

# The US weed rush and white-collar cannabis CEOs

19 June 2017

They are bankers, accountants and computer engineers—mainstream in every way but for one respect: their love of cannabis and the desire to make megabucks in a growing US industry.

This week in New York, around 120 people took part in workshops on where and how to invest in cannabis, currently an estimated \$7 billion [industry](#), on the sidelines of the fourth annual World Cannabis Congress.

Mark Giannone and his son Justin, who traveled in from neighboring New Jersey, were among the wannabe cannabis CEOs.

"Both of us love the plant. We want to get involved with the industry, we feel that there is more than just the recreational benefits," explained 31-year-old cybersecurity engineer Justin.

"We came on a fact-finding mission. There is lots of uncertainty," said his 60-year-old accountant father Mark. "I am not quite ready to roll the dice."

Patricia, currently an auditor and unwilling to give her last name because she works for the [federal government](#), is further down the road with her plans—to open a cannabis dispensary this year in Connecticut with her banker husband.

Connecticut, like New Jersey and New York, have legalized the medicinal use of cannabis. But authorities in the two states neighboring the Big Apple have only dispensed a handful of licenses in an industry that is still in its infancy.

Convinced of the virtues of cannabis and users themselves, Mark, Justin and Patricia represent a new wave of professionals wanting to invest in the sector before it is taken over by what Mark calls "Wall Street and the hedge funds."

## Like Silicon Valley

Colorado became the first to legalize marijuana for recreational use in 2012. Now, a total of eight US states—including California and Massachusetts—and the federal capital Washington have such expansive laws.

Twenty-nine states and the city of Washington have authorized the use of cannabis for medicinal purposes.

Despite the presence of ultra-conservatives in the Trump administration such as Attorney General Jeff Sessions, these budding entrepreneurs hope the sector will continue its path of rapid growth—projected to reach \$23 billion by 2020.

They also hope that in the coming years a majority of states will legalize recreational use, pushing the federal government to review its position and do likewise, following other countries, particularly in Europe.

"We have seen an increasing number of mainstream individuals, from the finance world, large-scale companies from the agricultural world, the science world, very interested in getting involved," said Karson Humiston, CEO of cannabis industry placement agency Vangst who traveled from Denver for the workshop.

"We are receiving 500 resumes a day," said the 24-year-old entrepreneur, comparing the buzz to "being in the Silicon Valley when the tech industry was just taking off."

But one of the speakers, Nichole West, is upfront about the difficulties of making it work in a nascent industry.

A cannabis pioneer, she talks openly about bouncing back from bankruptcy to become, at age 32, vice president of Sweet Leaf, a company of more than 400 people that grows and sells cannabis and offshoot products.

The laws in different states are different and often confusing, creating huge uncertainty for companies, she explains.

- 'Stay away from kids!'

If the proportion of Americans favorable to legalization is growing—a record 61 percent in April according to a poll carried out by CBS News—a significant number still consider cannabis a dangerous drug.

To succeed, you must respect the hostility, West advises.

"Stay away from the kids!" she said. "All it takes is for a mom to get angry at you and then you are the devil!" she tells the class.

"Give money to rehab centers... it's really a good thing because it shows that you are aware drugs are a problem even though cannabis is not," she said.

Lots of her students, all of whom grew up thinking that smoking a joint is no big deal, seem convinced that cannabis going mainstream is only a matter of time.

They also cite latest studies showing benefits for those with certain illnesses, such as epilepsy.

"There is still some stigma, but if you look at the difference between now and five years ago, or 10 years ago when people were totally against it, it has flipped around," says Patricia.

"Once you start educating people, they start changing their minds."

© 2017 AFP

APA citation: The US weed rush and white-collar cannabis CEOs (2017, June 19) retrieved 23 April 2021 from <https://medicalxpress.com/news/2017-06-weed-white-collar-cannabis-ceos.html>

*This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.*