



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
CANNABIS COMMISSION



BLDG., #1341, Asencion Ct., Capitol Hill
P.O. BOX 500135 Saipan, MP 96950
Email: info.cnmicc@gmail.com
Phone: (670) 488-0420

A regular meeting of the CNMI Cannabis Commission will be held on **Thursday, January 11, 2024 at 11 A.M.** at the office of the CNMI Cannabis Commission Conference Room at Ascension Ct. Bldg. 1341, Capitol Hill, Saipan.

AGENDA

- I. Call to Order
- II. Roll Call/Determination of Quorum
- III. Consideration and adoption of Agenda
- IV. Consideration and adoption of Minutes of prior meetings
- V. Public Comment

- VI. Election of Commission Board Officers

- VII. Old Business

- VIII. New Business

- IX. Executive Session

- X. Miscellaneous

- XI. Adjournment

Copies of this notice and agenda have been posted at the Administration Building Entrance Hall, House of Representative Entrance Hall, Senate Entrance Hall, and www.cnmicc.com, the CNMI Cannabis Commission's official website.

Written comments on the agenda may be submitted to the office of the CNMI Cannabis Commission located at Ascension Ct., Bldg. 1341, Capitol Hill, Saipan or emailed to info.cnmicc@gmail.com before 11 A.M on January 11, 2024. Oral testimony shall only be presented during the public comments portion of the agenda.

**CNMI Cannabis Commission
Regular Session Meeting Minutes
January 11, 2024**

I. Call to Order

Acting Chairman Juan Iguel called the CNMI Cannabis Commission's meeting to order at 11:17 a.m., which was held at the Office of the CNMI Cannabis Commission Conference Room located at Ascencion Ct., Bldg. 1341, Capitol Hill, Saipan.

II. Roll Call/Determination of Quorum

The acting chair recognized the commission's executive secretary, Ms. Natasha Palacios, for roll call of the commissioners as follows:

- Commissioner Thomas Songsong [Secretary], representing Rota, was present;
- Commissioner Journie Hofschneider [Vice Chair], representing Tinian, was present;
- Commissioner Juan Iguel [Acting Chair/Treasurer], representing the Northern Islands, was present; and
- Commissioner Jose B. Palacios [Member] was not present.

The acting chair confirmed meeting quorum and stated that Commissioner Palacios asked to be excused from today's meeting and was excused by the acting chair.

III. Consideration and adoption of Minutes of Agenda

Vice Chair Hofschneider motioned for the adoption of the agenda, seconded by Secretary Songsong. All commissioners voted in favor of the motion; motion carried.

IV. Consideration and adoption of Minutes of prior meetings

The secretary said he had no prior meeting minutes to offer for adoption at this time and motioned for its tabling until the next meeting, seconded by the vice chair. All commissioners voted in favor of the motion; motion carried.

V. Public Comment

The acting chair opened the floor for public comment and asked that comments be limited to five minutes.

Mr. Josh Sasamoto thanked the board and then inquired about the letter that he wrote about four to five months ago which he has not heard anything; he saw the order [producer moratorium] that came out and noticed that, that was what he said that the minimum has to be done, but he still has not gotten a response; and in an abundance of

caution, asked when the effective date is [of the producer moratorium] because he could not tell from the notice.

Acting Chair Iguel thanked Mr. Sasamoto for his comment and said he did not want to get into detail about his inquiry and that the commission responded through email to Mr. Quan [of Da Dankery] because he is the main applicant; a response was provided to Mr. Quan already and that he has not seen any documents showing Mr. Sasamoto's partnership with Mr. Quan, so a response was provided to Mr. Quan.

Mr. Sasamoto said that he wrote a separate letter back in August [2023] and that his letter was different from Syd's issue [Mr. Sydney Quan]; or correct him if he is wrong, he addressed the letter to the commission's board and that Syd's issue was after that; but anyway, he wrote a separate letter addressed to the board back in August where he talked about...[indistinct].

The acting chair thanked Mr. Sasamoto and said that the commission will look into it and that is all he could say is that the commission responded [to Mr. Quan]; in regard to the [producer moratorium] notice that was published, the commission will issue a response to Mr. Sasamoto.

Mr. Sasamoto reiterated that he has not received a response to his letter yet and asked when the effective date of the moratorium is, ninety days after publication or thirty days.

The acting chair indicated to Mr. Sasamoto that in the commission's last meeting, Mr. Quan was present and was asked about your inquiries in which Mr. Quan mentioned that he was not aware of your correspondences to the commission on behalf of Mr. Quan's company, which is why it was decided to respond to Mr. Quan directly, and that the producer moratorium is effective ten days after publication date.

Mr. Sasamoto mentioned that those are two separate things [his letter and Mr. Quan] and said ten days after satisfying the administrative requirements, ten days after publication.

The acting chair acknowledged, ten days after publication [the effective date of the producer moratorium].

Mr. Sasamoto asked about his partner, Mr. Quan, and said that he believes his application is ready for vote and is unsure why it did not make it in today's meeting; what happens in his case or in a case like that, and said that he knows it was mentioned before that those who were in the process of applying would be okay and noticed that the notice said the director will make every effort to inform... [indistinct], that is why he is asking; if that is

still the case, then they have no issue and so he is just asking that, that is what he is asking.

Acting Chair Iguel asked Mr. Sasamoto where Mr. Quan is.

Mr. Sasamoto said that Mr. Quan is at work who told him that his application is ready.

The acting chair asked the commission staff if the commission has Da Dankery's application and if Mr. Sasamoto is Mr. Quan's partner or authorized representative.

Commission staff Mr. Erik Basa indicated that Mr. Sasamoto is Da Dankery's point of contact and that Mr. Quan is a sole proprietor and that his application is ready for determination.

A brief discussion followed between the acting chair and Mr. Basa about Da Dankery's producer application...

The acting chair then addressed Mr. Sasamoto and said that there have been communications and there will be on-going communications with Mr. Quan, and as far as his application being heard, that will be determined in the coming days or weeks upon meeting scheduling.

Mr. Sasamoto said that basically he just wanted to know that Mr. Quan's application is, will be up for vote when the commission schedules it; that's another way.... [indistinct] and that the commission said those that provided would be okay; noticed that the notice said that for all the people affected, so his question is, what about those people who have turned in applications, would this moratorium affect them, thinking in general, anybody.

The acting chair indicated that the commission could provide him a written response because details need to be looked into of his inquiries; a written response would be preferred because he does not want to make further statements that may be misinterpreted and to avoid any miscommunication, but a decision has been made already about the producer moratorium.

The acting chair then asked if there were any other public comments. There was no other public comment.

VI. Election of Commission Board Officers

Acting Chair Iguel said that before getting into this agenda item, he would like to request to go through a quick executive session so that he can explain some of the conversations he had with the commissioner who was not able to make it to today's meeting.

All commissioners voted in favor of entering into executive session. The acting chair announced the time at 11:30 a.m. for entry into executive session and subsequent exit from executive session at 11:58 a.m.

The acting chair then stated that the election of commission board officers is tabled until Commissioner JB Palacios is present.

- Secretary Songsong then motioned to table this agenda item until the next meeting, seconded by Vice Chair Hofschneider. All commissioners voted in favor of the motion; motion carried.

VII. Old Business

The acting chair indicated that there seems to be no old business for discussion.

The secretary asked if he was able to speak a little bit about Da Dankery [producer applicant] or did it need to be posted on the agenda.

The acting chair replied that it may be talked about under the miscellaneous agenda item.

VIII. New Business

The acting chair indicated that there seems to be no new business for discussion.

IX. Executive Session

- Entered executive session at 11:30 a.m. from agenda item VI and subsequently exited at 11:58 a.m. in which the acting chair said that a legal opinion was rendered due to the fact that Commissioner JB Palacios could not make it to today's meeting and advised to table the voting on the election of commission board officers until such time that Commissioner Palacios is present; also discussed were the roles of the commissioners and their availability for any emergency commission meeting, and that the commission would revert to the regulations that state the commission would hold its regular meetings every last Friday of the month; however, if the commission do not meet prior to the last Friday of the month, each commissioner should be kept up-to-date and be aware of any proposed meeting dates strictly through their

established commissioner email addresses and not through personal email addresses; other matters discussed was regarding the decision that was made for the producer moratorium, which is a temporary producer licensing pause, and that communication improvements are needed between commissioners and the commission office to that ensure every commissioner is properly informed through email and to avoid all commissioners being under a single email thread when matters are being discussed as it could constitute a meeting quorum, and ensure the AAG receives the agenda on the same day the commissioners receive the agenda so that any concerns the AAG may have with the agenda could be addressed accordingly before the public posting of the agenda.

X. Miscellaneous

Meeting agenda

Acting Chair Iguel apologized about the agenda for being what it is and hoped that Commissioner Palacios would have been present, and as a result, he did not want to discuss any new business until Commissioner Palacios is updated with matters he missed since the time he left [awaiting senate confirmation on his second re-nomination], therefore, this miscellaneous agenda item was included just for the purpose of the members having conversations on anything that may have had misunderstandings; that is why the agenda is what it is and did not plan on having items on the agenda to be voted on without Commissioner Palacios' presence and knowledge; he knows that Commissioner Palacios is aware of it but just for the benefit of the doubt, he did not want matters presented for vote and Commissioner Palacios not being up-to-date on a subject matter.

Producer licensing moratorium (Temporary pause)

The acting chair went on to say that some matters he wanted to talk about was the [producer] moratorium that was published; understanding that there was a huge back-and-forth on the matter between Commissioner Palacios as the chairman at the time and Da Dankery's Mr. Syd Quan, which basically the commission told Mr. Quan that he was not going to be in because it was not on the agenda and the agenda was sufficient for him not to go in, however, communications with the counsel indicated that it was not right to tell Mr. Quan that the commission could not accept his application [or consider licensing]; it was seen as a venue for a lawsuit against the commission because nothing was published through an order and that was his way of protecting the commission; he communicated with the counsel for advice and the advice was that the commission

should accept applications until the moratorium was properly published; any [producer] applications after the moratorium could be accepted and placed in the order received, and once the moratorium is lifted, the applications could be pulled by the date of order it was received, but any applications that were deemed administratively complete during the moratorium [publication] process can be heard before the board; he wanted to share this information with Mr. Sasamoto during the public comment period but is being careful with how the commission goes about its business and what is told to the public which is why he went with the counsel's advice to respond in writing to ensure that what is said to Da Dankery could be equally said and applied to other applicants to avoid having different views between applicants; that's his take on the temporary producer pause and apologized if he did not communicate to any and all commission staff and commissioners; he had to make a decision at that time because Mr. Quan kept sending him emails that the commission was not responding to him and was worried about his application; the acting chair saw that it was the right way to protect the commission and responded to Mr. Quan who was advised about his application that it could be submitted and that if it was administratively complete, the board could address his application before the effective date of the temporary pause.

Acting Chair Iguel then opened the floor for any other miscellaneous matters.

Secretary Songsong indicated that he wanted clarification and asked the acting chair if the temporary producer pause order was effective on December 28, 2023. The acting chair acknowledged that it was.

The secretary went on to say that he did notice in the August 18, 2023, meeting minutes, which is still being transcribed and almost completed, in that it spoke of the commission's acceptance of [producer] applications, but it will not be entertained, will not be issuing [producer] licenses.

The secretary then said that he heard the acting chair mention that Mr. Quan was present during a meeting.

Commission Managing Director Mr. Evangelista indicated that time the secretary was talking about happened in October [2023].

The secretary said that it could have been the time when he was absent from the board meeting. The acting chair acknowledged and said the time the secretary was in Guam.

Cannabis application's point-of-contact

Acting Chair Iguel inquired about the application's point-of-contact on how much information can be released to an applicant's point-of-contact.

Commission staff Mr. Basa responded that it is usually notices and communications that go through the applicant's point-of-contact, but they are addressed to the actual applicant.

The acting chair asked that the application's point of contact could be improved upon because at the last meeting, Mr. Quan was not aware that Mr. Sasamoto was writing on behalf of Da Dankery; and even after Mr. Quan was already spoken and responded to about the moratorium, now Mr. Sasamoto is back inquiring with similar questions as Mr. Quan about the moratorium and when his application would be entertained in which a response was only provided to Mr. Quan.

Evaluation of cannabis supply in the marketplace

Secretary Songsong said to the acting chair that he had one more thing to add in that the temporary producer pause was for a purpose, as was discussed previously, to ascertain a cannabis oversupply and stuff sitting on the shelf; his question is, since that discussion date and recollection that it was voted on, asked if the commission staff conducted an evaluation of the oversupply concern up to the point of the December 28, 2023, publication of the producer licensing moratorium order.

Managing Director (MD) Evangelista recalled in previous meetings or through email that the board wanted to discuss going about setting up that letter [to licensees] before it is sent to do the evaluation.

The secretary inquired if the commission is setting up a letter to the licensees to self-evaluate their cannabis supply.

The MD acknowledged the secretary and said to report on it absent a central tracking system, but expressed belief that the board wanted to discuss that first before the commission actually sends the letter.

The secretary asked the MD about commission staff actually eyeballing the shelves and seeing what is in storage; can it be done, are commission staff able to inspect to see what is pouring out of the shelves.

The MD acknowledged that they could physically inspect.

Secretary Songsong indicated that was the question, did commission staff actually do a physical evaluation on it already.

The MD said they have not done a physical evaluation of licensees' cannabis supply, but they did have a cannabis retailer come in asking for a list of licensed cannabis producers because they ran out of [cannabis] product.

The secretary expressed to the MD that is one way of finding out [about a purported cannabis oversupply], that was the lounge previously mentioned and from that one lounge it seems there was not enough product yet and expressed belief that lounge being associated with Top Shelf, so that is one side [indicator] that cannabis supplies are not spilling over; he cannot speak about Saipan Select's supplies, but at least the commission knows some information from the [420] lounge and Top Shelf, and that is a good sign come time to address Da Dankery [producer application].

Acting Chair Iguel said that he wanted to bring up a change that was made on the moratorium, it was supposed to be for a period of six months, however, it was removed because he felt six months was too long and felt that cannabis supply information could be obtained before six months; if the moratorium needs to be lifted, once the commission is ready, it could be lifted without waiting for the six months expiration date; it does not have a timeline, if it exceeds six months, the moratorium is still in effect.

The secretary added that if he were going to do a [cannabis oversupply] evaluation, for example, as an inspector, besides corresponding to a licensee asking for supply information, he would go out and inspect cannabis supplies/storage and wouldn't count on anyone saying what they said.

The acting chair asked the secretary if he would like inspection photographs to be taken before the commission makes its decision.

The secretary replied that he does not want anything but that if he were an inspector, a compliance guy, he would do that [physically inspect], he would need to see it with his own eyes also.

The acting chair said that he would like to see inspection photographs of the cannabis supply situation before the commission votes; he would like to see some stats and photographs, dates inspection photographs were taken and poundage on the shelves.

Cannabis shelf life

Secretary Songsong said there is one other question about cannabis shelf life, that is something that needs to be discussed, how long is the shelf life of cannabis licensees' product; there is a certain time period for cannabis flowers, and if a processor, before cannabis flowers become too aged, it could be processed, but how long does the processed material lasts in another question too.

Vice Chair Hofschneider indicated that it could be included in their standard operating procedures, having them explain it being the commission not having any prescribed regulations.

Acting Chair Iguel indicated that shelf life needs to be looked into, including having it in the regulations, and said that he did look into the matter regarding shelf life and that one state lost millions of pounds of cannabis because of shelf life; usually, a lot of businesses based on how they cure [and store] their products, flower bud shelf life is about six months to one year; he's still looking into it and wants to see overall what all other producer's shelf life are; the state of Maine, for example, their shelf life is six months to one year depending on how they cure and storage, it can go up to two years, but the majority is six months to one year; frozen cannabis [for processing] can be stored for longer periods [for later processing].

Discussions continued on cannabis shelf life...

Draft letter to licensees requesting for cannabis inventory data

Mr. Basa added that what the deal was as far as obtaining licensee inventory information was the document that the acting chair created and that Commissioner Songsong had mentioned to have a board discussion on that just to ensure that the commission is asking the specific information, that is what they are waiting for; as long as that is finalized, they [the commission staff] can use that information.

The acting chair replied that as far as the draft letter, it does not have to be held and discussed in a meeting, it can be drafted as long as it can be emailed to the commissioners for their reference, but not in one email thread; he still has the draft letter which should be looked at as soon as possible because a deadline is coming close and there is a need to move on things.

Mr. Basa said that was actually the plan that whenever that becomes finalized and that whatever the licensees put on paper, they will validate those numbers.

Acting Chair Iguel expressed that his and Commissioner Songsong's communications regarding matters coming from the board is that if it deals with commission operations, the managing director is the person signing off on matters from the office to licensees.

Managing Director Mr. Evangelista acknowledged awareness of that responsibility by endorsing documents/correspondences from the commission.

The acting chair said he has the draft letter prepared but it would be signed by the MD, as compared to what he did the last time when he requested for some stats [from licensees]; he was given that authority by the chairman at the time to issue it, and agreed with Commissioner Songsong that depending on the type of letter that comes out, if it deals with operations, it should be from the managing director.

Applications submitted after the effective date of the producer moratorium

Mr. Basa asked for clarification on the [producer moratorium] date of publication that is December 28, 2023; ten days after that [January 07, 2024], if the commission receives any application ten days prior, the commission accepts them.

The acting chair acknowledged that is correct; at any time, the commission can still accept applications even after the effective date ten days after, but the commission cannot... Mr. Basa inserted, process the application after the tenth day from publication.

Further discussions and clarifications followed on the producer moratorium and the language or interpretation of the order... acceptance or non-acceptance of application fees during the moratorium period...

Vice Chair Hofschneider indicated that technically, the commission should not accept producer applications [during the moratorium period].

The MD said there was somebody who did submit an application for producer license who was told that the commission is not accepting applications, but that they can go ahead and hold it; it was made clear, that the commission is not accepting applications but will hold it until it can be processed.

Discussions continued on the subject matter...

Budget

A brief discussion arose on budget limitations and legislative appropriation of funds...

Next scheduled meeting

January 19, 2024, was the date proposed for the next meeting and Acting Chair Iguel spoke of drafting a commission resolution relating to the commissioners' readiness and availability at any time to address commission related matters for introduction in the next meeting...

The executive secretary inquired about the posting of agendas on the commission's website 72 hours prior to the meeting date when interferences occur with holidays and/or austerity Mondays prior to its posting at the legislature and governor's office.

Clarification on the producer moratorium

The acting chair sought clarification with the counsel relating to an unspecified process in dealing with producer applications during the moratorium period.

The counsel replied that it says there is pretty much a pause, so why would the commission be accepting applications.

The acting chair asked if the commission is able to accept applications so that it could be documented and later addressed for processing in the order it is received in the event the moratorium is lifted.

Vice Chair Hofschneider expressed that applications should not be accepted.

The counsel asked that the subject matter be discussed further in executive session. The acting chair acknowledged.

Discussions followed between commission staff and commissioners about the acceptance or non-acceptance of producer applications during the moratorium period... resolution on producer license [or other licenses] limitations and review of cannabis supply data to come to a conclusion... audit of licensees' books and records...

Mr. Basa asked for clarification purposes if the commission may continue processing producer applications that were received prior to the effective date of the producer moratorium [January 07, 2024].

The counsel acknowledged Mr. Basa as correct, but after that date, ten calendar days, no.

Contact person named in a cannabis application

Vice Chair Hofschneider said that for record and clarification purposes, the contact person in an application, it actually states that the applicant authorizes the contact person to communicate with the commission as the primary contact for the duration of the application process only; so, if the applicant or one of the shareholders or directors, etc., signed-off on the application that Mr. Sasamoto is the contact person, then the commission can communicate directly with him; the commission wants to avoid communicating with several people and that is something that would be relayed to the applicant; if an applicant indicates someone in their application as their primary contact person, then in that case, Mr. Sasamoto would be the primary contact.

Mr. Basa indicated that he usually CCs the applicant as well when communicating with the named contact person as well as others that an applicant listed.

Cannabis Tracking System

Acting Chair Iguel indicated that he has been working on the scope of work for the cannabis tracking system for proposals, which would be forwarded to the members and staff for review upon completion, and then if there was anything else under miscellaneous. There were no further discussions.

XI. Adjournment

The vice chair motioned for meeting adjournment, seconded by Secretary Songsong. All commissioners voted in favor of the motion; motion carried.

The CNMICC's January 11, 2024, regular meeting adjourned at 12:46 p.m.