

JUN 16 2025

License Division

June 9, 2025

Washington State Liquor and Cannabis Board
P.O. Box 43098
Olympia, WA 98504-3098

Washington State Liquor and Cannabis Board
1025 Union Ave SE
Olympia, WA 98501

Re: Request for Rulemaking and Public Discussion on Unfair Trade Practices, Perpetual Sales and Wholesale Pricing Disparities in the Cannabis Industry

Dear Washington State Liquor and Cannabis Board:

I am writing on behalf of concerned stakeholders in Washington's legal cannabis market, specifically Seth Simpson of Greenside Recreational, to formally request that the Washington State Liquor and Cannabis Board examine current wholesale pricing practices within the industry.

Specifically, we are urging the Board to investigate and address the emerging disparities in pricing offered by producer/processors to retail license holders, and the broader implications these disparities have on market fairness, consumer pricing, and the foundational principles of Initiative 502.

Under the current system, larger retail licensees are leveraging their buying power to purchase entire lots or crop yields from producers at deep discounts not made available to smaller or mid-sized retailers. This practice is creating an uneven playing field and is fostering an environment in which only the largest retailers can access the most favorable pricing, leading to de facto price fixing and preferential treatment that undermines the competitive structure in violation of Washington State anti-trust law and the structure intended by Initiative 502 that legalized recreational cannabis in the State of Washington.

We respectfully propose that the WSLCB explore regulatory reform to ensure all licensed retailers have at least a brief, equal opportunity to access new wholesale inventory from producer processors. A uniform access period — even a short one — would prevent the most dominant players from monopolizing product supply and allow smaller businesses a fighting chance to compete in a challenging and increasingly consolidated marketplace.

In addition to the above concerns, we urge the Board to examine the industry's pervasive use of deceptive pricing tactics at the retail level. "Sales" wherein products are perpetually marked down from artificially inflated "original" prices appear to violate the spirit, if not the letter, of Washington's Consumer Protection Act. The Consumer Protection Act, RCW 19.86 et seq., was enacted to safeguard consumers and promote fair competition. The continued use of these pricing gimmicks distorts consumer behavior, disadvantages honest operators, and may constitute unfair or deceptive business practices.


Unless these issues are addressed, we foresee continued consolidation of retail licensees, contrary to the intent of I-502 (even as such rules have inexplicably been eased), and an erosion of market diversity that will ultimately harm both small businesses and consumers.

In light of the seriousness of these matters, we respectfully request the Board consider initiating a rulemaking process, or at minimum convene a public hearing with stakeholders to discuss these concerns and explore meaningful regulatory reforms. Our clients would welcome the opportunity to meet directly with the Board or participate in any such proceedings.

Thank you for your attention to these issues. This office may be contacted at matt@mattsonlawfirm.com or via telephone at 206-643-6606. We look forward to your prompt reply and working with the Board to ensure fairness in the cannabis industry to protect consumers.

Sincerely,

MATTSON RODGERS PLLC


Matthew Mattson
Attorney at Law

C: Seth Simpson, Greenside Recreational

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Received
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CASHMERS BOARD

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