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**Speaker 1** Good morning. Good morning everyone, and welcome. I'm Tremaine Wright, the chair of the cannabis control board. It's great to be here with everyone today. And thank you for coming. Recognizing that we have a majority of board members present, pleased to call to order another meeting of the Cannabis Control Board and to welcome everyone who is participating via live stream as well as here in person. So I'd like to note that Member Perry is participating from a publicly accessible location in Buffalo, and board member Gilbert Jenkins is participating from a publicly accessible location in Morrisville. Board member Jessica Garcia, unfortunately, is unable to attend our meeting today. So today's agenda includes going to be opening and welcoming remarks and approval of our meeting minutes from March 22nd, 2024 consideration of adult use cannabis licenses, consideration of cannabis enforcement regulations, and consideration of delegation of authority for certain license issuance, and a report from our Executive Director. Then we'll have public comment and then we will adjourn. And I believe we may be going into an executive session, for a couple of minutes thereafter. If you're available, please join. So this winter has proven to be a season of growth for New York State cannabis. While we have steadily increased the number of licensed cannabis operators across license types, one of the most notable successes has been the steady stream of cannabis dispensary openings. We are inching towards the 100th adult use cannabis brick and mortar retail location in New York. This is an incredible milestone for New York State. Our licensees have borne the burden of setbacks, stoppage, postponements and delays. Nevertheless, they are steadfast and they continue to rise above. March has been our best month yet in terms of sales and new dispensary openings. I look forward to hearing more about the health of our adult use cannabis industry from the reports given here today. And at this time, I want to affirm our commitment to the success of the New York State cannabis industry, to issuing licenses to entrepreneurs across the state, to creating a market of opportunity, and to providing New Yorkers access to quality tested, safer, regulated cannabis. So now we're going to move on to our first order of business. First of all, address will be a review and approval of the meeting minutes from March 22nd, 2022 of the Cannabis Control Board meeting. May I have a motion to consider? So moved. May I have a second? Second. Thank you. Are there any questions? Comments, discussion related to this motion? Hearing none. I'll call for the vote. All in favor? I.

**Speaker 2** I.

**Speaker 1** Thank you. Unanimous. The motion to approve March 22nd, 2024 board meeting. Minutes. Carries. For our first resolution today. May I please have a motion to consider resolution number 2024-66, consideration of adult use cannabis licenses.

**Speaker 3** So moved.

**Speaker 1** May I have a second?

**Speaker 3** Second.

**Speaker 1** Thank you. I'll now ask our executive director, Chris Alexander, to provide a brief overview of this resolution.

**Speaker 4** Thank you, Madam Chair, and welcome, everybody. Thanks for joining us today. Before the board today is our third group of, adult use cannabis, license applications, which have cleared the multi-step review process and already, for

consideration and hopefully to be approved by the board. These applicants, this group includes 35 retail dispensaries, 22 microbusinesses, 25 cultivators, 11 distributors and eight processors. This will make 324 adult use cannabis applications. License applications approved in 2024, if approved by the board. We're continuing the work of, sifting through, the applications that have been submitted. And we're continuing to work, with those applicants to, to make sure that we're curing deficiencies in a more expedited process. We are. We did have a short a window between the, last board meeting and this one. And so, it was definitely, a huge lift for the licensing team to get through all of this. And I just want to, thank them again for their continued effort to move through this process. And, and again, I ask everybody to continue to be patient with us as we do this work. Thank you.

**Speaker 1** Thank you. Are there any questions, discussions or comments from the board regarding these licenses that are before us?

**Speaker 2** I'm very happy to see all these licenses moving forward. And, I would like to see us paying attention to where these, particularly the retail spaces, are being distributed across the state so that we can have an idea to make sure that, the entire state is being serviced and not just, individual areas. So I think it's really important for us to pay attention, and make sure that we are issuing licenses statewide.

**Speaker 1** I agree, I'm, very happy to be issuing these sets of licenses, but I do I really do want to, hone in on the fact that we are really looking forward to issuing more that we are, intent on making sure that all parts of this state is, represented and that they have an opportunity to participate in this robust market because it is an opportunity moment. And that we really look forward to seeing more. And then I have another question. I just want to confirm, because I don't think it's on the slide in front of us. That application number OCMCARUD-2022-00393 is actually included in this lot that we are considering today. It was, from the chair's review. It was supposed to be added to the list. So we just want to make sure that they are included before we actually vote and that the. And then I'm sorry, the attachment reflects the entire bunch.

**Speaker 4** Yeah. So this, I don't want to talk about individual applicants. This this is actually a licensee advancing to final licensure. And so there's no further action required at this moment of the board, based on the processes that we've already set up for our card licensees who've already been provisioning licenses and moving through the final licensure process, there was no further action needed for this licensee to begin.

**Speaker 1** This was included with our review for all of them. Yeah. It was, it was. We don't have a resolution in front of us regarding this. So I am then I guess I am amending to add that you don't add to this, so that our vote on licenses today captures all of the information that was sent to us. And therefore, I am going to amend our resolution to make sure this applicant is added on and so that we can get through it, since we also don't have any other procedures to handle such requests, and it's not in our in this moment, a good idea for us to be waiting an extremely long time. This was something that was raised prior to this meeting. And this sounds like the reasonable solution. So I am going to amend our resolution and ask if we can add it so that we have a manner in which to handle all of this. May I get a second?

**Speaker 2** I second that. Thank you. And can I just ask, Chris, were you saying that the final licensure doesn't need to come before the board?

**Speaker 4** Because that's not. That's not what I thought I said. Board member Gilbert Jenkins. This particular applicant, the we have together established a process by which, provisional licenses from the card group. As they're moving towards final licensure as they've had, locations identified, protected, in our system. Should there not be an issue with a final with the issuance of a final license under the previous process that has now been in place? We allow them to move forward unless there's a board. Objection. And so they didn't need to be an amendment to the resolution. They were already going to be allowed to move forward, based on, consent from the

**Speaker 1** Board. that we got.

**Speaker 2** But the board needs to be able to vote to say that there is no objection. Am I incorrect about that? Is that not? Yeah. But that there's no objection.

**Speaker 4** Baughman, Gilbert Jenkins. I, I can refer the board members to the, you know, previous discussions that we've had around our card licensees who are moving, to open. And the process that we've implemented thus far to allow them to continue to move through that process. And so I'll, I'll follow up. I'll re-up that, that information to you. All right. After the meeting.

**Speaker 1** We have the amended resolution in front of us. The resolute may, if there's no more discussion, I'll call for the vote. Doctor Gilbert Jenkins, this is. Yes. Yes. The amended resolution is before us. Doctor Gilbert Jenkins.

**Speaker 2** Aye.

**Speaker 1** Mr. Perry, Aye. Miss Knight. I and I vote in the affirmative as well. The motion to approve resolution number 2024-66. The. Yes, the amended resolution, once it's been amended. We're moving on to that. There's the other one is no longer in front of us. So it is a complete, amended resolution. Thank you. For our next order of business, may I please have a motion to consider? Resolution number 2024- 67 Consideration of Cannabis Enforcement Regulations. Some may have a second madam count. Thank you. I'll now ask our executive director, Chris Alexander, to provide a brief overview of this resolution.

**Speaker 4** Thank you, Madam Chair. These. This is an update to our enforcement, side of the enforcement tools. This is an update to our enforcement regulations, essentially streamlining, certain processes related to, the handling of enforcement matters that arise really from compliance matters with our licensees. The board at the most recent meeting, advanced enforcement regulations, that were, had completed the public comment process. This would be starting this would be an emergency, package, but will, you know, then be made available for public comment. I do want to flag again for the board, that we will still need to bring back another package of enforcement regulations after, the, the expanded enforcement, bill passes, through the state budget. And so I just flagging that really focuses on more of the illicit, operations enforcement. This one focuses on more, our current enforcement activities related to our licenses.

**Speaker 1** Thank you. Chris. Is there any discussion, question or comment by any board member? Ma'am, I would like to ask our counsel if she can please come and explain one section on the, regs that are before us. I just want you to identify what the timeline is for the responses so that everybody can fully understand which the direction that we're going to be moving in when they can reply to it. You can sit down. Oh.

**Speaker 2** Thank you. And good morning, chair. Are you referring to the, particular provision that we discussed earlier today?

**Speaker 1** Yes, I think it's 133.9.

**Speaker 2** Yes. Thanks. So, that one refers to time periods for a response after a determination is issued, by an ALJ and. What that provision entails. I'd have. I remember from memory our discussion is that after the determination is issued, the licensee has 15 days to accept or respond to the determination. After that, 15 days expires, the office has 30 days to respond as well. In the event that the licensee does not respond within the 15 days, the office has 45 days to respond.

**Speaker 1** That's because we're including the 15 for the, respondent and the 30 for them. Is that what we're exactly?

**Speaker 2** That time period could be shorter. If the licensee responds in less than 15 days, the 30 days would extend from the time of the licensee's response.

**Speaker 1** Perfect. And we are about to, step into a space where the initial review and the disciplinary action is going to happen by the office. So exactly who's been designated to manage that for our office? Do we know yet? Not that person a role, that's what I'm asking.

**Speaker 4** It is the role discipline for licensees who violate the regulations that we're asking. Yes. Yeah. Compliance team already. Does that work currently for the office, the compliance team, handles not just, you know, obviously they're doing onsite inspections of our operations. They do, obviously, for our retailers, do the pre site inspections. But every time, you know, whenever issues are raised, they tackle those issues, issue statements of findings. And you know, largely operators work to correct those pretty quickly. But in the case that, you know, a more significant action needs to be taken, the compliance team is the body, in partnership with, the Office of General Counsel that will issue that.

**Speaker 1** Please, can you give it back to the council? She's going to explain something.

**Speaker 2** But essentially the framework is the same. The compliance team is the one working on the the matter. And the, the compliance team is represented in any proceedings by also, the attorneys of the office in the office of General Counsel.

**Speaker 1** So maybe I misread it, but isn't this what's being presented to us is now creating a pathway wherein once a disciplinary, violation is submitted or given to a licensee, that the first level of review is by the office. Thereafter, it can go to a hearing. So it's not just is that exactly what this is? That's it. That's it. Yes. But I just want to make sure and I want it to be clear through to all the parties are because you just said office. And as we're going through this, I just want us to be clear.

**Speaker 2** Generally we always refer referred to the office, but within the office it's the unit, the compliance unit that, as Chris explained.

**Speaker 1** And are these the same people who are doing the inspection now have the ability to be the second look at the this review.

**Speaker 2** So, all of the matters are reviewed by more than just the individual that actually observes the issue and is out in the field. There are several layers of supervision and also an attorney, review.

**Speaker 1** Okay. Because that wasn't in there. Thank you very much. Answer those questions. You're welcome. Are there any other questions or comments? Hearing them I'll call for the vote. Doctor Gilbert Jenkins. Aye. Mr. Perry, I. Miss Knight, I. And I vote in the affirmative as well. The motion to approve resolution number 2024- 67, consideration of cannabis enforcement regulations, carries the next order of business before us. May I please have a motion to consider resolution number 2024-68, consideration of delegation of authority for certain license issuance. So moved, thank you. May I have a second?

**Speaker 2** Second.

**Speaker 1** And now, please ask Chris to provide a brief overview of this proposed resolution. Thanks.

**Speaker 4** Thank you, Madam Chair. So this is the, I guess, the the discussion that we started to lean into. A couple of items ago. So the current process that the office has been utilizing to present applications for licensure to the board. As the card program, rolled out was largely, having the board approved, licenses on a provisional basis. Now, for folks who are listening, folks have heard the term provisional. And, really, I want to be very clear. Provisional licensing only applies to retail. It is tied to an operation that can begin without a location actually secured. And so for the card program, we did have folks who were able to, advance without having a location. This has been an equity issue. And a large, part of the conversation around the formation of, of this opportunity. We wanted folks to be able to secure opportunities without having to secure, locations. So today we have advanced and had a standing policy for, what happened, after provisional licensing was awarded by the board so that folks could continue to move, and open at a steady pace. Now that we have, you know, significant amount of applications in front of us, and, and the office is working through that, we are essentially turning that process, really, in an opposite direction. Where the office. This proposal will allow the office to approve individuals provisionally. And then the board to still conduct that final review before an individual was cleared, to obtain a final license, which is the terminology that we use. And so it is essentially, shifting of the existing process that we've been utilizing to ensure that, one licensing authority is retained by the board, which is the sole body, able to approve individuals for licensure, but that we can move a little more quickly through reviewing of applications and issuing of provisional licenses, so that folks can go out, identify locations and move a little quicker and not have to wait, for a board meeting for, that opportunity to begin. And so, the hope is this that this is an efficiency, this becomes, you know, helpful to our licensees and to our applicants who are looking to move forward and start their journey to get their business open.

**Speaker 1** Thank you.

**Speaker 4** And sorry, Madam Chair, I just add one more point. You know, just to the comment earlier, I want to emphasize that these individuals, though provisionally licensed, you know, by the office essentially, which is a statement that you have met the eligibility requirement and submitted a full and complete application would still have to come to the board, for final licensure. And still have to meet all requirements before, being authorized to open.

**Speaker 1** Thank you. Are there any questions or comments from the board? Hearing? None. I'll call for the vote. Doctor Gilbert Jenkins. I. Mr Perry, I. Miss Knight had to step away. And I vote in the affirmative as well. The motion to approve resolution number 2024-68. Consideration of delegation of authority for certain license issuance carries. And at this time, I would like to ask I believe we're moving on to a report, am I correct? If we can have ask our executive director to please provide their directors report. Thank you.

**Speaker 4** Thank you, Madam Chair. So I want to start and always, highlight, a point that the chair's already made, which is just an acknowledgment, that we have surpassed the mark. And this year, 100 dispensaries being open, in the state of New York. And I want to shout out to all of our licensees. Who've been able to move through the process, work with local governments, work with our cultivators and those on the supply side to get those businesses operational. Johnson to come up in a bit and give the market report. But I just wanted to acknowledge that milestone. We have dramatically, increased, the access of New Yorkers to, to safer attested, legal product and that that momentum is only continuing. I want to thank you, to the board for the provisional licensing delegation that was just approved. This is going to streamline our process and allow us to, really get folks, going, and have some clarity on on the journey ahead. There's still a lot of work between and car licensees will tell you between, the provisional status and getting, final approval to open and operate and register for tax, etc.. But, this is a really helpful, approach. And I just want to thank the board for that. I want to remind folks that will get, provisional license. Obviously our, we've had a couple of provisional licenses or provisional licenses approved in the last couple of board meetings. We encourage you to use our proximity tool for checking location by ability. I think there's approximately 600 or so locations already, identified and protected, which really shows, to the point that board member Gilbert Jenkins is making the breadth and the scope and the access that is going to be, representative and here in New York's cannabis market. Each of those dots, is not necessarily a final, you know, approved location. But it is it does, you know, give some indication of where folks are hoping to, operate as they're working through the process. Proximity protection is first come, first serve as a reminder to everybody. So, check if location is viable. You will have to do your own check on, on, distance from places of, from schools and houses of worship. But the distancing from other dispensaries is you can use a tool for that. I want to flag, to those who have been in the card pool waiting, a previous, litigation held up the office's processing of of card applications. And that was lifted on April 1st. The office will begin, you know, opening up those applications and begin reviewing those applications again for eligibility. I do want to be clear that not all of the individuals who may have applied for card, are going to get license. A good amount of those who are left, were not eligible, did not meet the requirements either by not submitting, the proper documentation of business ownership and operation or, of the, previous cannabis conviction. But we will be notifying those of us who not meet the qualifications. In the coming days and weeks. And then, you know, putting before the board more card applications for licensure as soon as we can. I want to remind the cultivators and the processors are conditional folks of the deadline, which we've talked about every board meeting I'm going to keep, bringing it up. The program expires in June. May 3rd is the date that we hope you're able to submit everything so we can process your transition, as quickly as possible as we approach 420. I just, you know, obviously, an important date in this, community, in this industry. I just want to remind cannabis consumers 21 and over about the importance of safe and responsible cannabis consumption. We have, a good amount of licensed cannabis dispensaries across the state now. We are not nowhere. We're nowhere close to what the market, will be. But, we do have access, in every region and I think across 20, counties, so far at least. And so please make sure that you're visiting our legal dispensaries. Keep your products, supplies and supplies locked and out of reach,

inside of sight of children and pets. Make a transport plan. Before consuming, whether you're getting a ride from a friend or taking public transportation. Never driving high. Is crucial to ensuring that we keep New York roads, safe. And. I want to call up, John now to, give the market report, which is really just such an important piece. Of these meetings and I hope, you know, provide as much clarity to, industry participants. And for the full list of all dispensaries you can go to [cannabis.ny.gov](https://cannabis.ny.gov). We do keep that list and it's updated anytime a new dispensary is open. Opens up. I think we're at 103. I want to keep pushing forward. So, John, take it away.

**Speaker 5** Thank you Chris. Thank you, Madam Chair. And thank you, board members. Good morning everyone. The focus of our last, presentation was around velocity, and I think it continues, into this month as we look at the updated numbers based on, the nearly 20 stores that we had open just in the time since our last meeting. March set a new all time high for monthly sales at 32 million. Bringing our year to date total to 102 million. At the rate that we are going in Q2, we will surpass our total 2023 sales. And this is, based on the fact that we are growing currently at 25% month over month growth, and that, doesn't account for the nearly 20 stores that we will have open between now, and, and, for 20 incredible momentum. April sales are already at nearly 18 million. And just continued, strength velocity, in what we are seeing. Next slide. At the end of March, we had our first 9 million, weekly sales. You know, we we and I think at the last meeting, I said we'd had our first 8 million, weekly sales. This is just a reflection of the momentum that is building. And one of the things that's notable about those numbers is, as we've been able to start drilling down into the performance of these stores as they're opening, we're finding that very rarely does a new store hit what becomes its steady state operation numbers within the first couple of weeks of operation. So your week one sales will be, generally lower than your week two. And we've seen I was looking at some numbers last night where, a pattern that is emerging is, generally a doubling between week one, week to week three and week four. And in some cases, it takes between 4 and 12 weeks for a retailer to reach what becomes a steady state level of of performance. And so as we are opening more stores, and those stores kind of early weeks revenues are being included in our forecast. You should also you should, kind of think about it as the revenues being reported from individual stores in the early days will grow over time, which is part of the reason why our numbers are increasing at the pace that they are. So our first quarter sales for, 2024 at 84 million are ten times what they were in the first quarter of 23. Which is great to see. And the, the we are already on pace based on where we are for our April sales. That April is going to be the first month that we have a \$10 million, a week in sales. So kudos to our retailers for making this happen. And to to our producers who are selling and make and making the products and selling the products that are drawing consumers into the market. Next slide. At our last board meeting, we announced the beginning of the delinquency, payment reporting process. Through this process, suppliers who have, made product available to retailers but have not been paid, for that product, are expected to notify the office once those payments are more than 30 days due. And we've received a few questions as to why we initiated this delinquent payment process this early in the market and why we think it is such an important, consideration for trying to ensure market stability. A new report, released just last week, ironically, by Witten Economics found that nationally, across regulated cannabis markets, there are \$3.8 billion in delinquent payments. And most of that is money that is owed to suppliers, by retailers as a result of this scale of, unpaid, inventory, unpaid debt, it's creating, very significant challenges as you work up the supply chain, California's largest distributor, a company called herbal, just, went into receivership, because of over \$200 million in unpaid, debts. In the markets where you don't have a process for reporting, delinquent payments, where the, regulations don't account for the fact that this can happen, particularly as price compression happens.

It creates significant exposure to the suppliers who end up not being, not being paid. So we think it's important it's really important to guard against that. One of the ways you guard against that is through the delinquent payment, reporting process that we have just affected. And as we look at how this has implicated other other markets, if you have, in some cases, hundreds of thousands, in a few cases, millions of dollars in unpaid debts, as some businesses and other jurisdictions are carrying, makes it very, very difficult to reinvest in your business to pay your taxes. To, to, kind of grow, your business and just to ensure that, that you can, continue to support the market in a way that, that, drives value. So we understand that it is, any new process like this can be disruptive at its, at its launch. But it's critically important to do this early rather than waiting until the issue manifests on a scale that we have seen in other jurisdictions. And then needs to be reined in. Next slide. We've also received several questions around, how are we think about licensing as it relates to dispensary saturation and what lessons we've learned from other jurisdictions? We've spent a lot of time, talking to and working with and analyzing data from other jurisdictions just to help us understand, how the regulated market dynamics might play out in New York. To be clear, New York is a unique market. It's the world's most sophisticated cannabis consumer market. It's, going to be the epicenter of global cannabis cultural cool. It is, we're going to see a level of innovation here that will drive and lead the global market. But I think it's still behooves us to try and understand how things that have played out in other jurisdictions might play out here, even in the context of the very unique dynamics in New York. So the first point is, the first point to consider is this idea of the relationship between, dispensary saturation. So how many, how many dispensaries there are, relative to the population, and how much money each dispensary is making on average across the market. So for the chart that you have on screen, the bars in blue are the average revenue reported, for dispensaries in a given market. The Orange Line shows essentially how many, people there are per dispensary. And the overlay is actually even more elegant than I'd expected it to be. And that you can see very clearly there is a relationship that, the, the more dispensaries there are, in a jurisdiction relative to the population, the less money that an average dispensary makes sense. That's kind of intuitive from a business standpoint. So the balance that, needs to be managed is making sure that there are enough legal dispensaries to serve everyone in the state of New York to make sure that consumer access is not an issue, but also ensuring that it's being done in a way that you don't have the sort of very acute downward, revenue pressure that happens when you have too many licenses. Because what happens is it acutely impacts profitability. That is the consideration that, the office, the board and the board are, working to manage. It's part of a consideration that is influencing, thinking about licensing. But right now, New York is at least amongst, the larger and more mature adult use markets. At our average dispensary revenue of, 5.2 million per year. We're on the upper end of that scale. And that is. And we actually expect that to rise because of what I've just said about, the revenues of the of the new dispensaries growing over time. Our 5.2 million is based on a lot of folks who are just starting out. We actually think as these businesses grow, as the enforcement actions step up, we we will expected dispensaries, revenues to increase because more consumers will be transitioning from unregulated market to the legal market. But striking that balance is critically important. And we have rich enough data from other jurisdictions to see that there is a very direct relationship between, saturation and dispensary performance. So building on this a little bit further, I'll drill down a little bit into the dynamics, in Colorado, which I think is instructive for many reasons. Colorado is generally regarded to be, a well regulated market. It's been a relatively stable market. It is the longest established adult use market in the country ten years now. And at the ten year mark, we've seen, over that decade, some real things that we should be thinking about as we balance the policy considerations for the near and medium term versus the long term. So the first issue is how, revenue per dispensary has changed in Colorado over time as the number of



dispensaries has grown since the market launched in 2014. Colorado went from around 830 licensed retailers to in 2023, having over 1000 1038. So a 25% increase over that period. And for most of that period between 2014 and 2020, you saw a very consistent increase in the average revenue per dispensary. But what was beginning to happen around 2020 was that you are actually starting to see those the the growth in revenue per dispensary starting to plateau. But then we had the pandemic and in 2020, the shutdown, Colorado was the first state to declare cannabis businesses an essential business. And so we saw a nearly 30% increase in cannabis demand, in the latter half of 2020. And that was sustained over the next couple of years. What we've seen since 2022, since the, the, conclusion of some of the pandemic's restrictions, the return, to mostly normal life is that revenues have started to fall again, and they're going back to where they were before we had that two year pandemic surge. So this is really important that, even as the number of dispensaries in Colorado has grown over the last decade, in the last three years, off the peak, you've seen a nearly 30% decrease in the average revenue per dispensary. So it is worth noting that, even as revenue growth does happen in the first and early years of the market, one also needs to be cognizant about the sort of, revenue compression that happens as the market reaches maturity. Because of the evolving competitive dynamics, of the space. So balancing, the near-term needs with the long term evolution of the market. Next slide. And this is part of the reason on screen, the average price per gram at the retail level is a perfect illustration of why you are starting to see the compression of retail revenues. It took Colorado a decade for the average price per gram to fall 75% from \$14 to three three bucks, 50, roughly. It took Massachusetts half that time to experience a similar decline. Part of that is cannabis is becoming really efficient industry. So Colorado, when it first started out, it was, building an entirely new industry that had never experienced commercialization of the type that was being seen at the time. Massachusetts, when it was spooling up, was taking all of the lessons from, Colorado and every other legal market at that time and using that to to supercharge the growth and innovation in its own market. And that's why you've seen, the, the, revenue compression of the, retail price compression happened so much more quickly. Price compression is an inevitability in markets as they become more efficient. The prices we are seeing now in our jurisdictions will, contract over time. And so, and that's going to impact retailer revenue. So something to think about, something to consider as the legal market in New York grows is that, even as we build in, kind of protections for the market, and I think we have a very strong regulatory framework to avoid some of the challenges we've observed in other markets. This market, just by virtue of the fact that it is going to become more efficient over time, will experience some of these dynamics. And that should be part of the consideration, as we, as we build out. A couple of final points on Colorado. Next slide please. This is looking at, how wholesale prices have trended relative to, to, the average price. Average revenue per dispensary. So in blue is average revenue per dispensary, in orange is average wholesale price per pound of cannabis. In Colorado, starting with with the orange line, the average price of flower, a pound of flower in 2015 was selling for \$2,000 a pound. It's now selling for 700. You saw a brief spike during the pandemic when demand were surging and, the value of the wholesale crop increased. But if you take out those couple of years of the pandemic, the downward trend is pretty clear. I think we would have ended up where we are, right now. So, the compression of wholesale prices is serving as a leading indicator of compression. That's going to happen on the retail side. And in Colorado, you've seen a 63% decline in, average wholesale prices. And now we're at a point where, retail, average retail revenues have fallen 20 to 29% off of their peak. So the, just the final point I would make here, just about price trends. Exogenous shocks do happen in the pandemic was a perfect example of, an unexpected development that shifted the economics of the markets for a brief period. There was some speculation as to whether this, the changes in consumer behavior and industry, dynamics, that happened

during the pandemic would be durable. I think we're far enough now enough to say that those dynamics weren't durable. And so we are reverting back to the trend lines that were in place, before the pandemic. And so both flower and trim, down close to 60%. And so a final slide just on Colorado is a look at how this has implicated their licensing regime. Overall licensing in Colorado has fallen 16%, off the peak. And while a very strong increase in the the number of adult use retail dispensary licenses, a nearly 50% increase, has meant that there's a lot more places in Colorado that you can buy adult use cannabis. That's been offset by a very significant decline in the number of medical dispensaries. They're down 33%. But also because of the supply chain dynamics that that I've just kind of walked through. You've also seen very significant retraction in the supply side of the market. Colorado has lost half of its testing facilities, a third of its cultivation facilities and 13% of its product manufacturers. That's real instability in, on the supply side. And so, even if the retail dispensary numbers have remained, level, you have to think about this as an ecosystem, not just one part of, the licensing structure, because there are cascading implications as one side of the market is implicated, by another. Next slide. Some of the headlines have been sobering. As I mentioned, California's largest distributor just went under, and there are many others who are looking at either receivership, or bankruptcy because they are unable to pay their debts. Some of Oregon's largest producers are now seeking, bankruptcy protection. The the, we're seeing divestment, liquidation, insolvency and bankruptcy protection requests. All these operators who are in very difficult financial, conditions, are seeking to to, either rightsize their businesses, or shutter them because of the dynamics in the market. In other markets. The dynamics we're facing may not necessarily have been as disruptive, but we also have to remember that in cannabis, because of federal prohibition, access to capital remains an acute issue. So the sort of revolving loans businesses might be able to get, and most other in most other sectors of the economy, you can't get in cannabis the sort of, fairly priced access to capital that might exist in most other jurisdictions, doesn't exist in cannabis. We know businesses here who are not in New York, but in the industry who are being offered, loans, quick turnaround loans with interest rates of 50 and 60, 70%, truly predatory in their nature because there are no other options. And people who are facing these dynamics of either take this loan or shutter your doors, are being forced to consider them. And so, the, the, we should not be, we should not ignore some of the real, dynamics that are taking place in other jurisdictions. Which is not to say this is the truth throughout all of the cannabis economy. But there are signals that I think are instructive to us as we as we roll out to New York's market. And we're almost done. So as we look out to, both the conclusion of, the licensing cycle that we're in, as well as future licensing rounds, there's fully the expectation that Europe will have, future licensing rounds beyond, this one. One of the key kind of, elements that I think will inform, the way we think about licensing in the future. Not if not necessarily. This round is the 2024 Market Performance Report, a report that's going to look at, essentially how, the, the, the office and the market has done, in the roll out of, regulated market. It's going to look at the, market growth and its competitiveness, the dynamics between the legal and the unregulated market. How fast have stores opened and where are those stores located, as the chair correctly flagged? We do want to make sure that there is, as much as possible, uniform and collective access to cannabis across the great state of New York. We're going to be looking at consumer capture. How quickly, are our enforcement actions, constricting access, particularly storefront access to, illicit cannabis? And how quickly are consumers transitioning from the previously unregulated sources into the regulated market? We're going to be looking at supply chain efficiency. You know, how effective have we been in minimizing the risk of delinquent payments? How balanced is the amount of cultivation with the amount of processing, with the number of distributors who can get that product to our store shelves? What are our non open rates? This is going to be a really critical one. We know that there are going to be some folks who get licenses

who do not open their doors, and that needs to be an important kind of consideration as you think about future licensing around. So you're accounting for that gap between how many issued, versus doors that are open. And then, you know, we have to consider how 2020 for the rest of 2024 is going to play out. And there are significant potential disruptors that we could be we could be, are facing, perhaps the most notable is potential changes to federal regulations. There's been a lot of expectation, a lot of anticipation that the DEA, might, advance a rescheduling recommendation, moving cannabis from schedule one to schedule three. That's certainly going to be a very significant, influencer in the outlook for the market going into 2025 and beyond. Not the least of reasons being that, at a minimum, it should dramatically ease access to capital, because banks have been using the fact that cannabis remains a schedule one is a critical reason why we can't finance this market. Going to be looking at issues such as, market innovation attitudes, consumer attitudes and how they're evolving over time. So beyond the specific market issues that are within New York's control, we should also be looking at and contemplating how some of the broader, national dynamics, global dynamics are going to influence and, the outlook for our market. All of which is to say, there's a lot of very deep thought going into, how to ensure that we can, optimize outcomes in Europe while minimizing risk. There's a lot of lessons learned from other jurisdictions that are informing our perspectives. We have been very grateful for, the very rich perspectives that, and the very rich conversation that we're having, with the board and stakeholders across the state, to make sure that New York, can build not just a highly successful market, but, truly sustainable market that ensures that our licensees are able to continue to drive the maximal potential value out of these businesses, well into the future. This is hard work. It's profoundly complicated. But we are, very, very grateful for the support, collaboration and the extraordinary work being done by our teams, to help us assess all of these dynamics as we grow New York's market. So velocity and momentum, as we get stores open and doors open and issue more licenses. But some real, meaty issues to consider as we think about, the future for this market.

**Speaker 1** Thank you. Are there any comments and questions from the board? Sure are. You have a question. That's first one, I guess.

**Speaker 2** Okay. So, John, thank you very much for all of that information. But I have a couple of comments and concerns. First of all, that that data was really helpful. But, the devil's in the details and how it is being interpreted. What? While you showed that the amount of profit per store went down as the number of stores per capita increased. These stores are still profitable. And so I think the conversation that we need to be having is about right sizing and right pricing, as you also show the decrease in the price of, cannabis products. We are the legal market must be able to compete with the illicit market. And so, this is all about creating a realistic business plan. And for the folks who are coming after licenses, knowing what is your potential revenue? What, what are the correct price points to sell your items? And then the third point that I think is really important is that while you're doing all this analysis about, profitability of our legal stores, you are ignoring all of the illegal stores and all of those illegal stores because the customer don't know the difference. You know, I have people ask me all the time about all this store on my corner and I tell them, no, that's an illegal store, right? The customers have no idea about the difference. And to them, they have thousands of options in this state. And so as we are going into Chris, you can shake your head at me all you want. But as we are going and, trying to, decide what is the right number of licenses, we have all of these illegal stores that need to be closed. And they are that is openings for our legal market. And so I really want to push us to continue to review and give licenses to growers, to processors and to dispensaries and make sure that we are fitting the need of what we are already have illegally in the state. So that that was thank you.

**Speaker 1** There were no questions in that.

**Speaker 4** No. Well, I just respond, well Board member Jenkins. Just to be clear, I was not shaking my head at you. Just so you know, there was something else going on in the room. But we appreciate your comments and insight.

**Speaker 1** And, John, I'm also going to ask because you focused on what was happening with market compression in cannabis, especially after the, pandemic. But how does that relate to the rest of the retail market? Because I believe that there was compression across the board, wasn't it? It's not just unique in cannabis, is it?

**Speaker 5** So, yes. The, I think there's a couple of, points that I would like to clarify and expound on a little bit. So first, on the revenue compression post pandemic, yes. There were some sectors of the economy that absolutely went gangbusters during the pandemic and then started reverting to baseline. Post-pandemic, I don't think cannabis is unique there. And, you know, whether we are in a kind of recessionary risk environment or not, I think can be debated by, the economists. But I will say, historically, cannabis has tended to be recession proof, or highly recession resistant, I should say. And so, the the fact that we're seeing the compression happening in, Colorado isn't just a function of, the end of the pandemic. It's also being driven by the the, very kind of significant changes in the competitive dynamics of the market.

**Speaker 1** Ask what recession have we experienced since legalization of cannabis that we're comparing it to? Are we talking about the illicit market being, recession, recession proof?

**Speaker 5** So like, we had quite good data from 2018, when we saw that a little bit.

**Speaker 1** But that was a small dip that wasn't like a 08.

**Speaker 5** It wasn't like an oh eight. But, there were enough indicators both within cannabis and other sectors like analogous sectors. So, alcohol has actually been an interesting analog where, doing kind of periods of economic pullback, you see increases in demand for things like craft beers. So people may not be going out to the bar to have a drink, but they might buy a more expensive beer and drink it at home instead. You don't go out. You may not go out for the steak dinner, but you buy a porterhouse and cook it at home instead. So that kind of change in behavior was being mirrored in cannabis, where people are like, well, I may not be able to go out for, to the theater with a family of four, but or not, maybe the family four. I may not be able to go out to to the theater with my date, but I'll buy a nice cannabis product and watch a movie at home with my partner so that that, we did see a buoying of, cannabis consumer spending when other sectors we're seeing.

**Speaker 1** Right. So we say the same thing in liquor during the pandemic, it went up extremely high. And so I'm just asking when you talk about the compression, if it's really unique, or is that just something that's happening across. Because I believe that it's happened even in liquor, that we've seen some compression in their market. And then I'm also going to ask you to address the fact that you were talking about price, the price compression as well of individual products. But don't we already see that in liquor? A bottle of wine at one liquor store can be \$30, and then at another stores 20 bucks. So we don't have that kind of diversity in our, retail space yet because we don't have enough

experiences. And so isn't that also something that we need to be thinking about as we think about what this market will potentially look like?

**Speaker 5** For sure we're going to see a huge and we already have a huge amount of diversity, over 250 brands.

**Speaker 1** And that diversity of brands. I'm not speaking specifically about talking about diversity of experience, because each store is going to be different. And at some point prices will mirror what a store's experiences. And that is not being captured in some of the. I don't think I've heard that. At least let me say that, because maybe you are capturing it, but I don't think I've heard that in your analysis.

**Speaker 5** Fair. And we haven't done that analysis specifically in New York yet, partly because what we're looking at is the lessons from other markets, which are much more mature, much more stable and have that spectrum.

**Speaker 1** And they're also much more same. It's much more their their model, their stores are not as different. Their stores are very much the same. It is a it's like everybody's a target almost. And we are in here in New York and we're not going to be all targets.

**Speaker 5** Yeah. I don't know whether I would go that far. I mean, I spent in my decade prior to coming to New York, a lot of time in dispensaries across the country, and there's a lot of diversity there. I would not say that a dispensary in Northern California is the same as one you'd find in Southern California. That was one that you had central planning, the central values. Those would be entirely different experiences. And the pricing would be, would be. So the pricing that you would expect to find in Humboldt County would be very different than what you would expect to find in LA County. And so so that difference, does exist, but the trend line has been consistent across, both of those types of dispensaries where, whether you are able to offer that premium high value experience, whether you're looking, to be more, accessible.

**Speaker 1** And I'll be seeing that diversity of experience in New York yet.

**Speaker 5** So we are starting to but this.

**Speaker 1** Is not yet right. So really, what we're seeing is still so young that we are not able to just say, because it happens there, it's happening here, that we need to pull back. We're really saying that we haven't even tip the iceberg yet, so we don't know what it what the full place will the market. Will look like. Am I correct?

**Speaker 5** Yes. But I think what what we're also cautioning is that I think it would be, given the number of other regulated markets that we have. To draw case studies from. That well, I said at the beginning, I do think that there are elements that make New York different. I think it would be inadvisable for us to completely disregard the experiences of other jurisdictions, because generally markets do tend to trend toward convergence. You know, the, the as we look out at New York five years from now, I totally agree that we will. And I'm very excited about the fact that we are going to see a very rich diversity of experiences. We're going to have a, a wonderful richness in both the types of products and the places where you can go and where you can buy them. But I think the reality does remain, as this market, grows, several things will happen. Our producers are going to become more efficient. And the amount of product available. Will grow. The, efficiency of, of the supply chain will help bring down costs. The competitiveness between dispensaries. So, as

businesses start competing against each other and not just against the illicit market, that's going to lead to some, some, some price compression, because that generally happens as markets reach maturity. And critically, and I'd like to kind of piggyback on the point that, board member Jenkins raised about, the illicit market, which is a critical component to our consideration here. One of the, dynamics to consider is the growth of the legal market and the contraction of the illicit market. So if we assume that they are for ease of math, if there are 1500 illicit dispensaries in, in New York City and, adult use retail licensing reaches full saturation while those stores still operate, the consumer who has an illicit shop that they've been buying from around the corner from their apartment, will likely keep going there unless and until that point of access, that very convenient point of access gets closed down. Or at least the legal businesses will have to do quite a lot more work to get those consumers to come in.

**Speaker 1** Wait, let me ask you, because you started off with a premise that I, I just want you to clarify for us. You said the market meant saturation of legal, but we had 1500 illegal. So I don't understand how our legal market can be considered saturated if we're still making if we're making room for the illegal. I understand that. I'm just asking to explain. Sure.

**Speaker 5** In terms of the if you're talking about saturation, the number of licenses that an optimally that you would expect to have in the market once it is fully mature. So saturation being, if, if, the state once it is a fully mature market ten, 15 years from now can hold that can effectively support X number of licenses. If all of those licenses became available and open immediately, without the, without the parallel and concurrent contraction of the illicit market, then you've set up a dynamic where the legal market will, be both competing against itself and competing against the illicit market, which is already very deeply entrenched. So illicit market enforcement to reduce the options that consumers have for alternative for non legal sources is absolutely a critical part of this. We've been heartened, about the, the, enforcement tools and resources that are being contemplated for the office. But I think it's it's an. Enhancing enforcement and acutely constricting the amount of, consumer access, particularly to the storefronts. I think the storefronts are the part of the illegal market that are, critically important to address, because, as you've said, consumers aren't aware of the difference. And so shutting down the illicit shops and getting consumers to be able to transition from unregulated stores into the legal market is going to be critical to ensuring that the legal operators aren't competing amongst itself for this smaller pool of consumers who've already made the transition, but rather that they're pulling consumers from the illicit market and, less focused on the competitive dynamics between, themselves.

**Speaker 1** Thank you for that response. I'm going to say that I'm still in a space. The presentation made me think of the internet. Back in 2000. There was a bust. It was a boom. A whole bunch of people lost business. And we are where we are today. Markets mature. There is an opportunity, I think, and I think that we need to keep the outlook fresh for the people of New York State, so that they know and believe that we are a partner in this endeavor and that while we are balancing concerns, but that we realize that there's still room because we're talking about, market saturation. And we haven't even we haven't even written regulations for consumption yet. So I feel like we're kind of pulling back instead of leaning in. And in this moment, I want to make sure that we are leaning in and that we look at it. I come from the world of coffee. 18 coffee shops in the neighborhood. Makes sense because everybody starts to make money, because everybody believes that that's where they can go and get a drink. Having a Starbucks on every corner has raised the price of coffee tremendously. I think that there's other market opportunities that are

markets that we might want to consider and thinking about, instead of just looking uniquely at, cannabis and saying that these are the only guiding forces I would like was to kind of incorporate some other thoughts in retail opportunities, because I think that the retail market is vast, and what we're going to see in New York State will be reflective of ingenuity and experience in retail markets. And so I think that that will create an opportunity and a space for us to get through all of our applications, find space for people, and to really make sure that folks are doing what they need to do. But thank you both very much. I appreciate.

**Speaker 5** That. And if I might, I think your, the, actually technology industry analogy is, is actually apropos. There have been, depending on how you calculate them, two major tech psych tech boom cycles and we're arguably in the third with the. Yeah. And I think what's notable there is, the amount of capital destruction that happened at the peak of, both of the first two major cycles. Think about the Pets.com selling for \$100 million and then, being sold on a couple of years later for \$40,000, like the. So yes, markets are cyclical. And to be clear, we see immense opportunity in near perfect.

**Speaker 1** Thank you.

**Speaker 5** New York is going to be a world leading market. Without question. This is going to be a multibillion dollar legal, regulated market once it's at maturity. So the the point of my remarks was not to dissuade us about the scale of the opportunity that is coming. The opportunity is here, and we are profoundly excited to get the doors open and get consumers transition. What we're just trying to guard against is, capital destruction that could be potentially avoided if a more with a more measured process. And the reason why I think that's important is unlike other sectors of the economy, unlike the tech sector, capital is not unlimited in cannabis. We know that we are deeply constrained capital markets, so we cannot afford to have the scale or it becomes, doubly costly to have the scale of capital destruction that we saw in the two tech cycles, because you don't have somewhere else where you can go and borrow money. You don't have SBA loans, you don't have, Wall Street, throwing buckets at The Next unicorn.

**Speaker 1** But most those investors never invested in small business. Most of the the people who are operating in New York State are small businesses who don't get business loans, generally, who do not qualify unless they're putting up, personal assets as collateral. So we're talking to people who are accustomed to not being able to avail themselves of these loans. So I we hear the concern, I just but I do want to just ask that we continuously acknowledge the the challenges, but be clear that this is a moment of opportunity and that while we have small players at the table, they are going to find creative ways to finance and that they will be able to build a strong marketplace here. Yes. The tech I refer to the tech and I know the tech used lots of large. They they use big money. We're not in the space of big money. We're in a space of small money and innovation, and that's what I want us, to also balance and the analysis of it. Thank you. I appreciate it, and I appreciate the dialogue. Thank you. So thank you, Chris and John, for your presentations. Our next order of business are going to be public comments. And as usual you have two minutes. We will not be able to answer all of, to answer questions and to respond. I have a list here in front of me. We've got 17 people, so we'll be together for another 34 minutes according to this. So that's if everybody plays properly. So I'm going to call the two leader names. Please come up and you'll be able to speak starting with Leonard Manning followed by Ellington Keys then David Lambert. So if you please just come up and be polite so that you can speak again, it's Leonard Manning, Ellington keys, then David Lambert, and you have two minutes. Thank you. You want to just make a line? Make a queue so that you're coming up and it's ready. You're ready.

**Speaker 6** my two minutes.

**Speaker 1** Soon as he's ready. You're ready. Thank you. Thank you.

**Speaker 6** Thank you. Look at this face. This is the face of someone.

**Speaker 2** Get closer and.

**Speaker 6** Closer. Look at this face. This is the face of someone who is losing everything I've ever worked for. My name is Leonard Manning. I own the weed shop in Staten Island. I spent my savings, took out all my pension money, maxed my credit cards, took money to put away for my Sicilian girlfriend's trip to Italy. Just like I pay my rent this month. I'm ready to open today. I had my virtual inspection last week and met every criteria. This has been a very, very long journey. It started my application on September of 2022. That was a form that I was chosen. Had the preliminary license number 631 that was then advised to go into general application. It was number 91 was picked again. Now I'm number 209. The government said she wanted to revamp the OCM to get more stores open and running. Well, governor, I'm here ready to become the second store in Staten Island. Look at me. I'm here. Help me. Get me out of this bureaucratic mess. Everyone wants me to open up. So why am I not open? I'm stuck in OCM hell. There's still no license. No one can and will tell me where I stand. The I email every day call and talk to different people all with the same answer. You're in review. By who? How long? We're in the quick here am I? If someone signed to me the answer. You are in review. I'm 74 years old, working three jobs to stay afloat. This was supposed to be my legacy to my children and grandchildren. And so I'm broke, broken, and running out of hope. Wouldn't it be ironic that I'll be forced to close Bovver even open my store? Could you please help me? I've done everything I'm supposed to do. Virtual inspection. They say you're ready to go. All I have to do is call my vendors and say, stock me and I could open. And yet no one can tell me where I am. I could tell you of 6000 applications. I've been a long haul, a 6000 people ahead of me. That makes no sense to me whatsoever. You now just put somebody else in your error to that. Why were they here? What was not added? And the data. Please help me. Get me open. I'm here. I'm begging you.

**Speaker 1** Yeah.

**Speaker 6** Thank you.

**Speaker 1** Ellington Keys. Followed by David Lamberg and then Jennifer Miller.

**Speaker 7** So my story is going to sound a lot like yours Leonard. I appreciate you speaking. I felt that everything you said. Whoops. Sorry about that. Hello. Please forgive me if I sound nervous. I have not done a lot of public speaking. My name is Ellington Keyes. I'm applying for a retail license. The name of my business is Green's On Demand. As Mr. Wright said, this is an industry of small money, and I guess more money and big money is relevant to every person into every industry. Over the past year, I've invested \$500,000 of my own money in pursuit of my dream from lawyer and licensing fees to submit our application marketing firm for a deck design firm to create the visual concept of our store contractors, architects and cannabis consultants. I have submitted an Loi on a location in Soho, and I'm about to sign a lease that will deplete my entire life savings. I have a group of investors who committed \$4 million to help me get my business off the ground. As soon as I have a license. But they won't risk any capital until then. I'm very



scared that I will not have a license. By the time or renovations are finished, my investors will walk away and all my efforts will have been in vain. I haven't slept more than three hours at a time since March, as that is when I anticipated I would have received my license. I don't know what to do if I don't sign the lease, I may lose the ability to open in the location I wanted to due to the site protections, as you guys have mentioned. At the same time, I'm afraid to pour the last bit of my savings into a lease only to not be awarded a license and end up homeless.

**Speaker 1** Thank you. Thank you. David Lambert, followed by Jennifer Miller, then John Magno. David. Oh, there you are.

**Speaker 3** Hello, I'm David Lamberg.

**Speaker 4** Vice president, pro extracts processing. We're located in the Bronx. I want to thank you guys for this opportunity, to participate in this program. We're applying for these licenses right now. We're very excited to work with the.

**Speaker 3** You know, the OCM and small microbusinesses, across Long Island.

**Speaker 4** That's where I'm originally from.

**Speaker 3** I have about ten years of experience in this field of manufacturing.

**Speaker 4** Processing and distribution. I moved out from Long Island to Oregon in 2014, 2015 area.

**Speaker 3** And as the legal market matured in Oregon, I was given an opportunity to be able to be in, processing business and distribution. So I wanted to be able to bring that knowledge back here and help the market mature.

**Speaker 4** In a positive, way. We're very excited for this opportunity. We understand that it's taking a little bit of time. There's many applications that the OCM has to go through.

**Speaker 3** And it's there's many facets to get.

**Speaker 4** Businesses going and keep the growth and everything like that. So.

**Speaker 3** Yeah, that being said, we're very excited. We understand that, you know, there's many different things to go through and processes, especially within my.

**Speaker 4** Business, considering, we specialize in hydrocarbon extractions, that, you know, I believe is one of the purest forms of extraction that will be a medically sound product and giving quality product.

**Speaker 3** To the state of New York and the adult use market.

**Speaker 1** Thank you so much. Thank you.

**Speaker 8** Jennifer Miller.

**Speaker 1** Followed by John Magana and then Igor Correa.

**Speaker 2** Hi. My name is Jennifer Miller. I am a member at Kozan O'Connor. I represent the board and managers of 161 Street. The it's a condominium. The reason I'm here is I first want to commend all your efforts. It's an incredible initiative both for small businesses and New York state. But I do want to highlight for you specifically, an applicant for 161 Street. At Hudson. The applicant is OCM retail 2023 001631. They're doing business as Meadow Green Corp. It's Green Leaf Corp. They were recently put it on the proximity protected location map. This came as a great concern to us because the applicant itself at the Community Board one meeting testified on public record that they did not actually want to go through with their application, but B for fear of losing their deposit, they could not withdraw their application. So that they had to actually go through with the application. And I wanted to bring this to your attention. A lot of correspondence was actually brought to the, to OCN, both by the community board. This was in the resolution why it was denied. There's also a lot of proximity issues. There's two schools within 500ft. There's steps leading up to the location, so there's no Ada access. It's by the, Holland Tunnel. So there's a lot of traffic. It's in a residential building. 600 people signed petitions that are against it. So I do want to highlight this for you. If you can reconsider the proximity location on the map and deny that application, especially since the applicant does not even want to be a part of this and is forced to be a part of it. Thank you so much for your time in your effort. Thank you.

**Speaker 1** John Magnum, Igor Arcadia and I should have kept my glasses on. Let's see. Burkee Ruby. Is John here for the John Mac. So then go ahead. You're you're up there Igor. I guess John has left.

**Speaker 7** Good afternoon. My name is Igor Cochlear. I'm a Card licensee. I'm going to get right to the point. This thing with the proximity protection. I apologize, but I think you guys are making tremendous mistakes. You're opening up shops that are known as illegal marijuana shops today, killing the proximity for us. I can list many people that are in the same position as I am. I came here today. I did not want to come here and speak like this. But here's the situation. We were told to go out, get shops, rent the shops. We were then told that we're going to get our licenses back. We come off the list, people get on the list in front of us. Would illegal shops, not illegal shops that we're just talking about documented illegal shops. The community board emails, you guys, the police email you guys, you guys give them proximity protection. We're stuck with hundreds of thousands of dollars in legal in rent, legal bills, security deposit. And the worst part about it is we have nobody to speak to. I have nobody to call. I have nobody to email. Everything is generic and everything is general generic. The worst part about it is any real question does not get answered. You cannot ask us to go out, pay for rent, pay for expenses and reply to us with a generic answer 30 days later. And then I get a proximity protection denial because a guy across the street who we would never think would get it, gets it would a known illegal shop. Not only is it a known illegal shop, there's a mortgage on the building and the landlord don't even know about the situation. Who do I call? What do I do? I owe rent today. I don't know whether I should pay my rent because you guys are going to end up helping me out, or it's just going to go nowhere. I've emailed people in this room. I don't want to mention names. I have no body to call. I'm a cord guy. I don't need a loan. I've used all our money. We did it right. We did it. How? You told us to do it. What do I do? That's all I ask. What do I do? Who do I call? I got to pay rent today. There's a guy across the street from me doing illegal business with a proximity protection. I know you guys are going to shut him down, but meanwhile, what do I do? I lose the location. I got \$110,000 behind this. What do I do today? Not tomorrow. I need something today. I came here because I need something from you guys. Who do I call? There's an appeal process. But the appeal process does not

show who to contact. How does it go? It just says appeal. Appeal what? Who do I send the appeal letter to? Who do I call? Thank you.

**Speaker 1** Thank you. Baquet, Ruby. Followed by Sohan Bashir and Kevin Pollard. Bashar

**Speaker 3** Hey, everyone. How's it going? My name is Murkee. Ruby's not my last name, but it's close.

**Speaker 1** Okay.

**Speaker 3** All right, so let me. Thank you. Know, first of all, I want to thank some people. OCM. Sarah from the licensing department and, Monique from compliance. Okay. So real quick, we just got hit with a whole bunch of information numbers about how well dispensaries in New York State are doing. I had a teacher tell me ten years ago there's three types of lies. He said, there's the lies, the damn lies and the statistics. I feel like the statistics for cannabis dispensaries in New York City are totally off. The reason the numbers look so great for the entire state is because there's dispensaries in other locations, like in Suffolk County or upstate New York, where they've enforced closing illegal stores that do millions of dollars in sales. And they skew the statistics for everything else. I'm a card licensee. I've been in this program for over a year now. I've worked at several other licensed dispensaries in New York City just to get business experience before I start my own business. And let me tell you, they're doing terrible, terrible, terrible numbers. I'm talking about \$8,000 Saturdays on places that have like 25 to \$35,000 rent. There was a solution proposed by Assemblywoman Jennifer Rajkumar, called the Smoke Out Act that would empower NYPD to padlock illegal dispensaries while Oceana was investigating them. Unfortunately, assembly man and speaker Carl Heastie, he decided not to include this in the New York state budget, which is being voted on relatively soon. I don't know why we've been a coalition of card licensees, has been in contact with him emailing his office for over a month, and he just keeps delaying our request for a meeting with him. We're doing a protest, at his, is his office this Saturday, 4:30 1446 East Gun Hill Road. I would appreciate all of you guys coming. It would help everyone tremendously. The smoke attack would empower, the NYPD to close illegal dispensaries, and we're really. We really need this. Trust me. And I want to know why, assembly person, Assembly Speaker Carl Heastie just doesn't support closing illegal dispensaries. I really don't understand, so thank you.

**Speaker 1** Sohan. Yeah. Sohan, followed by Kevin Pollard. And I have Burkee Sabot. But. What's your last name? Sabbat. Okay, you're on there twice. Sorry, I'll go again. Nope. Then after Kevin we will hear from Harold Baines. So Sohan. Please.

**Speaker 9** Good evening, ladies and gentlemen and community members and all supporters of Reformative justice and Equality. SoHan Bashar from Jamaica, Queens. For over 20 years, I've been a legacy operator, growing and selling. I'm a felon with a cannabis related conviction, and I'm the proud owner of Silk Road NYC, a licensed cannabis dispensary storefront with an online marketplace and delivery coming soon. I'd like to invite everyone here to come to our Cannabis Around the World event on 420. Tickets available online at Silk Road Dot NYC on Instagram. As a voice for every small business owner who has been promised support and left in the shadows. We were told that the establishment of dispensaries like ours would be supported, encouraged and facilitated by the MRTA. We were promised grants, 0% interest loans and a path that respects our beliefs and practices. And yet, here we stand, grappling with challenges while others leap ahead with

undue advantages. Imagine the playing field where we stand on, where on one side you have a jazzy franchise showered with funds, technical assistance, and the privilege of opening a year ahead of us. In my own neighborhood. And on the other side, there's us, the hardworking individuals who believed in a system that promise equity and fairness. We've had to claw our way through competing against a state backed entity to secure a location from the bill and cover every expense from our pockets without the promised support. Is it fair for one group to be provisionally awarded in the same round of licensing, yet receive a vastly different level of support? Where's the justice in having to accept interest bearing loans that go against my deeply held religious beliefs? Where? When were we assured? When we were assured access to 0% interest financing? I'm Muslim and I don't consider cannabis haram. We consider interest bearing loans haram, a plant that was spiritually, plant that spiritually unites us and should not be used to divide us. When will this state fulfill its promises and level the playing field? We demand equity beyond words on paper.

**Speaker 1**

**Speaker 9** Mr Sohan, rallying cry for a future where every entrepreneur can succeed regardless of background or belief. Thank you. And please bring back Damien Fagan.

**Speaker 1** Thank you.

**Speaker 8** Sohan, Kevin Pollard, followed by.

**Speaker 1** Harold Baines and then David Nicponski.

**Speaker 6** Good. Good morning. Thank you, ocean board, fellow cannabis connoisseurs. From upstate New York, Hudson Valley, Red hook, New York. We got an application in, I had a bunch of stuff I was going to say was a repeat of our first speaker. We're all in the same situation. Waiting. Waiting. Desperately waiting. You know, I'm thinking about moving out of my house and living outside in a tent for the summer. If I don't, you know, I don't know, because we're running out and we're paying rent, and, we have a lot of other bills to pay. We got the store up. We're ready. We're just waiting, like everyone. And, I'm not here to, to yell at the ocean board. I'm here to say thank you for doing what you're doing. I know you the board wants to get everybody a license as quickly as possible. So, I don't know. All I can say is thank you, and, I, I really like the, the money guy. His report was good.

**Speaker 1** So. Let's jump.

**Speaker 6** Even if we get rid of all the illegal shops in Manhattan and the rest of the city. There's still illegal operators. They're not operating out of storefronts. Maybe their car, their house. But. So it's always going to be a problem. But, let's. Thank you. And, let's hurry up. Hurry up.

**Speaker 1** Thank you. Harold Baines, David. Nicponski and Myak Kapoor. So, Harold Baines first. Are you.

**Speaker 7** Are. Good morning. My name is Harold Baines. I'm the owner of New York The company and rush buddies. I'm a card licensee. First of all, I want to say I've been to a few of these meetings, and I've been. I've wanted to come up and say thank you to you guys for your hard work. For your commitment, for doing social justice. I'm appreciative of this

opportunity. However, the. Which I'm going through right now. The nightmare that I've been experiencing trying to get my business open. I feel compelled to come here and speak today to agree with a lot of the things that have been said. Also, just to add my own story. Back in July, I submitted a location, for Treo. The location was approved. I signed a lease. Started hiring people. Since then, I've been paying rent. I've been playing employees for five months. Through the injunction, we weren't sure if we were going to be able to open. We asked you guys for your advice. You told us to keep working. Eventually, we'll be able to open after the injunction. My location was denied for proximity to two schools. The first letter that I received for approval said that I was okay for proximity from schools, after you guys denied my location for proximity to schools. We fought about the regulations. And, you guys said that although I am, a delivery only location, that you're going to apply, dispensary laws, in terms of deciding whether or not proximity apply to our location. After fighting for a month about it, I decided to take the loss and try to move to a new location. I've been told in the last week that you guys are not going to allow me to submit a new TDO location, and then if I want to open my business, I have to go get a retail store. The whole purpose of the Tio location was to make it, you know, open and retail is cost prohibitive. I used more than \$100,000 of my own money, and I'm about to go bankrupt. I'm still paying rent. My, my landlord's calling me right now looking for money, and I still don't have clarification from the office whether or not I'm actually going to be able to open a tdo or whether I'm going to, have to go find an investor or, you know, pressure you guys to offer the resources that you said a year ago. We're going to be available to us at this point. We haven't been offered a fun location. We haven't been offered any zero interest loans or low interest loans so that we can go out and do this on our own. What I have been offered are what I consider predatory investment opportunities, where someone wants to take 49% of the license and control the license before we even get open, please, we need help. I'm suffering. I need to open immediately and I have the process to do it. If you guys would just allow us to submit a new location and and we can be open. Thank you.

**Speaker 1** Thank you. David. Followed by Mayank. And then. Pilar.

**Speaker 10** Good morning. Members of the Cannabis Control Board and of the OCM. My name is David Nicponski. I'm a founder of Freshly Baked NYC, a licensed cannabis retail dispensary, and I'm the director of business development, for the New York Cannabis Retailers Association. I appreciate the opportunity to speak to you again today. We all understand the significant challenges that the US faces, particularly in terms of limited resources and immense workload and pressure. However, there is ongoing and growing concern among licensees and applicants regarding transparency and communication, which I wish to address. You've heard this story repeatedly here today already. In recent months, it has become increasingly difficult for licensees to receive responses to inquiries, whether by email or phone. As just one specific example, you've heard others today. We have been contacting the OTM thrice weekly for the last seven weeks in an effort to schedule our pre-opening, site inspection. We have had no responses to any of those 21 communication attempts. The lack of communication is not an isolated case. As you've heard today, it is surprisingly common issue amongst licensees, with some licensees waiting months with no response. We understand the OCM is under considerable pressure and capacity constraints, but we must improve the situation clearly. Let me not only raise problems, let me offer solutions. Well. The real solution will involve better staffing for the OCM. We can we can mitigate many of these challenges with the appropriate use of technology. A practical example would be the introduction of a processing tracking system that tracks processing state and steps for the application. It shows who is the responsible party at the OCM for the next step, and who has taken recent steps on an application in

the recent past. This alone would provide the needed transparency for applicants to understand what is happening, and to know that their applications are not being forgotten. As a software engineering professional with decades of experience, I'm more than happy to offer my own expertise and assist or consult the OCM and selection, of such technologies. In conclusion, enhancing the transparency and communication can only benefit all parties and can increase public support and confidence in New York's cannabis industry. I look forward to helping however I can. Thank you for your time and attention and as always, thank you OCM staff for everything that you've done.

**Speaker 1** Thank you. Mayank pillar then Vanessa G chan.

**Speaker 7** How are you guys doing this morning? My name is Mayak Kapoor. I'm an applicant in the November queue. I've been coming to CCB meetings since card started. If there was reward points for comment, I probably get a free license by now. But on a more serious note, I have just made my sixth lease payment. I'm in the November queue. I'm waiting to be reviewed. I was the person who actually recommended the proximity. So a long time ago, I remember Mr. Adam Perry stopped our meeting upstate and said, this is a good idea and we should borrow from the SLA and put this up. Even though I recommended that and have an application and I have no proximity protection. I'm six months in with rent. I don't know when it's going to stop. So my point is, I'm happy you guys came to a resolution for provisional licenses. I think a good solution is everybody who submitted a legitimate lease should get a provisional license, because they still have to prove their location and everything else going forward, but it will at least give me and everyone else who's in the same position paying rent, who are about to pay rent or spend your life savings. A yay or nay. You know which way you're going it, and you know how much more funds you're going to deplete. I still believe in everything you guys are doing. I appreciate your efforts, and I think we can eventually get to the point where everybody has their licenses, or everybody's on a position where they're waiting to hear what's happening. But giving up provisional licenses is probably the key to go and give it to everybody who has at least just make sure it's legitimate lease, because they've been spending money like I have, and they just want to know, am I going to still be spending money or do I have a shot? Or is it over now? That's all it's really about. So I appreciate your efforts. Thank you guys. Just please.

**Speaker 1** Thank.

**Speaker 7** You. And whatever you can do to expedite. I would love it.

**Speaker 1** Thank you. We have peeler followed by Vanessa and then Walter. It.

**Speaker 8** I know you are, chair. Hi. Good morning everyone. I just want to say thank you to these amazing people and all the hard work they're doing. Given that there's a lot of people in this room who have applied for licenses and don't understand government or policy or legislation and advocacy. I wanted to touch really quickly my comment. I have a few comments to make one, I want to talk to the privilege that I heard in this space. So I'm sorry that you're waiting. You're going to this. But let me tell you, as a woman of color, a Latina woman, and my brothers and sisters from East Harlem, we've been getting arrested and harassed, lost access to housing, higher education for decades. I don't know how many of y'all know, but marijuana was decriminalized since 1977, and since then, about a million black and Latinos were the ones who were targeted when it came to cannabis. The plant, it was a lot of us. And look how long we had to wait to even get to this point. I was one of the advocates who helped shape this bill. You know how long it took for us to get

this bill to return to the way it was almost ten years? A lot of y'all. I didn't see y'all there doing the work, but now y'all doing the work y'all claim. And I'm sorry, this sounds offensive. I'm not trying to be disrespectful, but it just really frustrates me. All of this rushing rushing a lot of guys don't know how what it takes to build a new regulated office in a new industry where stigma has been real by a lot of non-black people, where that stigma was really aggressive and we're overcoming that. We have to build the policy. These people got bosses. And if y'all don't know, Governor Hochul, in my opinion, based on my experience, is a racist son of a sugar. She wasn't there for legalization. I know she wasn't because I was in these rooms for almost ten years. She wasn't there. These people are doing the best that they can. And I hear you a lot of y'all made bad decisions. Listen to bad consultants who were not from New York and giving you all this advice on what was going to go on in New York. You should have listened to the real advocates and the real people who are from here trying to give you this information way long before legalization. And many of y'all were like, no, it's not going to happen. I know legalization now look at ya. Thank you. Well, just.

**Speaker 1** Thank you. There we go. Vanessa. Followed by Walter, then Enaqua. I think I'm saying that name correct. Enaqua Lewis.

**Speaker 2** Hello, everybody. Oh good morning. Hello. OCM and board. So I am, a licensee as well. I, got my November. That was a really tough act to follow, but, I, I, I applied in November, and, I got my proximity. I, I got my license, the February 16th CCB board meeting, and then I got my there were some issues I got, I went in for non provisional, I got provisional, but there were some issues with it. I fought it and then I got proximity protection on March 1st that everything cleared. However, I haven't heard any updates since then and I just wanted to move forward and just kind of, you know, start. I did start building some stuff. I still have my house. Of course, I have my real estate and I and I'm moving forward with it. But in this limbo period, I just feel like there's a lot of miscommunication between some one hands and the right hand and the left hand. So I was just hoping to get some clarification and kind of just, you know, pay my fee and start moving forward with it and go and really transitioning it over to non provisional, as I had, initially anticipated. Thank you for your time.

**Speaker 1** Thank you Walter. Then in Aqua I'm messing your name up and I'm sorry in Aqua and Nika. Thank you, precious. And I may.

**Speaker 3** Well thank you.

**Speaker 1** And then public Bayes knows will be our last person speaking. There you go. Sorry, sir.

**Speaker 3** No problem. My name is Walter Evacuee. I'd like to commend the board and the staff in this impossible task. And I hope you get more help to to process these applications. One of the big issues I'd like to address is safety of the licensed staff in these cannabis stores. The budget process is on, and I hope that you can push through some way of protecting the staff from being attacked, like a felony charge, demand for people, you know, hurting somebody in the cannabis store is a recent daily News story. I'm just following up on that. I was attacked myself at the Southwest Conference in in Albany. So it's an issue I'd like that addressed, if you can, in this budget somehow. On the other side, I'm trying to help the card and the cannabis applicants. I'm trying to raise \$1 billion through my phone company to to buy vehicles and lease them out to the various licensees. So

anybody who wants to get in touch can check the comments in the boards. Thank you very much.

**Speaker 1** Thank you. Nuclear. Hi. My name is Eniko Lewis. I'm here representing Sugar Grass. Thank you. OCM. Actually, Sugar Grass just made the queue for the general license, so we're excited about that. We're a little nervous, because, everything that we hear that's going on. But we're excited, because we were in these streets, you know, getting arrested. So I feel like, this time, it was a long time coming, but it's worth it. And we just hope that you guys could get just your customer service a little bit better. I think that OCM is kind of misunderstood a little bit. And if you.

**Speaker 3** Could do that, that would just be a.

**Speaker 1** Step, into making people just understand and not just be so upset with you guys. I want to talk about the liquor stores. How it was back in the days. I remember when they were trying to shut down.

**Speaker 7** Illegal.

**Speaker 1** Liquor stores. They were going into the store coming out with liquor like we see them doing now. But they were not letting these people sell certain things in their store anymore. They were taxing them. They were going.

**Speaker 3** Really hard to stop.

**Speaker 8** These stores.

**Speaker 10** And we seen it stop.

**Speaker 1** You do not see bodegas selling liquor out of their store. Also, I feel like it's kind of modeled off of the liquor store model. So it's like, why.

**Speaker 8** Is it.

**Speaker 3** Such a difference.

**Speaker 1** In the way that it's handled? It's kind of.

**Speaker 10** I don't understand.

**Speaker 1** The way that it is. And I just feel like if it was a little bit more aligned with that, then it would just be a little better process. Also, I just want to say thank you. I'm happy that we made the queue, and I'm excited to see a lot of brown faces in this space. And I just hope that we all can work together, because this is going to change New York City and change a lot of people's lives that didn't have, you know, the chance to get their lives changed. Thank you. Thank you. And our last speaker, Paul.

**Speaker 7** Are you guys? Hey, guys. My name is Peter.

**Speaker 1** Sorry. Oh.



**Speaker 7** I'm okay. Peter. Business. I am the owner of. Hi NYC dispensary. We're going to be the first legal recreational dispensary opening up in Williamsburg, Brooklyn. And that's all thanks to you guys. And I really, really appreciate all the work that you've done and given us the opportunity to actually be over here. It's taken a lot of it's been a roller coaster I've been and some meetings where I was upset and I said, the things that I wanted to say, but I actually wanted to come over here once to extend the invite to. Okay, the grand opening is the 19th of April. Two. I want to talk about the illicit shops. I have them I'm on Bedford between North eighth and North ninth. If you know Williamsburg from Bedford and North Eighth, there's a big one called Smokers World going down towards Metropolitan or Grand. Probably more than ten just on Bedford. And I'm not counting the side streets. I'm not counting the or the dregs or why. Kent there's planning. I would really like for you guys to come to the grand opening, because it would help me to show that the state is standing with us. Okay. And you're there to support legal cannabis as opposed to illegal cannabis. And I hope we could do something about these illegal stores because obnoxiously, they know that I'm opening up and obnoxiously two doors down. They're renovating and they have a big sign that says Smoke Shop coming soon with a big as I'm sorry, big Bud sign right there. And it's just like, I don't know what to do. You know, I'm not I'm not police. I'm not going to be over there enforcing anything. We need you guys.

**Speaker 4** To help enforce that stuff. Okay.

**Speaker 7** Thank you so much.

**Speaker 1** Thank you. So I want to say thank you to everyone that, came and spoke today. And also I want to note that if you've submitted comments electronically, those will be captured in today's meeting minutes and posted on our website. So thank you everyone for participating today. We do see your emails. We get your notes that you're sending us. We are forwarding them and working on solutions. So, we appreciate you taking time to share with us today as well as when you send us information. And I also just want to say our next for our next meeting. Please note that the time, location and the live stream link will be shared on cannabis that night. That gov in advance of the meeting and a record of today's meeting will be posted as well as a transcript. So this concludes our business for today. Please may I have a motion to adjourn? I say thank you to our member, Perry, who was able.

**Speaker 8** To.

**Speaker 1** Stick it out with us today. Especially because we had some. So I'm going to second it. And. All in favor. I so this motion to adjourn carries. And we must say thank you again for joining us.