4/2 CCB Meeting Transcript

Thank you very much, everyone. I understand that the New York City folks were not able to hear any part of our meeting. So I just wanted to say that you haven't missed much. We just opened the meeting and read through the agenda and then broke for advice of council. And so we're going to return now and resume the meeting and start with the first item on the agenda. Which is approval of the minutes. So if I could have a motion from a board member to approve the minutes from tI movehe March 5th meeting. I move

Second.

Um, all in favor of, or any discussion, any changes to the minutes. Seeing none, all in favor of approving the minutes, say aye. All right, minutes are approved. All right. Where am I in my thing? Sorry, apologies everyone. All right, our first order of business is actually an application denial. And Mr. Geskey, do you wanna walk us through that application?

Absolutely, thank you, madam chair. The office recommends denial of Bizarre Royale for the reason that the location does not comply with the cannabis law in terms of the Street level and on a public thoroughfare. The proposed location is on the fifth floor and the office concluded that that is not consistent with the Cannabis Law. And accordingly, the office recommends denial of that particular application. And I can take any questions.

Any questions from the board?

So, my understanding is this, having seen the pictures of this, this is a 5th floor office building that has multiple medical offices or other similar kinds of things and that this would be off of a hallway shared with other businesses on the 5th Floor.

That is absolutely correct. And in fact, the office sent staff to the location to do a visual inspection of that. And so we have the detail of where it is uniquely situated within the building and that it is, in fact not a principal entrance on the public thoroughfare.

And the cannabis law specifically requires that locations be on a public thoroughfare, is that correct?

That is correct. Section 72, parenz 5 of the cannabis laws is a specific section member, I'm sure.

So public thoroughfare on street level, can you just specify what the law says? Indeed.

Indeed, so how about I'll just read the statute in part. In part, the statute provides that the principal entrance to which shall be from the street level and located on a public thoroughfare in premises which may be occupied, operated or conducted for business trade or industry. And so the principal entrants is not on street level in this instance, it's on the fifth floor.

So therefore not accessible to customers from the street level. You know, in the correspondence from this applicant, there was a lot of mention regarding the fact that they received proximity protection for this location. I'm just curious, does the agency grant that viability or issue that viabilty to applicants for a specific unit within a building or for the building address? Like, how do you operationalize that?

On a micro level, not the macro level. So the office needs to have a lease for this specific location, the premises in which the activities will occur. And it needs to identify the specific room or floor or whatnot for the lease, but it does not apply to the entire building, of course.

And then when the office grants that proximity location, what does it actually mean? Does it mean that that location is approved or does it mean that that locations meets certain criteria?

Well, as you know, the board makes the ultimate decision as to whether or not a license is approved or denied, of course, right? That's grounded right in the statute. So the office can identify a particular parcel and say that it meets, for example, the school proximity provisions, but the office does not have the authority to opine that a particular unit or space. Is violative of the particular statute. Instead, that is a decision for the control board.

So this applicant has been told that that location meets the proximity distance requirements to other licensees, to other schools, to other houses of worship. And that's it, that's all that.

That is correct.

And everything else is up to us. Any other questions from the board?

It does seem like there's been a lot of back and forth with this applicant, including potential other spaces. At one point, they submitted a different address and they've also indicated potentially an interest in the first floor of this building. I think that I do have some concerns that... Out, this applicant has gone through an awful lot trying to make this work. I can't, I don't see how you make a fifth floor space meet the requirements under the cannabis law. But I would be interested in seeing if there was an opportunity to provide the applicant with some chance to consider a provisional license or some other thing that would allow them to pursue other spaces rather than a blanket denial of their application today.

Well, that's an interesting proposal. I understand that this applicant not only has tried to change their location. And my understanding that the reason they haven't is because they have thought that this proximity protection would, they would hold onto it, even if they moved units. And it doesn't work that way. But I also understand that this applicant has gone through. Quite a lot with this, with their application. Could you, would you mind elaborating a bit about all the pieces that they, or all the ways that they've been impacted or, I don't know, I had heard from you, Pat, that there's been a lot. So I'd be curious if you could put that on the record and explain to us what they've gone through. This.

Forgive me. Yeah, this has been going on for a little while, right? And so there's been a couple different locations at issue and the offices received information that the build out is allegedly nearly complete. And so they're stating a variety of financial challenges and issues, which is associated with this particular one. And so I do remember the applicant coming to a variety of other past board meetings, of course, expressing. Um his viewpoints and his positions on um everything that he has gone through for that particular application uh so they're looking at you know he's the fifth floor is one for which that uh recommending denial they're also you know looking at another space that's on the on the first floor and so there's a couple other different uh possibilities and um irons in the fire, so to speak, that they appear to be looking towards.

I guess I was looking to understand what makes this application unique or an exception for how we operate. Clearly they're making efforts to and they so the fact that they've looked at alternative locations to me says that they know that their fifth floor location is actually not viable. So they have been looking for alternatives. But they've also had quite a challenging time because this building. Has come up before by other applicants is my understanding. So it's a coveted location. I do recall in hearing about this applicant months ago that it was actually tied up in litigation because there was issues of control over their location. And so the location's been challenged through issues of control. The landlord clearly has not played them right by issuing. Leases to multiple actors and not just them. And then they were also affected by the proximity protection. Situation that we had last fall. Is there anything else that you think would be helpful for us to know about what about this applicant?

Those are the main challenges associated with this, right? In terms of the, yeah, it's known to be a desirable location. There are well-known, you know, questions regarding the leases and the numerosity of the leasers and potentially even like conflicting leases at the particular location. And so those are all unique characteristics about this particular application.

So even given those challenges, though, but you did mention that there's a possibility of a space on the first floor. So that would actually give the access. Did I hear that right? You did. You did? So there is still a possibility of a change.

That would be, it is possible, yes.

And just to clarify, it would be a new location submission. So it would kind of go back in the line for other applicants that have submitted locations within the area.

Well, what I think I'd like to propose a denial, but conditional and give the applicant a chance to submit for a provisional, perhaps within 30 days. This would be, give them a chance if they wanted to pursue that first floor location or some other location, rather than an outright denial, which given the complicated circumstances of this very specific case, I think merits consideration.

If we were to go that route, just to clarify for the applicant in particular, if they were to go for that first floor location, they would be expected to seek a PCA waiver. And so I would encourage them if they would go that route to file for that PCA waver now rather than later so that they get on the list and they have there order of submission as early as possible, so that in nine months, they'll be eligible, um, for, for that waiver provided no one else need some too. But what does the rest of the board feel about that proposal? Or do you want to make a motion on that or do you wanna?

Yeah, so I move that we conditionally deny the application, giving the applicant 30 days with if they wish to convert to a provisional application or application for provisinal license.

I will have is there a second. Oh, thank you. Um, all in favor, say aye. Aye. Aye and I vote aye. All right, so we'll see what, um, Mr. Bazaari all wants to do. Next order of business is consideration of adult use applications for approval. Mr. Geskey.

thank you, Madam Chair. Forgive me.

Before the board we have 28 adult use cannabis applications which have cleared licensing's review process. We've got one cultivator, 13 dispensaries, three micro businesses, two distributors, eight processors, and one final card license. And this would bring the total approval to 2,205. However, I'd like to make a brief request to the board to return. 748 back to OCM. OCM received some new and additional information recently and we wish to undergo additional due diligence with respect to 748 application.

Do we need to vote on that amendment by the way, Council? Would we need vote on removing or is the office removing at this stage adequate?

I would say that since it's on the agenda, it would be appropriate for the board to vote to grant the request to send it back to licensing.

Um, do, could we, do we vote on the whole packet with the, with the condition that that one be up? So we'll wait for the vote. Okay, thank you. Um, so 738 is removed and you want to speak to the rest of the package.

Um, with respect to the, uh, the other applications, um, we have, uh 7 48 will, uh, will be returned back to the organization. Um, and then we also have, um Moline, um and also Brooklyn high for a recommended approval, um by OCS. Um, And I can take any and all questions about either of those or any of those.

Any questions from the board?

So it's my understanding that Brooklyn High. Located on a street, but six steps up from the street, which some have raised as suggesting that it is not at street level.

That's a fair statement. It's like a brownstone type of step situation. Remember Usher?

And was there an ownership change with that one as well?

There was. And so as many folks know, that applicants and licensees have duties to supplement or correct their applications or licenses after they become licensed with new and additional information. And in this instance, there was such a thing that occurred in this incidence. And so OCM received that ownership change information and processed it still at the application stage.

And were there allegations by community board rumbling?

Around Malene. Oh, yes, yes there were. Regarding Malene, there have been allegations regarding past illicit cannabis sales. There have been investigations by OCM's enforcement team and also the New York City Sheriff's Department. There was some surveillance conducted. Ultimately, those investigations did not identify or result in any criminal charges or convictions regarding those circumstances.

I want to go back to Brooklyn High because we did receive a lot of community input for that application. A lot of negative community input. And so I want acknowledge that we received it. We've read it all. We hear your concerns. A lot the concerns that the community raised are not actually legally defensible reasons for which we can deny a license. And you know, if something were to come up that actually does violate the law or our regs, and that's something that we can, you know our compliance team can look into. But one of the reasons why this applicant is before us today for approval is because we,

there was nothing in those concerns that could be legally defensible for denying a license to this applicant. The one thing I will say is that, Um, the community was concerned that there had been no outreach to the community about, um, them being, them looking to open in that location. And so I would just urge, uh, urge the owners, um to, um. To make good and, and reach out to the community, be good partners. Uh, we build that into our, it's built into the law and it's built into their eggs that they're supposed to, they're supposed to be a community impact plan. And there's ways that there should be ways for them to contribute to the Community. And so, um hopefully they can. Open up those lines of communication and be good partners going forward. And on the issue of the location, the question that you raised, I think that it's an important question. It's important to make a distinction between this application and the previous one that we conditionally denied because the location that Brooklyn High is proposing is a few steps up, but it still has a street level entrance. And so customers can still access that location from the street, it's still in a location where customers can feel safe walking in because they know that it's street level and if there are any issues. Help is easily accessible and also the staff and the owners can feel safe in a in a location that is Easily accessible to to the public and there's traffic right outside. So I think that that that's what makes this different from from bazaar Any other comments or questions? If there are none, then I will call for a vote all in favor of

Thank you very much. All in favor of approving the applications for approval before us today and removing 748, returning that to OCM for further review, signify by saying aye.

Aye. Aye.

All right, motion carries. Next up is consideration of adult use licensee amendment requests.

Thank you Madam Chair. The cannabis law and regulations allow the board to authorize amendments to cannabis licensees. Via the amendment survey cannabis licensee can request amendments and the office has reviewed amendment requests on a ruling basis in tandem with the review of applications. The amendment requests before the board today include both supply side licensees and retail licenses. In total there are 29 licensees who are requesting an amendment in some form. As a reminder to all licensees, the license amendment survey is located on the OCM website under the licensing tab. In addition to the existing functions, the survey now also supports processor authorization changes, as well as requests for cultivation canopy extension. Updated guidance can also be found on our website under licensing tab and let's see here. We've got, you know. Well, I guess I'll just put a period there, Madam Chair. All right, thank you.

Any questions from the board? Hearing none, I'll call for a vote all in favor of approving these amendments. We couldn't hear was that I thank you. I also vote for I vote. I motion carries. Our next item is consideration of adult use applications for renewal.

All right, so 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, a proof of valid labor peace agreement, employee demographic wage and benefit information, proof of notice to municipality form, if applicable, and required license renewal fee. The 69 applications up for renewal today have all completed these requirements. As a reminder for our licensees, as we are in renewal seasons, you must submit your renewal application no fewer than 60 days and no

more than 120 days prior to your license expiration. A licensee who has submitted a timely and sufficient renewal application may continue to operate under an expired license through the State Administrative Procedures Act. Until a decision is made on the renewal application. Licensees who fail to submit a renewal application before their license expires will be unable to continue operations. Thank you and happy to answer any questions.

Questions? Any questions? You can ask questions. You don't want to? Okay. All right, so hearing no questions so far, can I have a motion to approve this resolution? It's actually resolution 2026-2022.

So moved. second

All right, we have a great right now. Do you have any questions? Okay, no questions. All in favor signify by saying aye. Aye. Aye motion carries. Next is Consideration of conditional adult use retail dispensary applications for renewal. Can I have a motion to consider. I'll second. Thank you, Mr. Geskey.

All right thank you madam chair the conditional period for card licenses is four years like other adult use licenses the license must be renewed every two years uh part 116 outlines requirements for the card license including for renewal the card included uh in the resolution today have all submitted renewal applications to the office including requiring municipal notice in accordance with section 72 of the cannabis law the office is recommending the approval of renewal for these 18 applications included in the board packet and it can take any questions.

Any questions? I will call for a voe all in favor signify by saying aye.

Aye.

Resolution carries. Next is, can I have a motion to consider the resolution with the dealing with the cannabis showcase event regulations for adoption?

So moved.

Have a second? A second. Thank you. Who's walking us through the regs?

Thank you, madam chair, really excited to finally have the cannabis event showcase event regulations, ready to submit to the Department of State that we can go live with these. This has been a long time coming. We have built this off of the cannabis grocery cases that we did two years ago, took the lessons learned and have incorporated this into what I think is going to be one of the more exciting new authorizations that we're permitting here in New York State. So quick thumbnail on some of the key points about the Cannabis Grower Showcases. As we did with the original CGSs, here we envision that a retailer will partner with at least one cultivator and at least one processor to host events. The law is quite clear about the two scenarios where these events can take place. One is at farmers markets, the other is at self-organized events by the licensees. So this does not include concerts, festivals, and fairs. We're not yet going to be having these products sold at Madison Square Garden. Understand that the two scenarios where this can happen are standalone events and at farmers markets. These are not consumption events. We do not yet have consumption regulations in place. I'll speak about that a little bit later. So to be clear, this is just a place where the producers can showcase the products that they have, engage with consumers in a way that allows them to really get to know who the customers that are

attending these events, and then the consumers can purchase those products from our licensed retailer. Based on the fact that we're expecting quite a bit of interest here and we wanna make sure that the sufficient time to get these events done, applications will be due 45 days before the event takes place. So please consider that as you think about when you intend to do these events to make sure you're getting your paperwork in time because we learned the lesson from the first grocery showcases where we're getting applications the night before, people saying... I'm expecting to sell a million dollars tomorrow. Please approve me. And it just doesn't work well. For the locations where these events will be taking place, you can apply for an event to be up to 45 days consecutively at a given location, but no more than 45 days for a given in a calendar year. This is important because we do not intend these events to become de facto pseudo retail locations. We don't want them to be permanent. They're just intended to give licensees a new non-retail store-based opportunity to engage with their consumers. Additionally, and related to that, you have to get municipal approval. We want your municipalities to know that these events are taking place and get signed on. And so that's going to be a consideration because the Muni approval will need to be included with the application. So these processes will need start early. We think it's important that the municipalities are engaged and partners with us on this. So consider that Muni Approval will be necessary. A quick side note there. Because these are not storefront events, this is not conventional license retail. These could take place across the state. So the opt-out regulations or the opt out rules apply to retail dispensaries. We view this as a separate authorization. So you can apply in an opt-outs municipality. You just have to get that opt-up municipality to approve the event. We think this may give an opportunity for munis that opted out of retail and may be considering opting back in. To trial balloon having cannabis in their communities and see what the community feedback is. You'll also need to submit a site plan, you know, all of the documentation is quite standard for what you will need to let us know about who your partners are, who the licensees that will be participating in this, what the site plan is, staffing. All of that is fairly table stakes for those of you who participated in the first round of CGSs, those who are all here, which again implicates that 45-day document submission requirement. One point, and I know we've received so much inbound about this that I have to address the issue of micro businesses being able to participate in the CGSs. Based on the way the law is currently written, we are kind of seeking an amendment to ensure that micro business can participate as both suppliers and retailers at the event. So essentially a provision that would allow micro businesses to do these events by themselves As the law is currently written, we don't have that ability authorization. We certainly, we have said plainly that we are in support of an amendment that would enable that to happen and we continue to champion that. But as it currently stands, microbusinesses will not be able to participate as both the supplier and the retailer at these events. So very excited to get this done just in time for summer 2026. Please make sure you can get your documentation in order 45 days in advance. And with that, I'll take any questions the board might have.

I just want I have one question, if I may. I recall when we were drafting these, there's some stipulations on proximity where you can hold these. Can you elaborate how the our new proximity distance requirements impact where these cases can take place.

Sure.

Or it can't take place.

Yeah, so with the amended proximity law, non-exclusive buildings that have schools that are non-inclusive use are certainly now in play. And maybe I'll just make that as a broader point that across the state, we have historically treated buildings with schools as requiring

them to be exclusive use. Under the amended law, that is now no longer the case that it is buildings that can have other kind of organizations within them that would still be deemed as proximity considerations and so that applies here as well. Our retail rules, our retail distance requirements would apply here. Two, there's a distance requirement for applicants because one additional consideration is we didn't want one retailer setting up an event right outside the door of another retailer and so we've included here a distance requirement if you are not between the event and the retail dispensary unless you are the owner of the retail dispensery that's organizing that event. So you can have an event in your like in front of your store if it's your store but a competing retailer can't come and set up in front of you.

That's the point that I'm trying to get clarity on. If you are a grandfathered in retailer, does the event showcase proximity rules apply to them? Or are they grandfathered into to be able to do a showcase outside of their location? Thank you very much.

So retailers would be able to do this.

Even though their grandfather and they can they can they can the showcase regs with rules will still apply to them.

Absolutely. So, yes, this applies to the distance rules would apply for.

So they're not excluded from participating because they are close to a school that's multi-use, even though they can operate as a retailer, they're not excluded either from participating in the showcase.

That's actually a good question. My expectation was that they would be grandfathered in under the same terms as the law, but let me get confirmation from. I think it's yes.

Regs would apply to this.

To suggest breads would apply to the event. So the distance rules for the events would apply to the events, but not to the error.

But if their events are outside their retail store.

It would violate the CGS rights. Okay, so with the change in the proximity rules that was addressed by the legislature at the beginning of the year, we grandfathered in retailers who were already operational of that may have been in violation of the distance to the non-exclusive use of parameter. Unfortunately, the CGS rules would apply as the law currently stands, so that this would be a new authorization that would be applied to how we're measuring the distance. Just because their storefront has been grandfathered in, that storefront doesn't necessarily apply to new permits that they're seeking from the office. The new permits would be based on the CGs, not on the grandfathered law.

Okay, that's what I wanted clarity on. Thank you.

Yeah, just to comment. I'm very hopeful that we can get not micro businesses included in this as soon as possible because I know that's been a big

The legislature is currently in session, so please contact your lawmakers. This is an issue that you'd like to see addressed. Yes, we have some proposed language for this.

Thank you.

You heard it to your folks first.

Any other questions from the board? Any other questions from the board? Alright, hearing none all in favor of approving. The new the final regs. Motion carries. Please post. Next, can I have a motion to consider modification to certain registered organization?

So moved. Can I have a second? I;ll second

Who's going to walk us through this new?

So before the board today is a resolution to modify the RO registration fee for renewals, uh, in particular, uh from $200,000, which it's currently set at and was, was been set at since the program was back at the department of health to, uh $20,000 for, um, registered organizations who, who are going to be, be renewing, um this kind of justification comes out of a number of different, uh avenues. First being that the medical program, and this is not unique to New York, but in states that legalize and have medical programs first and then move to have adult use as well, historically what you see is a decline in the medical programs, just because there's more availability on the adult use side, and particularly right now where we have over 600 adult use dispensaries, less than 30 medical dispensary, we've seen a decline both in sales and certified medical patients. And recently, registered organization who just surrendered their license. And so there's kind of a trend going in that direction. Something that I know at the office, we definitely want to try and breathe some life into the medical program and are thinking creatively about how we can do that and maybe some things that are a little bit more outside the box that we weren't considering in the past. And then the other factor is that the majority of the organizations that are in our medical program also hold additional licenses on the either rod or rond side. Which these are Article IV licenses that allow a medical operator to participate in the adult use market. As a ROND, you can wholesale, act as a supply side licensee. As a rOND you can be vertically integrated in the medical market. But both of those license types and application types come with their own application and licensing fees. And in the case of the ROD, also the $15 million special licensing fee. And so there's a lot of license and application fees already. Um, coming from, from those two applications. And so as a, as a proposal to try and not, uh, disincentivize the medical program, uh this, this resolution before the board today would, um, reduce the RO only registration fee from $200,000 to $20,000 on, on renewal.

Any questions from the board?

This does not in fact affect a special registration fee that devotes money to see in other programs.

Correct. Yeah, this is like a standard license application fee. The RO special licensing fee is set in the statute. And so that's set by law. This is just a general application fee and license fee.

And how do the fees paid by ROs compare to retail licenses more generally?

Great question. Yeah, so if you had it all up, for example, on the rod license, you're paying a $10,000 application fee, $175,000 rod fee, and then the fee associated with whatever

cultivation tier the rod is at, which if they're indoor at tier five, starts at $100,000. And so adding the $200,000 from the registration fee and the application fee on the medical side, you're looking at at least half a million dollars approximately each renewal cycle. And that is much higher than our application and license fees, for example, on the on the adult use side.

What about just the medical fees overall? What's the burden on ROs between registration fee and all the other tiers?

It's a flat $200,000. And so, yep, yep. And that was kind of carried over from the program at the Department of Health, which was a much different program. There was only 10 registered organizations, very controlled. So maybe it made more sense at that time. But now that we have many more licensees and more opportunities, a little incongruent with other license and application fees.

So the startup costs for starting an RO are still the same hurdle of 200,000. But once you establish that you can do that, then there's the opportunity to grow.

And I might just say, even on the question of kind of startup costs, maybe this is something that we revisit as we think more broadly about refining our regulations. As Pat said, you know, we're kind of very focused on trying to understand all of the options before us for securing our medical market and showing that the kind of the cost burden isn't so high in a market that has seen real challenges, as most other jurisdictions have seen. We have seen patient attrition with the legal market has grown, and so we do want to make sure that patients continue to have access in the state, and while we're beginning first with these renewal costs because these ROs were up for renewal, I would be open to a broader conversation about just the entire cost structure of the medical market, because it may be undermining the viability of the program at a really critical time where I think we should be trying to shore up these businesses to continue to be able to serve our market.

Yeah, whatever we can do to do. Have our medical professionals see cannabis as a possible remedy for patients would be wonderful. I'm really eager to see what kind of research is coming out of the work that we license, but also just in general around cannabis as changes happen at the federal level to allow that. Any other questions? All right, hearing none. All in favor of approving this new fee structure, signify by saying aye. Motion carries. Next, and our last item for the board to consider is can I have a motion to consider and discuss the Gotham Buds LLC declaratory ruling.

So moved. Can I have a second?

Stop dying, I'll second.

Thank you. Can I call up our acting, oh, he's right here. Acting general counsel to just give us an update.

As you recall at the last meeting, you referred the underlying issues that were raised in the declaratory ruling request to the Trade Practice Bureau to try to work with the parties. Happy to announce that the parties have been very cooperative working with the Trade practice Bureau. A little shout out to the trade practice bureau team because they've been working hard on this. There's been a number of discussions already. I don't know if it's gonna lead to a resolution or if you'll still need to adjust. Address the ruling, but I would request that you essentially keep the matter with the Trade Practice Bureau, so let them

work it out. But I also don't want to see this kind of fall off your radar, so I would suggest that maybe we'll come back in at the next meeting, we can give a progress report. If it looks like things are progressing, we could go one direction. If it look like there may be a need for the ruling then you can consider that at that time. So that's my ask to you is to hold it over again for a month and see where things go.

Any questions from the board? All right, can I have a motion to hold over this matter to the next board meeting to get another update? So moved. In a second. Second. Thank you. Say aye. Aye. Thank you, thank you. And now we just move on to the report from the Office of Cannabis Management. Take it away, Mr. Kagia.

Chair Garcia. Before we hand it over to the team, I wanted to acknowledge a major milestone that we hit this week. This week, New York State celebrated five years since the passage of the Marana Regulation of Taxation Act, the law that legalized cannabis in New York and the law that made everything that we are doing here possible. Getting that law passed took over a decade of incredible work, advocacy, championing, education, outreach, community engagement by a phenomenally committed team of stakeholders, community organizers. Advocates and people who believed in the potential, not just of the plant, but of the industry that this represented. On the 50th anniversary on Tuesday, we also celebrated the opening of our 600th store, Pure Blossoms on the Upper East Side. And the licensee who runs that store, Mike Rodriguez, in so many ways kind of exemplifies the type of opportunity we hope this legal market could... He grew up two blocks from his storefront. He now lives across the street. As we're going through the grand opening ceremony, you had members of the community walking by and you could just hear the high mics. Good to see you, Mike, congratulations. Members of the city council showed up to acknowledge him and they knew him, but they came to acknowledge him and celebrate his kind of joyous day. You know, this is why we do this work. 600 stores over three years, I think is an incredible achievement, an incredible testament to the work that has been done to build what I think is the most exciting, dynamic, and opportunity-rich campus market, not just in the country, but in the world. And the industry that we have built, I think, is really reflects the communities where these businesses are based. And I think that's particularly special part of our market. So in Reflection of five years and incredible work done by the team. I'd like to first thank the governor for the extraordinary support and commitment that she has stated and committed to the office, to this market and showing that we get it right. I'd love to thank the legislature, Majority Leader Crystal People-Stokes, who just stepped out. I think she knew I was going to call her out. But for her leadership in shepherding the law to its passage, The lawmakers, including Senators Kruger, Assemblymembers Lupardo, they have been such great partners as we not work to establish this market, but refine it as the industry grows around us. I want to acknowledge the board, Chair Garcia, and board members, yes, board members. Thank you. I just acknowledged you and the incredible leadership that you have. I appreciate you being here. And so, you know, Canabis Control Board members, Usher, Crystal Rodriguez-Dabney and Hope Knight on the line, thank you for your leadership and for holding our feet to the fire as we work through building this market. You know. I think the relationship between the board and the office is so important. There's a lot that happens behind the scenes and sometimes licensees may not and stakeholders may not have a good appreciation for how much the board holds us to task to make sure we're doing the work right and I think that's precisely the way it should be so we appreciate a lot the leadership and the partnership as we have grown this market. I also want to acknowledge and thank the applicants and licensees who have raised their hands to do this work to participate and. The phenomenal entrepreneurs who are building this industry. At $3 billion in revenue, that's a huge amount of economic impact that this industry is having, not just on

the businesses, but on the communities that they serve. We know that it is hard work. We know this is one of arguably the most regulated industries in our economy. But we have been blown away by the level of commitment, the creativity, the entrepreneurism. That our licensees have shown as they've grown this market. And finally, I'd like to thank the office staff, the unsung heroes who toil unrelentingly in the shadows trying to move this work forward. I've only been in this seat a little over a month, but the more time I have spent meeting with our teams and getting to understand the deep, deep layers of their work. I've been blown away by Kennedy how much I didn't realize was being done by folks who just saw opportunities and were running with it to advance not just the industry, but build support structures for the stakeholders in this market, advance education for practitioners, for community members, for educators, for parents, doing the enforcement work to ensure that unregulated products aren't ending up in the wrong hands. It's an incredibly large and diverse portfolio. All of this has been done by less than 270 people who are deeply committed to this mission. And so even as we celebrate and reflect on all of the milestones achieved over the first five years, we recognize there's still a lot of work to be done. And we look forward to working with each and every one of you to continue to do this important work, to build upon the incredibly strong foundation that we have So far and to ensure that New York remains the world's most dynamic, innovative, and opportunity-rich canvas market in the world. So thank you all. And with that, I'll turn it over to our team for the beginning of the office canvas management report. I believe this is going to be a report from Kevin with our market numbers. And then we'll talk, we'll share some feedback on a survey that we got back from our and sees about the business conditions, the outlook for this industry. That we concluded earlier this year. So with that, over to you Kevin. Oh, thank you.

Thank you, John. I think we'll actually start with the community reinvestment update, if that's okay. My name is Matt Wilson. I'm the director of the Community Grants Reinvestment Fund. I want to start by first saying that this program is made possible because more and more New Yorkers are buying legal. And I want thank everyone who is buying legal as well as all licensees across the supply chain. Your success in this market directly contributes funds to this program without you. We would not have this So thank you very much for all you're doing to make this successful The second funding opportunity is now open It is live and we are ready to accept your applications Applications are due on May 13th at 5 p.m Applications are submitted in OCM's eGrants online application system. If you scan the QR code currently on the screen, that will take you to the procurement listing where you can read the RFA and all the appendices directly. That will also link you to the online eGrant system where you submit your application. I want to remind everyone who is interested in applying. That you must be pre-qualified in the statewide financial system at the date and time the application is due. I cannot stress that enough, you must pre-qualified in the state wide financial system at the day and time application is do. SFS pre- qualification occurs in the Statewide Financial System. You apply for this opportunity in OCM E grants. Both must be done at the date and time the application is due for us to review your application. Last year, we did receive quite a few submissions of complete applications that were not pre-qualified in the statewide financial system. We are unable to evaluate those applications. It is a heartbreaking situation when we see people have put so much time into it. Please make sure that you complete both of those steps. It's very important. Now I would like to go in just a few slides to tell you a bit more about this opportunity. First, the statutory purpose of the Community Grants Reinvestment Fund is, quote, to reinvest in communities disproportionately affected by past federal and state drug policies. We expect all applicants to be serving communities disproportionately infected in the drug war, there are two ways. In which you can inform us how you are serving those communities. First, we have created a new tool this year called the Communities

Disproportionately Affected Priority Service Area Map. If you scan that QR code, it will take you to that map. This map identifies specific census tracts across the state of New York where cannabis arrest rates. We're higher than the state average. This is very similar to the CDI map. However, we have combined all the data into a single layer to make it more user-friendly. These are priority areas for us. If you are going to propose a project that serves in these areas, you can indicate that on your application. And that indication is worth several points. You can read about that in the RFA. We also recognize that communities disproportionately affected are located all over the state, including in areas where the census tract didn't rise to a high enough level to be captured in the priority areas. You are welcome in your application to use other data sources, your own historical analysis or other community indicators to tell us how the population you are serving. Was disproportionately affected in the drug war. But again, all applications should be focused on ameliorating some of the harms that occurred in those communities. Next slide, please. The RFA itself has some more narrow parameters. These have been determined by the Cannabis advisory board. So in this RFA, we will accept applications from 501c3 nonprofit organizations working with youth. We define youth as individuals between zero and 24. Your projects can focus on youth directly or indirectly. Activities do not need to be cannabis related. We welcome applications that do touch upon cannabis, But. In no way is that an expectation. So, in addition to being a 501c3 serving youth, you need to propose a project in one or more of these five programmatic areas, mental health, substance use disorder services, harm reduction, housing, workforce development. We do not take a very narrow definition of these 5 areas. You can read more about that in the RFA and Whatever intervention you are making in these five areas is likely to be eligible. So take a look at the RFA, consider if your project meets these eligibility criteria. And if so, we hope to receive it. Next slide, please. A change this year to pay attention to is that we are bifurcating the applicant pool into two tiers. The first tier is for small and mid-size organizations, while the second tier is for larger organizations. It is very important that you apply for a grant amount that is aligned to the size of your organization. We are measuring the size of your organization based on the total expenditure. On your most recent IRS tax filing, that total operating expenditure will align to one of the operating expense tiers in either tier one or tier two. Once you find your alignment there, that will determine how much you can apply for. The reason we are doing this is to make sure the grant size that we issue is not disproportionate to the size of the organizations that we're supporting. And it is also to make sure that small and midsize organizations are competing among themselves and not competing against much larger organizations. Overall, we are expecting to have up to $15 million available, assuming we have an enacted and passed budget out of Albany. At minimum, we will have $5 million available for this opportunity. Next slide please. Finally, we have made a lot of support available. I certainly appreciate that applying for funding to the state can be a bit of a complicated process. We have tried to make as much guidance and information available to interested applicants as possible. Visit this QR code, go to the OCM website, check out our prospective grantees page. There you can find a range of resources including a video tutorial where we actually walk you through the eGrant system and how to apply. Take a look at these, read the RFA closely. If you have any questions, submit your questions to the designated contact by April 8th and we will answer those by April 22nd, an official addendum to the R FA. Thank you again to everyone who's buying legal, to all of our licensees and we look forward to receiving applications. Thanks so much.

I'm sorry, I have a couple of questions. One, you might have said this, I'm sorry if I missed it, how many grants do you anticipate? giving out

Great question. Of course, it depends whether we have 5 million or 15 million. It also depends on how many awards we make in Tier 1 at the lower brackets. It's a variable amount. Based on guidance that the Cannabis Advisory Board has given us, we will roughly allocate 50 percent of available funding for Tier 1 and 50 percent funding for tier two.

And actually, my second one is not actually a question I was really pleased to see that the advisory board elevated workforce development as an area area to fund to give more opportunities to our communities to work in the industry.

Thank you.

That next one. All right, can everyone hear me okay? All right, hi everybody, good afternoon. Before we dive into the analysis, I just want to address some analytical housekeeping items. First, good news, we are now officially using seed to sale data for our market updates. All 2026 sales data you see going forward will be from metric. As a result of this change, monthly totals are now based on calendar month. So 31 days for January, 28 for February, et cetera. We will also start to report medical sales where applicable. Our team is hard at work to blend the legacy self-reported data with metric data, so we can start producing the analysis you're all accustomed to. Additionally, our first priority will be retail, but we intend to build analysis and reporting for cultivation, processing, and distribution as well. Now that we have robust, clean data. Finally, please be patient with us as we figure this out. This is an iterative process and we'll take some time to figure out the best way to utilize this new data to serve you onto the analysis. In March, New York had approximately $145 million in adult use retail sales up from 128 million in February, which as a reminder is a 28 day month. So far, one quarter into 2026, there have been over $400 million in adult-use retail sales and $3.13 billion in sales program to date. Medical sales came in at 5.2 million in March, flat to down from previous months. Next slide, please. Let's dig into sales per store. Before we talk numbers, I want to explain something methodologically. The graph on the left shows average weekly sales per store by the number of weeks a store has been open. As you can see, for the first 52 weeks or one year, Sales per store climbs pretty consistently. This reflects the time it takes for a store to ramp up, establish a foothold in the market and acquire a stable of customers. After this point, sales tend to reach a steady state. We believe that looking at these stores that have reached steady state give a more accurate read on store performance market-wide. Average sales per story for all stores, including ramping and steady state stores was $2.75 million per year. For only steady state stories, we're at 3.95 million, a much healthier number. Next slide, please. But that $3.95 million average doesn't tell the whole story. Yes, in aggregate, this is a strong number, but performance varies widely store to store. The graph on the left breaks out each steady state store by its annualized revenue range based on March sales. A significant proportion of these stores fall between one and $3 million per year with a long tail of higher performers bringing up the average. That said, almost 50% of steady state stores average more than $3 billion per year with 5% of stores averaging more than 10 million dollars per year. The table on the left illustrates the same point. The top 20% of stores at $5.5 million averages more than four times the sales of the bottom 20% at $1.2 million. The median sits at roughly $3 million per year. The insights on these slide indicate that while there appears to be sufficient demand to support healthy store performance, some market participants are capturing more of that demand than others. We will continue to monitor this closely. While valuable, seed to sell doesn't tell the whole story. To discuss market conditions from the perspective of our licensees, I'm going to turn it over to Sarah Meyer, a senior economist on my team, who will talk through the results of the market assessment survey that we did.

Good afternoon, members of the Cannabis Control Board and the public. As a senior economist on the Market Analytics Unit, I oversee our market research portfolio. This research and data helps inform the office's evidence-based policy and decision-making. Today, I will be presenting findings from the 2025 Market Assessment Survey. As I discuss survey results, please stop me with any questions that may arise. So the Market Assessment survey was conducted in September of 2025. It was optional for all adult use licensees. The purpose of the survey is to gather current market data to inform policy and programmatic decisions. The survey covered three key areas, gaging licensee economic sentiment, understanding market conditions and challenges, and identifying operational barriers. The survey received 356 responses, which equates to about a 17% response rate. Thank you to all licensees that participated in the survey. Provided valuable insight into the market. It's also important to note that licensed data used here was from October of 2025 to reflect the licensing landscape at the time, which is around 2,000 licensees. The graph on the right shows the distribution of survey respondents compared to the licensed population by license group. You can see that response rates vary by license Suppliers, which is comprised of cultivators, processors, Processor type 3 branding and distributors had a lower response rate at 11%. Retailers, comprised of card and retail, have a 24% response rate. Retail is actually overrepresented in the survey, accounting for 47% of survey respondents, but they only make up about 34% of the licensed population. Micros had around a 19% response, which is reflective of their share of the license population. And it's important to note here that the sample size for ROs is very low. Two out of the nine ROs in a market responded. So please keep that in mind with the findings in this presentation. Of respondents, 80% indicated they are operational and 41% are C licensees. Next slide, please. First, we'll begin with how licensees are feeling about the market overall. We asked licensees two economic sentiment questions about industry outlook and business outlook in the New York market over the next 12 months. 46% of respondents have a positive outlook on the New york cannabis market overall, whereas 66% of respondents have a positive outlook on their own business. This 20 point gap reveals that respondents are more confident in their own business than the broader market. This can reflect the resilience and positivity of licensees even faced with challenges. In the chart on the right, we break business outlook down by license group and see some meaningful variation. Suppliers are more optimistic at 72% reporting positive outlook and only 11% negative. Micros follow at 66% positive. Retailers have the highest negative rating out of any group. And RO is rated... 100% neutral, but with only two respondents, we can't really draw any conclusions for that population. Next slide, please. Digging further into better understanding business outlook, we broke out the data to reveal some insights. On the left, the dials show that non-C and non-card respondents are most optimistic at the 71% business outlook which is greater than the average of 66% from the prior slide. C follows not far behind. However, card respondents lag the most at 52% positive. This means that nearly half of card respondents do not have a positive view of their own business. The chart on the right can provide some insight into that lag. Looking at business outlook by license maturity, which is based on license issue dates, we see how business optimism declines sharply as licensees mature. New licensees under six months are significantly more optimistic entering the market with a 86% positive business outlook, excuse me. The majority of licensees, around 40%, fall within that 12 to 18 month bucket, where positive outlook drops to 64%. At the end, we see the least positive outlook at 25% from licensees that have been issued more than two years ago. While the sample size is low in this mature group, it's comprised of card licensees. And card licenses were some of the first market entrants and on average have an older license maturity compared to other license types. So this supports their low business outlook compared to the peers that have not been participating in the market for as long. So overall, it's clear that licensed

maturity is a key driver of business sentiment. Next slide, please. To further understand the reasoning behind sentiment, respondents rated various factors influencing their business outlook. This chart reveals the top concerns impacting business outlook. There are five concerns with over 65% of respondents rating them as concerned and very concerned. Tax burdens with 77% of respondents concerned, the single highest rate factor, followed by inversion, meeting out of state or illicit products entering New York's legal market, illicit market competition, and legal market saturation and competition, all at 73%. Other key factors of note I'll mention here, federal rescheduling. This survey was conducted before the potential reschedulling of cannabis was announced. So this could have some implications for tax burden. Capital access and cashflow with almost 50% of respondents indicating concern. These are reoccurring themes throughout the presentation as we dig further in that you'll see. National economic indicators such as GDP and inflation. Were rated with 30% not concerned or minorly concerned. The macroeconomic conditions were different at the time of the survey. So I think that the current geopolitical issues and macro shocks may impact respondents' level of concern differently now. So just to keep that in mind. The lack of concern for consumer demand is promising here, which is supported by strong sales growth of the market that I haven't discussed earlier. Next slide, please. Turning to financial performance, we asked operational respondents whether their business is currently profitable. The profitability chart on the left reveals 47% of respondents reported being profitable. And while this is larger than the share of unprofitable respondents, it means that more than half of operational licensees either are not profitable or don't know if they are profitable. Breaking this down by license group tells a more nuanced story. Retailers report being the most profitable at 58%, followed by suppliers reporting 56% profitability with a pretty even split between profitable and not. Micros have the highest unprofitability rate with nearly two thirds reporting they're not profitable. Registered organizations show 50-50 split, but again, the respondent rate of two makes this statistically unreliable. Next slide, please. Now it will be a Evaluating profitability from an equity lens. Among operational respondents, card licensees show the strongest profitability rate at 66%, the highest of any group. Non-C and non-card licensees are 42% profitable, whereas C have the lowest profitability rate at 38%, with 54% reporting that they are not profitable. Also of note is the share of respondents that don't know whether or not they are profitable. It's important to contextualize the card finding that card licensees are predominantly retailers. And as we just saw on the prior slide, retail is the most profitable license group overall. Next slide, please. Beyond whether businesses are profitable, we asked how their profit margins have changed in the last six months. Twice as many respondents reported seeing margins decrease than increase with 40% of respondents stating their margins have decreased in the last six months, which was March, 2025 to September, 2025. That's compared to only 18% reporting an increase in margins. This problem compounds with time in the market. The graph on the bottom left shows how profit margins decreased based on the operational maturity of respondents. Which is how long the respondents have been operational. We see the highest profit margin decrease in the most mature bucket of respondents, two plus years. This margin compression likely reflects increased competition for early market entrance and is a sign of a healthy market. When asked what operators are doing to improve margins, the actions take in our talent. 51%. Are switching purchases to different funders, 50% are cutting marketing, advertising, and promotional spending, and other top actions include both purchasing and reducing staff hours. Next slide, please. The last few slides have shown what the current conditions for licensees are, and now we'll dig into the factors behind that. We asked all respondents to rate factors that challenge their day-to-day operations. The top three challenges are lack of capital, with 54% rating this as a significant or very significant challenge, followed by marketing and advertising their company and banking services, which is securing access to banking services and the cost of banking. Without

federal banking access, many operators remain cash-heavy businesses with associated costs and risks. Some other notable findings here, the survey was launched before full metric implementation, so the current impact of inventory tracking and management may be rated differently. Overall, the consistent themes across top challenges impacting daily operations are related to access, access to capital. Access to banking and access to consumers through advertising. Next slide, please. Now that we've evaluated operational challenges, let's look into the other side of the picture, non-operational respondents. So 80% of respondents are operational, and of the 20% non- operational, the majority of them had planned operational dates, and most of them indicated that they planned to be open by March of 2026, so now. On the chart on the left, operational status is broken out by license type. CARD has one of the highest operational rates, noticeably greater than retail. This is likely a function of maturity as CARD was one of first licenses available. Cultivators also have a high operational rate, which may be because many have transitioned from AUCCs and have held licenses for longer. Yet another example of licensed maturity impacting operations. Other supply license types have relatively low sample sizes, so there's low confidence in pulling any insight from them. Next slide, please. When we look at operationalization rates through an equity lens, important differences emerge. The dials on the left reveal that C respondents face the highest non-operational rate. Card licensees have a 90% operational rate, the highest of any group. Non-C and non-card licensees are at 82% operational. C licensees have the lowest operational rate, meaning they face greater barriers to getting open than their non-equiting peers. We asked non-operational respondents what barriers are preventing them from opening. In the chart on the right, you can see that financial and capital barriers emerge as the top barrier across all groups, but the gap is especially pronounced for C licensee with 38% citing this compared to 14% for non-C non-card. Other barriers include local municipality ordinances and restrictions, infrastructure and technology build-out, and real estate and landlord challenges. Next slide, please. To better understand the financial and capital barriers, we asked non-operational respondents if they were planning to raise capital, the challenges associated with raising it, and how much capital they needed. 50% of non-operation respondents are planning to raised capital in the next 12 months. When asked how challenging raising capital is, the majority of respondents rated raising capital as very to extremely difficult. While card non-operational respondents gave 100% challenging rating, there are only nine respondents in this group, so that figure should be interpreted cautiously. In the chart on the right, showing desired amounts of capital for non-operational respondents by C in card versus C in non-card. We see that the most desired capital target is between $100,000 to $500,000. The chart also highlights that non-operational C and card respondents indicated higher amounts of desired capital, shown in the yellow bars. The takeaway is clear. Across equity sizes, the licensees that need to open cannot access the capital they need to do so. Next slide, please. To pull together all this data and summarize what this survey tells us about the state of New York's cannabis market, I'll highlight some key findings. New York cannabis market demonstrates resilience. Most respondents are operational, adapting, and confident in their own business outlook amid broader market challenges. Financial health varies among respondents with reported profitability variation, margin compression, and lack of capital impacting daily operations and business outlook. C respondents indicated the lowest profitability and highest barriers to operationalization, while CARD respondents were less optimistic about their business outlook, despite having higher profitability and operational rates. Top barriers respondents identified, tax burdens, inversion, and we'll sit in legal market competition are all areas where policy action can potentially improve conditions. In an effort to continue to collect information on the market and support evidence-based decision-making, the Financial Health Survey will be launching soon for licensees to participate in. Thank you, and I welcome your questions on this video today.

Actually, first, going back to the market analysis, for the future, it would be great if we could get on the sort of profitability question or the sales per store question, which I think relates to profitability sometimes, an analysis of how C applicants fall in the tiers of those different categories. And I think this, you know, the market survey. Highlight some things that perhaps aren't too surprising that access to capital is a problem for everybody and particularly C applicants, but it certainly does really highlight the problems that micro licenses are having and issue we need to work on as a policy issue.

And, yeah, regarding your comment around C stuff for sales per store, we can absolutely include that in future meetings.

I was also interested in the fact that our regulations was cited as one of the barriers challenges in the survey and looking forward to the stakeholder conversations that the agency is leading to get that feedback and better understand how we can perhaps remove some of those barriers as we explore some changes in the regs.

And maybe just one thing I would add. This survey was deployed before macro environment changed as much as it did. We're paying very, very close attention to how the current issues in the Middle East might implicate our market across several factors. This was already a capital-constrained market, and this is really impacting access to liquidity. It potentially could mean higher costs of inputs, we're already seeing impacts on things like fertilizers and other grow inputs, but we're going to be looking at whether it could be affecting things like material costs, inputs for plastics, which are a really important part of our market. And we're also really paying close attention to whether it's going to affect consumer spending. While cannabis consumer demand is inelastic, consumers have a lot of options for where can get their cannabis. And so one of the things we've been talking about the team is, you know, does this mean potentially shift consumers from being premium product consumers to value consumers? Are they going to be looking for bargains in the unregulated market, which is something we need to guard against some real potential issues that we have seen happen in other economic downturns that have played out in legal market and played out in the legal market. So as we look out to the year ahead, we'll want to pay close attention to how these evolving macro conditions might impact ours. Thank you. Thank you team. Over to Simone.

Before I jump into the numbers around C, I think I would be remiss if I didn't comment on the changes to the oral fees. Sitting at this perch, I can look out into the audience and see body language, and there were some very audible boos, and I understand where that comes from, right? Those fees, even though they don't directly affect the social and economic equity programs, they are a canary in a coal mine. But if this part of the market collapses, then we won't have any funding for our equity programs. And so that begs the question for me at least, whether we should reanalyze or rethink how equity programs are being funded. To me, the current funding structure is a regressive funding structure. That means it ebbs and it flows based on the market. And if we're really demonstrating a commitment to equity, we need a solid source of funding that's going to be sustainable over a period of time. I think in previous meetings, I've talked very explicitly about moving away from ad hoc programming to sustained programming and growing it over a time. We can't do it with the current fee structure. That's just never going to happen. And then secondly, really big on walking what we talk. If we're doing things in service to the RRO markets who are out-resourced, out, have larger capacity, then what are we doing to actually help our equity stakeholders? I'm hearing from the policy team that C licensees over and over and again are facing insurmountable obstacles. And so what I beg this

board, this board and also I know a majority of leaders not here, but she now have a conversation. How are we actively protecting our equity licensees? I would like to see the same consideration given to them as we're giving to our O's. So just want to put that out there before I got started. Um, in terms of like looking at the numbers of who's represented in the market in terms to see, we're still kind of hitting the mark there. Um, but again, I said this before, and I'm going to sound like a broken record, these numbers are indicators. They are not. Impact measures. And so as I give these numbers, yes, we should applaud ourselves, but we should also use this as a starting point to really have a deeper analysis around equity in the market. So going into today's meeting in terms of the approvals, 41% of adult use licensees are C status, with the vast majority being minority owned businesses, followed closely by women owned businesses at 55%. CDI has seen a slight increase at 27%, but we're still struggling with the service-disabled veterans and distressed farmers. And I'm gonna talk a little bit more about the service disabled veterans today. Next slide. So overall, again, if we're thinking just strictly about the language in the MRTA that 50% or above should be designated C, we're hitting that mark. Currently we're at 56% with 51% being minority-owned businesses, 57% being women-owned business, 15% CDIs. 7% service-disabled veterans and distressed farmers. But again, these are just numbers. These are not impact measures. Next slide, please. So across the supply chain, C is adequately represented, but I will call out that again, most of the C licensees are still in that adult use retail dispensary space. And I think as we look at the regulation changes, as we open more avenues in terms of licenses, we might see those numbers shift. And so 75% adult use retail dispensary, 59% is micro business, 45% distributors, 48% are processors and 43% are cultivators. So those are the numbers. As I've promised in previous meetings, I want to unpack those numbers and tell you a little bit more about what's going on for equity licensees. And so if you all will recall several, I wanna say maybe two meetings back, I presented our current C framework. It's cross four pillars. And today I think we're gonna really dive into the community engagement pillar, which to me, if you're talking about equity, having that community voice is really the cornerstone of how we should do our work. So next slide, please. So again, community engagement. And I wanna be clear that community engagement is not as just talking to you and shaking hands and just hearing your stories. That information informs what we do as an agency. I think the most tangible demonstration of that you will see at these AU round tables that we wanna hear from you. We wanna understand the impact of our decision-making. Also, although we're practitioners and we're experts in this area, we don't know everything, right? We don't always bring that lived experience to the table when we're making decisions. And so that community-engagement piece is really vital. If we're actually going to sustain the market and have equity be at the heart of it. So today I wanna share with you four programs that kind of fall within the community engagement space, but they're gonna lead up to, I think, more tangible programmatic outcomes for the agency. Next slide, please. So Chair Garcia, you'll be happy to hear this. I think over and over and again since I've been here, it's been very clear that workforce development is a key part of this industry. Um, I think we have passively looked at this and as an agency, now we're starting to think more constructively about what does it mean to build a workforce development or build workforce development within this market? Um, and so in OCM, we recognize that people are doing different things in service to workforce development and that we didn't have any coordinated effort. So rather than have parallel tracks across the board and kind of, you know, maybe not be the best stewards of resources in time. Um, my team has started to work closely with the policy team. And a couple other departments to really think about what does a good workforce development strategy look like? And so the first step is really for us to get clear on what the strategy is. And so this past week, we kind of landed in the place of being able to come up with a framework that consists of five pillars. And I won't go into all the pillars, but I will say they cut across three areas. What's happening

with the employers, which I think that's where the vast majority of the conversation has happened. What's happening with the employees. We're hearing more and more labor violations, people having unpleasant experiences, and so we really need to understand what is happening with employees in this market. In addition to that, we wanna make sure that this market is balanced, right? It's one thing to say we're training people, we're trainin' people to what end? And so there needs to be constructive conversation between the people who are coming into this market as employees and employers to figure out how do you balance supply and demand and make sure you're training the people so that they can move into jobs that pay livable wages and offer benefits. And so the team is really thinking long and hard about what does this actually look like for OCM to tackle this work. So again, five pillars, workforce training and resource development. We have partners who already been doing this work, but again, how do we start to coordinate this effort so that they aren't one-off ad hoc efforts? And also being able to measure the impact, right? Just because you've gone through a training program and you've gotten a job doesn't mean that it's fundamentally transformed your life in any meaningful way. And if we're really gonna build a market on equity, that's rooted in transformation. Market intelligence our policy team does a wonderful job of really capturing the intelligence But how do we then use that information to inform our decision-making to really understand how we're moving the needle in the market around workforce development Workplace workplace safety again We're hearing from workers across the industry that maybe the work environments aren't so hospitable and for this to be a relatively new industry That is highly problematic. And so we really want to stop this before it becomes something that is out of our control Community partnerships, again, there are a number of stakeholders across the state who are doing a yeoman's job and trying to figure out what does the workforce need. And I think for them, they've also signaled to us many times, yes, this market is supposed to be premised on ownership, but everyone can't step into entrepreneurship. And there's a learning curve to being able to own a business. And so we're really actively listening to our partners to make sure that what we're doing, again is resonant. And then equitable career development, I think it goes without saying certain people have access that other people do not. And so we wanna make sure that whatever's out there reaches, first and foremost, the people furthest removed from the nucleus of power because whatever we do for them will benefit everyone else. And so these pillars are evolving. The team is currently working on a set of goals so that we can have a North Star to point towards and to make sure, again, we're doing work that is strategic and not just ad hoc, it just feels good, right? We wanna make that we're driving transformation in the market. And so as this group... Starts to take more shape and determine what we're actually looking to achieve. I will come back to you all with an update. I will say that right now it's an internal focus, because we're trying to get our ducks in a row. But most certainly, we want to work with external stakeholders on this. And so this will be a collaborative effort, a little bit down the line. So this isn't just OCM, again, making unilateral decisions. Next slide, please. Well, I'll stop there and see if there are any questions about the workforce piece.

I mainly have a comment, I'm excited that this working group is being established and set up. I've heard of, should I say this, I've hear of training programs that have been established to, obviously, with the intent of helping people learn what it's like to work in the industry, but in essence what it's creating is a cyclical temporary workers who are going through the industry with no permanence, no future of actually getting a job in the industry. And to me, that's really disconcerting. We made a point in the regs of not allowing independent contractors for a reason or temp workers for a region. This is supposed to give back to the community and it's supposed to create good jobs, ideally full-time jobs, jobs that people can actually support their families with. And so Hopefully, as you look into this, you can also come up with some good recommendations for how to do just fair and

more just workforce development that doesn't actually exploit people into making them cheap labor in this industry.

I totally agree with you. One of the strategies that will be kind of a hallmark in the space that you're talking about, as opposed to just saying, here are the opportunities, actually creating what we call career ladders, right? But if you start off as a budtender, what does it then take for you to move into, say, a manager, then like, and so like really thinking out what is the life cycle of an employee within the cannabis industry and what credentials do you need? What potentially would be a good livable wage in these different areas? And so I want us to think fully and constructively. About what it means to do exactly what you're saying. Once you come into the industry, how do you thrive in this industry and how do we keep you in it so that there's a lack of, there's some mitigation of exploitation.

And to that I will just add that obviously in order to have that we need these businesses to be successful. And so I hear your comments on ensuring that the C program has steady funding and we have a way of supporting those businesses who need support and obviously we need to be creative and think through how we can do that. Some things are within the board's power, some things are not, but look forward to hearing more your ideas around that and what we could do.

Definitely, this is again, I think this is the maybe the second or third meeting I've talked explicitly about the framework. There are other things that I think will lend itself to what you're talking about, like really how do we think structurally about what it means to embed equity in this industry, not just again, one off programming, or being able to, you know, apply for a certain license, but like, what is the structure of the industry? Where are all the different opportunities and levers for us to really open up avenues for people who historically have been furthest removed from opportunity and nucleus of power? So welcome that opportunity with you all to the extent that you can support. I know some of this will be in the hands of our legislature, but I'd see you as allies. And so as OCM is, you know, starting to rally cry, you can also support us. Next slide, please. So the other really important piece, and I want to take a little bit of time with this, and I wanna start off doing something that legal counsel might frown upon, I really want to give a profound apology to our veterans. We are part of the MRTA. You are equally as important in this industry as everyone else. We have this task force. And just. Given the changes in OCM, I don't think that we've done the best job we could do with this population. And I say that to also say, I'm looking for a bit of patience as we try to figure out what is the best infrastructure to support veterans. And so part of this is reinvigorating our veterans task force. It was initially called the Service Disabled Veterans Task Force, but in conversation with the community, what we recognize is not just service disabled veterans, it's veterans writ large who are being shut out of this market. And so. Part of this task force is really expanding it to include all types of veterans. And what we really wanna focus on, because again, we heard from you all, is increasing workforce and entrepreneurship opportunities. If you recall the numbers of licenses that I call that consistently, service disabled veterans is squarely a zero. And that to me has been problematic since day one. And so we really want to make sure that we understand what are the challenges that this population is facing. And how can we as an agency be more responsive in real time, not just one-offs or just, you know, you forcing our hand, but like having an active reciprocal relationship to figure out what do we need to do better? The other piece is really making sure that we expand membership. Currently, we had a service disabled veterans task force that consisted primarily of a smaller group. And we didn't really live up to the intra-agency, the community engagement, the community stakeholders. It should have been a more robust body. And so moving forward, we really want to make sure that there's full stakeholder

representation in this task force. Because if you're hearing from one population, you're not getting the full story. And again, in that same vein, making sure that we are enhancing our communication strategy. One of the things that we heard from the public that we were just giving out the current OCM language and collateral, and that's not necessarily landing with our veteran population. And so we're really going to work with our comms team to figure out how do we make this more user-friendly? How do we makes this more accessible? And so you will see new stuff coming from us as it pertains to veterans. And then lastly, broaden our community engagement efforts. We've not really highlighted, and again, because there's been a lag, but we've not highlighted as an agency the importance of this work and what we hope to bring to it. And so there is a new lead for the Service Disabled Veterans Task Force. We made a deliberate decision to make sure that a veteran was leading this task force and he will be working with me to make that there's, again, proper service delivery. But we wanna make sure that we're talking to you, sharing about the opportunities from OCM, really speaking specifically from a veteran's lens. So you will see us more active out in the community around this piece. And so I wanna pause and see if there are any questions in relation to this. Next slide, please. So again, equity is all encompassing and it's not just what you do, it's how you do it. And I would say as chief equity officer, you probably see my face and hear my voice as it pertains to equity, more so than you do anyone else in the agency. But I have a team behind me who are phenomenal. They make my job easier. And I've made it a point that I will not talk about their work. They will talk about your work because they should really own the hard effort they put into this. And so. I have two team members joining me today. Karen Patricio, who will be talking about our C program assistance hub, which is PATH. Again, and community engagement is both ways. And so this is our way of giving back to you through this hub. And so I will turn it over to Karen to talk a little bit more about PATH

Hi everyone, just making sure that you can hear me.

Loud and clear. Yes.

Wonderful. Thank you so much for having me on. I'm excited and incredibly grateful to be on the social and economic equity team. My name is Karen Patricio and I have been a part of the team since October 2022. And today I really wanted to share a new resource that has been in the works for quite a while and I'm incredibly excited and thankful for it to launch. Over the years, I mentioned I joined back in October 2022. And over the years I've been a part of the community conversations. I've heard a lot of feedback virtually via email in person. And I've had consistently that information can feel fragmented or sometimes difficult to navigate, especially so for equity and small businesses. And so this new resource is our response to that. So big shout out to our design and digital team, specifically Laura and Erica, who worked so hard on this resource. I'm excited to share that CPATH is now live. CPATH stands for Seed Programs Assistance and Training Hub or PATH. You know that we love our acronyms here. There's a centralized one stop hub designed to make it easier for both applicants and licensees to access the tools, guidance and training that they need to successfully enter and operate in our cannabis industry. So really what it is, is bringing together key resources in one place. This hub is split into two tailored experiences, one for applicants and one for licensees, so that users can quickly find information that's relevant to them. Within PATH, users will find core resources such as business planning tools like our micro business pro forma, compliance and regulation training like CHIP Academy, license renewal and community impact plan guidance, a little bit of which my colleague will be speaking to you about in a moment, and the cannabis banking directory. This resource really includes a wide variety of formats. I used to be a teacher, and I know that learning happens in many ways. And so we have included

different formats for downloading materials, webinars, recordings, slide decks, templates, and also guidance. So this is going to help users not just understand requirements, but actually take action. Overall, PATH is designed to reduce barriers, improve access to information, and support the long-term success of C businesses across the state. Here on the slide on the right-hand side, you'll see QR codes and direct links at the very bottom, both to the applicant and C PATH pages. We encourage everyone, whether you're a prospective applicant, a current licensee, or a community leader, to explore and share these resources. And as a reminder, this is a living hub and we will continue to expand and refine it over time based off of feedback and evolving needs. Thank you so much.

I do kind of want to make a comment, Chair Garcia, you just made mention of being concerned about how licensees said that they don't quite, that they have trouble with the regulations, right? This should help us address some of that, right? I think the team has actively thought about how do we use this hub to start to demystify some of the language in the MRTA. I'm an attorney by trade and I look at that language sometimes and it's still very, very hard to understand both the statute and the regulations. And so hopefully through these training tools or these assistance tools on this website, we can kind of start to like speak some plain English and so people can interpret what it is we're trying to get them to do in the industry as licensees now.

I was thinking somewhat similar in that I feel like this is piloting how we can communicate with all applicants and all licensees in general, because we do need to demystify the process and put into layman's terms what we put in regulation. I tried my best to advise on how to make the regs a bit more accessible, but you can only win so many arguments with lawyers.

Totally agree. Totally agree

Just a comment on the slide, might I suggest that you add more distance between the applicant QR code and the licensee QR code because it kept going only to the licenseed QR code. I couldn't get it to go to the applicant one.

Next slide, please. So the next thing that we're gonna talk about, my colleague Tahira Cook, who has been leading our community impact plan process, is gonna give an update on the process. I do wanna comment that I've been hearing from a number of licensees, that this feels burdensome, right? That this is in addition to having to tend to potentially struggling businesses or under-resourced businesses. I just wanna say this more broadly, but it bears a deeper conversation. We want this to be an intuitive process for you. If this becomes something that is far more complicated and you're struggling to figure out how to get it done, we want you to go back to your own board. The idea here is to make sure that you are just giving something back to the community. As an English teacher used to tell me, make it as long as a piece of string. You know what you need to do within your communities and we're not asking for you to move mountains. We're not for you be ancillary nonprofits. Really think about what your business is tuned to do when you submit these plans. Tahira's going to talk a little bit more about where we are with community impact plans and what additional resources we have to offer. And so I'll turn it over to you, Tahira. Hi, good afternoon, everyone. Can you guys hear me?

We sure can.

Okay, great. Good afternoon, everyone. My name is Tahira Cook. I am a program specialist with the C team. And today I'm gonna provide a bit of an update related to our

community impact plan. I just wanna tap on a little bit more to what Simone said in terms of what we're looking for regarding your community impact planning. I wanna say that the office is strongly, strongly, strongly encouraging partnerships with local community-based organizations, municipalities, et cetera. That can really assist with getting your community impact plan over the finish line. These folks are people who are trusted in the community and do this work on a regular basis. So even if you're looking for a place to start, some additional capacity or something that you wanna just chip in on, the community impact plan is a great avenue to start that dialog in those conversations. So just want to ensure that I'm emphasizing that our partnership. Are a strong resource for the Community Impact Plan as well. But today I'm here to provide an update on where the office is with Community Impact Plans. As many of you know, we are collecting Community Impact Plans throughout the ongoing renewal process. And the C team continues to support our licensees, our other OCM units in the board in this process. Um, so so far we have had a licensee webinar, which was a live stream. This was back in January and we are rolling out these webinars on a quarterly basis so that folks can get their questions answered and concerns addressed. We had 115 attendees at our last live stream and then we posted a recording on YouTube that had 425 views so far. What I want emphasize about that recording is 46% of the folks who watch that recording. We're watching an OCM YouTube for the first time, right? So people are hungry for this information, looking to learn more and get an understanding of what's expected of them. We also hosted on March 26 a municipalities webinar where we talked very uh, you know in-depth with localities as well as community boards around the fact that the office is collecting this information and wanted to encourage those folks to you know Collaborate with our licensees and to share that information We continue to have conversations with municipalities to clear up any confusion and ensure that you know the office wants to be a partner with them in this. We had 68 attendees at that last webinar and we'll probably be having a follow-up conversation in the future with them as well. Following that conversation and all we've been hearing in our C mail inbox and just you know complaints concerns questions that we're hearing from licensing. We also made an update to our community impact plan guidance on our website, specifically related to employment. There were questions around whether hiring one employee satisfies the requirement. So please take a look at the updated guidance if you have questions around how you can better support your community when it comes to workforce outside of just hiring and providing employee benefits. And as always, we continue. Our interagency collaboration, we're troubleshooting and just walking through different problems and problem solving with licensing, compliance, intergov, we are working closely with the data team as well as you all on the CCB. So those are some of our accomplishments and where we're at with the community impact plan, but we continue to have challenges. Just overall, our licensees remain unclear or some remain unclear on what actually counts as community impact. There could be confusion related to just the overall adult use renewal process. As folks know, we're collecting community impact plans for the first time, but folks are also renewing for the time. So this ongoing engagement and support is very well needed. And then following up from our conversation with our municipalities, they're a little bit unclear about what some of their role will be in this renewal process. So we continue to have open channels of communication with folks to, you know, kind of qualm any anxieties, but also just support these folks. And then, of course, like I said, interagency wise, we continue to provide guidance and troubleshooting support for both the CCB and licensing. We have a couple of tools that remain in development. So we are working and I wanna give a shout out to Jackie, a person who also works very closely with me on the community impact plan work. She developed a checklist for community impact plan review and as soon as we get their approval on that, we are looking to send that to both the board and licensing to assist with some of the review. We have also compiled a community impact plan resource library for

licensees. Jakiya did a really in-depth research on where licensees can find what community needs are and what type of supports need to be done. So this is kind of like a library glossary where a licensee can actually click on and say, I'm in New York City. I'm on community board six. And this is a need, you know, this is their need statement and now I have an understanding of who I can support, who I can provide, and what's needed in that community. And like I said, this includes, the resource library includes information from all counties across the state, so whether you're in Buffalo, whether you are in New York City, whether your out on Long Island, you will be able to, a licensee will be able to utilize this resource to get an understanding. Or a baseline of some of the needs in their area. Finally, we continue to work on a public facing community impact plan dashboard or platform that can be of information to our local municipalities, to the public to just showcase some of the great work that our licensees are doing. But most importantly, we see this as a tool to really highlight all of the work and the efforts that our licenses. You know are going to be leading up or partnering or supporting in their communities. We see this as a tool for Incoming Licensees who will be doing renewal applications to get some ideas maybe encourage collaboration and innovation within this process And then finally we have another webinar as I mentioned these These community impact plan information sessions are taking place on a quarterly basis. So our next webinar will be April 7th, 2026. And that is Tuesday. So you've heard it here first. I believe we sent out a gov delivery yesterday related to it. And we can go to the next slide so folks can have access to the registration link and code for that. Yep. And so similar to our first session, We will have a panel of two licensees who will be sharing a bit more about how they are doing community impact in their local areas. So I'll stop here for any questions.

Uh, no questions. Just thank you so much for all that work. Um, I know that when we, when we wrote the regs around the community impact plan, we, we opted to not be too prescriptive in terms of what you would do, um, in the, as part of that plan. We wanted, we wanted licensees to be able to determine how they wanted to make an impact in their communities. Um, and so. I realize, we've realized since that it has created some ambiguity and confusion about what it actually means to put together a plan. And we've seen some very ambitious plans that almost sounds like some licensees are looking to start a whole new nonprofit entity to make an impact. And that's not at all what we had in mind. We don't really expect folks to run a business and run a project all on their own. We think it's so important with an industry that's so stigmatized and is still looking for acceptance generally around the state. It's really important for us to give back and to show that as entrepreneurs, you're looking to be part of the community still. And so being able to have joint projects, joint efforts to showcase how you are building bridges, how you're... Extending your hand to be part of the community is really important and that's really what we're looking to see, that it's not just about making money and making a profit. And so thank you for that, for all that work.

Thank you. I just want to close by saying, as it pertains to the Community Impact Plans, if you have any questions, if you find yourself with a plan and you're questioning whether or not this makes sense or, you know, you're feeling it as somewhat burdensome, please do not hesitate to reach out to the C Team. We have tried to make ourselves as accessible as possible. I know Tahir and I had talked about potentially doing office hours. Like, don't sit on this. Please reach out. We're happy to help.

All right, thank you so much for the whole OCM team. That was a very rich report. Our next order of business is we will be providing members of the public the opportunity to address the board. We won't be answering questions, but we certainly welcome your feedback, your thoughts during this time. Each member of the pubic will have no more

than two minutes to speak on an agenda item. We have. And also, sorry, if you submitted your comments electronically, those will be captured in the meeting minutes for today's meeting and posted on the website. I believe that we are going to ask public speakers to go to the podium. Is that correct? Um,

We're actually going to do it right up here.

Okay, yeah, that's better. I was going to say what it be. I want them to be able to see the clock. If you notice, we'll have the time, time, the clock behind the gentleman there. So with that, let's get started. Our first speaker is Jeanette Miller to be to be followed by Maureen Heck. And I'm going to go to New York City after Ms. Heck. So if Jeffrey Hoffman and Dave Nikponski could get ready for that. You can get started.

Good afternoon, Jeanette Miller, New York Cannabis Industry since day one with both hemp and now adult use, my fifth adult use growing season. February administrative error locked me out of metric for over 30 days. I lost roughly one-twelfth of my yearly income. No one answered my calls or emails. I had to show up here just to get basic access restored. Thank you for finally fixing it. If I were cure relief, this would have been fixed in hours. They have lawyers and direct lines. Small operators should not have to beg or bleed revenue just to stay online. We need real direct point of contact who actually answers phone calls and resolves issues quickly. It's 2026, year five of adult use, and basic operational support is still missing. Beyond these failures, the bigger issue is structural. We were promised social equity programs that would lift up small farmers and social equity and new entrants. Instead, we got a system that protects already powerful. The same well-lobby four well-capitalized ROs who dominate the medical market and got early entry despite the law kept vertical integration. And today we saw their fees slashed from 200,000 to 20K and now they will enjoy full vertically integrated access in events. Meanwhile, micro businesses who are supposed to be vertically integrated can grow process and package, but we're blocked at the point of sales in multiple ways. We can't host our own events. We can sell directly at those events. We must depend on retailers to move our own product. And if we want retail, we're restricted to a 25-mile rule to our cultivation site. And yet, we can still be denied proximity, location to other dispensaries, even though that we are required to sell our own products and operate entirely differently. We were never told we'd be forced into brick and mortar. We should be able to operate through delivery, farm stands, and pop-up markets like any other agricultural business. This flexibility was discussed in early OCM trainings and is now being taken away through interpretation, not law. Broken promises that small operators like me relied on when we entered in the market. That's not vertical integration, that's dependency, it's not a functioning market, and it is not equity. Because of this, I have started documenting a timeline of broken promises that smaller operators like we relied on when we enter the industry. My YouTube channel is called Rolling Up and Talking About Shit at Rolling Up 420. I break down regulations, metrics, disasters. Meetings like this so that other operators can advocate for themselves. I would like to document other operators' experiences to help people prepare their own two minute comments for this board because it's not just one story, it's many. When system failures and restrictive rules are combined, micro businesses cannot operate independent, vertically integrated businesses. We are forced into dependency and that is not what we were promised. It's driving out good people. Please fix the gap so micro businesses can actually survive and compete. Thank you.

Um, feel free to submit your comments online or to leave them with us. Um, Maureen heck followed by Jeffrey Hoffman. You're good. Thanks so much. Jeffrey Hoffmann, then followed by Nick Naponski from New York City.

All right, thank you everyone. My name is Jeffrey Hoffman. I'm an attorney here in New York City. First of all, I wanna thank the board on behalf of my clients to whom you awarded licenses today. A few of them were a bit squirrely and I really appreciate working with the legal team at OCM to get those things done. I'm gonna talk a little bit more about that in just a second. I'd like to congratulate Mr. John Kagia on hosting today's board meeting. Really, really, really excited to have him on board. If John can't do it, no one can. I've been talking with a lot of other attorneys here in the state, we're, I guess, calling ourselves the cannabis bar here in this state. And many of them have clients with incorrectly addressed applications, incorrectly voided applications, things that we submitted via New York Business Express and then the office says they never got it and then void the applications. We have a lot of problems like this. In fact, one of the licenses you gave today was a situation like that, a client of mine where the license was voided and we had to come in and work with the office to get it fixed. My ask is that the office create some type of clearing house with the cannabis bar here in the state. We are the ones where the rubber meets the road dealing with the clients that have these issues. I do think it would behoove all of us. And prevent a lot of article 78s from being filed to get the office and the board to do what they're gonna have to do anyway, if there was such a clearinghouse where we could work together to make this happen. I do wanna mention just that while there's an expungement provision in the cannabis law, a lot the judges upstate, particularly the conservative judges are not following the law. They're basically making up their own procedures to deny. Expungements, and in addition, the state really doesn't have an expungement mechanism. If you now go and look at the certificates of disposition for folks that supposedly have had their records expunged, they're only being sealed. Sealing a record and expunging a record are very different. The law calls for vacateur, and we need your assistance to get that done. Thank you.

Thank you, Dave Naponski.

Good afternoon to board members, OCM leaders and staff. It's great to finally see revenue histograms displayed publicly. Thank you, we've asked for that. This data highlights something I've said multiple times in the past about the upcoming massive danger of collapse of segment of the retail licensees. It is also great that OCM is now using metric data, so why, I ask, do I still have to manually submit weekly retailer inventory reconciliation reports four months after we moved onto the Seed-to-Sale system? I mentioned this last month, too. It's either administrative oversight or insanity. Either way, come on. I can directly speak to the strong negative retailer sentiment from long operational folks, although it's no surprise given the survey results themselves. Today marks a rather shameful milestone for New York cannabis. It's the two year anniversary of my near monthly comments to the board on the same now crisis topic that I raised two years ago immediately upon us opening our shop. I've gone from voicing concern to crisis to urgency and outright pleading and begging for enforcement against the illegal market in the Bronx. This illegal market and our immediate surrounding is three times the size it was when we opened. Not one location has been shut down by enforcement. This is killing us. Our Bronx site in the state's Poorest County cannot compete economically and has never made money in the last two years. I am squeezed by threats of personal liability and litigation from investors, inventory vendors, service providers, New York state itself, and our landlord. Everyone will try and sue me personally, as many have threatened to do. I personally, for this two year mark, had to loan the business money. I'll never get repaid in order to pay the quarterly taxes and the license renewal fee. And you all just lowered the MSO fees by 90%. Yeah, I am paying out of pocket as a social equity licensee for my renewal. I've been abandoned by the state. This is abhorrent. Everyone with the authority

to provide enforcement who has failed to do so should be deeply ashamed. This isn't no win, it's no escape. No wonder card retailers who have been around long enough to observe what is happening are cynical and pessimistic. We are right to be.

Thank you. We're gonna come back to Buffalo. Nicole Ritchie followed by Charles Underwood.

Good afternoon. My name is Nicole Ricci, president of New York Small Pharma, speaking on behalf of social and economic equity applicants, particularly the smallest licensees in this state are microbusiness licenses. The MRTA gives microbusines the right to cultivate, process, and sell their own products As vertically integrated small businesses. That promise has not been realized. Less than 10% of micro businesses have been able to open storefronts and those that have often cannot grow and operate retail forcing them to source product instead of contributing to supply. But the showcase regs adopted today are not about the law. They are about how regulators and lawyers choose to interpret the law Micro businesses are held to the same tax and compliance standards as retailers and ROs, except when it comes to showcases. Then we are not dispensaries. We are denied access to the market. This codifies retailers as gatekeepers and eliminates true farmer direct sales. The bill we are working on with Donna Lepardo protects the promise that micros can be vertically integrated, but it has already been gutted by the governor, reducing participation to that small 10% group leaving over 90% of micros behind, including those in opt-out areas. At the same time, Canopy has been expanded for the largest operators while further stacking deck against the small equity-driven businesses. The governor who does not support small business in this industry is influenced by lobbyists and passes regs, letting retailers not farmers sell products. Consumers wanna buy from growers. That's why despite five years of legalization, the illicit market continues to dominate. Public comment was submitted, but not published or analyzed and adopting showcase regs without properly following the process is a violation of the SAPA policy. This is a policy choice, a system shaped by private equity and lobbyists instead of small farmers and communities the MRTA was meant to serve. If you care about equity and small businesses, please reach out to New York Small Pharma and support this bill.

Charles Underwood followed by Thomas Banos.

Good morning, members of the board. My name is Charles Underwood. I am the founder of AutoShield AI. I am here today as a certified metric third party integrator. I hold the developer credentials required to interface directly with the state's tracking system, giving me a unique forensic view on the data challenges facing the industry. The crisis, data debt. We are now in the shadow of the March 31st compliance deadline where much of the public conversation is focused on physical enforcement and my focus is on the invisible threat. Data that following the recent enforcement actions at Watertown in the 25 shutdowns statewide, it is clear that the licensees are being penalized not for bad intentions, but for broken data. Whether it's a mismatch in the retail IDs or failed laboratory sinks, these technical errors are creating a liability that can lead to total business loss in a matter of days. This current system is reactive and we need it to be proactive. The solution, forensic integrity. My company, The Audit Shield is trying to bridge the gap. We provide the data armor, allowing the licensees to identify these errors before the OCM arrives for an inspection. By using automated forensic auditing, we're trying to move the industry away from cultural accidental non-compliance towards a standard of absolute data integrity. We are providing for New York State. The technology can be provided for social equity investments rather than just monitoring their failures. As the state continues to roll out millions in community investment grants, we must ensure that the digital

infrastructure of these businesses as a high quality for productions, they sell. I'm calling on the board to support the integration of forensic data standards. Let's hope our owners stay compliant and open through technology. Thank you.

Thank you. Thank you for staying on time. Thomas Spanos, followed by Zach Sarkis.

Thank you very much. And thank you all for making the trip up here to Buffalo. I know the weather wasn't exactly fully cooperative with everybody today, but thank you for coming up here when it was all cold and wet. Um, I also, my name is Thomas Spanos. I'm a local cannabis attorney. Um I'm also part of, as Mr Hoffman noted the cannabis bar here in New York. Um. I also wanted to thank you. All for finalizing the CGS regulations. I think that that's a key a potential revenue stream for our retailers. I know I have clients out here who have been very much looking forward to getting back to doing CGSs like they did a few years ago. But I also wanna applaud you on another matter. I have a bunch of comments today, Madam Chairwoman, on recognizing that understanding regulations was the next highest concern among your licensees, 60%. Of your licensees said that just understanding the regulations they operate under is a somewhat or very large concern for them. So I applaud you for calling that out. I do recommend to try and bring solutions. Other departments of the state have a small business liaison. I know that the office of cannabis management is not required to do that, but I think that looking at how other offices of the State already address this communication issue with their small businesses. That they oversee is a smart way to go. Secondarily, on the issue of communication, as I mentioned to one of the members beforehand, I think some of the very difficult comments that we deal with at the end of these meetings are a result of them being at the and of the meetings. I think that, and I've been a part of. Other municipal meetings and other regulatory sessions where there is more of a let's talk about it on the topic so that people feel like they have an input before decisions are made. I think that that would be great. I don't expect you to change the listening sessions you have here a week from now, but I do encourage that. Thank you all very much again.

Thank you. Zach Sorkis, no, yes, Zach Sarkis followed by Jenny Curry.

Hi there. First and foremost, just want to give big thanks to the Honorable Crystal Peoples-Stokes who has left the building, but we would not be here without her. Just want to recognize that in this senior year. We will not forget the hard work that brought about the MRTA, and we are incredibly wary of the deterioration into the CRTA. We'll not forget the injunctions, the forced entry, the forced lawsuits for track and trace, and the fees that came from the ROs. And we still have a long fight ahead of us to maintain the integrity. Of the original bill. I stand before you as the founding president of the New York Craft Association, representing micro businesses, small businesses, craft. The problems are extensive. We really appreciate you reaching out and being willing to talk about this. But really, it's an existential crisis for small business. I don't care what you call craft at this point. It's not the appropriate definition. We have lots of work to do. But one thing is important to note that New York State champions itself that no other state in the country has done more to support craft beverage. We want the same for New York for cannabis. We see what's happening again with these big guys and we know we're not competing for that same territory, but we need to do everything in our power to support small business in New York state or it's game over. Speaking of game over, the metric impact. Last time I was able to come here, we were warning about the impact. We lost hundreds of thousands of dollars in business. I was looking to hire four people in December. We've cut our workforce down to a quarter. And it's been detrimental. We've almost gone out of business. And every single small operator I know is on that level of disruption. Incredible

market disruption across the board. And I cannot underline the negative impacts. Where again, this is a deal breaker year. And how that all rolled out was absolute catastrophe. And we're still dealing with it now. And now we're getting up on our feet. But the costs continue. And truly now have the New York dime bag blues. Some notes about data. Oh, shit. All right, got to give a shout out to a licensee, OCM Cultivation 2500229. They accidentally applied as an indoor cultivator and you guys won't let them switch to outdoor cultivation and that means their license will be null. It's just a simple, simple thing.

Please submit your comments online and we'll take note of those. Jenny Curry followed by Shay Akeel McLean.

Good afternoon. Thank you for this opportunity. My name is Jenny Curry, and I'm the owner of Secret Guard 716, located right here in Buffalo. And I'm trying to find some answers about the process for card holders to open up their second and third location. We received an email from the OCM on September 10th, asking us to... Let us not let you know or if we have because we submitted more than one adult use retail dispensary license application as part of the October 2023 application window. We only submitted our second application because card was being debated at that time and we weren't sure whether or not our license was going to be able to stand, and then the legislature made action and card was deemed legal. And so the only reason we applied for the second application. Was because that's what they told us to do and now I'm being told that because we had that second application in and we didn't respond to the email on September 10th that we are deemed ineligible for a second and third location and that is not what the email said. It was very you know it was very perplexing the email and it said just to put in a second application in case the first one was deemed illegal. And then I got a response back from somebody at the AU licensing email on January 6th that said, while the cannabis law allows an entity to hold up three retail dispensary licenses, the office is only permitting licensees to hold one retail dispense resource front license at this time. The regulatory framework required to approve additional locations is still being created and licensees should remain apprised to future regulations, guidance and application windows. Related to the issuance of additional retail licenses. And that's my question. And I actually also emailed Patrick about that and we still haven't gotten a clear answer.

Thank you. Shay Akeel McLean.

Good afternoon everyone. My name is Dr. Shaquille McLean commenting with respect to working with one of the micro businesses, specifically with regards to the major issues with respect to the rollout metric. Primarily the issue that a lot of small businesses are dealing with is the fact that the roll out didn't actually provide a lot accurate information for how to actually use the system software. I hear the basically the background music for metric in my nightmares. I can't tell you how much time I've spent on the phone where they don't have an answer and I actually have to create one myself. In many cases where we needed information in order to get things taken care of with regards to getting everything entered into the system, we didn't, we were not provided all of the licenses when we originally signed up, delayed things, also delayed getting all the tags, delayed getting the props, like causing ridiculous issues that compile very quickly, making it extremely difficult for small business owners, especially craft farmers, micro businesses, to be able to actually succeed. Especially with respect to the fact that there is absolutely no structure in metric to ensure that licensees and the people who actually are the user in are able to engage with the engineers who design it. It makes absolutely no sense. And it takes ridiculously long, nobody has 48, 72 hours to wait for metric to come up with an idea. So this is something that's a serious issue and requires some type of infrastructure that sets it up so that there

are algorithmic audits to ensure that there is a form of communication directly between the user base as well as the engineer. So they can understand how it actually works and what's needed. And there's a quicker turnaround in regards to getting things addressed, and not just a quicker turn around, but a preventative strategy for it.

Thank you, David Miller, followed by Stu Richie.

I want to start off with thanking John Kagia, A, for taking this position, because that took some courage given the history of this agency, and B, for appointing Simone Washington, because I just got a chance to speak to her. And for the first time in the history, my coming to these meetings over the past two years, someone actually listened about veterans. Somebody actually came up there and apologized and make excuses, didn't dismiss us, didn't Roll. Their eyes at us actually listened. The 42nd Division, New York Army National Guard, was the first unit to receive the ribbons for global war and terrorism participation, because we were the first ones at 9-11. You might remember 9-Eleven. And about 40% of the unit got sick from there. And you've had more members of the 9-eleven community and first responders disabled and died from what happened there than died that day. The 10th Mountain Division's the largest infantry division in the United States military. And if you guys haven't been up on the news, they're getting involved and getting ready to deploy again. You're gonna have more vets coming home. I am begging each and every one of you, recognize veterans on disability can't afford cannabis, and then start figuring out how we get access to medical cannabis. Because it's not recreational. We have an enormous concomitant of comorbidities from traumatic brain disorder to a greater proportion of cancer. We did everything we could to make sure you can sleep under a blanket of freedom. We're not asking for charity. Just the same consideration saving our lives. Hey, thank you so much.

Thank you. Stu Richie.

I'm I have a micro license. I'm going to open up in Alakaville. Thank you we're craft growers and A lot of craft growers like ourselves. We have small farms that do many things on those farms And I think it'd be very helpful you're talking on your figures only 20% of micro businesses are profitable I think we could really move that needle if we had flexibility and what we can sell in our stores right now I tell people we're going to open up a store because in our usual business we sell vegetables, we sell transplants, we sell pastured beef, we saw regional fruit and people are like great, I can buy those with my cannabis. Allowing us to have more flexibility in our stores as a micro license would be transformative for a lot of farms. It would also normalize cannabis, it would reduce the stigma associated with cannabis, it would boost employment and workforce opportunities in the rural areas, it boosts agritourism because, you know, a micro business there. Are uniquely situated to have a unique experience for people that come to your farm, right? Because you go to a lot of dispensers, it's the same thing. But we're selling our own product, and that puts us at an economic disadvantage because we're limited in what we have on our shelves. But if we could have the full expression of what our licenses are in our stores, I think that would be a game changer. It'd be more like the breweries, the micro breweries and the wineries that have been very successful in the state. So, you know, and to go with that, there's... Legislation now that's going to put potentially low cannabis THC drinks in grocery stores. And that's a major growth area for dispensaries. It's going hurt our dispensary if that happens, but to allow that to happen, yet not allow us to have vegetables and produce and honey or whatever other products we have in our stores is a bit absurd because, you know, in groceries, you're going to be able to buy cannabis drinks in Walmart, but I can't sell my vegetables in my dispensary. So I think if that legislation

happens, I think we should really look at increasing what we can sell in our dispensaries and making the microlicense more viable option and getting more than 20% of the micro business profit.

Thank you. Thank you everyone for participating in today's cannabis control board meeting that was the last comment What's your name? Okay, I don't have you on my list, but no, not at all. And if you could just repeat your name when you get to the mic so we could write it down.

Hello, my name is Chase McGurr and I'm the owner.

Wait, hold on, Jason Riguera?

M-C-G-I-R-R. I'm the owner of Devil's Lettuce located in West Seneca, New York. We've been open and operating for two years. I cannot thank you enough for allowing me the opportunity. I once played the lottery every day. Once winning this approval, I don't have to play anymore. It is a pleasure meeting everyone at the table today and for you coming to West Western New York to open a dialog on issues plaguing our area. I stand before you and ask for consistency and advertising throughout the market. We have multiple state operations operating business in our area with primary goal of undercutting our market. Creating a race to the bottom. But why? There is no need for this. Our market is stable and prices are holding. Fears of MSO entering the market are controlling prices. One thing I find interesting is that the better the New York cannabis becomes, the cheaper it gets. What are the markets that happen? Besides cannabis, it makes no sense. Being one of the first dispensaries to open in the area, we were scrutinized about rules and regulations. Currently with the influx of retail spaces opening, it seems the rules issued upon us at consumption are not being followed. Again, I stand here and ask for consistency. I have noticed that the retail dispensaries are advertising sales and digital roadside boards offering up to 40% MSRP when on-premise signage is supposed to be static. There are also new dispensary's that have roadside signs for additional signs affixed to their buildings where the town I'm in allows me to have one sign. I would also like to thank you for developing and implementing stronger consequences in 2026 for illicit shops and for working with local authorities to make this happen. I look forward to having you come through West Seneca and other surrounding areas.

Thank you.

Hello, my name is Jackie Smith and I'm the general manager of Devil's lettuce located in West Seneca. We have been operating for the past two years and enjoy the culture. If we created in the community and supporting all the micros and the small firms that we do work with. Our store consists of about 25% MSO and 70% single state operators. So we're very, very proud of that. Um, it is our pleasure to finally meet everyone in person and appreciate the opportunity. To truly to start a truly homegrown family business in New York State where we have lived our entire lives Our area is amazing and I hope that while you're in town you have time to enjoy one of our fabulous restaurants or take And our glorious scenery we have to offer As New York state embarks on the fifth year of legalized adult use cannabis Western New York retail dispensary's Reality is that we've only been operating two and a half years or less While early operational hurdles and injunctions slowed our initial pace, we are now actively building a solid foundation in the area. Western New York's presence in the industry is relevant to the success and growth of New York state, as much as New York city, both sides of the state have similar issues, just on different scales and our area deserves more FaceTime with our leaders as much New

York City does. We deserve more presence, assisting and combating the grievances you hear about today from many of our fellow family operating brands. Reservations, illicit shops, and multi-state retail operators undercutting family owned business prices create uncertainty and worry throughout our industry as we grow. As you've seen with the analytics that were presented today, you know, there's no wonder only half of us are making money. And as you keep reading it, you speak of growth and more openings, but what does that look in our area? We have theoretically only been operating for two and a half years. There are only so many residents and tourists who consume cannabis through marketing strategies, education, and networking. The goal is to change the mind of non-consumers to at least try or see the benefits of benefits of selecting a gummy over glass of wine. When areas are saturated with dispensaries, especially businesses whose primary focus is the bottom line and, or to push small family business out of the market, seem to lessen the value. Thank you for your time. Thank you. And I really look forward to working with everybody and congratulations.

This concludes today's business. May I please have a motion to adjourn? So moved. Thank you, and a second? All right, all in favor, aye. Aye. Thank you everyone.