https://www.nj.com/cannabis-insider/2022/10/issue-233-annual-licenses-are-here.html



Kenny Morrison (left) and Tim Brown (right)

**NJ.com** True Jersey.

Q&A with ...

## **Kenny Morrison and Tim Brown**

Keeping in line with lessons from California, this week, we talk with Kenny Morrison, the co-founder of the California Cannabis Manufacturers Association. During the interview, Morrison also invited Tim Brown on the call, founder of Bear and Braxton Holdings, which specializes in sourcing, logistics and distribution within the Floridan and California markets. Brown spent multiple

within the Floridan and California markets. Brown spent multiple decades in the legacy market before transitioning. In this specific conversation we talk about municipal opt-outs and the history of what went wrong and what went right in one of America's largest weed markets, as New Jersey navigates the same waters. You can find Morrison and Brown on LinkedIn.

Q: Like New Jersey, the majority of municipalities still opted out in California due to local control provisions, what's your take on that?

**Morrison:** When Prop 64 passed, one of the ways we got the bill to pass was by allowing for local control. A ton of cities took a wait-and-see approach. It was a politically safe decision to make rather than to be a pioneering city council in allowing it.

Q: How has social equity worked thus far looking back on everything?

**Morrison:** The idea of allowing a certain group of people to come into the space with certain benefits is well-intended but laughable until the overall system is fixed. The system is broken. It's almost like saying everyone gets to jump into this pool of quicksand but we'll give floaties. You're still jumping into quicksand.

Brown:

A lot of times, you see this language missing from the bill just to get the machine running, to get the legislation on paper so you can create an economy off of cannabis. When you look at New Jersey and all of those little townships that's going to get complicated as well.

## Q: What about ownership as means for social equity?

**Brown:** You can have a license, but if you don't have the means, the machine, the know-how, the running capital — if people that don't have the means are playing, this could all go bad tomorrow.

You're selling regulated drugs. It's not cocaine or heroin, it's weed. Even on the streets (compared to cocaine and heroin), weed is slow money.

## Q: So, you're saying it starts with money?

**Brown:** It starts with a business model that adds value to potential investors or potential larger entities that want to do business with you. You have to start there.

This is the stuff you don't want to do. This is the boring stuff, the sacrifice. You have to put the illicit market money down because it works against you when you try to cross over.

Morrison: If you look at the taxes the industry charges, there's nothing comparable to it in any other industry on Earth.

The barriers to entry, the unnecessary layers upon layers of fees, taxes and regulations — It's more complicated to transfer cannabis products around the state in vehicles than it would be to transfer plutonium. Every state has its own well-intentioned but completely overbearing set of requirements that are rooted in stigma.

Q: What do you think about the ethics around opt-outs? If municipalities opted into the War on Drugs, is it ethical to create an opt-out option?

**Morrison:** I think you could ask anybody in California who supported Prop 64 if we had a do-over, the biggest, most important number one takeaway would be — if it's going to have a local control provision, it's not even worth passing this law.

**Brown:** What you're going to see with a lot of the legislation for cannabis is there's going to be equity, homegrow, there's going to be a lot of things that are favorable to making up the ground, but it won't get passed with the type of language they have to add to the bill.

Q: What does it take for good faith efforts to take hold regarding social equity and capital when it comes to linking legacy people with resources.

**Brown:** The key thing you said there was good faith. People and entities that have power and position in this business need to be willing to do things in good faith.

The only way you achieve equity is when the people who can provide, do business in good faith. It's on our end to step up and be open to doing that business, being receptive to the criticism and the learning that comes with getting established in a legal market.

## – Jelani Gibson