

# Mass. pot shops, forced to close, face millions in losses

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Recreational cannabis dispensaries face a state order to shut their doors Tuesday at noon, sidelining the most profitable book of business for many operators and forcing some exclusively recreational dispensaries to completely close, even if temporarily.

The order is likely to vaporize millions in revenue for cannabis businesses and affect customers who may use cannabis for therapeutic purposes.

At a State House press conference Monday, Gov. Charlie Baker said he was mandating that any business deemed “non-essential” would have to close on Tuesday at noon until at least Tuesday, April 7, as part of the state's efforts to stop the spread of coronavirus.

Medical marijuana dispensaries are categorized as an essential health care service and would remain open, Baker said, but recreational operations would be shuttered.

“The main reason is because Massachusetts is one of the big states with (a large) geographic area that has recreational marijuana, and there's a ton of traffic coming from that is coming from other states,” Baker said. “We felt that, in particular, those would need to close.”

As of March 5, there were 38 recreational cannabis dispensaries operating in Massachusetts, with 60 medical marijuana dispensaries. It was unclear how many of those were in the same location as both a medical and recreational dispensary.

Under the order, co-located medical and recreational dispensaries will be forced to close their doors to the most profitable book of business: The most recent data posted in mid-February by state regulators showed that dispensaries combined grossed close to \$2 million a day from recreational activities.

Solar Therapeutics, which operates a recreational cultivation and retail dispensary in Somerset, said they would lose over \$1 million a month, and would have to furlough approximately 40 employees who work in the retail store.

“It hurts our ability to pay vendors and everything but it's the impact on employees,” said Edward Dow, CEO and founder. “Plus the halted work. We're working on other dispensaries and everything is on hold right now.”

Dow also expressed concern that the state may sideline cultivation operations, potentially destroying millions of dollars in product and creating months-long delays in regrowing product.

## Open just two weeks

[Pure Oasis](#), the first recreational dispensary to open in Boston and the first to open under the state's economic empowerment program, will also be forced to close, just two weeks after opening.

Pure Oasis co-founder [Kobie Evans](#) said that he and co-founder [Kevin Hart](#) would continue to pay their 30-person staff during the closure, thanks to reserves the business has created from a successful two weeks of operating.

He'll likely to ask for some flexibility in repaying wholesale suppliers who provided product under certain repayment terms, Evans added.

“We have gotten to this point based on being determined and staying the course,” Evans said in an interview. “A two week delay, we can live with that and will be better for it. The bigger picture is the overall health of the global community. This is beyond Pure Oasis ... if this is the sacrifice that needs to be made so we can get better, then this is the price we will pay.”

## **Pure Oasis opens in Boston -**

*Boston made history on Monday, with the opening of the city's first recreational cannabis store and the state's first store to be operated by owners in the Cannabis Control Commission's economic empowerment program*

### **Immediate pushback**

Baker's order received immediate pushback from some marijuana industry groups, who said recreational dispensaries should be deemed essential because of the role they play for many as an “over the counter” medicine.

“Classifying adult-use cannabis retailers as non-essential on the grounds that they attract customers from out of state overlooks the relief and comfort these products provide to thousands of Massachusetts residents and the efforts undertaken by the operations themselves,” said [David Torrisi](#), president of the Commonwealth Dispensary Association.

The state’s Cannabis Control Commission, which oversees the marijuana industry, is attempting to create workarounds for people needing to access medical marijuana during the crisis.

In addition to rules allowing medical marijuana cards to be renewed with a doctor over the phone, the five-member commission on Friday put out a bulletin allowing any new medical marijuana patient to do a physician consultation over the phone, instead of requiring new patients to meet with a certifying physician in person. Physicians must receive a waiver from the state in order to certify patients via telehealth.

Still, dispensaries urged the state to allow them to continue operating. In an appeal sent to the governor, Solar Therapeutics teamed up with Sanctuary Medicinals and 253 Organic to ask that recreational dispensaries receive an essential service designation.

“In our industry, the nature of providing cannabis for either recreational or medicinal use is ABSOLUTELY crucial,” the dispensaries wrote. “A large majority of our customer base use our products as an alternate form of medicine for their specific physical and mental ailments. And though there is a distinct classification between adult-use and medicinal licensing, the vast majority of our consumers have opted NOT to apply for a medical marijuana card in Massachusetts, but rather consume adult-use products for their needs.”

Evans, the Pure Oasis co-founder, also said though the closing may be for the greater good, his customers would face hardships.

In the short time his business has been open, Evans said many of his customers have turned to cannabis for relief from the unending anxiety of the pandemic. Others were medical marijuana patients who could no longer risk taking the bus to purchase their medicine.

“(Our customers are) people who have chronic pain, anxieties and stress,” Evans said. “It’s not because people want to get stoned. It’s to relieve a medical issue they have. To see us go away and not be convenient, or for someone with a medical card who can’t take a bus downtown, if you want to talk about victims, those are the people who will suffer the most.”