

Rhode Island Legislature – House Judiciary / Finance Committee

Re: Opposition to House Bill H8544

**Delivered by David Rozen, Managing Member, Ancora Partners LLC d/b/a Flower & Pot
May 21, 2026**

Chairman, Members of the Committee, and distinguished legislators:

My name is David Rozen. I am a lifelong Rhode Island resident, taxpayer, and your constituent. For over three years I have poured my time, energy, and more than **\$500,000** of my own capital into pursuing a single goal: opening a compliant, high-quality, adult-use cannabis dispensary in **Zone 4** under the Social Equity program.

By way of background, I have spent my career building and leading major Rhode Island companies. I was on the founding team and served as CFO of two Rhode Island companies that I helped scale to over \$1 billion in value (Corvias Group and Alex & Ani). I have served as CFO of three companies each exceeding \$1 billion in scale, including Foxwoods Casino in CT. I have operated successfully in some of the most heavily regulated industries in the country — holding FINRA licenses, gaming licenses, and currently a Rhode Island insurance license and U.S. Government secret clearance for work I do consulting with the Department of War and NASA. **In any normal regulatory environment, someone with my track record would be exactly the kind of experienced, compliant operator this state should want in a new, highly regulated and nascent industry like adult-use cannabis.**

Yet here in Rhode Island, the proposed response to the federal injunction is the opposite: instead of welcoming and rewarding the qualified, heavily invested Rhode Island operators who followed every rule, H8544 would wipe out our certified application entirely, bars us from reapplying under the very criteria we satisfied, and hands a full do-over to everyone else — including those who never applied in the first place. That is not normal. It is punitive.

We did everything exactly as the Commission and the law required. My partner received formal **Social Equity Applicant Status Certification** after a full background check. We submitted our complete application before the December 29, 2025 deadline. We secured full zoning approval, Development Plan Review Committee approval, building and electrical permits for our ready-to-build site at 1112 Reservoir Avenue in Cranston. We advanced through the Commission's entire 90-day merit-based review period. We were the **only qualified, uncontested Social Equity applicant** in Zone 4 and were positioned to receive the license. In summary, we won. Fair and square.

Then the federal court issued its preliminary injunction (after the 90 day review period). And I understand, the State must fix the constitutional issue. But **House Bill H8544 is not a fix** — it is a complete rewrite that punishes the very Rhode Islanders who followed every rule you set.

H8544 renders **all prior Social Equity certifications and applications null and void**. It orders a brand-new application process with no grandfathering, no savings clause, and an explicit liability shield for the Commission. The DIA Social Equity criteria under which my partner was

certified under is being eliminated. That means **we are barred from even reapplying** under the rules we relied upon.

To be clear, we cant reapply... our entire corporate structure was built around the Commission's own rules. Our Operating Agreement gives my partner — the certified Social Equity individual — 51% ownership and full managerial control. That same entity holds the lease, the zoning certificate, the building permits, and every approval. We **cannot** simply unwind the structure. Why would my Partner give up their majority ownership and control after we spent three years and half a million dollars building it exactly as the State required? You are effectively **kicking us out of the next process after we already won**.

I challenge anyone in this room — in front of me or behind me — to come up with one single scenario in sports, business, or even politics where changing the rules after the game has been played, the contract has been signed, or the law has been passed is considered fair or even allowed. When the clock runs out, the game is over. You cannot change them retroactively without grandfathering the people who already relied on them.

You can regret the rules you set. You can wish you had made them different. You can change them for the next round. You can let non-RI's apply. But you **cannot** move the goalposts after the game is over — especially not after we relied on those rules to decide where to apply and how much capital to risk.

Restarting the entire process gives every new Rhode Islander — and every out-of-stater — a massive, unfair advantage that was **unavailable** to those of us who took the risk in the original round. They now know exactly which properties and areas are already zoned for cannabis, which communities are welcoming, how many applicants entered each zone, and the precise split between Social Equity and regular applicants. These are critical data points that none of the original applicants were privy to. You are placing the first movers — the ones who spent the time, energy, and hundreds of thousands of dollars to blaze the trail — at a **complete competitive disadvantage** to everyone who sat on the sidelines. That is patently unfair.

Every Rhode Islander had equal opportunity and years of notice to apply. Those who chose not to apply by the December 29, 2025 deadline had their chance. Forcing compliant applicants like us to re-spend time, energy, and more money on a brand-new process while giving do-overs to everyone else is **not** how you cure a federal injunction.

The fair and only workable solution is simple and narrow:

1. **Primary Remedy** — Directly award all uncontested licenses to those applicants who were fully compliant and completed the process with an uncontested path to victory. In zones like Zone 4, we already won under the rules you created. Those who were contested can continue through to the lottery as was always intended (albeit with non-RI applicants now given a chance to participate). But for us, the simple allowance of new entrants into our zone strips away the win we already achieved — a clear deprivation of our vested due-process rights and the legitimate entitlement created by the Commission's own certification and 90-day review.

2. **Alternatviely, at a bare minimum** — you need to freeze **all existing Rhode Island applications exactly as submitted** by the December 29, 2025 deadline — no amendments, no cures, no extensions for RI applicants. Open a **new, time-limited portal exclusively to out-of-state / non-resident applicants** who meet the revised criteria. Then review the frozen RI applications together with the new out-of-state ones.

That is the least disruptive way to comply with the court while protecting the reliance interests of Rhode Islanders who played by the rules you created.

Let me be blunt.

Any politician in this room who supports H8544 as currently written is choosing to put **out-of-state applicants ahead of me** — a lifelong Rhode Islander, taxpayer, and your constituent who followed every single rule.

I have already invested more than \$500,000 and three years of my life. I will **not** walk away quietly. If this bill passes without the freeze-and-limited-portal fix, I will be forced to defend my due-process rights under the Fourteenth Amendment and the Rhode Island Constitution. I will spend every dollar, every hour, and every resource I have to protect what we earned under your rules. I will fight this to the end.

At this point I am fighting not just for my company, but for the fundamental principle that government must honor the rules it sets and protect those who relied on them in good faith. I ask any member of this legislature who believes in doing the right thing for your constituents — morally and ethically — to join me in righting this wrong and ensure these licenses go to the most deserving applicants who followed the process you created.

I urge you to do the right, fair, and just thing: keep the rules of the game you created intact for those of us who already played it, award the uncontested licenses or freeze the existing Rhode Island applications, let the out-of-staters in through a separate portal, and let's start opening dispensaries for Rhode Island consumers.

Thank you.

Respectfully,

David Rozen

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