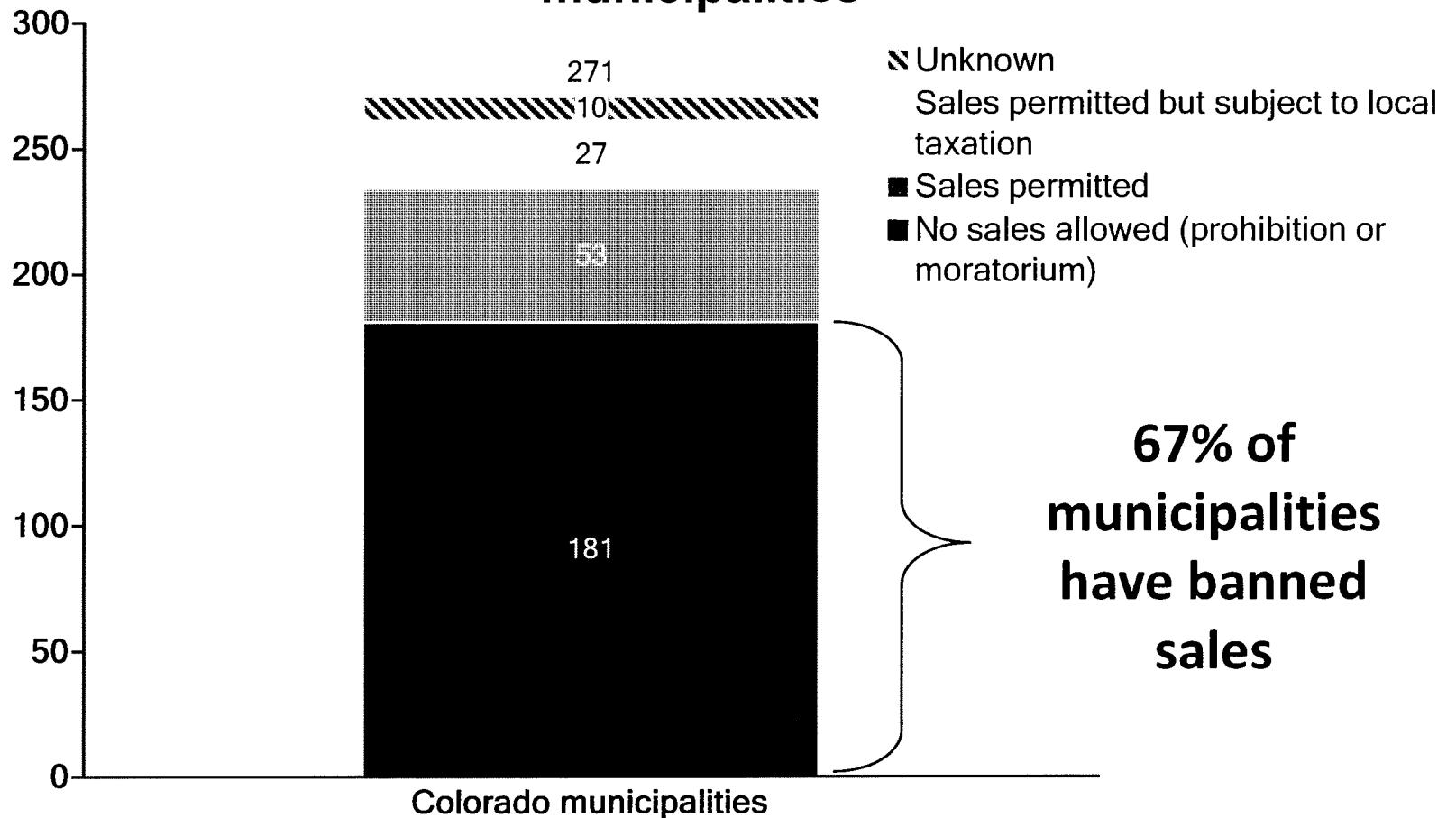


Marijuana Dispensaries in Compton?

Well over half of Colorado municipalities have banned marijuana sales since legalization

Legal status of retail marijuana sales in CO municipalities



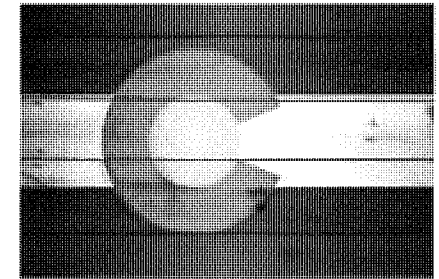
Where is your nearest.....?



Founded	May 15, 1940
#'s of locations	36,000+ worldwide ^[1]
Area served	Worldwide
Traded as	NYSE: MCD

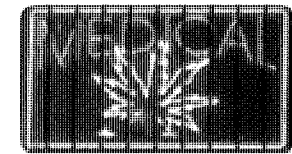
Founded	March 30, 1971
#'s of locations	23,768 ^[1] (2016)
Area served	Worldwide
Traded as	NASDAQ: SBUX

Perspective



Colorado - Statewide

✓ Medical Marijuana Dispensaries = 497



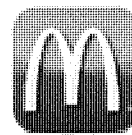
✓ Recreational Marijuana = 369



✓ Starbucks Coffee = 405

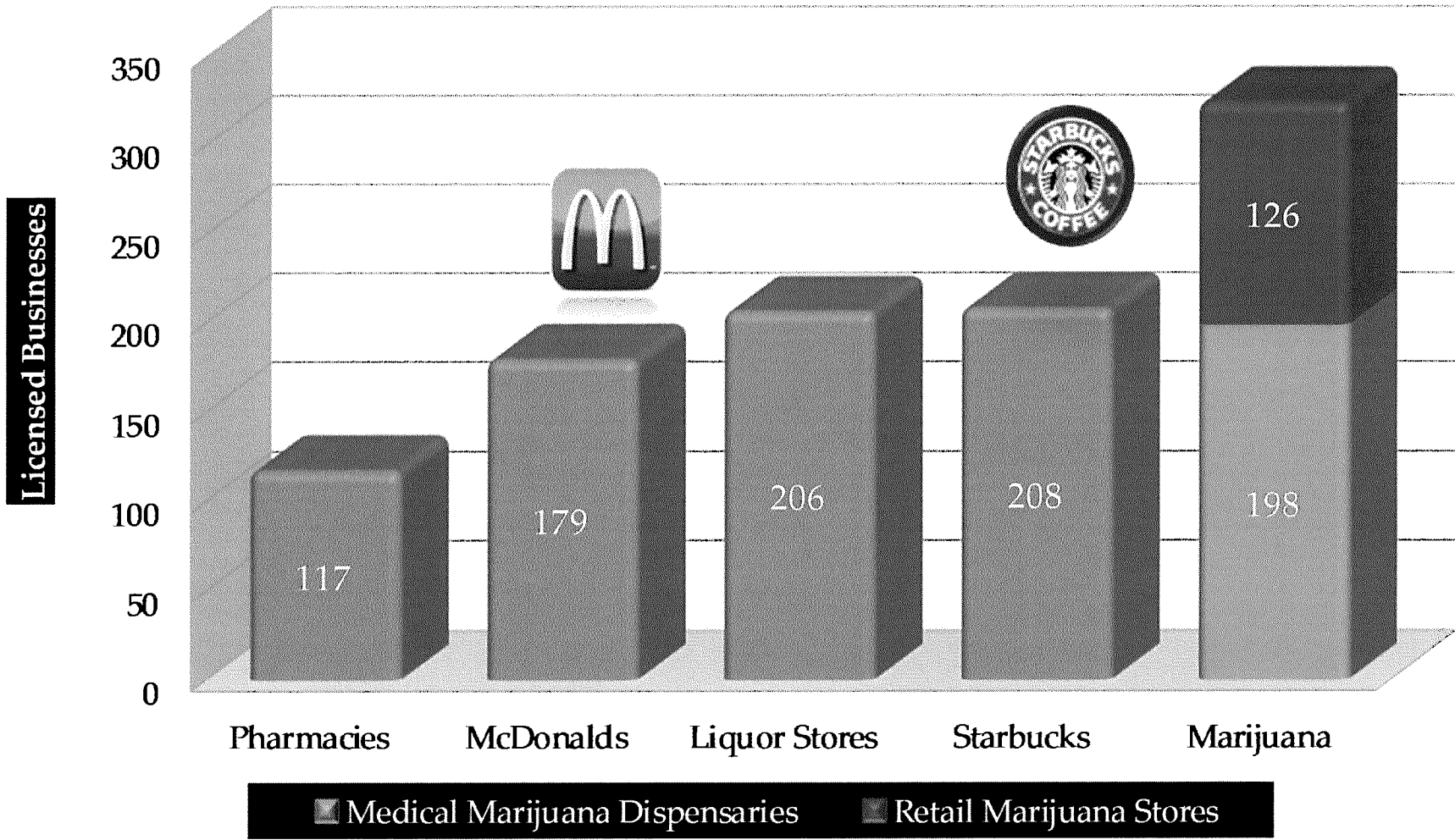


✓ McDonalds = 227



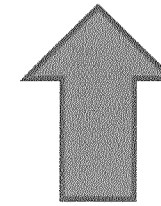
Related- Business Comparisons

Denver



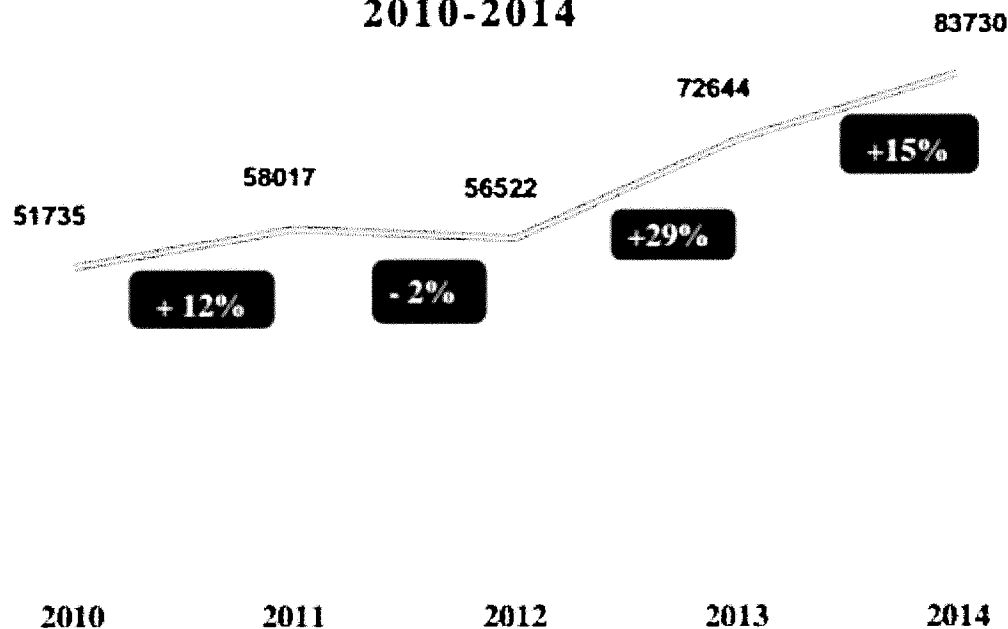
Open Source: as of 1/1/2015
Colorado Department of Revenue
McDonalds Regional Headquarters
Starbucks Headquarters

Crime Stats



► Students at Metropolitan State University of Denver schools criminal justice and criminology, and psychology programs research shows:

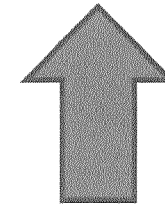
**TOTAL CRIMES - DENVER COUNTY
2010-2014**



In Denver total crime increased by 40%

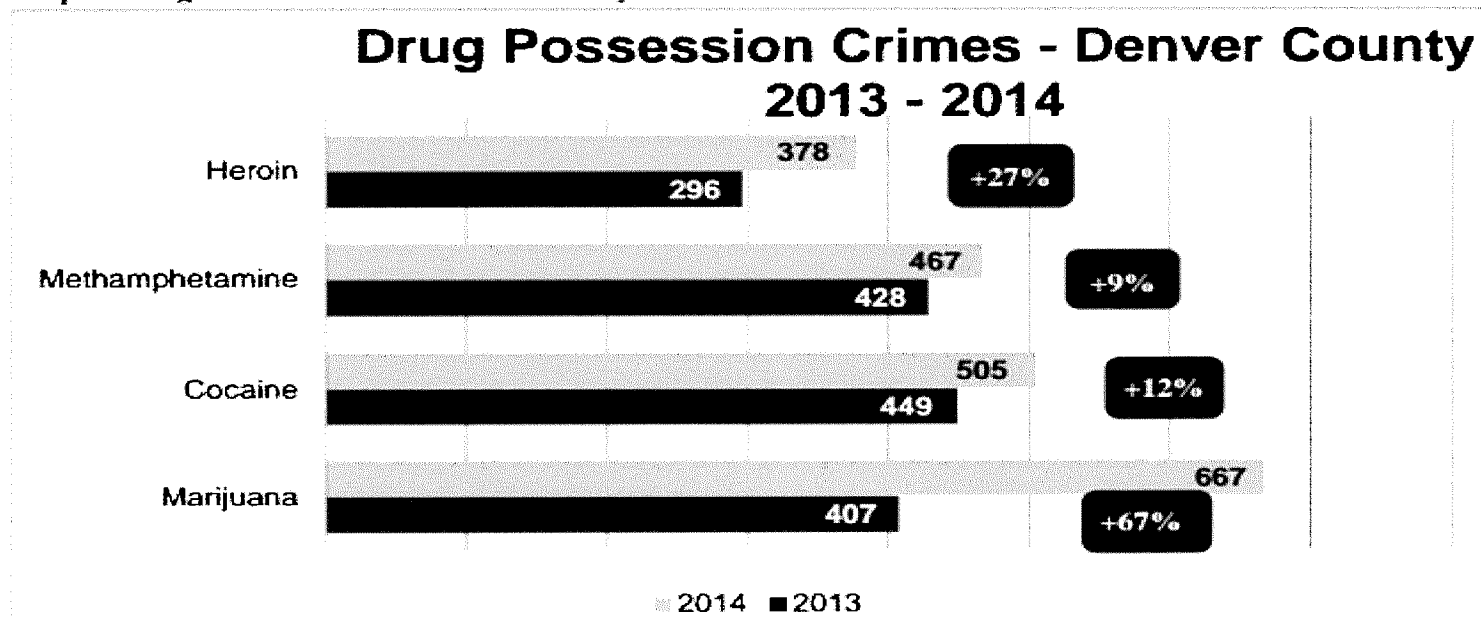
(from 2010-2013)

Drug Arrest

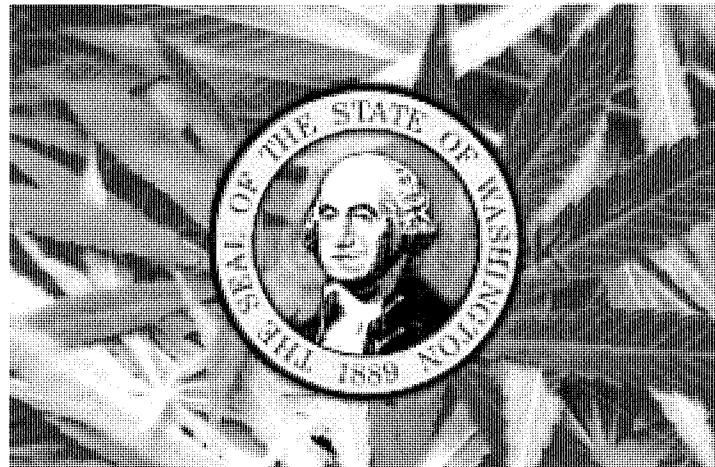
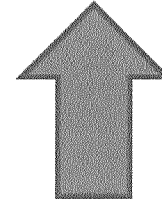
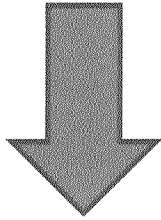


► Students at Metropolitan State University of Denver schools criminal justice and criminology, and psychology programs research shows:

Graph 5: Drug Possession Crimes – Denver County 2013 to 2014



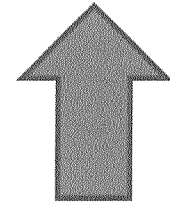
Has Washington's
Marijuana Law
Been Successful



Well, How is Washington working?

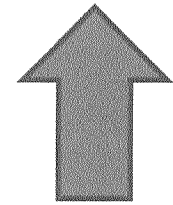
- There are now almost 200 more recreational marijuana businesses than Starbucks in that coffee chain's home state.
- Seattle police departments shows strong relationships between crime and marijuana use, with a stark rise in marijuana related incidents
- Overall last-year use (ages 12+) rose 23% from 2011-2012 to 2013-2014

Distribution to Minors



- 98% of student drug violations in Seattle Public School between 2013 and May 2014 were due to marijuana
- From September 2014 to January 2015, 77% of all alcohol and drug violations in Seattle schools were related to marijuana
- Kids ages 12-17 accounted for **74% of all state marijuana seizures in 2014**, compared to 28.9% in 2010.
- In 2014, youth under the age of 20 made up 45% of Washington Poison Center calls.
 - 80% increase since legalization

Stoned Driving



- **One-third of all DUI cases now test positive for active THC, up from 19% in 2012.**
- The number of drivers involved in fatal accidents that had active THC in their blood **increased over 120% from 2010 to 2014.**
- A survey revealed that a **full 49% of young adult (ages 18-25) respondents who used marijuana in the past month had driven a car within three hours of getting high -- and that 16% of them had done so six or more times in that same month.**

North West HIDTA Report

Executive Director David Rodriguez

- “Data compiled in this report shows that the decision to legalize marijuana was not without harm,”
- “Unfortunately, many of the reported outcomes show the exact opposite of the goals that sold the initiative to voters.
- We now see clearly that marijuana is increasingly hurting our youth, black market sales have not disappeared, the amount of crime due to marijuana has actually gone up and Washington has become a net exporter of cannabis to other states.”

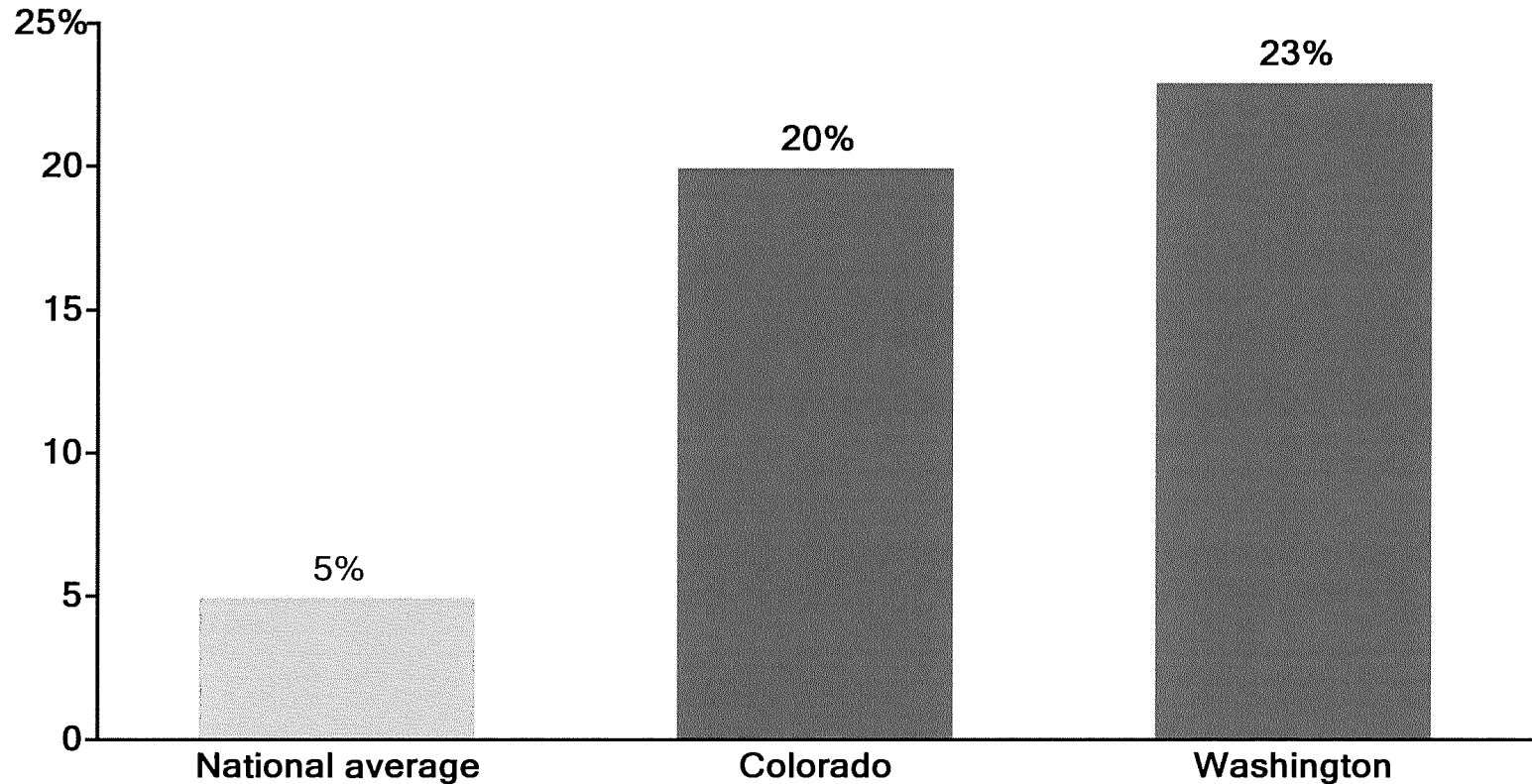
Let's tax it and Make Money!

- ▶ Let's take a look at the money being made by the sales of marijuana in comparison to Alcohol and Tobacco
- ▶ Verse the overall cost to society from these drugs



WA and CO also show increases in of on-the-job Marijuana use well above the U.S. average

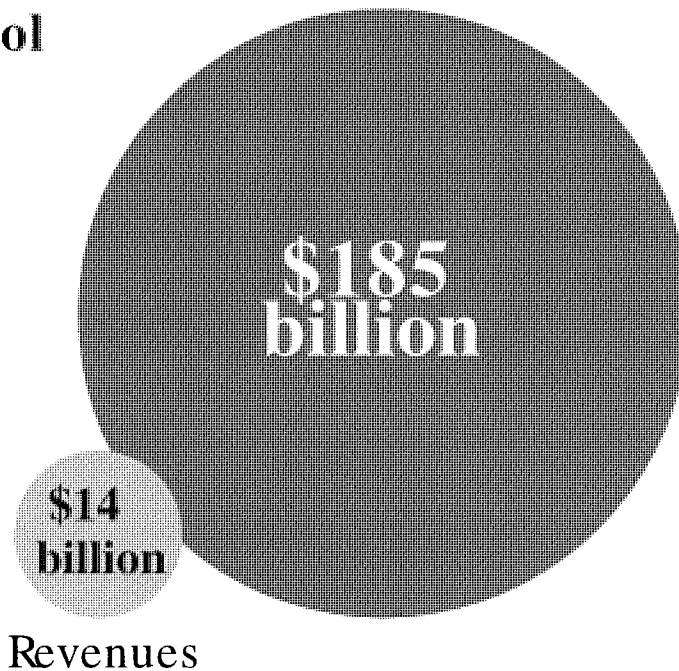
Increase in positive on-the-job marijuana test results
(2012 to 2013)



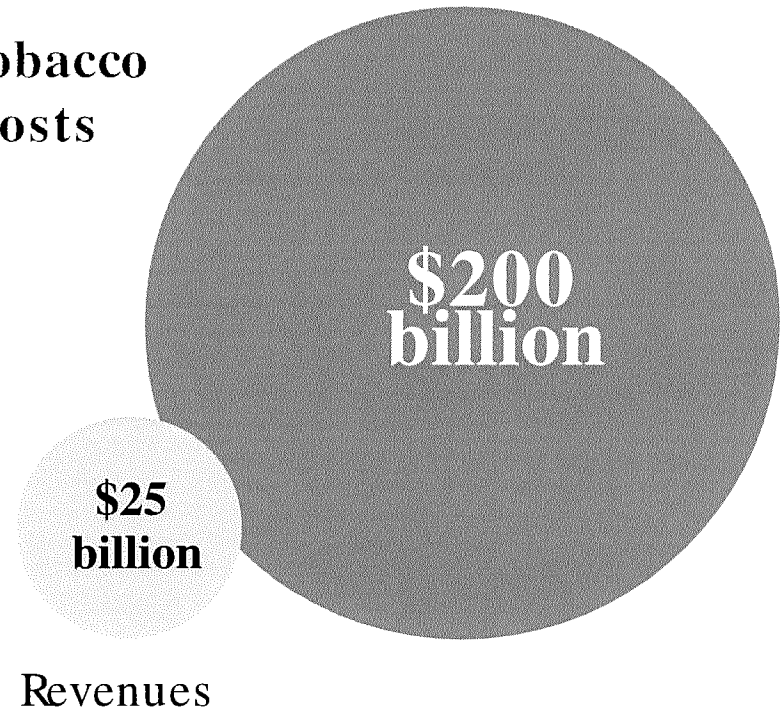
- Source: Quest Diagnostics (<http://www.questdiagnostics.com/home/physicians/health-trends/drug-testing>)

Alcohol & Tobacco: Money Makers or Dollar Drainers?

**Alcohol
Costs**

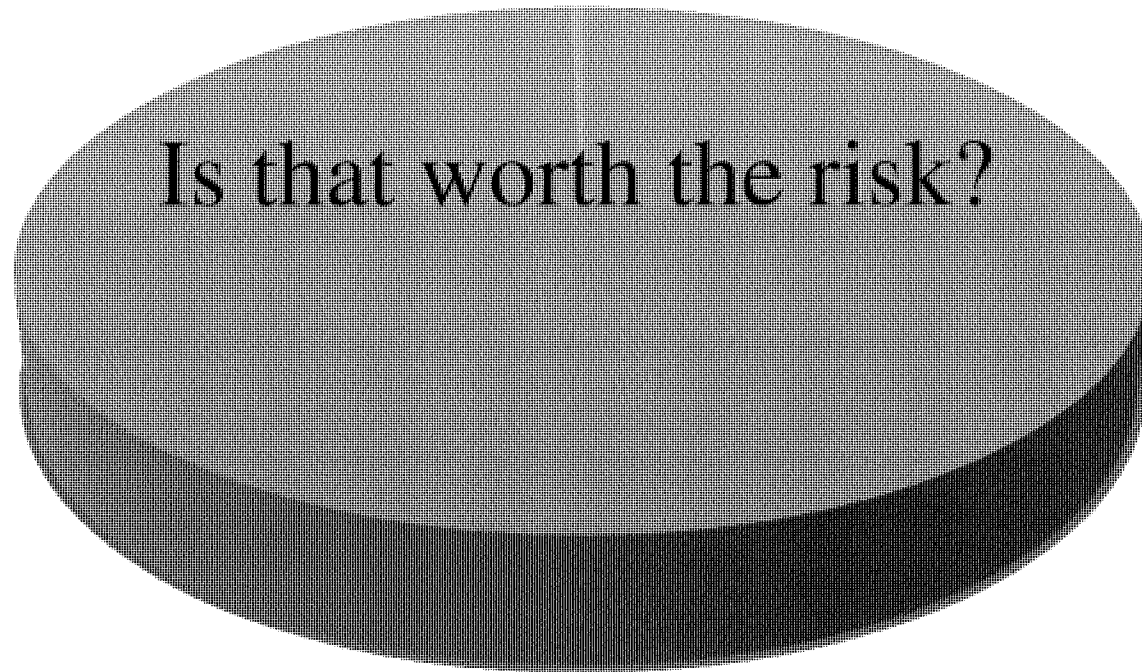


**Tobacco
Costs**



Source: State estimates found at <http://www.nytimes.com/2008/08/31/weekinreview/31saul.html?em>; Federal estimates found at https://www.policyarchive.org/bitstream/handle/10207/3314/RS20343_20020110.pdf; Also see <http://www.tobaccofreekids.org/research/factsheets/pdf/0072.pdf>; Campaign for Tobacco Free Kids, see "Smoking-caused costs," on p.2.

Colorado General Fund



■ Everything Else

■ Marijuana

Revenue from Marijuana Sales are less than 1%

Science and the experience of CO & WA disprove pro-legalization arguments

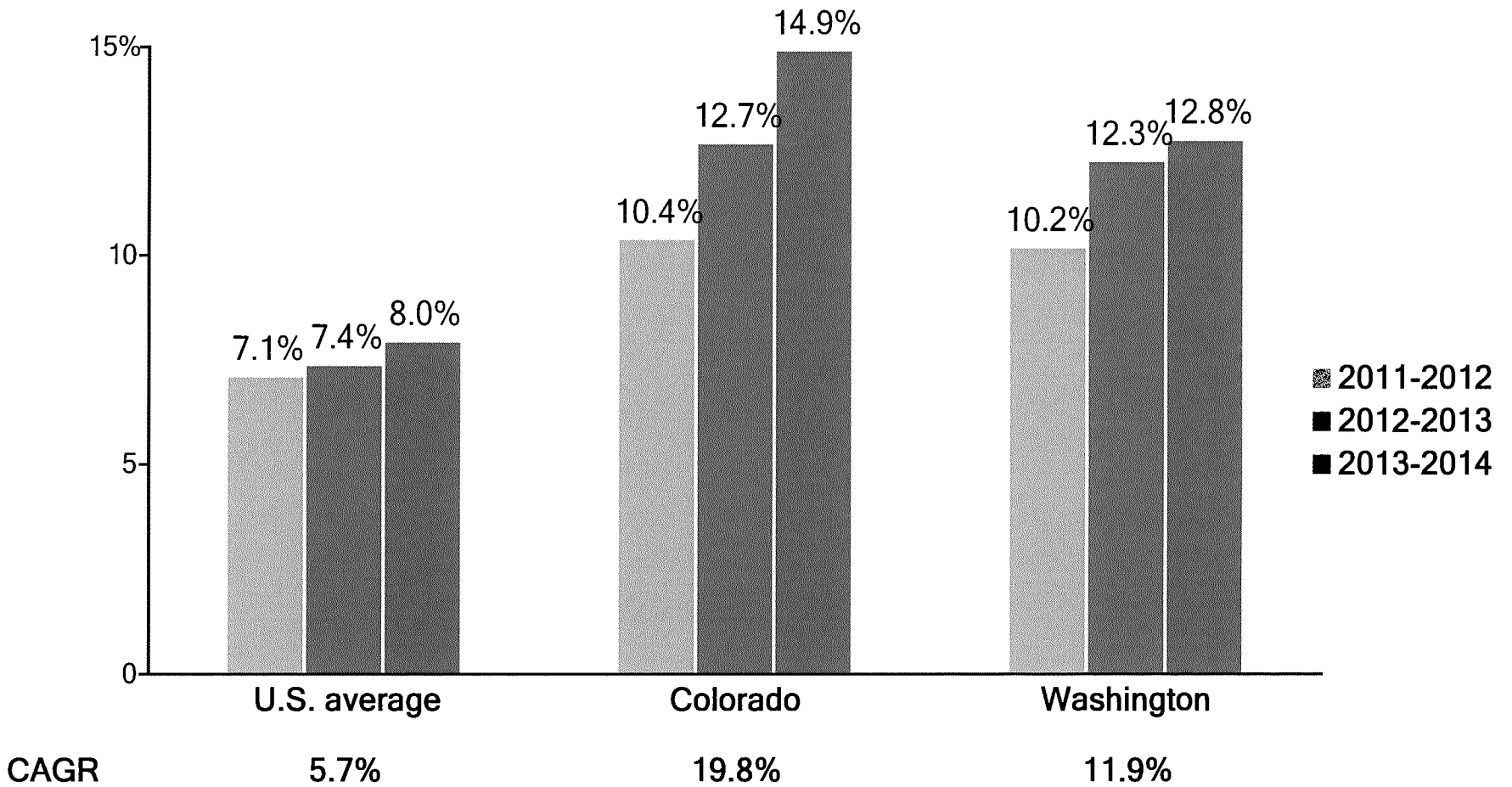
CLAIM

REALITY

- | | | |
|--|---|--|
| 1 Marijuana is not addictive or harmful | X | <ul style="list-style-type: none">• Marijuana addicts up to 1 in 2 teens, and is linked to permanently reduced IQ, among other harms |
| 2 Legalization reduces use by minors | X | <ul style="list-style-type: none">• After legalization, CO became the #1 state in pot use in all age groups—including youth |
| 3 Legalization will eliminate the black market | X | <ul style="list-style-type: none">• In Colorado, the black market is thriving—and possibly even increasing• Denver drug crimes rose 12.5% in 2015 |
| 4 The only way to resolve overcrowded prisons is through legalization | X | <ul style="list-style-type: none">• False dichotomy—We can resolve the incarceration issue w/o commercializing pot• Legalization will not dent the prison population—few people are incarcerated for marijuana possession |
| 5 Marijuana will earn states money | X | <ul style="list-style-type: none">• Alcohol and tobacco cost our country 10x what they bring in in taxes |

Use in CO and WA are both (A) higher than and (B) rising faster than the national average

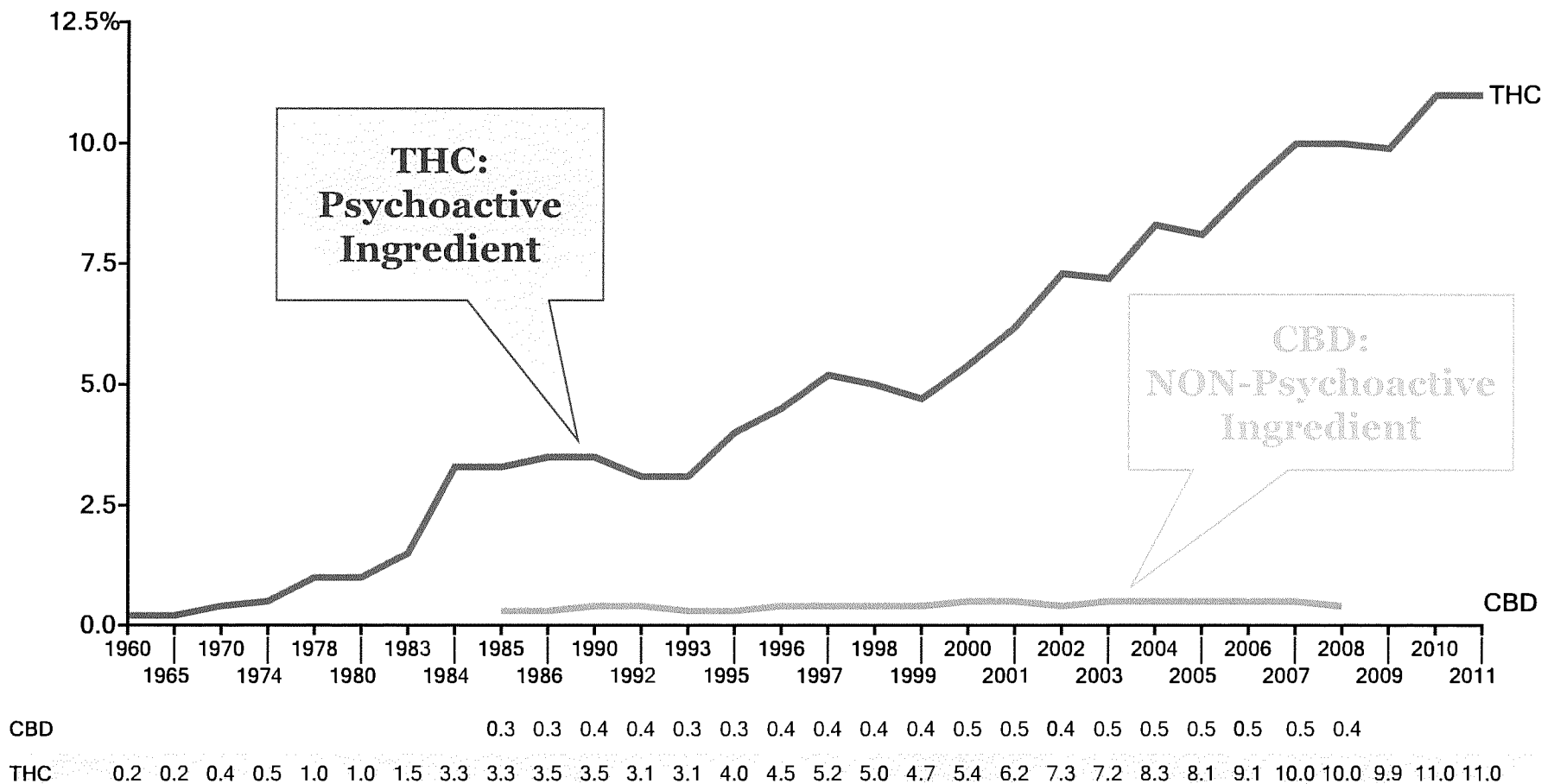
Percentage of population ages 12 and up who used marijuana in the past month



• Source: NSDUH state estimates

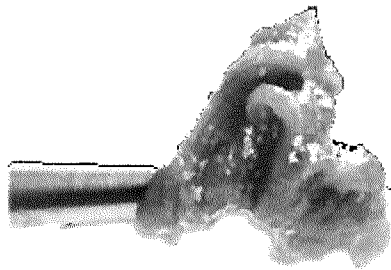
Marijuana has become significantly more potent since the 1960s

Average THC and CBD levels in the United States

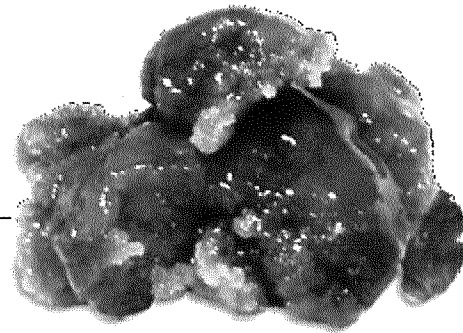


- Source: Mehmedic et al., 2010

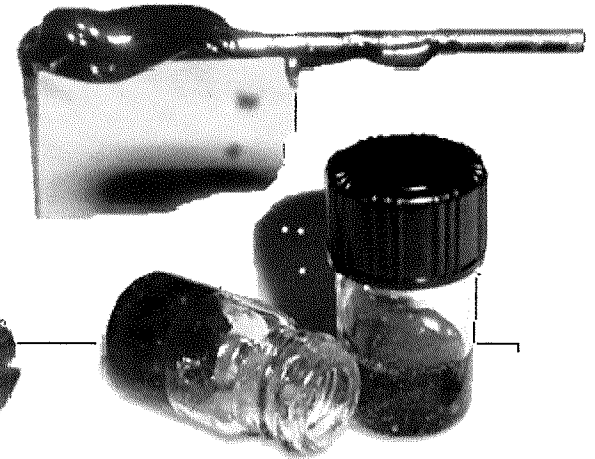
Marijuana is not “just a plant” anymore – derivatives contain up to 98% THC



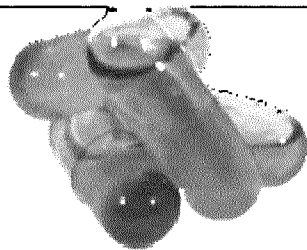
*“Green Crack”
wax*



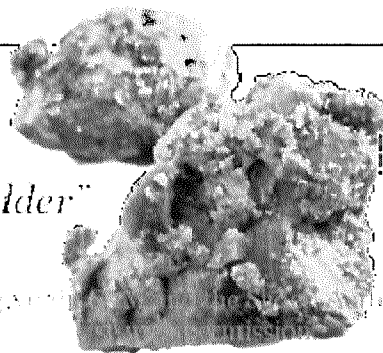
“Ear Wax”



Butane Hash Oil
(BHO)

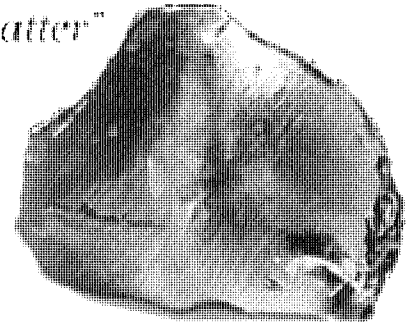


Hash Oil Capsules



“Budder”

“Shatter”





HOW TO
**SMOKE
WAX**

“Dabs”: the new frontier of marijuana

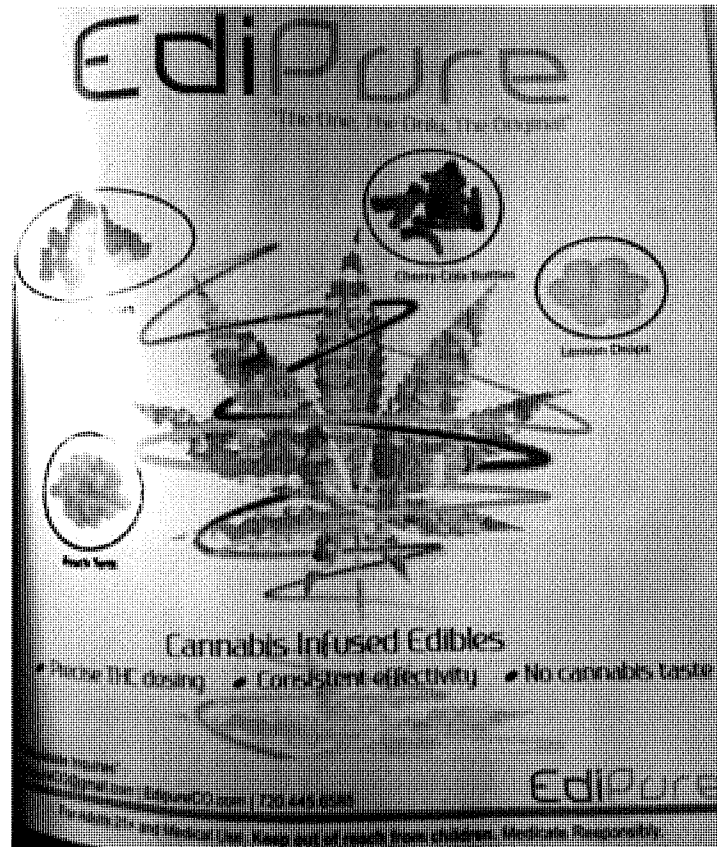
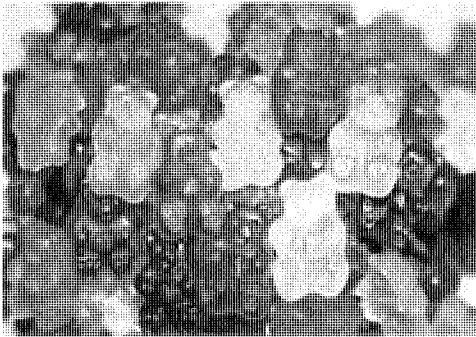
“With dabs your local action news team gets to do a marijuana story that shows crack pipe torches used on sticky heroin-looking goo made from a process that blows up like meth labs.”

**- *High Times* magazine
7 May 2014**

Marijuana edible displays



Edibles: a clear and present danger to Colorado's children



Doctors at the UCH and Children's Hospital Colorado emergency departments **identified edible marijuana as the culprit behind the most troubling cases** there, including severe burns and cycling vomiting syndrome.

- Source: Monte, Zane, and Heard, *Journal of the American Medical Association*, January 20, 2015 -- <http://jama.jamanetwork.com/article.aspx?articleid=2022370>

nugtella



**Hazelnut spread with
Medical Marijuana**

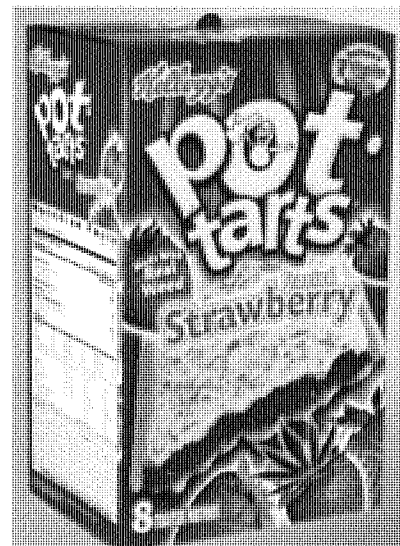
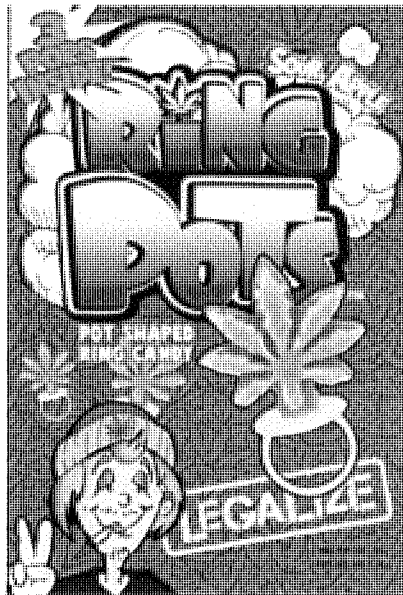
Mind • Body • Spirit
WELLNESS CLINIC

**STOP BY ON YOUR WAY UP
THE MOUNTAIN FOR ALL YOUR
RECREATIONAL NEEDS!**

SHOW YOUR SKI PASS AND RECEIVE
A \$1.00 JOINT
WITH PURCHASE!

A black and white photograph of a snow-capped mountain range under a cloudy sky. The mountains are in the foreground, and the sky is filled with soft, white clouds.

Marketing to Children



STOP BY & SAY HIGH

\$5 Grams
FREE 1/8
BUY ONE GET ANOTHER FREE

99¢ Joints

\$125 Premium Ounce's

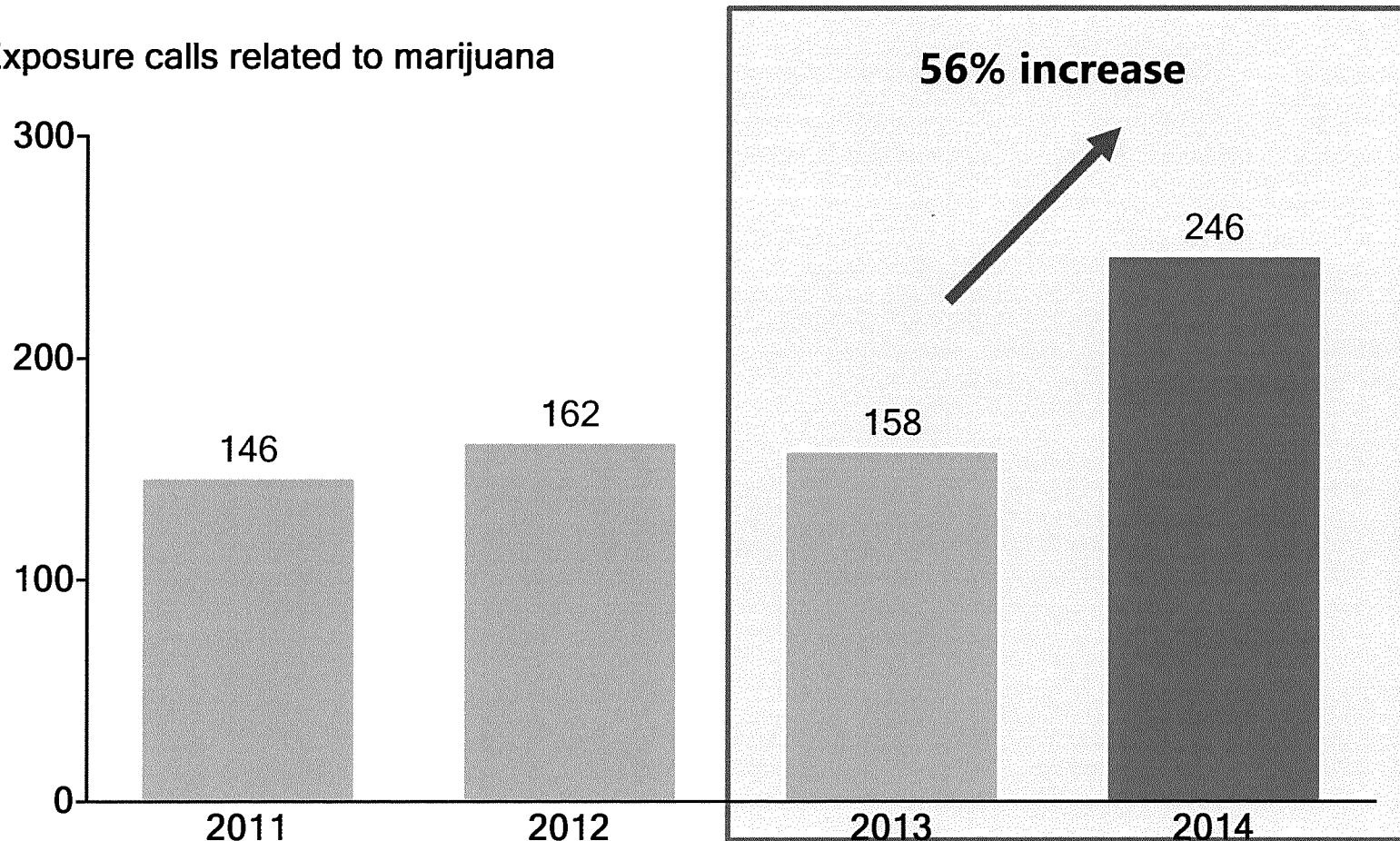
6/11 6/12 6/13 6/14 6/15 6/16 6/17 6/18 6/19 6/20 6/21 6/22 6/23 6/24 6/25 6/26 6/27 6/28 6/29 6/30





Emergency marijuana-related calls to the WA Poison Center have skyrocketed post-legalization

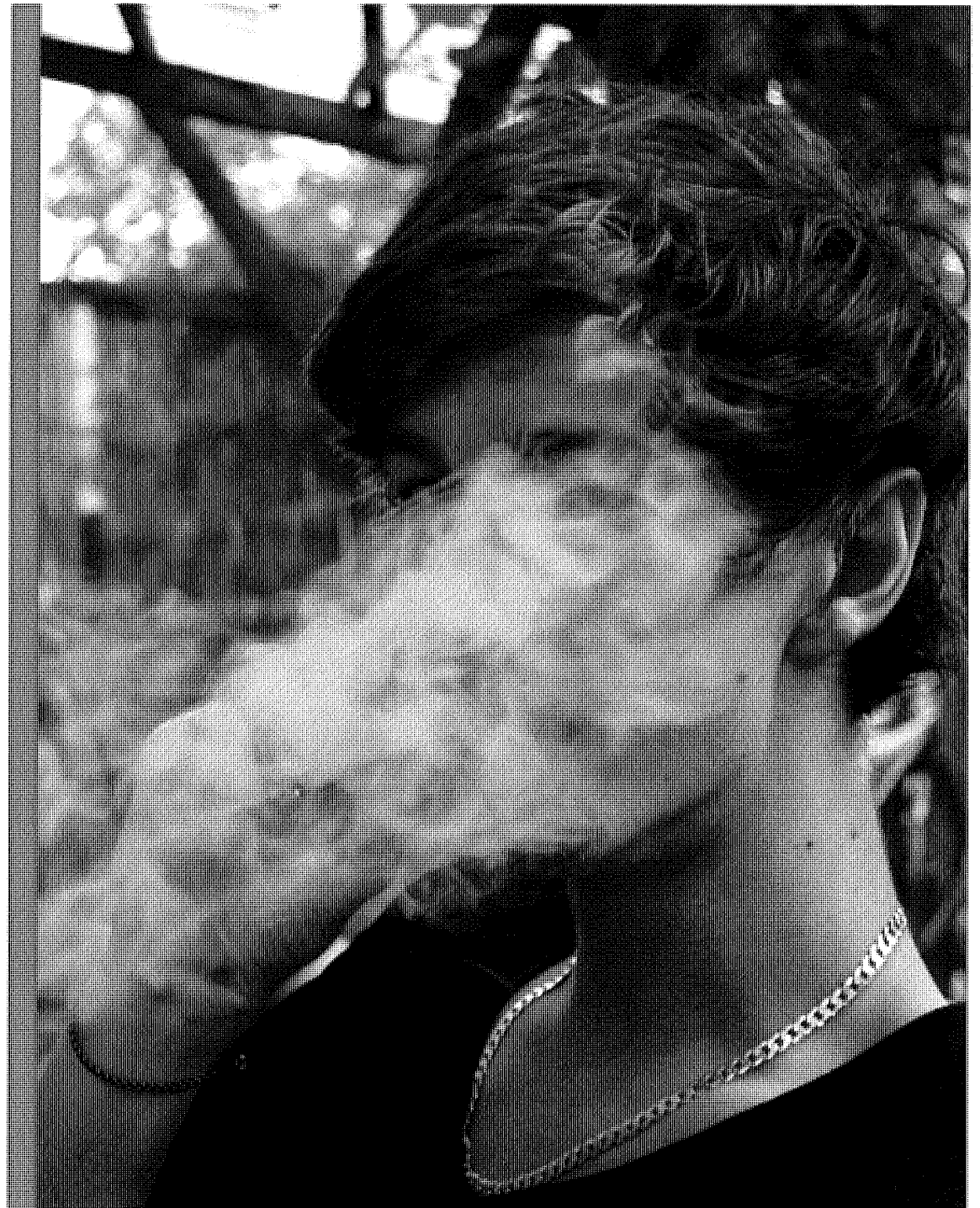
Exposure calls related to marijuana



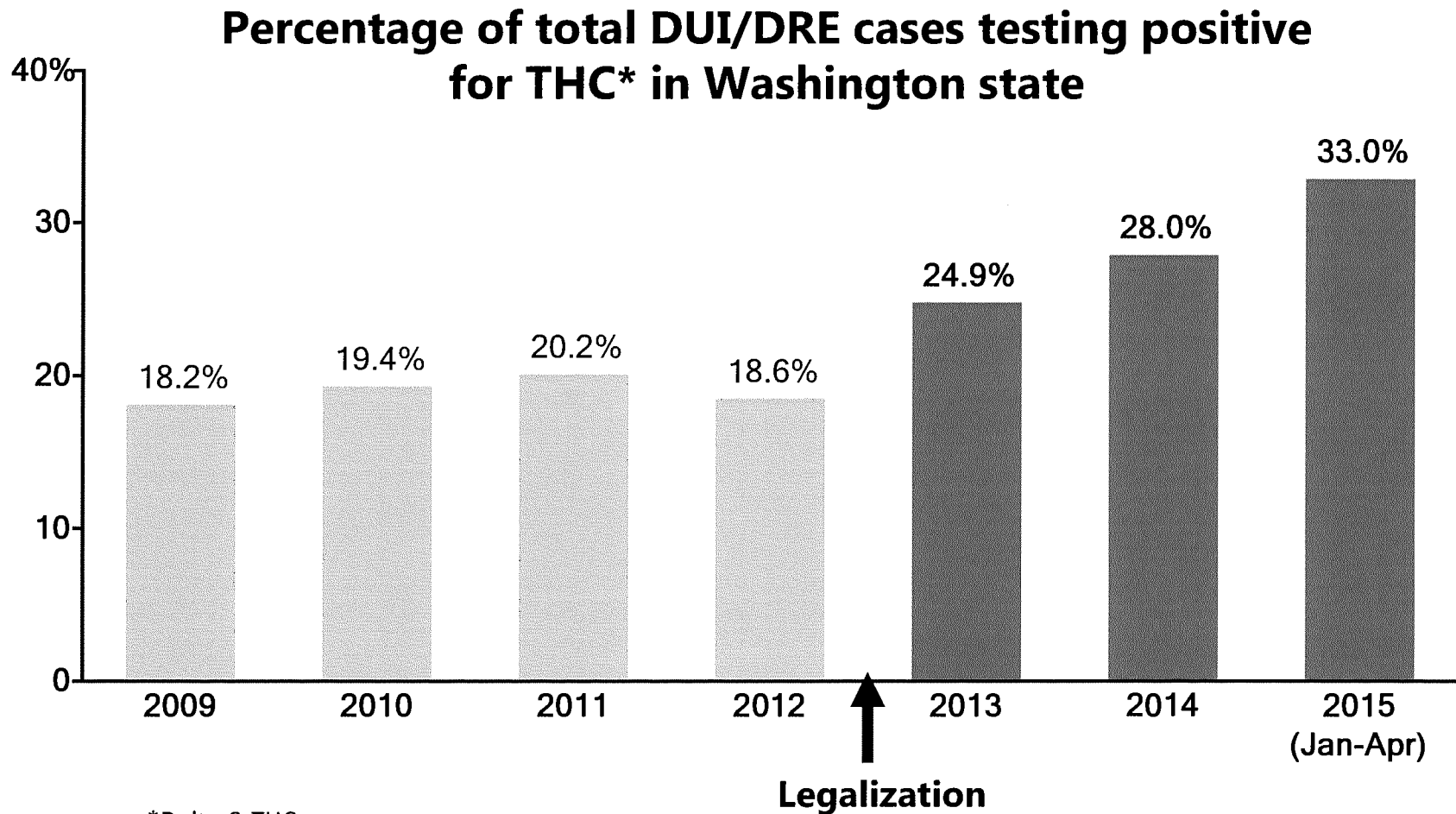
- Source: Washington Poison Center

Teen admissions to drug treatment are also up

- Teen admissions to treatment for marijuana use at the Arapahoe House treatment network in CO increased by 66% between 2011 and 2014



Pot has had an increasing impact on DWIs in WA post-legalization—1/3 of cases now test positive

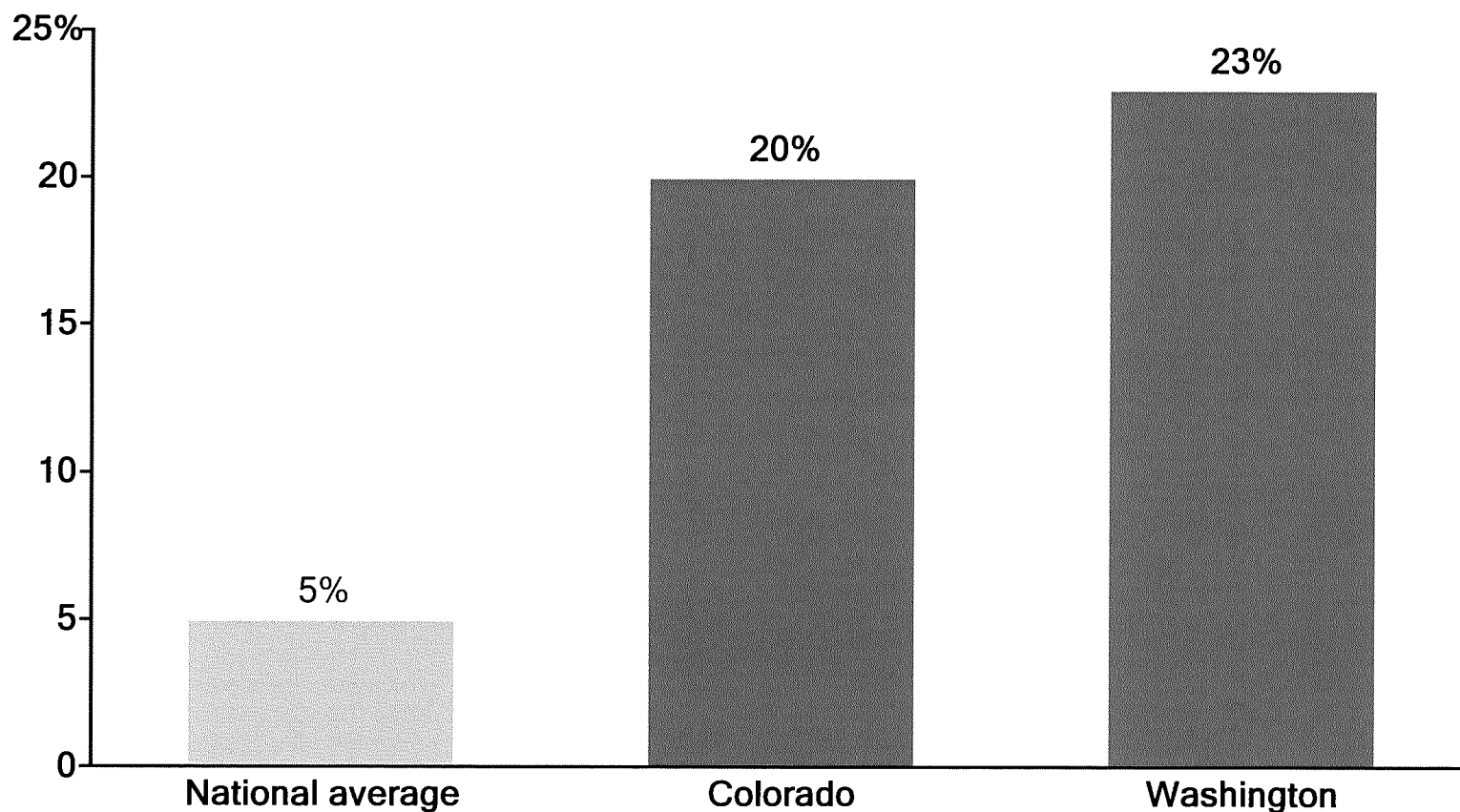


- *Delta-9-THC

Source: NPR, from data provided by the WA State Toxicology Laboratory

WA and CO also show increases in of on-the-job marijuana use well above the U.S. average

Increase in positive on-the-job marijuana test results
(2012 to 2013)



- Source: Quest Diagnostics (<http://www.questdiagnostics.com/home/physicians/health-trends/drug-testing>)

Local Crime Affects

Dispensaries are cash businesses.

Dispensary owners do not utilize the traditional banking system, due to Federal banking laws.

Dispensaries have been victimized by Organized Crime and Criminal Street Gangs due to attractive all cash targets.

California has seen an increase in property related crimes due to Prop 47 and the decriminalization of other street level drugs.



QUESTIONS?