RIANA DURRETT
INTRODUCTION

● Practiced law for 5 years
● Nevada Dispensary Association
  ○ Non-profit 501(c)(6) Corporation, formed in 2014 to develop and promote best practices in marijuana industry.
  ○ Represents over 85% of dispensaries statewide
  ○ Mostly vertically integrated.
Nevada’s Marijuana Roots

- Medical Marijuana sales regulated
- 12 plant limit
- $250,000 Liquid assets
- Background checks, contribution to community, taxes
- Must look like medical office
- Doctors, lawyers, bankers, gaming executives
- Retail sales built on medical marijuana framework
NEVADA’S INDUSTRY

- Cultivation
- Production
- Dispensary
- Laboratory
- Distribution
CULTIVATION/FLOWER FLOW CHART

CULTIVATION/FLOWER

SAMPLES SENT TO LAB FOR TESTING

AFTER TESTING PRODUCT IS SENT TO PRODUCTION

AFTER TESTING PRODUCT IS SENT TO DISPENSARY VIA DISTRIBUTION

AFTER RESULTS PRODUCT IS SENT TO DISPENSARY VIA DISTRIBUTION
START AT CULTIVATION
INSIDE A PRODUCTION FACILITY

PRODUCTION KITCHEN
INSIDE A PRODUCTION FACILITY
INSIDE A DISPENSARY
INSIDE A DISPENSARY
OUTSIDE A DISPENSARY
ESTABLISHMENT PROFILE

- Store increased employees from 41 in June 2017 to 63 in September 2017
- Company increased from 64 to 92
- Company spends $12,000 per month on security
- Company $15,000 per month on utilities
- Company has spent $150,000 on property improvements
- Company spends $180,000 in payroll obligations each month
- Average salary is $33,000 per year
- Estimates 33% of its employees are racial or ethnic minorities
Medical Marijuana Sales Begin

JULY 31ST, 2015

Retail Marijuana Sales Begin

JULY 1ST, 2017
RETAIL + MEDICAL CANNABIS IN NEVADA

Real Estate Investments

$280,000,000+
Industry Employees
6,750+
Percentage of Ethnic or Racial Minorities

47.3%
Average Wage (all employees)

$19.28/HOUR

Average Starting Wage

$14.31/HOUR

Nevada Minimum Wage

$8.25/HOUR
Average Starting Wage | Average Wage (All Employees) | Average Retail Employee Wage in Nevada
Examples of Monthly Costs

- $1,800,000 spent on security each month.
- $1,270,000 spent on utilities each month.
- $800,000 spent on legal services each month.
# Summary of Licenses Used (Total: 273)

<table>
<thead>
<tr>
<th>Category</th>
<th>North</th>
<th>South</th>
<th>Total</th>
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<tbody>
<tr>
<td>CULTIVATORS</td>
<td>19</td>
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<td>119</td>
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<tr>
<td>PRODUCTION</td>
<td>14</td>
<td>68</td>
<td>82</td>
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<td>LABORATORIES</td>
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<td>8</td>
<td>10</td>
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<tr>
<td>DISPENSARIES</td>
<td>14</td>
<td>48</td>
<td>62</td>
</tr>
</tbody>
</table>
TAXES

- Federal
- IRS 280 E
- Wholesale: 15%
- Sales Tax: ~8%
- Retail Excise: 10% on retail marijuana
- Locals: Up to 3% gross revenue
Must implement inventory control system to document:

Each day’s beginning inventory, acquisitions, harvests, sales, disbursements, disposal of unusable marijuana and ending inventory including, the:

- Number of plants and cuttings;
- Weight of flowers, measured in grams;
- Weight of trim, measured in grams;
- Quantity of THC, measured in milligrams; and
- Weight of seeds, measured in grams.
For each batch, have information with batch number, lot number, and production run number.

Whether originated from seeds or cuttings.

Strain, number of seeds planted, date planted, list of chemical additives, harvest information, date of harvest, final yield, agent responsible for harvest.
When sample sent to laboratory, it’s tracked, destroyed and the batch size is adjusted.

When portions of the batch are sold or destroyed, the information about that batch goes with it.

When a batch or production run is received, the receiving facility must track the products, make sure labels, packaging, test results etc. are in order.