



REBEL SPIRIT®

LIVE FREE ★ FLY HIGH

February 2, 2024

Re: Please Support HB 4121 for a Sustainable Cannabis Industry in Oregon

Dear Chairperson Kropf and Honorable Members of the House Committee:

I am writing to you today to ask that you support the passage of HB4121, Sections 15-20. This legislation is essential to our business's survival.

I am the CEO of Rebel Spirit in Eugene, Oregon. Since 2015, we have been outstanding members of our community. We currently employ over 30 hard working folks who believe in our mission, though we can't afford to pay them what they're worth or to give them benefits such as health insurance.

We have an untarnished reputation for our quality products and our integrity. We are all organic, all the time. We use live soil and sustainable cultivation and manufacturing methods. In addition, we believe in social equity as evidenced by the diversity of our staff. We give back to our community by profit-sharing with the Last Prisoner Project, which helps those who have been incarcerated for cannabis "crimes."

All of that said, it is VERY difficult for us to keep our heads above water financially in this business in Oregon. We applaud the original spirit and idea of allowing anyone to get a license. However that plan might work economically in a free market, it's not working here. Our market is not free because we can't take our products over state lines. Oregon's 1300+ cannabis farmers do a great job growing LOTS of product for our very small population. Simple economics ensures that our competing with each other for our relatively few customers is like participating in a circular firing squad. We are all suffering.

Our oversaturated licensing system presents a multitude of problems to our otherwise robust industry. We have endured wild swings in our market as we're caught in a boom and bust cycle that puts all but the most highly capitalized companies out of business. The glut of product on our market, a function of our having too many producer licenses has resulted in an overwhelming unpredictability and instability.

As a result of the low prices and volatility of our market, it is nearly impossible for us to make informed business decisions. Investors want NOTHING to do with the Oregon cannabis market, unless they're snapping up distressed businesses and mothballing them in the hopes that we'll one day have federal reform. So we're on our own here.

We have mortgaged our house to the hilt, have imposed on the goodwill of family and friends for loans, and we live in fear that we may lose it all and put our 30 employees out of work if we don't get a break.

HB 4121 will create a fair and balanced market that benefits all while setting a stable foundation for the industry's future. I urge you to consider the broader economic benefits and the critical support this bill provides to businesses like ours. Again, our survival depends on your passing HB 4121, specifically "Marijuana License Caps and Moratorium" Sections 15-20.

Thank you for your consideration,

Best regards,

Diane Downey
CEO, Rebel Spirit