



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS CANNABIS COMMISSION

P.O. BOX 500135 Saipan, MP 96950
Email: info@cnmicannabis.org

A regular meeting and public hearing of the CNMI Cannabis Commission will be held on **Friday, June 02, 2023, at 10 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. Public Hearing
 1. Cannabis Application No. C-0122-0028-SPN - Elevated Minds, LLC dba Elevated Minds, Marijuana Producer - Class 1, discussion and approval
 2. Cannabis Application No. C-1222-0031-SPN, Cannablyss, Inc. dba Cannablyss, Marijuana Retailer, discussion and approval
 3. Cannabis Application No. C-1222-0030-SPN, Scot Thompson dba The Green Room, Marijuana Retailer, discussion and approval
 4. Cannabis Application No. C-1222-0029-SPN, Scot Thompson dba 420 Lounge, Marijuana Lounge - Class 1, discussion and approval
 5. Cannabis Application No. C-0223-0034-SPN, Saipan Select, LLC, Marijuana Processor, discussion and approval
- VII. Chair Report
- VIII. Old Business
 1. Personnel:
Discussion on Managing Director hiring
 2. Proposed regulations for Marijuana Retail License deliveries; for discussion and voting
Compliance Advisory 23-02 Marijuana Retail License Deliveries draft; for discussion and voting
 3. Compliance Advisories for discussion and approval:
22-02 Retailer License: Discount Prohibitions for Marijuana Items
22-01 Advertising Restrictions and Requirements
- IX. New Business
 1. House Bill 23-50 – Comments to Representative Diego Camacho, Chairman of the Cannabis Committee
 2. Discuss Special Funds Account
 3. Salaries for new hires, General Operations and expenditures
- X. Acting Managing Director's Report
- XI. Executive Session
- XII. 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@cnmicannabis.org on or before the meeting date. Oral testimony may also be presented during the meeting on Friday, June 02, 2023.

**CNMI Cannabis Commission
Regular Session Meeting Minutes
June 02, 2023**

I. Call to Order

Chairman Jose Palacios called the CNMI Cannabis Commission’s meeting to order at 10:21 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

Chair Palacios briefly expressed that it is nice to see that there are a lot of interest in the cannabis industry and hoped that everyone and their family was safe, especially for Rota, after the passage of the storm (Typhoon Mawar) and then asked the executive secretary, Ms. Natasha Palacios, to call roll of the commissioners as follows:

Secretary Thomas Songsong, representing Rota, was present, via Zoom;
Treasurer Juan Iguel, representing the Northern Islands, was present;
Vice Chair Journie Hofschneider, representing Tinian, was present; and
Chair Jose Palacios, representing Saipan, was present.

The executive secretary stated that the acting managing director, Mr. Erik Basa, is in attendance via Zoom and that the legal counsel attending the meeting via Zoom representing AAG Keisha Blaise is AAG Carl Dela Cruz. Chair Palacios then announced quorum of the commission for today’s meeting.

III. Consideration and adoption of Agenda

Treasurer Iguel motioned to consider and adopt today’s agenda. Vice Chair Hofschneider expressed that she has a motion and then motioned to amend items 1 through 5 under agenda item VI public hearing to say, “discussion and decision” instead of “discussion and approval” and that all agendas going forward for public hearing should reflect the same, seconded by Treasurer Iguel. All commissioners voted in favor of the vice chair’s motion; motion carried.

IV. Consideration and adoption of Minutes of prior meetings

Treasurer Iguel mentioned that the commission’s meeting minutes of its last meeting was not ready yet and then motioned to have the consideration and adoption of meeting minutes moved to the next meeting’s agenda, seconded by Vice Chair Hofschneider.

V. Public Comment

Chairman opened the floor for public comment. Treasurer Iguel asked the chair that the executive secretary read the public hearing rules of conduct, which the chair agreed.

The executive secretary then read the commission's public hearing rules of conduct...

The chair asked that copies of the public hearing rules of conduct be provided to the meeting attendees, and then opened the floor to the meeting's attendees for public comments.

Mr. Louis Rodgers introduced himself as owner of Lumar, LLC., dba CanaMarianas retailer and CanaMarianas farm and said that he is here to address some things that could improve and enhance the way the cannabis commission is doing business and then read his written letter, which the commission was provided a copy of, as follows:

- Cannabis tracking is needed across all areas of cannabis in the CNMI, we are going on our third year of cannabis in the CNMI and is confident that the cannabis commission cannot report in real time how many immature, mature, harvested, dried and packaged cannabis is in the inventory produced by cannabis producers; the single point of failure of no electronic reporting to capture the inventory and sales has made it virtually impossible for retailers to explore other than cash payment solutions for customers;
- CanaMarianas had a meeting with a company called Safe Harbor Financial who are a leading company in cannabis banking solutions allowing all cannabis businesses to be able to use pinpoint debit card payments and banking for those transactions; CanaMarianas and the CNMI could be declined safe access through Safe Harbor Financial because they determine whether cannabis regulations in the CNMI are too relaxed and lack accountability simply because we do not use a cannabis tracking system; sadly, however, Safe Harbor Financial has established access for Guam based solely on the fact that Guam has implemented the electronic cannabis tracking and reporting system through Metrc (cannabis tracking system); considering that the CNMI is going through its third year of legal cannabis, it makes no sense that the organization that is responsible for cannabis are not adequately providing the best access for cannabis customers and businesses to increase revenues in order to improve the CNMI; to add, by simply knowing that all cannabis inventories across the entire CNMI cannabis industry, the cannabis community and board would have access to view the current and future inventories and be able to forecast potential revenues on cannabis to present to the cannabis commission on cannabis and to the legislature on seeking funding; basically, cannabis data would be available to show

and account for commission revenues and help justify the commission's funding needs;

- Addressing item number 5 in today's agenda [*Cannabis Application No. C-0223-0034-SPN, Saipan Select, LLC, Marijuana Processor, discussion and decision*], as a stakeholder, he has concerns about inconsistencies when it comes to guidelines the cannabis commission has set forth for applications and enforcement of its own criteria; back in February 2023, he spoke with the acting managing director about CanaMarianas' intent to submit its application for cannabis processing and was told that a business license would be a critical piece with the submission of his application; the process to obtain a business license requires so many clearances to submit a business license application; at present, cannabis processing is not listed in the current zoning regulations for conditional use permitting even though all cannabis licensing is conditional use; so CanaMarianas presented the question to the team at zoning as to whether a vote would be required since there is already an existing conditional use permit for CanaMarianas' location or if the zoning board would simply vote to approve without a public hearing; CanaMarianas has submitted its application for a conditional use permit in April 2023 and had his question heard by the zoning board once the board was established or a quorum was met; on May 9th, there was to be a public hearing and at that hearing his questions/application was on the schedule but the hearing was postponed to this month; to date and according to zoning, there is no other application for consideration for processing, however, there were no questions asked like his; if there has been a change in the requirements, he would ask the cannabis commission to kindly share with the rest of the stakeholders what has changed; CanaMarianas also recognized that this may be a zoning issue, and if zoning cleared a business license application and issued a processing business license application for item number 5, CanaMarianas intends to discuss the matter with zoning to see if precedent has been set to clear a cannabis business related license application in an existing approved and permitted cannabis location.

The chair asked if there were any other public comments.

Mr. Scot Thompson asked if there is a need for zoning, to get clarification right now, for processing. The chair replied that zoning is a separate entity. Mr. Thompson asked if he could submit his processor application to the commission. The chair replied that he may submit his processor application to the commission but as far as zoning, it is a separate entity with its own board and how they are going to go about it will be with zoning.

Mr. Scot Thompson (and/or Mr. Louis Rodgers) asked Mr. Clyde Norita of Saipan Select, LLC., if he was able to go through zoning. Mr. Norita replied that he is going to comment about it.

The chair then opened the floor for Mr. Norita's public comment.

Mr. Clyde Norita of Saipan Select, LLC., introduced himself and expressed support of Mr. Rodgers' recommendation about statewide cannabis reporting and mentioned that cannabis establishments reports vary based on what they want to report and that a uniform reporting requirement is important for businesses to run smooth and clean; as for zoning, it's the same thing [similar to what Mr. Rodgers pointed out], they submitted their application for processor to zoning, but it is like a three legged stool – the cannabis commission, business license, and zoning - and the commission and zoning are not talking to each other and so they are running into the same problem; zoning is the only one that basically said that they do not have a classification in zoning for processing and laboratory in which he replied that in Saipan Select's case, their proposed processor location is at the same site [licensed cannabis retailer and producer premises] approved by zoning, they are not expanding the footprint of the zoned cannabis area, similar to Mr. Louis Rodgers, and asked zoning what would be the hold up, is it a formality of filling out forms and paying the ten dollar fee, which they can do; zoning's reasoning now is that the zoning board has not formally formed and that the zoning board is meeting in June 8th to organize, which he mentioned to zoning that they are submitting their processor application to the cannabis commission to have it into their system and if they get around to approving it, then okay, but as far as zoning's concern, Saipan Select is following the process.

Mr. Scott Malin of Top Shelf, LLC., introduced himself and stated that his company would also like to submit a processor application and asked if they could go ahead and submit their application and pay the appropriate fees now or should he wait for zoning clarification.

The chair replied to Mr. Malin that would be a business decision on his end, as far as the commission is concerned, we have our own process, and as far as the prior commission board and what has happened in the past two and a half years, he cannot answer to that; what he can say is that the commission has met in this last month, this is the commission's third meeting [the new cannabis commission board] and the commission is pushing this along and will push this envelope, and maybe the commission's legal counsel can answer this question: In regards to zoning, in trying to equate it with the absence of zoning laws for Rota and Tinian overall, and because there is no zoning laws for processing in particular that exist right now, what then

would be the hold back in requesting for something that doesn't exist, that's his question for the legal counsel.

Mr. Malin added that is a good question. Mr. Norita added that at the end of the day, they [zoning] is going to approve the process, it just has to be added it to their rules, and at the end of the day, it is just paying zoning's ten-dollar fee and they [Saipan Select] will pay that fee until zoning gets around to do what they need to do.

The chair added that Rota and Tinian don't have any kind of zoning regulations, it doesn't exist, therefore, if the particular requirement, which is being cited as the "hold back" for processing is because there is no zoning regulation in existence, then when that time comes where zoning decides to put in some kind of regulation, then whatever it was that was previously approved, if you will, would that be automatically grandfathered in; the fact that it doesn't exist, his question to the legal counsel is it even viable for zoning to hold back or legal for that matter to hold back invested stakeholders from moving forward because zoning does not have regulations, in other words, we [the commission and stakeholders] are asking for regulations that doesn't exist, is basically what is going on right now.

Mr. Louis Rodgers added that it is beyond the scope of that, to obtain a business license, one has to have zoning clearance.

The chair acknowledged understanding Mr. Rodgers' comment and said that we are not going to get anywhere because we'll just go around in a circle, so what we are trying to do here is to place it in the commission's agenda, vote on it and put it squarely on zoning because now zoning is either going to have to do something with it or sit on it, but like he has shared with people, he takes it personal when he hears comments from people that they are waiting for the cannabis commission to act; this is clearly a matter where the commission is ready to vote on it, ready to take it on, but if the hold back is from zoning or revenue and tax, then that is a totally separate and different entity; as a good example, the commission is trying to coordinate with revenue and tax with revenue tracking, a tracking system on taxation, the commission is looking at not just capturing the economics as far as strictly based on license and application fees, but actual retail because there are some mumblings within the legislature, both the house and senate, that this industry is not making any money and stated that he begged to differ; there are eight people [stakeholders] in this room right now and realized that there is money or else nobody would be here today if there is no money to be made, or if this industry is not capable of generating revenue; the fact that there are eight people here today tells him that there is money to be made but it is a matter of capturing it and agrees with it and working on it; this is not an excuse or

that he is trying to get sympathy; in one month, this is our [the new commission board] third week, third meeting in one month and the commission is pushing things forward and want to work with stakeholders, that is the commission's position is to work with its stakeholders, but it is not going to be working with stakeholders as in one sided, it's a give and give, not give and take situation.

The vice chair added that she has been working with the commission in developing applications, looking into the regulations and what the requirements are, if she had known, just giving her personal comment, that the zoning agency did not include a use for processor or laboratory, now that it has come to her attention, processor specifically and application, that is a bigger issue, there is a big disconnect there, and legalized cannabis in the CNMI has been enacted since 2018; she's not blaming zoning because everybody has their process, however, we have been operating for this many years and there should have already been something in place; just wanted to let the stakeholders know being in all the commission meetings these last years, this has never come up as an issue and asked that the stakeholders that they be aware of that and that the commission will be getting to the bottom of this issue for history's sake, it would have been dealt with when there is an issue like this when it hinders the businesses, exactly what is being expressed here; just wanted to comment on that from someone who has been here in every commission meeting and reviewed the cannabis rules and regulations and laws but was not privy to any zoning meetings, and concluded that is her comment.

Mr. Scott Malin of Top Shelf, LLC., asked for clarification purposes if he would be able to submit his application to the commission and it would be accepted now.

The vice chair replied that it has always been available since the commission's regulations were established and applications made available online but there has not been any one approved for a processor license.

Mr. Malin asked if the commission would deem a processor application incomplete because it does not have a business license for processor, and can he submit it or not submit it.

The vice chair replied that is the very issue being discussed here and that a processor application can be submitted to the commission although one of the requirements in the commission's regulations stipulated that it must have zoning, that is the issue right now.

Mr. Malin asked if it can be approved if it is submitted without the zoning requirement.

The vice chair replied that is where Chair Palacios just asked for legal guidance as to what happens in this case, because again, as was compared with Tinian and Rota having no zoning, processor or laboratory could open there without having to wait for zoning approval, so the chair is requesting legal guidance and that is what we need to hear; it is an external requirement here, however, as a regulatory body, the commission has to also recognize that zoning has the authority to require that, and then what is that to the stakeholders to open up if you do not have a business license and zoning authorization, and if that happens [processor operations], zoning can decide to close you down, so it does not make any sense whatsoever, so this is what the commission is trying to get to here, recognizing that it is hindering business, obviously this is a big misunderstanding, so this is why we are here today.

Max Farms [Gus Oden? - name inaudible], introduced himself and said that it would seem to him that it would be possible potentially for the cannabis commission to be able to speak with their lawyer of the commission's ability to accept processor applications and even pass applications and with exceptions, say that would go ahead without a [processor] business license because zoning won't do it; but the only issue that happens then, one might be able to get a license [from the commission] but then there is no way one can operate a business because one would be in breach for operating a business without a business license, one could get a fine of fifteen hundred dollars and a cease and desist notice from commerce; so it wouldn't even help cannabis stakeholders if the commission got a legal opinion that it can bypass or over rule its procedures to accept a processor application without zoning approval and business license, and if you did that and issued a processor license, one could operate without zoning authorization and a business license; so it comes back to zoning and mentioned that he had an application in for a retail license since February, zoning is struggling, it's a change of administration issue, its new zoning board just forming now with appointments and it is taking zoning a long time, it is costing them [stakeholders] a lot of money; every month, every week, every day that passes, that is money they have earned as business operators, so the issue with zoning not meeting and not approving things is a serious issue for them [cannabis stakeholders] but difficult for the commission.

The chair indicated that procedurally, it is just the regulations [commission regulations] that caught up with the cannabis commission, that is something the commission can place on discussion and vote to strike it out if it is just a procedural issue and is not within the cannabis laws, Public Laws 20-66 and 21-05; if it is neither

of those two public laws where it is required for the commission to have that as part of its regulatory requirement, then the commission can vote on that procedurally to remove it, so therefore, zoning's issues and revenue and tax's issues are not the commission's issues and problem; in other words, the problem right now is shared by the three, to quote Mr. Norita, the tripod [commission, zoning and tax and revenue] when clearly he can say the commission is ready to move forward and act and issue these licenses as it meets the commission's requirements based on the cannabis laws; other than that, trying to get the commission to be tied to something that it has no standing on zoning issues, the commission has no standing on zoning issues.

Mr. Louis Rodgers requested if he may address that [the chair's statement], said that he thinks that places the entire cannabis industry in a very slippery slope because in order to successfully have this industry, it is the responsibility of the cannabis industry to make sure they [stakeholders] are meeting as businesses all requirements to be able to run their businesses honestly and properly, if we say that we don't need a business license but will approve your application...[end of sentence was inaudible]

The chair stated that what he is saying is that if it is a procedural, in regards to the commission itself, if it is something where it is the commission itself came up from prior meetings and said let us include this as part of the commission's process, then that is something that can be stricken; where now its like no, this is the commission's process, this is the commission working with the industry; slippery slope was mentioned, he'll take a slippery slope over the abyss any day because for the last two and a half years, it has been in the abyss, sorry to say it, and through no fault of anybody in the commission that can be said; it is one of those issues where cleaning it up and moving forward with it is what we need to do and hearing from you stakeholders is what the commission needs to hear, but at the same time, we want to be mindful as commissioners that there are some biases, if you will, that each stakeholder will look out for their own vested interest as much as another stakeholder will look out for its own interest and everybody else, so we have to be mindful of that and stay on what is the commission's work; the commission's obligation is to manage the industry, not control it, not regulate it, not over tax it, but to manage it to meet sustainable growth; we are all here and for the last two and a half years, our only product has been roll it up and smoke it.

The chair then displayed a cannabis hemp product and said that he brought this as a point to show the stakeholders and said that this is something we can do right here, and what we need are processors, this is the future right here, not the future as in end of all days but these are the things that can be done, this product cost almost eighty dollars (\$80) coming out of Oregon; why is it costing me as a CNMI resident \$80 of

my money going to Oregon when I can probably pay half of that and that revenue stays here in the CNMI, but we are not going to get there if we are just going to keep going around in the same circle and say, “Well, you know we are waiting for zoning guys so meeting is adjourned”; we want to push that envelope, we put it on the agenda, we are going to vote on it, he is going to push that envelope because that is the only way we are going to get some answers; one of his biggest mentors that he looks up to was a former U.S. attorney from Guam, there were big cases he worked with and whenever they hit this grey area, her attitude was we are never going to get an answer and know the clarity of this until we take it to court, and then we get a clear answer, and then from there we can move forward as to how can we fix it, what are the remedies, what are the fall backs and so on, but that is how they are going to fix it; we are not going to fix it just waiting around saying well we are waiting for zoning and zoning is saying you need business license and the business license say you need the cannabis application and you’re back here again with us and we are telling you that you need these two requirements, it just goes around and around and we’re not getting anywhere.

Mr. Clyde Norita commented that you [Chair Palacios] basically said it and Mr. Louis Rodgers said it, and said that he thinks the commission needs to figure out in this session what it is going to do about it, but for him to understand what Chair Palacios is trying to say is that there is nothing stopping the commission from approving the processor license with conditions saying that you have to get your own business license and zoning authorization, the commission already approves your cannabis processor license, so stakeholders don’t have to come back to the commission again, and stakeholders know the consequences of doing business without zoning and business license at least to cover the commission’s authority and liability; on the issue of the bottles in front of you, something that the commission also needs to understand as well as the industry here is that this industry was created for the purpose of starting a new industry, bringing in additional revenue to the commonwealth; one day, Uncle Sam is going to remove cannabis from the schedule list and once that is removed, there is nothing stopping the people in Saipan or CNMI from ordering online in Denver or whatever and shipping in CBD or cannabis product; you need to find a way to prepare yourself to protect the industry because stakeholders hire people, pay business gross revenue tax, employee tax, we do everything here because we are in the industry and bringing the economy in; now somebody may buy from Denver at a cheaper price because they produce by the tons, it will kill CNMI’s cannabis industry, and suggested to look at customs and SS tax of fifty percent on not just cannabis but CBD, there are companies now here in the CNMI that are importing CBD products, that is a problem; stakeholders here can sell CBDs but they are paying a lot more in

license fees and taxes and they are not, that is something to be aware about with the commission and how it could help its stakeholders as well as protect this industry.

The chair said that the reason he brought this up [moving forward and not being tied down/delayed] is not just about growth and expansion of the industry, but also by doing this, it compliments one of the biggest problems that is killing the industry, which is over production; because now there is an outlet for your inventory, so your inventory does not sit on the shelf, now you can take that inventory and start with these things [referencing the displayed product]; it is not just one particular product and just that [referring to cannabis flower], now there is another means to get that product off your shelves instead of having it sit there and degrade; this product [the displayed hemp product] is allowed to go anywhere, this product went through the U.S. postal mail and declared exactly what it is. Mr. Rodgers inserted, “But that’s not marijuana.”

The chair acknowledged Mr. Rodgers’ comment and said that notwithstanding that it is hemp, but that is an issue with the federal government where we can get it in; what happened was about two months ago, California, one of the biggest market and with their lobbyist and their congressional numbers, made a push where the U.S. Attorney Merrick Garland, appearing before the senate committee, what came out of that was that what is killing the cannabis market right now is over production and the inability for interstate commerce, so the U.S. senate then came up with what is called a trigger bill, the Department of Justice is supposed to have come up with their official position last week but they didn’t, and basically that position is going to be a loosening of interstate commerce allowing governors to establish interstate commerce with other states, so that basically would then open up the market; Guam is nowhere near where the CNMI is right now, Guam is more focused on medicinal, that is a market, a market that with interstate commerce that could be agreed upon with reciprocity laws put into place, that is a market waiting to be had for the cannabis industry, Guam is not going to be selling cannabis anytime soon, not for a while; so what we are looking at here is when we talk about processors because that is really what the main conversation is, is that we are trying to open up the door to grow the industry, and like with your first step, you’re going to fall and we anticipate falling and tripping but we know how to get back up and we will get back up and we are here to make sure we hold you guys up too, so his question to the legal counsel is because the law doesn’t exist and similar to Tinian and Rota where zoning laws don’t exist, can an invested stakeholder with approval from the cannabis board, with cannabis license in hand, can they go ahead and operate legally because of the fact that what zoning is requiring doesn’t exist as written in law or mandate.

AAG Carl Dela Cruz was asked if he heard the question who replied that he did hear the question raised and is taking notes and expressed that this is something he would need to take a closer look at and get back to the commission; he does not want to speculate right now because this issue being brought to his attention for the first time and of course, he is not the usual counsel for the commission as you know; this is something for the cannabis counsel to look into, review and get back to the commission, and that is something he could do or AAG Keisha Blaise, the usual counsel could do; but right now, he can't give an answer on those important concerns at this point, this is something that he could look into and get back to the commission; perhaps in executive session, it could be discussed in more detail or he can get back with the commission with a legal opinion on these issues.

The chair acknowledged if the commission could get a legal opinion because time has already been heavily invested by stakeholders that are here right now, and of course with a lot of money and resources, and that in all fairness and due diligence that we hold them at least to some kind of direction if not a destination, if you will, but at least some kind of direction as to proceeding forward; as a commission chair, he has no qualms approving the processor license, if anything, to push it to the forefront so that it can be resolved because by not pushing it to the forefront and just keeping it in our pockets, we are again going to meet in another week or two and we are going to have the same questions, so if we could get at least some kind of a clear direction to share with the stakeholders that are here this morning, thinks that will mend a lot of the frustrations and clearly justify in regards to the hold back and delay they endured, in some cases over a year or more for some people.

Treasurer Iguel informed the chair that Commissioner Songsong has a comment who was then granted the floor. Commissioner Songsong indicated that he takes it [due to faintness of the conversations that took place via Zoom] that zoning does not have regulations for processing and that licensees are having difficulties with obtaining zoning authorization, but it is his opinion that the commission should separate the two types of processing extractions, one being solventless and the other being solvent-based, and felt that is where zoning needs to concentrate its efforts in developing its regulations with solvent-based extractions, e.g., with the use of CO2, butane, ethanol, propane, etc., those can cause health concerns, fire hazards, and even explosion; but the application he reviewed for Saipan Select's processor application relates to solventless extraction and that is all natural, there is the flower rosin where flower buds are pressed (heat pressed), there is the hash rosin that is created by way of bubble hash, then there is the live rosin, which are processed fresh frozen cannabis flowers, and those are all natural forms of extraction, and they are the same things that consumers are consuming through cannabis flower and suggested the two

processing extraction methods be separated and that the cannabis commission can move ahead with this type of solventless extraction and let zoning concentrate on the solvent-based extraction processing, and he is all for this natural extraction process, e.g., flower rosin, hash rosin, and live rosin, and suggested the commission move forward with solventless extraction processing.

The chair added that is actually something and expressed agreement with solventless extraction and that the issue with solvents is a zoning issue and that is something processor applicants can take up with zoning; if we focus on what the commission has standing on, which is to approve and issue the license, now the zoning aspect of it, again it's a zoning issue, one can go and camp out at the zoning office for three days but it doesn't mean that we're going to get anywhere; it is just taking care of that one part of the equation where stakeholders do not have to come back to the commission to ask for an application or approval; now stakeholders can go and camp out at the zoning office, if you will, and reiterated his agreement with Commissioner Songsong's statement but wants to make sure at the same time that we have that clear separation [solventless and solvent-based processing] that as an independent board, we are hear to look out for the best interest of the industry than having the invested stakeholders wait on the three different entities [cannabis commission, zoning, and business license] to finally come to an agreement when the commission can extract itself from that process because we took care of our own business where we have standing; it is one less hurdle for the vested interest and investors to have to worry about because they are clear with the cannabis commission and have met commission regulations as set forth by the commission, and what the regulations are with zoning and how they go about it, that is on zoning, and not on the commission; so if we can remove that one less obstacle, then we are servicing the very people that, to put it blankly, pay our paychecks.

Treasurer Iguel commented that knowing that we are still in the public comment section of the agenda, and in trying to stick with the program and not jump over to agenda item VI (5) under public hearing, asked the AAG if an application can be discussed when we have not heard or been presented the cannabis application for processor yet, because he may have some comments on the application but we are not there yet on Saipan Select's application to discuss and is unsure if that is the proper thing to do.

The chair asked the AAG if he heard Treasurer Iguel's question. The AAG asked who asked the question. Treasurer Iguel identified himself. The AAG then mentioned that if he understood the question correctly, the procedural process for applications wanted to be discussed?

Treasurer Iguel acknowledged and explained that because right now the topic of discussion was raised in the public comment section of the agenda by Mr. Louis Rodgers and others in the room, and in that public comment, they're addressing Cannabis Application No. C-0223-0034-SPN for Saipan Select; his question is can he make comments as well in regard to that application when we haven't gone to that specific application yet.

The AAG replied that he does not see that on the agenda, that particular application on the agenda. Treasurer Iguel stated that it is item number 5 on the agenda. The AAG replied, "Public comment, right?", and that it does not sound that it belongs under public comment, that is where he is leaning to right now, if anything, if the public wants to comment on that application, they can but at this time felt that it would not be appropriate for the commission to deliberate on that, the commission could receive it but as far as deliberating on it, it would not be appropriate.

The AAG asked Treasurer Iguel if that answered his question. Treasurer Iguel acknowledged that it did.

Mr. Scot Thompson introduced himself and asked if they are able to address, these are the majority of the stakeholders here, that they haven't had a chance to comment on old business, agenda item VIII, on numbers 2 (retail delivery) and 3 (retailer discount and advertising), which the commission is about to vote on.

The chair replied to Mr. Thompson that we are not there yet. Mr. Thompson said that this is their only chance to have a public comment on it. The chair then asked the AAG that what Mr. Thompson is asking is, can we include what is in agenda item VIII, the discussion in regard to compliance and advertising, which is under old business, can that be discussed in the public comment portion.

The AAG asked if the chair was asking him the question. The chair acknowledged. The AAG then suggested that the agenda be followed, if the commission is going to discuss old business, it should wait until it gets to that point in the agenda.

The chair then asked the AAG so public comments can be allowed as the commission goes through and during specific agenda items? Would public comments be allowed as the commission goes through discussions on specific agenda items, since we are not in executive session yet?

The AAG replied that if we are going to follow the agenda as it is, public comments would not be acceptable after that opportunity passes, if it's not on the agenda, the agenda would have to be revised.

The chair asked if the commission could go ahead and adopt Robert's then? [referring to Robert's Rule of Order] ... and repeated his question.

The AAG asked who asked the question. The chair identified himself. The AAG explained that if the agenda is modified and doesn't think that can be done at this point, that could be a modification of the agenda.

The chair responded to the AAG that under Robert's, it allows the commission to amend the agenda as we move forward, and that is under Robert's Rules of Order for procedurals.

The AAG replied that he is thinking under the perspective of the CNMI's Open Government Act and explained that he is not comfortable with endorsing that right now to make these types of amendments to the agenda and public comments into items because the people were not given the opportunity for that [Zoom or internet connectivity fumbling], and although under Robert's, it could be allowable but doesn't know for sure and expressed that the commission shouldn't stray from the agenda as published.

The vice chair clarified the question to the AAG and said that she thinks the question is not to have a deliberation about a certain agenda item, in old business, it's simply for the public comment, not to discuss back and forth, but to comment on a particular agenda item that is listed under old business, and expressed that at this time still being in the public comment section of the agenda would be reasonable for the public to comment on other items of the agenda.

The AAG replied that he thinks it is, definitely does sound reasonable but is approaching this cautiously because if you allow them [stakeholders in the room] to comment regarding agenda item number VIII, it's a departure from the agenda because there could be people out there who are not made aware that they would have an opportunity to comment on old business; that is the concern that he is thinking about, it may not be a material concern to the commission but he is just looking at it through the lens of the public notice requirements under the Open Government Act; if the commission wants to allow public comments regarding an item in old business, without any additional time to review the issue, he would prefer that the commission allow public comments on new business, not in this particular meeting but in the next

meeting, that is just because he does not have, it looks like it could be a modification of the agenda and does not feel comfortable about that but would defer to the commission, if that is what it wants to do, it could be done but in the absence of additional time for legal to review for any possible issues, he is not confident about endorsing that type of modification to the agenda but does not think it will be an issue to be quite frank but who knows; that being said, it would be safe to maybe wait and have another meeting and maybe open up public comments, then at that time the public would have the notice and the opportunity that it may comment on old business because it may not be important for you or somebody out there, it may be significant to others that are not present at this meeting so that is the concern that he has; it may not be a valid concern, again in the absence of adequate time to take a closer look at this issue, he would not depart from this agenda.

The chair addressed the AAG and said that under Robert's invocation, because it is procedural, it would only take the vote of the commission members to adopt it as we move along, and that is to modify the agenda so that we can discuss those issues that are not necessarily important to the commission but is important to the other side of the point of what the AAG said on what might be discussed may be important for somebody that is not here, but the other side of that is what needs to be discussed is important for somebody that is here, so he leaves that data with the AAG to clarify on invocation of Robert's; second thing is, because public comments is generalized as written, there is no specificity to it as to public comments being limited to item number one and so forth; as written on the agenda and public notification, public comments is just that, public comments, so what then is the restriction, if any, based on looking at the agenda to say that no you cannot speak of a certain item on the agenda; whereas agenda item number VI (public hearing) is specific to agenda items to be discussed and so forth as with the other agenda items, but because public comments as written on the agenda and public notification is blank, meaning it's just for public comments; what then is holding back or restricts the public from making a comment on any of the subject matter that is listed on the agenda; is there anything that says that we cannot or can limit the public's comment to just what we want them to say prior to, basically they cannot go past agenda item number V (public comment), nothing can be discussed past agenda item number V (public comment), but because it is open ended, there is nothing there that say they cannot talk about any items on the agenda; if you can just clarify that, what can we stand on to tell invested stakeholders that are here that they are only limited to discussing everything from agenda item number V (public comment) and backwards and not agenda items VI (public hearing) and forward.

The chair called on the AAG and asked if he was there... [Zoom time limit expired]

Discussions followed amongst commissioners on the matter of public comments while awaiting the AAG's reconnection to the meeting's Zoom link.

Mr. Clyde Norita commented that his experience in government council and board is that public comment is public comment as long as it is related to cannabis and whatever order the agenda it may be in, it is public comment; it's a decision for the commission to make, it's an executive decision.

Discussions continued amongst commissioners about Robert's Rule of Order, invoking Robert's, flexibility to modify agenda, etc.... Mr. Scott Malin commented that this is their time to speak right now.

The chair stated that we are here because you guys are here. Mr. Scott Malin said that this is their time to speak. The chair then asked if anyone needed a break while the AAG was reconnecting to the meeting.

Max Farms stated that he just wanted to make some final comments in general, not related to the processor issue, which has been discussed extensively and said that he has just three issues:

1. To reinforce what Messrs. Rodgers and Norita said, is that we really need to get on to the seed-to-sale tracking, he does not believe that even one jurisdiction in the U.S., probably globally, that has legalized cannabis that doesn't have seed-to-sale tracking, it is just a basic requirement and one of the issues that we are struggling with is how much leakage there is out of the system and seed-to-sale tracking will help reduce the criminal element; he as a producer would be comfortable, now he does not want to give himself administrative burdens but if there is a simple process that can track seed-to-sale and be notified about wastage and notified at each level, it is a standard practice across the industry and that really needs to be addressed.

The chair indicated that the commission is working toward some kind of tracking system, looking at several different ways on how to make it work because what works in Oregon doesn't necessarily mean that it is going to work out here.

Mr. Louis Rodgers added that any qualified cannabis tracking system that is out there works everywhere, it will work on Saipan unless people want to hide stuff.

The chair acknowledged and said that he would rather have you, the invested stakeholders, come together and establish something and present something to the commission because of the fact that there are going to be self-proprietary information that you might not want to share with another stakeholder or vice versa.

Mr. Rodgers said that cannabis tracking is managed by the commission and stakeholders connect to it and report into it; there is nothing proprietary about him telling the commission how many plants he has growing, how many plants he cut down, drying and sitting in packages, that is not proprietary, it is his inventory, and that is what we are trying to hammer here that there is no accountability on any of the cannabis biomass that is being grown in Saipan, and the committee on cannabis is like questioning the commission's inability to determine how much weed is growing.

Mr. Scott Malin added that when he was with Saipan Select, they always had to report what they had, what was disposed, and now with Top Shelf, LLC., we have to report this stuff in our monthly reporting. Mr. Rodgers added that there is no growers report... [others entered the conversation becoming difficult to follow] ... it's just sales...

Max Farms jumped in and stated that he hasn't finished his public comments and said that we can have further discussion on tracking system, but he'll just finish his two other points, the second being a procedural one in that he is a bit surprised that the commission hasn't addressed:

2. Of having the single point of anniversaries of licenses, which is manifestly unfair because if someone applies for a license and gets it on the 1st of September, come the 30th of September, the license expires; a \$6,000 fee was just paid for one month, it seems to him it was just a mistake in the original drafting of the legislation.

The chair stated that to answer your question, House Bill 22-78, it has already been drafted and they still need to address that and reiterated that the commission has only come together for a month and voting on things and moving forward...this problem is the commissions', and it is being addressed.

The vice chair added that issue, this very bill, has been presented four times in the past to the legislature, among other things, that the commission has requested to have changed; since the chair came on board, that issue was forwarded again and he has presented it to the new legislature.

Max Farms appreciated that the issue [license anniversary date] is being addressed and said that his application [retail] has been held up since February and still don't have zoning approval; now a month has past and going to get zoning approval one month before his license expires, and \$6,000 [license fee] is a lot of money.

The chair acknowledged and said that the commission is here to work with stakeholders, but at the same time, you guys being the experts in this is because you guys are the ones putting money into it; so we want to hear, share your ideas because his [the chair's] expertise when it comes to marijuana is locking people up.

Max Farms acknowledged the chair and went on to state that his third point is, again this isn't your responsibility to lobby on behalf of the industry:

3. Is the taxation situation; having an industry that was initially he believes was about trying to bring in a new industry and trying to encourage locals and new people to join the industry, to have a monthly gross revenue tax of five percent (5%) BGRT and fifteen percent (15%) cannabis tax is absolutely ___ [he did not add his final word], and he would challenge the chair's proposition when he said the industry is profitable; he can't speak for the rest of the stakeholders but he is still subsidizing his business and it is principally the reason why he is subsidizing his business is due to the tax; the taxation, it is not only very difficult to make a sustainable business with that level of gross tax, the tax of twenty percent (20%) gross; in his first year, he lost money and paid a lot of tax; he doesn't mind paying tax but if he doesn't make money, it is hard to also pay tax; the second thing is, and this is also found in other jurisdictions, particularly in California, by having such a high tax, it encourages and enforces the black market and people just cannot afford to pay the tax and will sell in the black market, and understood that is may not be the commission's area.

The chair responded to Max Farms that to elate your fears, you have a friend, the industry has a friend in the cannabis commission; if you had listened to his confirmation hearing, the two things that he pointed out that kills the industry are over regulation and over taxation; so he knows exactly where he is coming with this, now on taxation, the commission is already looking at some models; it is hard to make a sale to twenty people at the legislature, and then there is the senate, now we have to sell to twenty-nine people to tell them to lower the tax base, but there is a way to convince them that the tax base doesn't have to be lowered that is already set but what can be done is, moving forward, lower it by percentage by spreading it out to entice growth; an example is fifteen percent (15%), so now for example, if a

stakeholder decides to open a store in Kagman, it's only going to cost a business license, hypothetically fifty dollars (\$50), but the investment there is you get to hire one more employee, you get to pay more BGR fee, pay more power, and your tax is now spread seven and a half each [referring to tax percentage (7.5%)]; so we are still capturing the fifteen percent (15%) but what we are creating are jobs, because that is the basic fundamental principal of any industry, job creation as far as any government is concerned, and that is just one of the things the commission is looking at; having to convince twenty-nine people to lower the fifteen (15%) percent tax is a hard sell, then maybe then we can say this is how we can help you guys grow, now you can expand to Rota where all you are going to need is a business license and now you pay your fifteen percent (15%) and it eventually cuts off to a number of five [percent] and now you are paying three percent (3%) similar to alcohol and tobacco; but now you have five different outlets and you're still paying your fifteen percent but you're creating additional jobs.

[It may have been Mr. Rodgers that commented here but audibility was faint to make out what was said]

The chair acknowledge the stated comment and said that he understands that the market is limited and that right now, no stakeholder in here is going to open up shop on Rota based on the current fees because the market is not enough to sustain it, but if we can entice you to open up one and all its going to cost is a business license to do retail sales and now you're tax is spread seven and a half, seven and a half [percent], now that gives you some kind of incentive to say maybe that is something we can do, it's just opening up other options, growth.

RECESS: The chair called for a ten-minute recess; the meeting was called back to order at 11:52 a.m. and resumed at the public comment portion of the agenda.

The chair asked the AAG if there was anything stopping him from putting on for vote to invoke Robert's, to move forward.

[Momentary pause] The chair then called on the AAG and asked if he was there [via Zoom; there was no response; heard some connectivity disruption.]. The chair called on the AAG again if he could hear them. The chair then asked Secretary Songsong if he could hear them who responded, "Yes, clear."

[There was still no response from the AAG; seemed to be a Zoom or internet connectivity issue/degradation]

The AAG finally returned online but connectivity seemed degraded.

The chair repeated his question to the AAG if there is anything in the statute that says we cannot invoke Robert's to modify the agenda to move forward.

The AAG replied that he would like to make a suggestion, the questions that you're asking, he asked that it be reserved for executive session to legal questions like that and would like to have it reserved for executive session, he does not want to respond to any kind of legal inquiry as we go along in this meeting, especially in public; the questions you asked are very important and they deserve additional time for him to take a look at, it would be conducive for him to do some research and get back to you... [AAG was cut off; Zoom or internet connectivity problem.]

Mr. Louis Rodgers suggested that perhaps old business of the agenda could be tabled for the next meeting. The chair mentioned that we are still trying to figure out this public comment issue, we are still on agenda item number V (public comment).

Discussions/chatter followed amongst commissioners and members in the conference room about public commenting... [while waiting for the AAG to reconnect]

Mr. Louis Rodgers indicated that he believes what the AAG is trying to say is that certainly they can comment on it but then what does it do to those agenda items if it warrants additional discussion.

Discussions/chatter followed amongst commissioners and members in the conference room about public commenting on items on the agenda... [while waiting for the AAG to reconnect]

Treasurer Iguel asked that he make a comment while waiting for the AAG to reconnect about public concerns on cannabis tracking; he was going to report on it in an updated report later in the agenda but since that issue was raised, stated that where the commission is at right now with cannabis tracking system is that he has reached out to a certain cannabis tracking system vendor and established communications with them to discuss their system in the coming days, in which it was stated to him that year 2022 communications with the former commission board ended and wants to reconnect with the cannabis commission and help implement a cannabis tracking system in the CNMI, so that is an update for everyone here today.

Discussions/chatter followed amongst members in the conference room while still waiting for the AAG to reconnect to the meeting...

The AAG finally reconnected to the meeting and the chair repeated his similar question to the AAG that because based on your reference that it is not on the agenda or just to follow the agenda, because public comment is just that, public comment, with no specificity to it, with some of the public that are here today, to make a comment on a certain agenda item.

The AAG said the he'll say something real quick to put this issue to rest, the reason why the commission has public comments would be to take those concerns and evaluate those concerns with respect to any kind of proposed actions by the cannabis commission; if we allow someone to submit public comments on an issue, everybody should know about it, the public should be invited to submit public comments or attend the meeting to make public comments on an agenda item and so that is a concern that the commission should have; the commission solicits public comments and the purpose for it is to eventually deliberate on those public comments with respect to a particular item in the agenda, whether it be an application, rule, or proposed order, and so forth; so that is why the commission solicits public comments, generally, that's why you would solicit public comments; and so the concern that the commission has or should have is if we allow public comments on an item that the public was not aware of in advance, then we are not giving the public an opportunity to submit comments, we are only giving the participants in the meeting.

The vice chair stated to the AAG that the agenda item a stakeholder in the meeting wants to make a comment on is on the agenda.

The AAG replied that the agenda just says public comment on the agenda; we don't even know in that respect, it could've been in more detail with respect to what the public is able to comment on; so it is very vague right now because it just says public comment, but the public doesn't know on what the issue is that they could comment on, and so if we wait, that is his recommendation, to wait, but at the end of the day, it's the commission's, that will be addressed by the commission, if the commission wants to allow public comments...

The chair jumped in, addressing the AAG, and said that maybe we are not crossing here, and explained that the comment to be made is something that is on the agenda, it was posted, the seventy-two (72) hour public notification was met, so the comment is not going to be something that is not on the agenda that has already met the Open Government Act requirement, the notification for the 72-hour public notification and so forth; the comment is just that, a public comment on a topic that is already listed on the agenda; the only question that we got stuck was on the procedural flow of it, whereas public comment is on agenda item number V and once we get to agenda item

number VI is basically then that we close public comment; so what it is, is that they [members of the public/stakeholders in attendance] would like to comment on agenda item number VIII, which is on the agenda, it has been publicized, and whoever wants to submit a comment on it was notified like everybody else and could have accessed that same information like the gentlemen that are here today; no personal phone calls were made to tell them that this is the agenda, they got on the website, they got the notification, they are aware of the topics that are to be discussed; so notification and everything else has been met, requirements of open government has been met, all it is, is the procedural flow, which is public comment, again being agenda item number V, they want to make a comment on agenda item number VIII, as an example, bypassing agenda items VI and VII, but the comment is still germane (relevant to a subject under consideration) to what is on the agenda, and it's just a comment, it's not a discussion for deliberation, it's a comment that they can make, which can be taken for further deliberation on the commission's next meeting as early as next Tuesday or Wednesday to meet the 72-hour public notification.

The AAG understood where the chair is coming from and mentioned that earlier, we were already in the public comment section and when we moved forward when the question was raised, we were already in the public comment as he recalled, and he guessed that the question was whether or not we were going to put another public comment section within the agenda - [background chatter – we are still in public comment on the agenda, never left public comment, longest public comment ever] - because we already initiated the public comment section, so that is how he is looking at it, don't know if that makes any sense but that is a concern that he has, moving it around.

The chair stated to the AAG that we are still on public comment in the agenda, never left public comment. The vice chair added that it's been the longest public comment.

The AAG said yeah, thank you, so we've already accepted public comment and so you want to now also put another public comment after... The chair interjected and said no, they just want to talk about a topic that is on agenda item number VIII or item number VII.

The AAG replied, okay. The chair then said so we are can... The AAG interject saying here's the thing, you can invite anybody to make public comments, if they want to talk about item number VIII, it's just the concern that he had is that the agenda as published, it.... [statement was not completed]

The chair said to the AAG that the agenda has been published and has been available to anybody, even to people that are not here [in the meeting].

The AAG stated that he wished the agenda was a little bit more detailed on what the issues are that the public would want to comment but he has no issue, he sees what the chair is saying and if the commission wants to open the floor for more public comments, that is fine with him.

[Background chatter seemed to have indicated a sigh of relief that the question was finally understood and answered]

The vice chair then motioned to allow for additional public comments in the public comment section of the agenda, which the commission is still in, regarding anything that has been posted per the Open Government Act requirements, i.e., the commission's public notice of meeting/agenda that was listed for Friday, June 02, 2023, of the CNMI Cannabis Commission's meeting agenda, seconded by Treasurer Iguel. All commissioners voted in favor of the vice chair's motion; motion carried.

The floor was opened for public comment to Mr. Scot Thompson who stated that his concern was that a lot of the stakeholders who were not here in the commission's meeting the last time when they had public comments on issues and that not everybody, if anybody, has even submitted any public comment, and would like to request that we table it [referring to agenda item VIII old business (2) and (3) on proposed regulations for retail delivery and compliance advisory on discount prohibitions and advertising restrictions] to the next meeting so that they have a chance as stakeholders to put in some inputs; they [stakeholders] honestly don't know where the commission board stands yet either so that will be helpful for them with their public comments. [other stakeholders voiced in agreement]

Mr. Clyde Norita added that the stakeholders are trying to figure out what exactly is the board's intent with those two items on the agenda, so they can make proper public comment.

Background conversations followed... if there were minutes, availability of commission meeting minutes to reference discussion points, the tabling of that one section [agenda item VIII (2) and (3)], emailing meeting minutes to stakeholders...

The vice chair mentioned that she worked on a memo that was going to be sent to stakeholders that she put together the commission's website, which has every meeting minutes, public notices of meeting, information on active licenses and other

information, the website is cnmicc.com and information is regularly updated and meeting minutes will be there as soon as they are readily available.

Mr. Louis Rodgers indicated that right not the only available meeting minutes for 2023 is January 2023. Discussions followed about the commission's pending meeting minutes, the process of approving/adopting minutes, the last meeting's minutes...

The vice chair asked Secretary Songsong about the last dates of meeting minutes that were last approved and if any were approved in the last meeting.

Secretary Songsong indicated that he does not recall at this time if any meeting minutes were approved in the last meeting [May 12, 2023] but there were three meeting minutes approved in the meeting [May 08, 2023] prior to the last meeting [Meeting minutes of November 30, 2022, December 14, 2022, and January 31, 2023].

The vice chair indicated that the executive secretary informed her that no meeting minutes were approved in the last meeting [May 12, 2023], then spoke of the commission's website of meeting minutes as current to date as to minutes that has been transcribed and adopted and are behind with minutes transcriptions and its posting... updated minutes will be posted as soon as they are available.

The chair apologized for that situation and asked if there were any more public comments. Hearing no further public comment, the chair closed the public comment section and moved on to the next agenda item.

VI. Public Hearing

1. Cannabis Application No. C-0122-0028-SPN - Elevated Minds, LLC dba Elevated Minds, Marijuana Producer - Class 1, discussion and ~~approval~~ decision

The chair introduced the application and then recused himself from participating in this application citing that the applicant's (Mr. Jeremy Sasamoto) grandmother is his father's sister.

The vice chair then assumed the chair's post and stated for the record that the chair has recused himself from the discussion and voting on this application due to familial relation and then turned the floor over to the commission's Acting Managing Director Mr. Erik Basa for his presentation of the applicant's application packet.

Mr. Basa presented his presentation via computer screen with the following information: An application for marijuana producer class 1, approval-in-principal issuance, contact person is Mr. Jeremy Sasamoto, company name is Elevated Minds of Saipan, its business hours, scope of operations; Mr. Sasamoto being the producer and facility manager and will hire employees, described the cultivation site's square footage and canopy size, an indoor cultivation, cultivation medium, drip and timed irrigation system, described its facility layout, e.g., propagation, vegetative and flowering rooms, etc., the estimated kilowatt utility and water usage, rain water catchment system, premises location, site and floor plan, drying and curing room(s), security, signage, displayed photographs of equipment and supplies, the acquisition of backup generator, etc., and concluded with his recommendation for licensure approval.

The vice chair thanked Mr. Basa for his presentation and moved into discussion if Commissioners Songsong, Iguel or herself had anything to discuss about this application.

Treasurer Iguel started his question by asking Mr. Basa in that looking at the applicant's lease agreement, it is expired.

Mr. Basa explained that during the application process or halfway through that process, the applicant became business partners with the landlord of the premises and so at least for now we know that the landlord is part of the business, and thanked Commissioner Iguel for that find and that it would be something he would have clarified with Mr. Sasamoto in updating the commission on that matter.

Treasurer Iguel stated that because they are partners now, asked if is implied that the lease from the original landowner is the new lease document.

Mr. Basa said no, he's not saying that but that the lease that was acquired from the landlord during the submission of the application is his business partner now is what he is trying to say.

Treasurer Iguel then asked, "But we do have an updated lease?"

Mr. Basa replied, "Not at the moment," but has made a note of that, if it is expired, that is something that will be asked of Mr. Sasamoto to clarify and provide.

Secretary Songsong asked if the floor was open. The vice chair said yes but the applicant stepped out and will return momentarily. Secretary Songsong then stated

his question to Mr. Basa that he noticed that the business license was expired but supposed that it was already updated.

Mr. Basa acknowledged that the business license had expired and said that during the initial submission of the application, because it was submitted back in January 2022, during the course of his application, there were several modifications that he made, which he had to return to the zoning office to go through its process for authorization, which effected delays and eventual business license expiration, it was valid during the application submission.

Secretary Songsong thanked Mr. Basa and then asked the vice chair that he would like to ask Mr. Sasamoto some questions if he's ready in which she responded that he is stepping back into the conference room and asked for a moment.

Background conversations followed between the vice chair, treasurer, and Mr. Sasamoto...

The vice chair then updated the commissioners that Mr. Sasamoto's lease agreement is valid up to September 30, 2023, it does not include an offer to renew, however, the applicant stated that he will be getting another lease agreement as of September 30th and will provide it to the acting managing director... and then advised Mr. Sasamoto that Secretary Songsong has some questions to ask.

Secretary Songsong greeted Mr. Sasamoto, thanked him for his participation in the CNMI cannabis industry and mentioned that he had a few questions about his cultivation practices and stated that he appreciated his mention about the use of biological controls, use of nationally recognized organic pesticides, and stated that the commission's concern, in seeing in his standard operating procedures about pesticides and herbicides and their use on cannabis, asked if some of the products that was mentioned, are they organic, natural.

Mr. Sasamoto replied that all of them are [organic]. Secretary Songsong then asked during the plant growth stages, when will he be applying these pesticides during plant growth stages. Mr. Sasamoto replied once a week, every Monday. Secretary Songsong clarified his question and asked if they will be used during the vegetative stage, flowering stages, including during the flowering stage? Mr. Sasamoto replied two weeks into the flowering stage.

Secretary Songsong mentioned that his concern is applying pesticides during the flowering stage, especially nearing maturity, that is where the commission has

concerns with pesticide use and we do not want to have pesticide residues on cannabis flowers. Mr. Sasamoto stated that he won't be doing that. Secretary Songsong asked, in your own assessment, you are saying that it [cannabis flowers] would be safe for consumers, using pesticide up to two weeks into the beginning of the flowering stage. Mr. Sasamoto agreed that it is.

Secretary Songsong then asked Mr. Sasamoto if he is a certified cannabis master grower/cultivator, horticulturist, agronomist, or self-proclaimed experienced grower.

Mr. Sasamoto replied that his cannabis cultivation knowledge [including the use of organic pesticides and its use during plant growth stages] is based on self-experience.

Secretary Songsong concluded with his last question about his standard operating procedure in that it was mentioned in item (b) on propagation that Green Mile, LLC., will employ four-week [cannabis plant] vegetative cycles but did not notice Green Mile, LLC., in the application and asked if that company is a part of his company.

Mr. Sasamoto replied that Green Mile, LLC., was a typographical error.

Secretary Songsong thanked Mr. Sasamoto for his answers and yielded the floor to the vice chair. The vice chair then informed Secretary Songsong that she advised Mr. Sasamoto to have that typographical error corrected.

Hearing no further questions from the commissioners, the vice chair moved to vote on the application for licensure and called roll for voting as follows:

- Secretary Songsong voted yes for approval;
- Treasurer Iguel voted yes; and
- Vice Chair Hofschneider voted yes for approval.

Mr. Sasamoto was congratulated on the licensure approval of his Cannabis Application No. C-0122-0028-SPN - Elevated Minds, LLC dba Elevated Minds, Marijuana Producer - Class 1.

RECESS: The vice chair called for a two-minute recess at 12:44 p.m. to call for Chair Palacios' return to assume his post. The chair subsequently called the meeting back to order and regular session at 12:52 p.m.

2. Cannabis Application No. C-1222-0031-SPN, Cannablyss, Inc. dba Cannablyss, Marijuana Retailer, discussion and approval decision

The chair introduced the above application, opened the floor to Mr. Basa to present the applicant's application packet in which he presented similar to the previous presentation, and subsequently concluded with his recommendation for approval for licensure. The floor was then opened for questions.

The chair asked Mr. Thomas Kim about the facility's rear storage room if products would be stored there in concern for security and safety... Mr. Kim responded that no cannabis products will be stored there [will be used for other products/materials].

The chair asked if any other members had any other questions.

Treasurer Iguel mentioned that he noticed in the inspection report and photographs on security door locks and asked if his door locks are secured. Mr. Kim replied that they are and that he was advised of the need for additional locks, which were installed.

Secretary Songsong and Vice Chair Hofschneider had no questions for the applicant.

Hearing no further questions, the chair moved for a decision on the application by vote in which the executive secretary called roll for vote as follows:

- Secretary Songsong voted yes for approval;
- Treasurer Iguel voted yes;
- Vice Chair Hofschneider voted yes; and
- Chair Palacios voted yes.

Mr. Thomas Kim was congratulated for licensure approval of his Cannabis Application No. C-1222-0031-SPN, Cannablyss, Inc. dba Cannablyss, Marijuana Retailer.

3. Cannabis Application No. C-1222-0030-SPN, Scot Thompson dba The Green Room, Marijuana Retailer, discussion and ~~approval~~ decision

The chair introduced the above application and opened the floor to Mr. Basa to present the applicant's application packet similar to the above presentation, except that this proposed retail premises adjoins the below proposed marijuana lounge of the same owner/operator. Mr. Basa concluded his presentation with his recommendation for approval for licensure. The floor was opened for questions.

The chair asked Mr. Thompson about the location of the retail premises [Garapan tourist district] if he had checked with the Garapan revitalization committee, that is

something that may come up, should that committee come in and say otherwise, and that the commission has nothing to do with it just to clarify that.

Mr. Thompson replied that committee came up [or formed] after he had already submitted his application, but he can check with that group.

The chair asked if any other member had questions. Hearing no further questions, the chair asked the executive secretary to call roll for vote on the application as follows:

- Secretary Songsong voted yes for approval;
- Vice Chair Hofschneider voted yes for approval;
- Treasurer Iguel voted yes; and
- Chair Palacios voted yes.

Mr. Thompson was congratulated for licensure approval of his Cannabis Application No. C-1222-0030-SPN, dba The Green Room, Marijuana Retailer.

4. Cannabis Application No. C-1222-0029-SPN, Scot Thompson dba 420 Lounge, Marijuana Lounge - Class 1, discussion and approval decision

The chair introduced the above application and opened the floor to Mr. Basa to present the applicant's application packet similar to the above presentations for decision on licensure, except that this proposed marijuana lounge premises adjoins the above approved cannabis retail shop premises of the same owner/operator. Mr. Basa concluded his presentation recommending approval for licensure.

The chair aired his concern about the lounge's air filtration system because of the lounge's proximity to other establishments in the area, with the premises' location in general, the foot traffic, visitors/tourists, youths...

Mr. Thompson replied that all their charcoal filters are certified for use in filtering cannabis odors, in addition to that, there are three other stand-alone air filters; their plan is once they are in operation, if there are any dead spots where smoke is going, it will be placed on those areas.

The chair asked about the lounge's proximity to schools. Mr. Thompson replied that the lounge is more than five hundred (500) feet away [from the Garapan Elementary School].

The chair asked the other commission members if they had any questions.

Treasurer Iguel thanked the chair for covering the ventilation inquiry as that was one of his concerns and then asked Mr. Thompson about transport [of marijuana], in looking at his standard operating procedure for his retail and 420 Lounge, will he have two separate transport vehicles for the retail and lounge.

Mr. Thompson replied that one vehicle will be used; they will have separate purchase orders for both premises and are looking at either packaging on site that will be arranged with Mr. Malin, or the purchases will be transported in the same vehicle but with separated purchase orders for the lounge and dispensary, and package them from there.

Treasurer Iguel asked Mr. Thompson if his company would cater to other cannabis producer's product in which he responded that he would.

Treasurer Iguel concluded with his last concern, noting that it may not be within the commission's jurisdiction but is part of the commission's duties to protect the community, with the nearby bars that serve alcohol, asked Mr. Thompson if will take any action with alcohol impaired individuals entering his marijuana business.

Mr. Thompson stated that their security personnel has already been advised of that concern and that anybody showing up too intoxicated, they have a sign that says that they have a right to refuse service and that is one of those reasons; in those cases, they [intoxicated individuals] will be politely asked to leave the premises or call 911 will be called and go from there.

Secretary Songsong and Vice Chair Hofschneider had no questions.

Hearing no further questions, the chair moved for a vote and asked the executive secretary to call roll for vote as follows:

- Secretary Songsong voted yes for approval;
- Vice Chair voted yes for approval;
- Treasurer Iguel voted yes; and
- Chair Palacios voted yes.

Mr. Thompson was congratulated for licensure approval of his Cannabis Application No. C-1222-0029-SPN, dba 420 Lounge, Marijuana Lounge - Class 1.

5. Cannabis Application No. C-0223-0034-SPN, Saipan Select, LLC, Marijuana Processor, discussion and approval decision

The chair introduced the above application and opened the floor to the acting managing director for presentation of the applicant's application packet.

Mr. Basa reported that an approval-in-principal has not been issued to the applicant, its representative is Mr. Clyde Norita who is its secretary and agent and went on to explain the proposed processor location being in the same premises as its licensed cannabis producer and retail premises, described the lot number, its business hours, scope of operation, types of processed products, e.g., moon rocks, kief, bubble hash, live rosin, etc., equipment to be used, nug smasher heat/pressure press, processor methods that at no chemical compounds or solvents will be used in the cannabis extraction process, the use of water and ice-cubes, its water source deriving from Saipan Water Co., site map, floor plan, etc., and that extracts, concentrates and topicals will be processed, e.g., infused joints with concentrates, etc.

Mr. Basa explained that there is an area of concern where the applicant has not submitted its zoning authorization for marijuana processing or has not received any documentation relating to that; for its business license, although Saipan Select has not submitted its business license for marijuana processor, a copy of a business license application with receipt of payment was submitted; one individual history form is up-to-date while the other two are questionable requiring further review in that updated history forms were needed for principals, spouses, partners, etc.; lastly, for further clarification on its standard operating procedure that was submitted, there was no indication of _____ [inaudible] and because the application is still considered incomplete... [Zoom or internet connectivity acted up]

The vice chair asked Mr. Basa if he could repeat his statement as his connectivity was cut out.

Mr. Basa explained because the current status of the application is incomplete, he did not move forward with issuing an approval-in-principal in which if the applicant had received an approval-in-principal, it would have informed them of the completeness of the application and allowed their moving forward with the preparation of their facility for the commission's initial inspection; and because of that uncertainty, his recommendation for now is to hold off on the determination to allow the applicant to submit the necessary documents [zoning authorization, business license for processor, individual history forms, etc.] to complete the application in order for the commission to proceed with the application process as far as obtaining the commission's

approval-in-principal and inspection scheduling to determine compliance and operational readiness.

The vice chair thanked Mr. Basa for his presentation and the floor was opened for questions.

The chair asked Mr. Norita about “wash disposal,” the waste water that will be used [for the bubble hash making process], how will it be disposed.

Mr. Devin (Newsom?), one of the processors and employee of Saipan Select, addressed the chair and said that the waste water after the bubble hash making process, it is just ice and water used to agitate cannabis flowers, will be recycled/reused and placed back into their grow farm, will be used on the plants, it will not be disposed outside or elsewhere, the water is just plant chlorophyll water.

The chair asked about the business license, a receipt of payment for the business license was submitted with the application to the commission.

Mr. Clyde Norita mentioned that the processor business license and zoning are pending but one cannot move without the other.

The chair, addressing Mr. Norita, stated that if you took care of at least meeting that requirement where you paid for the processor business license as shown by your receipt and now it is just a matter of them, whether they are going to issue your business license or not, just wanted to make sure that you are aware of that.

Mr. Norita acknowledged and added that they also paid the commission for their cannabis processor application.

The chair mentioned that the commission’s approval-in-principal may be voted on, which is about moving it forward and not just waiting in limbo.

The vice chair said moving it forward in regards to how, because the AAG was asked to advise us on what happens if we move forward without this required documents/application completion.

Mr. Nortia jumped in and expressed that he thinks to solve everybody’s hanging issues and with the commission’s managing director, explained that Mr. Basa needed the individual history forms of spouses, which he already expressed that those are already on file for all of the current shareholders and principal owners of Saipan

Select, which they have a license for but he [Mr. Basa] wants an updated one; one of the shareholder is off-island until August or July and expressed that he can sign for that/them, it's the same thing [the information], nothing has changed about the person or shareholder.

The vice chair explained the intention of the individual history form. Mr. Norita acknowledged and mentioned that he also obtained police clearances.

The chair asked Mr. Norita if he could submit those that are required, which Mr. Norita replied that he submitted them except for the spouses of the two other shareholders, one is in the Philippines, and that is it, everything else is the same, and expressed that he can sign for them because it is the same information as was initially provided to the commission, there was no change at all, he even obtained police clearance for them so that is done, they are not trying to hide anything.

The vice chair explained the concept, purpose, and spirit behind all those required documents. Mr. Norita acknowledged, agreed, and reciprocated his comments... and that they can be done.

Mr. Norita raised their standard operating procedure, which was updated and mentioned that they were on standby for the commission's inspection since last week and were expecting it but an issue was raised about disposal, which will be clarified and updated in their standard operating procedure, which can be easily added in.

The chair asked if these can be easily taken care of within a day or two. Mr. Norita acknowledged that it can and will and said that this is a new license for processor and expects challenges and that they are fine with it [the unforeseeable outcome].

Treasurer Iguel asked Mr. Norita if they have an updated lease agreement for the premises because the one in their application packet is dated in the year 2022.

Mr. Norita explained that their lease expires around 2028 or 2026, because the price goes up from there; every two years their rental cost goes up by about eight percent (8%) all the way up to 2028 or 2026; they are avoiding investing heavily on the property because obviously it is a lease and they are in a position now of finding a permanent property, preferably centralized, and want to keep all of their licenses on one site.

Treasurer Iguel asked Mr. Norita that in regards to zoning, obviously you're aware that he [Treasurer Iguel] was there [employed at the zoning office] and tried to clarify

some things while there, it [processor application] never really moved; his issue with zoning is that he wished it would have been an administrative decision that could have given the clearance to the applicant interested in a processor license but it wasn't the case; the proposed processor site is still within the same zoning approved Saipan Select building, so he sees it that it does not change Saipan Select's zoned use, it is still cannabis; and for zoning, Saipan Select went to zoning because of the use, which is cannabis, and the board approved that use, cannabis use; he sees it that it has already been approved and felt that they may not have an issue with zoning but the zoning administrator did not want give her go ahead, her own thoughts on it because she wanted the zoning board to handle it, which is why now this processor applicant is held up with its processor business license and zoning, the zoning part.

Treasurer Iguel stated to Chair Palacios that his issue is on the commission's regulations, subsection 180-10.1-325 (b)(1), which state that:

- *“The commission must, prior to acting on an application for a new license, a change to a larger producer, canopy designation, a change to cultivation method, designation or change to processor endorsement type, receive appropriate zoning authorization, if applicable.”*

and expressed that is the question to the AAG, whether zoning authorization is applicable with this application, it is within commission regulations but again the interpretation of the law maybe different from the commission, but as was said, the use is still cannabis and Saipan Select is gambling on it with opening its processor business; maybe the commission's acting managing director may have a better understanding of it now that it is mentioned, the zoning aspect of it being already zoned for cannabis use but is unsure of his stance on this now but felt that counsel should provide an interpretation of the regulations that was cited that the commission should receive the appropriate zoning authorization, if applicable...

Mr. Norita expressed understanding of the interpretation and said that he thinks the final decision is really upon the commission's board because that is your regulation, it's not zoning's, not the finance department, and the AAG may chime in but for the purpose for anybody investing in cannabis, for them to go in and apply for zoning for cannabis production and later apply again for cannabis retailing and later apply for cannabis processing, it is the same zoning, for the same location and same business and the burden fall on them and it would be challenging for them [cannabis businesses] to come back in [to zoning or the commission] for the same thing, and felt that it may be a relief for the commission with that language but that is the commission's call.

The chair discussed the applicability of zoning authorization, the business still being cannabis, the type of business has not changed, the word “applicability” being interpretive...

Treasurer Iguel mentioned that was what he did at zoning before he joined the cannabis commission and is aware that there are multiple applications for processor, and which he raised the processor issue but it never moved in zoning and referred back to the public comment where Mr. Louis Rodgers expressed the commission’s application process not being consistent and asked the AAG for its opinion because it is in the commission’s regulations.

The vice chair shared possible consequences, if the commission does approve this processor application, is there consequences for the commission for approving without these two things [processor zoning authorization and processor business license], although the zoned use is still under cannabis; what is the problem then with zoning, if it is all under cannabis, why is there even an issue first of all, but does want to know the AAG’s thoughts if the commission proceeds to approve, then what happens...

Treasurer Iguel indicated that there are only three zoned cannabis uses and are known as *cannabis farm*, *cannabis retail* and *cannabis lounge*, and does not have zoning for *cannabis processor* and *cannabis wholesale*; according to his communication with the zoning administrator while he was still employed there, it was because of the stigma with cannabis still being federally regulated that she did not want to make a call on it because zoning was being runed by a zoning board and she wanted that call to come from its zoning board.

The vice chair shared her thoughts about the cannabis stigma issue, the CNMI legalized cannabis since 2018, where is that disconnect is coming from and would like an understanding of that disconnect, the unfairness of it, others are waiting on processor license and their inability to proceed, all fall under cannabis as a zoned use, this stigma thing must be a personal thing...

The chair added to the conversation that he can see where the business license issuers will say that they are waiting on zoning and vice versa, and as the commission, to see what we can do to get over these regulations that we really have no control of; how zoning is going to interpret that, we’ll rely on Treasurer Iguel’s background with zoning; it is losing business and the AAG can opine at a later time [as the AAG was disconnected from the Zoom meeting], but also in fairness to Mr. Norita as well as

the other investors/stakeholders that have waited for so long, felt that in fairness that the commission at least to see how it can move this along so that it doesn't get stuck, and then next week, we are discussing the same thing looking for the same opinion; we are not going to get that opinion unless we push this envelope and if we want an opinion expeditiously or reasonably, then we need to put it on that table of that person that is going to make that decision, because as long as we are just keeping it and saying we are waiting for an opinion, then he [the chair] will not be here next week looking at Mr. Norita or another applicant to tell them that we are waiting for an opinion; it is the commission's responsibility as commissioners to look at the clients that we serve and these are the invested stakeholders and see how we can work with them and use whatever weight we have, if you will for a lack of a better word, this is something that needs to be addressed by another entity, then it is time the commission puts this matter on their table and take it off of ours because right now we've been stuck with it for so long.

Discussions followed about delayed application processing, fairness, zoning cannabis public hearings, zoned cannabis use designation of existing cannabis establishments, setting precedence, incomplete application because of this and that, reluctance in previous meeting in addressing processor applications, setting precedence to go ahead and approve an application that is missing required documents, moving forward in order to discontinue comebacks and inconsistencies and the need to be consistent, and owing other applicants that have been waiting to go with the precedence set and avoid going around in circles... The chair then asked Secretary Songsong if he had anything that he would like to say.

Secretary Songsong mentioned that this is where it may be important that the commission segregate and distinguish the two types of cannabis processing extractions:

- Solventless extraction; and
- Solvent-based extraction.

and that is where zoning can start formulating its regulations for the solvent-based extraction process because it involves chemicals, expensive equipment and because of some hazards involved; with the solventless extraction process (flower rosin, hash rosin, and live rosin), these are already existing and being consumed by consumers, except that these weren't extracted; kief, for example, from marijuana flowers [naturally felled or dry sifted marijuana trichomes], the commission already recognized that as not processing, and with moon rocks, as was mentioned in Saipan Select's application, it's a simple process of powdering or dusting marijuana flowers with kief; with the heat and pressure press, that is just a matter of smashing or heat

pressing marijuana flowers, which squeezes oils out of marijuana flowers known as rosin, absent the flower bud green material, and so that is where the commission can endorse applications for solventless marijuana extractions and felt comfortable with endorsing this type of processing for producers/retailers; with solvent-based extractions, that is where zoning needs to concentrate their efforts with however long they are going to take to formulate regulations for this type of processing; as for him [Secretary Songsong] personally, as he is familiar with this, he calls it a natural extraction process, and felt the commission can proceed with it and feels comfortable with its endorsement; his only concern is with producers using pesticides on marijuana flowers, because those pesticides can transfer to the extracted material, but solventless marijuana extraction is about the cleanest material one can get, it is natural and already exists.

The vice chair spoke of the business license and zoning requirement in that at the end of the day, it would be a business decision for any of the commission's applicants choosing to proceed with business with a commission processor license knowing the absence of other required authorizations, and felt comfortable moving forward with that, it has to be a fair thing; however, as far as precedence setting, she was not aware of that [incomplete application/vice chair was absent at that meeting] and does not want, for the record, to continue doing things like that; there is a need to be consistent with our approach to be fair to all applicants and licensees and the public, and wanted to make that noted; as far as this particular application, it has not gone through an approval-in-principle process, has not been inspected, and her biggest thing here is she wants to hear from the AAG's perspective because an issue has surfaced and there are others involved in this, not just Saipan Select, and that is her stance and wants to be fair to others who are interested in doing that [cannabis processing].

Discussions followed about the AAG, asked of his availability, the commissioners called on the AAG, which the AAG acknowledged his presence.

The vice chair explained and repeated everything that was just discussed and requested of the AAG earlier about the zoning requirement and the commission issuing or voting on a processor license absent a zoning authorization and business license, and the commission's regulations that was cited by Treasurer Iguel.

The AAG asked that the discussion would be appropriate to be held in executive session for legal advice and not during this public hearing.

The chair then asked the AAG that his question then would be that the commission is in a log jam and the commission needs to move forward because we are not going to

be here next week talking about the same thing; that being said, is there anything restricting the commission from taking a vote for a conditional approval.

The AAG replied that as you know, he is not the appointed counsel for the cannabis commission and that is a factor that is affecting his ability to provide counsel to the commission to be frank, and of course these issues are, he doesn't know anything about these issues beforehand and is hearing this for the first time without the benefit of a review of those issues, and therefore, he cannot comment or give any kind of advice regarding those issues in the absence of a review; those questions if they were a concern to the commission and was raised previously, but he does not know because he is hearing it for the first time and is not the counsel for the cannabis commission; he is sitting in for the commission's usual legal counsel and so that is why if you ask me, he's going to ask the commission to perhaps give him more time than it would normally take your usual counsel because he is unfamiliar with what is being discussed right now in the commission's meeting; he may look into those issues but would have to ask the commission to give him some time to look into that.

The chair addressed the AAG that he does not have a problem giving him more time to review the matter but does have a problem delaying moving this commission and this industry's process forward, and expressed his appreciation for the time the AAG has given but at the same time through no fault of his [the AAG], should another AAG be assigned to sit-in next week for the commission's usual counsel and another week after that, but we are the cannabis commission and he will put a motion to vote on this application, conditional with conditions, and we'll go with that...

The AAG replied that it would be the commission's decision if it wants to proceed without a legal opinion.

The chair replied to the AAG that the condition will include the AAG's opinion and reiterated similar sentiments previously stated... The AAG and chair then engaged in a conversational encounter with similar statements they expressed earlier...

The chair subsequently motioned to enter into a vote for Cannabis Application No. C-0223-0034-SPN, Saipan Select, LLC, Marijuana Processor, for a conditional approval with conditions to be attached in that the missing documents, i.e., an updated standard operating procedure on waste disposal no later than Monday and updated individual history forms for spouses and principals no later than Monday.

The vice chair added a condition for the conduct and passing of inspection of the proposed processor area/facility/room scheduled for next week Tuesday at 9:00 a.m.

Mr. Norita indicated that they are ready for their processor facility to be inspected and offered to show a demonstration of their processing activity/operation.

The vice chair added that for the record, the commission is entering into this vote for a conditional license and that all other licensees interested in obtaining a processor license will be afforded the same opportunity in the sense of what was deliberated on today...

Mr. Norita suggested that the commission meet with the zoning board to collaborate on regulatory language that allows licensed cannabis businesses who apply for processor license be afforded that opportunity if already zoned for cannabis use.

The chair reiterated the processor license conditions as follows:

1. Submittal of an updated standard operating procedure relating to waste disposal no later than Monday;
2. Submittal of updated individual history forms for spouses and principals no later than Monday;
3. The conduct and passage of an inspection on the proposed processor area/facility/room scheduled for next week Tuesday at 9:00 a.m. [June 06, 2023]
4. ~~Legal counsel's opinion that is pending.~~ [stricken out]

The vice chair commented that this situation has opened her eyes with the process although she has worked with a lot of the commission's processes, and that this situation has brought to light a lot of things the commission needs to iron out as far as licensees that are already existing, and that perhaps moving forward, the commission will take into consideration at looking into compliance history, active licenses, etc., and establish a different approach to dealing with licensees that are existing; this situation has brought out a lot to the forefront that necessitates acting on them for the sake of consistency and fairness to the whole industry.

Treasurer Iguel added that any other applications coming forth hereafter that are missing required documents should not be entertained and maintain entertaining completed applications moving forward.

Treasurer Iguel then requested the chair that he would like to make a motion and then motioned to approve to Cannabis Application No. C-0223-0034-SPN, Saipan Select, LLC, Marijuana Processor with the following conditions:

- Submittal of an updated standard operating procedure relating to waste disposal no later than Monday;
- Submittal of updated individual history forms for spouses and principals no later than Monday;
- The conduct and passage of an inspection on the proposed processor area/facility/room scheduled for next week Tuesday, June 06, 2023, at 9:00 a.m.

Seconded by Vice Chair Hofschneider. The chair asked the executive secretary to call roll for vote on Saipan Select's processor application as follows:

- Secretary Songsong voted yes for conditional approval;
- Vice Chair Hofschneider voted yes with conditions as mentioned;
- Treasurer Iguel voted yes; and
- Chair Palacios voted yes.

The vice chair asked the acting managing director if he would correspond with existing licensees affording them the same opportunity for processor license.

Secretary Songsong suggested that the commission's processor application be updated to include the two types of marijuana extraction methods - solventless and solvent-based extractions. All commissioners agreed.

Mr. Norita was congratulated for licensure approval of Cannabis Application No. C-0223-0034-SPN, Saipan Select, LLC, Marijuana Processor.

RECESS: The chair asked and then called for a one-hour lunch recess at 2:53 p.m.; the meeting was called back to order/regular session at 4:12 p.m. and the chair explained that agenda items I through VI were already discussed and deliberated on and are moving on to agenda item VII, the chair's report.

VII. Chair Report

The chair reported the status of commission's request for full time employees (FTEs) in which one was approved for managing director while the other two FTEs, which are the

inspection and compliance, are pending a funding source, which is being identified and which the special funds is being looked at, which is currently at \$284,818.33, and mentioned that could be a funding source at least for the interim until funds get absorbed into the general fund; regarding the special funds, Congressman BJ Attao called him earlier, because of the language of Public Law 20-66, it says that it requires legislative appropriation but because the money has already been deposited, his point was that it was implied that the appropriation was made because the money was already deposited in the commission's special funds account; but just to cover its bases, he (Rep. BJ Attao) requested the commission's wish list or expenditure list as to how the commission plans to spend those funds, and one of the things talked about was the acquisition of a larger flat screen for conference purposes along with the logistics that is required behind it, e.g., internet connection, etc., that is one of the areas that we are looking at spending that money, in addition to travel expenses and other resources the commission needs to move the commission's mission forward as we look to responsibly manage the growth and expansion of the CNMI cannabis industry; on the managing director's position, he is hearing that there are names on a list of eligible candidates but has not seen that list, and one of the things as a contingency was that in the event that we select a person from that list, the mechanism then would be for a waiver letter with the governor's concurrence, addressed to the Office of Personnel Management on an official letter head; the commission has an official vehicle for office and staff use as well as for use by off-island commissioners, it's not new but it definitely will not die out and leave you walking. The chair concluded that was his report for now and asked Treasurer Iguel if he had a question.

Treasurer Iguel asked for clarification about the special funds if the commission is waiting on Congressman BJ Attao to verify some issues.

The chair replied that the congressman is waiting on the commission's expenditure list, which he'll place into legislative format/verbiage; according to him (Rep. BJ Attao), they are called for a session next week Thursday, so if the commission could provide its expenditure list by Monday or Tuesday, it would help push it to have it voted on Thursday or Friday for approval.

Treasurer Iguel mentioned that the special funds may not be able to cover costs for a cannabis tracking system and shared that he has communicated with a certain governmental entity and established meeting dates with them about vendors of cannabis tracking systems and spoke of the need for a request-for-proposal for a cannabis tracking system that he would like to share with the legislature for funding purposes.

Discussions followed on cannabis tracking systems, vendors, the procurement process, avoidance of public interpretation of sole sourcing, to seek clarity with the AAG, the tracking system being an investment, draft request for proposal...

VIII. Old Business

1. Personnel:

Discussion on Managing Director hiring

The chair reiterated what he stated in the chair's report about this matter.

Treasurer Iguel informed the chair that the three candidates that applied for the managing director position were Ms. Michele Olopai Joab, Ms. Lorraina C. Camacho, and Ms. Queanna Camacho Sablan, which were received from the Office of Personnel Management (OPM), which it certified as meeting the eligibility requirements, and then inquired of the commission's processes in the selection of a candidate.

Discussions followed on the commission's selection processes, OPM's selection of applicants and its list it provided to the commission, the probability of OPM's job announcement not adequately reaching out to more members of the public, fairness to others in having the opportunity to apply, the commissioners' unawareness that the managing director position was announced, job announcement opening date was March 10, 2023, with a closing date of March 24, 2023, OPM's first priority for selection was that a person held a permanent position in personnel service and has been demoted or terminated due to reduction-in-force, preferential or prior service preference, and the commission's position to re-announce the managing director's job vacancy announcement.

Based on the above discussion, Treasurer Iguel motioned to table the discussion, selection, and hiring of a managing director from the OPM's list it provided, and for OPM's reannouncement of the managing director position, seconded by Chair Palacios. All commissioners voted in favor of the motion; motion carried.

Discussions followed on the reannouncement of the managing director's position, the commission's ability to announce the position itself, informing the OPM of the commission's decision for the job vacancy reannouncement.

2. Proposed regulations for Marijuana Retail License deliveries; for discussion and voting

Compliance Advisory 23-02 Marijuana Retail License Deliveries draft; for discussion and voting

Treasurer Iguel mentioned that Secretary Songsong provided the draft regulatory amendments on this matter for review, and asked Secretary Songsong if the commission would be voting on it. Secretary Songsong acknowledged that it is and offered to read the proposed regulatory amendments.

The chair asked that the commission wait for Vice Chair Hofschneider to connect via Zoom as she is now landing on Tinian.

The vice chair called in and indicated that she just landed and stated that Secretary Songsong can read out the proposed regulations as she exits the Tinian airport. The chair then opened the floor to Secretary Songsong.

Secretary Songsong indicated that the vice chair is aware of this proposed regulatory amendment on retailer delivery and that the vice chair asked him to read/explain it prior to voting as follows:

- Part 700 Marijuana Retailer of the regulations, §180-10.1-701, Retailer Privileges and Prohibitions: Under (a) A retailer may: (3) Deliver: will add-in a new (i.) to read: *“Marijuana items to consumers off the licensed premises pursuant to bona fide orders received on the licensed premises prior to delivery.”*

...and that this is verbatim from the statute, and that the existing (i) and (ii) in the current regulations will be renumbered to (ii) and (iii), respectively.

Treasurer Iguel thanked Secretary Songsong and mentioned that this was discussed with the vice chair and expressed readiness to move to vote.

Vice Chair Hofschneider added that this proposed regulatory amendment supports the advisory that was created for retailer deliveries.

Treasurer Iguel motioned to approve the *proposed regulations for Marijuana Retail License deliveries* and *Compliance Advisory 23-02 Marijuana Retail License Deliveries*, seconded by Chair Palacios. All commissioners voted in favor of the motion; motion carried.

3. Compliance Advisories for discussion and approval: 22-02 Retailer License: Discount Prohibitions for Marijuana Items

The vice chair explained that this advisory has already been implemented and issued to licensees; what happened was that without voting, although there was board quorum at the time [referring to the commission's previous board], this matter was not voted on, it was considered then as an administrative matter/document; however, upon speaking with the AAG about it, it was recommended that it be voted on, thus, it is on the agenda for formal voting.

The chair indicated that just for clarity, discount prohibitions for marijuana items, what exactly is defined as an item, e.g., pipes, rolling papers, etc., not the word "marijuana", but the word "item," is that defined.

The vice chair replied that it is everything that has to do with marijuana and asked that either Secretary Songsong or Treasurer Iguel provide the exact definition as defined in the regulations as she is about to leave/drive from the Tinian airport.

The chair asked if discounts cannot be given. Secretary Songsong replied that discounts can be given, it is authorized, although there are certain restrictions on discounting marijuana items.

The chair indicated that it is just the wording of "discount prohibitions," when he hears that word, it sounds like discounts are prohibited.

Treasurer Iguel said that the word used should be "marijuana products" instead of "marijuana items." The chair added that, it is "products" then, not "items."

The chair indicated the has no issues with it [Compliance Advisory 22-02 Retailer License: Discount Prohibitions for Marijuana Items] and trust that the commissioners did the homework on it and to vote on it. Treasurer Iguel indicated support for the discounting of marijuana items/products.

Chair Palacios motioned to approve Compliance Advisory 22-02 Retailer License: Discount Prohibitions for Marijuana ~~Items~~ Products, seconded by Vice Chair Hofschneider. All commissioners voted in favor of the motion; motioned carried.

22-01 Advertising Restrictions and Requirements

Vice Chair Hofschneider stated that similar to the above advisory, it was discussed and agreed upon but not voted on, and was implemented and circulated to licensees and that we are just formally voting on it today, for the record.

The chair asked if there are regulations or policy as to how the commission is going to go about enforcing the restrictions and requirements.

The vice chair said yes there are sections in the regulations specifically about advertisement.

The chair mentioned that out of curiosity, what model is the commission using, any existing model that is similar as to related products or commodities, any particular model, or was this something...

The vice chair replied that the CNMI's cannabis regulations follows Oregon's model if that is what you mean.

The chair mentioned that he was thinking more in line with, for example, alcohol, and expressed trust that the rest of the commissioners did their homework on it but wanted to bring out like with alcohol, they follow certain regulations or policy that is consistent and approved by the Food and Drug Administration as well as the Human and Health Services Department; again, the threshold is that it's a federal guideline and just wants to make sure that, we are saying Oregon, and if adopting a model more similar to, again, why reinvent the wheel, to like say alcohol or even tobacco and maybe that is something we can look at, just throwing it out there.

The vice chair asked Secretary Songsong or Treasurer Iguel if they could look up the regulations on advertising.

Secretary Songsong provided examples of advertising restrictions, i.e., making a marijuana product look like candy or packaging and labeling using cartoon characters, etc., advertisements that would attract the attention of youths or images to entice minors and restricting their use.

The chair said that on language, just so he wants to be clear, asked if a specific language for labeling is identified, as in labeling in English, and questioned that is has to be in English only, and expressed that the key word there that is has to be in English only because if it is not, just looking at all the possibilities where somebody decides to say that there is nothing here that says that it cannot be package in the Korean language, just want to make sure the word "only" is there, in other words that it is in a universally accepted language, of course, English is a universally accepted language.

Secretary Songsong mentioned that it doesn't restrict language types. Treasurer Iguel reiterated the same. Secretary Songsong mentioned that the advertising restrictions is geared towards not enticing minors.

Treasurer Iguel asked the chair if he wanted to include this concern. The chair mentioned that he just wanted to make sure that it is airtight.

Treasurer Iguel mentioned that he sees the chair's point and described his experience with the zoning office when it comes to signs in that signs cannot be erected if it is not in English, Chamorro or Carolinian; those are the three languages that any business can put up, signs with those three languages and that any other language must be translated to English.

The chair shared his descriptive thoughts about language and labeling... and recommended the words "shall be in English" be incorporated into the advertising regulations.

Treasurer Iguel indicated that could be incorporated as a new addition letter "k" in part 1100 on Packaging, Labeling, and Advertising of the regulations in its definitions that "all packaging, labeling, and advertising shall be in English."

The chair shared his thoughts about incidences in California with skittles candy and fentanyl being disguised as skittles candy... Secretary Songsong shared his thoughts about cannabis strains/flowers named Gorilla Skittles, Girl Scout Cookies...

The chair continued his discussion about labeling, its understanding and writing in English... Treasurer Iguel reviewed the statute concerning the matter being discussed and, on the words, "translation" or "translate" ... Secretary Songsong mentioned that he is not seeing anything mentioned in the regulations about translation, and Treasurer Iguel confirmed the same, and suggested the addition of additional definitions in the regulations.

Treasurer Iguel motioned to approve Compliance Advisory 22-01 Advertising Restrictions and Requirements and to also include a definition under Part 1100 Packaging, Labeling, and Advertising to add a letter "k" to state "*Language*", "*all packaging, labeling, and advertising shall only be in English*", seconded by Chair Palacios. All commissioners voted in favor of the motion; motion carried.

IX. New Business

1. House Bill 23-50 – Comments to Representative Diego Camacho, Chairman of the Cannabis Committee

The chair indicated that he believes Secretary Songsong wrote the commission's draft comment to the bill and asked if it was. Secretary Songsong acknowledged that all commissioners had their input.

Treasurer Iguel mentioned that the chair suggested that all commissioners would sign the comment. The chair asked Secretary Songsong that as far as body of the letter if it was complete.

Secretary Songsong acknowledged that it was, which was emailed to everyone for input and that the commission is now waiting on the chair. The chair acknowledged that it was just a matter of getting everyone's signature on that letter... signing electronically, acquiring electronic signatures...

The vice chair jumped in and asked if voting on Compliance Advisory 23-02 Marijuana Retail License Deliveries was skipped. Chair Palacios and Treasurer Iguel responded that it was approved.

The vice chair asked that the only thing she wanted to ask was that the way the advisory was written is that we would allow deliveries to *residences*, and what that means is no hotels, nor B&Bs, etc., but what she recommended and would like to have discussion and thoughts on and is okay with adding permissibility to hotels, B&Bs, etc., as long as there is a fixed address, an address that can be provided with specific details as to where marijuana is being delivered and that it would be up to the purchaser to adhere to hotel rules, temporary lodging rules, etc.,... just want that considered because she is open to changing language in the advisory to allow for deliveries to hotels, B&Bs, etc.

The chair indicated that he believes this conversation was discussed before... (Treasurer Iguel jumped in and said, "curbside") ... regarding hotels... (Secretary Songsong jumped in and said that was included in the last meeting (May 12, 2023)). The vice chair acknowledged.

The chair said when we had this conversation, it was discussed that for hotels, B&Bs, temporary lodgings, etc., that those deliveries are done curbside, therefore, the person [purchaser] that is violating any hotel policy or occupancy policy will be the occupant of that rental unit of the hotel room or B&B and not a cannabis [retail] employee because the commission does not want to put them in that predicament or be banned from the hotel premises because they violated hotel policy, and that was discussed for

deliveries for hotels, B&Bs, or other temporary lodgings; the definition or term would be “curbside” or that it be done curbside so that the commission does not place the very same employees to any form of liabilities or violate hotel policy, it would be between the hotel or lodging and their tenant and not with the industry.

The vice chair asked if anyone would be able to prepare the draft for that. Secretary Songsong volunteered to draft that language into the delivery advisory.

2. Discuss Special Funds Account

The chair reiterated what he reported in the chair’s report about funds deposited into the commission’s special funds account, which represents applications and license fees, and not representative of what was paid through business gross revenue tax and surtax; once tracking and accounting of tax revenues have been figured, his estimated figures based on some of the numbers that he was looking at seem to point to a six to eight million dollar industry as we speak; take that into account with the overall CNMI fiscal year budget, it possibly represents seven percent from that perspective.

The chair asked if there were any comments on special funds. There were no comments or further discussion.

3. Salaries for new hires, General Operations, and expenditures

The chair indicated that this goes back to the commission’s wish list or expenditure list, how the commission is going to spend the funds in its special funds account as was mentioned in his chair’s report needing submission to the legislature to Congressman BJ Attao.

The chair asked if there were any questions or anything to add on new hires. The vice chair stated that she is looking forward to getting a team together to help with operations. Secretary Songsong said that he will yield to the acting managing director to decide on salaries for the new hires as Mr. Basa has been with the commission for a while now and is senior employee.

The chair asked Mr. Basa if he was aware that the managing director’s job announcement was announced. Mr. Basa acknowledged that he was aware and referred to the time when there was a lack of board quorum, there was an order publicized to have the remaining board push for the hire but at the end, it was crushed by the attorney general’s office (the chair added, “Because of the quorum issue”); the thing is during that process when he knew it was a go, the announcement was pushed

and was already in process but it took the Office of Personnel Management (OPM) quite a while, so it was announced ever since then, because they had to first route a request-for-personnel, which took a long time and when that was done, it took a while for OPM to issue the job vacancy announcement, and once the commission received that, it took a while for OPM, then it provided the commission their top three selected candidates.

The chair indicated that the reannouncement of the managing director position will be pushed through expeditiously and assured the acting managing director that it will not take a long time... proper notifications and postings on all islands... to get a bigger pool of candidates to choose from... that the opportunity to the people is afforded to everyone and not just to Saipan for that matter... Hearing no further discussion, the chair moved on to agenda item.

X. Acting Managing Director's Report

Mr. Basa requested the tabling of his report until the next meeting citing the workload he has been single-handedly working with. The chair acknowledged.

XI. Executive Session

There were no legal discussions. The commissioners' discussion here involved pending and ongoing administrative matters with the executive secretary, i.e., scheduling of the commission's next meeting, travel authorizations, etc., and with the acting managing director on the commission's eight pending applications, the fourteen approval-in-principals and one producer that is ready for the commission's consideration and decision, the streamlining of processes and procedures, the tabling of applications and focus on house cleaning...

XII. Adjournment

Hearing no further discussion, the chair adjourned the CNMICC's June 02, 2023, meeting at 5:41 p.m.