



# THOUGHT LEADERS

## ALMOST LEGAL

*Changes are coming  
to region's cannabis industry*



ALL PHOTOS: JOED VIERA

*Dasheeda Dawson says New York is positioned to develop a model strategy for regulation and sale of cannabis products. She and attorneys Patrick Hines, left, and W. Seth Calleri were part of a panel, below, that discussed evolution of the cannabis industry.*

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With New York state poised in the coming months to legalize recreational marijuana for adult use, and last year's federal approval of the 2018 Farm Bill legalizing hemp cultivation and production in the country, local businesses are looking for opportunities while figuring out how to tackle potential challenges.

SchutteHammermill, which makes milling and shredding machines, expects to grow the vertical market for its KannaMill division and land new customers who will need machines

to grind, crush and shred hemp and marijuana. Already, the cannabis market across the country represents 10 percent of the company's business.

"The sales vertical that has grown exponentially the last four years has been in the cannabis and hemp space," said Chris Berardi, president and general manager.

Berardi joined other leaders for a discussion on regulations in the cannabis industry in New York at an event sponsored by Hodgson Russ LLP.

Participants included Schutte Hammermill and Buffalo retailer Terrapin Station, which are already in the space, as well as newcomers



with CHRIS BERARDI, ALEECE BURGIO, BOB COLASANTI, DASHEEDA DAWSON and STEVEN PRZYBYLA



*“We didn’t know we were in it for a while, but we had generated some word of mouth and recognition on Reddit and other internet forums.”*

**CHRIS BERARDI**, president/general manager, Schutte Buffalo Hammermill LLC



*“New York wants to have a vertically integrated New York system for hemp. New York is kind of on the forefront of creating a hub for hemp.”*

**ALEECE BURGIO**, co-chair, NYS Bar Association Committee on Cannabis Law



*“We’re very interested in the emerging market, how the product is being presented in the marketplace and where it’s headed.”*

**BOB COLASANTI**, founder, Terrapin Station



*“There are times where a new ingredient hits the market and it literally changes everything. We are going to be entering an ingredient bubble where CBD is that ingredient.”*

**DASHEEDA DAWSON**, president, Flora Buffalo



*“In New York, we are known for our craft wines, beer and cheeses. I think we’ll have craft cannabis. We want to do unique genetics for each strain.”*

**STEVEN PRZYBYLA**, president, Jushi Medical

**HODGSON’S TAKE**



*“There’s this huge black market out there. So how do we move users in the black market over to the retail stores?”*

**MELISSA SUBJECT**, partner, Hodgson Russ LLP



*“One of the things that absolutely surprised me was bankruptcy protection was not only being denied to cannabis companies but to landlords who derived their profit from a cannabis company.”*

**W. SETH CALLERI**, senior associate, Hodgson Russ LLP

looking to make their mark – and get their slice of the revenue pie – including Jushi Medical, Flora Buffalo and McGuire Development.

They’re looking to learn from experience by 10 other states that legalized cannabis while recognizing that New York will likely set some milestones and best practices of its own.

“We got into this four years ago, ignorant, and we’re probably still somewhat ignorant,” said Bob Colasanti, Terrapin Station founder.

Aleece Burgio, an attorney with McGuire Development, co-chairs the New York State Bar Association’s Committee on Cannabis Law. She brings experience from working with a law firm in Oregon that specialized in cannabis. At McGuire, the opportunity lies in providing real estate in New York and Florida as a pro-cannabis landlord for businesses that need space, such as retail dispensaries.

“We’re entering into this with an open mind,” Burgio said. “Understanding our role as a landlord and possibly as an investor or as a consultant, we’re testing the water and figuring it out.”

Panelists discussed inconsistency in product makeup, including varying levels of CBD in oils and products. There’s also a worry about what a legal recreational market will mean for the state’s medical marijuana program. Jushi Medical President Steven Przybyla worries it could be eviscerated as happened in other states.

“New York is really committed to keeping the medical side intact, so I think



David Yovanoff is part of the Cannabis & Hemp Practice led by Melissa Subject at Hodgson Russ LLP.

you’ll see a very smart rollout,” he said.

Flora and Jushi plan to enter the CBD market, but Flora is depending on recreational legalization. And though there are still unknowns about licensing and cost, Dasheeda Dawson, president of Flora Buffalo, says the company is all-in.

“We’re developing strategy, becoming integrated in the community,” Dawson said. “Reading the tea leaves, this is going to happen federally. And with New York being probably the largest market globally, I think it would behoove anybody to look at this market and how to be involved in some way.”

**CLOSER LOOK AT THOUGHT LEADERS**

Thought Leaders is an ongoing series of discussions with Western New York business leaders and attorneys at Hodgson Russ LLP.

Each month, leaders in diverse industries meet for a roundtable discussion moderated by Business First journalists. Excerpts from the conversation are published after the roundtable.

Discussions are held in the law firm’s Pearl Street offices in Buffalo.