

June 1, 2015

Co-Chairs Lininger and Burdick, Members of the Committee,

I am writing to you on behalf of MAD Farma. As premier cultivation and production facility in Oregon, we currently produce oil and wax based concentrate products for patients with ailments ranging from seizures to Chron's disease. Our products are being sold in over 150 dispensaries through out the state.

To give you a little background, our company has been involved in the cannabis industry for over two years, and it has been a very exciting journey so far, one that is more and more rewarding every day. MAD Farma's first experience in the industry was nearly four years ago when one of the founders' best friend of nearly 40 years, took his own life after being on a physician prescribed depression medication for only 10 days. We began researching the benefits of alternative forms of medication that could have prevented this tragedy. The answer was always the same; states that have legalized cannabis for medical purposes have experienced a significant decline in suicide rates.

From there, we were compelled to get into the industry. With the help of two of friends who were equally passionate, driven and eager to enter the cannabis industry, MAD Farmaceuticals was formed. The next couple of years were filled with due diligence, networking, lobbying, research and development and last year we began offering medications to patients in the state of Oregon.

One of our partners moved to Oregon in March, 2014 and by June/July of 2014 we had solidified relationships with growers to process their medical cannabis into concentrates.

Concentrates are the future of cannabis, especially for medicinal purposes. During the production process, solvents or gases strip compound from the cannabis plant, leaving behind a product with medicinal benefits packed in every drop. Concentrates range from vaporized oils and waxes to orally administered capsules or tinctures and edibles taken for medical purposes and even lotions or topicals. The concentrate products we produce range in a variety of THC and CBD levels. There are two main chemicals to the marijuana plant that research has found to have medicinal applications. The more familiar THC, or pain-relieving chemical of the plant and CBD, which seem to impact the brain without a "high". It is important to note, that while CBD is getting a lot of media coverage and attention right now, the medical benefits of THC should not be ignored. For many years, medical cannabis with higher levels of THC have been used to stimulate the appetite, help with migraines, body pain, glaucoma, autoimmune and digestive diseases.

In the fall of 2014, we solidified our relationship with MBank and National PEO. We are very excited to fully operate in compliance with the state and as any other company would in a different industry.

At the beginning of this year, we moved into a large warehouse with significant acreage for outdoor growing and greenhouses, which we are building out to manufacture concentrates. Our expansion was triggered by the legalization of Recreational Use and being able to service the growing number of users who will have access to our medical cannabis.

Our medicine is being sold in over 150 dispensaries throughout the state of Oregon. Over the last few months, we have been contacted by dispensary owners and by patients who have experienced life-changing results from using cannabis as medicine.

I am writing to you today to address a few general concerns that our company has with the proposed amendments to House Bill 3400. First, we are concerned with the proposed two year residency. We are also concerned about the possible limitation on warehouse size and/or plant count. As a company who came from Colorado and wants to work in compliance with Oregon law, our main concern is making sure that our medicine available for patients and citizens of Oregon who need it most. We have a significant amount of patients in Oregon who rely on our highly concentrated CBD oils to function on a daily basis. We are developing capsules and tinctures for easy consumption by seizure patients or people going through chemotherapy. There are citizens in other states who will travel to Oregon to obtain medicine for themselves or family members. It is imperative that we don't limit the medicine available to those who need it.

MAD Farma is a compliant company registered in Oregon who you want to continue operating in the state. Although none of our team members have been residents of Oregon for over two years, we have investing in our Oregon business and currently employ twelve people. We have a passion for the industry and for the patients in Oregon. We operate in compliance with current Oregon law and are abreast of the upcoming changing, we operate legally through a bank and with a payroll company. Without a provision to grandfather in existing established businesses who may not meet the two year residency requirement, you will be depriving Oregonians from the medicine they depend on today. Moreover, your Committee should carefully consider limitations because a one-size-fits all limitation will not work for businesses or Oregonians. Our products requires more cannabis to produce higher percentage concentrates, which patients depend on. We also require and have already invested in the necessary warehouse space. Strategic investments have been made to invest in Oregon and this legislature, as you draft legislation, should make sure you take into consideration existing businesses and not make lines in the sand that do not make rational sense, and in the end, deprive Oregonians of medicine. It is important for us and our patients that we are able to continue operating in the state of Oregon and be able to expand to meet the needs of the citizens.

Thank you for your consideration of these comments,
Kristin Novotny
Director of Business Development, MAD Farma