer requires any introduction. From a legal perspective, cannabis was effectively divided into two parallel "tracks". One track was marijuana, which was associated, and even equated with, THC. The other track was hemp, which was associated with, and for a short time even equated with CBD. (Unfortunately, the dream of hemp also being associated with fiber and other industrial products has yet to be fully realized.) This parallel track of marijuana equaling THC and hemp equaling CBD continued for several years. However, things changed when the 2018 Farm Bill was enacted. Since the Farm Bill removed hemp and all of its cannabinoids from the list of controlled substances with the sole exception of delta-9 THC in concentrations exceeding 0.3% by dry weight, it was only a matter of time before the hemp industry started isolating and marketing other cannabinoids, which are often referred to as "novel" or "emerging" cannabinoids. Until recently the marijuana industry had little incentive to research and develop products with novel cannabinoids since THC has always been, well, a big seller. For the most part, the marijuana and hemp industries each played nicely in their own respective sandboxes- marijuana had THC and hemp had CBD and all of the other cannabinoids.

Now, everything has changed.

A number of factors, including crashing prices for CBD due to oversupply, an evolving and educated cannabis consumer base, and covid all combined to accelerate the hemp industry's development of products containing novel cannabinoids, some of which can cause consumers to feel high, intoxicated, impaired, inebriated, stoned, altered, or whatever word you prefer to use for the mood enhancing effects of some cannabinoids. (By the way, it is important to recognize that the words we use to discuss and debate the practice of intentionally modifying our conscious states has both political and legal (not to mention philosophical) significance, an issue I will discuss in a few minutes.) This emergence of hemp products with noticeable psychoactive effects has blurred the traditional THC/CBD distinction between marijuana and hemp and even the traditional notion of "marijuana" causing intoxication and "hemp" being non-intoxicating.

Now, we are witnessing a proliferation of new cannabinoids on the market, from CBN to delta-8 to HHC to THCO and many, many more. One of my daughters works in a client's retail shop in downtown Asheville that sells hemp products. She recently asked me to give her information on HHCO-acetate and THCP because of the new product offerings in her store. It is definitely a time of rapid innovation with lawmakers, regulators, consumers, and even front-line sellers of hemp products often feeling left behind.

In fact, even the notion of "novel" or "emerging" cannabinoids is being turned on its head. There is an argument to be made that delta-9 THC itself is an "emerging cannabinoid". Although it is the most well-known cannabinoid and has been sold in state-regulated marijuana markets for many years, it is now sold in hemp products and available in markets, such as online retailers and convenience stores, that have never previously sold it. This, and the sale of other mood enhancing hemp products, is causing an enormous rift within the cannabis industry as participants in regulated marijuana markets contend that widely available hemp products unfairly compete with their products, while participants in the hemp industry object to lobbying efforts by large corporate marijuana interests to enact laws and regulations that unnecessarily restrict their currently lawful products. All sectors of the cannabis industry are concerned with consumer safety, particularly given that the FDA has failed to act, but there

are widely differing opinions about the best ways to ensure that cannabis products- both “marijuana” and “hemp”- are safe and stay out of the hands of minors.

Meanwhile, and even as lawmakers at the federal level and in many states, including North Carolina, dicker around and fail to enact meaningful cannabis reform, we see that- at least from a practical standpoint- cannabis is already legalized. The proverbial cat is out of the bag. Even disregarding the fact that more than half of the states have enacted laws legalizing medical or recreational marijuana, all cannabinoids are now lawful at the federal level and, to some degree or another, in all of the states with the exception of D9 in concentrations not exceeding 0.3%. Of course, the hemp industry has shown that even hemp-derived D9 can be formulated into lawful products that are widely available and indistinguishable from their counterparts in regulated marijuana states. The hemp industry has effectively ushered in cannabis legalization throughout the country through the back door. And it is due to the people in this conference and other intrepid and passionate people in all sectors of the industry that this incredible milestone has been attained.

Take a moment to let this sink in. You and others in the hemp industry have freed cannabinoids- compounds that are vital to the proper functioning of our endocannabinoid systems and our health (not to mention our happiness)- from the powerful grip of large corporate interests, greed, puritanism, fear, bigotry, ignorance, and political maneuvering. This is a monumental achievement of historic proportions. Think about it: in this very room, located in a country and a state where marijuana remains unlawful you are likely to find products- legal products- containing every commercially available cannabinoid, plus raw cannabis itself in the form of smokable hemp. From any reasonable perspective, cannabis and cannabinoids are now lawful throughout the United States and hemp made it happen.

Now for the bad news. As exciting, invigorating, and historic as this may be, hemp is at a dangerous crossroads. Powerful corporate interests, along with their associations, lawyers, lobbyists, and politicians, are actively working to undo all of the progress we have made in North

Carolina and throughout the country. And that is what I want to discuss with you today.

In order to provide context for some of the dire things I am going to discuss, let's start with a short discussion of the legal status of hemp and cannabinoids at the federal level, which is currently at its most positive point for the hemp industry since legalization. As everyone in this room certainly knows, "hemp" is not a controlled substance. It is lawful. To be clear, it is not necessarily lawful to market it as a food or dietary supplement, an issue I will discuss in a moment. But, it is not a crime to cultivate, possess, or sell it, provided that you do so legally. Let's build from the basics.

Under federal law, meaning the 2018 Farm Bill, the term "hemp" is defined by statute as "the plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9-tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis."

Based on that definition, literally all cannabis, all cannabinoids, all extracts, and all derivatives are lawful provided that they do not contain D9 concentrations in excess of 0.3%. In addition to CBD, this includes, but is not limited to, CBG, CBC, D8, D10, HHC, THCP, THCV, CBN, and even D9 when it does not exceed the legal limit. It is my view that the 2018 Farm Bill does not include cannabinoids that do not occur in nature, such as THCO, though this point could be debated. The legal definition of hemp also includes hemp extracts and cannabis floral material, including smokable buds, when they are within the legal limit. The point is that by the plain language of the statute Congress broadly legalized cannabis and cannabinoids. You will also notice that the statute does not prohibit, or say anything, about intoxication. If someone tells you that the 2018 Farm Bill did not legalize intoxicating cannabinoids from hemp, ask them to point out exactly what part of the statute says this. They will not be able to show you because it does not exist. Instead, they will likely start discussing the intent of Congress. However, one of the most important canons of

statutory construction- the legal art of interpreting a law- is that if the statute's language is clear then Congressional intent is irrelevant. And, in any event, who are they to say what Congress- a legislative body consisting of 535 separate individuals, with often radically differing opinions, "intended" regarding an issue like intoxication that was never addressed in the law?

Additionally, the DEA has publicly confirmed all of this on multiple occasions and, importantly, it has not said anything about intoxication. With respect to novel cannabinoids, the DEA has stated in 3 separate forums that the only cannabinoid that is controlled is D9 in concentrations above 0.3%. As most of the people in the room know, the DEA has been notoriously aggressive towards cannabis. So, when it does not mention intoxication and also publicly states that D8, D10, and any other cannabis material within the D9 legal limit is lawful that issue is resolved.

And, a prominent federal court, the 9th Circuit Court of Appeals, has also confirmed in a recent opinion that D8 is lawful.

So, we have all three branches of government- the legislative branch (Congress), the executive branch (DEA), and the judicial branch (the 9th Circuit Court of Appeals) in agreement that hemp and all of its cannabinoids, extracts, derivatives, etc are lawful. None of them even refer to the issue of intoxication.

Notwithstanding what I've just said, there are important things to consider about hemp under federal law. Most notably, the FDA contends that it is illegal to market CBD as a dietary supplement, to make health claims about it, or to use it as an ingredient in food. This is based on what is known as the drug exclusion rule, which, generally speaking, restricts these activities when a compound has been the subject of clinical drug trials before it is marketed in food. CBD was used in clinical trials for the epilepsy drug Epidiolex before it was marketed in food, so it is covered by the Drug Exclusion Rule. Unfortunately, and despite several years of kicking the ball down the court, the FDA has failed to resolve this issue. Fortunately, it has not enforced this prohibition on CBD in food and dietary supplements except with respect to CBD companies that make improper health and medical claims. I'll will discuss that shortly.

In addition to the drug exclusion rule, there are also federal rules regarding new dietary ingredients which likely apply to novel cannabinoids when they are used in food. A discussion of these rules is beyond the scope of my talk today, but I recommend understanding them before launching a product line with a novel cannabinoid.

Additionally, new federal laws regarding vaping place stringent burdens on distributors of vaping products and make shipping nearly impossible.

All of this is to say that, while hemp and its cannabinoids have clearly been legalized at the federal level, it is important to understand that this does not mean that there are no restrictions or other considerations, particularly with respect to food, dietary supplements, and vaping products.

With all three branches of our federal government agreeing that hemp and its cannabinoids are lawful, you may be tempted to think that the hemp industry has now overcome the largest obstacles to acceptance and is on a course for smooth sailing. Unfortunately, nothing could be further from the truth.

Some of the largest and most outspoken cannabis and hemp organizations seem bent on destroying our industry. I am not going to name names. Rather, I want to alert you. You should not judge a book by its cover. Just because an association says that it is advocating for you does not mean it actually is. For instance, one prominent national cannabis organization recently stated the following in a widely published report:

“There is a rapidly expanding crisis in the United States involving a psychoactive form of THC which is derived from unregulated industrial hemp, referred to as [Delta-8 THC].”

It went on to state: “This Delta-8 THC crisis has been spawned by a supposed loophole in the federal 2018 Farm Act, which legalized the cultivation and sale of “industrial hemp,” a form of cannabis that contains negligible quantities of psychoactive chemicals, as well as products naturally derived from industrial hemp. Despite such arguments by

supporters of unregulated Delta-8 THC distribution, there is no such “loophole:” the 2018 Farm Act does not legalize the production of psychoactive drugs...”

But as I have just informed you, this assertion is simply false. All three branches of our federal government have stated the exact opposite.

It gets worse. A prominent and well-known colleague of mine who is general counsel for one of the most well-known hemp organizations in the country stated the following in an article published earlier this month:

“[Hemp industry leaders] are simply opposed to intoxicating products like D8 being marketed under the hemp name and sold unregulated at retail and online forums. There’s a future for D8 – to be sold in highly regulated, adult-use [marijuana] markets...”

In other words, he is saying that we should ignore the law and that we should take hemp’s currently best-selling products- products that are, frankly, keeping the hemp industry afloat- away from the hemp industry, which developed them in the first place, and give them to the big global corporate interests that now control most of the marijuana industry. To be fair, he contends that lawmakers will react to the proliferation of mind-expanding hemp products by cracking down on all hemp. But that is highly unlikely since hemp has been legal now for almost a decade and has spawned a burgeoning industry. However, I suspect that the real issue, which he does not address, is that big corporate marijuana wants novel cannabinoids for itself. It perceives the hemp industry to be a competitor. Big corporate marijuana is losing money and blaming hemp for it.

A report released earlier this month analyzed the 1st quarter financials from 11 of the top MSOs (marijuana multi-state operators), the big international corporate giants, and found that only one of them made a profit. The other 10 were in the red, losing tens of millions of dollars. When you lose money selling marijuana you know something is wrong. Instead of looking inward to solve their financial issues and staying in their own lane, big corporate marijuana interests- the large MSOs- want to take all of the best-selling cannabinoids for themselves and kick hemp out of the room.

Further supporting my position, consider that the president of that same well known national hemp organization whose general counsel said that D8 and all intoxicating cannabinoids should only be sold by licensed marijuana companies, is a senior director for one of the largest corporate cannabis companies in the world. His company recently launched a product that contains synthetic cannabinoids made from yeast. In its press release, this company- the marijuana company whose director is the president of a national hemp association- stated that its product was

“made using fermentation and proprietary methods to produce [cannabinoids] without using the cannabis plant...” Let me repeat that, “without using the cannabis plant.”

Take a moment to let this sink in. A director of a corporate marijuana giant peddling synthetic cannabinoids made without the cannabis plant is also the President of a prominent and influential national hemp advocacy association. Perhaps this is one of the reasons that the advocacy organization is opposed to the hemp industry marketing products that compete with the ones his day-job company offers? And he’s not the only one. That same hemp organization has several other officers who also hold elevated positions in big corporate marijuana companies with interests that are antithetical to hemp. This is similar to what is known in government as “regulatory takeover”, which is when former executives from regulated industries, such as the petroleum industry, leave their corporate roles for jobs as regulators in the federal agencies, such as the EPA, that regulate their former employers. Except, in this case, the officers of this particular influential hemp organization still hold their corporate marijuana jobs while making far reaching policy decisions that negatively affect the hemp industry. The fact that this hemp advocacy organization does not support hemp in all of its forms, including cannabinoids like D8 with mood altering effects, is better understood when you realize that some of its most influential officers work for big corporate marijuana companies that do not want competition from the hemp industry. In effect, the fox is watching the henhouse.

All of this is to emphasize my point that you should be careful about which organizations you support. As with most anything, it pays to do your

research. This cautionary point also applies to professional advisors, including lawyers. I recommend that you ask your professionals and advisors point blank if they represent or work with any MSOs or other large corporate marijuana clients. If the answer is yes, then ask them if they take the position that D8 should be sold only in marijuana markets. If the answer is “yes”, then consider that their interests, or at least the interests of their other clients, might not be aligned with yours.

The current problems for the hemp industry run deep and they do not primarily arise from the Feds. Instead, the battles over cannabinoids are being fought, and lobbying dollars being spent, on the state level. This is where addressing issues impacting the hemp industry requires constant vigilance in what often feels like a whack-a-mole approach. Lawmakers in Colorado, Minnesota, Oregon, and several other states have either passed, or are considering passing, laws that unduly restrict hemp products, either by banning them outright, or by only allowing them to be sold in regulated marijuana markets.

Who do you think is behind these efforts? Sure, there will always be Reefer Madness fear mongers who genuinely believe that cannabis is the Devil’s Weed. But those people are a dying breed. Money talks and cannabis is big business. Old school reefer madness politicians are rapidly turning into the cheerleaders, and even board members, of big corporate marijuana companies. And it is these companies and their related interest groups, lawyers, and lobbyists who are putting the squeeze on the hemp industry. If they genuinely wanted to “free the weed” and make it accessible to all adults they would recognize that hemp has effectively legalized cannabis and join our efforts. But this is not about freeing the weed. It is about cornering and monopolizing a suite of products and a rapidly expanding consumer market. As I said earlier, big corporate marijuana wants to control cannabis and its cannabinoids. It is losing money and has awakened to the fact that the hemp industry has successfully legalized cannabis and opened up an enormous market outside the strict jurisdictional and regulatory confines by which big corporate marijuana is bound. Big corporate marijuana interests want the cannabis and cannabinoid market, including the hemp industry’s market, the market we created, all for themselves. They want to take it from us. How do they do

this? It's easy. They pay their lobbyists at the state level lots of money to scare lawmakers and regulators into believing that intoxicating and supposedly unregulated hemp products are unsafe and should only be sold in restricted marijuana markets that exclude the hemp industry, despite a lack of evidence that products in state marijuana programs are any safer than hemp products.

This brings us to North Carolina. What I have just described is happening right here, right now. There is a current bill, SB 711, that if enacted will create a medical marijuana program in NC. It is promoted by numerous lobbyists for big corporate marijuana and does not protect the interests of small businesses, consumers, or the hemp industry. I am not here to discuss that bill today, but you should be aware that, if enacted, it will be the worst marijuana law in the country, unless, of course, you're one of the 10 licensees, in which case your return on investment is projected to be one of the highest in the nation- something that the big marijuana companies desperately need. And, if SB 711 is enacted without a corresponding hemp bill it will decimate the hemp industry.

The most important issue for our industry to address right now is the fact that all hemp laws and regulations in NC will expire in exactly one week unless the NC General Assembly enacts a law to keep hemp legal. If our legislators allow the hemp laws to expire without enacting a law that reinforces hemp's legal status in NC then there will be no legal distinction between lawful hemp and unlawful marijuana in the state. Although we can likely expect an uneasy status quo scenario, in which we will have business as usual in most parts of the state, there will be little to no legal protection for businesses and activities that are currently lawful.

Farmers who register with the USDA will be able to grow their hemp lawfully. This is because the 2018 Farm Bill authorizes states to create hemp programs to regulate hemp production in their jurisdictions. NC did not create a hemp program, so the USDA now controls hemp production. But that is it. Hemp production is, essentially, hemp cultivation. And once harvested, hemp grown in NC will be in a no-man's land where its legal status is uncertain. What can a NC hemp farmer lawfully do with the hemp she grows? The only absolute is that she can sell it to a processor in another state. And what about processors, manufacturers, distributors,

and retailers of hemp and hemp products in NC? Will their businesses- your businesses- suddenly be illegal at the stroke of midnight on July 1? We simply do not know.

Currently, there are three hemp bills bouncing around the NC legislature.

- Hemp was also in SB 762, the NC Farm Bill, but the hemp language in that bill was removed yesterday.
- Hemp is the subject of HB1050, called “Preserve Hemp Legalization”. This bill has been lingering in the House since late May with no movement.
- The primary bill that addresses hemp is SB 455, called “Conform Hemp with Federal Law”. This bill has been passed by the Senate and the House and has been in the Senate Committee on Rules and Operations since June 2. It is currently our best hope for a hemp law in NC and should be enacted into law since both legislative chambers have voted in favor of it. However, this is far from assured. In fact, the chair of this powerful committee is Senator Bill Rabon. He is the Senator who sponsored and is aggressively pushing SB 711, the NC medical marijuana bill which, as I discussed, is being vigorously lobbied for by big corporate marijuana interests, the very same interests who are working to take intoxicating cannabinoids from the hemp industry. If you are staying with me and connecting the dots, you see that the only bill that really holds any hope for maintaining hemp’s legal status is currently stuck in a committee run by the Senator who is working for big corporate marijuana. In fact, that committee met yesterday and is also meeting this morning as I speak. The hemp bill was not on the agenda for yesterday’s meeting and is not on this morning’s agenda. There are only two more committee meetings- next Tuesday and Thursday- before NC’s hemp laws expire. This bill must get on the agenda for next week or NC’s hemp laws will expire with no replacement.

SB 455 needs to be voted out of committee and enacted into law. I will be discussing practical things that you can and should be doing in a moment. But it is clear that if you have a good relationship with your state

legislators, especially Senator Rabon, you should contact them, even arrange a face-to-face meeting, to discuss the importance of this bill to your business, your employees, your customers, and the entire NC hemp industry. Our state representatives need to know how important hemp is to NC.

In the absence of action by the NC General Assembly, there may be other legal options. For example, the NC Commission that regulates controlled substances in the state is bound by law to schedule or de-schedule compounds in accordance with the Feds. So, if the DEA removes a compound from the federal controlled substances act the NC commission is required to do the same. Will the NC commission do that if our legislators drop the ball and do the bidding of big corporate marijuana by not enacting hemp legislation? We hope so. If not, then there may be legal options available if the NC hemp industry is motivated and willing to put time and resources into pursuing them.

I hope this information is not perceived as “doom and gloom” or that I am delivering a dramatic “the sky is falling” message. As a longtime advocate and advisor to the hemp industry, I am passionate about championing hemp and all of its cannabinoids, the hemp industry, and small cannabis businesses that rely on good legislation and other legal protections in order to thrive. Our hemp industry is facing existential threats. This is especially true in my home state of NC right now, where hemp’s legal status may go from “legal and open for business” to “we don’t know” in exactly one week.

To wrap up my talk today I want to leave you with some practical things to consider, both in general and also with respect to the hemp situation in NC.

Hemp in NC is currently at Defcon 1, the most severe and urgent crisis level that exists. It is an “all hands-on deck” moment. As I just mentioned, everyone in this room and all of their customers, vendors, partners, and even competitors should be contacting their NC legislators to let them know how important hemp is to you. Specifically, they should be pushing to get SB 455 enacted into law. If SB 455 is not enacted, they should be

pushing to get HB 1050 enacted. Please be respectful and state clearly and concisely exactly how failing to pass these bills will harm you.

Do not sell any hemp products to people under the age of 21, at least not without a parent or guardian present. Have a robust age-verification policy and enforce it. A major concern throughout the country is kids' access to these products, especially ones that cause impairment.

Do not make any health or medical claims of any kind whatsoever and do not refer to your products as medicine, medicinal, or anything else that could be construed as making unauthorized drug claims. The hemp industry has a bad reputation for playing fast and loose with FDA rules and this harms our cause with regulators and lawmakers.

Do not even come close to infringing on any trademarks. The multinational candy and food corporations are watching our hemp industry. They will sue you and put you out of business in seconds flat for using their images, names, brands, or even images or words similar to theirs, when marketing your products. Additionally, it puts the whole industry in a bad light.

Conduct full panel COAs of your end-use products to confirm that their delta-9 THC concentrations are within the legal limit and also to ensure that they do not contain harmful levels of heavy metals; acids, reagents, or solvents; mycotoxins; mold; or any other dangerous compounds. You do not want to put someone in the hospital or, worse, kill them.

Do not market novel cannabinoids without spending the time and appropriate resources to understand if they are harmful. Sure, smoking cannabis is not harmful and both THC and CBD have been shown to be well tolerated. But that does not mean, for instance, that HHCO acetate- or even HHC for that matter- are safe. If you are going to manufacture and sell novel cannabinoids then do so in a responsible way. Don't risk hurting someone and, in the process, harming the hemp industry as a whole. In other words, just because you can sell it does not mean you should, at least not before performing true safety studies.

Do not make or market cannabinoids that the cannabis plant does not naturally express. For instance, D8 may only occur in small

concentrations, but it is a cannabinoid that is found in nature. On the other hand, THCO is wholly man-made. It's significantly more difficult to support the notion that THCO is "hemp" when the hemp plant does not actually produce it.

Comply with the laws of the states in which you sell your products. This can be a complex, ongoing, and resource intensive endeavor, but it is crucial. Your lawyer can be your best ally. (Unless, of course, your lawyer also represents big corporate marijuana clients.)

Do not support big corporate marijuana, which only wants to own and take cannabis and cannabinoids away from the hemp industry, making it harder and more expensive for people to access them. What does it mean to not support big corporate marijuana? For starters, if you own stock in any large MSOs, then dump it. And tell your friends, family members, and business associates to dump their MSO stocks, too. These large marijuana corporations are not profitable. They lose millions of dollars every quarter yet their stocks generally continue to do ok. Why is this? It's because owning marijuana stocks is seen as cool, progressive, and sexy. Well, it's not sexy to lose your business to the Wal Marts of weed. They use their money to lobby against your interests. The only way they continue to have the resources to do this while bleeding money is because of their stock and seemingly endless infusions of investment capital. Dump your MSO stocks and help to stop them from lobbying against your interests.

Be aware of the policies, positions, and board make-up of the hemp and cannabis organizations you choose to support. Make sure you research and understand their platforms, advocacy positions, and who their officers work for while at their day jobs before supporting them. Similarly, be skeptical of the legal and other advisors you hire and work with. Question them about their positions on these important topics and whether they also represent corporate MSOs.

Consider how you discuss cannabinoids that create a shift in consciousness. Are words like "intoxicating" or "impairing" or "psychoactive" or "mood altering" helpful or harmful? We are fighting a war against prohibition. It is fundamentally a war of ideas, which are

expressed in the language we use. Do not be casual about it. Use words that help further your goals and the goals of the industry. Our opponents use words and phrases like “intoxicating cannabinoids” and “synthetic THC” on purpose to make these products sound scary, harmful, unnatural, etc. Perhaps “mood enhancing”, “altered”, and “derived” are better? Think about it and be intentional about the words you use when describing these products.

Let’s keep fighting the good fight. This industry, which includes you, me, and many others in NC and across the country, has fought and won many battles for itself and for cannabis and cannabinoids in general against long odds. I am confident that we will continue to do so in order to ensure that cannabis and all cannabinoids are legal and available in NC and throughout the country.

Thank you for your time. I hope you enjoy the rest of the conference and find that the rest of your time here is helpful and informative. I am sorry I cannot be there in person but I appreciate the opportunity to speak frankly about things that I think are vitally important to our industry. Please do not hesitate to speak with attorney Philip Snow from my firm or to contact me directly.

Questions?