

To Whom it may concern

As a former Social Equity License/Permit Holder for Delivery of Cannabis in Denver and Aurora. I wanted to share some feedback from my experience and why we shut down doobba after only 8 months of Operations.

Doobba was the first Social Equity Applicant, Licensee and SE Operator in Denver history. We were off to a great start with our launch as being first gave us plenty of earned media and helped make Colorado residents aware that delivery was available for them.

The biggest issue we had and why we shut down our operations is that Delivery was only approved by a few jurisdictions, all of which already had many dispensaries. Daily, we received countless calls from CO residents in jurisdictions that did not allow for delivery. In fact, we had to reject 98% of the inquires we received daily, since we could not deliver to the caller's address. While CA launched delivery with an opt-out model requiring jurisdictions to opt-out of delivery. CO took the opposite approach and only allowed for delivery in jurisdictions that opted in, which can be counted on one hand out of the hundreds of towns in CO. It was doomed to fail with this model of Opt-In and delivery certainly has failed as a cannabis business model in CO. I believe the only thing that will make delivery successful is being able to deliver throughout the entire state; Anything less and delivery is doomed to fail in CO for Social Equity businesses. All other rule changes, initiatives etc. are just a distraction from the real issue, a waste of time and benefit legacy operators. I am grateful the warehouse model was not available for SE delivery companies with the current jurisdiction opt out issues; I would have gone in this direction and probably spent 2-3x what we spent to launch only to be assured of greater failure.

I could go on and on with other issues I think are hurting the Social Equity community in CO but wanted to focus on Delivery only and what needs to happen for delivery to be successful in CO.

Regards,  
Ari

Ari Cohen  
201-736-5253  
ari@doobba.com  
doobba.com



**Subject: Cannabis Business Compliance Support for Social Equity Bill (HB24-1061)**

Dear Members of the Business Affairs & Labor Committee,

My name is Mark Slaugh, and I am the founder of iComply – the oldest cannabis compliance company in the business, based out of Denver, CO. I've been involved in cannabis legislation, industry association leadership, and multiple policy working groups and am a current founding member of the MED's Social Equity Program Advisory Working Group (SEPAWG). I'm a founder of the Diversity Equity and Inclusion Committee (DEIC) at the largest National Cannabis Industry Association (NCIA) as well – working on social equity programs Nationwide with other major associations.

I'm also a Brazilian American who has seen firsthand the impact of the war on cannabis and was there when Colorado specifically excluded felons in the beginning of the industry – creating the inequitable market we have today. We have a social, moral, and government obligation to balance these unfair policies and the opportunity to do so today.

I am writing to share my experiences in the cannabis industry and express my strong support for the Social Equity Bill, HB24-1061.

**Introduction:**

Over the last 16 years of my career, I've come to see how cannabis interests in business and politics works. I've been through the halls of the Capitol and am familiar with the players and positions you are considering as you choose to forward this bill or not. Frankly put, Colorado does not have an equitable social equity program and the numbers show it. Many people can qualify, but very few have a chance at establishing a cannabis business to achieve the goals of the State of Colorado.

**Current System Challenges:**

This is due to a number of reasons and is mainly due to a lack of financial and technical assistance. A grant from OEDIT for \$25,000 is simply inadequate to establishing a business, real estate is scarce for those who do not have access to small business funding to shop a location, and the established industry recycles tax dollars in technical assistance programs fraught with conflicts of interest in establishing social equity businesses. Hardly anyone uses the accelerator licensing program since it offers very little incentive to cannabis companies.

Although this bill does not include expanding the financial obligations of the State, it does go a long way to addressing a barrier to equity ownership for one of the easier businesses to establish: Delivery.

Currently, delivery companies cannot sell cannabis at margin and are inequitably leveraged by non-social equity dispensaries to make a small fee plus tips. *There is literally more incentive for these companies to drive for Uber Eats over delivering cannabis.*



Further, most local governments, other than Denver, don't prioritize delivery licenses for social equity. This leads to very few dispensaries in Denver willing to contract even fewer delivery companies who struggle to grow, acquire new dispensary contracts, or sustain a healthy margin to operate.

**Independent Delivery and Hospitality Impact:**

Since these initiatives for social equity began, we've seen more failure in the space than success. From a compliance and cost perspective, Delivery is a lower barrier to entry than most other cannabis business license types. Folks can use their own modified vehicles, and the regulations are simplified to a sales function – much like an average budtender would perform.

However, delivery technology and tracking is limited from being viable or feasible in the current market as these companies are dependent on contracts with Dispensaries who exclusively sell and make margins on the products being delivered. This bill could allow for these delivery companies to split proceeds on sales in their business contracts – allowing for actual business equity in the social equity program.

If the industry isn't participating in delivery anyway, especially in Denver, then the impact on consumers is a limited availability of legal products they can order – leaving a massive gap for the illicit market to fill – especially in an economic downturn. Drug dealers aren't prevented from making deliveries and the industry is purposefully or inadvertently sleeping on this opportunity as a vast majority do not contract social equity delivery companies.

It begs the question: Why NOT allow social equity deliverers to fill this gap independently?

**Colorado's Model:**

Other markets Nationally have already moved in the direction of social equity delivery as a lower barrier to entry model that allows entrepreneurs a real way to gain a piece of the cannabis pie for themselves. Colorado cannot remain content with offering leftover crumbs and forcing social equity deliverers to beg for scraps from those gorging down on the pie. Exclusively.

For far too long, Colorado has paid lip service to social equity business owners by promising to care about the issue, and then allowing non-social equity impacted businesses to run the marketplace. This hurts everyone and exclusion is counter to inclusivity and diversity. From dispensaries losing out on the delivery opportunity to the illicit market instead – reflected in decreased sales and tax revenue Statewide to stunting social equity businesses' growth and development by robbing them of the ability to sell cannabis and participate meaningfully in the industry.

The current model could be seen as a form of segregation. Wherein delivery is segregated from profits made in selling cannabis and meaningful participation.

You all have an opportunity to create a more fair and free market to address these issues. Since most of the established industry doesn't even deliver, it's not likely to impact their bottom line as



much as they might think or despite what they say. Even alcohol sales and restaurant deliveries can happen from a non-public facing warehouse or kitchen and proceeds can be shared with drivers.

**If Uber Eats or Drizzly can do so, there's no reason to prevent cannabis social equity delivery companies from doing the same in Colorado.**

**Conclusion:**

As the founder of iComply, a leading cannabis compliance company, I hope you can appreciate the policy perspective and positive possibilities from HB24-1061. In the testimony today, you aren't simply subject to the critique and complaints around social equity (or the lack thereof) in Colorado.

Instead, you have a meaningful opportunity agreed to by the majority of social equity business owners, advocacy groups, and allies addressing inequities in Colorado's cannabis industry. I want to emphasize my extensive experience and involvement in cannabis legislation and social equity initiatives provides you with an expert opinion and well-informed view.

We cannot improve without critiques to the current system, such as inadequate financial and technical assistance hindering social equity participation. However, with this bill you are not expanding state financial obligations, but simply addressing barriers to equity ownership by enabling independent cannabis delivery.

We must understand the impact of limited delivery options, including fostering more illicit sales that everyone. I urge the committee to consider the economic and social benefits of empowering social equity delivery businesses. By fostering a more inclusive market model, you can end current systemic to segregation and foster diversity and fair participation in Colorado's cannabis industry.

Thank you for considering my testimony, and I look forward to your support in advancing the Social Equity Bill. If you have any questions or need additional information, please feel free to contact me at [mark@icomplycannabis.com](mailto:mark@icomplycannabis.com) or 719-244-3012.

Sincerely,  
Mark Slaugh – CEO/Founder  
iComply, LLC  
NCIA DEIC Policy Representative  
Founding Member SEPAWG

House Business Affairs & Labor  
 03/21/2024 01:30 PM  
 HB24-1061 Marijuana Industry & Social Equity  
 Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
<p>Michelle Williams            For            herself</p>	<p>I am a new Social Equity licensee and would fall under, A new distribution channel, this would allow me to be able to get my products, and sell my products to other social equity businesses. It was certainly a lengthy process to get my license but was able to accomplish it. I'm definitely excited about getting started and making sure I am staying compliant. It is also important delivery, that way companies have an opportunity, and that opportunity circles back around to the social equity cultivators, as well as the social equity manufacturers.</p> <p>Thank you for allowing my testimony!</p> <p>Regards,            Michelle Williams</p>
<p>Jarell Wall            For            Gentleman Quinns LLC</p>	<p>Dear Representatives,</p> <p>My name is Jarell Wall, co-owner of Gentleman Quinns LLC, a licensed cannabis manufacturing operation in Denver. I am writing to express our strong support for the bill on independent delivery and its potential to benefit social equity applicants.</p> <p>We have been impressed by the high level of compliance observed in existing social equity delivery programs. This success story demonstrates the responsibility and commitment of social equity entrepreneurs in this space.</p> <p>Independent delivery represents a natural progression for the cannabis industry, offering a well-developed career path for qualified social equity operators. By creating more distribution channels, independent delivery will stimulate growth for both cultivation and manufacturing operations like ours.</p> <p>We commend the tireless efforts of the bill's organizers. Their willingness to collaborate with stakeholders, consider amendments, and refine the bill for smooth implementation is commendable.</p> <p>In conclusion, I strongly believes that independent delivery will foster a more diverse and robust cannabis industry. We urge your passage of this critical bill.</p> <p>Thank you for your time and consideration.</p>

	<p>Sincerely,</p> <p>Jarell Wall</p>
<p>Amber Lengacher For themselves</p>	<p>I am in support of HB24-1061.</p> <p>I am a Colorado attorney and small business owner. I have been in cannabis since 2017 when I started my career at Vicente LLP. I then went to work in-house as licensing manager and then corporate counsel for a multi-state cannabis operator, Trulieve. In 2022, I founded my own business with the goal of bring my services to emerging industries in an accessible and affordable way. I have been a staunch supporter of social equity efforts across the country and it is heartbreaking to see the social equity program so close to failure in my home state. There are innumerable operators and hopefuls who I'm sure are there with you today in the room who have invested everything (money, time, and mental health) into social equity cannabis licenses that have little to no value. I support these efforts to bring reform to Colorado's social equity program in order to throw a lifeline to these struggling businesses, many of which are women-, veteran-, or minority-owned.</p> <p>Please continue the discussion surrounding this bill and any changes that may need to be made to Colorado's social equity program. Please approve this bill in your committee.</p> <p>Thank you.</p>
<p>Ariana Orozco For Xi Farms</p>	<p>To whom it may concern,</p> <p>I am writing a testimony in favor of the Social Equity Bill. Frankly there is currently not enough in place to support Social Equity licensees. This bill would allow more opportunities within the marijuana industry for those of us who have a Social Equity license. The Accelerator Program, in particular, could be extremely beneficial in helping Social Equity businesses grow. Along with the ability for drivers to purchase wholesale products.</p> <p>This industry is white male dominated and although the Social Equity license was an attempt at leveling out the playing field, and correcting a very racist cannabis history, it is simply not enough. Many of us are now in the industry and are still facing the lack of opportunity to grow and expand. We must simply do better. This industry is challenging and difficult to navigate. This bill would open up more doors and hopefully allow for what the Social Equity program initially intended. As it currently stands, this program is a draft and requires a lot more attention to detail and intentionality.</p>
<p>Adam Graham For themselves</p>	<p>Honorable Members of the Committee,</p>

	<p>I am writing to express my strong support for the proposed bill regarding social equity in the cannabis industry in Colorado. As a concerned citizen and advocate for fairness and justice, I believe that social equity should be a fundamental principle guiding the intentions of any legislation in this domain.</p> <p>One crucial aspect that deserves examination is the duration and efficacy of current social equity initiatives. How long have these initiatives been in place? More importantly, can we truly consider them successful? Regrettably, my assessment leans towards the negative. While the opportunities presented may appear promising on the surface, the reality is far from ideal. Many applicants find themselves metaphorically "dead in the water," struggling to navigate bureaucratic hurdles and facing insurmountable barriers. It seems that these initiatives, rather than offering genuine pathways to success, merely serve as checkboxes to satisfy superficial requirements.</p> <p>The question we must ask ourselves is: Are we genuinely committed to advancing social equity, or are we merely using it as a convenient gimmick? It is imperative that we move beyond token gestures and take meaningful steps towards creating a level playing field in the cannabis industry. This bill represents a crucial opportunity to do just that—to provide marginalized communities with a real chance to thrive in this burgeoning sector.</p> <p>In conclusion, I urge you to support this bill and demonstrate a genuine commitment to social equity in the cannabis industry. Let us not merely pay lip service to the ideals of fairness and justice but instead, let us actively walk the walk and ensure that everyone has an equal opportunity to participate and prosper.</p> <p>Thank you for your attention to this important matter.</p> <p>Sincerely,</p> <p>Adam Douglas Graham</p>
<p>Frederika Easley For The People's Ecosystem</p>	<p>Frederika McClary Easley, Director of Strategic Initiatives- The People's Ecosystem will always support the repairing of harm and efforts centered around supporting diverse entrepreneurship in the cannabis industry. We recognize efforts to tackle the devastating unintentional consequences that arose due to the delivery license, which was carved out specifically in Denver for social equity, being tied to and at the mercy of dispensary owners. We implore those in power to listen to and work with those who are and stand to be impacted by such policies to create more just structures. We offer the following to be considered, equity is NOT a handout, it must be viewed as an investment. If we want the regulated cannabis industry to sustain itself and ultimately to</p>

	<p>grow we must acknowledge and act on the essential need of equity and diversity.</p> <p>The People’s Ecosystem (TPE)</p> <p>The People’s Ecosystem is a catalyst for community empowerment. Our mission is to provide a brighter future for communities through cannabis, to challenge past stereotypes and ideas about cannabis use and enjoyment, and to empower and transform communities historically harmed by the criminalization of a product study after study shows is extremely beneficial to healing, general health and well-being.</p>
--	---

# Samuel K. Giles



3000 Lawrence Street, suite 40 • Denver, Colo. 80205 • Phone: 419.699.5600  
E-Mail: samuel@skg360.com

VIA ELECTRONIC MAIL

March 21, 2024

Colorado General Assembly  
Attn: Business Affairs & Labor Committee  
200 E Colfax Avenue  
Denver, CO 80203

Re: HB24-1061 | written testimony of Samuel K. Giles

To the Honorable Members of the House Committee on Business Affairs & Labor:

I am writing to express my support for bill HB24-1061, an initiative that promises to significantly enhance the economic and social equity landscape within our state's regulated marijuana industry. However, to truly capitalize on the bill's potential to foster inclusivity and opportunity, I urge the Committee to consider amending the bill to incorporate a pivotal recommendation from the Social Equity Program Findings & Opportunities Final Report: specifically, Opportunity #4, Concept #4 – "Allow non-like Regulated Marijuana Business licenses to partner."

The essence of Concept #4 is to enable diverse types of licensed marijuana businesses to form partnerships under the Accelerator Program. This innovative approach would permit an existing licensee, such as a cultivation facility operator, to partner with a social equity licensee aspiring to open a retail store, or a manufactured products licensee to collaborate with a social equity licensee interested in cultivation. This concept is not merely about broadening business opportunities; it's about creating a framework for mentorship, resource sharing, and mutual growth that directly benefits social equity licensees.

Incorporating Concept #4 into HB24-1061 necessitates statutory amendments, particularly to the definitions section 12, 44-10-103, and part 6 (sections 44-10-601 through 44-10-611) of the Code. While the Division has highlighted potential challenges in implementing this proposal, such as regulatory oversight complexities and the need for additional rulemaking authority to establish necessary safeguards, these hurdles are not insurmountable. With careful consideration and collaborative effort, we can devise a regulatory framework that addresses these concerns while unlocking new avenues for equitable growth within the industry.

The dual-licensing framework currently in place underscores the importance of local jurisdiction input to fully understand and navigate the local challenges this proposal may present. Furthermore, not all license types may be



conducive to this partnership model, which underscores the need for further stakeholder engagement to determine the most compatible licensing arrangements that ensure both operational efficacy and regulatory compliance.

By amending HB24-1061 to include Concept #4, the Committee has the opportunity to set a precedent for how we approach social equity in the cannabis industry. This amendment would not only expand the scope of the Accelerator Program but also signal our state's commitment to innovative, inclusive economic development strategies. It represents a chance to build a more equitable industry, where diverse entrepreneurs have the support and resources they need to thrive.

I urge the Committee to consider this amendment seriously and to work collaboratively with stakeholders, regulatory bodies, and local governments to address the operational and regulatory challenges highlighted. Through this collective effort, we can ensure that the social equity goals envisioned by the Accelerator Program are fully realized, benefiting not only the participants but also the broader community and the state's economy as a whole.

Should you have any questions or require further clarification of this testimony, please do not hesitate to contact me directly at 419.699.5600 or via email at [samuel@skg360.com](mailto:samuel@skg360.com)

Thank you for your attention to this matter and for your ongoing commitment to fostering a more equitable and prosperous economic landscape in our state.

Respectfully submitted,

Samuel K. Giles, founder  
CBI Logistics, Ltd.  
{a social equity enterprise}