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Speaker 1 Good morning, everyone. I'm Tremaine Wright, chair of the cannabis Control board. Is everyone able to hear. Oh. I'm sorry. Okay. Thank you. And it's a pleasure to have all of you here with us today. Recognizing that we have a majority of the board members present, I'm pleased to call to order another meeting of the Cannabis Control Board and to welcome all of you who are participating in person or via a live stream. I'd like to note that board member Adam Perry is participating from a publicly accessible location in Buffalo. And board member Jessica Garcia is joining us via live stream from a private location due to extraordinary circumstances. Today's agenda includes. Welcome and opening remarks. Approval of meeting minutes from April 11th, 2024 is board meeting. Consideration of adult use cannabis licenses for approval two. Consideration two. Considerations of adult use Cannabis licenses for denial. Consideration of the withdrawal. I'm sorry with of the withdrawal and approval of emergency enforcement regulations. Consideration of Cod provisional license extension. A consideration of registered organization dispensing facility requests. A consideration of supplemental policy guidance for the review of adult use applications from the October 2023 application window, a report from our Executive Director, public comments, and then the board will adjourn. As you can see from today's agenda, we will consider a number of significant steps designed to enhance our state's cannabis regulatory, licensing and enforcement framework. We have heard the comments and read your emails. We understand and appreciate the need to streamline and expedite our processes. We are committed to developing a system that provides clarity and reliability as well as adaptability. The initiatives before us today provide an opportunity to bolster the success of entrepreneurs in the market, and the number of New York State cannabis entrepreneurs continues to grow. Our state now boasts over 120 operational cannabis dispensaries. Our licensing efforts have exceeded equity goals, demonstrating our commitment to fostering a diverse and inclusive marketplace. Alongside this market growth, we have enhanced our efforts in combating the illicit market with increased enforcement powers, we're steadily working towards a safer and regulated environment for all these achievements, paired with the commitment to ongoing examination and a willingness to adjust or adapt, reflect the dedication and collaboration of all stakeholders involved, and I look forward to our discussions on further advancing these goals. Our first order of business is the review and approval of meeting minutes from the April 11th, 2024 Cannabis Control Board meeting. May I please have a motion to consider and approve the April I'm sorry April 11th, 2024 board meeting minutes. Someone may have a second. Second. Is there any discussion by any board member? Hearing none. I'll call for the vote. All in favor? I. All Oppose.

Speaker 2 I.

Speaker 1 Okay. Thank you. Therefore, the motion to approve the April 11th, 2024 board meeting minutes carries for our first resolution today. May I please have a motion to consider resolution number 2024- 69, consideration of adult use cannabis licenses. So may I have a second? Second. Thank you. And now, like, please ask our executive director to provide a brief overview of this resolution.

Speaker 3 Thank you, Madam Chair. Good morning, board members, and good morning. All those in attendance, before the board today is our fourth cohort of adult use cannabis licenses, which have been cleared, by the licensing enforcement and other teams involved in the review process. These applications are far from the application window that opened on, the October 4th, that opened on October 4th and closed, on December 18th. The 104 applicants include 23 retail dispensaries, 14 microbusinesses, 27 cultivators, 23

distributors and 17 processors. I want to also highlight that the office, since last, month's board meeting and the ability to issue provisional licenses, was, delegated to, the office. We have 17 provisional licenses also, advancing, at this time. If approved, this will make 540 adult use cannabis licenses approved in 2024. As many of you, where this is a complicated and lengthy process. And we just want to thank our licensing team and others, for, for driving this effort. From the last column displayed here, you can see the total number of licenses that have been issued. This year, 90 cultivators, 53 distributors, 93 micros, 51 processors, 159 retail and 95 cards. Have transitioned from provisional to final licensure, with 540 licenses issued this year. We do see the supply chain getting strengthened, and we're excited on the, the ability that we've been able to, create and deliver, opportunity to many New York business owners.

Speaker 1 That's all. That's it. Thank you, Chris, for that. Overview of the resolution and the status of our licensing, operations. Are there any questions or comments from the board? Later to this. Hearing? None. I'll call for the vote. Doctor. Gilbert Jenkins, I, Mr. Perry, I. Miss Knight, I. Miss Garcia, I and I voted in the affirmative as well. The motion to approve resolution number 2024-69, consideration of adult use cannabis licenses. Pass passes.

Speaker 4 Yeah.

Speaker 1 For our next order of business, may I please have a motion to consider resolution number 2024-70. Consideration of adult use cannabis licenses for denial.

Speaker 2 So moved.

Speaker 1 May I have a second? Second. And now, may I please have a ask our executive Director, if you please provide a brief overview of this, resolution as well. Thank you.

Speaker 3 Absolutely. Thank you, Madam Chair. For the cannabis law, the board is charged with the authority to issue or refuse to issue any registration, license, or permit the applications before the board for denial or initial card applications from the card application window, which closed in September of 2022. But they were delayed, in issuance of denials because of the litigation that paused, the processing of card, applications. These applicants were notified that they didn't meet the eligibility requirements, but this official denial closes, that application officially, the applications are recommended for denial. Did not meet requirements, usually on to, deficiencies, either they did not demonstrate justice involvement, or they did not prove to, operate a qualifying business as defined in section 116.4 of the regulations that created the card program. The office officers working through these initial card applications, and plans to have more for the board to consider next board meetings. As well as car licenses that are being reviewed for approval as well that are. Now that we can review. Since the. That time period where we were frozen has ended.

Speaker 1 Thank you. Are there any questions or comments by any board members? Mr. Perry?

Speaker 4 Question. Yes. So this is the first time that I recall us being presented with a list of licenses to be denied. Why is that?

Speaker 3 Thank you, board member Perry, for the question. This is just the process of closing out, the card application window. We did have, an injunction, that was caused by litigation and then a settlement that created a further pause in processing, which would include denying of these applications. So, due to litigation, we were frozen for several months and taking action on these, these applications.

Speaker 4 Thank you. And I have no, I haven't another. And so forever. So does this mean that for every license the office chooses not to recommend, we have to an action to deny those licenses or to ratify the office's decision not to recommend it to the board? I don't understand that.

Speaker 3 That is currently the process. We can, you know, obviously, you know, delegations, can be made in other ways. There are applicants, or applications that were voided for being, incomplete or somebody, not being able to, or being responsive during the cure period. And those, you know, the office can handle. But, if an application is being closed and we're not going to be, engaging and that applicant is still pushing forward. Yes. The currently there's a process for the board to deny. We can adjust that in the future if that is the desire of the board.

Speaker 4 Yeah. I'm just not understanding why this is the first time that we're doing that. When the office has been processing licenses and recommending licenses to us to approve. And I understood from the statute that the process was if the office recommends a, a license, that the board has the power to grant or deny, but not that we were going to look at every single action that The Office took that reviews an application that may have some deficiency. So now we have to review every single time the board says that somebody didn't provide or doesn't doesn't provide the necessary, components or, or to be able to meet some certain criteria. We have to be presented with and make a board action on every single one of those things. Is that, well, like the new of now?

Speaker 3 Well, board member Perry, this is, as you know, obviously with our first, you know, we had three initial application windows, the cultivation, and conditional cultivation and processing programs, which was really just, you know, based on previous, participation in a state program. And then the card program was the first, you know, program where we created based off of a different eligibility criteria. So, this is the first time that we're doing this. But if the desire of the board is to take a different approach, that's that's fully, something we can absolutely discuss.

Speaker 4 Well also. So you're giving us this big list of, of, denials, which. I assume in the aggregate. Is going to exceed the list of grants. Do we not have some need then to go into each one of these things and consider the basis for the denial as well?

Speaker 3 Yeah. And so we provided to the board, just a spreadsheet that demonstrated the reason for the now, you know, as you recall from the card program's inception, the requirement based on the statute was the requirement that somebody had a, a, marijuana related conviction. There were folks who did not have a state conviction or had a federal conviction or something that didn't meet the eligibility requirements, didn't operate the business. And so, you know, these those are the two, reasons that folks were denied. I can identify if there's any other instance. I don't believe there was any other instance in which a, an application was denied was purely eligibility.

Speaker 1 Matt, jump in here. It's part of the process that I think is not, that has not been mentioned yet. Is that a lot that our resolutions are actually the approval of the preliminary

determination that's made by the chairperson of the board, who receives the information from the office and goes through all of the responses that the office provide us, so that if there are any questions and or concerns related to these denials, as well as when we're doing approvals that we can source through and find out what the, baseline really is in each instance. So the process hasn't changed. That's been the process that we've been using since we've been, issuing any licenses. And so it is not changing anything. It really is still just passing along the information to the board, having a preliminary determination, which is actually what we're approving in all of our resolutions.

Speaker 4 Doesn't the statute require a period of time after the office provides the initial, determine the initial determination to the chair that that that the board has a period of time to, object and ask for further action on the initial determination presented by the office to the chair.

Speaker 1 Yes, I think it's 14 days.

Speaker 4 I don't recall. And, Madam Chair, if you've made an initial determination on these things, I don't recall having 14 days to review that initial determination.

Speaker 1 I think that you're highlighting what's been one of our sore points since we've begun operations here. The office has not delivered information to us in, advance so that we could have a 14 day period. And ever since we've been in operations, this board has sort of waived that 14 day period. So and just relied on the preliminary determination. However, that is well within the powers of this board to make a determination that they need further information or that they have questions and they can vote against this resolution or any resolution that is based upon a chairpersons, preliminary determination and request additional information. And that is what has been in all of the resolutions that we have passed since our inception. So we definitely have that power. It is really just been an issue of timing and scheduling. And so in in, I guess it's been I'm going to say in the haste to push forward the work when we get things a week in one week in advance for review and determination, no one has opted to say, let's have an additional 14 days. However, the power remains in the hands of the board and you have. We are well within our rights if that's what we choose to do.

Speaker 4 Yeah, I don't want to belabor this, but I want to make clear that I was fine with grants reviewed and recommended by the board, have an expedited process, but I take very serious issue with the suggestion that that extends to board members, including those who represent the legislative interest. Acquiescing to now having this denial process with no advance notice, granting a license. Fine. I'm fine with shortening or, waiving the 14 day review process, but this is a denial process, and I don't find that the office has. I think you alluded to the office part of the hard part, or whatever it is that the office has delayed providing us things. I haven't had any problem with that. What I do have is a problem now that the chair is provided with, items on denial, that apparently you've made a preliminary determination on that I haven't had any significant time to consider. And now I'm being asked, this is about denials, not about everything else. And this is the first time this has happened.

Speaker 1 So, I appreciate that. And I and I am going to say that in this moment, we have all had the same amount of time to review information. I get it along with everybody else on the board. And we have been working under extremely tight time constraints. I will say that a number of the issues that were raised during our discussion regarding these denials was the understanding or the lack of understanding of many of these applicants regarding

what qualified them, under the, conviction or not, or charges, under the marijuana laws as they existed before March 2021, there was a lot of discussion. And that, as you will see from the information provided to us and attached to this resolution, was the cause why most people were unable to meet the eligibility requirements. Additionally, the other part was as identified by our executive director, people who were unable to provide tax returns to prove that their businesses were profitable. Very often the concern was that people I should say that the problem appeared as people submitting individual tax returns that did not provide sufficient information on where the income was coming from or that it was a viable business. Additionally, we had some concerns related to profitability because that was also one of the mandates of the card program. So each of these licensees or applicants who submitted applications, we have created a chart that is attached to this resolution to identify what the cause or the rationale for their denial is. It was discussed. Just with our office this past week. I believe we received this information on Friday, and I've talked with our office at least three times this week about this packet of information, and we've gone through to make sure that it is clear what it is was the standard and what it is that we're saying, what the denial is, particularly in an instance where people have been waiting over a year for a response from us. We just wanted to make sure that this information was clear. So those are the that's the information. And we all have had it for this week. And I'm very sorry that it is. I agree with you. It would be much better if we all had the full two weeks to review information. But considering this moment, the date of our meeting, I know that the office was very concerned at getting this forward before the public, and so we've done our best to make sure that we could accommodate that request.

Speaker 4 Just one last thing. So we're lumping together here denials based on things that are not curable, like someone doesn't have a conviction, for example, with things that may be curable. In other words, they didn't provide adequate tax records to justify the approval. Right. So those are all lumped together in this.

Speaker 1 That the two causes are lumped together here. However, the people that are lacking tax returns or have been unable to cure for over the past 12 months, and therefore, I think the office has come to the conclusion that maybe, I'll allow Chris to speak here, that these people are actually incapable of curing, but I'll pass that off.

Speaker 3 That's correct.

Speaker 4 Are you, executive director? May I just because I want to add this to your answer. So in other words, we're getting all these complaints about how long it's taken to to license when your office has been as the chair stated, your office has been working with people to ask them for records multiple times that they haven't been provided. So some licenses that are taking extended times are not because the office isn't processing them, but the office is asking some of these people who are apparently in this queue for denial, has been asking for records, and they haven't been provided despite multiple efforts. Also, I'm curious about the timing. I understand from, publicly available information and from people who apply for liquor licenses. A liquor licenses typically take at least six months, and some of them where there are issues, take up to a year. So I I'm, I this the information it is is confusing me as to the timing that it takes to get a license when it appears that some of the license grants or delays or denials are due to individuals not providing information they've been requested, among other reasons. But I assume that some licenses we grant are, are at least in line with or shorter than the typical six months or longer periods it takes to get licenses from other New York state. And so if you can comment on that as well.

Speaker 3 Yeah. Board member Perry, I think, I want to echo the chair sentiment. Yes, that's that is correct. That, you know, we do have folks who we've taken a significant amount of time and effort to try to get, to demonstrate either that they have the conviction or they did, in fact, operate the business. In some cases, it was that, you know, they just didn't have the tax documents prepared it. But that was a part of the requirements of the program. And so the so the inability to, to provide that was, something that we did spend a good amount of time trying to, to ask folks to get if they did, attest, to actually operating a business that, then we wanted to push to see what they could do to get the, the required, documentation. But yeah, we have now, I mean, card, moved a bit faster, in terms of the issuance in the beginning. And now and obviously was paused due to the injunction, but now with our current adult use, from the applications from November and December. Yeah. We we've gotten 500 out the door this year. And so, you know, it's a shorter it's a shorter wait time than that. You know, that you express there. I think the one thing I just wanted to add here in terms of, the cure process and what it means, I mean, we have a statutory requirement to give folks time. But, you know, in working with with individuals and applicants, the office, wants to give these licenses out. And so, going through those deficiencies is something that we take very seriously in terms of providing an ample opportunity for folks to provide the required documentation. I just want to glance over that, because, you know, these that these folks who are presented here for denial, the office has gone to great lengths to to ensure that we were ready to make that decision. I will just also add that the reason for, the timing of this coming now is, you know, the settlement, that we had entered into paused us on reviewing or doing anything with the card pool of applicants of remainder, applicant remaining applicants, up until April 1st. And so we're just now in the point where we started to reopen those files, check and see the status of those applications. And, as these and outcomes, we do hope to get us also get some, some approvals as well in coming meetings.

Speaker 4 But, Madam Chair, just one last question, I promise. And I promise you, it's fine, I. Well, so so it sounds like there's been a suggestion that the office has, had some difficulty, processing things, maybe that sometimes I know that has to do with personnel. And I'm wondering if we can understand why hasn't the office made any requests to OGS or the governor's office or who, whoever or additional staff. Why haven't we made an. Any requests for that? Well. Or am I wrong?

Speaker 1 I'm going to. I am going to say that there have been requests for additional staff. There are currently, I think, 12, FTEs, full time employee, openings that have just been posted recently and they are growing their team with, some people on loan from other agencies that are coming on board to assist with this work of processing applications. So requests have been made. They are being answered. And the office is working with the OG, with the team at OGS, as well as the governor's office to get additional resources so that they can process.

Speaker 4 Oh, you're saying that it's not it's not that the office didn't make requests. The office did make requests. They just weren't fulfilled or approved.

Speaker 1 I don't I can't say all of that, but what I am saying is that currently there are. So we have open jobs that had not been posted. They have now currently been posted. We have had we have requests that are trying to be fulfilled. And I believe that the number of employees have also been increased. Of authorized employees have been increased for our office. So I'm saying that it is a work in progress, and that we are trying to make sure that the needs are met and that we are able to process applications in an expedited and efficient manner.

Speaker 4 Sure. This and I'm not trying to make a headline for a news article, just metaphorically speaking. But, but but if the if the if the idea is, is that the office was sitting there not asking for additional staff at any time, and all of a sudden somebody's saying that we need to ask for additional staff. It sounds like that's not accurate. It sounds like the office has asked for.

Speaker 1 I'm going to say, Adam, I don't know. And at this moment, I don't think we have the information in front of us to say who asked whom. I think that we may be able to go back and have the office contact you directly. To give you an update on what request they may have made. But I don't think at this moment that this is the space or that they're prepared to give a report on what their communications have been with, the governor's office or with OGS at this time. So I am going to say that we are currently in a space where we know that we have done.

Speaker 4 Any commentary we can that is accurate about the historical facts, and it's accurate about the historical facts. And, you know, if there's anybody who's going to be making any commentary, reporting on this, that, like every other public authority, was having external review, the agency is provided with a draft. I've served on public authorities for now, more than two decades, and I counsel many of them. And every single time an outside reviewer does a report, the New York State control of what had to be some federal agencies, they provide a draft report so that the office can say, hey, there's there's some facts that should be added to this or there's an error. And I think everybody, everybody knows that who has served on a public authority. And so I would I would like to see that to address those things. Yeah. The other thing is that, as a business litigator for 30 years and as a public authority board member for 20 years as a lawyer for those authorities, and understanding the tide and type of litigation over entities in New York, I have never seen the volume and breadth and type of lawsuits that the office has faced in this short period. And I would like to have any report on anything about what's going on to have a substantive. Discussion by someone qualified to do so. About how that litigation has impacted the process. And I don't think that any discussion that we have, including the resolution that's before us, I'm trying to confine my comments to this as much as possible. I, I would like to have a honest, fair, balanced and accurate, but most of all helpful commentary. That includes all of the key salient facts. And this tidal wave of litigation is certainly one of them, and it can't be ignored in my.

Speaker 1 I appreciate that, and I think that if we are in an opportunity where we're going to have one of those reports, that these are key components at this time, this off, I'm going to say the board has not been presented with any report. And with regards to the, I'm going to say, the audit and oversight that is recently been conducted of our office, we have requested, or at least I have requested, that our board receive an update on their findings, and as soon as that is available, we will be assembled so that we can get that update. And I think that these are great points that we can bring up at that meeting.

Speaker 4 Think I just it's just a semantic point that I feel I need to make because because I, I think it's important that people understand. The Office of Cannabis Management is akin to an executive department, of New York State. Some people who talk to me say, you know, seem to think that the board is responsible for all these things. We're a separate control board that receives recommendations and as has other statutory powers, but we're not responsible for running the office. And so I just want I just want people to make to be clear on that. And I and I agree, Madam Chair, you said audit. Well, every single audit I've ever seen has been provided to the target department, including New York State

departments, New York State public authorities in advance so that there can be a dialogue between the reviewers and the review or the auditors and and the people that are auditing so that facts can be pointed out here. I assure you, at the at the MTA in New York and here at the NFTA in western New York, I have never in 17 years seen a report by the New York State Comptroller. That's time to Napoleon before, where my staff did not point out to the auditors, hey, there is a mistake here, or this information may be misleading. Or perhaps you're unaware of that. It's a very appropriate professional and universal process. And in almost every case, the auditors take some or all because we're very prudent about what we want to point out. Your take some or all of our factual corrections and recommendations and update the audit. So I just don't understand why anything that's going to touch on any of these things. What have you provided separately to Madam Chair and the board for the board to make its determination, and then separately to the office for the office to make its determination, recommendations and suggestions and. That's all.

Speaker 1 Thank you. And it is well received. And Jessica, please. Here you have.

Speaker 2 The. Sorry. Just to bring us back to the resolution. I, I actually do have a question. I'm not sure if it's. I think it might be for Chris. I appreciate you going through, the chairing or a bit of the curing process. And, acknowledging how much time that the staff spends on that. But I'm, I've been a little unclear about the notification to folks, particularly this group of denials. Have they already received notification? Are you are we are they waiting for this board meeting to happen? And therefore, the first time they might have seen their name on is is on the notice for this meeting like I. Can you walk me through how folks hear about what what we're moving for them and at what point they hear from you versus the board about what actions we're taking with their license application.

Speaker 3 No problem. Board member Garcia. So, during the review of the card, applications and as their review was, was concluding, we had communicated repeatedly to licensees that they had failed to meet eligibility for the program. And so the communication that they had most recently received, though it might have been last year, was, that they failed to meet eligibility for the program. This is their first time seeing their name on a board, meeting agenda. But they have received notifications multiple times that they failed to meet eligibility for the program. So this is not the first time they're hearing this.

Speaker 1 Any additional questions comments from the board members. Okay. Hearing none, I will call for a vote. Doctor. Gilbert Jenkins.

Speaker 2 Aye.

Speaker 1 Mr.. Perry.

Speaker 4 I abstain on this item.

Speaker 1 Miss Knight. I. miss Garcia. I and I vote in the affirmative. The motion to approve resolution number 2024-70. Consideration of adult use cannabis license denials. Carries. Next May I have a motion to table resolution number 2024-71. Consideration to deny certain adult use license.

Speaker 2 So moved.

Speaker 1 May I have a second?

Speaker 4 Second.

Speaker 1 Any questions? Comments from the, board.

Speaker 2 I think this motion is a very good example of the type of action that we can take when we see a denial that we want more information about. And so while that first group were ones that we weren't highlighted, didn't, pop up that we wanted more information about, we were able to say, no, we want more information about this.

Speaker 1 Yeah. And the reason that we're asking for it to be tables that we would like for the office to further considered a process involved in, the management of this particular case. We would like to have more conversation. So is there any other questions or comments? From the board hearing. None. I'll call for the vote. Doctor Gilbert Jenkins, I. Mr. Perry.

Speaker 4 I'm abstaining on this item.

Speaker 1 Thank you, Miss Knight. I. Miss Garcia.

Speaker 2 Sorry, I.

Speaker 1 And I vote in the affirmative. The motion to table resolution number 2024- 71 consideration to deny certain adult use license carries. For our next order of business. May I please have a motion to consider? Resolution number 2024-72, consideration of emergency enforcement Regulations.

Speaker 3 So moved.

Speaker 4 Second.

Speaker 1 Thank you. I'll now ask our executive director to please provide a brief overview of this proposed resolution. Thanks.

Speaker 3 Thank you. Chair. Right. We have our another update, to our relations hearings and enforcement regulations. We, just kind of a standing agenda item. But it's important that we continue to update the regulations that, define and guide how we carry out our enforcement actions. These emergency regulations withdraw the current emergency regs that are in place and replace them with this updated version, which includes provisions related to the additional enforcement powers the office obtained as a result of the budget legislation. We were able to present, the changes from the budget, I believe, last board meeting, but the regs here, it's a couple of key things that I just want to highlight. Here, the one thing that I believe is most important is really just the, broad an authority that we now have to issue, padlocks and seal orders, for, these, illicit shops, as well as the hearing process that follows. And so this, the updated package really spells out a process by which we can maintain public health and safety in an expedited way, but also that folks who are, having a list of shops padlocked have a way to, go through our administrative hearing process and make their case.

Speaker 1 Thank you. Are there any questions, discussion or comments from any board members? Okay. So I just want to be clear with everybody here. Chris, if you can just clarify this, this means that we are removing the previously the April 11th draft. And what

we will be approving is this current draft that includes the changes that I believe were passed on April 10th or 15th.

Speaker 3 No, no, this is a new updated copy. Updated regularly. These are will go into effect as on an emergency basis. And so if adopted now though cooperates the date incorporated changes.

Speaker 1 Yes. That's why.

Speaker 2 I'm sorry. Clarify the record. Okay.

Speaker 4 I have a question that.

Speaker 2 Would you like to go ahead and or have me explain the process first?

Speaker 4 Explain then question.

Speaker 2 Got it. Thank you. So, the SAP process requires the filing of a complete, notice of proposed rulemaking. Along with that notice of proposed rulemaking, we will be filing emergency regulations so that those regulations can go into effect immediately. Those two processes work in tandem. And while, during the notice of proposed process, the public will get an opportunity to comment. And then at the end of that process, final regulations will be presented to the board for adoption. And the reason why we are replacing the package is to afford the public an opportunity to review all of the changes, including those that were adopted by the board last month. So we're replacing last month's notice of proposed with a new notice of proposed. And to restart the process. I just.

Speaker 1 Thank you. Thank you for the question. Okay. Any additional comments, Mr. Perry?

Speaker 4 Sure. So just a couple of things. I understand the state tax and the state liquor authority had, hundreds of, licensed, sworn, personnel to do enforcement activities that I mean, that's just my general knowledge. And I think, how many do we have at OCM to address, illegal operations comparatively to SLA and state tax?

Speaker 3 State taxes? Hundreds. SLA has less. We are still, building our enforcement team. We're still under.

Speaker 4 How many?

Speaker 3 We're under 30. We're hiring, but we're still under 30.

Speaker 4 We're under 30 as of last year and the year before, we, we've had a lot less. Have we not?

Speaker 3 Yeah, 12 to 15.

Speaker 4 Instigated that. There was a time when we had, you know, 5 or 10.

Speaker 3 That's correct.

Speaker 4 Okay. And. So I'm just struggling. I saw someone commenting that, our enforcement efforts, or lack thereof, may have had some impact on the number of illegal stores. I just don't know how we do that with ten people for a statewide problem, including in New York City. So that was confusing to me. But also, just as a matter of projecting the number of licenses relative to the number of illegal stores that are, operating or had been operating. Is it true that if we had issued 2 or 3 times the licenses, or exceeded some of the comparison states that don't have equity like New York does, that that would have eliminated the illegal shop problem. So, so so it seems like somebody's saying that it's a fact that if we would have issued instead of 200 licenses, 400 licenses, the illegal shop problem would have disappeared. Is that a fact?

Speaker 3 No, no.

Speaker 4 Okay. I don't know why anybody saying that, but but it just it's baffling to me that there would be a suggestion that flooding the market with licenses would all of a sudden cause it sounds like the the illegal store issue is an issue of state legislation and outside executive action. Not not that. Instead of issuing 122 or 242 retail licenses, if we would have issued double that, it would have had an impact. I don't know how anybody can make that statement as a matter of logical fact, and I'm confused by that. So I'm really looking for you to help me because I just don't understand.

Speaker 2 I don't I don't know if anyone is making that statement. Adam. I think that, in tandem with closing down shops, we need to open up more legal shops so that we are replacing the illicit product that people are currently buying in bulk with legal, tested, safe product. And so I think it's incredibly important that we take into account the number of illicit shops when we're looking at the number of, legal dispensaries that we are trying to open, because the more of these illegal shops that we can close, the more that we support the legal market. I think that's the argument that is being made.

Speaker 4 I got it. I just I just always concern when I see people who don't have, a history and cannabis as you do. And I've seen something suggesting that if we would have issued more licenses faster, that would have had it here with a pause and in fact, no controls, no scientific study, no evidence that that would have substantially reduced the number of illegal shops. I would like to see some proof that, a scientific or academic reviewer, would look at and say, yes, that's true. I don't see any proof of it. And I want to compound that and combine that with the fact that from the beginning, we only had a very small enforcement staff, and we still have a small enforcement staff compared to New York state agencies charged with going in and closing down places. State tax does a lot of enforcement and stops businesses from selling things without collecting sales tax and so forth. And the state Liquor Authority has a number of personnel and so forth, and we have very little. So what I see is those two criticisms and then the if this, then that, and I don't see any evidence. I do agree that there needs to be an effort, if all things being equal, if we existed in a vacuum and we didn't have a tidal wave of lawsuits, requests for personnel that weren't being acted on quickly and a whole bunch of other things, and a statute that requires equity, like many of the others don't. We didn't have any of those issues. I still don't know if that would have had an impact on the illegal stores. And right now, today, it seems that the legislature needed to have. We're not the legislature. Cannabis Control Board is not the legislature. The Office of Cannabis Management is not the legislature. It seems that the legislature needed to act much sooner, and that we needed to pass regulations after that to support that, which is what we're doing now. But I don't see how that's the fault of the office or the board for that matter, in this alleged proliferation of, or the actual, number of illicit shops. I just don't see any evidence. Two things are connected,

and I'd like something to prove that to me in a way that can withstand peer review in a scientific manner. That's.

Speaker 1 Thank you. Thank you. Are there any other questions and comments from the board?

Speaker 2 I'm just very happy to move these along and start seeing more enforcement, throughout the state. I know we've done a lot of focusing on the city because there is lots of illicit shops in the city. But, I am very much looking forward to seeing this enforcement across the state.

Speaker 4 May I ask, are our 30 agents going to do all the enforcement? So so this is so now we're required with our 30 agents do enforcement across the state. And you know there's like I don't know, 30,000 police officers and the NYPD, our 30 officers go to enforce all this.

Speaker 3 They've been our team is, small but mighty. They've been running around the state, all 15 of them, doing all that they can to seize, illicit products. They'll continue that work. I think the goal is to build some, some more partnerships so we can get some support in that. And, you know, I think part of the provisions that, our team was able to ensure was included in the legislation was, a way to pull in local officials to support. So we'll we'll still be leading.

Speaker 1 Let me just ask. I won't be creating a task force as one of the terms of the new legislation.

Speaker 3 That's not a term of the legislation.

Speaker 1 Is it? Not part of the. Okay. Because, as I say, I thought we were pulling together it I'm referring to it as a task force, but it's a partnership with tax. The sheriff's department, local police departments and OCM. I was under the.

Speaker 2 So that was, thank you, chair. That was the some of the partnership that, Chris Alexander referred to. The legislation itself provided the authorization to the Office of Cannabis Management to seal unlicensed businesses. Upon inspection, if those businesses met a certain criteria, such as selling cannabis products that were not from New York State or tested in New York State, sales to minors, proximity to churches or schools and other types.

Speaker 1 So under their no alignment and no agreement that we're going to be working in partnership with these other agencies.

Speaker 2 If I could just continue.

Speaker 1 Okay.

Speaker 2 The legislation did quite a bit. Okay. And I was the first step was to create this authority for the Office of Cannabis Management. The second step was to, authorize local governments to adopt their own laws, implementing very similar legislation for themselves so that they could, specifically with regard to unlicensed entities, also conduct parallel, local enforcement efforts to close those unlicensed businesses. And so, together, across the state, we hope that by multiplying the forces in addition, the task force that you're

referring to is a, an effort that the governor has spoken about and that is currently under development. So we've seen, for example, New York City begin initially because the legislation granted New York City immediately the authority to bring in the local enforcement efforts. So that's a great example of how other local governments can do the same. Counties and cities are authorized to do this. In addition, OCM plans to, put in place full force multipliers to expand its enforcement efforts to cover all areas of the state, New York City included, so it will make a significant impact. Once that effort gets rolling.

Speaker 1 Thank you.

Speaker 4 I have to ask, it sounds like this is another, basis to create criticism down the road where there is an expectation that with this legislation and third 30 or less, personnel for a statewide effort. I mean, there are small towns in Erie County who have police forces larger than 30 for, you know, a few square miles. But it sounds like where we have this new legislation, we have these regulations. OCM do it. And if the number of shops don't decrease to someone's arbitrarily set, reduction point, that it's going to be the grounds for more criticism, where I would like to see are the provisions for us having, say, 100 more or two. More sworn personnel with police powers to implement these things. Where is that? And 200 is probably not enough. State tax says 400. Maybe. We don't have the same issues and extent of activity as the DTF, but you know, some reasonable subset of that seems to be what we would need if we're going to be charged with doing something and then criticized for not doing it because we weren't given the adequate allocation of personnel.

Speaker 2 Chair, if I may, I, I don't want to respond directly to, board Member Perry's comment, but I did want to mention another aspect of the legislation that's very important, and that we should state on the record and mention that, there will be additional information posted on the OCM website so that everybody can, have an opportunity to learn and understand what the new legislation, the impact of the new legislation and how it will be implemented. In addition to those, provisions that I explained previously. There are new provisions that increase penalties against landlords because that is also a source of the problem. If landlords did not rent to unlicensed businesses, and it's very easy to check if a business is licensed or not, we have a list of unlicensed businesses on our website. If they did check and did not rent to businesses or brought hold over proceedings to evict unlicensed businesses, we would not be in this situation. And so the legislature recognized that they need to be held accountable as well. And there are provisions under the real Property Actions and Proceedings law, with enhanced penalties going forward for landlords who do not take action when they're notified of the unlicensed activities.

Speaker 1 So so I just want while you're there, can you just also amplify. I believe the provision says that they the fines can run as much as five times the rent. Is that correct? Or some multiplier times the rent that they're charging that any illicit shop.

Speaker 2 Exactly. And that amount, runs from the date that the notices provided to the landlord. And we intend to notify every single landlord every time we, inspect and determine that a business is selling unlicensed cannabis without a license. That's the penalty outside New York City. Inside New York City, it's a flat \$50,000. Okay. And I think there's there's an opportunity here for, collaboration with local law enforcement. And I would like to see, the office moving forward. Try and do some education with towns and municipalities of how they can be our partner. Because I know speaking with local law enforcement in my region, you know, they feel like their hands are tied and there's nothing

they can do. And now with this new legislation, there is something they can do. And so, I think there's education needed to let people know things have changed.

Speaker 3 Yeah, we have taken significant efforts to to do that education and to build that partnership. And of course, you know, I've said it multiple times, and I will continue to say it does still remain a felony to sell to an underage person or remains a felony to sell over a certain limit that remains a felony to sell or possess over a certain limit. And so, you know, we have in this, transition, post prohibition, continue to remind law enforcement that, despite legalization, we didn't legalize, in a way that did not remain or keeping in place certain controls that existed before, you know, 95% of arrests, pre legalization were small, individualize, possession or sale, offenses. And so the larger scale operations and felonies remain on the books and they have not changed. Since legalization. So we do that education. We've done, trainings just, you know, a couple of months ago here in Albany, we've done, hosted, you know, municipal and county, lawyers for their role in the process. We've done that, and we'll continue to do that.

Speaker 4 I'd like to ask, so I, I just want to be clear. So giving creating new notices that need to be given to landlords and then following up on every single one of those notices and then following escalating notices and then taking third level enforcement actions. That all takes additional personnel time. And, so I understand that the office just can't go out and hire whoever it wants to has to get an approval. Is that correct from OGS or from the governor's office or somebody? So so are we are we being guaranteed now that we're saying, well, we have all these tools, are we being guaranteed that we will have? Workers to use the tools. Are we just creating a bunch of tools with no way to actually work on them? And as far as local law enforcement. I've already asked our Chief of enforcement and our Western New York person, in conjunction with the Erie County Law Enforcement Association and the Western New York Law Association, if we could present to those entities. I've connected the mayor of Niagara Falls, Mayor Robert Steiner, and Mayor of Buffalo, Byron Brown, with our enforcement people. But but it seems to me that we still have a situation where we've got a whole bunch of theories and a whole bunch of tools in the toolbox, but we don't I don't still don't see how we have a, a flood of additional personnel to use these tools up. I don't believe, based on what I know about the office, that our 30 enforcement personnel are sitting there doing nothing. They're busy. So now we're saying we have all this other stuff to do. And how are they supposed to do what they have now and then use all these additional tools without a significant additional staff?

Speaker 2 I can answer that. So we have reached out to other agencies to supplement our staff, because we recognize that this is an extremely important endeavor, and we cannot wait until we are provided with additional staffing resources. So we are taking a number of measures to complement our existing staff so that we're able to conduct all of these activities, and that's required.

Speaker 1 May I also ask? And the nuisance provisions are really designed to be managed by local enforcement agents, aren't they. Not by okay. So the actions against landlords, the fines against landlords. Isn't that really going to be managed by the local mob actually.

Speaker 2 Thank you for asking that question. Because the real actions and proceedings law, it is a law that can be used it in the law. It's written in that local governments can bring those actions. And actually that is something that we do plan to reach out to local governments on because they can piggyback off our notices, they can provide their own notices, and they can write in order to bring those actions themselves. And, they will be

able to bring those actions and collect those penalties for the local government. And so, I'm glad you gave me the opportunity to also plug that as well. That's another way that local governments can participate in, solving this problem. Thank you.

Speaker 1 So are there any other.

Speaker 4 I just I, I my my last comment not to belabor this is that I'm very concerned that this is a big problem. Clearly that I have worked very closely with enforcement staff, with local prison inspections, people here in Western New York with local police departments very closely here in western New York to help to address this problem as aggressively as possible, and have also assisted cities in questions they had about drafting very aggressive permits and inspections, provisions and so on. But what I don't want to repeat is a situation where we passed a bill, we passed some regulations, were given no additional resources, and a few months down the road, it's well, the OCM isn't doing anything when the fact is, is that it's a matter of actually having personnel assigned and resources assigned to get the job done. It's not like people are sitting there not answering the phones. You have 30 people to do 7000 transactions and OCM just can't hire whoever it wants. I assume the executive director would just hire hundreds of employees if he didn't have any other constraints, but who knows? That's all I am.

Speaker 1 Thank you. This is an ongoing conversation, and we will continue to bring updates to you all, so that we can stay abreast of what the progress is in our organization as well as through our collaborations with other, state agencies and local municipalities. But hearing no other questions, I will call for the vote. Doctor Gilbert Jenkins.

Speaker 2 I.

Speaker 1 Mr. Perry, I. Miss Knight, I. Miss Garcia. I and I vote in the affirmative as well. The motion to approve resolution number 2024-72, consideration of emergency enforcement regulations. Carries. Our next order of business. Let's see. May I please have a motion to consider resolution number 2024-73, consideration of Card provisional license extension.

Speaker 2 So moved.

Speaker 1 So may I count yours as a second? Mr. Perry?

Speaker 4 Yes, ma'am.

Speaker 1 All right. I will now ask, our executive director, please provide a brief overview of this provision. I'm sorry for this resolution.

Speaker 3 Thank you, Madam Chair. And this, resolution is in line with the previous item related to the CARD program. The CARD program requires that all card licensees. And this is true for other provision licensees commence operations within, no later than 12 months from the date the license is issued. Unless otherwise determined, by the board. Due to litigation, obviously we had a pretty significant hold up of the card program, and folks were unable to move or make commitments. We, have put in front of the board this extension of that provisional license period. To just give an opportunity for those folks to make up the last time. We do know that the the field has changed as there are a lot more licensees out also looking for viable locations. And so this would also this resolution would also remove the geographical restrictions on the card, provisional licenses, many of whom

are now, confined to a space, whereas other folks who are being proposing license are not. The initial intent was to provide some geographic distribution. We're no longer in that place where that was the only, licensing program operational. And so, there's no longer need for that, restriction. This will allow card folks to move around in other locations that are viable, other locations that might need dispensaries. And to have some more time to do that.

Speaker 1 Thank you. Thank you. Any comments? Concerns from the board? Hearing none. I will call for a vote. Doctor. Gilbert Jenkins. Mr. Perry. I. Miss Knight. I. Miss Garcia. I and I vote in the affirmative as well. The resolution. I'm sorry. The motion to approve resolution number 2024-23, consideration of card provisional license extension carries. May I please have a motion for our next order of business? May I please have a motion to consider resolution number 2024-74 consideration of registered organization dispensing facility, requests. So moved. May I have a so I moved and we have a second. If you don't mind, I'm going to count yours as the second. And please, Miss Alexander, if you can, please provide a brief overview of this resolution as well.

Speaker 3 Absolutely. Madam chair, the our existing registered organizations, all, currently have or are able to have, additional, five and six dispensaries, are able to expand their current dispensary account to fifth and sixth dispensary locations, provided that those locations are in unserved, underserved areas of the state, i.e., no, access to medical cannabis. And so we have, two of our, our roads, identifying locations, where they would like to open up additional medical dispensaries. I think proposed rise dispensary would be in Syracuse. And then, sorry, I can't see the additional location, but, fifth and six locations, for our who are interested in expanding, access to medical cannabis, I just want to highlight two and I'll talk about this later. And we talked about this is the Cab meeting, the work that's being done by the office, to expand access to medical cannabis in the state. Investments, that, you know, have not been made since the inception of the program. So really proud to be able to, to make those investments and also allow for an expansion of the medical program.

Speaker 1 Thank you Chris. Are there any comments or questions or concerns from the board members?

Speaker 2 So I just want to clarify that the two, Curaleaf and the good flower are medical only. But the rise.

Speaker 3 Is is Co located. That's correct.

Speaker 2 Okay. Yes.

Speaker 1 Okay. If there are no other questions or comments, I'll call for the vote. Doctor Gilbert Jenkins. I, Mr. Perry. I. Miss Knight. I. miss Garcia. I and I vote in the affirmative as well. Resolution number 2024-74. Consideration of registered organizations dispensing facility requests carries. Now, our next order of business. May I please have a motion to consider resolution number 2024. Dash 75 Supplemental Policy Guidance for the Review of Adult Use Applications from the October 23rd. I'm sorry, the October 2023 application window.

Speaker 2 So moved.

Speaker 1 I have a second.

Speaker 2 Second.

Speaker 1 And I'll ask our executive director. Please provide a brief overview of this proposal.

Speaker 3 Thank you, Madam Chair. This, resolution refers to a an update, or a shift, to the review and consideration of applicants, from the most recent application window. This guidance will expand upon the adult use application, I think was originally released with the opening of the application window. And in broad strokes, the guidance details the following. The office will review all applications in the November queue. The office will prioritize the review of the November queue. Before issuing and reviewing licenses for retail and micro business for the December queue. That does not count the cultivation licenses. The guidance clarifies reasons why a retail applicant will be eligible to receive a provisional license. So I if a location doesn't work or is in conflict with another location, an applicant will be given a provisional license to go out and find a location. The board will provide an update on the license targets for applications in the December queue. Based on updated information from supply and demand analysis in the supply chain.

Speaker 1 Thank you Chris. Is there any question, comments or discussion from board members?

Speaker 2 Thank you for this. I think this is really necessary.

Speaker 1 Yeah. I'm going to say I'm really pleased with this. I'm really happy to see that we're making things really clear for our applicants, so that they can know and understand what our processes are, so that they can get a better understanding of what the time frames might be in planning their businesses. The reassurance that we are reviewing all of the applications, that it is clear that while we do target a flourishing, full, robust marketplace, we do not actually have numbers or limits on the number of licenses. And so it is an opportunity moment for everyone to participate. And I think that that's a very important point for us as we're moving forward, so that we know that your efforts are being paid attention to and that we are working aligned, that we are aligned with you to make sure that this is going to be efficient. So thank you very much.

Speaker 4 I have a question.

Speaker 1 Yes, Mr. Perry.

Speaker 4 Oh, so you were saying that there's not any limit in New York on the number of licenses, so we could have thousands and thousands and thousands of licenses, and we're not going to limit the number in any way. So there's so there could be a flood of, of retail stores in any given area for anybody who wants a license will get one, which will limit the licenses in any way.

Speaker 1 That's not what I said, but I, I understand how someone could make that leap. And so I want to be very clear that but this policy says, is that our board retains the power to assess what is going on in the marketplace and to issue licenses as we deem appropriate, as whatever the sitting board is looking at at that moment in time, whatever the marketplace demands, if we are stronger or we need more, or if we've determined that there are some weaknesses in our system that we need to address, we have the power and the authority to address it in real time, and that we are not beholden to any fixed

number at this moment, because we are also very early in the development of our marketplace. So that's what this reflects. It reflects an openness and a to say that we are going to be flexible and that we will continue to move according to what the demands are. If it means increasing the number of growers or processors or distribution licenses, if it means that we're looking at the number of dispensaries, if we've realized that we have oversaturation and consumption spaces, or that we might really need to be able to provide some in regions where there's not enough access that we have that power and the authority. So that's what this says. And it says that there are no fixed number targets, but that we have goals and that those goals mean a robust, efficient marketplace. So I think that that's the direction that we're trying to move in and that we don't want to be beholden to anything else other than a good, strong market.

Speaker 4 Okay. So those goals that you're talking about or not numeric goals, those are general, somewhat subjective goals, determinations that we'll make as we look at the market over time. We're not setting numbers or or specific numeric proportions. Is that right?

Speaker 1 Yes. At this time we are not setting numeric, goals. We are definitely just looking at the aspirational goal of a healthy marketplace.

Speaker 4 Understood. I understand that that some states, and I believe this is the case in Missouri, set a statutory limit of 200 licenses statewide and then allow each licensee to open a number of stores. And, therefore, they have a very clear, predictable economic value. People are investing in buying license licenses. Have an idea, what the market conditions are and how to evaluate, a license and how to evaluate whether to enter the market. And so there is some level of control. It sounds like in the situation that we have, I don't know what is there any mechanism to prevent just an unlimited number of stores opening up and clustering in an area across the street from each other to have dozens of stores?

Speaker 1 And yes, that power, it sits with this board and it is definitely up to this board to make sure that if we deem that a problem, that we do not license them in that manner or to place them there, because that's what the power of our lives, that's what our licensing authority grants us, so that if this board deems that there is too much concentration in a particular area and that we do not want to issue additional licenses, we still retain that. Power. So we are not limited to just give out licenses without regard for what market conditions are or what community demands might be. We have the ability to listen to communities as well as to determine what the marketplace should look like.

Speaker 2 And I'd like to add that also, there are proximity rules, and with all of the illicit shops, there are no proximity rules and they're all on top of each other. And so the goal is to close those shops and replace them with legal shops that are better spread out, can better maintain the market. I think that it's all a step by step process, and that we have to continually be evaluating as we go. And so there's no reason to set a fixed number now because that is going to continue to change. And why should we have to keep saying, well, now the number is this. Oh wait. No, no, no. Now the number is this. Instead of saying based on the conditions that we're in right now, this is what we're doing.

Speaker 1 And also I know you mentioned, but the market value is of a license. We're looking at, I'm going to say a unique marketplace here in New York State where we are dominated by really small businesses that have not, others that have not really been evaluated because they don't have a history of business yet. And so we don't know what

their real valuation is. We see stores in, say, California that are currently for sale, and I'm just talking about dispensaries that gross over 10 million, that profit that have profits of 2 million, that are for sale for 5 million currently. But down the road and in the next town over someone that has 3 million in sales is actually for sale for \$7 million versus the \$2 million profit. So valuations are going to change. It's going to be about locations and experience and a whole bunch of other things. And so I don't think that we have to be worried about setting the market value of a license at this time. I think that we really have to be focused on what this opportunity and the development of our market look like at this moment. And I think that the flexibility that we are giving ourselves by not tying ourselves or tethering ourselves to specific numbers gives us a lot of leeway and ability to respond, in real time to things that pop up.

Speaker 4 Yeah, I just I just want to say that, Professor Gilbert Jenkins, it sounds like The Office, through its practice of reviewing and making determinations on licenses and applying these proximity rules and other rules, is doing exactly what you're saying. So I'm glad the office is doing that. I don't believe the goals are great. Goals are great. Statutes are great. Laws are great. They provide tools to police officers and they talk to them all the time. But I don't see how this job gets done with 30 law enforcement officers that we have. And then maybe making some coalitions or some partnerships or some, you know, nebulous kind of arrangements that we have. I'm very concerned that we that we say we passed a law, we passed regulations, but we don't have the tools to turn that that aspiration into a reality. And I also am concerned that there are some people out there who might not be concerned about protecting the market, so that it makes sense so that we don't have clusters of spores. Maybe they would just like people to go out and Google life and take their chances on the main streets in a rough world, but I think that the office has an obligation and has, and I think with this board has applied reasonable limitations, although they may not seem logical to people who don't have cannabis experience. That's what I think we have been doing under very difficult circumstances. But that's all I have. I don't have anything else before we vote on this particular resolution.

Speaker 1 Thank you. Are there any other comments from the board? Hearing none. I will call for the vote. Doctor Gilbert Jenkins, I, Mr. Perry. I. Miss Knight. I. miss Garcia. I and I vote in the affirmative as well. The motion to approve resolution number 2024-75. Consideration of supplemental policy guidance for the review of adult use applications from the October 2023 application window carries. And that concludes the resolutions before the board today. And now I'll invite, our executive director to please provide an executive directors report.

Speaker 3 Thank you, Madam Chair. I will start with enforcement as it's been in discussion today. We did highlight a bit, and thank you, Linda. For going through the, the powers that were added through the enacted budget. Not much more to highlight here. I do want to, come back and make mention of, proposal, generated from the office of, of a task force, to, pull some additional resources, knowing that resources remain a concern here. The only thing I want to jump in now, additionally, from that on, the expanded enforcement powers is just the continued role of the public in the process, both on reporting incidents, identifying illicit shops, etc.. In order for members of the public to support this effort, we encourage, reporting a flagging of illicit shops. On the front page of the CMS website and the bottom of every page is the reporting incident button, which allows us to to keep track of these shops, as there has been, as I said, a proliferation. We also, you know, always keep track of adverse health events and remain that's, you know, my number one concern with the shops is the potential, you know, adverse events that could come from consumption of product that hasn't been tested or, that in many cases, failed testing in

other states and is now being shipped over here. So we want to make sure that we're keeping track of that and we're able to deal with those issues. And, of course, closed down, as many of the illicit shops as possible. Once that report comes in, we will, you know, pull in, that information and, investigate and, and, hopefully get that shop closed as quickly as possible. Shifting to some other issues that were covered in the budget. Tax issues, the high potency tax on cannabis has been repealed and replaced. I know folks are excited about that. There's now a 9% wholesale tax. Will use cannabis products, which brings the total rate down to about 13% with the 4% local. Pricing should remain the same, but, this is definitely a cleaner way to approach the tax collection process. The medical, excise tax has been reduced. Not removed, but reduced from 7 to 3.15%. And so there will be continue evaluation of, of taxes related to the program and just the overall evaluation of the cost of product as we continue to move forward. Just quickly on licensing. We have continue to make progress on licensing 139 final card licenses issued. As a significant, you know, those, not all of those are open. I think we're about one set, 122, 122 open dispensaries in the state. Significant increase from the start of the year. And again, the progress that has been made, in getting these dispensaries open, cannot be understated. But we do have a lot more to go. We have, 350 provisionally approved retail dispensaries. These are locations, that, are in process of getting set up. And as they continue to work through that process with our office, hopefully get to final licensure and open for business soon. 91 Microbusinesses, are operational now or not operational, are approved and hopefully soon operational. 90 of our cultivators have transitioned, into, permanent licenses for licenses from the conditional, licenses that they had includes 51 processes as well. So we're making progress on licensing. Just, you know, to notes, obviously that ACC and ACP are transitioning, from conditional to non conditional or final licenses. And then our provisional number includes both card and a retail. Next slide. You know, New York is continuing to build an equitable market with fair treatment, access to opportunity and advancement of our equity goals. We're proud to be building a market that represents real New Yorkers. And thrilled to announce at this time, 60% of all adult use licenses, given in 2024, owned by social and economic equity applicants. We remain very focused on this metric. And, you know, honestly, if, there's a single thing, you know, exceeding that goal, that 50% goal remains, you know, such a central commitment for the office and the training programs, the development, as well as just, you know, getting these license out the door and allows us to to stay there. In today's cohort of licenses, 38% of women owned 40%, minority owned, 11% service stable vets, 6% represent distressed farmers and six from individuals, from communities that have been disproportionately impacted. As we heard earlier, today, the passage of, the resolution related to, the shift in the licensing process. You also continue to review the November queue. We have, gotten up to number eight, 85 in the queue, review order. And so if your application is coming up, please be on the lookout for emails. And outreach from the office to cure any deficiencies that you have. Teepees. Make sure you guys folks have submitted their disclosures as well. Each application, different length of review time will vary from application to application. But your, continued communication is what helps us get through this process. Faster. Before heading to our market update, I'd like to acknowledge last week's announcement from the DOJ, recommending that cannabis be rescheduled as a schedule three controlled substance. We talked about this at Cab last week as well, earlier this week. This is going to be a, timely process, but it's something that our office obviously is very much so, interested in and making sure that, you know, the impact, on our program here is a positive one. Rescheduling does represent a seismic shift in cannabis policy across the country. One that we expect will reduce barriers for operators in the supply chain in terms of accessing capital and conducting research. But of course, we remain committed to, a comprehensive solution like the one that we have here in New York that, acknowledges the impact of prohibition. And so we're looking forward for those conversations to continue.

And, and, are optimistic that as a comprehensive solution, comes out of those discussions. We're actually working on a, some program changes, based on what we know, and the current information available from, the fed at this time. Still a lot of details to be worked out, but we'll be in communication with licensees as soon as we have a better and clear understanding of of what's happening next. Now, I'd like to call up John Key here to, give our market update.

Speaker 5 Thank you very much. Chris, chair. Right. And to our board members, thank you all to for being here today. Maybe I'll actually start, on that point about rescheduling and what it means for the the pace at which the social transformation of cannabis and its place in our society is happening. You know, it is almost hard to imagine how fast, legalization has spread both across the states. And now, there's a real conversation happening at the federal level. It's said the federal reform is going to take a while to institute. But when we think about the seismic change that is happening with cannabis, in the United States right now, there are both symbolic changes and substantive changes, and the announcement of the DEA is on the cusp of formally announcing the recommendation to reschedule cannabis. A scheduled three is an enormously important symbolic step. It's acknowledges that nearly one fifth of Americans are consuming cannabis with some regularity, and acknowledges that over half of Americans have consumed cannabis at least once in their lifetime. And, it recognizes that, for a very long time now, the way in which prohibition has been enforced in most of our jurisdictions has been deeply inequitable. New York, I think, has taken an extraordinarily, strong position in acknowledging, the inequity of cannabis prohibition over much of the past century. That is reflected in the anchoring tenants of the New York's cannabis law. And we hope that as this conversation, continues to happen, nationally at state level, at the national level, that it is done with a clear understanding that the people who consume cannabis are, you know, the people in this room, the very rich diversity of people in our communities. They are our friends, our neighbors, our co-workers and our colleagues. And through that lens, it's vitally important that, the, the framework, both at the state level and at the national level, ensure that the opportunities, to build, a regulated cannabis economy in this country, is done in a way that creates, substantive opportunity, for the very rich diversity of people who, have benefit, who consume and who seek to engage in all of the opportunity that this new industry is going to create. So it's a milestone moment. It is a symbolic one. I don't think we should go out and assume that this is going to happen any time soon. The federal government still has a lot of work to do to get this over the finish line. But a very important, symbolic change. And one which I'm glad that we have the opportunity to acknowledge. So this is the first market update since 420. And showing for 20, which is for those, I hope most people know is, considered the high holiday of cannabis, Christmas and years. And the 4th of July rolled into one. Is is a major event for the industry. And that was reflected in the numbers that we saw coming out of, our April sales numbers. We actually got some additional numbers very late last evening that we've been updating. But. We saw \$41.6 million in sales for the month of April. Was actually the first time that we broke, \$40 million in a given month. We added \$5 million in our sales, and that brings our year to date. So totals through the end of April to 142.5 million. Given that we did 160 million, in all of last year, I use the word velocity, quite a lot last, at our last board meeting. And that velocity continues, year to date. Since the program, began, we have done \$293 million in sales through our storefronts out of ten, 10 million that we did through the cannabis grower showcases. Last year. And officially, we have finally broken the \$300 million mark for the program. So very, very strong signals for where we're going. And worth calling out. The weekly sales from 420, where we saw, a very significant jump when we convened just a month ago. I was excited that we were crossing, \$9 million a week in sales as our threshold. Well, the week of 420, we did \$11.6 million in sales. And the week subsequent,

which, you know, you tend to see a bit of a drawback, in the week after 420, but the week after that, we still saw \$10.5 million in sales. And, based on the more recent data that we have coming in, we're now talking about pretty consistently ten and a half plus moving forward. So incredible reflection of the number of new stores that we're opening of, the number of new consumers who are walking into our stores. And so we continue to say to New Yorkers who are looking to, to, consume cannabis, to, to consume safely, to consume responsibly and to buy legal cannabis. So our 420 sales were 17%, a 17%, increase, week over week. But we saw actually a pretty wide spread, across individual retailers and how much that 420 bump was. And it's interesting because we've had so many stores who opened either in the week before or just two weeks before. 420 a lot of these operators didn't really have the time to build that consumer engagement to get out and get that word out. And so, some stores had had software sales, that week, other stores, which really were focused on building that kind of consumer engagement and who had been in business for longer. So they have that one way. So a significantly higher performance. There's a few stores who saw nearly double their their weekly sales that week. But a reflection of, opportunities, to, to drive consumers into the stores through consumer engagement. And so a quick point on that. We spoke about this at the, Cannabis Advisory board meeting earlier this week. But we are in the process of reviewing, packaging, labeling, marketing and advertising rules. Now that we've had, more than a year of retail data to look at, feedback from our retailers, feedback from, the consumers who were purchased from the market and understand and ability to understand how our rules are implicating the market's performance. We have begun the process of reviewing, and, over the coming months, we'll we'll publish for consideration, some amendments to our, to our PLMA rules. We think that's going to be an important part of continuing to adapt our rules to reflect the realities in the market. And we are bullish to see, these rules, create additional opportunity to, to help consumers make the transition from unregulated market to the legal one. And then just a final point, about the quarter over quarter sales where, we. From. April alone at 41.5, million in sales. We've almost done in a single month what we did in the third in all of the third quarter last year. I don't mean to belabor the point that, things are looking good. But when things are looking good, I think it's worth crowing. So this is part of the reason why we're so keen to get, more doors open, to get more, legal, consumers into stores. Because we know the demand is there, and we just need to make sure that consumers have access across the state. One of the questions we've been asked to look at was the, scale of brand diversity in the market and how that has evolved. So, we, we, began doing a preliminary analysis on this, and we'll drill into this much more next week. But I wanted to to, present a high level view of what we've seen and where we currently sit. So across all of the product types that we have in the market, we currently have 268 brands, in the market. And there's two things that I thought were interesting as we were looking at this data. One is there's a rich number of there's a rich diversity across different product forms. So there are 138 brands that are selling flower, 110. There are selling pre-rolls, 86 that are selling vapes, and 70 or less selling, other product types. All of those categories have seen significant increases in the number of brands. Since we last did this presentation in the fall of last year. But another thing that we observed here is that there's growing specialization amongst the brands who are selling in the market. So most of the brands that we have, so we have 268. Nearly half of them are only serving a single category. So you have 134 brands that are in, only in a single category. You have 96 that are doing 2 or 3 brands, and then you have 32 that are doing three or more brands. I actually think this is a really good reflection of, the market as it builds out. Generally, new entrants will start in a single category build the brand visibility, refine the processes, align with the regulations, figure out how to navigate the market before we expand the expand out. We've certainly seen a lot of brands that started as flower only brands getting into the value added categories. And in those value added categories, my observation is that, you

know, they seem to be paying attention to what's moving and then trying to fill in some of the gaps that that may be underserved. So, some of the novel types of products we're now seeing in the market include dissolvable, dissolvable powders. We've seen quite a number of, of, cannabis companies, our licensees come up with, powders that you can mix in beverages and consume that way that the titrated. We're seeing, aerosol, aerosolized products. So oral sprays, that, that are titrated almost the way that you would use a cannabis and, asthma inhaler. And so these novel product forms reflect, a growing, understanding, a growing level of innovation in the market. People are understanding how to, leverage technology in the space to build these new products. But it's also aligning the, the product development with the market opportunity. Worth remembering we've opened over 100 stores since the injunctions were lifted at the end of last year. And so in that time, as as our producers are seeing more shelf space open up, more types of consumers coming into the space make sense that they're starting to think about ways in which you can engage this consumers with new product forms. So in a next readout, we'll provide a more detailed, walk through the makeup of who is selling what. And, particularly, Madam Chair, you asked for for an analysis on, the, the state of play amongst the registered organizations. But broadly speaking, we've we've seen a really interesting expansion in, product forms, as well as new brands that, through their branding, are creating differentiated positions in the marketplace. And then I wanted to include, as a final point, just a snapshot of the genetic diversity, that we're seeing in the market on the next slide. The. When we last presented this, we said there were over 500, you know, unique strains in the market. We are now at over 800. And again, I think this is a reflection of growers who've now had a year cycle to to innovate the genetics. As we were looking at the data over the last few days, we saw a lot of cross breeds, where two popular genetics were crossbred and introduced into the market as a new variant. And we expect that to continue to, to happen. Two notable points here. One is, there is not a uniform number of genetics being used for a different product form. So there's 468 strains in flower. 347 for pre-rolls and, less than 200 for vapes and concentrates, respectively. Part of the reason for that, part of the reason why you're not seeing the same number of genetics being made available across, across the market is we had a lot of growers who either grew, specific genetics with the intention of using them for value added products or that were never intended to be sold as a smokable flower. They were intended to be, to be, sold as, as vaporizers or intended to be extracted and used in value added products. So that's part of the explanation. But part of the explanation is also that, because of the backlogs that we experienced, due to the injunctions and getting our retail stores open, it meant that there were, several growers who may have intended to have, flower that was intended to be Smokable product Flower Pre-Rolls, who ended up selling it for extraction, as a way to extend its shelf life, as well as ensure that that they could, kind of maximize their return on, on that product, before it expired. So I think we will see, a bit of a drift in the distribution about genetic diversity in the market. And as we get better kind of stability between production and retail and retail sell through. And that's going to happen with the velocity with which we're opening new stores. We're expecting as we get through the rest of the year, that the turnaround between a plant coming out of the ground and it ending up on store shelves, that turnaround time will, reduce substantially. But we do still have quite a lot of biomass inventory that we're going to be working through, over the next few months. And critical to that work and critical to ensuring that our growers, are able to recoup their investments is to get stores open as fast as possible. So, I've been heartened by the discussion about additional resourcing. I think that's going to be critically important to enable that to happen. Two final, quick points, just a slide on the, distribution of our stores statewide. Again, this was another metric that we'd been asked to show. And on the next slide, I think you have a great kind of illustration of. The regions across the state. The number of retail stores we now have in regions across the state. Roughly, we're evenly

split between, downstate and upstate. So, Manhattan, the boroughs, and Long Island versus, has 62. Upstate, we have about 60. And, you know, every state has roughly five, every region in the state has roughly five or more dispensaries, now open. Obviously, this is just the beginning. We're trying to ensure that, you know, folks aren't going to have to travel too far to, to find legal, regulated cannabis. But it has been heartening that, with really very little manipulation from the office, folks have found spaces across the state, and the building out to fill out a map. And we expect to see that continuing to, to as we move forward. As we think about kind of adult use licensing moving forward. It was really interesting to see from our applicant pool that our applicants were roughly split evenly between upstate and downstate. So, that's part of the reason why we aren't leveraging, or trying to direct people to open in one jurisdiction or another. We're trying to weight it in 1 or 1, side or another. So we expect the, the, natural distribution that, accounts for an even balance between upstate and downstate to continue as we get deeper into our adult use licensing. A final point for our retailers as we look out to, to, the rest of the second quarter, going into the second half of the year. We're obviously going to have a very significant number of stores, who are who are going to be looking to get open quickly. And so, I think it's worth just kind of stressing some of the issues that have, impacted how quickly stores have been able to open, particularly as you're getting to the latter stages, of the pre operational inspection. The props inspection is the last kind of final step before you are given the green light from the office to open your doors, but it is a critical step. And so, in order to ensure that that, when we show up at your, at your door is ready for this and ready to do this inspection, or in the instances where we might be doing these virtually in order to ensure that you don't end up having issues that could have been resolved beforehand. Just wanted to flag a few issues that we found that have impacted folks ability to open, immediately after our walkthroughs. So first, is security related? On video cameras, your, policy says you've got to have 60 days of, video footage retention and not 45, not 30. It needs to be 60. So work that out early with your vendors to ensure that your cameras can see the entire facility. One thing that tends to happen is folks will just do their site plan, and then put furniture in front of where they install the camera. So you end up having blocked views, just, you know, it's a it's a simple fix. But but ensuring that your, your, surveillance, apparatus has the ability to see the entire facility is critically, critically important. Two signage and the rules around signage. While we are going to be making some changes to our PLMA rules, we have not made them yet. So please read our rules and follow them. We certainly don't want you to be in a situation where, there's something that that is clearly articulated in our guidance, on our signage rules that that require you to, to take down things or put things up at the 11th hour. Three, on inventory, you know, our C two sale system is coming. It's not up yet, but, we do have an inventory reporting template. The compliance personnel that are working with you will prepare you for that. Please follow the instructions on how to populate, submission forms. And, and, submit them to the office in a timely way. These data are absolutely critical, and, it saves everyone a great deal of time. If there isn't a great deal of back and forth, with office seeking clarification about what you have in stock and how much you've sold, a second, not perhaps related specifically, but just kind of thinking about the run up to your, operationalization. Do start thinking about long before you need to open what kind of brands you want to carry. How much? The inventory you need to carry. Model that through. But we will caution, particularly now that our delinquency list is in play. Do not order over order if you do not need to, you know, don't carry \$300,000 worth of product. If you only need 75 to get you through your first couple of weeks, your suppliers are more than happy to keep coming back to restock you. And what you don't want to do is be in a position where you've, ordered so much inventory that you now have some products that might be moving more slowly, but which you have to pay, for within that 30 day requirement. Otherwise you'll end up on the cash on delivery list. So, manage your inventory, even for you opening, very

carefully. And on the side of caution, if you need to speak to your retailers and confirm that if you need extra supplies, make sure they'll be able to bring them to you. But, you know, we strongly advise, given that we have seen over mover buying, get some folks in trouble out the gate. Just kind of start low and go slow. Like we say, for every other aspect of this market. And then the final point, which is critically important, particularly as we get into the summertime rush. Do not schedule your opening before you have a confirmation on the timing of your pre-op inspection. We've had too many instances of folks emailing us at midnight the night before that. They have press and local members of the community scheduled to come to a ribbon cutting, telling us to be at their doors at 7 a.m.. It doesn't work that way, folks. We are trying desperately to work with you and move as quickly as we can to get doors open. But but particularly given the number of folks that are trying to get their doors open and, how large the state is, the amount of ground we have to cover. Please don't don't schedule this, give yourself plenty of cushion, to to to get open because you really don't want to to if your opening is a mission critical moment for you to make a big splash. You don't want to have to reschedule it at the 11th hour. You don't want to have to kind of invite your local lawmakers, your local, community leaders to be there and tell them the 11th hour that it's not going to happen. So don't schedule it until you've completed the pre-op inspection period. And that way, you're guaranteed that you'll it'll be smooth sailing, from there. So, with that, I'll answer any questions the board might have.

Speaker 4 Madam chair, I have a couple of questions.

Speaker 1 Adam.

Speaker 4 I, I think these are for John, but maybe for the executive, just very, very briefly, the executive director mentioned that, after going over the equity numbers, that it's our central commit, but isn't it, in fact required by the law? I mean, we're following the law. These are legal requirements set forth in the statute that we that the office and the board has a legal obligation to implement by their letter. Isn't that right?

Speaker 3 That is correct. That was I was pointing to the, well.

Speaker 4 That is, you know, executive I just want to remind people, do not suggest there's just something we feel strongly about. This is the law. And and people who are listening because I'm not sure even people who should understand it always get it. And I just want to be clear. Also, perhaps this is for John. At this point, we had some early on, suggestions or projections that the maturity, the market, what the total would be. What's at this point? Can you give us a rough idea of the top projected sales revenue of the entire market at maturity, at whatever point you want to express? That is.

Speaker 5 Certainly. So there's obviously a lot of factors that will play, into the, outlook for the legal, regulated market, over the coming years. However, we'll say this as it currently stands, New Yorkers are spending roughly \$7 billion in the unregulated market. So, this is a massive market. Really second only to California in terms of, of, scale and consumer demand. Two things happen as you make that transition from legal from unregulated to legal. One, consumer spending, tends to take up a little bit, partly because of the diversity of products that, consumers start purchasing. So in the unregulated market, if you are primarily only a flower consumer with the breadth of options you have in the legal market, you might not buy. You may now buy your flower and maybe a canned beverage or, some gummies or, oral sprays. So we expect that over the next 5 to 8 years, the legal market will be able to cannibalize most of that demand. Now, we have not yet seen a legal adult use market yet. Cannibalize 100% of the demand in a state. Colorado is about the closest

we've got, and they're just over 90% now. And there's several reasons why, you don't end up doing that full 100% capture. One is, most states have opt out regions, and so they just park some parts of the state where you're not able to get legal, regulated cannabis to. There are some consumers who will continue to, to consume from or to purchase their cannabis, either from people who they have very well-established relationships that grow the strain they want and they like. I've been buying this from this guy for 30 years, and he has what I like, so I'm going to keep getting it from that person or, who are growing their own cannabis and tend to kind of supplement, incrementally from the legal market, but don't ever fully transition all of their consumption to the legal market. And then third, there is a small subset of consumers who are concerned about things like the identification requirement.

Speaker 4 And I really wasn't interested in a micro analysis. I just wanted to know the number because I know we have short I don't want to monopolize the time, but you said that there's probably \$7 billion total. So some subset of that at some point will get I had heard \$1.4 billion at some point, but it sounds like you're saying that at some point will exceed that.

Speaker 5 At a minimum. I would expect within the next, 5 to 7 years, the legal market will be will be doing at least \$5 billion in sales.

Speaker 4 Great, great. That's great. And and also, I happen to think I know it's crazy, but I, I often say that those who forget their history are condemned to repeat it, saying that I made up and or also I say it also, those who don't know their history are unable to profit from it. Does anybody looked at the only other analog that I can figure out, which is the end of prohibition, how long it took for the licensed tax legal alcohol market in New York? To reach a point where it dominated over the illegal market, you know, illegal speakeasies, moonshine and people just selling it. Does anybody. Has anybody ever looked at that? Because my understanding from a variety of sources is that it took about ten years and then it wasn't like you, you you end prohibition, you issue licenses, and boom, the illegal market disappears. Is that what happens? Is that look how this works.

Speaker 5 So cannabis is a little bit different, for a host of reasons. And partly it's just the timing, with prohibition and, ending a century ago, just even things like the consumer awareness of the legal market and the pace at which the legal market grows. I think plays an important role in how quickly the transition happens. I will say that having kind of closely looked at, a lot of other legal markets over the arc of their growth, you tend to see at about year four is when you cross that 50% mark, whereby it generally around the fourth year activation in the legal market is when you come in.

Speaker 4 And I assume, I assume, I assume, you know, from data which you're well familiar with, that no state that legalized had a disappearance or reduction of, of anything substantial in the illegal market in the first, second and third years. Isn't that correct?

Speaker 5 Yes, that's generally true.

Speaker 4 Okay, good. So in other words, in other words, I'm just concerned and confused as to why some people in New York would suggest that the New York market would experience an evaporation of the illegal market, which didn't happen with alcohol prohibition. Has it happened in any state where cannabis was legalized, and that it takes time and resources, and it can't be done with 30 law enforcement officers and and blamed on one entity. But I just wanted to make sure that the public knows that the facts are, is

that it takes time to reduce the illegal market. It's not like it's just going to disappear. And just a couple of other a couple of other quick things. Somebody mentioned the rescheduling. And is that going to turn cannabis? Will all of a sudden, cannabis be like cigarettes and soda pop? Like, you know, anybody can, anybody can get it and transfer it across state lines and anybody can, sell it. And it's a simple thing. Or is it going to be more like with the scheduling from schedule one? Is that going to turn it into something more like prescription drugs, which are highly regulated and need prescription or other authorization approved by government before people can handle it? I've just seen commentary. When people talk about rescheduling all of a sudden. It sounds to me like they think you can drive a truck full of cannabis in your backyard, across state lines.

Speaker 5 So. That's exactly right. And both points are right. One that it does take time. It has taken time in every other jurisdiction to transition from the unregulated market to the, to the legal market. And consumer education is really critically important point there too.

Speaker 4 One other thing I have. So I don't want to take up too much time. You can comment on anything else. One I just want to know for the Office. There's been a lot of talk about how long it takes and that there's been extended times for certain applications, but this is all I to know. Very specifically, what's the shortest time from submission of an application to the office granting an application has that has occurred? If you have only one example or group of examples, I don't want to hear the specific examples, but I want to know how long from that is the shortest time frame that can be generalized with regard to some applications for application to grant, what's the shortest time?

Speaker 5 So I think the very fastest turnaround we've had maybe about seven days. Wait a minute, wait a minute.

Speaker 4 Wait a minute. Stop there. So it takes a stick of state liquor authority six months. Generally, I understand they can do it faster under certain circumstances, but even from grant, we licenses in a week.

Speaker 5 No, no. forgive me! forgive me Perry board member Perry. It's 60 days. Is. The average time has just taken us to get from opening on average across all of our licenses, to.

Speaker 4 60 days, oh 60. So anybody, anybody who's anybody who's applied for a liquor license or knows who has it, take the there's a general comment that it takes six months. Do we have a review of the state liberatory the authority to tell us why? For a product that's been legal and is in interstate commerce and has hundreds of employees and all of that stuff, why we can do some license despite a tidal wave of litigation and all these other issues. Why? I weakened from application to grant. We can grant a license for this product. That's still right now, because the scheduling hasn't happened. Classified by the federal government. Just like heroin or crystal meth that we could license 1 in 60 days, and it takes them six months. And somebody explained that to me.

Speaker 2 Not here. not ares.

Speaker 4 I just want to know, I just I just want to understand.

Speaker 1 May I just ask for a second? Adam, I just I think that it's a little unfair for us to ask our office to assess what's happening in a different agency at this moment, and I don't

know what the timelines are for them, but if they. We accept that this is the statement, your statement and the veracity of it. So I just.

Speaker 4 Want to hard work, tell the truth and understand that the statute requires equity and has other requirements. In an unprecedented tidal wave of litigation, and that we deserve honesty about the background facts and what's been going on. And instead of a bunch of generalized criticism, thank you. That's all I'm saying.

Speaker 1 Thank you. Just want to put I just don't want to. This is what a big part the agency partners. And so they're all sister agencies. And I don't want to, set a stage where we're bickering with them and they're not here because I think that we all end up working together and coming together every month, actually. So, I just want to be fair and not paint them into a corner. But we do appreciate the comments.

Speaker 4 I'm into a corner. I'm trying to paint them out of a corner that it seems like some people are. I find that the office has made a commitment, based on the legal requirements of following the statute in an unprecedented and unprecedentedly difficult circumstance, and is issuing licenses after a period of time of dealing with all these other on precedent and outside pressures, that the office is issuing licenses faster than agencies with hundreds of employees who've been around problem for years, licensing a legal product. So I am not I'm not trying to paint the staff into a corner. I'm doing the exact opposite. I want to understand why we have some of these criticism that completely ignore these realities.

Speaker 1 Point taken.

Speaker 4 And and I just can't and shouldn't answer right now. But somebody should be answering for that question. So I'd like to hear. I'd like to hear an answer. I don't think there is one. I just think it's criticism for criticism sake without any understanding of the background facts.

Speaker 1 In point taken. I think that, I am with you. I agree that this isn't something for the office to answer, but I do. But I do want to make sure that you have an opportunity to express your opinions regarding this. I just wanted to make clear that I didn't want them to feel compelled to respond. Sorry.

Speaker 4 I just feel that it's something that's an obligation of board members and others of good conscience to say something about, and that's why I'm doing it.

Speaker 1 Thank you, thank you.

Speaker 2 Okay. Yes. So I thinking about the, the rescheduling at the federal level, it made me think about something that New York State did in the brewery industry. That might be something that we want to look into, which is New York past the New York Farm brewery law, which gave tax credits and incentives and did all sorts of advertising for, breweries that source their product from New York State. So we know that this isn't going to change our industry immediately, but looking ahead and planning for the future, we might want to do something similar where we are incentivizing, our dispensaries to source from processors and growers in New York State.

Speaker 5 I think that's a great idea. And, you know, there's going to be two dimensions. The the this is going to take a while, and it's going to remain very tightly controlled even if it

moves to schedule three. So to board member Perry's question, this isn't going to become tomatoes overnight. It remains tightly, tightly controlled. With many of the same kind of controls that would, would govern, major pharmaceuticals. But two, it does create a lot of compelling opportunities for the industry to, to benefit from, the faith and protections of federal or the federal government. So the ability to participate fully in the banking system, which it's not able currently to do, the ability to participate in federally led programs, which the industry is not able to do, the ability to get crop insurance, and other types of, business or, institutional support that, that, the federal government helps protect, that most cannabis businesses aren't able to have access to. And the the alleviation of the, the phenomenal tax burden through to the cannabis businesses, forced to endure those alone are going to be a major boost for. Our cannabis businesses. Bottom line. But we certainly look forward to having a very robust discussion about other programs that we might be able to lever. Following this, announcement to strengthen New York's legal cannabis market. Yeah. Perfect.

Speaker 3 I would also just add, board member Gilbert Jenkins as we go through this process. You know, items also highlighted in the, equity plan, drafted by Damien Fagan and his team, also highlighted what, we could do to prepare our licensees for open market, including, you know, regional development. Taking a mile left already sees and helping to concentrate, like businesses and along the supply side so that they can pool resources as well as custom identifiers, labels, for your products, you know, outside of our warning label. Similar to, you know, Taste of New York or other campaigns, that we've seen in other states from other state agencies. Yeah.

Speaker 1 Okay. Thank you. Thank you again for your reports, Chris. And, John, for our next order of business will be providing members of the public with an opportunity to speak. Remember, we're not answering questions. You're limited to two minutes. I'll be calling names from this list. They are approximately 19 people on. Our list. You have two minutes. And where's our timekeeper? Can they come up here so that speakers are able to see them? And we will begin with Kevin Kamakura, followed by Brian Mackenzie, then Chris Costin. Cassian. I'm so sorry. All right. Sorry about that. But. Yes. Kevin. Brian. Then Chris and you can just line up.