

Good Morning Mr. Chair and members of the committee. My name is Joe Neller, EVP of Government Affairs and Business Development for Green Peak Industries, LLC, currently the largest active medical marijuana license holder in Michigan. We were pre-qualified as a vertical operation in July 2018 and currently operate 12 class C cultivation licenses and a processor license across 2 facilities in the Lansing area with plans in place to open 12 provisioning centers by the end of the year.

I am here today to speak about the investment our company has made to participate in the legal, licensed industry under the MMFLA and the need to get everyone to participate under the same set of rules on a level playing field.

Green Peak did not participate in the industry before we were awarded licenses in 2017, even though our owners have always believed in the products' ability to improve lives and I personally have been a patient for many years. Our company is fortunate enough to be financed by a CEO who has been a lifelong, successful business owner who was only willing to enter the industry when it was clear the state provided full legal protection through a licensed and regulated structure.

Since the passage of the MMFLA and the decision to enter the industry, Green Peak's investment has totaled nearly \$46 million. This includes \$18m in production facilities, \$17m in provisioning center facilities, \$6m in annual payroll for our 160 employees, and \$848k in regulatory fees to the state for our 13 active licenses.

The investments made to date, and the future investments planned to expand our business, are in serious jeopardy due to the numerous false starts made by the administration in its implementation of the law. Specifically, the ongoing extension of deadlines for so called "temporary operators", or unlicensed facilities, to cease operation, and the ability for provisioning centers to source untested, unsafe product outside of the legal supply chain to continue. Instead of implementing the MMFLA as passed by the legislature, Michigan has created a bifurcated market that provides a competitive advantage to companies that do not abide by the law as written.

There are more than 100 licensed companies in the state, living within the law and regulations of the MMFLA, and who have invested hundreds of millions of dollars in the process. They are currently being held up by 30 "temporary operators" seeking to sidestep the law as enacted. These "temporary operators" are business that had existing operations prior to the MMFLA and claim they have not received their "due process" in consideration of a state license since submitting their application in February 2018. Meanwhile, many other previously operating provisioning centers have achieved full licensure and new companies like Green Peak were able to construct facilities and obtain a business license in the same time frame.

When does the state say "enough is enough"? The licensing process has been in place for nearly a year and a half. The state has licensed more than 100 operations and is faced with the task of processing nearly 1,000 additional applicants. Instead of moving forward into the legal, regulated market, the administration is choosing to protect certain businesses that, in our opinion,

have not demonstrated a legitimate effort to obtain their license, despite multiple deadline extensions.

Everyone claims to want to get to full implementation of the licensed, regulated market. But how the state gets there is important, particularly as we contemplate the implementation of recreational adult use. I urge the committee to be the individuals who finally say there's a date certain where everyone must play by the same rules.

I appreciate your consideration of this testimony and am open to any questions you may have. Thank you.

