

Ethos Cannabis

David Clapper – Co-Founder and Board Chairman

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Testimony to Pennsylvania Senate Law & Justice Committee

I want to thank Chairman Laughlin and Chairman Fontana and the members of the Senate Law and Justice Committee for holding this important meeting today and for allowing me to speak. I grew up as a Mennonite kid on a dairy farm in Lancaster. I went to college at Drexel and I'm now a partner in an investment firm located in the Philadelphia suburbs. Although my partner and I were not at all familiar with marijuana, when the Commonwealth passed the Medical Marijuana Act in 2016 we became excited about the possibility of partnering with Jefferson Health to perform much needed research on the efficacy of marijuana for a variety of medical conditions. We co-founded Ethos Cannabis which is a Clinical Registrant in the Pennsylvania medical marijuana program. We operate a grow/process facility and eight dispensaries in the Commonwealth. Our research partner, Jefferson Health, is working with us and our patients to perform fascinating research on the effectiveness of certain medical marijuana products for pain, anxiety and sleep issues associated with a number of certifying medical conditions.

Earlier this year, I began seeing numerous retail businesses in the Philadelphia suburbs that were not medical marijuana dispensaries but were freely advertising what appeared to be unregulated intoxicating hemp products. Upon visiting these retail establishments what I found shocked me. I discovered a **proliferation of intoxicating hemp flower and hemp derived THC products (i.e. candy, vapes, beverages) that are being sold in gas stations, convenience stores, and vape shops throughout the Commonwealth without the appearance of any state or federal oversight or regulations.** These hemp products contain levels of THC that produce intoxicating effects, however, unlike the medical marijuana products sold in the state regulated medical marijuana dispensaries, there does not appear to be any testing requirements or other regulations that govern how these products may be advertised or sold.

Over the past few months, I visited numerous gas stations, convenience stores, and vape shops located in cities like Harrisburg (including a convenience store two blocks from the state capitol) and Philadelphia along with rural areas like Willow Hill and Ardmore. Excluding some major convenience stores and gas stations, the vast majority of the stores I visited sell these hemp products which I was able to purchase without a medical marijuana card and without needing to show my driver's license. To my understanding, I also did not pay sales tax on at least some of the purchases. **Exhibit 1** shows pictures of the hemp products that I was able to purchase. As you can see, the hemp candy products look similar to normal candy products and in my opinion appear attractive to kids. In contrast, **Exhibit 4** shows the packaging on certain Ethos medical marijuana products including the state required warning labels and detailed testing results which highlight the levels of cannabinoids (THC, THCA, CBD, etc) in the medical marijuana products.

The labels on the hemp products claim that they are federally legal under the 2018 Federal Farm Bill (“Farm Bill”), but that appears to be a dubious claim. The Farm Bill removed hemp from the United States Controlled Substances Act and reclassified it as an agricultural commodity under the oversight of the U.S. Department of Agriculture. The Farm Bill defined hemp as,

“The plant Cannabis sativa L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol [“Delta-9 THC”] concentration of not more than 0.3 percent on a dry weight basis.”

By limiting the Delta-9 THC concentration in hemp, Congress presumably believed that the hemp being grown would not produce intoxicating effects. However, the narrow definition of Delta-9 THC in the Farm Bill language along with the 0.3% percent concentration limit created a loophole that has effectively allowed the cultivation and **sale of hemp flower with intoxicating THC concentrations**. This is because while the Farm Bill limits the concentration of Delta-9 THC, it unfortunately is silent regarding other psychoactive cannabinoids in hemp such as THCA, Delta-8 THC, and Delta-10 THC. This has allowed hemp growers to “legally” grow hemp flower with **low concentrations of Delta-9 THC** but with **high concentrations of THCA**. **When heated, THCA is converted into Delta-9 THC** and has an intoxicating effective.

The intoxicating hemp flower being sold via this loophole is virtually identical to the highly regulated medical marijuana flower being sold via the Commonwealth’s medical marijuana program. This is because **the majority of THC in the cannabis flower exists as THCA in the natural state of the plant**. Patients then vape the medical marijuana flower because the heating process involved in vaping turns the THCA into psychoactive Delta-9 THC which produces the medical effect desired.

Exhibit 2 displays testing results for Ethos’ dried marijuana flower from January 2023 through February 2025 and depicts that approximately 85% of Ethos flower contains less than 0.3% Delta-9 THC and would qualify as “hemp” under the 2018 Farm Bill. However, those results also show that the average THCA content of our flower is 23.6% and therefore when vaped it will produce an intoxicating effect just like hemp flower with high THCA levels. **Exhibit 3** shows screen shots from the Ethos Cannabis dispensary in Allentown where the “effective” THC concentration displayed for the flower strain Scotti Pi is calculated by adding both the Delta-9 THC concentration **and** THCA concentration to clearly communicate to the patient the effective level of THC that they will experience.

While the Farm Bill only regulates the cultivation of hemp, processing companies also make the dubious claim that the Farm Bill legalized the production of hemp THC processed products (i.e., candy, beverages) as long as those products contain a concentration of less than 0.3% of Delta-9 THC compared to the total weight of the product. That reasoning allows companies to use hemp derived Delta-9 THC to create products like the Mellow Fellow peach gummy rings in **Exhibit 1**. Those peach gummy rings each weigh 8 grams or 8,000 milligrams. Since they each have 20

milligrams of Delta-9 THC derived from legal hemp, the company creating them can claim that they only have 0.25% Delta-9 THC by their “dry weight” making them “compliant” with the Farm Bill. However, 20 milligrams of Delta-9 THC is a strong concentration that will have an intoxicating effect on the user.

I’m testifying today because I’m surprised and concerned by the magnitude of unregulated, intoxicating hemp products being sold in the Commonwealth. These untested products are likely being sold to consumers that don’t understand what is actually in the products they are buying, and in the absence of state or federal regulations these products are being marketed in a manner that is attractive to children. Without strict regulations to manage the sales of these products, in all likelihood they will end up in the possession of children. I urge you to take action today to curb the proliferation of these products. Thank you for your time.

Exhibit 1

Examples of THCA hemp flower and gummy products that are being sold in gas stations, convenience stores, and vape shops throughout the commonwealth.



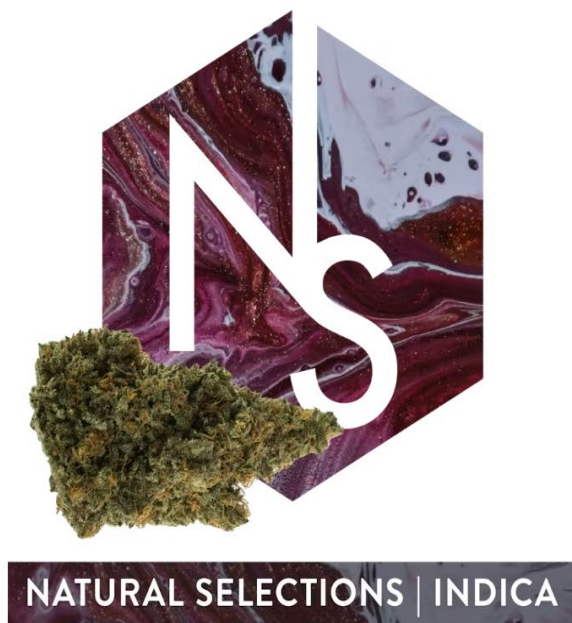
Exhibit 2

Below are the medical marijuana dried flower testing results for Ethos Cannabis from January 2023 through February 2025. These results are from the testing labs that are approved by the PA Department of Health as part of the PA Medical Marijuana Program. **These results show that approximately 85% of the our medical marijuana flower we produce in our PA medical marijuana grow/process facility contains less than 0.3% Delta-9 THC and would qualify as Hemp under the 2018 Farm Bill.** However, the THCA content of our flower is in the mid 20% range and just like the Hemp flower with high THCA levels, that is being sold in vape shops, gas stations, and convenience stores throughout the Commonwealth, is highly intoxicating.

Ethos Cannabis	
Dried Flower Testing Results from PA Certified Testing Labs	
January 2023 through February 2025	
# of Total Tests	6,689
Average Delta-9 THC	0.2%
Average THCA	23.6%
% of Tests with Less than 0.3% Delta-9 THC	84.7%

Exhibit 3

Below are screen shots from the Ethos Cannabis dispensary in Allentown for a flower strain called Scotti Pi. As you can see, the “effective” THC concentration is displayed as 25.588% and is calculated by adding the very low Delta-9 THC concentration of 0.11% with the much higher THCA concentration of 25.48%. The THC concentration is displayed in this manner because the THC concentration that the patient will experience when the flower is vaped or smoked will be 25.888%.



NATURAL SELECTIONS

Scotti Pi

Staff Pick

1/8 oz
\$23.80
~~\$34.00~~
30% off

1

 ADD TO CART

Indica

TAC: 26.567% ⓘ

THC: 25.588% ⓘ

Scotti Pi is a terpene-rich indica bred by Raw Genetics, combining Georgia Pie and Biscotti. Expect a layered aroma that leans sweet and smooth with a subtle edge of fuel and earthiness. This well-balanced profile offers a refined expression of both parent strains—crafted for those who appreciate complexity in their flower.

Cannabinoids

Cannabinoids are naturally occurring chemical compounds that are found in cannabis and provide consumers with a wide range of effects. THC and CBD are examples of some of the most commonly known cannabinoids.



Exhibit 4

Examples of the packaging for Ethos medical marijuana products including warning labels and the detailed testing results from the state required labs.

