

PHILLIP D. MURPHY SHEILA Y. OLIVER
Governor Lt. Governor



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. 21-08-19
AUGUST 19, 2021 – 12:00PM
Publicly Accessible Online via Zoom

1. CALL TO ORDER

The August 19, 2021, public meeting of the Cannabis Regulatory Commission (CRC) was called to order by Chairwoman Houenou at 12:52pm due to technical difficulties 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 special 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 two NJ print publications, The Trenton Times and The Star Ledger, and the notice has been sent to the Secretary’s Office. Information regarding the virtual nature of meeting was posted in the publications and on the CRC website.”

3. ROLL CALL

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

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

No one was absent. *The following staff members were present virtually:* Justin Rodriguez, Toni-Anne Blake, Erin Hogan, Daniel Said.

4. EXECUTIVE SESSION

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Chairwoman Houenou called for a motion to go into Executive Session for approximately 60 minutes. Commissioner Nash made the motion, and Vice Chair Delgado seconded. Hearing no discussion, Chair Houenou took the vote.

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

NAYS: None

The motion was passed.

Executive Session started at 12:57pm and ended at 2:00pm.

5. APPROVAL OF PREVIOUS MEETING'S MINUTES

Chairwoman Houenou asked for a motion to adopt the minutes for July 13th public meeting and executive session. Chair noted that the minutes were shared with the commission members prior to the meeting. Commissioner Nash made the motion, and Commissioner Del-Cid Kosso 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. RESOLUTION CONCERNING THE APPROVAL OF THE INITIAL RULE AND REGULATIONS PUSUANT TO N.J.S. 24-6I-34

Chairwoman Houenou stated that the document of the rules is posted on the website for the public to follow along. Before the Chair and Executive Director present the information that is in the rules, the Chairwoman laid out the history of getting to this point.

Four months ago the agency was established and since then the top priority has been establishing the initial rules and regulations. The Commission has heard and received public comment from more than 400 individuals, has had more than 2,500 people joining the public meetings and made more than 35 direct calls and meetings with stakeholders to help draft the initial rules.



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Chairwoman Houenou detailed the Commission’s powers to develop and establish a strong cannabis industry in New Jersey. Executive Director Brown discussed the initial rules focus points, equity, types of licenses applicants can apply for, fees, safety, and municipal partnership.

Executive Director Brown outlined the next steps for the Commission, which are crafting additional rules to establish the industry, including rules on licensing for delivery, distribution, and wholesaling, and preparing to accept applications.

Chairwoman Houenou illustrated that there is still more work to be done in order to create the formal rule proposal and during the formal rule process, and that there will be room for questions, concerns and ideas from the public. Chairwoman Houenou reminded the public where to find the rules on our website (www.nj.gov/cannabis).

Chairwoman Houenou called for a motion to adopt the Resolution concerning the approval of the initial rule and regulations pursuant to N.J.S. 24:6I-34. Commissioner Barker made the motion, and Commissioner Nash seconded. Hearing no discussion, Board Secretary Hogan called the vote.

When casting their vote, all Commissioners made brief remarks regarding the work of the Commission on the initial rule and offered their congratulations.

Commission Members	Vote
Commissioner Barker	Aye
Commissioner Del Cid-Kosso	Aye
Vice Chair Delgado	Aye
Commissioner Nash	Aye
Chairwoman Houenou	Aye

The Resolution was passed.

7. 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. The Chair reminded the public that all submitted questions and comments were shared with the commission members and are made public along with the meeting minutes.

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Members of the public had the opportunity to share questions, ideas, and concerns with members of the commission surrounding the topic of: the Commission's initial rules and regulations.

Ms. Blake called on members of the public. All speakers were given three (3) minutes to speak.

Kerry Wiles: He is a potential applicant but gaining access to city and municipal officials has been difficult for him. Over the past eight months he's only been able to sit with two officials from two cities. There is a real barrier that small companies will be facing in terms of the cities who have already made up their minds on who they're going to support in their cities. He is happy to see that the rules are supportive and promote an equitable stance in the marketplace and he thanks the Commission members on their hard work. The ball is in the Commission's court to ensure a fair marketplace with licensing.

Mark Dingelstedt: It is clear to him that doctors do not know much about medical marijuana when he speaks about the great benefits of it for him. He encourages the commission to get New Jersey Medical Schools to incorporate this in their programs and to have Doctors learn of this in their continuing education.

Lincoln Gratton: He found out that the barrier of entry with real estate is a big issue with the social equity part of this program. He wants to have a smoke lounge and the barrier to entry for him is to having the funds for the lease. It is difficult for someone like him who has been effected by the war on drugs and being convicted by marijuana charges. He wanted to be apart of this but with the money barrier it is difficult for him to accomplish even after working a 9am-5pm job and still being on the poverty line. He wants the Commission to find ways to make it easier for the social equity applicants to have more access. He congratulated and thanked the Commission on the rules and regulations.

Zach Katzen: A member of the Atlantic City Advisory Committee. He is proud of the work that the Commission is doing. He wants clarification on the social equity excise fee to raise money-- Will it be given directly to municipalities so that they can direct it in the way they need to or will it be given into a general fund for distribution on how the State sees fit? What penalties will be in place for dispensaries that miss the mark of not having enough product for the medical patients? What levels of testing will be done for the cartridges that will be sold? How will you limit temperature on an after market battery for cartridges? He thanked the Commission for their work and looks forward to reading through the full rules.



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Darrin Chandler Jr.: He is a 2019 social equity applicant for the medical RFA. He wants to thank the CRC for their hard work and for reflecting a fair market in the rules. He has concerns with not hearing about the 2019 RFAs and suggests a timeline for those who want to apply.

Hugh Giordano: Labor representative for United Food and Commercial Workers Union. He wants to thank the Commission for their hard work. He is happy to see that equity and workers rights have the same expectation in the rules and that the Commission held on to their word. Social equity and safety that the Commission values are the same as workers rights. Learning a trade, safe working environment, being able to take care of a family are social equity issues. Urges the Commission to look at workers rights as a main pillar.

Chirali Patel: She thanked the Commission for their hard work and is looking forward to looking at the rules. For microbusinesses and social equities businesses, the municipalities fees may not be affordable aside from the CRC's fees. This may deter these people from applying. Many companies are charging a flat fees instead of a sliding scale for application assistance.

Dr. Monique Hamilton: Her practice offers discounts for seniors, disabled veterans and low-income applicants. They provide lifestyle modification by modifying lifestyle habits, including plant based eating, exercise and overall health and wellness services, including raki, massage therapy and acupuncture. They conduct cannabis education workshops for hospitals, facilities, classrooms, etc. The NJCPRT Documentary is coming soon. She applauds the CRC in its efforts to develop and enforce programs of social equity. It would be helpful if their were an additional program for disadvantaged people.

Corey Dishmen: He is a social equity applicant and representative of the Library of New Jersey. He wants to thank the Commission for their tireless efforts, while there were misconceptions from the public. It is an opportunity for someone like him to build a legacy for his children, the people in his community and to give back to his community.

Kristen Haas: She thanked the Commission for the framework for the rules and regulations and boosts her confidence in mall businesses for the New Jersey cannabis industry. She is the founder of the Botanica Boutique, former New Jersey school teacher and member of the Maplewood Chamber of Commerce. She is so excited to see the regulations around equity that the CRC developed. Her company educates consumers about their product and as a potential applicant, her hope is to apply for a microbusiness license for a cannabis deliver service that will educate consumers about their product and offer safe and discrete delivery.

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Ami Kachalia: She is a campaign strategist for the ACLU of New Jersey. She is appreciative of the work of the CRC and the promise of the inclusion of the equity program and lower application fees. She recognizes that equity is ongoing and she hopes the Commission considers a few points. She urges the CRC to expand the equity framework to have further resources to capital to ensure the start of business and that they thrive. She wants to ensure that equity and inclusivity is prioritized at the local level. Use the megaphone the Commission has to be a leader to municipalities.

Charles Gormally: He thanks the Commission for their hard work. He thinks the Commission has succeeded where many other jurisdictions have failed in terms of diversity, equity and inclusion in this business. He has some concerns about the groups of folks that the CRC is trying to provide access to business. There are still impediments, for example at the local level. The density of the regulatory environment is in it of itself an impediment. Over the next couple of years, keep an open mind if the regulations have helped the people the Commission has intended to help. Look back in five years and make a candid evaluation.

Dr. Brian Cooper: He is appreciative of the efforts put into the rules, especially the social equity aspect and congratulated the CRC. He has questions about the state's certification before the applications are due and to put a timeline on the application process so that people have more information for their own planning. From a competitive standpoint as a Jersey owned business, there is a severe disadvantage compared to the California owned legal medical businesses. In terms of packaging, child safety is important as well as consideration of environmentally sound materials in the packaging.

Precious Osagie-Erese: Chief Operating Officer and Co-Founder of Roll Up Life, Inc. She wanted to congratulate the CRC about the equity side of the rules and to make it so accessible. Her only charge is to focus now on education but this barrier has been removed for her. The cities aren't sharing the same sentiments on the equity level, but it just takes education. She is so thrilled for someone who has been putting together plans and capital that she thought would be astronomical.

Charles Penn: He is excited to educate the community and he thanks the Commission for their efforts. He looks forward to all that is to come and he is very appreciative, specifically on the social equity side. He finally feels he has a space where he can occupy, whereas before the industry has made it very hard for him to get into. There are challenges ahead but from the foundation that the CRC has laid, there isn't anything too big to overcome.

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Dr. Alan Ao: President and Founder of cannabis consulting firm called Plants and Prescription. He is appreciative and thankful for the CRC's efforts. He wants to emphasize keeping social equity at the forefront and supporting locally owned and operated business. He urges doing a staggered system between the licenses so that the class 1-4 businesses can be established first. This way those at the bottom of the supply chain can have an equal opportunity too. Everyone should be an advocate, be vocal. We want to take an intention and responsible consumption.

Scheril Murray Powell: She congratulated the Commission for this important milestone. She is a cannabis attorney and thinks the equity provisions show a tremendous amount of forethought and insight, specifically putting in the income requirements and clearly looked at the concerns of the public from prior meetings. She works for a screening company called CSI that would love to partner with the CRC for how to screen to make sure these criteria are met.

Gina Wardlow: Member of Sativa, LLC. She wants to thank the CRC on their diligence and thoughtfulness on the rules and the social equity component. She is working with a company who intends to apply as a social equity applicant. She looks forward to seeing how social equity applicants and people of color enter into the community. She asks that the CRC considered that there are people who are professionals and who are interested in trying to move on to develop themselves, families and their businesses in this industry.

Gabriella Wilday: Thanks the Commission for listening to stakeholders and public for their input. Up until this day, she didn't feel she had enough information. She says she feels the rules are restrictive and actually feels that the rules inhibit the likelihood of success. Her concerns specifically are that big canopies are going to win every day because they can produce more flower, which will bring in more money for a municipality. Jobs are a driver, which means 10 jobs are not a big enough incentive for a municipality to approve their business. Parking ratios are directly related to square footage. Microbusinesses real need a head start and ability to vertical integration, and reasonable caps on fees.

Paul Josephson: Thanks the Commission for all the hard work to get us to this point. He is sure there is going to be comments and criticisms, but also knows that from the history of the Commission that they've done a great job at listening to people for their input. Reminds the people on the call that the day in and day out operations are very time consuming and he appreciates the hard work of the staff for implementing a fairer and stronger industry with these rules.

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Beau Huch: From Porzio Governmental Affairs. He congratulates the Commission for their herculean efforts. He has some concerns about putting the patients first. There is a lot of ambiguity of filling the gaps for medicinal patients. He wants an email confirmation for meeting requests and speaking at a public meeting.

Sydney Snow: Senior Manager of Government and Community Fairs at Eaze technology. She congratulates the CRC for their hard work to get to this point. Eaze platform allows businesses to do background checks and tracks every cannabis product in delivery. It ensures that diversion in product does not occur. Since 2014 Eaze has facilitated over 20 million cannabis delivery with safety at the forefront. The delivery language as drafted thus far will allow for a safe and effected framework for delivery throughout the state.

Jessica Gonzalez: General Counsel for Minorities for Medical Marijuana. She commends the CRC for significantly lowering the application social equity fees and creating a formal social equity program that gives these businesses priority. She is concerned for businesses that apply in impact zones while being social equity applicants. The rolling basis non-competitive nature of the application process is great and urges the CRC to look highly at non-plant touch applicants.

Rory Wood: Has questions about funding for social equity business. Will some of these funds and grants go to businesses that would like to learn how to cultivate or for those that want to learn the cannabis industry? He wants to start a school to teach these individuals the trades of the industry and how will he get these funds to do so?

Stephanie Thomas: 2019 RFA process doesn't give confidence to new applicants. These people have been holding real estate, paying rent and waiting for answers. The waiting process for the 2019 RFA applicants have spent millions of dollars. This doesn't give confidence for social equity applicants who firstly worry about funding. It is frustrating for the 2019 RFA applicants.

Steven Justin Williams: Congratulations the Commission for a great job. He has a family member that has a 2019 RFA application. He has been impacted negatively by the criminal justice system. He questions how he can follow up with the status of his application and how he can be added to their application as an officer, specifically with prior charges?

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Ed Salzman: He represents Smooth Roots, which has CBD stores in Pennsylvania and operates small cannabis businesses in Oregon. He wants to thank the Commission for the rules, especially in a short amount of time compared to other states. He wants to note to those who worry about small businesses being gobbled up by large scale cannabis businesses that in his experience, they're actually helping small business because it's not at the same quality compared to smaller cultivators who take an organic route to their product.

Marc Fuentes: Commends the CRC on a job well done on their efforts. He is a Latino applicant. He wants to know the delivery licensing fees.

Smit Acharya: Congratulates the Commission on their job well done for the rules and regulations. He is a minority cannabis entrepreneur. He is concerned about start up capital and funding resources, but wants to let everyone know about small companies that help with the initial funding. Even though the CRC can't mandate the hiring requirement recommendation from the ACLU. He thinks that it is everyone's job to make inclusivity available and to lift everyone in this community up.

Carlos Jaramillo: He is an experienced minority, international producer. He is a 2% in the space and he says a congratulations to the Commission. His group is willing to navigate the social equity portion of the industry, but speaking to the New Jersey applicants, it is time for us to capitalize on the profits compared to the big corporations. Start with the people who have suffered in the industry first. From experience, small businesses can thrive and we will be seeing the inclusiveness of different faces and different classes in the industry in New Jersey.

Haider Rizvi: Thanks the Commission for the creation of the rules. He notices that there has been a lot of municipal overreach and that they are creating their own rules and regulations which are creating their own barriers of entry. Urges the CRC to look at these fees and what these municipalities are doing, such as high fees for social equity businesses just so they can cash in on cannabis entrepreneurs. Once we enter the space, there is going to be a whole new set of challenges, such as legal fees, accounting, paying employees, etc. However, the CRC should prohibit these municipalities from doing this. What would be the specifications of presenting a security plan for microbusinesses and conditional licenses?

8. ADJOURNMENT

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Chair Houenou, Vice Chair Delgado, Commissioner Nash, Commissioner Barker, and Commissioner Del Cid-Kosso gave final remarks. Chairwoman Houenou called for a motion to adjourn. Commissioner Nash made the motion to adjourn, 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 4:50pm.

CERTIFICATION

The foregoing minutes represent a true and complete summary of the public meeting held by the Cannabis Regulatory Commission on Thursday, August 19, 2021.

A handwritten signature in cursive script, appearing to read "Erin Hogan", written over a horizontal line.

Erin Hogan

Board Secretary