My name is Jake Sitler. I'm a husband, a father to two young boys, and a small business owner here in Pennsylvania.

In 2018, during my fifth year as a professional cyclist, I was out training just ten miles from this very Capitol when a driver ran a red light and hit me at over 40 miles per hour. My L2 vertebrae burst on impact. In that instant, everything changed, not just for me, but for my family's future.

It wasn't my first serious injury. I'd had others. I knew the drill: surgery, followed by a full bottle of opioids and a pat on the back. But this time, I chose a different path. I knew this injury might end my career, and I knew that numbing myself with pain pills for months on end would be a dangerous road.

That same year, the 2018 Farm Bill federally de-scheduled hemp. I used hemp, specifically CBD:THC products, to support my recovery. And from that moment forward, I dedicated my life to helping legitimize and destigmatize this plant and this industry.

I wish I were testifying in front of you today in person. But I also understand that my story might not fit neatly into the narrative being pushed. Still, if you didn't know my name before today, I can assure you, you will hear it again because I will not stop until Pennsylvania adopts smart, fair, and effective hemp and cannabis regulations.

Today, you'll likely hear arguments about safety, about products marketed to children, about the so-called "wild west." You'll hear from large corporations and medical marijuana orgs, wearing expensive suits, claiming they're losing market share to hemp products and calling for the rules to be rewritten.

But here's what you won't hear from them: the Endo truth. I've been working for years, long before these headlines, to bring structure, integrity, and common-sense regulation to this space.

In 2019, I was nominated to Pennsylvania's Hemp Steering Committee, where I served a two-year term working closely with the Department of Agriculture. I've worked with farmers, processors, brands, and regulators. In 2021, my wife and I launched Endo, a community-driven hemp café in downtown Lancaster. Later that year, we founded Endo Productions and spent four years developing proprietary technology that allowed us to create the first hemp-derived cannabis beverage in Pennsylvania, and one of the most unique platforms in the national market.

Today, we employ over ten people, including three adults with disabilities.

And we didn't do it in the shadows.

We received written approval from District Attorney Heather Adams. We secured a state manufacturing grant. We've met and educated the PLCB, the Department of Agriculture, Governor Shapiro's staff, Senator Fetterman's office, multiple legislators, and the Pennsylvania Beer Alliance, helping draft a bill that now sits with the legislative legal team.

Endo isn't a story about the wild west. It's a story about leadership, safety, transparency, and doing things the right way, even when it's harder.

Since 2021, Endo has expanded our hemp-derived beverage into over 15 states. We've worked with more government agencies outside this Commonwealth than I can count. I've watched these drinks proliferate, state by state, while Pennsylvania, my home, continues to lag behind.

In many of our operating states, including those surrounding Pennsylvania like New Jersey, Delaware, Ohio, and West Virginia, Endo is sold through traditional alcohol distribution channels and regulated for 21-plus consumers. In several of these markets, we were among the first to help pave the way for legal, regulated access and to push forward responsible oversight.

Earlier this year, Total Wine, the largest alcohol retailer in the country, launched Endo as one of their national brands. Since our inception, we've safely sold well over one million cans.

But this conversation isn't just about hemp drinks.

It's about protecting the entire hemp industry, an industry built to create opportunity, not monopolies.

Hemp is one of the few cannabis pathways that allows small operators, farmers, manufacturers, and local retailers to participate in a legal market without tens of millions in capital or out-of-state backing. It's the most accessible entry point for small businesses, rural and urban communities, and first-generation entrepreneurs. And if we regulate it correctly, it can stay that way.

But if we let special interests write the rules, that door closes. Not just for Endo, but for hundreds of Pennsylvania farmers and makers trying to build something honest and sustainable.

Sadly, in the very state where I built this company from the ground up, progress has too often been met with indecision, misinformation, and stalled regulation. Rather than being supported as a local innovator creating jobs, tax revenue, and safe consumer products, I've found myself sidelined and scapegoated by political interests

more focused on waiting for a recreational marijuana program than engaging with what's already legal.

In 2023, I met with Senator Mike Regan's team to share what's happening in the real world of hemp. I explained the regulation gaps, enforcement blind spots, and advocated for oversight led by those who've built in this space. Over a month ago, I dropped off a complete breakdown of Endo and a policy roadmap with Senator Laughlin's office and followed up to request a meeting. I haven't heard back, but I hope after today he'll take the time. Because while lobbyists get a seat at the table, people like me are the ones actually doing the work.

So here's the truth. Hemp is cannabis. Hemp is federally descheduled. That means we can legally create cannabis products that cross state lines, develop non-alcoholic beverages for 21-plus consumers, and build a regulated system that can serve as a model for what federal marijuana descheduling might look like.

It's my understanding the Senate will not pass an adult-use marijuana bill this year. And now, conveniently, attention turns to hemp. I welcome that attention, but only if it brings real regulatory clarity. And that clarity must come from people who've done the work from the ground up, not just from lobbyists or corporate lawyers.

I've already helped lay that groundwork. And thanks to Senators Phillips-Hill and Malone, I'll soon be sitting down with the Department of Agriculture, the PLCB, and the Pennsylvania State Police to bring clarity and coordination across these agencies. That is how real regulation begins.

We've proven that small, local businesses can lead with integrity, safety, and transparency. But without clear, practical regulation here in Pennsylvania, we risk one of three outcomes: pushing the industry underground, stripping consumer access, or handing it over entirely to out-of-state corporations with no connection to our communities.

I've spent years trying to do things the right way while watching others exploit the gaps. Products were sold without oversight, labels were misleading, and consumers were left unsure of what was legal. But instead of proactive enforcement or support, responsible operators got silence, until the political pressure of no marijuana bill made it convenient to target hemp.

Later this year, we'll begin construction on a hemp production facility in York County. We'll be receiving one of the first bank loans for cannabis production in the state. And we're doing it without a single investor or corporate backer. Just Pennsylvania grit and

the unwavering belief that we're on the right side of this story. The tens of thousands of Endo customers would tell you the same.

I grew up watching my family run a community grocery store from the day I was born. My great-grandfather opened it in 1931, and it passed through generations until it closed in 2017. Like so many family grocers, it was squeezed out by national chains and systems that favored scale over community.

That store wasn't just a business. It was a part of our town. It served neighbors, built relationships, and gave my family a deep sense of purpose and pride.

That's what Endo is to me now. It's not just a cannabis company. It's a Pennsylvania-rooted business trying to serve its community, create real jobs, and build something that lasts.

So when I say we're building a facility in York County, I don't just mean bricks and steel. I mean we're reinvesting in our state. We're hiring locally. We're staying true to the values that built this company in the first place. And we are doing it because we have unwavering belief the state will land on the right side of this issue.

We're already competing on a national level with our hands tied behind our back. Just imagine what we could do with clear, fair, and forward-thinking regulation here at home.

The tens of thousands of Endo customers already know this. We're not chasing hype. We're building for the long haul.

What I ask of you today is simple. Let local businesses like mine keep doing that. Give us a fair shot. And give Pennsylvania a clear path forward.

So what does a clear path forward look like? It starts with three basic principles:

- Clarity and Consistency Across Agencies
 Hemp operators deserve a unison of what's legal from the Department of
 Agriculture, the PLCB, the Department of Health, and law enforcement. Right
 now, we're navigating contradictions that stall investment and create
 unnecessary enforcement risk.
- 2. A Licensing Structure That Reflects Reality

 Hemp is federally legal. Hemp-derived cannabinoids are here, and they're not going away. We need a hemp-derived product license, specific to 21-plus

consumables, that allows operators to legally produce and distribute under rules tailored to this category.

3. Fair Labeling, Testing, and Access Rules We support safety. We support truth in labeling. And we support responsible access. What we don't support is using safety as a backdoor to block legal commerce. If we can regulate alcohol and pharmaceuticals, we can do the same with hemp-derived cannabinoids.

We don't need to guess at the solution. Operators like me have already lived it and continue to live through it every day.

What I offer is clarity. We can build a licensing pathway, hold everyone to real standards, and protect both consumers and the future of Pennsylvania hemp.

Pennsylvania has a chance to lead, but only if we listen to the people already doing it right.

I'm not asking for a handout.

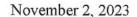
I'm asking for a level playing field.

Attached to this testimony is a memo issued by the Pennsylvania State Police, along with additional materials that provide context, clarity, and documentation related to the current hemp landscape in Pennsylvania. These attachments include examples of regulatory inconsistencies, prior approvals, and other relevant information that I believe will be helpful to this committee as it considers a path forward.

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Jake Sitler

Founder- Endo





F.X. O'BRIEN ASSOCIATES, LLC

> Timothy Holden Chairman Pennsylvania Liquor Control Board 517 Northwest Office Building Harrisburg, PA 17124

> > **RE:** Delta-9 THC Products

Dear Chairman Holden:

On behalf of the Pennsylvania Beer Alliance, the family-owned beer and beverage wholesale distributors of Pennsylvania, I am requesting that the Board issue blanket permission to sell another product. The product is hemp-derived beverage containing CBD and Delta-9 THC at 0.3% THC basis.

As you may know, under the federal Farm Bill and Pennsylvania law, products containing Delta-9 THC at the 0.3% THC basis and CBD are legal products. The exemption in the Federal Farm Bill created this THC exception, and the state law built upon that to enable a Pennsylvania agricultural segment that is growing quickly. The products are being sold openly at countless unlicensed businesses, and the law-abiding holders of liquor licenses are being caught in the crossfire of confusion and uncertainty by and among the various federal and state agencies involved.

The Pennsylvania State Police Bureau of Forensic Services has issued some guidance. After a series of seizures of various delta products (not Delta-9 THC at 0.3% basis), a supplier of some of the products that were seized brought action in federal court against Lancaster County District Attorney Heather Adams and several other Lancaster County enforcement officials. As part of her Answer to the Plaintiff's Complaint, District Attorney Adams attached several documents attempting to show that, under the PSP view of the products, what had been seized were properly seized. Reading the PSP letter of April 27, 2022, filed in Federal Court on October 6, 2023 the letter states that the "permissible concentration of THC in industrial hemp plants and products is not more than 0.3% by dry weight". (Attachment "A"). It is only a product containing THC above 0.3% that is "legally considered marihuana, a Schedule I substance." Similarly, in her April 17, 2023 memo to store owners in Lancaster County, District

Attorney Adams stated that "any product with a delta-9 THC concentration greater than 0.3% is also a Schedule I controlled substance." ("B"). This general statement by DA Adams is confirmed in a specific case that was brought to our attention.

A Lancaster County businessman, Jake Sitler, produces and sells a product in which the THC is extracted from legal hemp grown in Pennsylvania, and is within the acceptable THC limits. Mr. Sitler was recently awarded a \$20,000 economic development grant from the Lancaster City Revitalization and Improvement Zone ("CRIZ") Authority to support the manufacture and distribution of a THC/CBD seltzer beverage. A precondition for receipt of the grant was confirmation that the product he was producing and selling is a legal product. The CRIZ Authority solicitor engaged in discussions with the Lancaster County District Attorney's Office, and the DA's office confirmed "that if the THC concentration levels are at or below 0.3%, then the product can be legally sold in PA." Attached is a copy of the August 4, 2023 email from Jeremy Young, Acting Managing Director of the CRIZ Authority and Director of the Lancaster Community & Economic Development Agency, confirming this conversation. ("C") (The email is being used with the permission of Mr. Young.) Mr. Sitler was then awarded the grant. While there has been confusion and uncertainty in the legal status of some of the other delta products, this statement confirms the legal status of this specific, narrowly-defined product.

We realize the Board has been whip-sawed in the past by other agencies with some level of responsibility. With this confirmation of the legality of this product from the PSP and a district attorney's office that has been very aggressive in pursuit of the illegal delta products, we would appreciate the Board revising Advisory Notice No. 9 to permit the specific products defined. This is necessary to create a level playing field for license holders who want to sell this legal product.

Thank you for your consideration.

Very truly yours,

Francis X. O'Brien

F.X. O'BRIEN ASSOCIATES LLC

FXO/msr Enclosures

cc: Mary Isenhour, Board Member Pennsylvania Liquor Control Board 518 Northwest Office Building Harrisburg, PA 17124 Randy Vulakovich, Board Member Pennsylvania Liquor Control Board 502 Northwest Office Building Harrisburg, PA 17124

Rodrigo J. Diaz, Esquire Chief Counsel Pennsylvania Liquor Control Board 401 Northwest Office Building Harrisburg, PA 17124 Via email (rdiaz@pa.gov)

Tisha Albert, Director Regulatory Affairs Pennsylvania Liquor Control Board 513 Northwest Office Building Harrisburg, PA 17124 Via email (talbert@pa.gov)



PENNSYLVANIA STATE POLICE

BUREAU OF FORENSIC SERVICES 1800 Elmerton Avenue Harrisburg, PA 17110-9758 PHONE: (717) 783-5548 FAX: (717) 705-4317



April 27, 2022

Dear Troop Commander:

The PA State Police Bureau of Forensic Services (BFS) tests, reports, and schedules cannabis and cannabis products in accordance with the PA Drug Act, the PA Medical Marihuana Act, the PA Farm Bill, and the PA Department of Agriculture Regulations. This letter is being sent to clarify some common misconceptions regarding reported test results.

The permissible concentration of THC in industrial hemp plants and products is not more than 0.3% by dry weight. Any cannabis sativa vegetable matter or product containing THC above 0.3% is legally considered marihuana, a Schedule I substance. To account for the uncertainty of any measurement, the BFS has set a conservative testing threshold to $0.60\% \pm 0.23\%$ delta 9 THC by weight to determine appropriate scheduling.

Vegetable Matter Definitions

Marihuana (Schedule I) – Any cannabis vegetable matter with a delta 9 THC concentration greater than 0.6% by weight will be reported as marihuana, a schedule I substance.

<u>Cannabis (Not Scheduled)</u> – Any cannabis vegetable matter with a delta 9 THC concentration less than 0.6% by weight will be reported as cannabis. The vegetable matter may be considered hemp; further testing by another lab would be required to determine any delta 9 THC concentration below 0.6%.

Cannabis Products

Greater than 0.6% THC (Schedule I) - Any cannabis product with a delta 9 THC concentration greater than 0.6% by weight will be reported as containing delta 9 THC, a schedule I substance.

<u>Less than 0.6% THC (Not Scheduled)</u> - Any cannabis product with a delta 9 THC concentration less than 0.6% THC by weight will be reported as containing delta 9 THC but will not be scheduled by the laboratory. Testing by another lab is required to determine any delta 9 THC concentration below 0.6%.

Delta 8 THC and Delta 10 THC (Schedule I)

THC isomers other than delta 9 THC, including but not limited to delta 8 THC and delta 10 THC, are schedule I substances according to the PA Drug Act and will be reported as Schedule I substances by the PA State Police Bureau of Forensic Services.

If you have further questions regarding the reporting and scheduling of cannabis vegetable matter and products, please contact your local regional laboratory as listed on the back of this letter.

Respectfully,

Deborah A. Calhoun

Director, Scientific Services Division

Octorch Q. Calhour

Office of The

DISTRICT ATTORNEY OF LANCASTER COUNTY

Telephone 717-299-8100 Fax 717-295-3693



Lancaster County Courthouse 50 North Duke Street Post Office Box 83480 Lancaster, PA 17608-3480

Heather L. Adams District Attorney

MEMO

To: Store Owner/Store Manager

From: Heather L. Adams

District Attorney Lancaster County

Date: April 17, 2023

RE: Illegal Products Containing Delta-8, Delta-10 and Delta-9 with THC content >.3%

This Memo is to inform you that under Act 64 of Pennsylvania law, otherwise known as the Controlled Substance, Drug, Device and Cosmetic Act, THC isomers including delta-8 THC and delta-10 THC are schedule I controlled substances. Title 35 P.S. §780-101 et. seq. Additionally, any product with a delta-9 concentration greater than .3% is also a schedule I controlled substance.

Pursuant to my directive, Detectives with the Lancaster County Drug Task Force will be seizing all products in plain view labeled or advertised as containing Delta-8 THC or Delta-10 THC. No charges will be filed if you cooperate fully with the Lancaster County Drug Task Force. Cooperation includes the immediate surrender to law enforcement of any such illegal products from the establishment, on or off site, and ceasing any future sales of such products.

Should the sale of any of these illegal products resume, you will face a charge of possession of a controlled substance – a misdemeanor offense punishable by up to one year in prison and/or a fine of up to \$5,000 fine, or possession with intent to distribute a controlled substance, a felony punishable as a first offense by up to five years in prison and a \$15,000 fine. A subsequent offense includes increased penalties.

From: Jeremy Young <JYoung@teamlanc.org>

Date: Friday, August 4, 2023 at 11:31 AM **To:** Jake Sitler < jake@endocafe.com>

Cc: Marshall W. Snively <MSnively@teamlanc.org>

Subject: RE: Endo follow up

Good morning, Jake-

No worries! On the contrary, I appreciate the helpful follow-ups over the last several days with the information you've provided. These lab results are very helpful – thank you for providing this.

I'm pleased to share that the CRIZ Authority's solicitor/legal counsel has concluded his discussions with the Lancaster County District Attorney's Office and has been able to confirm from them that if the THC concentration levels are in fact at or below 0.3%, then the product can be legally sold in PA. If the concentrations are increased and complaints are received at the DA's office, it is probable that the products will be seized by law enforcement officers, he was told.

Congratulations! This makes your CRIZ SBFA Grant approval official, and the condition that was placed on the approval has been satisfied.

I'm providing here for your review a "For Review Purposes Only" copy of your Grant Agreement that we can execute as soon as you are ready. In fact, we can sign this afternoon at 2pm if you are available to stop by my office. At that time, I can answer any questions about the Agreement that you have. Original copies without the "FOR REVIEW PURPOSES ONLY – NOT FOR SIGNING" watermark will be provided for signature at that time.

Please be aware of Exhibit E ("Contractor Integrity Provisions") of the Grant Agreement, which includes language related to the CRIZ Authority's initial concerns that resulted in their imposing the condition which has now been satisfied. This language makes Endo Productions Company responsible for not violating any State or federal laws. Violating could result in funds needing to be paid back to the CRIZ Authority.

You haven't given me any reason to believe you would violate any laws ((w)), but legally speaking, just wanted to point this out as a potential avenue of recourse for the CRIZ Authority if in fact the DA's Office cites Endo Productions Company for violation of the law in selling products with above 0.3% levels of THC.

EXHIBIT "E"

CONTRACTOR INTEGRITY PROVISIONS

It is essential that those who seek to contract with the City of Lancaster Revitalization and Improvement Zone Authority observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the City of Lancaster Revitalization and Improvement Zone Authority. In furtherance of this policy, **ENDO PRODUCTIONS COMPANY** (hereinafter "GRANTEE") agrees to the following:

1. GRANTEE shall maintain the highest standards of honesty and integrity during the performance of this Grant Agreement ("CONTRACT") and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to GRANTEE or that govern contracting with the Commonwealth of Pennsylvania.

Jeremy R. Young Acting Managing Director Lancaster City Revitalization and Improvement Zone Authority

The Lancaster City Revitalization and Improvement Zone (CRIZ) Authority and its programs are under the administration and staff support of Lancaster City Alliance.

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Jeremy R. Young Director of Community & Economic Development



115 East King Street Lancaster, Pennsylvania 17602 (t) 717.394.0783 (d) 717.696.6200 LancasterCityAlliance.org