

3/5 CCB Meeting Transcript

Good morning, everyone. My name is Jessica García. I'm Chair of the Cannabis Control Board. Recognizing that we have a quorum of members present or participating remotely, I'm pleased to call this meeting to order and welcome you all here both in person as well as remotely. This meeting is being recorded, and the recording and transcript will be available to the public on the Office of Cannabis Management's website, Cannabis.NY.Gov. Information on Cannabis Control Board meetings is available in the designated section of the OCM website. Before starting, I would like to welcome our new Executive Director, John Kagia.

(Clapping)

We are very excited by your leadership, John. I want to give you a few moments if you'd like to give opening remarks.

Thank you very much, Chair Garcia.

Good morning, everyone.

Good morning.

Good morning, everyone.

(Laughing)

Thank you, Chair Garcia, esteemed members of the Cannabis Control Board. It is an incredible honor to be here sitting as Acting Executive Director of the New York State Office of Cannabis Management. We're at a really exciting moment for both the office and for the industry that we're building, and that as part of the reason why I'm so excited about assuming this role. I'd like to thank the Governor for giving me this opportunity, the Executive Chamber, for the commitment that they have expressed to continuing to support this agency. Sue Filburn and the entire OCM leadership team for their steady, focused leadership as we've gone through a season of change. And to the dedicated, resourceful, incredibly entrepreneurial and mission-focused staff at the Office of Cannabis Management, who have made it possible for us to do so much with so little. You, to me, exemplify the very best of the civil service. I've been asked about what my priorities will be as acting Executive Director. I've tried to make it clear that I'm not going to get drunk with power here. Nor do I intend to be a chaos agent. You know, my goal here is to build upon the incredible work that we have been doing, not swing wildly in new directions. I'd say there are five areas that I intend to be quite focused on that build upon that we've done in the season ahead. First is community outreach and stakeholder engagement. We have built so much over the last three years that I think it's really important for our stakeholders across the state, licensees, applicants, the municipalities, the health care practitioners, folks from the communities that were disproportionately impacted by cannabis prohibition to rediscover this incredible industry and the market that we're building here and better understand the very deep work that is being done across a large number of work streams. Two is process optimization. We have grown very quickly and grown very quickly with limited resources. As we think about the work that lies ahead, particularly the work that lies ahead while we remain resource constrained. I think this is a timely moment for us to take a look at the work that we're doing to identify ways that we can be more efficient, ways in which we can do more with less. The work continues, the scale grows, but our teams

aren't always going to scale as fast as the work that we are mandated to do, and so we've got to be as efficient as possible in how we do the work and how we achieve the mission. Third is regulatory refinement, and we're going to talk a little bit about this a bit later in the meeting. The regulations that govern this market were written before the market was built. Now, three years post the issuance of our first licenses, \$3 billion in sales later, over 2,000 licenses out in the market, I think we have enough data, enough perspective from the market to take a look back at our regulations and ensure that the market, that the rules governing the market reflect both where the market currently is and where the market is going. We are in the process of reviewing all of the regulations that are governing this market. We're looking for to identify opportunities to provide regulatory clarity, improve our regulatory efficiency in terms of our oversight of this market and increase market efficiency for our licensees in this industry. Fourth is national and regional coordination. We're in a season of seeing potentially very significant changes in the federal approach to governing cannabis in American society. There's been the discussion about potential rescheduling of cannabis. There's a law that has just passed Congress that could potentially ban cannabinoid hemp and create potentially real instability in that ecosystem. The very significant federal changes that New York is going to be either impacted by or potentially participate in, and we wanna make sure that we understand what these changes are and what impact they're gonna have on the work that we're doing and on the industry that we are building in New York. Fifth is benchmarking and analytics. I come from a research and data background. We have always said that what doesn't get measured can't be improved. I'm really excited about the amount of data, intelligence and insight that we have built as an agency and how much more is gonna be coming through out that we've activated the Seed-to-Sale system, which is going to be turning us into a real big data engine. There's a lot of data that we now have access to or will have access that can enable us to better understand the evolving dynamics of the market we've built, enable our stakeholders to better understand the market that they're participating, help our businesses plan, measure, compete more effectively. I think we have a responsibility as much as possible and be the resources we have to try and make that data available and accessible, and learn from it. We are committed to being a learning organism as we continue to grow. I look forward to working with not just the extraordinary team that we have at the Office of Cannabis Management, the incredible leadership that we had from the board, but with all of you, our stakeholders, to continue to do this deep work to build this very exciting market and to work together to help ensure that New York meets its potential to be the world's most equitable, sustainable, and opportunity-rich market in the world. Thank you.

Thank you.

I also would like to join in thanking Susan Filburn for holding the helm between the gap between Felicia and you. I have been really impressed with her leadership, and I'm excited that she's going to be partnering with you to lead this organization.

Today's agenda includes review and approval of the meeting minutes from the Cannabis Control Board meeting held on February 5th, consideration of adult use applications for approval, consideration of adult-use licensee amendment requests, consideration of adult-use applications for renewal, consideration of a conditional adult use retail dispensary renewals, consideration of certain applications with non-viable locations requesting the board to determine whether granting the license would promote public convenience and advantage, consideration laboratory testing permit renewal, consideration adult use application denials, consideration medical cannabis regulations, consideration of Gotham Buds LLC's request for Cannabis Control Board declaratory ruling, consideration canopy expansion amendments, and finally, an update from the Office of Cannabis Management.

Before we jump into this heavy agenda, the Acting General Counsel has requested that the board go into Executive Session to discuss and provide direction to the Acting General Counsel on several pending lawsuits, as well as receiving a personnel update.

With the board's approval, I'd like to entertain a motion for Executive Session. Before I do, we'll also note that after Executive Session, the board will take a short recess to conference with council on a couple of matters that are before us in today's agenda.

Can I have a motion to go into Executive Session?

So moved.

And a second, please.

I'll second.

All in favor say, "Aye."

Aye.

All right, we'll be right back.

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Thank you for your time waiting for us to conclude our conversations. The board met for Executive Session to discuss a couple of litigation matters where we needed to make some decisions, as well as some personnel matters, and then we did take a break in conference with council regarding a couple items before the agenda today. Thank you for that indulgence.

We will now resume the agenda. The first order of business is to review and approve the meeting minutes from February 5th of this year.

Can I have a motion to approve the February 5th meeting minutes?

So moved.

Can I have a second?

I'll second.

Any discussion, amendments, adjustments?

All right, hearing none, can I have a vote?

All in favor?

Aye.

Great.

Motion carries.

Next up is our first motion Resolution Number 2026-12, Consideration of adult use cannabis license for approval. Can I have a motion to review?

So moved.

Can I have a second?

I'll second.

Great.

Can we get the summary from you of what we're looking at today?

Thank you.

Good afternoon, Madam Chair, members of the board, and members of public. Before the board today, we have twenty adult use cannabis applications, which have cleared the OCM's review process and are being recommended for approval today. The twenty applicants include two cultivators, four retail dispensaries, two micros, three distributors, five processors, and four final card licensees. If approved, this would bring the total number of adult use, cannabis licensees to 2,161. Just kind of looking a little bit at the December queue a little update on that. December queue, we've got 2,704 retail dispensaries pending in there, 873 micros, 127 cultivators, and 84 processors, and 170 distributors. With that, I'll take any questions.

Any questions from the board?

Yeah, I have a couple of questions about the card license 2024-00123, Elise Pelka. We received fairly strong opposition from the community board on that based on various submissions to the board that at the beginning indicated change or different ownership with Michael Flynn having a larger role in ownership of that. I have questions about, well I understand those ownership have now changed to having Elise Pelka be primary owner or 100% owner. I understand that Michael Flynn is still a of the lease for this, and I wanted to understand how that fit with OCM regulations and laws.

I appreciate the questions, Board Member. This application has been around for a little while, for several years. It's gone before CB2 on several occasions. Some of the original concerns that the CB2 expressed are no longer present. Specifically, there were some concerns about whether or not Elise Pelka owned 100% or Mr. Flynn's potential ownership. Those whatever concerns existed back at that time are abated. She owns 100% of the entity now. The board also expressed some concerns over school proximity issues and the lease guarantor type of issues, as you mentioned. On OCM's review, we concluded that it was a passive investor. It appears to be a passive investors situation. There is a valid a brand licensing agreement between Mr. Flynn and Elise Pelka. That went through the office's review. The office recommended changes. Those changes were accepted by the licensee and have been incorporated in this final package. As things presently stand, it has gone through many different reviews. At this point, all items are compliant with OCM regulations.

The community board continues to be very strongly opposed to this application. We even heard from them this morning with a couple of new concerns. I would like to get some assurances from the agency that should down the line, if we were to approve this license, that the agency will have the procedures in place to be able to address any matters that may be inconsistent with our regulations and the law.

The simple and direct answer is that's true and correct and challenge accepted, but the broader answer is that the compliance team and OCM generally has a superintending obligation right to ensure compliant operations throughout the state. Should OCM through the compliance team or any of the other units within OCM become aware of alleged noncompliance, that we will dutifully investigate such allegations so as to identify what the causes are, what the effects are, and the best ways in order to remediate those types of things. That can manifest in many different forms. It could manifest in the form of statements of findings, corrective action plans or potentially, depending on the facts and circumstances, ultimately up to and including discipline.

And then on the issue of being a passive investor solely by being a backer of a lease, my understanding is the definition is a bit more detailed than that. Can you confirm that this individual actually meets the full definition of passive investor in our ranks?

Yes, and so there's a lot of twists and turns in the regulation as to the definition, aspects of the definition. Some aspects are not germane to this instance, for example, the ownership issues, right? Because there's no ownership issue. In this instance it largely flows from the guarantor aspects of the lease.

Well, I believe the regs indicate future ownership shares. And so from that perspective, can you speak to that?

And to that point, I mean, that kind of folds into the last comment about ongoing compliance, right? And so, once again, should OCM become aware of or receive information that points to potential non-compliance in the future time, we would once again do kind of a root cause analysis, do our investigation, and identify what those issues are and set forth a path of course correction.

I will note that for this application, should they be approved, I would like to... I guess make an ask or have some assurances in some way by this entity that they are going to be good actors within the community. They're already facing an uphill battle having had a very vocal community board against their licensure. I'd want them to be able to course correct and mend some fences and show that they are gonna be participatory and collaborative and be good actors in that neighborhood.

I'll just say that I also think that it's gonna be important as we look at concerns about market domination that we be very carefully monitoring entities that are at least creating the appearance of that. I know that the Trade Practices Bureau has been carefully evaluating agreements between investors to ensure that they meet the standards, but that will be increasingly important, and in cases like this where there are so many questions, we will want strict scrutiny of those.

Heard and understood.

I actually want to issue a similar message and I'm trying to find the license number because this other entity also had a lot of community concerns. I don't want the community

to think that we're dismissing their concerns. We heard them loudly. This is for OCM card license 2025 000003 legacy lifestyle. We understand, we heard you, and I will also like to ask that we are going to be mindful of the community partnerships that are fostered. We'd like to see that entity also have a collaborative relationship with their neighbors and show that they're looking to contribute as they've indicated in their application.

Same answer that I provided a few moments ago applies here. Again, should OCM receive any information or quote unquote leads as to alleged non-compliance, we will dutifully investigate and remediate as appropriate.

Any other comments, questions regarding this packet?

Hearing none, I will call for a vote on a motion to approve this resolution.

All in favor please say, "Aye."

Aye.

Motion carries.

Forgive me here. I'm not used to this here.

Can I have a motion to consider Resolution 2026 13, Consideration of adult use license and permit amendment requests?

So moved.

Can I have a second?

I will second.

Thank you very much.

Thank you, Madam Chair.

Let's see here. Through the amendment survey, cannabis licensees can request certain amendments, including location changes in accordance with regulations. The office has been reviewing these requests on a rolling basis in tandem with the review of applications and also the renewals. The amendment request before the board today include a mix of supply side licensees and retail licenses. In total, there are thirty-eight that are requests seeking amendments in various forms. As a reminder to licensees, the office will only process amendment requests received via the amendment survey, which is located on our website under the licensing tab. Email submissions of license or permit change requests will not be considered. Thank you. I'm happy to answer any questions.

Any questions from the board?

Hearing none, can I call for a vote?

All in favor say, "Aye."

Great.

Motion carries.

Next up, can I please have a motion to consider Resolution 2026-14, Consideration of adult use applications for renewal?

I will move.

Thank you.

Can I have a second?

Second.

Very good. Thank you.

Pursuant to Article 4 of the Cannabis Law, all adult use licensees must renew their license every two years. A renewal application requires a licensee to submit a community impact plan details, proof of labor peace agreement, employee demographic wage and benefit information, and proof of a notice to municipality form if applicable, and required license fee. Today, we have before the board seventy-nine applications up for renewal and that have completed all of those requirements. As a reminder for all licensees, please submit your renewal application no fewer than sixty days and no more than 120 days prior to your license expiration. A licensee who has submitted a timely and sufficient renewal application can continue to operate under an expired license through the State Administrative Procedures Act SAPA until a decision is ultimately made on the renewal application. Thank you. I can answer any of the questions.

Any questions from the board?

Just a comment, I understand, or a comment/question. There are, again, varying qualities in the community plans and I understand the agencies continue to work with some of these renewal applicants to beef up as necessary those plans.

That is absolutely correct. We're kind of collaboratively a cross-functional team between Simone's C team and the licensing team are working collaboratively to identify those that fall short of expectations and in an effort to round out those analyzes with additional detail.

Any other comments or questions?

Hearing none, I'll call for a vote.

All in favor?

Aye.

Motion carries.

May I please have a motion to consider Resolution 2026-15, Consideration of conditional adult use retail dispensary renewals?

So moved.

I'll move.

I heard a first and second.

All right, very good. Thank you.

Thank you, Madam Chair.

The conditional period for card licenses is four years, like all other adult use licenses. The license must be renewed every two years. Part 116 outlines the requirements for the card license, including renewal. The card included in the resolution today have submitted a renewal application to the office, including requiring a municipal notice in accordance with Section 72 of the Cannabis Law. The office is today recommending the approval of twenty-six renewal applications before the board. Thank you. I can answer any further questions.

Any questions?

Hearing none, I'll call for a vote.

All in favor?

Aye.

Next up, can I have a motion to consider Resolution 2026-16, Consideration of certain applications with non-viable locations, requesting the board determine whether granting the license will promote public convenience and advantage.

Can I have the motion?

So moved.

I'll second.

Thank you.

Thank you, Madam Chair.

There's only one PCA before the board today. It had a location that was already from which this board approved a earlier PCA request. There became an issue with, I believe an issue of the landlord. It's a consequence requesting another PCA. The office recommends approval of this PCA request.

Any questions from the board?

I just want confirmation. This application had come before us earlier, and we had to table it. I want confirmation that the issues that had been raised right before that meeting have been looked into.

Confirmed, Madam Chair. Absolutely correct. Late before the last scheduled meeting, the office received what I'm going to refer to as just a general allegation. The office needed to

conduct its due diligence to verify that it did so, and we are satisfactorily satisfied that whatever allegations have been abated. No concerns at this point.

Just for the record, I don't recall if you said this already, but this is a PCA request that's just moving a few blocks over, so the conditions that we deliberated on the first time pretty much remain the same.

I did not make that point, Madam Chair, but you are absolutely correct. Thank you.

No new factors for us to consider?

No.

Any other questions from the board?

If that is the case, I will call for a vote.

How do you vote on this PCA request?

Aye.

Ms. Rodriguez-Dabney?

I will vote in the affirmative as well.

PCA granted.

Next up is, can I have a motion to consider Resolution 2026-17, Consideration of laboratory testing permits renewal.

So moved.

Thank you.

I will second.

Thank you both.

Who is speaking to this one?

Madam Chair, before the board today is nine laboratory permits recommended for renewal. We anticipate there will be a couple more in a subsequent board meeting, but presently before the board are nine renewal applications. All the labs have all satisfied the necessary prerequisites for renewal. I'll take any questions.

Any questions?

All in favor of approving the motion please say, "Aye."

Aye.

Motion carries.

We have regs to approve. Can I have a motion to consider Resolution 2026-18, Consideration of medical cannabis regulations?

So moved.

Can I have a second?

Thank you.

Absolutely.

The regulatory package before the board today corresponds with legislation that was signed by the Governor last Fall. This was a package of a series of improvements for the medical cannabis program. The package is limited to those regulatory changes needed to effectuate provisions in that legislation. Some of the key ones include patient certification, going from one year to two years, increasing the possession limits for a patient to correspond with the possession limits for adult use in the penal law. One kind of important one is allowing reciprocity for other states so if you're a medical patient in Pennsylvania or another territory, and you are in New York State visiting, traveling, spending the Summer, this would allow you to use your out-of-state or other state certification to be able to purchase at our medical dispensaries. We're joining a host of other states that also have this reciprocity provision. There's additionally some changes to the reporting requirements, understanding that the older requirements were a little onerous, requiring prescription monitoring program that has now been modified, and also allowing designated caregivers at the age of 18 to be able to be a designated caregiver. These would be proposed regulations and would go out for a sixty day public comment period, if approved by the board.

Thank you.

Any questions from the board?

When do you anticipate these getting published?

The legwork's been done and hoping to file them with the Department of State shortly after. There's usually a two-week lag to get into the register, so hoping to file imminently.

All right, hopefully we can do it quickly and get these regulations in the books.

Any other questions?

Hearing none, I'll call for a vote.

All in favor say, "Aye."

Aye.

Motion carries.

Is this where we do denials?

Oh, okay, sorry. It wasn't in the script. I missed it in the scripts.

Next in the order of business, apologies for that, we are going to actually review our very first packet of denials.

I believe you're going to walk us through what's before us today.

Yes, Madam Chair.

Before the board today, a total of three, excuse me, six proposed denials in two separate groups. There's three groups of two. The first group involves three applicants who applied outside the queue window. The second group of three involve applicants who applied for the November queue who could not establish proof of control over the real estate. Going back to the first group, this board issued a resolution in October of 2023. I believe it was Resolution Number 2023-38, which established the application window and basically sunset that application window as of December 18th of that year. In this instance, we have three separate applicants who applied several months after that into 2024. In March, and I believe one was in April, so all three of them were at least three months late. As a consequence of those folks applying outside the application window, the office recommends denial because they simply applied beyond the time frames in which this board established for permissible applications. I'll take any questions as to those three.

How did these applicants get access to what should have been a closed portal?

It's my understanding, Madam Chair, is that there was a computer link that may have been shared with some folks that kind of passed around in the community that provided true backdoor access, so to speak, in that. It's understanding that a couple of those may have access in that way, even though the application period was over. More importantly, as size from the IT mistake component of that, it is worth noting that this board clearly established a deadline for which people may apply for a lawful application. In each of these three instances, that guidance was not met. They applied many months later.

Do we have other applications similarly situated that may come before us?

I believe this is it, Madam Chair, that this challenge of folks applying outside the application window and we're able, air quotes, able to get through, so to speak, was a fairly small and discrete group. And if memory serves correctly, I believe we only have the three which are presently before the board today.

When I was reviewing some of the materials on this, it looks like most of these applicants received a notice that they were up for denial more than a year after their application was submitted. Were there other communications prior to that between the office and the applicants indicating the problem?

In fact, I see I know several receive communication in months following their application. So in fact again, so the application window closed December 18th, 2023, and some of these folks applied in March of 2024 and the office began notifying folks that they were outside the application window. In you know, I'd see one in March 24th of 2024 another one was in 2025. It was kind of straddles both timelines.

Yeah, I think that this is something that we should be looking at a little bit to make sure that we, if somebody has an uncurable problem with their application that they are notified in as timely a manner as possible.

Understood and heard. The one other point that I'll make that may be germane for the board's consideration is that as a matter of regulatory obligation, OCM issues applicants' notices of recommended denial and give them an advance notice for circumstances when matters like this are presented before the board like they are today. And in each of these three instances, the office issued those notices, and we have not heard back from any of those three entities. I wanted to fully apprise the board of that fact as well.

And is the delay in the notification in this instance because it took a while for the agency to actually open up the application for review to the note that they were...

I cannot say that with absolute certainty, Madam Chair. I think that you're probably likely onto something, right? Because we would not discover something like that until there were circumstances or cause for us to kind of do that deeper dive than investigation. In the course of doing that, things like this would arise.

Any other questions from the board?

For this bucket, we are looking at three licenses that I don't know if we named. They are OCM micro license 2024-00001, Micro License 2024-00002 and Micro License 2024-00005. These licenses are the licenses we are considering for denial. I will group them as such.

All in agreement with the agency's recommendation for denial if you could indicate your vote.

Mr. Usher?

Aye.

Ms. Rodriguez-Dabney?

Aye.

I also vote in the affirmative.

These applications are denied.

Thank you, Madam Chair.

The next bucket involves, once again, three applicants that the OCM has recommended denial for failure to establish proof of control over the locations following their applications in the November queue. I'll put a period there and see if the board would like I could talk about each one individually, or I can respond to questions.

It would be helpful to go through each of them individually. The first one that I here have on my list, if you wouldn't mind starting there, is OCM retail license 2023-000650. Entity name is Bellerose Migrant Center out of Lake Grove, New York.

Thank you, Madam Chair.

That's a good one to start with. A few moments ago, I did make reference to the fact that OCM issues notices of recommended denials to any applicant who's applicant maybe before this board for recommended denial. And in this instance, we did receive several response backs back from that particular applicant. I wanted to fully apprise the board of that fact. Ultimately, however, those submissions do not alter OCM's recommendation for denial, and the reasons for that are as follows. At the end, while the applicant submitted many forms of contracts and agreements purporting to show proof of control, ultimately none of those involved the owner of the real estate and how it was connected to the retail dispensary that the applicant seeks. Importantly, and received information today that it also looks like that particular municipality may have adopted a local law prohibiting cannabis retailers within its jurisdiction. I have not fully investigated that local law, but that would explain why why OCM has had such a tremendous challenge and ultimately inability to receive a valid lease agreement between the applicant and the owner of the real estate.

This applicant applied with for the November queue which required proof of control. You're letting us know that they never quite provided a substantive leases. I saw a lot of paperwork with leases in here. What about the leases made them invalid at the time of your review?

One document that was first produced was more of a corporate document. It was like a certificate of incorporation. Obviously, that doesn't establish proof of control. Then later, OCM received a lease agreement that was just blank, that without any signatures. Then OCM also received a lease agreement that was executed, but it did not involve the cannabis dispensary or the entity involved in the cannabis dispensaries. OCM received something that I'm going to refer to as something that purported to be like a sublease agreement. That sublease would ostensibly have been between the entity that I mentioned that actually has the lease and the cannabis dispensary. However, once again the fatal flaw in there is that the folks who actually own the property are not signatories to that, right? It's really not signed by individuals either, right. Again, it does not establish any type of proof of control. There's a lot of paperwork, a lot things that look legal, but at the end of the OCM has not received any type of legal instrument providing the applicant with a legal right to control or access the property at issue for a retail dispensary.

Madam Chair, I have a, so I guess Stephen, what you're saying is with each submission, the applicant was given an opportunity to cure the issue, and you, or the office was in contact with them and they were made aware of how their application was deficient, correct?

Yes, repeatedly. There's been a lot of exchange of information to and fro.

Yes, just the record definitely shows that there were multiple efforts by OCM to try to solve this. The reason that we are not considering them for a provisional license, can you just clarify that?

Because it didn't establish proof of control.

For the November queue, they would have needed to do that, and if we gave them a provisional, they would be in some ways jumping the queue.

Correct. Thank you.

Can you just elaborate on that because I do believe that we have granted provisional licenses to some entities in the November queue. What distinguishes this applicant from those who were granted provisional?

Once again, this licensee never had established proof of control over the property.

So everybody else did, but it fell through and because it fell through, they were still eligible for provisional. This entity never had it to lose.

Exactly.

Got it.

Thank you.

Got it, got it, got it.

Should we just vote on these individually as long as we're reviewing them?

Sure.

On OCM retail license 2023 00650 is the board ready to vote?

Does the board accept the recommendation of the agency to deny the retail license to Bellerose Migrant Center?

How do you vote?

Aye.

Aye.

Aye.

This application is denied.

Next up I have on my list, OCM Retail License 2023-002013. This is entity named Jason Stahl.

Thank you, Madam Chair.

Again, like the preceding application, this is also an application that did respond to OCM's notice of recommending denial. Importantly, however, that while a response was submitted by the applicant through counsel and received by OCM. It's super important in material to note that nowhere in that response did they represent that proof of control was established. Instead, the response once again requested additional time. That was basically the response. So, at this point, I still don't have any information that proof of control has been established and to at this point that it has not been. There's been numerous communications with this applicant as early as June 24th of 2025 about absence of proof of control. In this instance, also, the proof of control that was ostensibly submitted was basically some literally a piece of paper written like placeholder, right, trying

to get in line and kind of worry about it later, and it still hasn't happened. I'll take any further questions.

Well, I see in the paperwork you gave us there's that that you indicate the placeholder but there's also a check or transaction proof of a transaction submitted as that dates to July of last year.

There is a check in there. I think the attorney makes representations that it was done for certain expenses associated with a real estate perhaps, but a check stub is hardly a legal instrument, establishing proof of control over real estate.

Any other questions from the board regarding this application?

All right, I will call for a vote on license OCM retail 2023-002013.

How does the board vote on this application?

Do you want to vote on the recommendation of OCM?

Aye on the recommendation of OCM.

Aye.

I will also vote in the affirmative.

Do we need to indicate for both of these? I know I didn't indicate the regulatory segment that gives us the rationale for denying. Do we to point out that it's Reg 120.12A3 for both these?

I think that's probably appropriate.

We are denying both of these applications based on our authority to deny the license for that rationale.

Next up is us OCM Micro 2023-000615. This is Smoke Green Factory out of East Rochester New York.

Thank you, Madam Chair. This will kind of wrap up the proposed denials.

In this instance, the applicant simply provided a letter of intent regarding a piece of property. Notably the letter of intend itself states the following quote, "The letter of intent is not a contract and not meant to be contractual nature. This letter of intent does not, however create any legal right or obligations between buyer and seller." It's kind of questionable whether or not that possibly could even serve as proof of control with that disclaimer. Aside from that, that letter of intend was essentially rescinded anyway. The applicant notified OCM that whatever opportunity It had over that particular location it was lost. If I recall correctly, the owner of that property actually sold it elsewhere. Obviously, that property is not on the table for a variety of reasons. We never received into any other locations. As a consequence, we're recommending a denial.

When was that communication?

Um.

2024?

May 22nd, 2024.

They have not reached out again?

There's been a numerous communications in this one. There's also communications in May of 2024, November of 2024, and then obviously most recently, March 7th of this year, where we provided notice to the applicant over the recommending of denial. This is one of those that we did not receive any response back.

I noticed that this is actually a C applicant. I'm curious if there have been any additional assistance given to them to understand our very complicated proof of control process.

I don't know, Madam Chair. I really don't. I really can't. I don't know the answer to that.

Any questions from the board?

Additional questions?

I will call for the vote on OCM micro license 2023-00615. This is a vote to follow the recommendation of the agency to deny this license based on regulations 120.12A3, which signify our reasons for a denial of a license.

All in favor of abiding by that regulation?

Mr. Usher?

Aye.

Ms. Rodriguez-Dabney?

Aye.

I will vote in the affirmative as well.

I think that concludes our first batch of denials.

Next up is canopy expansion.

Declared.

Oh, sorry, declaratory ruling request. Thank you for that.

We're going to hear from our acting general counsel on a request to issue a declaratory ruling in the matter of Gotham Buds LLC.

Yes, board members, you have before you a request for a declaratory ruling. Under the State Administrative Procedure Act, anyone can ask for a ruling from an agency with respect to how the laws and regulations apply to a certain set of facts. That could be a

hypothetical situation or an actual situation. In this case, we have a licensee through their council asking whether or not certain provisions of an agreement they have with a third party violate any of the provisions of the cannabis law and our regulations. I will say that the Trade Practice Bureau has dealt with a number of these, working with the parties to try to identify and resolve any provisions in our agreement that may be problematic. You have before you this request. You have a number options. You can issue a ruling if you're so inclined as to whether or not the agreement has any problematic provisions. You can decline to issue a ruling at all. I would toss out to you the possibility of having the Trade Practice Bureau become involved in this to try to work with the person making the request. I will note that you have a confidential memo from the Trade practice Bureau attorneys with an analysis of the issues raised by the requester to help you with your analysis of the situation.

We do have the memo. Aside from reviewing the request and providing that confidential memo to us, have parties reached out to the Trade Bureau practices to help in addressing?

For this particular agreement, I don't believe there's been a request to the Trade Practice Bureau to review the agreement and to provide any guidance. As I said, there's a number of other situations where the Trade Practice Bureau has become involved. They are still involved in a number of items where they are working with both the licensee or the applicant and the third party involved in the agreement to try to come to some mutual resolution of any provisions in the agreement that could be violating the law of the regulations.

I mean, there are a number of important issues raised in what we've received, but that the Trade Bracks Bureau deserves a chance to try to see if they can work these out. There are definitely more expertise in doing this and they've been successful in other cases. I think the idea of asking them to review and see if they can walk with the licensee and the other parties to resolve this first and then if that does not work for us to consider some action.

If you're inclined to do that, I would suggest you hold this matter in abeyance to let that happen. I would suggestion we don't hold it over that long because the board, of course, would not want this lingering for a while. We could see if there is any progress that could be made with the Trade Practice Bureau involvement. And then if not, the board can then consider whether or not it wants to actually issue a ruling.

Madam Chair, I'd be inclined to agree with that. I think that we need to hold it in abeyance and let the Trade Practice Bureau work with the licensee to see if something can happen, and hopefully a status report next month.

That sounds good.

All in favor of holding this declaratory ruling in abeyance to give the Trade Practices Bureau a chance to work with parties and do so within the next month to report back to the board for the next board meeting please say, "Aye."

Aye.

Aye.

Aye.

I'm sure they're listening. They'll get right to work on that.

(Laughing)

Thank you.

Let's see if I can find my way through the agenda. Next up is consideration of canopy expansion amendments. That is Resolution Number 2026-19 and we're going to hear from our Acting Executive Director.

Thank you very much, Chair Garcia.

We're very excited to have a conversation today about the supply needs for this market. I know this is a decision that folks have been waiting a long time for from the office, as we have tried to understand how this market is growing, looked at the data on our operational supply chain, surveyed our licensees, our current licensed producers, to understand who's operational, for those who are operational, how much capacity are they producing and how much capacity do they expect to bring online. All of this was intended to help us better understand both where the market currently is and then what our capacity requirements are going to be moving forward. The market is at an inflection point. We've gone through this period of really rapid retail growth. We're right on the cusp of our 600th store opening, which is an incredible milestone. Since the program launched, we've done \$3 billion in sales. We've just operationalized the metric Seed to Sale system that gives us much better visibility across our supply chain. Critically, as we think about how much capacity we're going to need in the short term versus the long term. We're getting fairly deep into the 2026 cultivation cycle so if we're going to be making decisions about how much capacity we're gonna want to activate this year. We've gotta make those decisions quickly so that those plants can be put in the ground if we have any chance of getting that product out of the field this year for this false harvest. There are two tensions we're trying to balance here between supply and demand. If our supply falls short of what the market needs... You create real issues, you create sustained product shortages, which are really to stabilize the market. You create increased price pressure in terms of products become more expensive if fewer of them on the market and demand is strong. You risk sending consumers back to the unregulated market if folks have gotten used to buying their daily drivers, their favorite products in the legal market and find that products are no longer available. You know, the unregulated market remains large and readily accessible, and so we risk driving consumers to the un-regulated markets, and you certainly risk destabilizing the retail ecosystem. Conversely, if supply exceeds demand, you see what we've seen in so many other jurisdictions, which is very aggressive price compression. Prices grader as folks try to get the product out the door, growers under financial distress. You know, we certainly don't want to add any more pressure to our growers who have been the backbone of this program, real risk of business failures, real risks of unpaid bills, not just to other business partners but on tax collection as well, and then you start creating real structural instability of the program.

Building on that point, on the next slide, we have an illustration of what over-capacity looks like in the retail market. The numbers might look a little bit small on screen, we'll make these slides available, but the trend line is really clear. Really aggressive price compression across select major markets. On the chart, we're showing Colorado, Oregon, Massachusetts, and Michigan. Just a couple of things I'd call out here. All four of those markets have seen about a 70% price decline in the time, in the data from that we're

looking at. Within the last ten years, we've seen, you know, more than, about a two-thirds to three-quarters price decline. It took Colorado over ten years. 141 months to get to a 77% decline in its wholesale prices. It's taken Michigan half that time, less than five years to get from, to see a 69% decline in wholesale prices. This has created real instability in those markets. We speak to those regulators a lot, we speak to operators in those market. That's an outcome that we're trying to avoid here through a more measured rollout. New York has already seen about a 20% decline in our prices here over the last couple of years. Price compression is a natural factor of maturing markets. People operate more efficiently, competition intensifies, that's natural. What we're trying to avoid happening through the regulatory authority of the board is have this be a measured market evolution rather than the sort of deeply destabilizing price compression that happens, that we've seen happen in other jurisdictions and becomes very difficult to come back from. How are we thinking about our capacity needs for the market in the coming years? The first step in this process, and it was a lot of steps in this process was to understand how much capacity we have already licensed. To date, we've issued 560 licenses across outdoor, mixed light, indoor, and combination cultivators. Assuming of those 560 operators, we're looking at about 9.1 million square feet of authorized canopy across all of those licensees. If you take all of these licensees, their authorized cultivation area would be 9.1 million square feet. In our surveying of our growers, we found two important data points that are helping and form our thinking. One, of that 560 growers, 75% of them are operational, so three quarters of the folks who have issued a license to have at least begun their operations. Notably, two, of those who are operational on average, they're using about 52% of their authorized canopy. They're using half of the space that they've been allowed to grow on. Say your licensee has been issued 10,000 square feet of grow space, on average folks are using about half of it. These are important inputs as we think about how much more capacity we need to activate because at least it tells us that there are people, 25%, who have been licensed who are not yet operational and there's those who are operational, they still have room to grow out and build out their facilities.

As we walk through that kind of line of 560 folks licensed, on the next slide, the throughput of 560 folks licensed, 75% of them operational, those operational using 52% of their authorized canopy. We're able to work out how much capacity we're getting out of those fields. We triangulated the estimate of how much output we're getting from those markets, both based on what you would expect, you know, a thousand square feet of canopy to produce or two thousand square feet of canopy produce in a mixed light indoor or outdoor facility. As well as looking at our sales data, backing into we know how much we sold in in terms of not just dollars but actual product units sold over the last few years. Working with data that we received from the market, we can work backwards for each say million dollars of smokable flour sold, that's an equivalent of X pounds of biomass that was grown to produce that flour. We're estimating, across the 560 licensed producers, we have licensed a top-end production, assuming everybody was growing to their maximum capacity, about 1.29 million pounds of output. When you take out the folks who are not operational, that 25% who are operational, you get us to about 1,14 million pounds of licensed production. You take out the amount of canopy that's not currently operational and you get to 588,000 pounds of output coming out of our fields at the end of last year. That's the 588 thousand pounds is our estimate for how much biomass was converted into final products and sold through our system. 1.29 License potential capacity assuming everybody was producing at the maximum threshold. We actually only got five hundred and eighty eight thousand pounds out of the fields. Five hundred eighty eight thousand pounds is what we had coming into the end of last year.

We ended last year at five hundred and eighty-eight thousand pounds. How big is this market growing? How much more capacity are we going to need based on where we currently are? We've modeled out the growth of this market using historical growth rates, analysis of trends from other markets, assuming some price compression looking out into the future. First, some exciting kind of perspective here on how much bigger we have to go. You know, the first couple of years were we're us just getting our engines going. In 2023, we did \$155 million in sales. 2024 that grew to nearly \$900 million. Last year, we closed the year at \$1.7 billion in sales. This year we're forecasting that to jump to \$2.6, roughly a little over \$2.5 billion in sales. By 2027, we'll be pushing the upper bound of \$3.5 to \$4 billion in sales and expecting to be well above \$4 billion by the time we get to 2028. This conservative mid-range estimate of where this market is going, but it tells us a couple of things. One, we still have a lot of upside potential in this market, all else being equal. Two, we really need to make sure that if this growth trend continues that we've got enough supply to meet this anticipated demand.

In the next slide, again, you know, I think the colors here do more to tell the story than the specific numbers, but the green line is where we ended out the year last year. That green line shows us what 588,000 pounds of annual production looks like. The red is the Delta. As you look out towards 2028, you can see that we're going to be meeting about three times more capacity by the end of 2028 than we had at the end of 2025. We need more capacity and we need to start activating it now. One of the important considerations here is the lag between activating capacity and that product hitting the market. Part of the reason why you need to make some of these decisions early is because it takes time to build a facility, to put plants in the ground, to harvest those plants, to cure them, to get them packaged, tested, and out into the retail field before they end up in a consumer's cart. You can't kind of activate the type of capacity we anticipate needing two years from now, a year and a half from now because of the amount of time it takes to mobilize the resources and build the infrastructure. As we recognize that, you know, we are currently at a baseline of 588,000 pounds, we're anticipating that we're going to need over 400,000 pound per quarter by the time we get to the end of 2028. What levers do we have at our disposal to ensure that we don't end up hitting a supply cliff?

John, going back to the last, I guess, two slides before, where you talked about anticipated retail sales, can you just elaborate a little bit what went into that factor of projected demand?

Perfect, yes. How we think about and how we've been modeling out our retail sales has included several components. One, the retail part of the market is actually one that we've had really good visibility into, even without Seed to Sale because of the weekly sales reports that retailers are required to submit to us. They give us two kind of valuable areas of insight. One is just pure dollar revenues for each individual retailer each week. We're modeling this on an ongoing basis to track that performance. Two, we are also able to see what products they're selling and how many of those products that kind of are being sold. The trends in units sold and average prices of units. We're using some of our own data. We are using some externally sourced data to triangulate this, but that combination of understanding what total sales are, as well as understanding how, it's called consumer preferences are evolving, how much consumers are buying across these different product categories have helped us kind of forecast out where we anticipate the market going. Two, we've also spent a lot of time looking at the growth of other markets and the growth arc of other states in terms of what happens post-legalization in the first stage of the market where you tend to have like a hockey stick curve, the plateau stage, and then in some cases, we're actually starting to see the decline stage in the most mature markets. This is

a conservative kind of misrange estimate based on the trends and patterns we've been seeing in New York. We will continue to refine this as the data gets better, but it factors in the rate at which our sales have been growing, the pace at which new stores have been opening, the average revenues that we're seeing across these stores, the trends in price compression that we've seen. To date, we've seen a 20% price decline. We continue to forecast that prices will continue to come down, so that's factored into this as well. There's been some deep thinking that we've applied here.

Does it make any assumptions about licensing, new licensing?

It does. On the retail side, it is assuming we're continuing along our steady state of licensing. It doesn't make any assumptions about what the top end number of licenses is going to be. Rather, it's assuming that demand will be distributed across whatever number of license are open at the time at each mile marker of this model.

Thank you.

With that, if we could pop that up two slides, or down two slides to the levers that are at the board's disposal and not at the boards disposal to ensure that we don't hit a supply cliff or supply glut. In this case, we've identified that there is a significant gap between where we currently are and where we need to be over the next couple of years. There are two columns of actions that we see happening that will help us close this gap. Some of them are under the board's control, some of them aren't. Let's talk about the market driven actions, things that are likely to happen organically without our intervention. The first is that the folks who are not operational begin operations. Licensees who aren't currently in business finally turning the lights on. We have some expectations here. We've built this into the model. Candidly, one of the main reasons why folks are not yet operational is lack of capital. We are in an acutely capital-constrained environment right now. Unless we see some radical shift in the financial posture of this market, we don't necessarily think that a large number of folks who are currently capital-constrained will be able to operationalize within the near term. Two is that licensees become more efficient in the spaces that they're currently operating in. Let's say you're licensed for 5,000 square feet of canopy. You're already producing across that 5,00 square feet indoors. Last year, you got three harvests out of that facility. This year, you really dialed in your process and you got four harvests out of your facility. You haven't changed your footprint, but you're producing more by sharpening your engine. The third potential lever is licensees who are not currently using their maximum authorized canopy, increasing within their authorized canopy threshold. Say, you're authorized for 10,000 square feet. You're growing out of 5,000. You decide to go up to 7,500 or 8,000 or 10,00 can produce more without changing anything about your authorization. The fourth factor is the registered organizations who have the authority if they pay the appropriate fees to transition into the adult use market, the registered organizations making that move into the AU market. Again, we've not yet seen any of the new ROs kind of racing to enter the AU market, but this is certainly one that we'll be watching quite closely. We did survey, as a factor going into this model, we did survey our licensees to identify how many of those who were not operational intended to activate their operations, how many those who weren't producing at maximum capacity intended to increase their operating capacity because this helps us better understand that our existing base is going to grow even as we may need more capacity than that.

Now, under the board's authority, our.... Let's call them three specific regulatory levers. One is to allow licensees to switch between the type of facilities that they're kind of growing out of, and say maybe it's somebody who is currently growing in a type one

cultivation facility being authorized to move into a type two facility, which are currently permitted, or who wants to move from a mixed light into a combination facility. The second lever, and this is one of two which I think we're going to be really focusing on here are authorizing the office to expand the tiers, the cultivation tiers that are available to licensees. For an indoor producer right now, we are only making available tier two of the five tiers of indoor canopy available, making tier three available so folks who are tier two and want to level up can move up that one step. The third lever, and this is one we've certainly received a lot of inbound gone is allowing the applicants in the December queue who had applied for cultivation licenses to proceed. Issuing those licenses so that the capacity is not coming just from our existing licensees increasing their canopy, but from applicants who also want a bite of New York's apple. Those two levers, aligning canopy expansion and issuing new licenses, operate on two very different time scales. Because one is allowing folks who are already operational to basically expand their footprint, whereas the other, issuing new licenses tends to be a longer term approach. It takes time to find a location, build a facility, get operational. We're thinking about this model as really having two parts. Meeting the short-term need, the short term supply deficit by allowing the existing operators to increase their production footprint, and then securing our long-term supply by issuing more licenses from our December applicant pool. We, based on speaking to cultivators and looking at trends in the market, looking at canopy expansion is about a six-month process between the time you authorize that canopy and the first product starts coming out of those facilities. For new licensees, it's about an eighteen month period between the time you get your license and by getting your facility operational and the first plants start coming out over those fields, especially if you're growing outdoors. We are recommending, and I'll walk into this with a little bit of detail, we are going to recommend pulling both of these levers, allowing a subset of qualifying licensees to increase their canopy and issuing more licenses to safeguard the longer term supply in the market.

If I could, and bear with me here, because I think this is really important, but we're gonna get a little bit nitty-gritty here into how those two phases, those two sequences work. First is thinking about our long-term need. You'll recall I spoke about this lag between when the production happens and when it actually ends up in a consumer's basket. There's that lag that's happening. First is thinking about the 2026 calendar year. If our growing period is, say, January 2026 to December 2026, the sell-through period for that product, we're estimating to be October 2026 to September 2027. You see this kind of the front part of the period where it's growing the product, testing it, packaging it, getting it through the retail. By the time you're getting into the end of the third quarter, fourth quarter is when that product is hitting shelves and we're selling it through. We're estimatin' we're going to need 356,000 pounds over and above where we currently are to meet that need. The way we get to our delta shortfall for where we expect demand to be versus where sales are, 588,000 pounds was where we expected, or was where ended out last year. That's how much was coming out of our fields. £76,000 we're expecting to come from licensees who are ex- growing their existing operations under their existing canopy. Those are folks who don't need anything from us. They're just going to kind of operate more efficiently. 43,000 pounds will come from people who have told us they're not currently operational, but they intend to come online this year. That took us from 588,000 at the end of last year to 708,000 out of our existing growers without us doing anything. For the sale through period, October 2026 through September 2027, we're expecting we're going to need a million pounds of biomass. We have a 356,000 pound delta between what we're expected to come out of our fields based on what our growers have told us and the million pounds that our consumers are expecting to buy from the stores we're gonna have open by the time we get to next year.

What are we gonna propose? On the next slide, we'll show a matrix of what is currently operational in our licensing tiers. For outdoor growers, tiers one through four are currently open. We're proposing opening up tier five. For our mixed-lite grows, tier one through three are currently opened. We're opposing opening up to tier four for mixed-line. And then for the indoor and combination, it's only tier one and two that are currently open. We're suggesting opening up tier three. To be clear, what we're proposing is if you are a tier four outdoor producer, you would be able to level up to tier five. If you're a tier one mixed light producer, you would moving up one level, not two. The idea here is to have folks moving up one level not leapfrogging the entire board to get to the end of the game. Having modeled out the demand requirements, we're kind of comfortable and confident that allowing this tier expansion, assuming kind of a subset of our growers took us up on this, would be the way in which we can support that near-term demand. It's a bit of an eye chart on the next slide, but it kind of shows us where we would end up with the decision to allow the tier increases for our licensees. The two top line numbers are really at the right of this column. If we allowed all of our current existing operators to move up one tier, we would expect 597, nearly 600,000 pounds out of the field, a little more than we need for our capacity. If we limited it to folks who've been operational for one year, we will expect 485,000 out to the field. Our target is 356,000 pounds, so it comes in a little bit higher than we would need. Again, we're not necessarily expecting that every one of these applicants is going to either apply for or be qualified for this tier increase. We're quite comfortable with having that one-year threshold be set so that we're allowing this opportunity for folks who have demonstrated that they are operational and have demonstrated that they're pushing the upper bound of the production capacity within the tier that they are currently in.

That would be 52% of current cultivators who are using their full canopy. Is that how I understood your question? 48% of the canopy is not being utilized. How many, I think, is what you said?

75% are operational and of those operational on average, they're using 52% of the authorized canopy. It's going to be kind of assessing of those who are maxing out their current operational capacity. You know, fully expecting that many will have leveled up even from the time that we did the survey using the application process to assess kind of who has demonstrated that they have been operational for the requisite one years was written in the regulations and other factors identified by the board to qualify for this tier expansion. That would then permit folks to meet our near-term demand.

Questions down the line.

(Laughing)

Just to kind of close this out, so essentially saying that if we allow everyone who has been operational for at least a year to proceed, we would come in a little bit higher than our anticipated target of 356,000 pounds. However, we have the option of setting that as a target for once we have licensed the capacity that gets us to that number, pausing to see how much of that is operational before we continue to process amendment increases. Using our existing cultivators can help us address the short-term supply gap as we look out to the demand for most of 2027. We want to think about what the demand is going to look like as we get to the end of 2028 going to the 2028. This is a growing period that is the calendar year of 2029, January 2029 through December 2027. Similarly, this is for a sales period that grows from October 2027 through September of 2028. This is our out-year forecast. Again, we're estimating that we're going to have about 174,000-pound

product shortfall. Just kind of walking you through how we get to that 174 thousand-pound shortfall, You'll recall, I said, just with the natural, organic market growth, we were going to get from £588 to £708,000. By the start of 2027, we're expecting to be, with our currently operational licensees, at £709,000 We'll expect £92,000 from, once again, people just becoming more efficient in their existing operations. Another 23,000 pounds from people who are licensed and not yet operational, becoming operational. We're still expecting that there are people who will be getting licensed and will take a little bit of time to come online. Expecting an additional 356,000 pounds that I just talked about, the additional capacity from the tier expansion. All that told, the organic growth in the market plus the tier of expansion that will have happened in 2027. Gets us to 1.18, 1.2 million pounds of output. For the sales period we are forecasting out to, we're expecting demand for 1.35 million pounds. We have 175,000 pounds of product that we are expecting a shortfall on that we also need to consider for the medium term. This is where the second lever comes in of us issuing licenses to applicants in the December queue who can be the source of that supply for our shortfall period.

On the next slide, three kind of big numbers that help you kind of think about how many new licenses we would need to issue to get to our target number. Our target number is 174,000 pounds. Assuming we continue to see about a 75% operationalization rate. About a 52% first year utilization rate like we've seen in the market to date. That tells us that we would need to license 452,000 potential pounds to guarantee or to ensure that we can get that 174,000 pounds. Basically, you need to license a lot more people or a lot more capacity because there's some people who aren't going to operationalise and those who operationalise aren't necessarily going to operate at their top capacity. To get to 452 thousand pounds of production capacity, based on the Tier 1 and Tier 2 cultivator outputs that we've modeled out, we're estimating we would need to license about 120 cultivators from our December queue. For folks who used to watch the A-Team, there's a line that I love when a plan comes together. We have 127 applicants waiting in the December queue. Based on this model, really without any jiggering on our part, the model suggests that assuming licensure operationalization and capacity utilization rates remain fairly constant or consistent from what we've seen to this point. We believe we could issue or continue to license the December queue as a way to secure our medium-term capacity without creating too much market instability because of the anticipated need as we get out into the out years.

Is there a date by which we should be aiming to license these folks to be ready to meet the demand in 2027/2028?

This is one of the areas in which the approach is going to be dictated in part by the realities of the constraints facing office. We are deeply capacity-constrained. Our licensing team is not growing, and so it will be the same team that is managing licenses, renewals, amendment requests, et cetera. This would be in addition to the portfolio that we're already putting out. I think comfortably, if we worked through these licenses over the next calendar year, over the twelve months that should put us in good stead for our anticipated need as we're looking out to the beginning of 2028. Two quick recaps here because we've thrown a lot at you, so thank you for bearing with me. First is just a pre and post snapshot of what this market would look like, what our supply could look like based on what we've discussed here. We've got two bars on the screen. The first is kind of where we currently are. We ended up, 2025, at 588,000 pounds with the decision to authorize new canopy that adds an additional 703,000 pound. We've got about 1.29 potential pounds currently licensed and 46% actually activated. So, potential pounds of 1.29 million, but roughly half of that has been activated. Based on the two levers we've proposed here, coupled with the

feedback we received from our growers on how much they tend to expand their businesses within their current authorizations, we're anticipating that we will have licensed 2.1 million pounds of potential output. We will have a 63% activation threshold by post-2028. We will be seeing about 1.35 million pounds coming out of our fields. So, to summarize, a quick recap, we have been spending a lot of time looking at the available data in the market and very excited that having Metric, our Seed to Sale partner in place, is going to provide even deeper and richer intelligence into the evolution of this market. We're expecting our biomass needs to grow very dramatically over the next three years in response to strong public update of the legal market. We have this significant supply gap and to meet it. We're recommending that the board both direct the office to allow an increase by one tier for each of our supply side canopies as well as commit to reviewing the rest of the December queue to secure long-term market stability. Finally, just committing that we are going to be continuing to monitor this very, very closely and provide updates and direction to the board as we better understand how this supply chain evolves over the next couple of years.

I guess I'm curious about... Is this going to be an application window to expand their canopy? At what point will the office close the ability for a cultivator to request expansion of canopy? Are we stopping at the 356,000 biomass, and at that point it will be closed? How are we letting folks know when the opportunity to expand is no longer going to be available to them?

Right, so I think rather than turn it on and off, it will be processing it based on the demand threshold so we can continue to accept the applications for folks who want to level up, but using the data coming out to the market to determine how much more capacity to process. I think that's going to be important, that flexibility I think would be important because we won't know for who is getting licensed, either authorized for the new canopy or being issued the new license, who is going to kind of activate the operations or not. In discussing this internally, I think we end up with better flexibility, with more flexibility if we can say, we're going to be accepting applications and processing the applications until we have issued capacity that's reflective of our target number. That gets us to the 356. Pause consideration of additional authorization requests until we better assess whether more capacity is going to be needed and then issue that on a rolling basis on a first come first serve basis.

Yeah, because my concern would be making sure that we're communicating to stakeholders, that these things are what's informing, potentially not reviewing their request for an amendment for expansion.

And so two pieces there, one, you know, we're moving quickly to operationalize the system. If you're a New York cultivator and you've been producing for more than one year, look out for documentation coming out from the office on this process. Two, I think we should be able to process quite a number of these before we hit that 356,000. Three, entirely aligned on keeping, you now, real updates on this so that folks are able to anticipate whether or not they're going to be permitted to proceed. As we have learned here, just advising folks to kind of manage their investments in alignment with the process of office, not making too many investments based on anticipated decisions without confirmation that that's the direction the office is going in.

Do you have sort of a sense of the timeline where you might know whether you're approaching the capacity so that you'd be able to tell applicants, hold your horses, or?

So, not yet. We would be able to tell based on the kind of applicant interest we see in the process and the nature of the paperwork as well as how long it's taken us to get through the files. I think I'll be able to give you a clearer answer on our anticipated kind of outlook once we know how much interest we've seen from the growers once we open the application portal. I'm so happy to have this be kind of a standing item that we discuss at future board meetings.

My last question, and I know we have to get to this vote because we're going to lose member Rodriguez-Dabney soon. I guess I want to understand the resolution. We are approving the expansion of canopy to reach the 356,000 pounds of biomass that we need. The second part of this resolution is resolving that the office will be considering additional factors for expansion of canopy? Is this the ability for the agency to be able to do this without having to come back to the board? Can you clarify that part of the resolution?

Certainly, and so some of the factors that we want to make sure are, for example, that the licensees are fully in compliance with all of their obligations to the state. If they've got outstanding statements of findings or unpaid taxes or other issues related to their compliance adherence to state law and state regulations that, you know, that would kind of be viewed as a negative factor in consideration of whether they would be able to proceed. We're just looking for a bit of flexibility there to ensure that beyond meeting the one-year operational threshold, that there's a bit of flexibility there to make that assessment.

So sorry, so I understand this. This resolution is asking the board to allow for this plan to be in effect up to the point that we reach 356,000 in biomass.

Yes.

In a however mechanism the agency seems appropriate.

Yes.

Got it. Got it. Thank you.

Any other questions?

I'll call for a vote all in favor of approving what I think is actually should be. Thank you. Mr. Usher. Resolution Number 2026-20.

All in favor, if you could indicate by voting aye.

Aye.

That is an aye for me.

Motion carries.

If I might, just one, because we've been talking about cultivation, and this is very kind of relevant to our licensees, I do want to acknowledge that we have a team from Metric here. Thanks for being here, guys. For our licensee or folks who are in process, if you have questions about deploying Metric into your system, questions about the implementation, please, please, please reach out to the folks. Thank you so much for being here. I know

that you've come a very long way to support our rollout here, but what a great reflection of the commitment to ensuring that this is a stable and smooth rollout. Thank you.

Come to a New York City meeting too.

(Laughing)

With that, I believe we're on to the Office of Cannabis Management report part of the agenda.

I'll just keep hogging the mic here. This one will be short, at least my part. Just two slides, since we've spent so much time talking about the growth and outlook of this market. One can't let a CCB meeting pass without us talking about where the market is. As I've said several times today, \$1.7 billion to end last year. We're already at a quarter billion dollars year to date. Through end of February, and we're hoping we'd be at the three billion dollar mark by the day. We're a few pennies short. Somebody please go buy something today. Help us hit that number.

(Laughing)

We're expecting that by the end of this week we'll get that three billion dollar mark, which is a really exciting milestone as we think about just how much this market has grown. A real shout out to both our retailers, our entire supply chain, for building a market that consumers are responding so positively to. Thank you for everyone who has played a part in making this legal industry possible, a real reflection of the pent-up demand that existed in New York that the legal market gets to now serve. Second is a major shout out to our Sustainability and Innovation team for helping the OCM win our second sustainability, environmental. The Environmental Initiative Award. This is a globally recognized program that recognizes institutional leaders that are deploying really innovative programs to advance sustainability initiatives within their markets for OCM submitted based on our Power Score Initiative, which is really trying to better understand and help folks manage the energy use, the water use, the resource use within the supply side of our market. This is not the only issue that we're working on. We're really thinking. We're doing a lot of work around fake waste, which we're very excited about. We're thinking deeply about post-consumer waste. A broad initiative here to try and ensure that we are mitigating the environmental impact of this industry while we're still at these early stages of the market's growth. You know, we're trying to avoid the K-cup problem, where K-cups were a very convenient way of consuming coffee, but nobody really thought through that we would have sold tens of billions of them that are all now in landfills and can't be recycled. There's a lot of aspects of the consumer packaging, consumer products that lend themselves to thinking more efficiently about sustainability. I'm really proud of the work that the team has been doing to steer both the office and the industry toward more sustainable practices.

With that, I'll turn it over to Simone for the report.

Thank you.

I almost feel like we should just like pause and stand up and shake or do something to get our blood flowing because we've been here for so long.

(Laughing)

I just want to say thank you to all of you who've hung around even up to this point. I'm going to do two things. I'm gonna give the regular market update as it pertains and then I'm going to turn this over to some team members. I have a very extraordinary team who have been leading projects. I think that hearing from them firsthand is better than me just giving a report out. I will turn it over to them after I get the numbers. Also, before I give the numbers, I just want to reiterate these numbers are indicators, right? This is not the goal. This does not indicate whether or not equity is permeating or furthering throughout this market. Similarly, the programs that will be discussed are tools for equity, but they are not equity in and of themselves. Equity is an impact measure, and so we are hoping that through the numbers it tells us where we need to be making more investments, and through the programs it tells us how we should be making those investments. I'm going to jump into today's adult-use licenses that were issued under the status. These numbers have been consistent in terms of how they're trending. Most of the licenses issued are in the minority-owned business category at 57%, followed by the women-owned businesses category at 43%. Both the CDI and distressed farmers are coming in at 14%, and lastly, the service-disabled veterans category is at 0%. I do want to put an asterisk by that, and I've been saying this and I hope to come back to you all next month with a more tangible solution for that 0%. Our Disabled Veterans Task Force got stalled for a number of reasons. We are in the process of reinvigorating that task force. Again, these task force or working groups that are coming out really designed to create a space for people with lived experience to tell us, what do you need? We don't want to create programs or make decisions in absence of that voice. We hope to get that up and going. We're having a number of conversations internal to the office with people who actually identify as veterans to really, again, bring that lived experience to our decision-making.

Does that number is that a rounded number or does it actually mean that we have zero license see licenses?

As you will see on the next slide that number is still relatively low. Again, that signals that we are missing something and that we really need to pay attention. Overall, we're still hitting our commitment to have over 50% of the licensees be designated. We're at 56 percent to date. 51% of that is minority owned businesses. 57% is women owned businesses. CDIs come in at 15% and both service-disabled veterans and distressed farmers are at 7%. Again, we're working with both of those populations that come in at 7% to really identify where there are challenges and gaps. Across the supply chain, again, those numbers are pretty consistent. Most of the licensees are in the adult use retail dispensary category at 76%, followed by adult use micro business at 59%, adult use processors at 49%, adult used distributors at 45%, and adult use cultivators at 43%. Again, even though the numbers paint a pretty picture, there are stories behind those numbers that we have to pay attention to, because I believe that we can be doing much better with our licensees. As promised, I think last session we talked a little bit about the merging theory of change and framework for the work. Part of that is that we have been doing a lot of ad hoc programming, which is good, right? We did see some results, but we need something that really gives us a baseline and be able to say that we're creating transformation in the market. And so, in the last session I talked about that framework, I gave you a glimpse into those programs. I want to dig a little deeper into two programs that we are ultimately getting off the ground sooner than later. I'm going to turn it over to my colleague who is joining us online, Allie, who's going to talk about the Equity Business Development Grant Program.

Are you guys able to hear me?

Yes.

As someone said, one initiative I'm pleased to brief the board on today is the Equity Business Development Grant. This program builds on last year's grant which was administered in partnership with Empire State Development and represents the next phase of our team's capital access strategy. This grant is informed directly by feedback from awardees and applicants from the grant last year and is being structured not as a one-off intervention, but as we're hoping is the foundation of a more durable annually administered support mechanism. As the market occurs, our focus must evolve from entry to sustainability. This initiative reflects that shift. We're moving more from facilitating access to actively supporting operational stability and growth for our equity operators. As Simone was talking about, we have created and made some strong programming to move applicants through the application and through early stage licensing. This is an effort to now advance support systems that strengthen with licensure viability. This grant is part of a broader incubation and business development framework designed to encourage licensees can stabilize, can scale, and can remain compliant in what we know is a competitive environment. A little bit about the program. Operationalize the program at scale. OCM is going to be procuring a third-party grant administrator. So given the administrative application volume for this grant program, the level of technical assistance required, including application review, document validation, curing applications, fund disbursement, dedicated infrastructure is essential. We're in the process right now of finalizing the grant administrator RFP with the intent to post that procurement hopefully within the next six weeks. We're working with Evan on that right now and then following that procurement our selected administrator will develop an online portal and support what we hope is a late program fund and we'll continue proactive engagement with the board, with the public and with eligible licensees throughout the development of the grant program including webinars. We anticipate prioritizing licensees who were not funded in last year's pilot due to resource constraints, as well as supplies by the licensees, including CDI micro businesses, distressed farmers and service disabled veterans. I'll leave it there. If you all have any questions, let me know.

Otherwise, I can pass it to my colleague, Julius.

Before Julius jumps in, are there any questions about this particular grant program?

How much in grant will be given out? What do you think the value of the grants, the range?

We're going to keep it at \$30,000. What we heard from those recipients last year is that that \$30,000, though it seems small, actually made a significant impact. I will say, as we work out the kinks and try to make this more sustainable, that number should go up. One of the things that we recognize is that this, and I'm going to credit Mr. Ardebile for reaching out to us on this, we're still missing a large swath of population. Not everybody's at that stage of being pre-operational, having all the equipment. There's still a gray area there where we can actually create a bridge fund. We still want to just kind of give ourselves room to figure out how do we grow this or scale this over a period of time.

With that, I'm gonna turn it over to my colleague Julius to talk about the CUNY Law Pro Bono Program.

Thank you, Simone.

Good afternoon, everyone. Good afternoon to the board. This slide provides a brief overview of the CUNY Law Pro Bono Initiative, which expands access to independent legal support for cannabis applicants licensed throughout the state. The purpose of this initiative is to provide independent, no-cost legal support for cannabis advocates and licensees with a focus on social and economic equity in businesses. The goal is to expand equitable access to legal guidance and improve participation outcomes in the market. This includes helping applicants better prepare for their applications, supporting responsible business formation, and helping businesses better understand regulatory requirements. In addition to that, legal review may also help applicants submit more complete applications and identify potential issues and agreements such as leases before they become a larger challenge. The delivery model will be, the program will be administered by CUNY Law Foundation, CUNY Law, excuse me. CUNY Law School attorneys and fellows will provide services such as one-on-one legal assistance, application support and technical assistance, as well as virtual workshops and consultations. The services are focused on legal guidance and do not include any litigation matters. I'll pause there if anyone has any questions.

Do you have a question?

I just have a confirmation. The legal assistance, since it's through CUNY Law, who would be the legal providers? Are you looking at students/faculty?

It would be in employees. They're hiring staff. They're hiring stuff for them. It wouldn't be students. It would be actual professional license attorney doing the work.

I'll say we were very strategic in making sure that we were hiring actual licensed attorneys because we recognize that there are a lot of complexities that come with lease agreements, setting up particular incorporation documents, and we wanted people who were seasoned so that we didn't find ourselves giving potentially wonky legal advice.

And this operates state-wide?

Yes.

Okay.

I'm sorry, Simone, Brad just asked, does it operate statewide? We don't have a CUNY law school over here in Western New York.

Great question. It would be offered statewide virtually. That's how folks are able to get the access to it. You can book a session with CUNY Law if anybody's outside of the obviously the five boroughs and they can get consultation through the virtual means.

I think there is an appetite to use this as a pilot program and maybe work with additional law schools across the state so we can scale this. I would say as we roll out these programs that are designated, they are all pilots, right? They're room to grow and to hear from the communities and the stakeholders about how we can be better. This is just a starting point for us.

Did you have another question?

Do we a sense caseload capacity?

Because the program is still in development, we're still researching to figure out exactly what the demand would be and how we would be able to, particularly CUNY will be able to manage all the demand of folks wanting legal services. We're still developing and we're finding out, so hopefully we'll be able get that answer to you soon.

Thank you. Very exciting.

Thank you so much.

(Clapping)

Thank you, Julius.

Again, I just want to stress that this is just preliminary, right? We are iterating. We are trying things out. I recognize that a lot of the programming got stalled in the transition from one chief equity officer to another. I just wanted to extend the invitation to the public that if, as we're talking about this, you have ideas, please feel free to reach out to myself and the team. We want to make sure that what we're creating is resonant and culturally relevant.

Who do you have next, John? Who's next?

All right, I think that's actually it.

That's it!

Wow.

Thank you.

Next and final part of our meeting is the public comment portion of our meaning. As a reminder, we're not going to be answering questions, but we do welcome you as the public to take the opportunity to share your thoughts. Each member of the public addressing the board during this time will have no more than two minutes to speak on agenda items. We have the clock there. You'll get buzzed when your time is up. Please note that if you submitted documents or comments electronically, those will be captured in the meeting minutes as well for today's meeting.

With that, we are going to begin with, we have three speakers from Buffalo. I'll start there. If we could have Jeanette Miller followed by Thomas Spanos, and then followed by Sadeq Sharian.

Can you guys hear me okay?

If you could speak a little bit closer to the mic, that would help a lot.

Can you hear me okay now?

Yes.

John, congratulations. I'm happy it's you. Pat, Simone, John and everybody else, I really need you listening right now. My name is Jeanette Miller. I'm the owner and operator of

Adult Licensed Microbusiness, OCM, MICR 24000115. I rely on New York State to be my business partner. I rely you guys. I am an operator, small female farm-owned, distressed farmer, microbusiness. I've been here since the AUCC. I'm trying to do everything correctly. An administrative error occurred after your last board meeting when a location was removed through an amendment. When the administration side went into Metric, they removed the wrong location, my active operation license. Since that meeting, I have been non-operational. As a result of that, I have lost all access to all of my Metric tags. These are paid inventory tags that I purchased. They've disappeared from my account. I've lost access to Metric, all of my inventory, all of my tracking data. All of my business operations have been stopped for a month. This is unacceptable. As a small operator, it's not a minor inconvenience. It's mandatory infrastructure that I have to do. When it effectively is stopped, and no fault of my own, it stops my entire business. The situation is more concerning is that we are going into our fifth year of cultivation. When I tried to contact the Office of Cannabis Management, after contacting Metric, who told me that it needs to be activated, reactivated through Metric through the OCM, by the OCM. There is no clear point of contact yet. I still have no clear point of contact after being a cultivator now. This is going into our fourth year. How can we say that we want health and safety in this environment and that we don't have a way for our licensees to get ahold of you guys when there is issues that are not only affecting what would be compliance issues, but also my business? I have to have this fixed. It has to be remediated within like seventy-two hours. If I was a big business, I'd have a lawyer who is able to send you guys a letter and say this is costing money every single day. My license that needs to be reactivated in Metric are my C1, my P1, and my DX1. The ones that were supposed to be deactivated were my C2, myP2, and DX2. This has been confirmed. I've sent multiple emails to compliance, to licensing. I've called multiple times. I've sent this up to the legislators. I've had Senator's Office reach out to the Office of Cannabis Management, but we have no point of contact. I need a point of contact. In addition to that, we need a points of contact for licensees. It has to happen. There's no way you guys can be genuine. I mean, it's very disingenuous. For you guys to tell us that we need to do these things without being able to contact someone to resolve things to keep our markets safe for our consumers.

If we could have whoever's doing the timer, if you could actually time the Buffalo folks, so we know when time is up as well.

Thank you, Ms. Miller.

Mr. Spano.

Good afternoon. Can you hear me?

Yes.

Wonderful. Thank you.

Good afternoon, board. Thank you very much for the opportunity to speak. Best of luck to the acting executive director in his new position. I wish you the best of look as things move forward. I'm actually here to speak today, not, I mean, my name is Thomas Spanos. I'm a cannabis attorney here in Buffalo, New York. I'm not here on behalf of any of my clients. Just regarding something that I've seen, I've received posts about, and I've actually had some input on the regulations as they were proposed on this. It's with regards to on-site consumption areas in dispensaries, as well as just on-side consumption in general. Under the MRTA in Section 77, it outlines the requirements and restrictions for onsite

consumption businesses, one of which is that no other licensee is allowed to have an interest in onsite consumption. That includes retail dispensaries, which is why I provide a comment when you created these regulations that I couldn't quite understand why you were allowing dispensary to apply for an onsite area they are not allowed to have. Now, I'm not sure whether any authorizations for these locations are actually happening. All I know is that I see dispensaries posting about it on social media that they have consumption lounges. Those are just simply not legal. The MRTA only allows onsite consumption area licensees to be exempt from the Clean Indoor Air Act in New York. Any areas that there's consumption going on indoors is obviously opening up these licensees to potential liability with their local health departments, regardless of whether or not OCM takes any action on them. Not to mention the potential for parties who are anti-cannabis to sue them over not following the requirements of their license and the law. I wanted to bring this to the board's attention. I think that this is something that we can nip in the bud and light the ship on as this industry moves forward. I think that it's common sense. Thank you very much.

Hello. Can you hear me?

Yes.

My name is Sadeq Sharian. I'm calling on behalf of, I'm here for Herbal Harvest LLC. My concern is more general. I watched these board meetings online. I came here today. It seemed like when there's a vote, it's always all three, four, five, whatever members go vote one way, whether it's a denial or approval. Seems like these are all in one big gang, whether it's I need help. She votes for yes, all you guys are going to say yes. She votes no, all of you guys say no. We are always held accountable for our little mishaps or misunderstandings. I got four names here that I've been dealing with since 2022; Nikki, Reginald, Lashon, Annie. All have been lied to me, liars, send me a one-way track of destruction. Feed me false information. Tell me to apply for my application. We can always get two in the future. Bunch of lies. Tell me do this. I paid more fees for every application twice as much. I did four years in prison for marijuana, two retail dispensaries on my co-defendants have SEE applicant's approval. Why me? Why not? I don't know why I got to go through all this. We've been doing good without OCM, but it is what it is.

Thank you.

We're now going to bring comments back to Albany.

We'll start off with David Nekponski, followed by Ruth Randall.

Good afternoon, members of the board and Chair Garcia. First, congratulations to Director, a very well-deserved and exciting appointment, and one that I am personally very much in support of. Next, I am very happy, and it's about time, that you approve the application. To some folks, administrative delays might seem just academic or just crossing T's and dotting I's, but when your rent is \$20,000 a month and you can't operate, unnecessary and arbitrary delays really start cause damage and destroy people's lives. As I mentioned last month, we are up for renewal for a card license. Since then, a grand total of zero illegal stores have been shut down by law enforcement, matching the prior standing record for over twenty-two months now. Right now in our area, there is zero effective enforcement. Enforcement is non-existent. One illicit store operates freely with a ceiling order untouched in its front window being used as free advertising from New York State about the fact that they sell pot right next to their open 24/7 neon sign. I'll show pictures of it to anyone

interested after the meeting. Two others operate with partially torn ceiling orders on their door. I have to seriously ask, "With no prospect for profit, why should I even bother to renew my license?" Director in his opening remarks mentioned regulatory and market efficiency as one of his focal points. How Oppo, considering New York has, despite all rational arguments against, and the market united in opposition plowed ahead with its retail ID plans. This has already disrupted supply chains, distorted economics, market economics, and eliminated products. In our Bronx dispensary in the poorest county by far in New York State, our top two selling products are now being discontinued due to the impact on the unit economics. They're being replaced by larger packages at higher prices, which undermines the very factor that makes them the top sellers in our area. This will not fly. Absolute irrationality in action has been a hallmark of too many industry decisions marked to date and this approach needs to be changed now before causes yet more unforced and self-inflicted damage to the market and its participants. Thank you.

Thank you.

After Ms. Randall, we'll hear from Roger Thomas.

Good afternoon. My name is Ruth Randall. I'm the co-owner of Especially Green micro-license number 00035. I'm here today representing the New York State Cannabis Farmers Alliance. We would like to extend our sincere congratulations to Don on your appointment to Acting Executive Director. CFA has also submitted a letter of support for your candidacy to the New York State Senate. Look forward to collaborating closely with you and the Office of Cannabis Management to build a robust and equitable cannabis industry in New York. CFA applaud your number one priority of community outreach and stakeholder engagement. We believe it is crucial that we foster collaboration among all industry stakeholders, cultivators, processors, retailers, advocates, and regulators alike. CFA is committed to assisting the office in consultation on regulatory and legislative matters, and we believe by working together, sharing insights and amplifying diverse voices, we can shape regulations that are fair, effective and supportive of both small businesses and larger corporations. Thank you.

Thank you.

After Mr. Thomas, we'll also hear from Scott.

Good afternoon, I'm Roger Thomas from Mellow Times in Manhattan. Last time I spoke in front of the board, I told you guys I didn't really have much faith, no confidence, but it's starting to come back, knowing that John is in charge. John, I really hope that since you're at a rams now, you take the stakeholders, you try to please the stakeholders. Just try to look out for us. What happened to my brother, Shandu. What's happening to me now. We're paying rent. We're payin' insurance. We just sittin' on a location that's built out and waitin' for approval, waitin on months. It's going on our second month now, we're paying the rent. Please, just look out for the stakeholders who just have money wastin', wastin' wastin'. Just not knowin' what's gonna happen in the future. It's okay if we make bad decisions and we messed up, right? Made bad decisions and lose our money. What we sit down and we lose our money because you guys making, taking long to make a decision, like an approval and we just, that's not good, that's really not good. John, congratulations. I really hope you try to please the stakeholders then really try to please the Governor. Please, look out for the stakeholders. Thank you.

Hello, everybody Scott, Micro License Number 4 cultivation processing retail and distribution in Saratoga Springs. I'd like to just talk a little bit about the micro license class. I think it's a great opportunity to build a small craft license type in New York State. As the market matures, I think the regulations need to be looked at a little. I've got a couple suggestions that would help. The micro class become a stronger entity in New York State. I think it's very important that we have this small micro class. I think first, regarding the showcase events, if there's any possible way that we can, as a cultivator and processor and retailer, if we can retail our own product at these events, just our own product, nobody else's. Regarding, the nursery license for micros and for other cultivators, the state, the market in New York, whether it's the recreational side of things where they can cultivate their own or whether the farmers, everything is coming in from out of state, clones, seeds. We all sit with our hands tied, micro-cultivators, regular cultivators. There's a lot of us that have our breeders. We want to get our New York genetics to the New York market. I think that's something that also should be looked at. Also to help build a little bit more product, more products for us, because we're limited to our own products, what we can grow. So, in the micro-cultivation class, we've got outdoor, we've got indoor, we got mixed light, and then we've a combination of outdoor and mixed light. If we can really try to get an outdoor, indoor, I think that would be very helpful for us because of our limitations in product, in the products we can offer. Thank you very much. Congratulations, John.

Thank you.

Good afternoon, Chair and members of the board. My name is Kashan Simmons Founder of Bud Struck LLC. I'm here regarding my November queue microbusiness application OCMMICR 2023, 00054. I just want to start off by saying I'm not here asking for special treatment. I'm asking for a transparent process, consistent communication and accountability, the basic affair government administration. Here is what I've been told by OCM in writing. On May 30th, 2025, I was told my materials were complete and sent over for final review. On July 31st, 2025 I was told my application was reviewed, was complete and awaiting a determination. After that, despite repeated follow-ups, I received no decision, only generic responses stating it's in management review with no explanation and no timeline. I have asked repeatedly what is missing or needed and have not received a clear answer. This lack of clarity has caused serious financial harm, carrying costs, lost business opportunities, and uncertainty I can not plan around. A delayed decision without explanation becomes a barrier in itself, and it has equity applicants, it hits equity applicants the hardest. New York State Adult Use Rollout was presented as a chance to correct historical inequities, and even playing field so minorities and disadvantaged communities could truly compete. That promise requires not just access to apply, but fair, timely, and transparent decision-makings after we apply. I'm asking for three simple reasonable actions; a written status update within a defined time frame, stating exactly where my application is and why, a single accountable point of contact so I am not forced to escalate repeated just to learn basic information. I believe in this program and what it was meant to do. Transparency and accountability are not optional, especially in an equity framework. Thank you. I look forward to a response. Thank you.

Thank you.

Steven, followed by Vincent.

How's everyone doing today? I just want to thank you for the opportunity to come up here and speak to the board. My name's Steven Tappa. I'm here to represent Curaleaf. I'm hear to really just discuss how we are extremely excited about the opportunity to work with

Metric. I think it's a great way to move the business and this market forward. I think for us, the biggest thing is getting inversion out of this market. I think the traceability, the trackability, the efficiencies that we get from Metric. You know, it's going to help us move towards getting us that 365,000 pounds that we need, you know, as the Chair member said. I think for us, that is the biggest kind of path forward for us here in the state. Metric has been a great partner for us. As a big operator, we have had our difficulties with this implementation. I think even, you know, with some as long as well with the smaller operators. Again, Metric has been a great partner for us. They've helped us throughout any of the issues that we've had. Again, I just wanna state our case that this is a great thing for the market. It's a great things for us as a business. It helps us to be more efficient, traceability, trackability. And as a consumer myself, I wanna see that we have safe, reliable cannabis here in the great state of New York. So, appreciate your guys' time. Thank you.

Thank you.

Vincent, followed by David.

Good morning, Chair Garcia, members of the board. First of all, thank you for all of your hard work and especially the difficult decisions you have to make each and every day to make this market work smoothly. My name is Vince. I'm the CEO and co-founder of Nabis, the nation's largest cannabis wholesaler. I flew to Albany on short notice because the Metric retail ID issue this week has rapidly escalated into a supply chain challenge affecting operators across New York. Distributors sit at the center of the regulated supply chain as an infrastructural layer for the industry, servicing suppliers and retailers equally across our platform. We receive finished products from cultivators and processors and deliver them to dispensaries. Because of that position, when a system issue occurs, it can cascade quickly across the entire market. Following the recent retail ID enforcement deadline this past weekend, we've observed an inconsistency in Metric where products that physically contain retail IDs are not always digitally designated as finished goods in the system. This creates a mismatch between the physical product and the system of record that operators rely on for compliance. For a distributor operating the middle of the supply chain that creates three immediate risks; retail orders that cannot be received, deliveries that must be returned and rescheduled, and inventory that retailers cannot legally accept. Today, we're partnered with over sixty brands and nearly all dispensaries across the state of New York. Our brands represent nearly 15% of the New York market and roughly tens of thousands of units are delivered out of our warehouses each and every day. In our own system, approximately 12% of individual products across orders are currently affected. Based on broader market estimates, roughly 22% of product value moving through the market may be impacted. Because distributors coordinate deliveries across many brands and retailers simultaneously, even a small mismatch at the system level can compound quickly and disrupt the supply chain statewide. The Metric leadership team and Michael have been incredibly responsive and our request is straightforward. Temporary operational flexibility through 420 on retail ID enforcement and long term we strongly support the goal of a single universal retail ID. We've seen other markets how that's created fragmentation and retailer driven non-governmental enforced retail ID protocols and it creates a diaspora of a mess, namely from markets like California. A consistent statewide standard implemented with operational clarity should ultimately strengthen the market.

I'm so sorry. You've reached time.

Oh, thank you.

David followed by Samaj.

Good afternoon, board members and everybody online and everybody around. My name is David Feder. I'm the founder of Weedlaw. I've been a cannabis attorney in New York for the past thirteen years. First out of the past years, I wanna say a huge positive advancement to the entire industry is the appointment of John Kagia to the Director. We're really excited for you. The whole industry is cheering, seriously, as you've heard it around here. It's a common sentiment. We're hoping to work with you as you ride the ship. I want to thank the board for approving SOHO dispensary's PCA waiver today. It's a women-owned business, social equity business, waited years for this moment. We're grateful for the opportunity for this licensee to move forward. I mentioned SOHO not just to say gratitude, but also for the contrast that it reveals. I've mentioned this numerous times, basically every time I'm up here. OCM stated that SOHO's routine change of location was delayed for months because the agency received general allegations the day before the vote. Those allegations were never shared with us, they were never substantiated, and it had nothing to do with the waiver. Yet, there's far more serious matter that has gone uninvestigated for years. The registered organization, medical campus license originally awarded to New Yorkana, Inc. appears to have transferred in violation of numerous regulations, the Department of Health regulations and the OCM regulations and the MRTA prohibiting transfers of the licenses from one entity to another and also prohibiting changes of ownership of the business without prior written approval from the department. Despite that, the licensee has moved away from the original winning applicant and ultimately ended up under the control of a corporate cannabis interests connected to acreage holdings and now canopy growth. Fast forward this. For years, I've had freedom of information requests pending with the OCM, seeking records that explain how this transfer possibly occurred. Those records have never been produced. Here we are. A small social equity operator can be stalled for months based on vague unsubstantiated allegations while specific allegations of regulatory valuations involving one of the most valuable cannabis license in the state remains uninvestigated and undisclosed. We're really looking forward to working this out with everybody. John, now that you're at the helm, we hope that you can right the ship. You guys are great. I'm really excited what we're doing today. God bless America. God bless all of you. We're gonna do great. This industry is gonna continue to grow. We're excited.

(Clapping)

Thank you.

Good afternoon, Chair Garcia and members of the board. My name is Jay Young. I'm speaking today on behalf of the Brooklyn High Retail LLC Application Number OCM retail 2023-001080 Brooklyn High retail is a provisional license that has worked diligently to comply with every requirement requested by the Office of Cannabis Management. The application has secured a compliant location and turned into a valid lease with the property owner and invested substantial time and resources and reliance on the regulatory process established under the MRTA. Despite being ready to move forward, the application has remained stalled based on what has been described as a proximity protection or location viability concern relating to another applicant that has not yet been licensed. Importantly, the application has failed to proactively advance their application in nearly three years, yet their pending status continues to be used as a basis to block the entire neighborhood and prevent Brooklyn High retail from moving forward for board consideration. Respectfully, the

MRTA does not establish a rule that allows an unlicensed applicant to block the advancement of another provisional license. The proximity protection in this statute apply to license dispensaries not pending applications. Applicants should be able to demonstrate control of a location through a valid lease or other lawful right of possession. If valid complaints to OCM or questions arise regarding location, it is the responsibility of the regulated agency under law to conduct its due diligence and verify those claims within a reasonable time. What becomes difficult for applicants is when there is no defined time or accountability for how long these reviews may take, while applicants continue to incur significant financial obligations and delays. When ready, applicants are held back by unwritten practices or open-ended review processes. It creates uncertainty for those who have relied on the regulatory framework and good faith and invested significant capital participate in this program. Brooklyn High Retail is not asking for special treatment. We are simply requesting opportunity that the statute contemplates to have our application brought forth for consideration by the board on its merits. Allowing applicants to be considered when other nearby remains stagnant for three years should not require judicial intervention. It will be consistent with the statute time. Thank you guys. I appreciate it.

George, concluded with Hamid Michael Ardabelli.

Good afternoon. Thank you for allowing me to address the board today. I am the owner of a company that was licensed in New York to cultivate adult use cannabis. My license number is OCM-Colt-25000193. I have been licensed since Spring 2022, when I was in AUCC. As an existing cultivation licensee, I'm entitled to a processing license. I applied for a processing license to accompany my cultivation last Fall. My OCM reviewer completed his review and forwarded it to the CCB for their review and to eventually be voted on by the board. I was then informed by my OCM Reviewer that the CCB had put a hold on their review of my processing application and no reason was given. My processing application review by the CCB has been on hold for five months with no explanation given despite my weekly inquiries. I cannot process and sell the cannabis that I cultivated in 2025 without the accompanying processing license. The cannabis is degrading and losing its viability. This delay has put my company under extreme financial distress because of a complete lack of cash flow. I'm asking the board to review and issue my processing license so that my operations are no longer disrupted. My processing application number is OCM PROC 2-2025-000007. Thank you for your consideration.

Thank you.

Hamid Michael Ardabelli.

Good afternoon, Chair and the board members. My name is Hamid Michael, a retail licensee under the MRTA. The MRTA was not ordinary legislation. It was a moral promise that the communities harmed by the prohibition would not simply watch the next industry to be built, but would help lead it. Equity does not survive on vision alone. It requires regulatory stability, clarity, and consistency. Many of us relied on the rules as written. We invested life-saving signed leases and moved forward in good faith based on published regulations and agency guidance. Yet too often licensees encounter shifting interpretation in consistent enforcement and it's a determination that appears to move beyond the statute itself. When that happens, the burden does not fall on the agency. It falls on the equity operators and the only remedy becomes litigation. For large, well-capitalized entities, litigation is a strategy. For equity applicants, it's a threat to survival. If equity licensees must repeatedly go to court simply to enforce compliance with the statute designed to protect them, the system begins selecting for capital, not equity. My request is

simple, correction. Create internal mechanism to correct administrative errors without forcing licensees into court. Apply written standards consistently and ensure equity operators are not financially exhausted defending rights already granted by law. MRTA was revolutionary. It must be reliable. Many thanks to the team. Thank you.

(Clapping)

Thank you.

That concludes the public commenting portion of our meeting. Thank you, everyone, for participating in today's Cannabis Control Board Meeting.

Our next meeting is scheduled to be April 2nd in Buffalo. The link for the live stream will be shared on the Cannabis Control... I mean, on the OCM website, Cannabis.NY.Gov before that meeting. A recording of today's meeting, the meeting minutes, and transcript will be posted there as well.

With that, I'll just call for a motion to adjourn.

So moved.

I believe I'll have to second.

We don't have a third member right now.

(Laughing).

We are adjourned.

Thank you.