

Cannabis to Consumer, Bill C-45
Amendment of clause 37

PART 1
DIVISION 2
SUBDIVISION D.
Section 36-40

To : **Health of Commons – Standing Committee on Health**
From: **Vend Data Media Solutions (VDMS Canada Inc.)**

- **Clause 37** – Unless authorized under this Act, it is prohibited to sell or distribute cannabis or a cannabis accessory by means of a dispensing device.

Our organization believes that our systems should be authorized under this act. Our “Smart Dispensing Systems” provide the following security and safety features below:

- **Security**
- **Safety (Public and Employee)**
- **Point of Sale Automation**
- **Inventory Management**
- **Quality Control**
- **Point of Sale education, product knowledge and information**
- **Digital Media integration for public safety awareness & PSA**
- **Age verification and control measures**

Our company sells a patented, fully secured, staff controlled automated dispensing system. We currently are providing this solution for the Convenience Store Industry, to help protect, secure and monitor their tobacco sales and inventory.

Our patented systems are particularly suited for the Cannabis industry in a retail setting. They provide security, control and real-time insight to all products sold in the store. Product is stored and locked in the machine at all times, allowing retail management to select appointed persons to be given access. The equipment is operated by staff/employees in the store, using our point of sale platform, and we can integrate with other POS providers as well. Our point of sale touch screen, can provide product knowledge to staff members so that they can make informed decisions about the products they are selling.

We believe that our systems will help protect public health and safety and allow Cannabis to be sold in a secure and safe manner, while protecting employees and ensuring product is kept out of the hands of minors. Our systems ensure that approved and regulated products are being sold, which helps to eliminate black market supply by controlling the distribution and sale of Cannabis products to consumers.

The “Smart Dispensing Systems” that we provide, will solve the issues and concerns outlined in this document.

Purposes of the Cannabis Act (Bill C-45)

PART 1

DIVISION 2

SUBDIVISION D,

Section 36-40

- **Clause 37** – Unless authorized under this Act, it is prohibited to sell or distribute cannabis or a cannabis accessory by means of a dispensing device.

Our organization believes that the clause above is very broad in the sense of defining a dispensing device. Our company currently provides an employee/staff operated secured dispensing machine (patented) that allows employees/staff within a retail setting to select product from a POS. Once the product is selected on the touch screen, the product is then dispensed from the secured machine, either behind the counter, under-the-counter or in a back office. At no time can any customer or member of the public interact or use our machines to purchase cannabis products. The sale of all cannabis products must go through the employee/staff member working behind the counter, who have the ability to dispense that product to the customer once they have confirmed the customer is of age and has paid for the product.

For this reason and the information provided through out this document, you will notice that our systems are not a self-serve dispensing device. They are a secured, controlled and monitored smart retailing systems, which will solve many of the issues mentioned in the proposed act and described in the document below.

The purpose of this Act is to protect public health and public safety and, in particular, to the following:

- protect the health of young persons by restricting their access to cannabis;
 - Our systems are controlled and operated by employees and staff within the retail location, customers can only access their Cannabis by interacting with a staff member behind the counter. Once the product is requested, staff will request legal identification to ensure the customer is old enough to purchase Cannabis. Once that is confirmed the product is selected from our POS touch screen and the product is then dispensed from our equipment which is behind the counter, under the counter or located in a locked back room. This would ensure that young persons cannot purchase Cannabis, using the same approach when purchasing Alcohol or Tobacco.
- protect young persons and others from inducements to use cannabis;
 - Using our real-time digital media platform, governments can display relevant educational content about the harms and effects of Cannabis use, this messaging can be presented in a variety of formats and updated weekly, monthly etc. Having a digital media platform at the Point of Purchase would allow the government to convey their public service announcements to the consumers and promote their campaigns which do not promote the use of Cannabis products.
- provide for the licit production of cannabis to reduce illicit activities in relation to cannabis;
 - Liaison with all the Licensed producers to develop an automated re-ordering system. Ensure that all product stocked in the machines are pre-packaged products from LP's and monitor the inventory and sales of these products all in real time. Having a locked and secured dispensing system, you can control whom is stocking the inventory to prevent illicit activities and keep black market products out of the

retail setting. Our system can be integrated into LP's software and other POS (point of sale) providers. Develop a inventory scanning system to determine legal supply is being distributed and sold through the proper channels

- provide access to a quality-controlled supply of cannabis; and enhance public awareness of the health risks associated with cannabis use.
 - Using our secured and tracked dispensing systems, retail management and government can ensure that all product sold from the equipment is from a legal and licensed producer, approved by Health Canada. The product information on the POS safeguards Cannabis products, as each image/graphic on the touch screen is connected to that specific product in the machine and this information cannot be changed without approval from retail management. Product selected from the POS delivers the product selected and this cannot be altered in anyway without the support of VDMS and consent from the retailer. The POS (Point of Sale) interface can be used to provide public awareness to the public and retail staff about the health risks of Cannabis use. Informing staff of the THC/CBD levels and what effects each strain may have on a person's health. Public health announcements can be incorporated into the digital signage platform and displayed at the point of purchase
- Retailers must follow record-keeping requirements (e .g ., demonstrate that all product is sourced from licensed producers; due diligence in avoiding sales to youth) .
 - This can be achieved by integrating the VDMS Dispensing System with retail inventory management and Licensed Producer sales information. All sales history and data is available in real-time, online and access is granted to those who have permissions to access the encrypted data.

OUR SOLUTIONS:

VDMS (Vend Data Media Solutions) provides Smart Dispensing Equipment for Retail environments. Our equipment helps secure, control and dispense products that are of high-value, controlled substances or regulated by the government. With our IOT connected dispensing systems we can provide a retail system, that blends retail knowhow with technological excellence and “big data” to solve the many challenges faced selling high value products and controlled substances. VDMS Smart Dispensing Systems help Retailers eliminate employee theft and in-store shrinkage, decrease time spent managing the category, while benefiting from real-time sales information, valuable point-of-sale digital advertising platform and transformed store appearance.

With global ooperations in Canada, Ireland, UK, Australia & New Zealand, our Smart Dispensing Technology provides the following solutions for the sale of products that need to be secured, monitored, and dispensed in a sanitary and controlled environment.

Smart Vending Technology

- › **Automated Vending** – Controlled and Operated by Retail Staff
 - Product selection at the touch of a button delivers the product to sales associates within 2-3 seconds
 - In “Plain Packaging” markets this helps staff find their products promptly
 - Under-the-counter or Behind-the-counter models fit into existing retail locations with minimal disruption
 - Our equipment is modular and we work with Retail Construction to develop and build a model that works within their store design

- Planogram Layouts, product changes and updates are all done remotely, our equipment is connected via our cloud based technology which gives VDMS the ability to support and troubleshoot all machines in the field, remotely
- › **Point of Sale Interface** - Our VDMS API provides product knowledge and training for Retail Staff
 - Product information is displayed when the product is selected, informing retail staff about the products potency, taste, health benefits, side effects and product lineage
 - All information can be updated and changed as per manufacturers, governments recommendations, all done remotely
 - Protocols and security measures can be put in place to ensure customer is of legal age to purchase the product, or scan/record customer licenses if required
 - Educate staff and consumer about the products they are purchasing
 - Our system can integrate with any existing point of sale devices
- › **Locked & Secured System** – All systems are secured in a heavy steel cabinet under lock and key
 - Heavy grade steel keeps the product secured, deters theft and prevents burglars from accessing product if the store is burglarized
 - Security protocols for product selection timeouts, equipment lock down
 - Each unit has its own key with manufacturer number, cannot be duplicated
 - 3 Point Locking Technology
 - Units can be stored underneath the counter (out of sight of customers) or in back offices where inventory can be loaded and stocked in a monitored environment with reduced accessibility
 - Products can be dispensed to a central location at the front of the retail shop
 - Inventory can be stored in equipment with limited access to staff
 - Limited access to product inventory helps to deter external threats
- › **Real-Time Insight** – Via VDMS website or Mobile Application (end of Q3) provides all data in real time accessible from any device.
 - Sales – live sales data of all products across your entire network of stores, with the ability to track trends and monitor inefficiencies throughout your retail network
 - Real time visibility of all sales transactions
 - Inventory Control – Ability to monitor product stock levels and set inventory re-stocking alerts
 - Out of Stock (OOS) – live push notifications of OOS products and alerts to inform retail staff to refill stock
 - Automated reordering – Ability to set automated reorder dates direct from manufacturer
 - Space saving equipment – Variety of different models, all equipment is modular
- › **Packaging** – Our systems can dispense a variety of packaging sizes and weights, currently the systems can dispense all packaging from CannaPack Solutions
 - Currently dispensing a variety of packaging for tobacco products
 - Packaging min. max. weight = 1g/min – 200g/max
 - Equipment can be customized or adjusted if required to meet other packaging sizes
- › **Digital Media Platforms:**
 - › Display educational and PSA content about the harms and effects of Cannabis
 - › Government advertising to help prevent the use of Cannabis and operating a motor vehicle, show some of the negative effects of Cannabis use

- › Advertise promotional items or campaign specific materials
- › Remote Scheduling
- › Content Synchronization through our cloud based software platform

We believe our systems would help Provincial governments to track, control and monitor the sales of Cannabis in a retail setting in a public or private retail model. These implementations could be adopted in a timely manner and would solve many of the concerns around public healthy, youth protection, security and risk management, enforcement, compliance and control, while helping to reduce costs and overhead to promote revenue and economic development opportunities.

We believe that VDMS Canada Inc. should be given an opportunity to prove their concept of Cannabis being sold in a retail setting using our “Smart Dispensing Systems”

For the reasons stated above and mentioned throughout this document, we believe that our systems should be authorized under this act. The term dispensing device, is a broad statement and doesn’t allow for interpretation of the device. As you have read, our systems are completely controlled by employee/staff within a retail setting.

We would like the opportunity to show our systems to the Federal and Provincial governments, to have these systems, or similar authorized under this act.

Thank you for your time and we look forward to hearing from someone soon!

Markus Merrill
General Manager Canada
VDMS Canada Inc.

A handwritten signature in black ink, appearing to read 'Markus Merrill'.