

Office of Cannabis Management
Control Board Meeting
February 27, 2023

Pete Shafer: Hello, good afternoon, welcome to the Cannabis Industry and Market Subcommittee Meeting. Present today are Allan Gandelman, Joe Belluck, myself, Pete Shafer. Also, here remotely on the committee, we have Dan Kaufman-Berson from the Department of Labor, Amando Rosado, Kathleen DeCataldo, and Scott Wyner. Thank you, everybody. Recognizing that we have a majority of subcommittee members present, I am pleased to call to order today's meeting. As always, this meeting will be recorded, and the transcript will be available to the public on the Office of Cannabis Management website, cannabis.ny.gov. Live captioning in both English and Spanish is available for individuals via the live stream. Additional information on Cannabis Advisory Board meetings is available on the OCM website. Next slide. Thank you, sir. I appreciate it. Today's meeting will include several different items. We will start with a brief overview of the subcommittee's mission and purpose. Following that, we will hear a detailed market analysis of the New York State cannabis industry, and we will conclude with a discussion related to licensing fees, see the sales system updates, regulations, and other discussions. To begin with, let's briefly review the mission and purpose of this subcommittee. The subcommittee will provide guidance and recommendations about issues related to cannabis licensing, license application processes, cannabis licensing, banking, markets stability, and cannabis industry development, i.e., cultivation, seed-to-sale systems, etc. Thank you again to the subcommittee members who are able to join us today in person and virtually. For our next agenda item, we will hear from the Office of Cannabis Management Senior Policy Director, John Kagia, who provides some important updates relating to the market. John, please, lead the way.

John Kagia: Thank you, Chairman Shafer and to those who are participating today. I wanted to begin first by just sharing a couple of high-level updates indicating some of the momentum that we have been building over the last couple of months and then talk through some of the market methods, some of the benchmarks that we are using to understand how the market is performing. So, we have talked about one of our biggest markets is getting more in the open. It is incredible to see since the injunction lifted at the end of last year, the speed which folks have been getting their businesses off the ground. So, just since the beginning of February, we have approved over 30 operators to start their retail sales. We are now over 80 folks who are but an incredible piece of momentum that we are building here to stores open and one that we expect to continue for the next couple of months and critical to expanding consumer retail access. Second is a critical step to getting stores to open is to identify where these stores are going to be located. So, at this point, we have reviewed over 500 locations that were submitted by applicants, microbusinesses and card licensees to assess those for preliminary location protection. Most of those have cleared the first stage of location protection, so I will touch on this a little bit later, but we have a lot more stores coming. Third, is specifically related to licensing. Those two groups that both need a licensing processors for. One is the adult use conditional cultivators and processors, who will have till the summer to transition from the government conditional licensing. They were able to apply as part of the general adult-use application period, but not all of them submitted their applications, and we will be reopening for them, and they will have until the end of the year. We are encouraging folks to get those applications in earlier than the review that is required. And then the second license that we are going to be reopening and keeping open indefinitely will be the Type III processors license. You know, this is an important one because it doesn't add to our supply in the

market, but these Type-III processors who will largely be entering _____ agreements and doing the finishing themselves are going to be drawing from our supply to deploy their products. We are very bullish about transparency in this market. We want to make sure that there are as many of these licenses available as possible. A couple of other things to flag, we issued our first research licenses. We will keep crowing about the fact that New York has, I think, the most sophisticated, most expansive research license available in the United States right now, and so for anyone who is thinking about ways to innovate cannabis, New York is the place to do it. I am really bullish about the ways in which folks can build new products, conduct deep science, and really help to lay this foundation for real innovation in this marketplace and do it right here in New York. Two others, home growing is an issue that is near and dear for a lot of consumers in New York, and we have just at our last cannabis control board meeting presented to the public our drafts for homegrown regulations. It is going to go through the 60-day public comment period. We encourage the public to review these proposed regulations while they are out for public comment. Largely adaptive from our medical rules, so there shouldn't be a great deal of surprises there. Essentially, it is six plants per adult, a maximum of twelve plants per household, but there are a lot of allowances in there in which folks can innovate and experiment with cultivating cannabis at home.

Peter Shafer: I ask to make two comments, which I am also going to make at the CAV meeting. The first one is, I just want to express my disappointment that once again, the CAV was not consulted about the home-grow regulations for the CCB. Voted on them, we didn't see them, we weren't given an opportunity to provide comments, something that people on the CAV have experienced with and were interested in. So, I don't want the moment to pass without just publicly, once again. I still don't understand why we are not being given the opportunity. I personally, not personally, but as chair, I think it is statutory that we should have had input into it. So, I wanted to say that. I also wanted to mention, because you were talking about brands and the market, the article that was in the New York Times, and I don't understand why any store or anybody in the chain with a license from OCM who is selling, distributing, or processing an out-of-state product isn't losing their license immediately. I do not understand it. In my mind, that should be a hard and fast rule. It is hurting New York businesses. It is against the law. There are not that many of these people who have the licenses for us. I understand there may be some difficulty in figuring out if the product is actually from out of state, but I don't understand why we are not speaking very clearly that that is an automatic loss of license. You are out of the game.

Male: I can respond. Any operator, any space processing or packaging out-of-state product will lose their license, to be very clear. The existence of brands in the state, I think, has created confusion. Out-of-state brands have created confusion, but as John pointed to, the brand license is a mechanism for brands to come in, both out-of-state brands, as well as previously licensed brands, and just brands that folks have created. But if that product is moving across the lines, and we are aware of it, action will be taken.

Peter Shafer: And for the brands, you all very well articulated how much people want to be players in the New York market, and if there are out-of-state brands that want to somehow establish themselves here, and they are responsible for their brand's products coming here with non-New York products, they should not be able to sell here. I mean, end of the story. I think we just have to draw a line. The enforcement is one thing, but I am thrilled that you are making that statement.

Male: And we do have two mechanisms as it relates to licensure, the demonstrated ability to control against diversion. It is something that we will utilize when reviewing out-of-state brands that are

coming into the states, as well as our New York grown. Thankfully, for my understanding, most folks have been very understanding of the consequence of diversion, but, you know, we always have been vigilant to that, and that is pretty open and shut.

Peter Shafer: Excellent. Thank you.

John Kagia: And maybe one point I would add to that is that we will be putting out more communications around this for folks who are looking at licenses. There are two paths by which a brand will be able to open in this space. One is to apply for a Type III brand license, which allows you the benefit _____. The other is to be a true partner in interest in one of our existing processors or cultivators. But through one of those two mechanisms, all of these brands are going to be known to the office, and we don't want to give the impression that there are going to be ways in which brands will be able to have products on the stores without being known to the office. We are taking this very, very seriously. It is going to be, our approach is going to be built and in a very close alignment with our enforcement efforts.

Male: John, are you going to have more information on the Type III processors license coming out soon because, as a processor, we manufacture for brands, we are definitely getting some pushback from brands who don't want their own license. They don't want to be a license holder in New York State, and we don't really want them as a TPI on our license because we can't guarantee what they are doing. I am going to make the assumption here that anyone who violates the PMLA rights, which we will talk about later, now it is on their brand license, and not on me, as a processor, so I think that kind of ties into what Joe is saying about what's happening in the marketplace right now. I think giving more communication about how that is going to look in terms of like actual enforcement and compliance for these brands. Once they get that Type III and when the cutoff is because I, people will be dragging this out for as long as you let them drag it out for, right, so until there is an A, by this date, you either are a TPI or a Type III, I think everyone is going to just wait until that last minute. So, I just wanted to throw that out there, like that is kind of what we are experiencing.

John Kagia: Yeah, so two things there. We actually did some work on the guidance book as we speak. We are working on that. And two, and I think there is a lot of sense in this being this transition of having the brands being determined by the time all of the ACCs reach that transition status because you all use the conditional model right now, which is a model where these brands have been able to work with you under agreements that may not necessarily be up to TPI ratings, which is meant to be mean not fully visible to us. As you transition, as the cultivators and processors transition to full licensure, then the agreements that they have _____.

Male: And so, the plan is, right now, I am just going to guess, is around June first, July first, right? When all the conditionals have been transitioned because that deal time expires, that's like the sunset, right?

Male: (people talking over each other)

Male: Oh, I know, yah, yah, but that is kind of what I mean by the drop-dead date for a brand, yah, like that's almost a line in the sand is when that deal expires, or am I not understanding the rights on that?

Male: Correct.

Male: Under the requirements for each operation will be all of these other items. (people talking over each other.)

Male: Right, right. Okay. No, I think it is an amazing thing to have that Type III license, like 100 percent. I just think we will need to draw, like what Pete said, a line in the sand at some point in time, this year, let's say, when every brand has to either be a TPI or a Type III.

Male: From other states and just what we are seeing here, that a lot of the upside in this market is in these brands, and it is where the investors are looking at, so, I just, again, think we, people have to play by the rules, and if they are not, they shouldn't be here.

Male: Just to refrain one thing that we said, Allan to your point, it is not necessarily that it is a choice of A, B, or C, right? By nature of brand, and out-of-state brand is more interesting, it is not a choice to become that, the exposure of the ingredients is the separate step in that, but to be clear, under our rules, that revenue sharing agreement that you have, that white labeling makes you a TPI. And so, we are talking about its disclosure?

Male: I think from that point of view, but the type of license allows them to not be typed as a single operator. I think that is attractive to a lot of folks, but I just want to clarify that. Even as it relates to unfortunately against this activity, that is a huge (people talking over each other) the evolution of the market is really going to be about the technology and the restrictions that make our market viable.

Male: Thank you, Chris.

Male: Next slide.

John Kagia: So, the next slide, as I do want to leave time for robust discussion, just a quick rundown on numbers. Sales are ticking up. We are at 174 million dollars. We are well on our way to 200 by the beginning of March. I don't think we have convened since we got some of the revised CGS data, and we have 92 million reported on the CGSs, so far. There are still a whole lot of missing reports there, so our 183 million dollars since our first sales in December 22 could progress, and I think sets us really on for a blockbuster 2024. Next slide. This just shows how our sales have been growing and the number of licensees we have reporting each month. So, a couple of things I will call out. December, at 27.3 million dollars, that is December of 2023, 27.3 million dollars, our best-performing month by a significant margin. And part of that was because December had a slightly normal recording period, but I think indicative of the momentum that we are about to hit and fully expecting that we are going to be seeing a consistent 30 million-dollar-plus months moving forward. Two, there are, it usually takes our newly licensees two-to-three weeks to figure out the reporting system, and so we continue to potentially have a little bit of a lag in the reporting between when somebody opens their door and when we have good, clean data coming in from them. So, I am expecting January numbers to take up, and I am expecting strong momentum moving forward. Next slide. We continue to see a really strong mix of both flower and non-flower products. So, we are currently split, the green flower and pre-rolls are 50 percent of our sales. Non-flower is the other half. Our numbers are actually even more skewed toward value-added products than many other mature legal markets. Other adult-use markets are seeing 50 to 55 percent flower products. We are at 50, and that is coming now. Part of that is we are moving a lot of units of these value-added products. Edibles, including beverages, are doing incredibly well. We are seeing a lot of kind of innovation around these, both in terms of the formulations of the base, as well as the form afterwards, and I think that has been resonating with consumers. Our preroll unit sales are continuing to grow, strength over strength, so the share of our preroll market continues to give out twice what it is in most other markets. I did a bit of a drill down into looking at the preroll categories, specifically, I am really amazed by the number of them and combinations and permutations that we have there. So, more than three million units sold. That is a lot of cannabis, that is a lot of cannabis

product, but still just the tip of the iceberg on what we expect to see this year. Next slide. This is gaining quite a bit of traction, the amount of genetic diversity we see in the state. When I first saw that we had maybe 600 strains in the market, I just assumed that can't be right, that there had to be a miscounting. So, I spent many a square night or cross-eyed night kind of looking through what had been submitted, and sure enough, there was a huge, huge genetic diversity in this market, and I think that is partly what has drawn consumers to the legal market. So, yes, the more popular strains, the ones that people are more familiar with, Blue Dreams, Pineapple Express, things that were doing well in New York, pre legalization, continue to dominate, so the top ten strains of those 600 have about a fifth of the market share, the top 20, perhaps 30 percent, so there is definitely a bubble at the top of the most popular strains, but this idea of immense genetic diversity, I think, is going to be fortunate for the eco market, particularly if we look at differentiating against the unregulated market. There are just not many illicit dispensaries you can walk into where you are going to find 70 different types of flowers for sale. Next slide. Speaking of brands, we already have strong and growing brand diversity, so 250 brands, most being for flowers at 109, 107 for preroll, but one of the things that stood out to me here is that while we have a large number of brands, and this is growing literally in every recording site, every report we have seen seeing at least two-or-three new brands added. Many of these brands are product specific, so 125 from 253, so nearly half our brands are only in one category. Roughly a third, 61, are in two categories. Why this is interesting to me is one, we are seeing, to me it is a bit of a reflection of brand specialization, brands that are not trying to be all things to all men and women. We only have eight brands right now that are in five or more product avenues. So, an interesting lens into grand specialization, we will see how long this is maintained as the market matures, but a good indicator of a vibrant and rich ecosystem. We just need to make sure that the brands offer (can't hear). Maybe I will close out the market update here with just a quick illustration of the scale of expansion we are about to see on the retail front because this is really now the tip of the iceberg in terms of growing this market. So the next slide shows the, so these are the boroughs of Manhattan, both in Queens, shows the stores we currently have open. Next slide. This shows how many locations have been reviewed for consideration. These have received preliminary consideration, so I don't want this map to be viewed as final, but what I do want it to be is illustrative of how much consumer access to CGSs is going to expand as we look ahead over the next few months. Next slide. Long Island and Staten Island – up until very recently, we only had, actually, they only currently have two operational dispensaries in Long Island, but if you look at the next slide, you see that a lot of density, down through Brooklyn into Staten Island and east through Long Island, so expansion for consumer access to CGSs there. And then the final pair will be for the rest of the state, this is basically lower Manhattan going through Plattsburg at the top of the state. So this is the time of the hour to observe stores that we have approved and the next slide shows the expansion. We are obviously seeing a lot more geographic distribution and most of it centered on our major population centers, Buffalo, Syracuse, Rochester, and Albany, and Binghamton, but it is harder to see that folks are starting to find some of these smaller municipalities where there are a lot of opportunity to fill dispensaries or microbusiness, and we are excited to see that expansion.

Male: John, can you just explain what those colors were?

John Kagia: Sure. So, the yellow are adult-use retail, orange are card, green are (can't hear), blue are medical dispensaries, and purple are microbusinesses. So, we have reviewed a bit of everything.

Male: Oh, wow. Those are all the ones that have locations.

John Kagia: Those are the ones that have cleared the first considerations. We are going to be finalizing this in the next week or so, and the locations will start to go out.

Male: Awesome.

John Kagia: I really want to just give a shout out to the location review team who has been pulled out from most every other team to support this effort, mission critical, but they have worked in hundreds of locations, and we still have hundreds more to go.

Male: Thank you.

Male: Real quick question, sorry, Stan from the Department of Labor, do you have a sense, I am sure it varies based on location, the business, at least for dispensaries, do you have a sense of timeline to actually be open doors and become operational from kind of the proverbial step from the approval of CGSs to right now? Does that make sense?

John Kagia: It does. So, I put that maybe into three broad categories. We have card licensees, people who are already licensed, had made some progress in operationalizing their business, but got caught in the injunction. Most of those are pretty far along in getting their doors open, and part of the reason why we have had so much momentum over the last few weeks is those folks were ready to go and were able to get through the final steps in the proCGSs. I'd say maybe another hundred or so of folks who might be in that position to operationalize out of the cart based on locations that are close to moving forward. Then you have the November nonprovisional applicants, people who applied for a final license with the proof of control over a retail location, either through a lease or a deed. We are seeing a lot of motivation, at least among some of those folks who are essentially saying as soon we have got protection, it will be a few weeks for us to get our build outs done, but we are very, very motivated to gather them. And then the third are folks who have a location but aren't quite yet ready. They are going to need time to mobilize the capital and or do the design and site plans, go to the municipal construction process for CGSs, etc. So across those three, over the next say six-to-eight weeks, I think we are going to see a lot of these cards who have been standing by, start to operationalize their stores. They will be closely followed by the nonprovisional November applicant que, who, at least the subset there, who are very motivated and ready to go. And then third are the folks who have a location, have submitted a receipt for protection, but might need a little more time to get their stores open.

Male: Got it. Thank you.

John Kagia: So, are there any questions specifically on market trends, data?

Male: Thank you, John. We do have a few bullet points for discussion here. I think it makes most sense to maybe recap our last conversation. There are a couple of bullet points that we are just looking for updates on. One was in our last meeting. We proposed some changes for, specific changes, but we recommended a review of the existing licensing fees and mainly eschew the fees for the outdoor licensees in trying to encourage those licenses. If you can give us an update with that review and any potential change.

John Kagia: We actually took this one back, and we have had a couple of conversations around how best to tackle this. Two thoughts, one totally aligned that there may be an opportunity to refine the licensing structure, particularly to incentivize or to account for the production imbalance between outdoor and indoor. Given that we have already had been in CGSs with the structure as it was, we wouldn't have a need to change it on this license, but it is certainly something that we can look at (can't hear) new licenses.

Male: Is there, like what would that look like to the future if we were to begin this? (everyone talking at once)

Male: I think the plan was to come back to you when we have got those regulations to discuss them and our proposal at one of the board meetings, given that it was just too late to work on for the current pool. We have some time here.

Male: Yeah, I was just going to say, I am sure you guys are aware, but the people who were approved at the last CCB meeting are already getting emails with bills, and I think there are two things happening. I guess the one side is if we are going to talk about changes, can we pause those bills, so people are not paying them and then they are going to come back and ask for a refund. And then the other piece, which I think is a larger, general political conversation, but I think it is really important we bring this up here because there is talk of some sort of recompense fund in the legislature, and one of the things that I think should be looked at is using that idea and potentially waiving those fees for the first year or two. I don't know what the total fees are in terms of like the actual budget. I am going to guess they have got to be in, for all the ACC, ACPs, I am going to guess around ten million, but we don't know who is growing what, you know, we haven't seen the licensing application breakdown, so that might be a nice win for some, especially if the legislature is already looking at it. I am bringing this up now because people did just start getting bills this last week, so again, I....

John Kagia: I know the bill is triggered by the final license and the final step of the transition. We will take that back and have that conversation. I am definitely aware of the conversation (can't hear). It is kind of built into the CGSs right now, so we would have to make some adjustments to consider that type of action. The Control Board does have the authority and ability to waive, but that is something that (can't hear).

Male: Yeah, I think so, and I think it would be a nice win, I guess, across multiple sides.

John Kagia: I know the system wasn't built for...

Male: Yes, it is murky, to say the least, and we are hearing anecdotes from other people in the field too that some of the bills that came in, something is wrong with the algorithm where folks being charged for the base rate only, where they may have applied and been approved for, you know, the range is 5,000 to 12,500, and bills are going out for just the base. Well, that would make sense if they were charged what they were supposed to get charged, but the fear is that they were approved for a larger square footage if they only paid for this and only grow this. Right? So that is the concern, also that they may then even be held out of compliance if they only paid this amount.

Male: If you have any of those, please flag them. We should definitely know about them.

Male: I mean the language is very, very tricky. I mean, you have to do the math for every single license, and I can only imagine, but another anecdote was for those who were awarded distributor license with a processing license. That was also an issue.

John Kagia: We have definitely seen a couple of these issues and are working with them on the back end. As you noted, the algorithm of calculating this was complicated, but we have seen this.

Male: Thanks for the update. The next is we broached the subject of CGS permits last time.

John Kagia: Yeah, we had our last CGS December 31st, 2023, and we literally spent much of January doing the post CGS synopsis, working with all the teams that had touched this program, trying to learn

the lessons learned and trying to figure out how to optimize the future events. Quite a lot of lessons learned coming from the CGS program. There are several pillars that we have been thinking about as we work on building this events project. What is operational efficiency? At one point, we had up to 20 people working on the CGSs because of how manual a CGSs it was, so the combination of application documents being submitted, product selection, and they have to go and get manually reviewed to make sure that everything is tested (can't hear). Reviewing the staffing plans was a very, very resource-intensive CGSs, and that was with half a dozen, with a dozen licensees doing this. We are talking about 200 to 300 licensees, retailers operating with event permits on a regular basis. There is no way that program would have been sustainable. So, first is thinking about operational efficiency. Second is the continued priorities around public health policy. We want to make sure that both our licensees and the personnel (can't hear) and make sure the public is safe when it is dispensed. And this is going to include decisions around, questions around consumption at these events, which is a subset of the interest that is driving these. And then third is inventory management. Every time a CGS operator had to add or remove a product, they have to contact us, and it is not good. It worked, and we were very grateful for the partnership with the licensees in doing that, but doing this without the CGS sales program is basically going to be challenging, so the two elements, the two key elements we are working through right now is what does this look like based on all of the lessons learned coming out of the CGSs, and then two, can this be done before season sales are in place or do we actually need to wait until the seed-to-sell programs are in place just for the operational efficiency program to move the licensees. We have a lot of big brains kind of working through all of this right now. We are still deeply committed to getting an event planning done in the first half of this year, but as they often say in cannabis, the devil is in the details, certainly a lot of details for doing this.

Male: I just wanted, if I can, to say a huge thank you to our policy, licensing teams, everybody making CGS work. These two right here next to me, Dan and John, fought entirely to make it happen and to build a strong program, but as we went through it, it got a little bit hairy, so we just want to make sure that as we create CGSs that will work more efficiently. Folks are complaining a lot about the back and forth with the office on compliance stuff, and so, we just started small, and we think it is really valuable, and I just wanted to thank all of you for that work.

Male: I think what the market misses most, I am speculating based on scuttlebutt, but I think what the market misses most is the ability to have some direct interaction with the consumer. It is tricky because we have a two-tier system, and it exists for a reason. We all understand it and appreciate it, and respect it, but one thing that was a real positive that came out of CGS was the ability to communicate. So, as you think about, it sounds like event license or whatever you want to call it is still pretty far down the road, but maybe a potential interim opportunity would be to create a mechanism to reopen those lines of communication, maybe absent from the inventory and the clients' nightmares that we dealt with CGS, but to bridge the gap until those event licenses, to just shoot from the hip here, but I think that was a piece that people are missing. People who are unclear on what they can and cannot do, and so that education piece is valuable, and there is a way to segway into that. You may have something to say on that Allan. I just wanted to throw that out there.

Allan: No, I think it is a great, it is like a Venn diagram because that touches the sale system and the PLMA regs because what we cannot, you know, brands, farms can't do that education because it is against the PLMA regs. So, I do think we have to figure that part out because it was so valuable, and what we don't want to happen in the marketplace is no education, you know, limited bud tender sampling program, which that is also part of the PLMA. It is very strict, and what we are concerned about is then it becomes a race for price and potency, where you go online and you are just like the

most amount of THC for the cheapest amount of dollars because now there are not a lot of other value built in from the bud tenders' perspective because it is like, they haven't tried the products because we were only allowed to give out samples one time before they were bringing on that skew, and those bud tenders quit, and now there are whole new bud tenders, and they are like, I don't know these people. You know, they don't know who we are, as it is the farmer's company, so that is part of that PLMA thing. And then you have got the education directives. However that is done, whether it is in store, whether it is at events, you know, but we do need to figure that out.

Male: I will say this is the hallmark of the microbusiness license.

Male: It is.

Male: And with their limited scale, one of their advantages is that (cell phone ringing), and so we have been aware of that, but that is their advantage over the scale that the larger growers have and the ability to white label the micros don't have. Ultimately, we do want to license them, and there are hundreds of micros, including the ADCT's transition, but I do hear that, I thought that was probably one of the most valuable outlets of the CDS program was the consumers talking about how awesome it was to meet the farmers who grew their weed.

Male: I would love to get some input from the call with the director of health and safety. Obviously, CDS had to float it through their team.

Niccole Rosa: Sorry, I am here. Thank you for that new thought. On camera here, hi, good afternoon, everyone. Yeah, as it relates to the CGS events, it was definitely a great program, and we were excited to help support that program, you know, in conjunction with the hard work that Damian and John and his team did to get that rolled out. We are excited for the next phase of CGS. One of the key components that really is critical relates to the inventory tracking component and making sure that reporting related to those CGS events does come back to the office. In addition to some of the metrics that you see that John produces, there are implications to other partner agencies, such as Tax and Finance, as well as in the event of a recall, if there were ever a product issue that created a major risk to health and safety, having that traceability data is critical. So those are a couple of things that are important as we look at sort of a CGS phase 2 amongst other items to help streamline the process, as I know John already spoke to as it relates to the effort required to make it.

Male: So then, really then we are talking about seed and sale as kind of the core pillar of potentially in a back permit and even some PLMA changes. We did get an email about BioTrack recently, and so is there an operational timeline these guys have or is there kind of a best estimate timeline that kind of triggers some of this other stuff?

Niccole Rosa: Yes, I am back, and I am so sorry. My Internet here at the office keeps freezing, so I am not sure how much you caught from my statement earlier. As it relates to BioTrack, we have been working closely with them. Our IT team has been doing some testing, so we need to make sure that all of that testing is successful before we can roll out that application programming interface, which is what the software vendors that the licensees use will need to connect to, to submit that data. So, we were anticipating to have that available to licensees sometime in March, and the directive that was provided by an email was that licensees would need to have their seed-to-sale software system within 60 days of that API becoming available. However, we do understand that there will be a timeframe that licensees need after procuring that software to be able to integrate with the API, so it is sort of a two-phase

approach. Part one is having the software once the API becomes available, and then part two is connecting to the API.

Male: Just one more comment. You bring up a great point on microbusiness. I just want to make sure I understood this part correctly, as it relates to the PLMA. The microbusinesses have a great advantage because it is like craft beer, where they can have their brand, they can grow, they can have their brand, and they can talk to their customers at their retail, so that is definitely applying for microbusiness with retail. I think, I am going to assume there are a lot of microbusinesses that are not doing retail, and they kind of just want that craft grow. Were you implying that the people with micros and craft grow with no retail can do more education in their stores or are they still going to be subject to the same current PLMA regs?

Male: No, in that retail authorization, I mean this is the exciting thing about the micros. We don't know where people are going to go with this. In the case where there is a micro without retail currently, they can always add that, and they can even do it when they are selling one day a week from their, where they are growing, and then sell to other retailers. So, there always is that opportunity to do more local engagement with their brand. In reality what they would have is they would have a craft section of a dispensary. With Tier 1 cultivators and micros, eventually the idea is they can use the craft designation, dispensaries can designate shelf space to craft growers, which would just allow for more like interaction with the brand itself.

Male: I see, got it.

Male: Since we are on the micros, maybe you could speak to, there is some confusion amongst agencies transitioning to a micro. Can you help? I don't mean to put you on the spot!

Male: No, no, no! Okay, maybe just give some clarity to the folks that are transitioning from ACC to a micro that ended up in the lottery and why, and just help explain that, as I have had a couple of calls on that, and I don't know the answers.

Male: No, I was just talking to an agency yesterday to someone that was a little emotional about this, but when I explained it, they understood. So what happened is ultimately all the micro agency transitions, ABCT transition to micro for proximity protection, and even the micros that didn't have their retail authorization also went into that group. So, it was just, if you were in the top of that que, and you were going for retail location, you got proximity protection if you were going to get it, which was important for us to get established before jumping into the micros. I think the other challenge is that if they weren't in the top of that, we still have to get all the retail dispensaries located and site protected before we can track their retail. There was a confusion with that license because of the retail authorizations. All of the ADCC transitioned to cultivator distributor processor have been assigned or have issued efficiency yet. (lots of background noise, so can't hear a thing)

Male: The retail component may be delayed, and that is why it is sorting, but we do want areas of flexibility to transition to micro and just work with them all the time to find a retail location so they are operating out of the same space and it is not a proximity issue at the present. We have got to deal with the retail issue, we have got to deal with the proximity issue, but we want folks to be comfortable and focus on just that transition to a license, and we will continue to work and move forward on identifying what will work for a retail location for that business to operate.

Male: Just a follow-up question. If there was an ADCC transitioning to a micro license at a location in a municipality

Male: That might not work.

Male: That might not work because of the proximity.

Male: Exactly.

Male: Okay.

Male: If a retail applicant was awarded at one of our board meetings and is in that que...

Male: Because of location.

Male: Thank you.

Male: Just a reminder for the conditional cultivation, in the FAQ, we did outline a pathway to continue growing under the conditional license while they are building out their micro, they are transitioning from an outdoor grow to an indoor micro. They can continue growing under the conditional outdoor water while they are building out their facility. They just can't do the same both concurrently.

Male: So, they would be able to finish their outdoor and then start

Male: And then transition immediately.

Male: They can be building out their micro, and while it is being built out, they can be growing outdoors. When they harvest their outdoors, and their micro is finished, they can move their operations in, but they just can't do both at the same time.

Male: Understood. So if they are start an outdoor crop in May, they can grow it to finish, but they can't start their micro.

Male: No, it can extend to the end of the year.

Male: As long as they don't start their micro.

Male: Yes.

Male: Thank you. That is helpful.

Male: Those micros are going to take six-to-twelve months or eighteen months to build.

Male: I don't know that that was clear, so thank you. That, I think, answers a lot of questions.

Male: Something I need to tell the new micro licensees as well, we are going to probably have to do a lot more communication with the micro (people talking over each other). They are authorized to 500 pounds of biomass distillate equivalent year, and that is how they would probably get their retail going to kick off while they are actually growing their product.

Male: I know there are only a couple of minutes left. I just want to put this out there as something to consider as we are all getting up and learning BioTrack and seed to sale throughout the industry. It is from seed to literally to retail. There is a lot happening. The thing to consider in this transition phase, as we are making sure everybody is compliant is that even if folks are getting up and running on their track and trace system, whatever software they may use, it is important, the way it is currently set up, it is important not to wait until the last minute, even though there is a 60-day buffer. We are, an example of someone who is up and running on the track and trace system, but you have to essentially keep two things going simultaneously until the API actually gets into place because there are many things missing

from the track and trace system that, and everybody is using different ones in the marketplace, so I just want to encourage anybody who hasn't already made this decision, and I want to ask for some flexibility from the OCM because folks are really living in two worlds, keeping their existing track and trace system and trying to become compliant on the new one, but there are so many answers to the questions that the answer to many questions is it won't work until it goes live, and that is a tough place to live in because operators and retailers are using two systems, trying to get the track and trace up and running. An example is we are doing CLAs on a batch after harvest in an assigned lot number, and that lot number does not carry all the way through in a track and trace system. It changes seven times before it becomes a jar going to a retailer, and the challenge, and that is a challenge on the cultivation end, and the same with the extraction process for bulk oil, which will change lot numbers multiple times. There is no way for the consumer to track it back to the CLA until it goes live, right, so a lot of these questions that we are searching for answers on and trying to streamline, there are no answers. So, it is, I worry about the (can't hear), so I just want to throw that out there, and I also encourage people to start sooner than later.

Male: A quick plug on that is March 5th, Frank Farmer and I will start the OCM chip academy for transitioning to cultivators and new licensees, as well. We are going to go over integration with BioTrack, and we are going to go over track and trace. That starts March 5th.

Male: That will start early. I think with the experience we have had, even with the current reporting templates that we have produced, it has taken folks a whole week to get it done, and that is just the tip of the iceberg on what we are going to BioTrack, so the vendors that are picked to support, to be a solution provider here. Many of them have done this in other states, and they understand some of the key things that trip people up. It is sometimes easier to have some (can't hear) down the rabbit hole and banging your head against the wall.

Male: In the interest of time, I am going to kick it to Joe for...

Joe: I want to thank Pete and his team for all the time that they are putting into this subcommittee, and I want to say to my friends and colleagues on the Cannabis Control Board, the five members of that board, the fact that you are not consulting Pete and Allan and the other people on the CAB about the regulations and things you are doing, if this meeting doesn't demonstrate the level of knowledge that these people have about the intricacies of the market and how things are playing out, it is a real shame, it is a real shame, and you are missing out. The CCP, they are missing out on the input of Peter, Allan, and the other members of the CAB. So I really hope going forward that they get the message that consultation and input is only going to lead to better results.

Male: Alright. Thank you everyone for sharing your time and thoughts with us today. This concludes our business today, and may I please have a motion to adjourn.

Male: Motion.

Male: Second.

Male: Alright. Any discussion or questions, I think we need to move on to our full CAB meeting, so thank you everyone. I will call for a vote. All in favor?

Everyone: Aye.

Male: Motion to adjourn carries, and we will now adjourn, thank you.

Male: We will take a few minutes before we start.

Male: ...Dr. Junella Chin, Peter Shafer, Joe Belluck, and Allan Gandelman. As previously stated, restrooms are through that door. Just be mindful, all sound is picked up at the microphone, and we are at capacity, so if you step out, we have an overflow space and space in the lounge. With the doors open, you can still hear the meeting. We are at 108. Chair Belluck, will you begin?

Joe Belluck: Excellent. We are live, and we will stream in five, four, three, two, one. Good morning, or good afternoon, everyone. My name is Joe Belluck, and I am the chair of the New York State Cannabis Advisory Board. We are joined here in person by Vice-Chair Dr. Junella Chin, members of the Cannabis Advisory Board, Allan Gandelman, Garry Johnson, and Pete Shafer, and is Patrick here?

Male: Not yet.

Joe Belluck: And we are being joined remotely by Nikki Kateman, Chandra Redfern, Kathleen DeCataldo, Suzanne Miles, Armando Rosado, and Dan Kaufman. Okay, we have a majority of the subcommittee members present. I would like to call today's meeting to order. As always, this meeting will be recorded, and the transcript will be available at cannabis.ny.gov, which is the website for the Office of Cannabis Management. We are joined by the Executive Director of that office, Chris Alexander, to my left. Live captioning in both English and Spanish will be available for individuals viewing the livestream, and as always, you can go to the OCM website to get information about the Cannabis Advisory Board. Today, we are going to get some updates, first from our Cannabis Industry and Markets Subcommittee, which just met. We will then hear a report from the Executive Director of OCM, followed by updates from our chief equity officer and an update on what is going on in the industry and market, and we will conclude with a discussion from members of the board. We are going to be, I guess, discussing a number of issues today, but let me just provide a couple of updates and comments about the role of the Cannabis Advisory Board. The first is, I continue to work with OCM and Chris to increase the capacity of the advisory board. We now have the authority to hire a full-time staff person. I don't know if the job has been posted yet, but it will be shortly, and this will continue to increase our ability to provide input to the Cannabis Control Board and our independence in working with OCM. I want to say again what I said at the Cannabis Control, I am sorry, at the subcommittee meeting that just proceeded this. It remains a huge disappointment to me that the Cannabis Control Board is not regularly seeking the input of the CAB on its regulations and activities. The most recent example is the regulations regarding home growing which were not provided to us prior to being voted on. We had no ability to comment on them and those who watched the subcommittee meeting on industry and markets that Pete Shafer is going to update you on. The level of knowledge that exists among CAB members is significant, and it's a real shame that they're not being allowed to fulfill our statutory function. So, I remain hopeful that as we move forward there will be more activity that the CCB will reach out to us as they're required to, that having a full-time staff person will help us, but I think the whole industry could really benefit by the expertise that exists on the CAB.

The other thing that I wanted to mention just at the outset cause it came up in the Industry and subcommittee that we just had is the recent press about out of state products coming into New York and finding its way not only into the legal dispensaries, which should not be patronized by people, but also potentially into some of the licensees. On behalf of the CAB and confirmed by Chris Alexander, our view is if you are selling products that shouldn't be, that are coming from out of state, you should lose your license. No ifs, no buts, no ands, it's the position of the CAB and I'm glad to hear it's the position of OCM that that just should not be happening. There are too many New York businesses across the spectrum that have fought hard to be involved in this market, and they deserve to not have to compete

with out of state product flowing into the dispensaries or whatever way it's happening. So, with that, I'm going to turn it over to Pete Shafer.

Pete Shafer: Thank you. On behalf of the Industry and Market subcommittee meeting that we had prior to this, we received a great update from John on the market, I'm sure we'll hear more in this meeting. Some other items we covered in discussion to follow up from our last subcommittee meeting, were discussion of licensing fees, and the advisory boards recommendation that license fee structure be reviewed again, with consideration of how much product we have and make over the course of a year, so we've asked to continue that conversation. We asked for an update on the event permits and requested that the pathway to event permits and we highlighted the positives that came out of CBS program where producers were able to interact directly with the public and asked that we find a mechanism to try and continue to do that, as we really feel that was a huge possibility _____ (lots of background noise). We had brief discussions about the PMLA regs and talking about with permits as well. So, yeah some of the things we talked about were trying to answer some questions that are coming from the market about AUCC's transitioning to micro licenses, as well as a brief discussion of the Seed to Sell programs that are being implemented here in the near future.

Joseph Belluck: Now we're going to get an update from our Executive Director, Chris Alexander, an optimistic up. But I have said this before, I just want to say it again that this is a brand-new market here in New York, and brand-new industry, and Chris has been trying to shepherd this through, and I think it's just important to remind everybody of that. Chris, I applaud your courage trying to keep this thing on track. I know how difficult it is and it's easy for people to criticize everything that happens, but I personally want to just say thank you to you and applause your courage in trying to keep this moving despite all the bumps in the road.

Chris Alexander: Thank you, I really appreciate that.

Joseph Belluck: I did not plan to say, but I appreciate it.

Ebro Darden: I want to make sure you understand that we're supposed to be criticized on this road.

Chris Alexander: I appreciate that. So, we've got a lot going on, obviously. It's great to see this is one of our best attended CAB meetings so far. And I'm so excited to be at this point in the conversations and get down really to the nitty-gritty of what this board is going to be focused on for the foreseeable future, and that is getting revenue out the door into the hands of communities who need it most and put those revenue dollars to good work to local organizations as well as local governments, who can use this additional funding for some really important projects. So, I'm excited to talk about the fund at our next subcommittee meeting following this, but just wanted to lead with that, that this is really an exciting moment for the CAB as well as for New York Cannabis altogether.

I want to start with what I talked about at the last control board meeting which is where we are in licensing. And some of the bumps in the road definitely are controllable and some are definitely not. And for this one, this is a challenging complicated process to ensure that everybody that's getting licensed meets our eligibility requirements, has provided all documentation to the office, but also that they have an opportunity to ensure the application is full and complete. So, our team has been going through, and I want to give a massive shout to our licensing team people who really have just been, for the last several months, just going on to complete this review and make sure that we have and are licensing the right folks to operate New York's Cannabis businesses. They are really begging and asking our applicants across the state and the country who are applying to enter New York's Cannabis market

to be response to cure requests. There is a 30 day mandatory required cure that we put into the statute that we are really living by right now that gives time for folks to make sure that applications are complete, but it also kinds of holds up the system a bit. We have hundreds of deficiency letters that are currently out to applicants. We want to give you an opportunity, we want to give you that license and give you the green light to get going. The big ask for us is that you are as responsive as you expect us to be to that request coming back to you, and the identified e-mail that you provided to the team as your primary contact for the application is where you're getting those requests to cure. I know folks may identify issues and applications and try to send an e-mail to me or to whoever in the agency to get it rectified, that's not the way to do it. You've heard on multiple webinars and through our FAQ and public documents, respond to the licensing team member that's reaching out to you, because that ensures that your submission is properly documented and included in the record. So, as I said, we talked about this a little earlier. We got just under 7,000 applications for adult use licenses, 5 licenses have been made available at this window. We're processing through. We talked a lot about AUCC our conditional farmers and our conditional processors transition to other license types. I'm going to harp on that one as well that we did provide opportunities for those licenses to transition to licenses in the previous application, I know we will be reopening thanks to recent _____ we're reopening their application window so that they can also complete that transition. Those programs do expire in June of 24. And so, I do not want to be having that conversation in July, folks who did not submit paperwork and are asking for extensions. Please, please, move as quickly as you can to get your transition done. You're able to transition to a multiple license type but you all make the best business decision as long as you move quickly in that regard.

I talked through the application review and deficiency process is lengthy. Folks are definitely getting multiple e-mails from our team. The SEE certification process and deficiency associated with that review is distinct from the general application process review, so you may get deficiency notices from different e-mails from OCM, but the goal is just be as responsive as you can. Some of the common deficiencies that we've seen are, of course, people not disclosing those true parties of interest, fingerprints, while we have changed much of New York policy as it relates to previous marijuana convictions, there are certain convictions that do make you ineligible for licensure. So, fingerprints are required to make sure folks are properly eligible. As I said, you have 30 days to submit those corrections, and we really really need you to do so as soon as possible so we can get those licenses out the door.

So, as folks do get their final license, we are really excited to, in a previous meeting the control board was able to approve 109 final licenses. We are really excited to get those licenses out the door. Each license issued is soon followed by another communication about payment of a fee. We talked about license fees in the Industry subcommittee meeting but payment of the fee is required and then you also will get a, for our retail operators in particular, a road map in terms of getting your business operational, ensure that you have done all the things required in terms of getting community support for your business to operate and the local approvals that are required.

So, I'm sure we're going to have a lot more questions and conversations around the licensing process. We are really excited, and I think John gave a great presentation on what's coming based on locations that have been reviewed and approved or at least preliminary approved for operations and we're excited to see those businesses launch. In the last several weeks, we have tripled the amount of dispensaries in the state, I know that's still not a lot, but we are marching towards a goal in which all New Yorker's have access to safe regulated cannabis product. That goal does not allow us, and really still ties to expansion of our medical program. So, for the first time in the 7 years the medical program has been operational, we have launched this medical cannabis program campaign, and this campaign is

really focused on ensuring that patient's healthcare practitioners have access to information about medical cannabis. We were not the first state to have a medical program, but we definitely want to be one of the first states who have that program grow after legalization for adult use. So, I just wanted to draw attention to folks while we're still working through this licensing and while we're still trying to get the industry off the ground and ensure operators have everything they need to succeed, we are also driving public education to ensure that people who could benefit from medicinal cannabis do have all the information they need to access those resources. So, I want everyone's attention on the screen, I have three of our people involved in our medical program; a doctor, a patient, and a pharmacist who have been gracious enough to give the office and the state their time to help spread the word. The campaign so far, we've had almost 10,000 patients join the medical cannabis program. We've made it as easy as possible for medical cannabis patients to become those patients by allowing for all the registration at the dispensary. Should you of course have your admission certified by your treating physician, be able to go to a dispensary and essentially register within the program automatically. This effort is going to be ongoing for some time, but I just want to articulate to everybody who's watching, we believe that cannabis is medicine, and our effort to increase the patient population is just trying to make sure that everybody else also understands the facts. So, there's a lot of educational tours that's we've developed and put online and we're continuing to also have an in-person tour where we educate populations who could benefit from medical cannabis of the benefits of that program. We've been running around the state doing that for the last couple of months, and we will continue doing that. You can see all the dates posted in our newsletter as well as on our website. So, I think that's it for me, I'm going to turn to Damian, I believe, to give an update on the efforts of the CT.

Male: Can I just, not to put you on the spot, but the members of the CAB get a lot of inquiries about the licenses, people want to know when there are going to be more licenses. Some of the questions are specific like, what's going on with when they send their cue? When do we get more licenses?

Chris Alexander: So, I think it's two conversations there. The first thing is just getting licenses out the door, and that's what I was speaking to a little while ago in terms of the application review process. Four applicants have applied for retail business to other businesses and in December cue, we will be releasing that cue any day now. We have sorted those applicants, and again the sorting internal process is really tied to retail locations, so we have some way to prioritize location review. I know that's another subject of conversation and we can talk about that as well. But the purpose of that cue again was just prioritization of locations. December cue should be released shortly. We are in the meantime going for AUCCs, _____(speaking way too fast) we are processing those transitions as quickly as we can. We also have, of course, _____ micro licenses at this last board meeting and so, the process continues. We have another CCB meeting coming up in March and the office is pushing to have more licenses go out the door, more than we just previously issued. So, every board meeting for the CCB will include additional license types going out. I think the second part of the conversation really is more opportunities for folks who missed this last opportunity. And we just want to emphasize this is just the beginning of New York's Cannabis market. We believe in a measured roll-out so that you know the market doesn't crash. You've probably heard me say that quite a bit. And so, we also don't want scarcity in the market. This is not going to be the one opportunity for folks to apply. Unclear exactly the date for another application window, but we're going to be monitoring the rollout, monitoring supply trends to ensure that we are able to essentially response of the issuing additional licenses and additional application window. But the first goal, of course, is getting all of these licenses out the door and that's what the team is focused on right now.

Male: I mean, I just want to say that I hear from a lot of people one of these is something I raised with you Chris, but I have a home in Woodstock, New York and there's a potential licensee there who applied, they've been paying rent on the location. I got an inquiry from the landlord, the landlord is worried about having a property that's not rented and the licensees are upset because they're paying rent, and don't have any idea, they were way down in the lottery but still wasn't clear to them whether they were going to be. You know, the point of it is these are real people's lives. People who spent money, invested money, and it trickles down to other people in these cities and towns who own property that they're renting or whatever. So, the more clarity I think people have about when the licenses are coming, where they are actually in the cue to get them, and the more licenses we can get out has to be a top priority. I know I'm not telling you something you don't know and you're probably more in touch with people than I am, not even the ones I hear about, it's real financial situations and concerns about their futures and their families' futures.

Chris Alexander: Yeah, I just want to say to everybody listening and joining us, that doesn't fall on us, right. We have to move with pace, because we've designed a market for small businesses, and we understand that small businesses do not have the same type of runaway that more capitalized folks do, and so speed, we believe in speed to. We want to make sure that these operations are able to run. The challenge, of course, is meeting all of the other statutory requirements while still balancing what that rollout is. As for folks who have current commitments the November cue group for example, and on the retail side, the priority has been getting those licenses out, getting communications out regarding whether the location is viable or not, and I think much of those communications have started to go out or have gone out already, and so I think for folks who's locations are not viable because they're too close to a school or place of worship, we will also be notifying those as soon as possible so that they know they can let go of a location if they're made a short-term commitment. I'm hoping that people are not making long-term commitments but that's why we created the conditional lease, so folks don't have to make those commitments. But we fully understand and receive that, and the goal has been to move as quickly as possible while still leading all these other departments.

Joseph Belluck: Damian did you want to take over?

Damian Fagon: Yeah, Promoting access. So, what I'm going to go over here is just walk through the licensing process from the perspective of a SEE applicant how we work with them to get them into the pipeline and the results of that work that we saw at the last board meeting. So, a three-pronged approach to the application system that New York just launched was greatly informed by the difficulty the people had in applying for licenses in other states. So, the application we did create reduced as many barriers into entry as we could. For many it could be completed in an afternoon. It was accessible, all online. We designed it with accessibility in mind and this is coupled with the fact that we did a lot of outreach in advance at the application opening. There were a lot of community groups and organizations that were primed to start helping their community members apply for these licenses. There was a lot of effort on the part of the external team to do a lot of outreach across the state, I believe about 20 adult use license in person webinars and trainings where jobs happened. So, those two factors coupled with the fact that we had 60 community-based organizations actually helping people fill out their applications, they helped about 800 applicants complete their applications. So, those three things, an accessible application, a lot of outreach, and the assistance of that the applicants got, led to a significant amount of our applications coming from social and economic equity.

So, my team is cast currently big shout out Dan and the Department of Labor, they are also helping us with this process, but we are reviewing the SEE applications separately from the license weed process.

We are actually able to do this a lot quicker than the proximity protection, the background checks, and the location review, so we are kind of jumping ahead and reviewing as many, a lot of applicants were here about their SEE certification and in many cases before they hear anything about the license that they've applied for. But that's just so we can make sure that when they are up for review, the SEE certification is not a barrier and impediment.

So, on our last board meeting, we issued 109 adult use licenses, 66 of those, 2/3 of those were social and economic equity certified, about 1/3 are minority owned businesses, 1/3 are women owned businesses, and 10% are minority women owned businesses. CDI's together with extra priority CDI you know individuals from CDIs comprised about 12% of the applicant pool. Service-disabled veterans and distressed farmers closing that out. This number of 109 licenses also includes the AUCC and _____ transition, 45% of those applicants applying for transition were social and economic equity. The microbusiness license, we issued the first ones of those in New York State history, 60% of those were to social and economic equity certified businesses, similar split to a larger breakout there. A lot more service-disabled vets went for the microbusiness license. We will had some extra priority and at least half of the licenses were minority or women owned businesses.

So, the retail licenses that we issued were probably the most diversely owned. 88% were social and economic equity certified. This number was largely driven by minority business and women owned businesses. And I want to point out that 60% of this first pool were minor owned businesses, 50% women owned in comparison with national rates of 16% to 18% for both of those groups. It shows that the work that we put in at the frontend and the accessible application, it just led to an applicant pool that looks a lot like New York State does demographically. And so, we're very happy with the results. We do expect these numbers to continue as we continue to issue more licenses in that range of 70, 80% for social and economic equity. It was also split down the middle for New York City and the rest of the state. The applications actually came in for the nonprovisional retail dispensary licenses were pretty evenly split 49/51% rest of state, New York City. So, we didn't actually need to do anything there. But diverse ownership of the retail tiers is a huge goal for the office that started with CAURD and it carries on with this because these are the gateways for brands to get on shelves. And what we know about these stores in other states, when they are owned by minorities and when they are owned by women, those brands have a better chance of getting on the shelves. So, very excited at the prospect of these licensees getting off the ground in the coming months. A lot of these folks, now that we've licensed them and spoken to them, some of them are a lot more ready like John was saying at the beginning, so more than others. But we will see some of these folks go online in the next few months, and some will take 3 to 6 months.

Business Development & Support. I want to highlight a couple of completed programs. The card accelerator that worked with a lot of our retailers over the last year created over about \$1.5 million in value for CAURD licensees and they helped CAURD licensees through their complication and support services avoid _____ (background noise can't hear). Of the retailers that are currently open in New York State, 34 of them received direct technical assistance from our academy and the CAURD accelerator. Last board meeting was also the culmination of our CCTM program. 13 graduates from that program were given microbusiness licenses on February 16th. 9 of those licenses went to people who applied with legacy cannabis experience processing and cultivation. 4 of them were disabled veterans upstate, we expect a lot more of these CCTM folks to be coming in subsequent board meetings as well. But this is the key to the market we want to build. Small batch craft cannabis market with farmers and legacy growers at the center of it, especially in the sense that the hemp farmers represent a lot of the values and traditions of agricultural New York. Legacy growers representing similar traditions

in cities where they've been growing cannabis for decades. So, we're excited to get their talent into the market as soon as possible. A lot of those guys have already, especially the disabled vets have already started their buildouts for their indoor grows. So, for consumers as well, this is a very exciting prospect because these legacy growers will be bringing in a lot of strains that they're already familiar with from the legacy market, as well as the ability to grow indoors for the craft cannabis have a lot of medicinal use.

Just a flag, I mentioned this earlier that there is an upcoming program, this is a carry on from what we were providing starting in October to the transitioning farmers which is just a compliance training, helping them figure out how to do this transition. The upcoming paperwork, everything to do with distress farmer's certification, minimal processing, GMP as well as track and trace. We're going to extend this now out through May and so starting next week, all of our new licensees, the transitioning licensees, can start by attending these classes. They are going to be hosted by SUNY Morrisville. We will record all of them and they'll live in the SUNY Morrisville like online training platform for all subsequent licensees to rewatch in the coming year. There's about 30 to 40 training sessions that are going to happen, primarily done by Brian Farmer but also there are a lot of guest lecturers as well covering a range of compliance issues. So, this will be rewatchable for everyone who gets licensed throughout the year. It's meant to live there as sort of a compliance guide for whatever someone might need to look up, whether it be minimal processing or GMP certification, we will have a 2 hour session there that walks them through that process.

Briefly, just going to touch on workforce development. I also want to give a huge shoutout here again to DOL for all their work on this. As we see the dispensaries opening their door, and farmers and processors anticipating more stores opening, we are seeing an uptake in hiring, an opportunity being created across the state. So, estimates now 3,500 to 4,500 full time employment opportunities have been created. This in contrast to the 60,000 jobs that we anticipate creating over the next 5 years shows that we've got a lot of work left to do, but I do just want to highlight some of the developments here thus far. The SUNY Cannabis taskforce has had a lot of success in ensuring that there are educational opportunities at SUNY campuses across the state, 15 SUNY campuses are now offering courses related to cannabis or hemp, and the office will continue to work with that taskforce to ensure that this carries forward.

Lastly, I do want to highlight this program, it's something that our academy kind of highlighted last year, and we definitely want to continue to explore. Budtender training. Budtender training, and I try to do my best at dispensary openings to talk to the budtenders because they are the primary drivers of this market. Consumers talk to budtenders. Every purchase is made through a budtender, and so whatever the budtender knows about cannabis or the products on their shelves, influences the direction this market goes in. What we don't want is we don't want a market where you know budtenders are just randomly recommending products, we want them to actually understand what it is they're selling, when a consumer asked them what they're looking for, they are able to clearly match that with the products on their shelves. And the success we're seeing from this pilot alone indicates that budtender training will pay for itself in the revenue it generates. The average basket size from budtenders that were training by our academy went up about 40%, \$80 to \$110 because they were able to speak more fluently about the products, consumers get more excited, they buy more products. So, we will be trying to incorporate that again and bring that back to our new retailers in the coming year. That's it for me.

Joseph Belluck: Well, since I serve on the SUNY Board of Trustees, and encouraged our Chancellor John Kane to set up this SUNY taskforce, I just want to give an extra shoutout to SUNY and their commitment

to helping train workers in the industry. It's a real commitment and I'm thankful to the Governor for giving money to three of the campuses to help with those credentialing programs. I think there's a great partnership developing between OCM and SUNY and the campuses, it's been there for a while, but I think it's more organized now. And if you haven't been to one of these openings and met the folks who are working there, not just the founders and owners, but the staff, they are really great people and they're really a joyful event. So, I encourage people to go if they haven't. Can I just ask you one question about the brands? What is the current rule or regulation with respect to the RO's having to carry certain brands from smaller producers.

Damian Fagon: So, there isn't a specification on the size of the produces they can carry, so it's just 50% of their shelf space is designated for not their brands. So, it could be from other large producers, small producers, in a lot of ways they carry popular brands and consumers are buying from other adult use dispensaries. But it's just 50% that's not produced or branded by their own company.

Joseph Belluck: And we're enforcing that in some way?

Damian Fagon: I mean, it's a compliance requirement that's just transitioned to the adult use market, we've been waiting for this for many years. I assume 4 of our previous medical operators have collocated or opened a retail all adult use retail footprint. Obviously, the same compliance requirement has inventory of _____.

Joseph Belluck: I would say on the questions that I got as chair of the CAB, that's on the top of my playlist, what's going on with the brands at the RO? So, I think it's something we should stay on top of and make sure that they're in compliance with that.

Female: When I have patients contact me and they are going to an RO, there are a lot more local brands than a few years ago.

Joseph Belluck: That's good to hear. Alright.

Male: For the market updates, I will get through this quickly because I know we're sensitive to time. I will pick up on the point that Damian _____ budtender training because I think it provides some context for the moment which we're currently in. Most of our consumers are transitioning from the unregulated market _____ (phone ringing). So, while they may have a general orientation for the _____ they like, they may know that _____ (terrible, can't hear) _____. We're still in very early discovery process and the idea of _____ product _____. So, most consumers who are walking into our dispensaries now, they may have generalized preferences but they haven't yet formulated deep product _____. So, budtender training is just one example where the consumer is walking into a store and trying to find something that is analogous _____ market, it is an opportunity to start educating them of the full options that are available on the market, not just on the product forms but also on the types of experiences that are available. It's been incredible to see just in the last few months the new products that we're seeing, swizzle sticks, oral sprays, honey in the it's called honey _____ liquid honey that's used for cannabis. So, not only does the consumers experience walk into dispensary represent an opportunity to orient them to what's there, but most times they're coming back, there is going to be something new on the shelf, and so for our retailers and for their suppliers we are forced to continue to encourage that dialogue to help guide that discovery person. Because we are still a long way from the consumer finding and being settled into their long-term preferences. We see that in our data, and I think we're going to continue to see that.

Quick recap on our retail store performance. Growth continues at pace. We have done through our stores \$174 million in retail sales in 2023, grew our targeted or limited kind of a showcase program did \$10 million in sales. So, in total to date \$183 million and at the pace we've been going expecting that we'll be hitting \$200 million as we get into early March.

Joseph Belluck: Can I interrupt you? Because also on the top 5 playlist is the grower showcases and there were some mentioned that something was going to come to replace them or something else. I think the public is very focused on that.

Male: Sure, so the cannabis showcases were a program that sunset on January 1, 2024, which provided an opportunity for retail sales happening in locations that were nonstandard retail locations. The model was that you could get the minimum of 1 licensed retailer who conducted that. You had to have at least 3 growers participating, any 3 growers you could have, 1 processor. The supply side, the cultivators and the processors would showcase their products, it was an opportunity to talk to consumers, talk about their _____, talk about the value proposition, and when consumer went to buy a product, would go down and buy in retail. The program was a wonderful opportunity for expanding consumer access to places where we can't have retail sales at this stage for aiding this discovery process, actually many consumers were telling us this is the first time they ever _____. So, brief benefit there. Operationally, there's a new program in _____ agency, there were some issues there that we're trying to work through to ensure that when we reintroduce the events, we've worked through some of these logistical efficiency and reporting issues that we learned out of the CGS's. So, a few points, 1) we're still fully committed to there being an event primary to that, still _____ CGS's and allows us this year to restart some of these events that we did for the CGS's. 2) we have to do this in a way that is more efficient based on the lessons learned from the CGS's. Partly because we did not have a seed to sell system in place when we operated the CGS program, all of applications, all of the supporting documentation and all of the reporting was being done manually. It meant a lot of back and forth with our licensees as you can imagine. Every time a product has to be added or taken off, the licensee had to e-mail us and update their people that way and had to be cross checked to make sure those tests were validated. A huge amount of human capital invested in the program. So, we are working, as we speak on developing a framework that takes the lessons from the CGS's, build and sent events permits that drives greater efficiency for both licensees and for _____ regulator. But ensures that this does achieve the twin objectives of maximizing the opportunity to see more events in New York in a way that protects public health and public safety and creates real experience opportunities for novel experiences for our consumers. We're still very bullish but some work to be done.

Joseph Belluck: If you could keep the CAB updated on that because I think there's a huge appetite out there and again, it's a question I get very frequently what's going on with that, when are they going to be started in some way, so.

Male: In the interest of time, let's skip over to next slide. In building up Damian's point about support for licensees, innovation that's happening in our market, I was blown away to find out that we had nearly 600 strains, so 600 unique genetics currently available in New York, and that was at a time when we had around 50 operators, 50 retail stores. We expected the genetic diversity to continue to grow as the number of stores we have grows, as we start the license microbusinesses, we will be creating novel genetics. But the colorful names notwithstanding, part of what this genetic diversity tells us is that it's created a lot of very consumer experiences. If cannabis essentially allows you to build experiences that range from the very energetic, so something that is caffeine like in _____ and a jetta creativity

stimulating effect to the other end of the spectrum to the melatonin like very lethargic, using rest and using this side of the spectrum. The idea that we have a huge amount of genetic diversity means that we will have products that allow consumers to have experiences across that entire continuum. And that, I think, allows for consumers 1) to choose products that best align with the outcomes that they're seeking, and 2) creates an opportunity for both growers and our manufacturer's innovate products that resonate where our consumers are. The days of subteba intendica I think have come to an end, and we're seeing a lot more new ones in this market. So, this is a great basis on which to grow some real science on the consumer experience out of.

We spoke of our brands today already. I'll just make two quick points. We already have over 250 brands in the market, but worth noting that most brands are single product type specialists. So, 125 of our brands, nearly half of the brands we have on the market are only appearing in one category, whether that's flower, concentrates, beverages, etc. 61 roughly 1/3 of our plants appear in 2 or more. So, a lot of branch diversity happening but also branch specialization is happening in the market. It indicates that the folks who are kind of looking at this is a niche opportunity and focus just on edibles, just focus on beverages, just focus on noncombustible consumables. But it's going to be very interesting to see how this plays out in the coming years, but a great start as we anchor on the point that this is a very product diverse market and we're just getting started.

We talked quite a bit about licensing and kind of next steps, so I'll just give a very quick summary of the number of licenses that we received per category and some of those breakdowns. So, nearly 7,000 license applications received in November and December cues. The November cue which included retail and microbusinesses had a little under 2,000 applicants with there being slight more than 5,000 applicants in the December cue which included the full complement. Retail, microbusinesses, cultivation, processing, and distribution. To Damian's point, 70% of our applicants were social and economic equity, and incredible that we got to those numbers almost exclusively through community engagement. New York is the first state to see this level of diverse applicants and we did this by going out and letting people know letting New Yorkers of all stripes know that there is an opportunity for them to have a seat at the table. So, it's really exciting to have an industry who's foundation is going to reflect, whose founders are going to reflect the diversity of New York and a great testament to the outreach and public engagement that occurred before the applicant went out.

Final slide. This just provides a breakdown of the specific numbers of applications that we got for each license type. I'm not going to read off all of that but suffice it to say, we are working very quickly as Chris has said to review the applications that we have received, issued our first 109 licenses during last weeks, had a control board meeting, and the team is working furiously to get the next cohorts out in the next coming weeks and months.

Joseph Belluck: Before we move on, do any members of the Advisory Board have any questions for Damian or John or Chris about the presentation?

Ebro Darden: I do. Hi, everyone, sorry I couldn't be there today. My name is Ebro Darden. Chris, is there any insight or transparency, I know when the RO's were broadened the ability for more medical companies to come online part of the agreed upon stipulations was they would pay us, New York State Office of Cannabis Management or the State \$20 million in total, was that the number, and it would start with them having to give \$5 million to become licensee in the state as we extended the opportunities for RO's, correct?

Chris Alexander: That's correct. Currently, I believe the number is 4 of our existent medical operators who have paid the fee and opened up retail operations. So that \$5 million each, that's \$20 million from those 4 operates.

Ebro Darden: And then we, is there a way for us to monitor and over what time period should they reach the \$20 million mark per RO?

Chris Alexander: So, that will be the next 5 is due 180 days after the second and third opening, which they're able to do in June, and then the subsequent 10 is based on revenue as those businesses bring in additional revenue. So, we can definitely provide updates as that number changes, as folks hit those revenue benchmarks and send in payments. We, of course, have 10 or 11 RO's currently. They all have the same ability to transition and to expand their business. We know many of them are moving in that direction, but again only 4 have done so so far, I think the rest are working towards identifying their business plans, etc.

Ebro Darden: The other thing I wanted to ask, and maybe this is something we can add to how we kind of monitor this over the long-term, but there's obviously a discussion about like first to market, you know gets the better opportunity, RO's holding up CAURD licensees and you know all of that discussion. Is there a way for us to study kind of the revenues or maybe the access to business building for first to market vs. people who come into the market later on, so we can maybe help provide insight for licensees that are coming into the market a little bit later and help them manage their expectations as well as their business?

Chris Alexander: Yeah, absolutely and I love the point because that's why I know folks we keep presenting these numbers but that's why John's market update is so important. Previously, people pay a lot of money to John to give that financial data of what the market is doing and how it's performing, and we think of it as an equity step to ensure that everybody has access to know what the market is doing, what products are moving in terms of product type. But really that's it, right. Our first movers, they had the ability to figure it out as they were running. We provided as much training as we could and as much development as we could. And, of course, our CAURD licensees had some initial businesses experience as they came into this. But we really are putting in ourselves do as much as possible to ensure that everybody has access to this market information that we're collecting. And that's really important. John, do you want to say anything?

John Kagia: I think that's totally right. Cannabis is always a very dangerous market to make assumptions in and New York is going to be a particularly energetic market. So, part of the vision for the policy units work over the coming years will be to provide a level of data and driven intelligence to all the stakeholders in the market that will enable for better decision making as market grows. That's definitely been one of the things that we have seen hamstring other markets, and the real differential between the top performers and those who were struggling was the use of data to guide investments, guide product selections, to guide inventory management, guide staffing levels, guide your hours of operation. And so, if these are data the office has access to and we can present it in a way that protects the proprietary value of this for operators but presents to them in an aggregated way that is useful for everyone, then we think that's a core function that the office should be responsible for and intends to do.

Male: One last thing, I just got reminded about this last week from one of our brands on the shelf. Legacy New York brand _____ we need to do a better job or training the other legacy brands how to get on the shelf. And your point about the first market, it does matter. And there are a lot of

existing brands from the unregulated market that don't understand yet how to get on the shelf, how do I label? Where to find these farmers or processors that are white labeling and that was something that flagged to me from a lot of people in that community. So, I think we're going to start looking at other training programs that can show people step 1 through step 100 of getting your previously legacy brand onto a regulated shelf. That's a good fight.

John Kagia: And I think part of what Damian's presentation, really the big pull from it and even going back to the equity plan was this commitment from the state on the success of these businesses is not only in speech only, it is about the application process, of course. Making a simple straightforward, not simple but straightforward as possible, and accessible, but also training on the frontend and showing full staff support and then training on the backend, and I think on the backend side related to why the market update is so important, also from the equity plan is that access to data is going to be so important showing these businesses that we're now trained, licensed, and got going, continue to be successful in the market. So, it's a continued commitment from us here.

Ebro Darden: And John, is there a possibility to add a line. You know when you're looking at retail, and your kind of looking at products that are available on shelves, is there a way for us to begin to categorize these products based on which consumer they're targeted to? Some products are targeted to seemingly younger, some are targeted in more health and wellness market place, is that something that we can begin to monitor as the market continues to grow because first I foresee there is going to be pushback where things start to look like cartoon characters on packages and that becomes flagged by parents, and this whole thing where its kind of feeling like its marketed to the youth, as well as try to understand how many businesses are targeting the health and wellness market that may be more interesting to senior citizens and people doing pain management, health patients and this sort of business to understand who's talking to who.

John Kagia: So, thank you so much for asking that question Ebro. Music to my ears, or at least you're speaking my language now. So, that kind of analysis is getting us close to what I'm calling our holy grail. As we work toward getting our seed to sale system in place, which is going to have far more data and allow us to access the data close to our system much more efficiently, then we will be able to start looking at products with something close to that level of granularity. Certainly, understanding things like the drift that we are seeing between different types of products. Trying to understand the formulation of these products, which cannabinoids are included, how they're being formulated which can give us some direction on who the product is targeted to. Making that final step between what the product is and which consumer specifically is either buying it or is intended to buy it is targeted to, is a little bit tricky but precisely the kind of challenge that we relish here. So, we're a little bit of ways from that part because of where we are in the implementation of our sales system, but that would be definitely an end state that we would want to be able to get to. That level of granularity of not only what products do we have in the market, and the detailed analysis of that, but which consumers are these targeted to and how is that evolving over time.

Chris Alexander: And of course, guarding against advertisements for young people already is against regulations, in fact, I think many of our licensees are asking us to not be as stringent on those issues but I do always remind folks that we're not just starting from a place of not and should not creating interest in cannabis for young people in an excessive way, but we're also kind of dealing with the legacy of tobacco advertisement, and we're also kind of, of course, correcting as we go. So, we already guard against the bubble letters and the cartoon characters, etc. but I definitely agree to getting to that data

point of what advertising becomes not just our product as a wellness or our product as a fun product but getting some more details there. So, we'll focus on that.

Joseph Belluck: Gary Johnson.

Gary Johnson: Yeah, moving away from product for a minute, I'm glad to hear we're so data driven, do we have data on the spend that's going into the stores in terms of their development, and how much participation there is or isn't in terms of professionals who are assisting our growers and our retail organizations, whether they're architects, engineers, contractors, as part of the social equity ecosystem, we want to make sure that those professionals are participating as well. I would hope, but do we have data on that as well because we don't want to see a repeat of traditional development, if you will, where development happens or the professionals who are doing it don't look like the people that they're supposed to be supporting.

John Kagia: Great question. We don't have great data yet on the buildout of the market from the ancillary supports ecosystem. We're working on some interesting and collaborative work with DOL, around employment, around work investments into that. That's a great aspect of the market that we do need to start building some intelligence around. There's a couple of considerations here; 1) there is a fairly limited number of people who know how to do this really well in cannabis, there's a lot of people who have done it after much smaller subset of people who have done it well at scale. So, that's one point. 2) while we're capturing some of the relationships in the context of the true party of interest, so if there's a financial obligation there that tethers a vendor or supplier to a licensee that will be covered by the party interest reporting, but that doesn't get us to where we are trying to get which is understanding the investment being toward these resources and the people who provide it.

Gary Johnson: Particularly if it's the physicality of the spaces that we're talking about, right. Each one of these spaces is in a community, each one of these spaces employs people, right. Each one of these spaces required a team to get it done. We want to, I would believe that we would want to make sure, as best we can, that people that are opening these establishments are being as equally supportive of professionals who have the skill sets to get it done, and not necessarily going outside their communities to do it, if they don't have to. And coming from a development background, we often hear, well people don't really have the skill sets to do this, so we're bringing the architects and engineers from downtown in Connecticut and wherever, that doesn't really need to be the case. So, we have communities developed by people who are not from the communities, and then the professionals of the industries from those communities don't benefit from the buildouts. So, that's part of the ecosystem.

Male: The thing is too, just to fine, because this will come before you soon. Every license we give out, their renewal is subject to community impacting. Their renewal of that license. We did require that up front because it would have just been a buried entry for a lot of people to put that thing together. But in order to get your license renewed by any retailer any license in the market, you have to have the social and economic equity impact plan, how your business is going to benefit the community around you. We started to see them, we saw them for the 4 RO's that have transitioned and subsequently they spoke to a lot of their doctors about it, who they agreed to contract with, and they actually had to monetize what their commitment was going to be to the community, like an actual dollar amount that was going to go out the door. We can work with you on that as we go forward because we have to develop rubrics for evaluating those community impact plans for renewal and to catch a lot of this stuff _____ (can't hear).

Male: Also the educational fees. I speak at the Stanley B Conference every year and just beg architects, 8 track specialists, everybody to not try to view cannabis as some new frontier, but just to do what you do in this space. We still need the same level of expertise, and that's not enough, right. That's a day out of the year doing the education that _____ so, any partnerships that we can obviously, one of our Cannabis Control Board members is head of the ESD and the _____ program for the state falls under that, but it starts with education and operators, business operators being willing to kind of divorce whatever concept they have of cannabis from this thing that they do right now. So, we're trying but we need help.

Joseph Belluck: At the next CAB meeting, could we get more of a presentation on that and update.

Male: On the community impact list? Yeah, absolutely, yeah, we can do that. We'll work on the data collection.

Chris Alexander: I can't promise that for next board meeting, but maybe subsequently.

Female: I have one question on Ebro's, when you are asking about demographics for helping on this or targeted product advertisement, are you requiring the dispensaries to capture that information through their CRM?

John Kagia: No, and so, right now...

Female: That will only be as good as what they collect.

John Kagia: So, there's two parts to this, right now what the disparities are recording for us is just the transaction side of the equation. We don't have any protocols in place yet for them to report of the profile of the person who is making purchases _____ (can't hear). However, we think that there's going to be some real opportunities here to marry consumer independence or parallel consumer research with the data we're collecting from the stores to start to build some of that. It will take us a little while to get to the individual consumer who walked out with a specific product in his basket, just to get there, but in the interim, I think some of the consumer survey work that we are impressed of building paired with the sales data gets us close enough to make some informed decisions.

Female: That would be wonderful just digging into public health data actually, what's happening in communities, and who's buying.

Ebro Darden: Sorry, excuse me, can't we collect at the manufacturing and distribution level as well?

John Kagia: Do you mean collect data about the products from the manufacturing distribution levels?

Ebro Darden: Yes.

John Kagia: Yes, so that we are going to be collecting. But the beauty about the seed to sale system is that it literally tracks products from the time a seed is put into the ground until the time the consumer walks out of the store with that product in their basket. So, it does give you truly a holistic view of the lifecycle of a product from the time it starts as a plant to the time it ends up as an infused extract in the honey product. (Everyone laughing). I am not promoting an individual brand. So, I think we will have absolutely the ability to track the product from seed to sale. And that alone is going to be insightful around how much biomass does it takes to produce a single vap? How much wastage or kind of loss are we seeing? What is being extracted from the original biomass before it ends up in the final product? What difference do we see from the genetic performance in terms of yields? All of that is going to be great on the industrial science on advancing the manufacturing, the processing, and the product

development so manufacturers are building products that are best aligned with what the consumers are looking for. That should be then balanced with what are consumers walking in for, what experiences are they seeking, and are the products available on the market to meet those needs. And if not, where is that gap most prominent?

Joseph Belluck: We have to wind up, but last question. Last comment.

Chris Alexander: To Ebro's point, a lot of the stores are collecting data on demographics of the consumers, so that actually does exist at least from the age range, etc. So, some of that is already out there. There is soon to becoming a loyalty program with some sort of sustainability plan so that you can actually collect more data on the consumers, what they're buying, how often they're buying it, etc. So, we're really excited for that to kick in because the moment that kicks in, I think then we get to what Ebro is really asking for, where we can review those programs to really understand who's buying what and how often and where. But it's in regs, it's just that we're waiting on sustainability program to kick in so that the loyalty programs could kick in.

Ebro Darden: Specifically, I'm trying to stay in front of all of the naysayers and individuals who will ultimately want to pick apart how we're regulating managing, communicating, all of the things, right. And so, if we have brands that are specifically making packaging that looks like it's speaking to high school kids, we need to be in front of that and have a system for that. If we see there's an opportunity for a business owner to speak to people over 55 who aren't being talked to and there's a business opportunity there, I would love for us to be able to provide that, you know there may not be a lot of brands that are speaking to people who are senior citizens and that's an opportunity and a market, that's all. I just want us to be proactive.

Chris Alexander: And last one just for clarification. What we're talking about here and I think what John is diving into was a consumer level data collection that is not happening in that way. We do, of course, at the start of this collect baseline data over the entire population of the state around cannabis user trends and we are monitoring that with partners across the state. So that's a separate thing, that's a broader data collection on basically measuring if cannabis use increased post legalization, etc. not necessary the consumer data that we're talking about so I just want to make sure people, we are watching that's happening.

Joseph Belluck: Thank you all, Chris, John, Damian, all the CAB members. I'll just say the person who sued the tobacco industry to stop its marketing to children is a kickdown across communities in New York. I think the CAB is speaking very clearly in a unified voice that just like we said, anybody who sells product from outside of New York you should lose your license. Anybody who is targeting children in any way should not be in this market. So, with that, I'll just remind everybody that the time, location, and live stream link for our next meeting will be shared on www.cannabis.ny.gov. Thank you everybody for coming today, and this concludes our business. Do we have a motion to adjourn?

Male: So moved.

Male: Second.

Joseph Belluck: Anyone opposed? Okay, and I think the meeting is adjourned, I think we're going to go, take 5 minutes.

John Kagia: That will be 2:25, we will begin the final committee for Community Reinvestment Grant, 2:25.

Joseph Belluck: I do just want to remind everybody that the purpose of this subcommittee is to develop the process for community grant reinvestment, identify and develop the funding concepts and opportunities reviewing the grant funding proposals prior to the full CAB voting. I wanted to mention that Ebro Darden and I have been spending a fair amount of time working with staff at OCM to put together what I would call a draft of some possibilities but we're anxious to get input from all the CAB members, all the members of the subcommittee so that we get this right. The most important thing is that we get this process right and we get the money into the right hands to fulfil the goals of the legislation. With that I will turn it over to Chris.

Chris Alexander: Yes, and I will be brief and run through this. But I really wanted to not only provide the update but as I said at the start of the full CAB meeting, this is the work here. Many iterations of this body and this work have been discussed over the last 10 years, and this really was the biggest fight, the biggest sticking point in getting utilization across the finish line. What was going to happen with the money? And I'm so pleased to be here to talk about this and the work that we've started so far to get the fund off the ground. So, first, obviously the goal here is to ensure that these dollars are going out to community based organizations, to local governments who are providing necessary programming who are providing economic development opportunities to communities that are impacted, but also just supporting economic development in places where activity has not recently occurred. So, there is going to be a lot of proposals that come in front of this body. What we are doing here today and what we will continue doing is finding the cleanest and most efficient way for proposals to be assessed, evaluated, and for dollars to go out the door. And for us to keep tabs on the work being done, so that the money is in line with the guide and principles that we have for the fund.

So, obviously, we want this to be responsive and focused on communities. We want the measurement, really of both the dollars and investment to be something that we can track, so data. We want to make sure that we're prioritizing areas that need the most help. So that's the trauma informed approaches, and lastly, we've got to be accountable. This is a public buy-in and we see that here today with all the folk's independence.

So, I want to provide a tentative time that I'm going to qualify this so much, because there is a lot of work to be done and a lot of work that the office will be doing in partnership with CAB. Our goal, really, and the reason we're publicizing this data is the same reason for the outcome that we have with license applications, which we do not want these opportunities for people to be missed because they did not know. So, we are telling you up front that our goal is to, by April 15th, announce the release date for the RFA which is the mechanism that we're going to be using to get these initial grants out the door. June 1st, we're hoping for that to be the release date, and with awardings happening between November and December being announced. So, this is again, very tentative, this is based on our planning and our conversations with our partners in government who helped facilitate this, but again, this may change, we'll provide updates, we'll work with you all but I wanted to make sure you folks had an idea of where we were. So, I'm going to go through just the quick updates.

So, we had a survey, it was a survey to the CAB and essentially got some priorities for funding, and some ideas about how we want this process to go. That survey was the results of who submitted or responded to that survey, and we have some results and feedback from what came out. So, in addition to the survey, we also did roundtable discussions led by the equity team to get community feedback on how cannabis revenue could be best utilized. So, we got those two pieces of data that are forming at least this not initial conversation initial open public conversation around his revenue fund.

So, based on those surveys we've got high priority areas including housing, mental health services, job placement, wraparound services. We have in terms of targets for these funds, folks do want us to prioritize programming serving communities that have been disproportionately impacted, folks want to make sure that we are providing some geographic diversity to the dollars going out, which we fully agree with. And then we want to be clear and we had to kind of do the due diligence here, but to make sure that the potential uses align with the statute that we envision will come in front community based organizations which will include programming as well as capital projects. As we talk about programming, we're talking about staff, and we're talking about resources, but I think partly what also came out was ensuring that we were not creating a sense of dependency on these dollars, but ensuring we can start programs, folks can pick up funding, and even though the funds here will grow, we want to make sure that these programs also become permanent programs.

Also, from the roundtable you see a lot of the same issues like housing, youth education and targeted programming, financial literacy was a common theme throughout the time that our team spent running around the state. I also want to flag and shout out to the policy team here for the work they did on research and other community grant investment programs in other states, what they've been able to focus on include technical assistance for people who are trying to go into the cannabis phase. I just want to remind this body that we do have revenue, as the revenue comes back from sales, we are able to support workforce development programs, etc. and even licensing support programs from another pot of money. So, the fund itself does not need to be used for essentially driving the activity or the development in the cannabis space, although it can be.

There are some other notes here I just want to go back to. I just want to highlight here these also are some of the other notes that came from those conversations. The program obviously has to be able to be evaluated. We've got to have a way to get dollars out at the outset, so programs can start. We want to be very clear about who our target populations are and we do want to make sure these dollars are going directly to the folks we are intending to serve. So, I'm just going to pause here.

Joseph Belluck: And I just wanted to underscore that we've been saying all day which is even on this subcommittee, we have Gary Johnson, we have Ebro Darden, we have Chandra Redfern from Buffalo with deep experience in community organizations and communities and the more they can be involved in working with your team to provide input and advice and bouncing ideas off of, I think it's going to get us to a best place possible with this.

Chris Alexander: Absolutely. So, I want to pause here cause I ran through that for time, but I do want to come to the team of Jim, Ally, Kathy if you folks want to add anything to that cause I went over too quickly and maybe introduce yourselves to everybody so the committee knows who you are.

Kathy Diaz: Hi, my name Kathryn or Kathy Diaz, I'm a public health and campaign coordinator on the policy team.

Ally Leppick: I'm Ally Leppick, I've been on the team with these guys for just over a year. I'm excited to be here. I don't, Chris, think you missed much. You went through a little faster maybe, but you got there.

Chris Alexander: And Jim Rogers is our veteran.

Jim Rogers: Director of Business Development here at OCM that is a SEE provided service to you all.

Chris Alexander: Okay, so essentially, these are all the things that the body knows that CAB has been aware, and we've been talking through. The reason and really what this conversation needs to dive into is the next slide which is the development of the RFA. So, OCM has taken the theme back from the initial survey as well as from the roundtables and submitted an engaging document to our partners at OGS, which means that we are starting the process of development of the RFA. The RFA is really a sense of a way for us to evaluate applications but really just get all the money out as quickly as possible. I think the timeline is about 90 days from the issuance to a potential award. Now, the CAB and OCM jointly will score and evaluate the proposals, and we can talk about kind of how that process works, and we are still, and we'll talk about next steps, we still need to develop that score card. But this is the process by which we decided to get these initial awards out as quickly as possible, and that's what we want to talk about with you all today.

So, you're the considerations and really the point of the conversation. Funding amounts, we do need to have input that we have on whether or not we're going to set limits from potential awards at the outset, or if we're going to wait for proposals to come in and then after proposals come in make a determination on what awards could be. We do need to have a conversation about the applicant pool and what is allowed in terms of who our applicants should be as well as the expenses that they could identify as those that need to be funded.

Once our program evaluation, how frequently you want check points and reports from the organizations and local governments that we fund, as well as the requirements for those programs/capital projects. So, all of this really is just informing our interaction with our statement partners, and then we come back to you all to provide you with kind of a finalized draft in the coming weeks based on the input that you all provided. So, I do want to start kind of with really the specific question of as projects, proposals come in front of this body, we are going to have to evaluate them for a variety of factors: 1) it's usefulness to the communities in which they serve, but also a great utility to what we are trying to start with the fund. I think what stuck out in initial conversations was focusing on new serving programs for this initial award, but in order to ensure that money is going out or this money will continue to grow, obviously. But I just wanted to get feedback on both priorities and ways to assess potential proposals and tie that back into funding amounts that we should make available. Because again, if we're talking capital projects, i.e. building things, then there will be a need for bigger awards. If we're talking programming, then we can scale out disbursements of support over multiple years, etc. and we may be able to launch programs with smaller awards, but just for future commitment. So, I want to start there, Ebro, I saw you unmuted.

Ebro Darden: Yeah, well with regard to how we evaluate who is eligible, allowable applicant or not allowable applicants but I still want to go back to tax filing and making sure that we can see out 2 years 3 years of these organizations operating. That way being able to look at how they're managing the money that they already have and how they're serving the community that they are serving. I know it will be hard to drill into a community and say, "Hey, have you heard of this organization? They claim to service this community. Are they legitimate?" That might be something, I don't know if we have the staff to do, but I know looking at how they're managing their revenues and how they're reporting their revenues over an extended period of time, I think it has to be in there.

Chris Alexander: I think you're talking about like what have they done as opposed to what are they promising to do?

Ebro Darden: Exactly.

Joseph Belluck: We talked about getting copies of their taxes, getting their 990s, making sure they're compliant with their tax-exempt status, things like that, so we make sure that the money is going to be used appropriately and effectively.

Chris Alexander: And this is a key decision point, right. And I think that's the right decision point from my perspective for this initial award to focus on existing nonprofits, community-based organizations/local governments for this initial award, as opposed to new start up organizations that may rely on funds. Now, I want for everybody listening, this fund will continue to grow every year, and in future years we can create a better evaluation criteria for new organizations, but I think it definitely makes sense to focus on it's existing established programs for the initial award.

Joseph Belluck: Definitely. So, three years, is that a number people are comfortable with, organizations, established organizations therefore allow an applicant if they're been in existence in serving the proposed community for at least 3 years and have the 990s to back it up, are people comfortable with that number?

Male: So, what are we talking about? Are we talking about the fact that they filed?

Joseph Belluck: No, no, I just mean the level of establishment, how many years have they been in existence service the community, that's a minimal.

Male: Okay, so are we defining 501C3 501C4s for profit, what are we talking about?

Joseph Belluck: I think that's one of the questions we need to answer, but I think the sense has been 501C3's primarily.

Male: Primarily or only?

Joseph Belluck: Well, for profit has not come up and I don't think there's any want type for that. Government entities is identified in the statute...

Chris Alexander: We can fund economic development initiatives, the statute does allow that so that would capture some other organizations that are for profit but it could be again, the decision of CAB for the initial awards, we focused on the nonprofits, we focus on those registered at 501C3's.

Male: But you're saying 501C3 nonprofits.

(Everyone talking)

Ebro Darden: Chandra has a question.

Chandra Redfern: So, processing and management of the grant will it be in the SFS system now formally Grants Gateway?

Male: Yes.

Chandra Redfern: And the reason I ask is there is a whole big qualifying vote that you have to create in that system so how will the grant itself be managed? I mean even when we submit certain state RFP's they go through the process, and that's how the contracts are managed. So, will it be the same Processes?

Joseph Belluck: So, I think the recommendation from OCM is to use that state system but I have asked them to look at, I don't know if they've done it yet, the New York State Council of the Arts which has

developed its own granting program and they give out a lot of money across the state in all sorts of dollar amounts to local theaters and I believe they've developed an alternative, which may be more accessible to people. Because obviously, one of the goals is to help out organizations in communities that were disproportionately impacted to get access to this money and some of those organizations may not have the resources or training to go through the SFS process or some other way.

Chris Alexander: Chandra, are you asking that because the system is good or because it sucks and you want us to stay away from it?

Chandra Redfern: Well, I can't really speak to the new system because it just rolled out like within the past month, I think there were some positives with Grants Gateway and there were some negatives about Grants Gateway, but the reason I asked is because there is a prequalification vote that you have to do in that system. So, when we're talking about what are the requirements for applicants, if you're using that system, there are certain things that you have to put in to use that system.

Chris Alexander: And I just want to flag and remind folks again, we're talking about the first award, right? So, right now, there's about \$5 million in the fund that is that first pot of money. As you saw from John's market update, the run rate is continuously increasing for the entirety of the market. So, we can talk about a new system next year, but I think the recommendation right now is to use that system. I do still think we can merge or at least adjust eligibility a bit despite the prequalification's. So, we can kind of report out on that.

Joseph Belluck: These are decision points that have not been finalized so, this is exactly the conversation we should be having because I'm not sure how people feel about the organization having to be in place for 3 years or having to be a certain size, there's a lot of smaller organizations doing work in these communities.

Ebro Darden: I don't think size, for me, I don't think size matters. But...

Joseph Belluck: Say that again, I just want to record that (all laughing)

Ebro Darden: But I do think we should, the grant size should reflect the size of the community that the organization serves, right. So, going in to give a small donation to a community that we know has had a history of generational problems and you know you're talking about tens of thousands of people that potentially an organization is serving and treating them the same way or funding them the same way we would fund an organization in a smaller community or even a more affluent community. I think economics of a community should play a part in this. I think small or large, I think everyone should have access, but once again, I've probably said this every single meeting, I'm going to keep saying it, the only reason I volunteered to be a part of this was to make sure that when this rolled out, this didn't get screwed up, right. I'm not in the cannabis business, I don't care to be in the cannabis business, but I do care to make sure that the communities that were destroyed by Rockefeller drug laws and by racism and white supremacy in this state that those communities feel like they weren't just used as lip service to get this law passed, and actual dollars get back into east New York and Brownsville and the Bronx, and Jamaica Queens, and these areas that we all know have been decimated and black men were locked up and brown men were locked up in droves. And sons were taken out of homes, and fathers were taken out of homes over something that's now legal.

Chris Alexander: If we go to the last slide, as we talk about I think the eligibility and we can the operation of the grant moving through the process is important. We need some information for you all. We try to keep these conversations open so we can just pull as much as possible. But this decision point around

funding amounts is really important because we need to know kind of how to landscape this out, and the training that we have to do on the front end to ensure that the organizations are prepared to apply. It differs based on who and the amount of the grants that we're trying to make available for this award. I think maybe a better prompt question and we initially left these items broad so we can just have the discussion is the size of the award. I mean, how we.

Male: Is there a maximum...

Male: Well, you've only got \$5 million to start with so you've got a maximum to start with.

Chris Alexander: We have a maximum to start with.

Male: I would presume on an annual basis, we're not going to prevent people from coming back and applying for more.

Male: So, we're starting with \$5 million, let's pick a number in terms of the top line and work it from there, it's just math.

Male: But to jump on what Ebro said, a top line for top lines can be different based upon the size of the community folks serve. So, that can be built into the structure of the application and the documentation process.

Chris Alexander: Sure, so you can have a top line for an award but then you have a decision making process on whether a particular award is worthy of that top line or another amount below that.

Female: Do you think you can consider percentages if its like a small nonprofit, there are like programming can quality for this amount of award. So, like you can get as specific as you want in the scope of work and like what work plan we want them to submit. We do want to get the right people and if you want small or medium sized organizations to be able to have opportunities, there are ways to make sure that they are qualified and equipped to do this, but also you know, so you can get as specific as you want.

Ebro Darden: Is there a way for us to see by zip code or something the amount of arrests that happened over certain period of time per zip code?

(Everyone talking)

Joseph Belluck: Yes, there's a lot of data on that.

Ebro Darden: It's rhetorical guys, I know the answer. Shouldn't funding amounts be tied to that on a percentage base?

Joseph Belluck: Did you send that data around to everybody?

Male: Yes.

(Everyone talking)

Chris Alexander: We do need to pick amounts, I want to bring us back there. And also, I want to qualify something, well not qualify but clarify something else. We want these funds to serve these communities, they don't need to be based in physically these communities themselves, right. And I think that for some organizations that nuance means nothing but for some it means a whole lot, cause they could be just outside of an impact area and serve primarily that impact area. So, I do want to kind

of step away from that proposal just because I know how complicated that can become when folks are demonstrating their efficacy.

Joseph Belluck: I don't know what the specifics are of that, but following up on Gary's comments about how our licensees are spending the money, this is also about creating jobs, using vendors, so I would be sort of on the side and focus on groups that are actually in their communities.

Male: First year, \$250,000 cap that's 20 different awards that could be given the first year as the max. And I think...

Male: and obviously more if we're not hitting that max, right?

(Everyone talking)

Joseph Belluck: I don't think this is going to be that hard to figure out because if you're dealing with Buffalo, Chandra is going to know these organizations, if New York we're going to know a lot of these organizations, Rochester, Albany, Syracuse, we're going to know, people are going to know a lot about these organizations. It's not going to be that hard I think for us to sort of vet them.

Ebro Darden: Its just setting precedent, Joe like making sure we have the right architecture moving forward so we can give people transparency, and once again, this is going to be picked apart like everything else. People are waiting for us to screw this up, so we gotta be buttoned up here.

Joseph Belluck: Do you have a suggestion further down, Chris?

Chris Alexander: I do but I think it is one of those things that seem like an easy thing that could quickly become complicated and the reason being is because when you set that 250 amount depending on the organization that comes before us, you could be having an organization that has a 10 year, 20 year history but they've never operated on a budget of that size, and that could be a positive thing or it could have negative consequences if we're flagging an organization that doesn't have the capacity yet to...

Female: That's when you made a decision not to award the cap...

Chris Alexander: and that's the decision part but the other piece of that is too, if we are talking about solely programming I think it also is more straightforward but I'm certain that there are going to be proposals in front of us that are not just programming, that are capital or resources, etc. and that's a separate conversation I guess nuance when we start getting to the dollar amounts.

Ebro Darden: I think we can end this first round, could we rule out capital in this first round because the dollars we're distributing are smaller and hold that...

Female: and also the way to measure capital projects will take longer.

Chris Alexander: Sure.

Female: May not have the capacity to...

Chris Alexander: I think if we take out capital it makes it a lot easier.

(Everyone talking)

John Kagia: So, Chair Belluck, I know lot of folks just had a bunch of comments, just so we can keep it in order.

Joseph Belluck: Pete Shafer said, we could do a minimum and a maximum.

Pete Shafer: So, you're not dealing with a bunch of \$10,000 applications, you could have a minimum of \$50,000 and a max of 250 and that way you get a good range, and you take into consideration people that are only equipped or organizations that are only equipped to handle this.

Male: That's smart too, because you want to get a lot of data out of this for next year, so you want to see a range of organizations, use the money in different ways, use it more effectively than others.

Joseph Belluck: So, how do people feel about a range of 50 to 250,000?

Ebro Darden: All in favor say aye situation?

Chris Alexander: This isn't an official vote, just taking, start with that and if you have different feelings along the way, not until it's final is it final, so. Those are three important decision points that in the back and forth we've made at least 3 years of operational history demonstrated via tax forms, 50 to 250K range, and then no capital for the first year.

I do want to go into program focuses. You saw both in the community feedback and we did 16 sessions with folks from the CDI groups, Equity groups across the state as well as from your own survey a variety of areas. Now, the statutes intentionally captures multiple areas but I think it will, for this first award be a lot more efficient to focus on a couple of key items. I like youth serving projects or youth focused projects for a start but any of the items that have been identified, we also have to narrow, but I think it makes it easier for review, and also it makes a broader statement in showing that revenue is being invested in the future in that way. But I open that back to the board.

Male: I always embrace youth and workforce development.

Chris Alexander: Anybody else have thoughts?

Ebro Darden: I like the same one youth and work development for sure.

Chris Alexander: Again, we're shrinking kind of the universe of unknowns here so I appreciate.

Ebro Darden: Do we want to, oh I'm sorry, go ahead Chandra.

Chandra Redfern: No, go ahead.

Ebro Darden: I was just going to say the third item, because this is revenues collected off of a plant that provides people with pain management, and also other kind of benefits to their physical, we probably should have mental health as a third item, right of some sort.

Chandra Redfern: That might be a good thing. And actually yeah, because that also plays into workforce development honestly, so.

Male: Let me throw one more in there in the city where we are and the crises that we have, housing has to come up some way, some sort of housing support, some sort of housing assistance, I don't really know how.

Joseph Belluck: Did you guys hear that, was to add housing?

Chris Alexander: I guess the question then comes back efficacy of the awards, if we're talking about housing support, can we have a narrower approach to that support that allows for 5250 be affected? I think when we get to a point when the revenues from the funds is where it needs to be at as we are in

the market because again, this is an every year award, we can do more in terms of direct funding of capital projects whatever. But it might be hard to stretch that \$5 million for certain housing.

Male: Housing doesn't necessarily have to be creating housing, right. There are different ways in which we can utilize temporary support for assisting people who have challenging situations. We have different things we can put in place and the organizations can assist people who need help on a temporary basis, it's not necessarily as expensive as a capital expense.

Male: What about if youth is sort of the umbrella for everything, and so youth workforce development, youth mental health services, youth related housing issues that sort of would bring the youth thing everyone agrees upon into all the other issues, or is that still too broad?

Ebro Darden: I actually like that.

Male: You like that?

Ebro Darden: I do like that especially I mean and these things our focuses can shift as the years go on, so this first \$5 million is going to be highly scrutinized, highly publicized, and I think focusing on youth and really making sure that we're packing into the current needs of young people, I think that will invigorate young people, and also bode well for our management of this process and how it's viewed by people on the outside.

Chandra Redfern: I think we just need to flush out if we're going to add the housing piece, really what that means when we add youth to it, that would be my only comment about that.

Male: Okay, so youth with workforce development, mental health, housing.

Female: We can come back to it as well and draft everything and if you guys think it looks great then we can adjust it.

Joseph Belluck: We can take all this and then recirculate something.

Chris Alexander: And dive into the research as well for the universal organizations that actually need this. Oftentimes we will set in the stars, but we want to make sure people can get there. So, we'll balance that. The other thing I don't want us to leave without talking a bit about is kind of this process by which we'll do the evaluation. So, obviously the office will improve the SFS system with our partners the state government do some initial evaluation of the applicant themselves. But we do want to find an organized way to bring proposals to the board for review. And what is the form in which we'd like to do that. now, there's plenty of stuff that can be done via e-mail, but I think that as open a forum as possible is ideal for organizations that have been evaluated. We can do some form of blind evaluation that allows for it to be impartial, but I just want to talk about form. Ebro wants to do Shark Tank; I don't know if we can do that.

Joseph Belluck: I thought the suggestion was to have your staff do some initial screening to make sure they hit the qualification markers and they're the right type of organization, they have 3 years, whatever we set up, and then to have the CAB members review the ones that are vetted and somehow score them to determine which ones are going to get the awards.

Chris Alexander: Absolutely.

Female: Everything that CAB does in terms of scoring, there's a process that I need to confirm with OGS just to make sure everything is right, but there definitely is a way to have you guys be a part of that

conversation. For the medical cannabis advisory council, what we did was everything went through OCM first and we scored it, and then it went through the CAB and the CAB was able to go through those applications, and now we're down even more. So, two step process and then back to like a conflict of interest or background check, so we could do it similarly since we already have the infrastructure.

Male: That makes sense.

Joseph Belluck: Okay, so the scoring is going to be done by who?

Male: We do an initial review, like you said, folks that are qualified eligible, etc. and then present you all with the applicants with the criteria that we've set.

Joseph Belluck: But they're not scored?

Female: Everything will be scored if we go to RFA round, there will be a threshold minimum of like they have to hit 70% of what we developed in this matrix which we are developing together right now. And then it will come in a first come, first serve basis, so then we'll present that group of people who meet the threshold of the group of people you want to apply, then you would review it after and you can score it. So, really just making sure that they hit these points that we create, very specific points, then you can review it.

Joseph Belluck: But there's flexibility after the scoring in terms of who gets the awards or once you score them, are we locked into your scoring? Because I would not want OCM staff to do the scoring. I would prefer that to be with the CAB members.

Female: I think I will come back to you on the specifics before I give you an answer.

Joseph Belluck: Because I know so often with RFA's or RFP's once they're scored, there is not as much flexibility after the scoring.

Female: She's saying there is a minimum that we're creating, the rubric together for the initial scoring.

Joseph Belluck: Right, but if they score 1 at 89 and 1 at 74...

Female: oh, I see

Joseph Belluck: to not give it to the 89, you really can't do that. You have to sort of give it...

Female: yeah, especially with this kind. There are other ones but it would be very limiting on that first round, so we do want to stick with this so we can help out communities, but I think we can talk to OGS and give you a better answer.

Joseph Belluck: Okay, go ahead and do that and get back to us about.

Female: Yeah, when we present a drafted RFA and like the larger picture, we will also present like this is what is allowed in the process and here's like the possibility that exists, do you want to go this round?

Joseph Belluck: I totally agree that the vetting that they need whatever basic criteria are, you guys should do because that's the best. But once we get into giving them a number, my preference would be that the CAB members do it, or the CAB start committee.

Female: Sure, understood.

Chris Alexander: So, some additional guiding questions that I think folks just want you all to be thinking about. We, obviously, at SFS will be part of it will be doing quite a bit of education around the opportunity and really we don't see this and I'll be clear to everybody listening, this is not, the beautiful thing about this is that its not a one time award, a perpetual award to the funds to the tune of 40% of the revenue of cannabis sales. So, this will continue, this will continue to grow, but the education process we need to do now is just to make sure that folks are able to be aware, plan for the future, take advantage of the initial award if they're ready to, in position to succeed off this. We want to talk about community investment, but I think we should paus here, and kind of come back with some specific questions that will elicit the responsibility we hope to see from the funds. I just wanted to say before we left, any final thoughts on kind of things they'd hope to see from the funds?

Ebro Darden: Chris, can we also have a marketing plan for these grants also and like maybe social media, maybe it's some sort of social media and some press of some sort that we can have tied to this process so that we can make sure we're getting it out in the right places?

Chris Alexander: Absolutely. And with everything we do in person as well as webinars and...

Joseph Belluck: And I think Chris' plan is to also provide some training to organizations to help them complete the applications along with the marketing.

Ebro Darden: Okay.

Joseph Belluck: Alright, so, well thank you all for coming. This was, I think a very product conversation. We will wait to get some stuff from you. Thank you all. Could I have a motion to adjourn?

Male: Motion to adjourn.

Joseph Belluck: Anyone opposed? Alright, thank you so much.