NEW YORK STATE CANNABIS CONTROL BOARD APPROVES DAMIAN FAGON AS CHIEF EQUITY OFFICER FOR OFFICE OF CANNABIS MANAGEMENT

Application & Application Window for Adult-Use Conditional Processor Licenses
Approved, To Open June 28

The Cannabis Control Board Approved an Additional 41 Adult-Use Conditional Cultivators, There Are Now 203 Farms in New York Approved to Grow Adult-Use Cannabis

Office of Cannabis Management Highlights First-In-The-Nation Public Education Campaign Around Social Equity & Cannabis

Today, the Cannabis Control Board approved Damian Fagon to become the Chief Equity Officer for the Office of Cannabis Management. Mr. Fagon is a 3rd-generation farmer with a background in international development and agriculture. He has led development initiatives with castor farmers in Jamaica, rice growers in Sierra Leone and coffee exporters in Guatemala. Since 2017, he has launched and advised commercial cannabis operations in South Carolina, New York and the Caribbean.

As Chief Equity Officer, Mr. Fagon will oversee the social and economic equity initiatives for the Office of Cannabis Management. The role will help fulfill the goals of New York's Cannabis Law to distribute 50% of adult-use cannabis industry licenses to equity applicants, which includes New Yorkers from communities highly impacted by the disproportionate enforcement of cannabis prohibition, distressed farmers, minority and women owned businesses, and veteran owned businesses.

"Appointing a Chief Equity Officer supports our continuing efforts to fulfill the equity goals in New York's Cannabis Law as we work to build an industry that helps repair the harm caused by the disproportionate enforcement of cannabis prohibition," said **Cannabis Control Board Chair Tremaine Wright.** "Damian's background as a leader in New York's Black farmer community, his knowledge of the industry, and his efforts to support farming communities around the world uniquely position him to develop our equity program. We're thrilled to have him on board."

"The Chief Equity Officer is an impactful position, responsible for anchoring the Office of Cannabis Management to the goals of equity and social justice laid out for us in the Marijuana Regulation & Taxation Act. I could not be more excited to announce Damian Fagon as our Chief Equity Officer," said **Office of Cannabis Management Executive Director Chris Alexander**. "Not many people in the world know more about cannabis farming than Damian does, and beyond that first-hand farming experience, he has first-hand experience navigating the cannabis industry as a Black man. That experience will be incredibly valuable to our team as we make sure New York establishes the most equitable and inclusive cannabis marketplace in the country."

Application & Application Window for Adult-Use Conditional Processor Licenses Approved, To Open June 28

New York's Cannabis Control Board also approved the Adult-Use Conditional Cannabis Processor Application and set June 28 as the opening of the application window. These licenses comprise a key part of the supply chain needed to open New York's adult-use market through the <u>Seeding Opportunity Initiative</u>. Through the Initiative, processors will take adult-use cannabis currently being grown by New York farmers and turn it into consumer cannabis products. These products will then be sold at New York's first retail dispensaries, planned to open later this year through the Seeding Opportunity Initiative's Conditional Adult-Use Retail Dispensary program.

The conditional processor license was created by legislation signed by Governor Hochul in February 2022. To qualify, processors must hold a Cannabinoid Hemp Processor license issued by the Office of Cannabis Management and have applied for the license prior to January 1, 2022. Adult-Use Conditional Processors must participate in a mentorship program meant to provide pathways to industry and entrepreneurship opportunities for social equity applicants and participate in an environmental sustainability program.

The application window will close August 31, 2022.

"There's no legal adult-use cannabis marketplace without the processors who turn the raw plant into concentrated oils, topical creams and infused edibles. Today's vote to open the processor application window is another important step in creating a thriving cannabis industry in New York," said **Office of Cannabis Management Executive Director Chris Alexander**. "What excites me most about this application is the requirement for licensed processors to participate in a mentorship program for social equity applicants. Every aspect of New York's cannabis ecosystem will create opportunities for those harmed by the past overcriminalization of cannabis, including cannabis processors in New York State."

The Seeding Opportunity Initiative positions equity-entrepreneurs to be the first to make adult-use cannabis sales in New York with products grown by New York farmers. Under the Initiative, licenses would be awarded for Conditional Adult-Use Retail Dispensaries to equity-entrepreneurs who must meet two prongs of eligibility to qualify. First, they must have a cannabis-related conviction that occurred prior to the passage of the Marijuana Regulation and Tax Act (MRTA) on March 31, 2021, or had a parent, guardian, child, spouse, or dependent with a pre-MRTA cannabis-related conviction in the State of New York. Second, they must also have experience owning and operating a successful business in the State of New York.

The Cannabis Control Board Approved an Additional 41 Adult-Use Conditional Cultivators, There Are Now 203 Farms in New York Approved to Grow Adult-Use Cannabis

The Board also approved 41 Adult-use Cannabis Conditional Cultivator Licenses, growing the total approved to 203. The awarding of the licenses demonstrates the further advancement of the Seeding Opportunity Initiative.

The Initiative includes the granting of Conditional Cultivator Licenses, created by legislation signed by Governor Hochul in February, to qualifying New York-based farms that have previously grown cannabinoid hemp in New York State and positions equity-entrepreneurs to be the first to make adult-use cannabis sales in New York with products grown by the farmers licensed today. The now 203 approved licenses are from a pool of more than 250 applications submitted to the Office of Cannabis Management following the March 15 opening of the online application portal. The OCM is continuing to review applications and the deadline to submit an application is June 30, 2022.

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On June 2, The New York State Office of Cannabis Management released a public service advertisement during game one of the NBA Finals calling attention to the state's goals of creating a diverse and inclusive industry and repairing harm done during cannabis prohibition. New York State has already expunged or suppressed almost 400,000 convictions for cannabis offenses and the OCM has launched a national model for prioritizing applicants impacted by the enforcement of cannabis prohibition through its Seeding Opportunity Initiative.

The advertisement is the first cannabis-related advertisement in the nation focusing on the disproportionate enforcement of cannabis prohibition to appear on broadcast television. It highlights the wide disparity in arrest rates for cannabis offenses for Black, Brown, and White New Yorkers during the 30 years prior to cannabis legalization. It states that Black people in New York were 15 times more likely to get arrested for cannabis than White people over the last 30 years; Latinos were 8 times more likely. Despite these disparities, data has shown that cannabis use among different races is essentially the same. The data points are based on New York State arrest data from 1990-2020 and population data from the U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics.

In sharing historical arrest data, the public service advertisement raises awareness of racial disparities in marihuana arrests and directs New Yorkers to cannabis.ny.gov where they can also learn about New York's developing cannabis industry.

View the advertisement here.