

Thursday July
28, 2022
3pm-6pm

THE HANDOUT

Issue #1

First Annual Cannabis Summit, July 28, 2022

Patty Huerta, Organizer

The First Santa Ana Cannabis Summit, July 28, 2022

Patricia Huerta, CEO of Great
American Cornerstone Events

I want to personally thank everyone who supported me in my vision to develop the First Santa Ana Cannabis Summit.

Our Event Motivation: Industry leaders, state and federal regulators and enforcement agencies, politicians and interest groups are struggling to develop a path to implement workable laws, regulations, and industry practices for the implementation of the legal Cannabis industry. But appropriate political, industry and self-interests are not always aligned, and at a time when discussion, debate and compromise is most needed, it is often most difficult. We seek to help advance the legal Cannabis industry in Santa Ana. This is why we have formed the FIRST Annual Santa Ana Cannabis Summit!

We have 6 industry speakers and David Elliott, the President and CEO of the Santa Ana Chamber of Commerce as Moderator.

The speakers are Ryan Early (CEO BlueGreen, FarmerRyan), Kristine Ridge (CEO, Santa Ana), Wendy Haase (President of DMO, Visit Santa Ana), Marvin Smith (CEO KT California), Sue Taylor (Mama Sue) and Attorney Rich Rydstrom.

I've included the speakers' short bios and topic questions.



*Love & Gratitude,
Patricia Huerta*



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RydstromLaw

The Cannabis Industry Must Act to: Avoid the Race to the Bottom!

The industry reports that price compression is occurring. Prices are down. There is a race to the bottom with respect to pricing as well as the participants actual existence. The participants are lowering prices, offering deep discounts, and flooding the market with BOGOs. The result is inevitable: (1) commoditization, (2) reduction of participants, and (3) big money consolidation.

The top 5 brands already control 20% (\$1.1B) of industry sales over the last 365 days. It takes over 1000 brands to reach 28% (\$1.5B) of sales. (Headset, New Frontier) This fact and others, compounded by the weak or falling pricing, excessive regulations, and taxes, are a cause to raise this red flag of concern. The undisciplined industry response (endless discounting and BOGOs), excess supply, and limited retail outlets support the continuation of a race to the bottom.

What can be done?

1. How can Dispensaries and Brands (and other participants) avoid the race to the bottom (in pricing and existence)?
2. Can we avoid commodity status?

The unregulated or illegal market is 2 or 3 times bigger than the \$30 billion cannabis market (YTD) (Headset) Government, industry, and its participants, must seek to refine and relax the rules and reduce heavy costs and taxes, to allow smaller sized participants to grow within its legal confines. Otherwise, the industry is hopelessly a commodity with much fewer participants.

California has some 40 million people and less than 1000 active retail dispensaries. The retail participants in the California businesses in the Beer, Wine, and Liquor stores industry far overshadows the Cannabis structure. (IBISWorld) The Cannabis industry must grow up and fast. The more retail outlets and industry has, the broader the foundation and stability of its market and sales. We still have 68% of local governments banning Cannabis businesses. (Headset) Cities and local government must join-in the fight to expand the legal Cannabis industry.

The market share of Flower declined from 42% to 36% (July 2022). The price declined for flower, capsules, concentrates, vapor pens and topicals. The market share grew for beverages, edibles, and pre-rolls. (Headset)

What can the Dispensaries and Brands do to combat the race to the bottom?

Dispensaries and Brands are using sales price DISCOUNTS and stacked BOGOs masquerading as marketing. That's not marketing. That's a form of offer stacking in the race to the bottom.

Solutions - Thoughts and Analysis:

Dispensaries and Brands (and other participants) need to revisit traditional market and product positioning and branding strategies, as well as implement the new online and Web3 tactics.

Combine Old and New Product & Brand Techniques: Create unique marketing and value propositions to avoid being local commodity. To do this combine traditional Laws of Marketing, Branding and Positioning with online marketing (including websites, funnels, email nurturing, geo-fencing, content PR, event culturing, social media and Web3 (for example: DAO and NFT) strategies.

STEP ONE: Traditional Markets Analysis: The first step is to analyze your product, brand, or store LEADERSHIP position in the market. By position I mean consumer perception. You must create a unique value proposition and own your own EXCLUSIVE ATTRIBUTES on the Product, Brand or Store Market Ladder. The consumer must hold that same perception. Their beliefs must be based upon the exclusive attributes you own based on your points of difference (POD), and the PODs must truly be unique to your brand, product, or store. (Example, a DISPENSARY that specializes in THC Beverages; or specially serves Boomers, or Gen Z, or Millennials, or GEN X; or offers unique education or service experience, or video or virtual reality experience.) Maybe a brand is the first to offer a unique configuration or ingredient.

STEP TWO: Online Marketing: The second step is to craft your **Hook, Story and Offer**. The Hook, Story and Offer are the number one reason online sales suffer. The hook is just that, something catchy to catch the attention of the viewer (for example as a lead-generator to capture an email). The Story is not your personal history but a persuasive and believable story of why the consumer should trust or buy from you. This is key. It must be simple and easy and ring true. It should be consistent with your value proposition. It shouldn't be a testimonial that violates any law or makes unsubstantiated claims. The Offer must be a Stacked Offer with 2-4 OTOs (one time only, upsales, BOGOs or sales bumps). Yes, you should offer discounts and double or triple quantity offers, etc. within reasonable bounds of scarcity such as time, unique strain, limited run inventory, etc.

Be Different Not "Better": A common mistake in market positioning, penetration and marketing is to say you're better. Consumers are savvy and will develop a sticky perception of your differences (PODs) but reject your claim that you are better than their perceived (in their mind) category leader. If your value proposition (PODs) and the attributes (words) you claim exclusively, are believable and consistent with the market, the consumer may likely accept your rung on the marketing ladder. But the rung has to ring true.

Market Size and New Untapped Consumers: As an industry, we must increase the market consumer size. If you're relying on and accepting that the consumer only wants the cheapest price, then it's time to seek out the other consumers not being served. That market is exponentially bigger, and they probably want more (understandable) value or premium experiences. Maybe these are consumers that don't speak the Tincture or Blunt jargon or maybe they don't want to smoke but want to get relaxed or high. There are a whole lot more consumers in those categories and they are waiting to be introduced to the legal marketplace. For example, KT California is a THC Beverages brand seeking consumers who don't smoke weed but want to get a sense or relaxation or high.

If We Act Strategically, We Can Avoid Creating a Commodity Industry: If your only strategy is to offer **BOGOs and discounts tactics**, eventually the industry becomes a limited scale commodity. The question is: Will the industry accept the challenge to be more than a commodity? It takes real effort to add real value and avoid creating a commodity.

WEB3:

1. **What's WEB3? It's the DECENTRALIZED WEB!**
 - a. Google says: Web3 is the next generation of the internet which incorporates decentralization by using digital assets (Tokens, NFTs, etc.) on blockchain and smart contract technologies.
2. **What's Crypto? CURRENCY OR A DIGITAL COIN!**
 - a. Google says: A cryptocurrency is an encrypted data string that denotes a unit of currency. It is monitored and organized by a peer-to-peer network called a blockchain, which also serves as a secure ledger of transactions, e.g., buying, selling, and transferring. Like: BITCOIN, ETHEREUM, DOGECOIN, SOLANA, POLYGON, etc. (Ethereum is a decentralized, open-source blockchain with smart contract functionality. Ether is the native cryptocurrency of the platform. Among cryptocurrencies, Ether is second only to Bitcoin in market capitalization. Ethereum was conceived in 2013 by programmer Vitalik Buterin.)
3. **What's NFTs? A UNIQUE DIGITAL VALUE PIECE**
 - a. Google says: NFTs are non-fungible tokens, which is incredibly unhelpful. NFTs can be an expression of your beliefs, values or your ethos. Typically, NFTs can be *Art, Collectibles, Domain Names, Music, Photography, Sports, Trading Cards, UTILITY, and Virtual Worlds.*
4. **What's DAOs? A UNIQUE DIGITAL WORLD**
 - a. Google says: DAOs are Decentralized autonomous organizations are a staple of web3. Internet-native and blockchain-based, DAOs are intended to provide a new, democratized management structure for businesses, projects, and communities, in which any member can vote on organizational decisions just by buying into the project.
5. **How can dispensaries and brands use Web3 (NFTs, DAOs)?**
 - a. Dispensaries and Brands can use NFTs to create their culture and metaverse world or community. Typically, the NFT can be Art, Collectibles, Domain Names, Music, Photography, Sports, Trading Cards, UTILITY, and Virtual Worlds. They can be brought, sold, and transferred, however there is a more powerful use. For example, the NFT can make a THC Beverage can a collectible, or offer VIP access to its Virtual and Reality world and events. It

can target other groups or worlds with traits that might enhance its marketing and or, eventually, sales or perceived value.

- b. **Web3 Take-Away:** You must create your world where your customer base can reside. If sincere and authentic, they are ready to buy from you (brand, dispensary, or delivery service) – for more reasons than just **LOW PRICE**. They want to be part of a tribe or community, world or metaverse with common interests, values, interests, and benefits.

6. **TAKE-AWAYS - Navigate and Avoid the RACE TO THE BOTTOM**

- a. Education is not only for consumers, but it is needed for Dispensary and Brand owners as well.
- b. Focus on your unique value proposition (as a brand or store, etc.)
- c. Encourage Dispensaries to ADD PREMIUM RETAIL SHELF SHOWCASES to start the delineation of super-premium products (and dispensaries). (Dispensaries and Brands should Joint Venture in marketing to consumers, and complementary BRANDS should Joint Venture to share costs for marketing and or premium dispensary showcase shelves (or slotting fees).
- d. **Brands May Diversify Products as Premium vs. Non-Premium:** Not all products need to be deeply discounted.
- e. **Joint Marketing Ventures (Joint Marketing and Branding):**
 - i. Joint Campaigns for email blasts, nurturing, event geo-fencing and funnels
- f. **Leverage your brand PR and IP**
- g. **Governments: Add more Retail Outlets** (Cities offer Visit your City coordination and cooperation for tours to dispensaries, grows, education, brands, manufacturing)

Rich Rydstrom 949-678-2218 RichRydstrom@gmail.com

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Moderator David Elliott



EVENT MODERATOR
DAVID ELLIOTT

David Elliott has been a 30 year plus community member of Orange County and currently serves as the President and CEO of the Santa Ana Chamber of Commerce. In 2016, he founded the Institute for Community Impact that focuses on helping individuals and organizations impact their communities through the Seven Pillars for Influence. He is known throughout Orange County as a "Relationship Builder and Connector of People".

In addition, he is the President of David Elliott & Associates, Inc., a business development consulting firm that serves for profit and non profit businesses and organizations.

Speaker Ryan Early

Speakers Biographical Information

RYAN EARLY aka FARMER RYAN™



1. Ryan Early, known as FARMER RYAN

Introduction: Ryan Early, known as Farmer Ryan, is the CEO of Blue Green Ventures, LLC and various companies. He is the first to discover the “Microbiome Sesquiterpene Complex” through his testing of thousands of Cannabis and Hemp plants. He is a legal Industrial Hemp producer, breeder, and manufacturer of hemp and CBD derivative products, and seeds. Ryan has been on the national forefront of the creation of the laws and best practices for cannabis and hemp.

Ryan has appeared in over 1000 publications, podcasts, and conferences since 2016. Ryan is also the partner in charge of the Northwestern Oklahoma State University Industrial Hemp Program. He is also the owner of the Midwest Microbiome Repository for cannabis and hemp plant testing. Ryan discovered a unique Sesquiterpene Complex from resistant Cannabis/Hemp Landrace plants that can grow under harsh conditions. Ryan breeds unique genetics from Cannabis/Hemp to produce special characteristics.

After testing over 10,000 plants, and with the benefit of Cannabis and Hemp research, Farmer Ryan discovered Blue Magic Super Grow™ to help farmers worldwide grow faster, better and more economical crops. With an estimated population of 10 billion by 2050, global food demand will rise by as much as 70%. Farmer Ryan believes his natural fungicide, Blue Magic Super Grow™, can increase plant growth by up to 30%, support the viability by up to 30%, and naturally combat pests by up to 90%. Blue Magic Super Grow™ contains a secret ratioed terpene complex, or Sesquiterpene Complex, known as Microbiome Replication Technology, and various oils. You can reach him at FarmerRyan.com.

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Questions:

Ryan, please tell us the history of cannabis and hemp plants dating back to the United States Military and its WWII HEMP for VICTORY projects.

Ryan, what is the Difference between Cannabis, Hemp and various types of CBD derivatives such as CBG, CDN, CBG-A, etc.?

Ryan, how do you breed cannabis and hemp to achieve certain characteristics, terpenes, tastes, odors, and uses?

What are some of the other uses of Cannabis and Hemp available now and in the future?



KRISTINE RIDGE

Kristine serves as the Chief Executive Officer of the City of Santa Ana under the policy direction of the City Council and is responsible for the day-to-day operations of the City. Santa Ana is a full-service city and Kristine is responsible for an approximately \$670 million annual budget and overseeing City departments in various specialized industries including over 1,200 full-time employees and another 300 seasonal or fixed-term employees.

Kristine has a 30-year distinguished public service career. Prior to serving the City of Santa Ana, Kristine was the City Manager for the City of Laguna Niguel, and spent 24 years holding multiple executive level positions in the City of Anaheim.

Kristine Ridge (CEO, Santa Ana)

Kristine Ridge

Questions:

1. Can you tell us about the City's new Travel Santa Ana Organization and what your goals are?
2. How do you see the cannabis industry in the city being a part of the Travel Santa Ana plan?
3. The City is considering allowing large scale cannabis events and consumption lounges, how could Travel Santa Ana support these kinds of events?



WENDY HAASE

Wendy Haase, CDME, is the President of the newly formed DMO, Visit Santa Ana. With over 20 years in the travel industry, President Haase is ready to build Travel Santa Ana into a thriving organization. She began her career with Visit Milwaukee where for nearly seven years she collaborated on events such as, the Harley-Davidson 100th Anniversary and the Major League Baseball All-Star Game. Her career path led her to California, where she has represented Sonoma County, Huntington Beach, Terranea Resort in Palos Verdes, and Destination Irvine. Wendy earned her Certified Destination Marketing Executive certification with Destination Marketing Association International in 2014 and currently serves on the CalTravel board of directors.

Wendy Haase (President, Travel Santa Ana)

Wendy Haase (President, Travel Santa Ana)

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Travel Santa Ana in Cooperation with the Cannabis Industry

The latest updates to get you through the day

Wendy Haase (*pronounced HaZee*), president, Travel Santa Ana, joined the newly formed destination marketing organization in August 2021. Prior to her current role, she spent 11 years with Destination Irvine. She has over 23 years of experience in the travel and tourism industry previously representing Milwaukee, Sonoma County and Huntington Beach. She is an active member of the California Travel Association, Destinations International, and the Society of American Travel Writers, and received her Certified Destination Management Executive credential in 2014.

Travel Santa Ana will act in cooperation with Santa Ana and the Cannabis Industry members to enhance the Santa Ana experience.

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Marvin Smith



Introduction:

Marvin Smith, CEO of KT California THC Beverage company. Marvin is a former NFL player, and a Pastor of Fired Up Ministries. Marvin was the helped author the first independent study for Traumatic Brain Injury among former professional football players.

Former NFL Player and the past President and VP of the National Football League Players Association, Los Angeles. He is an advocate for what's right... education, health, and justice. He helped author the 1st independent study for Traumatic Brain Injury among former professional football players. Co-Creator of the \$1,000,000 Corporate Kids Financial Literacy Education for disadvantaged LA Youth and created one of the few California State authorized charter schools. His mission today is helping increase the quality of life for people by educating, creating, and distributing innovative research-based products for health and wellness!

Marvin's heart compassion behind the real-life stories of care, became the catalyst in his start with KT California, a "Better Healthier Natural Cannabis-Infused Products" Company.

KT California is a Minority-Owned, socially responsible Company that is focused on helping to create positive change, using sustainable products, and giving back to the communities that need support. Marvin has a Bachelor of Arts in Psychology, Master of Arts in Business Leadership, and a Certificate of Marketing. He is also an Ordained Minister with a personal life mission of adding value to another person's life.

Marvin Smith

Questions:

Questions:

1. How did you become the CEO of KT California THC beverage company?
2. How are your products better and healthier?
3. What is the state of acceptance of Cannabis with professional sports teams?

(How does NFL feel about Cannabis?)

4. Are there any Studies that you cite that show Cannabis or Hemp may be healthier than traditional alternatives?



Marvin Smith CEO KT California Marvin@ktcalifornia.com



RICHARD RYDSTROM ESQ

Richard Ivar Rydstrom, California Attorney at Law, GC J.D. Law, Bachelor of Science, Accounting Like a "David vs. Goliath" story, Rydstrom fights back for the "little guy." Superb Rated Attorney 10/10: More than 28 years of legal experience. Vast experience re litigation, business disputes, contracts, employment equity, NDAs, Mediation, loans, investors, startups, lawsuits, plaintiffs, defendants, business owners, consumers, restaurants, landlords, leases, licenses, Cannabis, CBD, THC, Dispensaries. Richard is considered an expert in civil litigation, real estate, business, and with an emphasis • Real Estate, Technology, Litigation • Business, Asset Protection, Contracts, Leases, Disputes

Rich Rydstrom, Attorney/Business & Markets Advisor

Introduction:

Richard has over 33 years as a California Attorney and business advisor. He worked for Warner Atlantic and Elektra Records with music superstars like Stevie Nicks, Phil Collins, etc., and as a Business and Tax Manager for Wolfgang Puck, Tommy Lee Jones, Kurt Russell, etc.

Richard was chosen by 110th CONGRESS to deliver a Statement on the solutions to the Great Recession. When the U.S. Treasury and the ALFN wanted to develop and teach the mortgage meltdown solutions to the banks, they choose Richard as the Chairman of CMIS. Richard co-created the donated \$1,000,000 in financial education for underprivileged kids in Los Angeles. He helped Elon Musk with his first Tesla Newport Beach Showcase.

J.F. Kennedy Victory Awards/Overcoming Adversity: Rich was the national committeeman (working directly for Susan Lewis Abrahamson and General Abrahamson) creating the Victory Awards at the J.F. Kennedy Center (DC).

He is general counsel for KT California and Farmer Ryan and consults many Cannabis and industrial Hemp companies. He is currently developing Canna Crypto and NFT opportunities with marketing penetration strategies for his clients. He also owns the Preferred Professionals™ brand, which offers business credit to startups and scaling businesses.

Questions:

7. How can Dispensaries and Brands avoid the RACE TO THE BOTTOM (in pricing and existence)?
8. What's WEB3?
9. What's Crypto?
10. What's NFTs?
11. What's DAOs?
12. How can dispensaries and brands use Web3 (NFTs, DAOs)?

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