

# WORKFORCE TRAINING

Marketing Opportunities  
working with tribes

September 2020





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Marketing Opportunities  
working with tribes:  
Taxation, product types and brand  
transfer/licensing

Presented by

Lisa Sundberg, Nations Business Link



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# NATIONS

BUSINESS LINK

Navigating You to Success



My name is Lisa Sundberg

- I am a member of the Trinidad Rancheria Indian Community.
- We are located in the heart of Humboldt County adjacent to the City of Trinidad overlooking the beautiful Pacific Ocean.
- Welcome to our homelands – I am a descendent of many villages throughout Yurok Country and active in our tribal ceremonies and come from a medicine family.
- I serve on the board of directors at UIHS serving 9 tribes, CRIHB serving 60 tribes in CA and I Chair the NIH Tribal TAC for representing the State of CA and the tribes nationally.
- After 5 years of studying the cannabis market in the US, I'm here today to excited to see more and more tribes stepping up to the table to leverage their unique sovereign status in this market space and add our indigenous medicine to the mix.
- My goal is to educate you about the exciting new landscape that has appeared in the cannabis tribal market especially here in CA, the 5<sup>th</sup> largest economy in the world that is just getting legs with its recent passage of prop 64.
- During the two sessions we can discuss the possibilities of how Humboldt's cannabis legacy can play in our tribal market and possibly take advantage of our laws, how they inter-relate with other governments and how do business with tribes as the opportunity in CA continues to unfold.

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# Introduction

There are 5 types of governments that govern lands in the US. US Gov, States, Counties, Cities & Tribal.

- **Sovereignty**: The definition according to Wikipedia – is the full right and power of a governing body over itself, without any interference from outside sources or bodies. In political theory, sovereignty is a substantive term designating supreme legitimate authority over some polity.
- What is **Tribal Sovereignty**?
- **Tribal sovereignty** refers to the right of American Indians and Alaska Natives to govern themselves. These sovereign rights existed long before the United States existed. Foreign governments entered into treaties with tribes early on including England
- There are still battle grounds attempting to diminish our sovereignty within the boundaries of the US and State governments between what we can do for our selves and offer to the outside world.

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**Today** - When we exercise these rights, it appears that who's pocket book we hit determines how hard we get attacked and challenged (i.e. Indian Gaming, tobacco, alcohol and now cannabis etc...)

That is where you start seeing tribal and state compacts etc... the battle lines have been blurred by special interests, but Tribes who exercise their governing authority today are supported by the resolution and position of the National Congress of American Indians and specifically a position on cannabis.

<http://www.ncai.org/resources/resolutions/affirming-tribal-sovereignty-for-cannabis-regulation>

# Background

There are 573 tribes in the US. 111 are located in the State of CA. California is a Public Law 280 State which in short means if the activity is not criminal in the state its not on the reservation either. However, our regulations rule, not the state's.

**CA Tribal Cannabis** – Since the Cole and Wilkinson memorandums hit the news waves in Indian country with the latter memo at the end of 2014, very few tribes had exercised their sovereignty to grow cannabis.

- Round Valley was the first tribal government to pass a cannabis ordinance once it became legal in the state since the passage of 420.
- Since that time they've been issuing permits to members and felt the heat from the Feds like the rest of the state.
- Cannabis was equally being attacked by the DEA in all states and all tribal jurisdictions.
- Like any new industry... we went through the whirlwind with the country. Raids happened on and off reservations and legal battles and lines had to be fought.

- As the states hit the tipping point of legalization with more state's legalizing than outlawing, the Federal Government while mixed has backed off Indian country as well.
- Since then some 35 tribes in the state came together to form a coalition to negotiate compacts with Governor Newsom to sell their products into the state market.
- While Gov. Newsom apologized to the tribes for the genocide in the state, tribes have been locked out of economic justice for our people.
- Now that line has been identified, tribes are moving forward with cannabis activities and regulating them on their own.
- This has opened the door for one of the biggest market opportunities in my opinion for tribes in the largest cannabis market in the world, our homeland.

Q:How are tribes working with outside businesses?

There are a handful of tribes that have passed cannabis laws in the state, governing the activity as they would in a city or a county for the most part. Each community would have to be approached individually.

Q: Are there any examples of successful ongoing tribal cannabis projects?

The very first tribe that really put some meat to cannabis regulation was Santa Ysabel in San Diego County. They are using a model of “Licensing and taxation.” This tribe in particular took a casino that went bust because of their location in 2008 (housing crash) and now licensing and taxing non-tribal businesses.



# Taxation

Every governing body gets to tax business activities within their jurisdiction. Tribes are no different. Tribal governments don't have to pay the state or feds for their cannabis activities.

Because of my background in the application of sovereign tools applied to vertical markets, I may have found laws that provide that federal taxation protection off reservations as well. Untested for cannabis but successful in other industries.

What are the pitfalls of taxation on reservations?

Simple: How much is this jurisdiction charging vs. another?

Jurisdiction shopping is what everyone has been doing and testing ROI.

Tribes are not only another jurisdiction they are powered by sovereignty that has battle grounds with each industry.

# Product types

What kind of product types can tribes do?

Tribes can produce whatever cannabis products that are legal in the state and regulate anything in their own way whatever is not illegal by state law. (PL-280)

However, I see even this being challenged by tribes because PL 280 arguably is good for sub-governments who do not have the infrastructure to govern their lands as tribes have in the past.

Tribes are now developing “self-governance” infrastructure which allows them to determine their own laws they want to govern within their own boundaries. Once they build their own legal infrastructure similar to a state/county, some more battle grounds will be on the rise.



## Brand transfer/licensing

What hurdles do you have to cross if you want to use your brand and license it on the reservation market?

Solid Agreements and where are you going to market your product to?

Are there successful case studies?

I wouldn't exactly call them case studies conducted by any outside entity but I know that I'm in discussions with brands to do business with tribes and its certainly something that I see is a path that will have a lane in this market, but won't be the only way product will be delivered to this market space.

Are the pitfalls and what to avoid?

Get a good lawyer that understands the licensing space of brands and work with someone who can help you bridge this gap.



The time is now to lay a sound strategy to support not only the tribes in the marketplace, but also support Humboldt's legacy.

This market place door is at the ground floor.

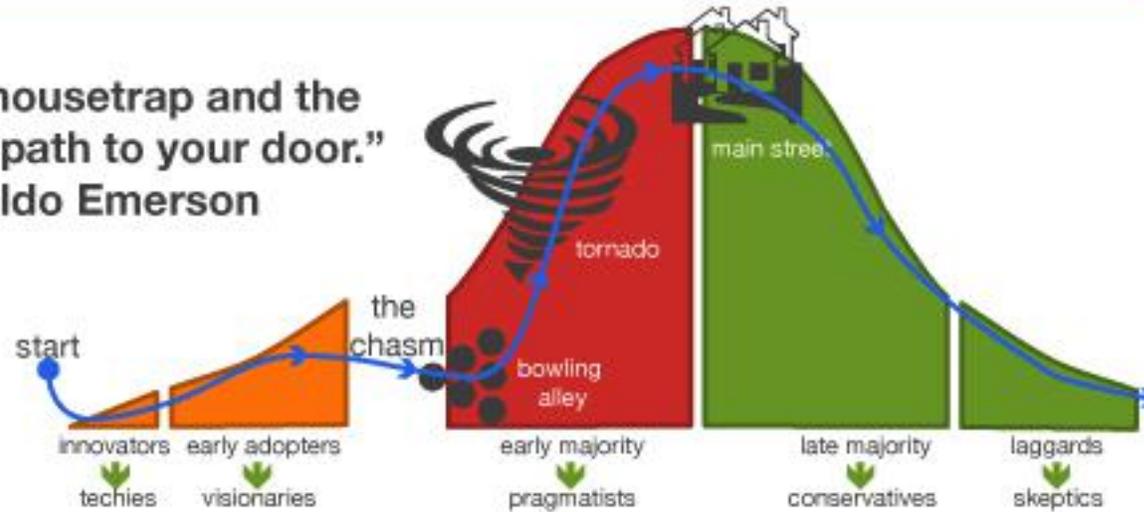


I am an advocate for tribes to not only be in this space but also that Humboldt partner with local tribes and carry out the knowledge/brand through-out the state and other market segments. Its possibly a way to collectively align instead of compete and create a greater backbone for Humboldt's craft than what has been provided.

Working with tribes in this space is a huge opportunity for whoever has their acumen and financing in place.

# CROSSING THE CHASM: HOW TO MARKET, SELL AND IMPROVE YOUR INNOVATIVE NEW PRODUCT

“Build a better mousetrap and the world will beat a path to your door.”  
- Ralph Waldo Emerson







# SANTA YSABEL TRIBE OPENING NEW MARIJUANA DISPENSARY



Thank you.

Questions?



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If you are interested in this market segment,  
feel free to contact me.  
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Next Week's Topic is: How to do business with Tribes