

State of New Jersey CANNABIS REGULATORY COMMISSION

> P.O. BOX 216 Trenton, N.J. 08625-0216

DIANNA HOUENOU, Chair SAMUEL DELGADO, Vice Chair KRISTA NASH, Commissioner MARIA DEL CID-KOSSO, Commissioner CHARLES BARKER, Commissioner JEFF BROWN, Executive Director

MINUTES – PUBLIC MEETING NO. 21-07-13 JULY 13, 2021 – 4:00PM Publicly Accessible Online via Zoom

1. CALL TO ORDER

PHILLIP D. MURPHY

Governor

SHEILA Y. OLIVER

Lt. Governor

The June 13th, 2021, public meeting of the New Jersey Cannabis Regulatory Commission (CRC) was called to order by Chairwoman Houenou at 4:02pm at 225 East State Street, Trenton, New Jersey 08608 via Zoom Webinar.

2. NOTICE OF PUBLIC MEETING

Executive Director Jeff Brown read the following statement:

"Madam Chair, this is a regular meeting of the New Jersey Cannabis Regulatory Commission. Adequate notice of this meeting has been provided in accordance with the Senator Byron M. Baer Open Public Meeting Act. There was a publication of the meeting time and location in six NJ print publications, including the Asbury Park Press, Bergen Record, Press of Atlantic City, Star Ledger, Courier Post and Trenton Times on July 9th, 2021, and the notice has been sent to the Secretary's Office. Information regarding the virtual nature of meeting due to the Covid-19 pandemic was posted in the publications and on the Commission's website. In addition, notice of said meeting has been and is being displayed on the websites of both the New Jersey Department of Health and the New Jersey Cannabis Regulatory Commission."

3. ROLL CALL

Board Secretary, Erin Hogan took the roll, and the following Commissioners were present:

Mr. Charles Barker, Mrs. Maria Del Cid-Kosso, Mr. Samuel Delgado, Mrs. Krista Nash, and Ms. Dianna Houenou.

No one was absent. The following staff members were present virtually: Justin Rodriguez, Toni-Anne Blake, Erin Hogan, Kelly Anderson-Thomas.

4. EXECUTIVE SESSION

Chairwoman Houenou called for a motion to go into Executive Session for 90-minutes. Commissioner Del Cid-Kosso made the motion, and Commissioner Nash seconded. Hearing no discussion, Ms. Hogan took the vote:

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner Barker, Commissioner Del Cid-Kosso

NAYS: None The motion was passed.

Executive session started at 4:07pm and ended at 5:35pm.

5. APPROVAL OF PREVIOUS MEETING'S MINUTES

Chairwoman Houenou asked for a motion to adopt the minutes for the June 1st public meeting and April 22nd and June 1st executive sessions. Chair noted that the minutes were shared with the commission members prior to the meeting. Vice Chair Delgado made the motion, and Commissioner Nash seconded. Hearing no discussion, Chairwoman Houenou called the vote.

AYES: Chairwoman Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner Barker, Commissioner Del Cid-Kosso

NAYS: None The motion was carried.

6. CHAIR'S REPORT

Chairwoman Houenou gave updates on the development of initial regulations that will govern the cannabis industry and expungement of marijuana-related records. The Commission's deadline for filing its initial rules is August 21st and they will be in effect for one year. The CRC has taken ideas shared by the public, stakeholders, and experts and put them in the development of initial rules so that people know what to expect as things move forward. The CREAM Act specifies that the State must identify and expunge records of those that have been charged with marijuana-related offenses in the past. The Department of Law and Public Safety has received \$15 million for the implementation and enhancements to handle the influx of expungements; and the Division of State Police has grown its staff in the New Jersey State Police Expungement Unit to 85 members from 11 members a year ago. The process for marijuana expungements has been automated as well.

7. EXECUTIVE DIRECTOR'S REPORT

Executive Director Brown gave updates on medical cannabis enrollment (see chart below), personal-use cannabis regulations, 2019 Request for Applications, and an explanation of the topic for the public comment section: packaging, labeling, and advertising. The 2019 Request for Applications is the highest priority project for the Commission. Scoring is still ongoing. Following the close of scoring, there is an internal review and then an issuance of awards. Results will be voted on at public Commission meeting.

Program Enrollment	7/13/2021	New Since 1//15/2018
Total Active Patient Enrollment	113,413	96,390
Total Active Caregiver Enrollment	4,337	3,570
Total Active Physician Enrollment	1,300	787

8. CONSIDERATION OF APPLICATION FROM HARMONY FOUNDATION FOR PERMITTING OF AN EXPANDED CULTIVATION SITE

Chairwoman Houenou noted that the Consideration of the Application for Harmony Foundation for permitting the expansion of its cultivation site was tabled from the agenda and would be considered at a future public meeting.

9. PUBLIC COMMENT

Chairwoman Houenou reminded the public that they can submit their comments to the CRC during and after the public meeting in writing via the CRC website at nj.gov/cannabis/meetings. Chair reminded public that all submitted questions and comments were shared with the commission members and are made public along with the minutes.

Invited speakers and the public had the opportunity to share questions, ideas, and concerns with members of the commission surrounding topics of: Packaging and Labeling of Cannabis and Cannabis Products and Advertising of Cannabis and Cannabis Businesses.

All speakers were given three (3) minutes to speak. Executive Director called on the invited speakers to speak first.

Dr. David Nathan, Doctors for Cannabis Regulation: Proper labeling is essential for adult consumers, product consumers and medical consumers alike. Serving size information, ingredients list, and QR codes should be considered to validate authenticity of products. He created a universal cannabis label that is offered for CRC use.

Dr. Diane Calello, Executive and Medical Director of New Jersey Poison Center: There is a pediatric edible exposure increase and thus edibles can be a lot more consequential. How we can prevent this is through proper packaging, which can optimize safety. Child resistant closures, resealable child resistant closures, avoiding candy look-alike, opaque packaging, unit dose protection, warning labels at front of package (in color and understandable) can all help prevent pediatric exposure.

Nina Parks, Member, San Francisco Cannabis Oversight Committee: She suggested having a QR code to communicate information and child safe packaging. She asked the Commission to consider how much packaging costs equity applicants and how the Commission can help minimize costs. In California, new labeling rules came out after packages were developed by businesses, causing them to spend more money to adapt to the new rules. This could make or break small equity applicants' businesses. She suggested allowing opaque packaging with a transparent window so consumers can see what's inside the package (e.g., if it's spoiled or if there's not enough product to justify the price).

Robert Morgan, ASTM International: At ASTM, standards are developed voluntarily and used voluntarily, and they focus on product performance and safety. ASTM developed a universal symbol for products containing THC and they believe there should be a separate standard for packaging and another for labeling.

Director of Communications, Toni-Anne Blake, called on members of the general public. All speakers were given three (3) minutes to speak.

Susan Sciarretto: She is trying to convince her town council to allow cannabis businesses in the town. The town officials worry about being locked in for five years. She was frustrated when she was in the hospital and given opioids instead of marijuana (there is no choice). She asks the Commission to consider Jeff's Law.

Charles Johnson: Attorney, CEO Weed Spots, NAACP. His company offers a unique blend of technology, logistics and brand services for manufactured brands and partners. Will the CRC ensure minority-owned businesses will be equally awarded licenses? Will the CRC define board seats as decision-making criteria?

Lincoln Adam Gratton: Medical patient for three (3) years. He had an issue at an ATC because his state-issued ID was invalid and had to get a ride to another dispensary an hour away, which is not convenient for patients. Why can't patient ID cards be used to purchase cannabis? It would be a simpler way to get access. He would like to start a business but has no access to capital or a way to talk amongst a group of people to do this. He wants the CRC to come up with a comprehensive plan for people to get access into cannabis industry.

Mark Dingelstedt: Medical patient since June 2018 who put opioids aside for marijuana. He reviews terpene labels on websites but the strains are often limited or out of stock. He needs more information to make informed decision on his medication if he must choose another. The strain library offers little value and is hard to use and does not list terpenes at all. The library should be updated to indicate cannabinoids and terpenes. The CRC should require ATCs to put terpenes on their websites.

Henry Silcock: Cyber security focus is important in the industry. The cannabis industry poses risks, is a high-volume target, and has valuable data that people would like to get access to. Regulatory requirements are expensive, software is complex and difficult to maintain, many vendors and variants, frequent change to software, some vendors struggle to maintain variants of software. Many scary stories in cannabis industry like in California and Colorado.

Tricia Rivera: She questioned what the municipalities do with the manner of cannabis businesses operating.

Haider Rizvi: He is a prospective micro retail license applicant with a medical degree. There are barriers he is already facing as a social equity applicant, including 7k just to open bank account, thousands to hire lobbyist, 15k for an application writer. He explained how it is stressful to open a business and real estate is hard while the CRC rules are pending. He suggests the CRC should poll the towns.

Nicholas Cody: He represents April Cannabis and is a prospective microbusiness and cultivation license applicant. He wants to know why the statute includes having to reside in the municipality of the business location and suggest getting rid of this requirement. Will be difficult to find a site in or near the town of which he lives, real estate issue. Is there a time limit following application?

Michael Terranova: He describes that labeling of edibles should include potency because people are in jail because of gross weight of the product rather than potency of the product.

Dishen Patel: Member of Nala Luna LLC, which is a 100% minority owned entity and nationwide dispensary. They have a strong focus in education for new and existent users. Proper education on cannabis plant is important. Does the CRC have plans on curating a

statewide education campaign for cannabis users? This is beneficial when rolling out regulations and applications. They will do so locally as well.

Kevin Sluka: He had a questions regarding retail license encompassing two (2) locations within highway district: Is increasing license number after established ordinance possible? Can someone hold real estate that is vacant in the process of getting zoning and support letter while the CRC is acting on licensing?

Kristen Haas: She is from the Botanica Boutique and the Executive Director of the Maplewood Chamber of Commerce. She has concerns with equity and packaging. There should be a mandate educating consumers on packaging. A QR code is a great way to do this because it is cheap and can be updated easily. She is a potential microbusiness license applicant for delivery service and she will use child safe and reusable packaging.

Carlos Jaramillo: He appreciates the focus on microbusinesses. State should be horizontally integrating instead of vertically because the incarcerated can't be suffering while large corporations thrive. CRC should grab grassroot individuals from the beginning and involve communities and groups to target microbusinesses and urban farming. There should be a subsector group within the CRC.

Travis Ally: He is a 2019 Request for Application applicant that has been holding on to real estate for a long time and has spent millions of dollars on this. During the next round of licenses, he urges the CRC to consider losers in 2019 process because if they are skipped over it will grind system to a halt. The CRC needs to do a better job of communicating.

Chirali Patel: Informed us that one (1) facility in New Jersey has cartoon branding and packing. One (1) Alternative Treatment Center is consistently below or higher than dosage amount, so scales and weights need to be looked at to ensure accuracy for medical patients.

Wil Rivera: He informed the CRC that his town's Mayor didn't know that the CRC was established. He is a potential micro-cultivation license applicant and has been paying money waiting in limbo, but since municipality opted out, he must break lease and thus loses money. The process is costly for small businesses.

Zachary Katzen: Member of the Atlantic City Cannabis Advisory Committee to the Mayor. States that the CRC does not need to reinvent the wheel and that the Commission should look at alcohol regarding packaging and labeling. Most of alcohol advertising requirements are voluntary and the CRC can do the same thing with cannabis. The CRC does not need to create restrictions that will create lawsuits when that money can be put into education, for youth especially. Targeting adults on labeling, and marketing for responsible consumption is what is essential. Come visit Atlantic City for the most tax revenue and service.

Alan Ao: He explains that dosage, standardized format for nutrition labels, calories, nutrients, allergens, and serving size good for people with dietary restrictions and should be required. There should be a central database to track numbers for quality control measures and consumer confidence. Quick response QR codes that provide information with links to videos on product consumption techniques and tips, surveys of reviews of product, and authenticity is a great idea.

Dr. Monique Hamilton: She is a physician and states how packaging and labeling on cannabis and cannabis products should be standardized and include cannabis by percentage, concentration of THC and CBD in product, weight of product, and containment testing statement, warning

statement, and for ingestible infused products there should be an ingredients list, allergen labeling and nutrition facts. Packaging and labeling requirements provide consumers with the same standard across the board.

Debby Miran: The CRC should consider mimicking the FDA's programs for testing. Science and technology don't stand still, as it will always be a work in progress. A requirement of total yeast and mold in cannabis to be tested is essential. She explained how most species of fungus post no illness, however, some are deadly which is why testing is necessary.

Bill McKee, Jr.: Stated how the noise, odor, and pollution should be limited and not come off of the property line. Encouraged fines being put in place if this is not followed, with a suggestion of 2% of revenue per quarter per incident. Urges a ban on employees working for facilities that attend municipality meetings and report back to their company. Department of Environmental Protection cannot monitor the air but it should be 0 emissions coming off of the property line. He suggests that deliveries should be limited to 7am-7pm because an increase in traffic at nighttime with headlights shining into residential houses all night long is no good.

Kevin McKernan: He explains how old testing standards should be avoided. Dangerous mold cannot get out of a plant with the usage of the plating method. The deaths that are related to cannabis is associated with aspergillus. The CRC should follow the lead of California by using molecular techniques.

Scheril Murray Powell, Esq.: She is a cannabis and CBD lawyer since 2016 and a member of ASTM. The CRC should adopt ASTM standards and their universal symbol. There are 1000 people participating in the consensus of the symbol. The CRC should require sustainability practices, and reduction of wasteful packaging. Urges the CRC to suspend license holders that use human saliva to close packaging. This can be avoided by pre-rolled packaging.

Kristen Goedde: She states that cannabinoid labeling accuracy is necessary for packaging. The concentration should closely reflect the amount measured on the packaging. There is bound to be slight variability, but when does the amount measured no longer become an acceptable variation? Level of active cannabinoids per serving should be considered when talking about margin of error when discussing labeling.

Tara Sargente: States that she had the first edibles company in New Jersey in 2009 and assists in design and marketing for fortune 500 companies. She supports Dr. Nathan's symbol. The marketing aspect in the industry is important to entrepreneurs. Canada completely removed branding and coloring, which is important for adults and their experience. The CRC should allow this especially because stores are 21 and older only. There is a need to eliminate the pain in cannabis and restore the joy in this business. Expiration dates are needed on packaging, but the extraction method should be left off the label because butane turns people off since butane is a quick and affordable way to extract.

Kevin O'Leary: He is the Deputy Mayor of Lafayette. He has been involved in the Harmony application since it was introduced. He states that locally everything needs to be done so that the site is completed, which is ideal for the large-scale cannabis facility.

10. ADJOURNMENT

Chair, Vice Chair, Commissioner Nash, Commissioner Barker, and Commissioner Del Cid-Kosso gave final remarks. Chairwoman Houenou called for a motion to adjourn. Commissioner Barker made the motion to adjourn, and it was seconded by Commissioner Del Cid-Kosso. Chairwoman Houenou called the vote.

AYES: Chairwoman Houenou, Commissioner Delgado, Commissioner Nash, Commissioner Barker, Commissioner Del Cid-Kosso

NAYS: None

The public meeting adjourned at 8:23pm.

CERTIFICATION

I hereby certify that the foregoing minutes represent a true and complete summary of the public meeting held by the Cannabis Regulatory Commission on July 13th, 2021.

Erin Hogan

Board Secretary