



**COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
CANNABIS COMMISSION**

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A meeting of the CNMI Cannabis Commission will be held on **Wednesday, May 5, 2021 at 10:30 A.M.** at the Office of the CNMI Cannabis Commission Conference Room located at Ascencion 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. New Business
 1. **Cannabis Licensing Application No. C1220-0013-SPN:** Saipan Select, LLC's application for a Producer Class III license; discussion and decision: approval/denial
 2. **Cannabis Licensing Application No. C1220-0015-SPN:** Saipan Select, LLC's application for a Retailer license; discussion and decision: approval/denial
 3. Transition of Acting Managing Director Janina Maratita back to Managing Director Monique B. Sablan
 4. Discussion and Voting to amend 180-10.1-610: Start-up Inventory
 5. Discussion and Voting of approval process of commercial applications
 6. Discussion and Voting of Cannabis Licensee T-Marianas inquiry re: processor license endorsement / ability to use cannabis byproducts
 7. Temporary transition of meeting minute duties from Secretary Hofschneider to Commissioner Songsong

- VII. Executive Session
 1. Outstanding LSRs – AAG
 2. Other legal matters – AAG

- VIII. Managing Director's Report

- IX. Adjournment

Copies of this notice and agenda have been posted at the Administration Building Entrance Hall, the House of Representatives Entrance Hall, the Senate Entrance Hall, the Office of the Commonwealth Casino Commission and the CNMICC official website.

Written comments on the agenda may be submitted to the CNMI Cannabis Commission, through the Office of the Governor or emailed to info@cnmicannabis.org on or before the meeting date. Oral testimony may be presented during the meeting on Wednesday, May 5, 2021.

CNMI Cannabis Commission
Special Meeting Minutes
May 04, 2021

I. Call to Order

Chairwoman Nadine Deleon Guerrero called the CNMI Cannabis Commission's meeting to order at 10:30 a.m., which was held at the Office of the Commonwealth Cannabis Commission Conference Room located at Ascencion Ct., Bldg. 1341, Capitol Hill, Saipan.

II. Roll Call/Determination of Quorum

Chairwoman called roll of the commissioners:

Vice Chairman Matthew Deleon Guerrero, representing Saipan, was present;

Secretary Journie Hofschneider, representing Tinian, was present;

Treasurer Valentino Taisacan, representing Northern Islands, was present;

Member Thomas Songsong, representing Rota, was present (telephonically).

Chairwoman confirmed quorum with all five members present.

Managing Director Monique Sablan, Ms. Janina Maratita (acting managing director during the absence of managing director), and AAG Keisha Blaise were also present in the meeting.

III. Consideration and adoption of Agenda

Chairwoman motioned to approve agenda if no member had any items to add or amend the agenda; hearing no addition or amendment of agenda from members, Chairwoman approved the agenda as is.

IV. Public Comment

Chairwoman opened the floor for public comment. Treasurer verified common areas for the presence of any members of the public. Chairwoman later announced that no members of the public were present for public comment.

V. New Business

1. Discussion and adoption of new procedural processes on commercial application licensures

Chairwoman stated that today's special meeting was called to discuss procedural processes for the approval of cannabis licensures; that the commission previously placed the sole responsibility to the managing director to make the determination for licensure,

but the commission is seeing issues arising with current procedures, and added that the Vice Chairman brought forth recommendations with language drafted that would help improve the application procedural processes for formal adoption by the commission, and asked the Vice Chairman to further elaborate on subject matter.

Vice Chairman proceeded by mentioning that the CNMICC regulations lays out the application review process and mentioned that there are a couple of things we want to capture, and related to sections of the regulations on the *application review* and *approval of application* processes.

Vice Chairman continued that what the commission discussed is that all the regulatory processes cites the commission title as having the authority to undertake these processes, thereby involving commission members and managing director, and that the commission would like to formalize these internal processes for the next run of incoming applications for documentation and public awareness purposes of the commission's internal application processes.

Vice Chairman continued that the motion he proposes is that:

- The commission does not require the managing director to serve on the commission's behalf in reviewing a submitted application to determine compliance with the Act and regulations.

Vice Chairman continued relating through the regulatory application processes, the approval-in-principal, and stated that this regulatory process in place but the commission has not voted on it, and so the commission is including the *approval-in-principal*, that the approval-in-principal letter does not constitute an approval of the application or issuance of a license to operate, and that the notice of scheduling inspection will be placed on the applicant.

Chairwoman suggested the inclusion of cultivation or the act of cultivation in the application review processes; a brief discussion followed with Vice Chairman suggesting its inclusion in formal regulations for detailed clarification.

Secretary suggested the need for clarity with the use of the words "denial" and "refuse" in the regulations application review processes.

Vice Chairman continued relating to sections of the application review process of the regulations, then opened discussions on the processes with failing second inspection and whether the commission would move directly towards denial, or conduct a board meeting to decide on a failed second inspection.

Secretary conveyed her experience with denied applications granting a two-year timeline for re-application and the re-assessment of applicable fees, unless certain circumstances significantly changed.

Chairwoman expressed her leaning towards a board meeting to address non-complex issues relating to failed second inspections where the commission may be able to assist the applicant in rectifying issues that may have been overlooked, and work towards coming into inspection compliance.

Vice Chairman raised the two processes with failed inspections; a failed first inspection requires fifteen (15) days corrective action, and if corrective action is taken, a second inspection may be scheduled, but if they fail to take corrective action, then a board meeting may convene to decide on the matter; if a second inspection fails, that would constitute another denial element; there's a third process where the applicant may propose a corrective action plan to bring it into inspection compliance with acceptable reasoning.

Discussions continued on issues with processes, occurrences of failed inspection, corrective measures, circumstances beyond the applicant's control, and the roles of the commission and managing director in the application review, approval and denial processes.

AAG asked if regulation sets a time period for re-applying after being denied. Vice Chairman responded that regulation stipulates "*may prohibit from applying for a period of five (5) years;*" discussions continued on procedural processes...

After considerable discussion, Vice Chairman made a motion for the adoption of the new procedural processes on commercial application licensures, that the commission:

- Do not require the managing director to serve on the commission's behalf in reviewing a submitted application to determine compliance with the Act and commission regulations;
- Should the managing director determine that an application contains all the required documentation information required in § 180-10.1-310, the managing director is authorized to provide the applicant with an Approval-In-Principal letter notifying the applicant that conditional requirements have been met, and must schedule an inspection of the proposed license premises;
- An Approval-In-Principal determination does not constitute an approval of the application for the issuance of a license to operate;

- In the process of reviewing applications, the commission may delegate a member of the commission to assist in the review and processing of submitted applications;
- A commissioner shall recuse his or herself from final action of an application;
- A commissioner delegated to assist in application reviews and processing shall serve under the managing director;
- The managing director will coordinate with the applicant for the inspection of the proposed licensed premises;
- If the applicant passes the inspection, the managing director will write the commission a written report on the application, all associated documentation related to the application, and the findings of the inspection;
- The managing director will submit a recommendation for approval or denial for the commission's determination;
- If the applicant fails the inspection, the managing director shall write the applicant a notice of the failed inspection and provide the applicant fifteen (15) calendar days from the date of notice to submit a written response that demonstrates the deficiencies that need to be corrected;
- An applicant may request to the managing director for one (1) extension of the fifteen (15) day time limit;
- If the applicant does not submit a timely plan for correction or if the plan of correction does not correct the deficiencies in a manner that would bring the client into compliance, the managing director will prepare a report for the commission detailing the findings of the failed inspection and any documentation related to the application for the commission's determination and action;
- If the plan of correction appears, on its face, to correct the deficiencies, the managing director will schedule another inspection;
- If the applicant fails a second inspection, the managing director will prepare a report for the commission detailing the findings of the second failed inspection; the commission will hold a hearing with the applicant to determine whether a third inspection is warranted;
- If a third inspection is not granted, the commission may vote to deny the application; denial of application will follow regulations provided in § 180-10.1-335, and a written report will be provided to the managing director.
- At a properly announced commission meeting, the managing director will present the report to the commission along with the recommendation on the application, and final decision on the application will be voted on by the commission;

- The commission’s decision on the application is final based on the determination of the majority of the commissioners present during the vote; approval of application submission and the issuance of license will follow regulations provided in § 180-10.1-330, and denial of application will follow regulations provided in § 180-10.1-335.

So moved by the Vice Chairman; the Chairwoman seconded and asked if there were any discussion on the matter.

Secretary inquired about applicants receiving a copy of the procedural processes; Vice Chairman responded that it is contained or outlined in the approval or denial process in the regulations and proceeded to go over those particular sections of the procedural process involving notification of the applicant if compliant or non-compliant for licensure, license fee collection, discussions continued...

Chairwoman re-stated the Vice Chairman’s motion for the adoption of the new procedural processes on commercial application licensures as was recited by the Vice Chairman, which the Chairwoman stated she seconded.

Hearing no further discussion, Chairwoman moved to vote for its adoption; all commissioners voted in favor to adopt the new procedural processes on commercial application licensures.

2. Cannabis Licensing Application No. C1220-0013-SPN: Saipan Select, LLC’s application for a Producer Class III license; review of application documents and discussion

Chairwoman stated her receipt of a memorandum from then Acting Managing Director Janina Maratita who recommended for the approval of both of Saipan Select, LLC’s Retailer license and Producer Class III license.

Chairwoman asked Janina if to her knowledge Saipan Select, LLC submitted all required documentation; Janina replied “yes,” and continued to state that an approval-in-principal letter was issued to them because they met all application requirements, however, the only concern was her inspection findings at the unlicensed Producer Class III premises.

Chairwoman acknowledged and stated that Saipan Select, LLC’s inspection findings will be discussed in executive session.

The commission discussed Saipan Select, LLC’s application packet, standard operating procedures, and general issues with documentation.

3. Cannabis Licensing Application No. C1220-0015-SPN: Saipan Select, LLC's application for a Retailer license; review of application documents and discussion

(Same as item 2 above)

Chairwoman motioned to move into executive session at 11:51 a.m. to discuss legal matters regarding Saipan Select, LLC's Producer Class III inspection, seconded by Treasurer.

VI. Executive Session

1. Legal Matters – AAG

Chairwoman announced exiting executive session at 12:35 p.m., and stated that the commission discussed Saipan Select, LLC's Producer Class III site inspection and legal matters associated with the approval of its license, in addition to requests from individuals wanting to retail and/or produce hemp products.

Chairwoman asked the commissioners to ready any questions they may have for Saipan Select, LLC at tomorrow's meeting to address their application for licensing.

VII. Adjournment

Hearing no further discussion, Chairwoman motioned to adjourn meeting at 12:37 p.m.