BEFORE THE OHIO SENATE Senate General Government Committee

Testimony of Geoffrey Korff CEO and Founder of Galenas LLC

OFFERED AS AN INTERESTED PARTY AS TO **SENATE BILL 9**

March 7, 2023

Chairman Rulli and honorable members of this committee, thank you for allowing me to testify here today as an interested party regarding Senate Bill 9 (SB 9). My name is Geoffrey Korff and I am the founder and CEO of Galenas LLC. Galenas is a Level II medical marijuana cultivator in Akron, and we own no other licenses in the state. Our cultivation facility is located at 1956 South Main Street, Akron, Ohio, and we have been operating in that location since April of 2019. We currently employ 20 full-time equivalent employees.

By way of background, I am a licensed attorney in Ohio, having graduated from The Ohio State University in 2005 and Syracuse University College of Law in 2008. I returned to Ohio, passed the bar exam here, and have been an active member of the Ohio State Bar in good standing for the past 14 years. In addition to practicing law, I also worked in private industry. Prior to my entry into medical marijuana, I was the president of a steel and iron foundry with an associated machining division producing several product lines. I left my previous employment in 2018 after Galenas was awarded a cultivation license in the initial round of licensing for Ohio's medical marijuana program. My full-time role is now with Galenas as CEO. I am also a happily married father of 3 wonderful children, all of whom are students in Hudson Public Schools in Hudson, Ohio.

I hope this brief recitation of my background makes it clear that I am not some bogeyman waiting in an alley to sell drugs to minors. To the contrary, I am a person that deeply cares about the suffering of patients in Ohio, as well as being someone who is doing his level best to operate and grow a professional business in this new and challenging industry.

I am here today offering testimony on behalf of a majority of the Level II Cultivation Licensees in Ohio. This includes my company, Galenas, as well as Wellspring Fields in Ravenna, Fire Rock in Akron, Ascension Biomedical in Oberlin, Ohio Clean Leaf in Dayton, Ancient Roots in Wilmington, Mother Grows Best in Canton, Farkas Farms in Grafton, Paragon Development in Tipp City, and OhiGrow in Toledo.

We are, as a group, largely supportive of SB 9. We earnestly appreciate the work that has gone into drafting this bill, and we recognize that medical marijuana as a political matter is still one that carries with it some level of apprehension on behalf of many lawmakers. Nonetheless, we view this bill as an important and necessary step forward for the medical marijuana industry in

Ohio. The policy changes that will occur if this bill passes would improve patient access in the state, streamline government oversight, and generally make the program much more useful to patients and efficient for businesses. Thank you for taking it up.

I will limit my comments to three areas where we would like to see modest changes to the language currently included in SB 9:

First, on the subject of changes to the amount of cultivation area that is being contemplated in this bill, Level II license holders are absolutely in favor of being permitted to continue to expand our production footprints. We were limited to 3,000 square feet of production space when the program began, an amount that was only 12% of the size of our Level I counterparts. We are not asking to immediately scale up to a Level I license, but we are asking to be given the opportunity to expand more, as most of us have been out of capacity for some time. To that end, we suggest changing the word "may" to "shall" on page 70 of the bill, thus making it a matter of right that Level II cultivators will be permitted to expand to 15,000 square feet if we as business managers decide that it makes sense to do so.

Second, SB 9 establishes an oversight commission for the program that would include industry representation, but it does not include a provision for representation across multiple license types. This language appears starting on page 40 of the bill. We would simply ask that there be defined Level II representation on the commission in addition to Level I, or any other licenses for that matter. Currently there is no specific language addressing who from the industry would serve on the commission.

Third, there is language in the bill that limits cultivator expansion based on "whether cultivators have expanded to full capacity." This language appears on page 51 of the bill. As written, there is the potential for any cultivator (Level I or Level II) to engage in monopolistic behavior to prevent other market participants from growing by purposefully not utilizing cultivation area, thus stymying efforts of other operators to grow their business. We would respectfully request that this language take into account the specific circumstances of each business, rather than the capacity of all operators. To do otherwise would necessarily couple the business growth of the best operators to that of less efficient or less viable businesses, which is certainly not in keeping with the spirit of free market competition.

This concludes my testimony for today. Again, we as Level II cultivators thank you for bringing this legislation forward to improve the program, and more importantly, improve the lives of patients throughout Ohio. We can of course talk about some of the other provisions in SB 9, but these are the suggestions that we collectively and specifically wanted to bring to your attention. I now would submit to any questions that the committee may have.

Respectfully Submitted,

Geoffrey Korff
Founder and CEO
Galenas LLC