



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

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A meeting of the CNMI Cannabis Commission will be held on **Thursday, June 24, 2021 at 2:00 P.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 from prior meetings
- V. Public comment

- VI. New Business
 1. Housekeeping rules for Friday, June 25th special meeting
 2. **Cannabis Licensing Application No. App No. C0221-0016-SPN:** Common Wealth Cannabis, LLC. dba Common Wealth Cannabis' Dispensary & Lounge's application for a Lounge Class 2 license; discussion
 3. **Cannabis Licensing Application No. App No. C0221-0020-SPN:** Common Wealth Cannabis, LLC. dba Common Wealth Cannabis Dispensary & Lounge's application for a Retailer license; discussion
 4. **Cannabis Licensing Application No. App No. C0321-0021-SPN:** LuMar, LLC. dba CannaMariana's application for a Retailer license; discussion
 5. **Cannabis Licensing Application No. App No. C0321-0022-SPN:** LuMar, LLC. dba CannaMariana's application for a Producer Class 1 license; discussion
 6. Discussion and Vote to amend § 180-10.1-615 Re: Micro producer-wholesale licensee agreement requirement

- VII. Executive Session
 1. 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 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 Thursday, June 24, 2021.

CNMI Cannabis Commission
Regular Session Meeting Minutes
June 24, 2021

I. Call to Order

Chairwoman Nadine Deleon Guerrero called the CNMI Cannabis Commission's meeting to order at 2:05 p.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

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 (video conference - zoom).

Chairwoman confirmed quorum with all five commissioners present. Managing Director Monique Sablan and AAGs Mike Ernest and Keith Chambers were also present in the meeting.

III. Consideration and adoption of Agenda

Chairwoman inquired if there were any discussion on the agenda. Vice Chairman motioned to adopt the agenda, seconded by Secretary; all commissioners voted in favor to adopt agenda, motion carried.

IV. Consideration and adoption of Minutes of prior meetings

Chairwoman indicated that the commission is looking to adopt the following four (4) meeting minutes:

- August 7, 2020
- September 25, 2020
- October 29, 2020
- December 10, 2020

Hearing no discussion, Chairwoman subsequently motioned to adopt the above-mentioned meeting minutes, seconded by Treasurer; all commissioners voted in favor to adopt the above referenced meeting minutes, motion carried.

V. Public Comment

Chairwoman opened the floor for public comment. MD verified common areas for the presence of any members of the public and reported that no one was present. Chairwoman then announced for the record that no members of the public were present for public comment.

VI. New Business

1. Housekeeping rules for Friday, June 25th special meeting

Chairwoman announced a briefing of the commission's ground rules for consideration for tomorrow's special meeting and future meetings in addressing and voting on cannabis applications for licensure to avoid a repeat of a previous meeting's last minute change of position from an initial agreed upon recommendation, and asked Managing Director Sablan (MD) to apprise the commission of its rules of conduct.

MD commenced by stating that an example was taken from the zoning authority's public hearing rules of conduct, and although the commission's addressing cannabis applications/licenses is not considered a public hearing, several of those rules are adaptable in the formulation of the commission's rule structure for addressing and voting on applications; a draft was provided to the Chairwoman and a finalized document of those rules of conduct was provided to all commissioners.

MD commenced the recital of the commission's rules of conduct and how she'll present the applicant and its application summarization to the commission during its meeting to vote on the application, and that all pertinent information on a cannabis application will be provided to the commission prior to its meeting to vote; she also stated that some of her recommendations may include conditions depending on the applicant's state of affairs, i.e., compliant with operational readiness.

The commission continued its discussions, exemplified scenarios, etc., along with the AAG in addressing cannabis applications, documents accompanied with applications for review, voting on applications, and related matters.

Hearing no further discussion, Chairwoman moved to the next agenda item.

2. Cannabis Licensing Application No. App No. C0221-0016-SPN: Common Wealth Cannabis, LLC. dba Common Wealth Cannabis' Dispensary & Lounge's application for a Lounge Class 2 license; discussion

Chairwoman stated that this application presentation is for the commission to air any matters needing to be addressed prior to the commission's meeting to vote on the application for licensure or denial, and foresees this process being a part of the commission's review procedure before its meeting to vote.

Discussions followed with MD on inspection findings and photographs, application presentation, summary and recommendation, and related topics and questions. MD suggested going over the application summary and recommendation in today's meeting for the commission's readiness for its meeting vote the following day on June 25, 2021.

MD commenced her application summary presentation of Common Wealth Cannabis, LLC's Application No. C0021-0016-SPN for a Lounge Class 2 license.

Member Songsong asked if Ms. Alexis Hofschneider was an employee or shareholder of the company, and if an employee, asked if it is a requirement for employees to submit an individual history form since she submitted one. MD acknowledged that she is an employee, Chief of Operations, and not an applicant for a cannabis license although she did submit an individual history form, but it is not a requirement for employees.

Vice Chairman asked questions on the business's floor plans, patrons' entry and exit points of the lounge and retail establishment, accessories offered, and cannabis suppliers.

MD continued with her presentation, inspection findings, and displayed floor plans of the proposed business establishment located in Garapan, Saipan; Secretary Hofschneider provided inputs with explaining the proposed business establishment (Lounge and retail) as she was part of the application review and site inspection under the MD's direction.

Member Songsong pointed out that premises' lot numbers require reverification and possible updating because as of April 19, 2021, a consolidation survey map was approved which re-designated or re-numbered the initial lot numbers 001 D 13 and 001 D 14 entered in the applicant's February 2021 cannabis application.

MD and Secretary acknowledged, and will re-verify the premises' lot numbers. MD moved on with the applicant's retail application referenced below.

3. Cannabis Licensing Application No. App No. C0221-0020-SPN: Common Wealth Cannabis, LLC. dba Common Wealth Cannabis Dispensary & Lounge's application for a Retailer license; discussion

MD continued presenting application C0021-0020-SPN, displayed its retail floor plan, patron's entry and exit points, security details, signage, scope of operations, products and accessories for sale, packaging, etc., with the Secretary providing inputs.

MD concluded that she'll recommend in tomorrow's meeting the approval of both Common Wealth Cannabis' applications for lounge and retail with conditions for both applications, and that the reason for the conditions is that they are not fully set-up to start operations (the establishment is still bare bones), which would require a second inspection to confirm operational readiness before granting its license.

Vice Chairman suggested that instead of recommending for approval with conditions, it could be suggested that the commission motions to authorize the MD to provide the license upon confirmation of operational readiness, the regulations allow the commission delegating those responsibilities; with conditions, it would be accompanied by an order or a formal process.

Discussions continued on the applicant's pending operational readiness which the MD anticipates to be completed in the coming month of July, security issues, a second inspection to ascertain operational compliance, the applicant's pending DFEMS inspection clearance, etc.

Vice Chairman asked Member Songsong if he was okay with the discussion, the issues raised by the MD and Secretary, and their recommendation, and/or the commission's authorizing the MD to issue license upon confirmation of the applicant's operational readiness.

Member Songsong acknowledged that he was good with the discussion and recommendations, but wanted to bring up two points with the applicant's standard operating procedure:

- The first being on pesticides which stated, "*Pesticides approved for human consumption by the Department of Oregon,*" and that the applicant might have meant something else and should revisit that statement because there are no pesticides approved for human consumption;
- The second relates to cannabis flower expiration which stated, "*Expiration 45 days after packaging or 60 days after harvest date,*" which is something they should revisit or relearn because they could have massive losses with their short expiry date as compared to other licensed producers/retailers, because cannabis flower has a longer shelf life if properly cared/stored, and that we want our

licensee's business to succeed because it will be a win-win situation for all – the commission, the government, and the cannabis entrepreneur.

Chairwoman and MD acknowledged the issues raised by Member Songsong and will bring them to the applicant's attention. Chairwoman then asked if the commission was okay with authorizing the MD's granting the applicant's license upon her confirmation of the applicant's operational readiness and compliance; commissioners emanated to that consensus.

MD moved on with presenting the next cannabis applicant referenced below.

4. Cannabis Licensing Application No. App No. C0321-0021-SPN: LuMar, LLC. dba CannaMariana's application for a Retailer license; discussion

MD commenced her presentation on CannaMarianas' application for a retailer license being located in San Jose, its proposal to sell cannabis flowers, extracts whenever it becomes available, related accessories for sale, and described their floor plans, security, posted signage, displayed photographs, highlighted patrons' entry and exit points, its full permitting by other governmental agency clearances, and described its adjoining its other vape shop business which caters to adults only, with the Secretary providing inputs.

MD detailed their standard operating procedure, their required staff training with an eLearning cannabis training institution known as "CulturEd" or "Green CulturEd" that provide cannabis business and staff training on cannabis topics, e.g., cultivation, dispensary technicians, processing, etc., and issuance of cannabis training certifications; additionally, they have implemented a cannabis tracking system with www.indicaonline.com with its Cannabis Point of Sale (POS) inventory and compliance software, and are able to print reports.

MD suggested the commission's consideration on implementing required cannabis training certifications and similar standards for cannabis tracking system.

Vice Chairman asked if there were any concerns with this applicant. MD replied that her only concern is with accessibility to and from its secured cannabis storage vault to its cannabis retail shop which has to go through its vape shop business; she discussed that issue with the applicant in which he stated that they do not move product during business hours as was stated in his application, and that suggestions was offered with product movement from its cannabis storage vault to its cannabis retail shop.

MD concluded that considering that the vape shop business and cannabis retail shop business is the same owner and an adult only establishment, she's confident with their cannabis security and accessibility plan.

Secretary highlighted the necessity to review and approve product packaging logos and slogans, and posted signage in cannabis business establishments to ensure it does not entice minors.

MD moved on to the next application referenced below of the same applicant described above.

5. Cannabis Licensing Application No. App No. C0321-0022-SPN: LuMar, LLC. dba CannaMariana's application for a Producer Class 1 license; discussion

MD stated that a Producer Class I license permits a licensee to cultivate up to 750 square feet, in this case however, CannaMarianas chooses to cultivate its own craft cannabis in grow tents in 32 square feet of grow space; in addition, the applicant will be purchasing from other licensed cannabis producers for resale in his cannabis retail shop; MD continued to describe and displayed the applicant's floor plan layout.

MD expressed her appreciation for this applicant's layout and operations in that it is secure, utilizes access key cards which is accessible only to authorized personnel, and operational and properly situated security cameras. MD continued that the applicant initiatively implemented his cannabis tracking system (with company known as logistics) for his cultivation activity and demonstrated its use, and concluded that CannaMarianas is operationally ready.

Vice Chairman asked if there were any concerns. MD responded having no concerns and closed that the applicant was growing tomato plants in his grow tents.

Secretary asked if there was any reason why the commission did not have it as a requirement that a business establishment's exterior windows where a customer or the public are able to view the interior of a cannabis establishment not required to be opaque or tinted to avoid underage persons from being able to view the inside of a cannabis establishment from the outside.

Chairwoman expressed that the commission did discussed this issue previously.

Secretary continued that although current applicants and licensees establishments are secure in this respect, she wanted to make a mention of it because the commission does not have this as a regulatory requirement.

Vice Chairman mentioned that it's cited in the law pertaining to limitations on presentations in public places, prohibiting visibility of marijuana items, displays, etc.

Secretary mentioned that visibility from the exterior is something needing to be reinforced, required, and that applicants are advised accordingly of this consideration; the commission agreed with that concern.

MD concluded her presentation saying that she has no conditions for CannaMarianas and recommends approval for licensure.

Secretary brought up a mention by the applicant that there is a lack of regulations around retail store taxes, only for producers, and that he hopes the commission would set a standard and requirement for cannabis point of sale (POS) systems, in addition to the fact that there is no monthly reporting requirement of *cannabis sales volume*.

AAG suggested that copies of monthly BGR filings to finance could be submitted to the commission within a certain number of days after filing.

Secretary brought up another point that was suggested by the applicant is that those without cannabis tracking system or point of sale system, a standard fillable template form could be used and asked if the commission had a standard form, or that one could be produced for standard use.

Vice Chairman conveyed that he would not only like to implement the commission's acquisition of monthly BGR filings, but also it would be advantageous to know the total quantity sold (volume) so that the commission will have a good idea on market value, market data.

Secretary concluded with a final topic raised by CannaMarianas on the commission setting standards for pesticide use on cannabis.

Chairwoman stated that was the commission's initial concern. MD added that she has communicated with other governmental agencies regarding this matter, but since no agency is able to address this subject, the commission is stagnant in establishing its pesticide regulation.

Chairwoman mentioned that she discussed this pesticide use on cannabis issue with the Bureau of Environmental and Coastal Quality (who regulates the types of imported pesticides) who referred us to the Department of Lands and Natural Resources in which DLNR mentioned that it does not regulate pesticide use on crops; so the commission is at a standstill with pesticide use on cannabis and should consider implementing its own standards.

Vice Chairman mentioned that there are no approved pesticides for use on cannabis in the CNMI, and asked if any of these applicant's SOPs mentioned the use of pesticides. Secretary responded that all of them mentioned organic. Discussion slipped into the next agenda item.

6. Discussion and Vote to amend § 180-10.1-615 Re: Micro producer-wholesale licensee agreement requirement

Chairwoman asked that this agenda item be tabled for tomorrow's meeting. Vice Chairman reiterated this proposed amendment to the Secretary since she was absent during last meeting's discussion that this proposed amendment provides for a population criteria allowing for micro-producers on Tinian and Rota the ability to sell to retailers instead of going through the wholesaler agreement requirement based on its small population base and market; instead of following the regulations under 615, that if the municipality or locality's population fall under 8,000, they would follow regulations under 601, producer to retailer. The Secretary acknowledged.

Chairwoman motioned to table agenda item VI (6) under new business to vote on the amendment of § 180-10.1-615 to tomorrow's meeting, seconded by Vice Chairman; all commissioners voted in favor, motion carried.

VII. Executive Session

1. Legal Matters - AAG

Chairwoman motioned to move into executive session at 4:48 p.m., to discuss legal matters, seconded by Vice Chairman; all commissioners voted in favor to move into executive session, motion carried.

Chairwoman announced exiting executive session at 4:57 p.m., and stated the topics discussed involved general agenda formatting and the nuisance law.

Chairwoman asked if there were any other discussions before her motion to adjourn meeting and called upon Member Songsong if he had anything to bring up.

Member Songsong acknowledged and commented on CannaMariana's respectable standard operating procedures with respect to their initiative in inspecting cannabis flower buds for mold and other discrepancies, and its organic cultivation practice, however, he expressed the commission's need to know about a producer's pest management strategy and type of pesticide to be used, if any, organic or otherwise, and suggested the commission could consider adopting a resolution which identifies and approves certain stateside approved organic pesticides approved for use on cannabis, and may also pass that list of pesticides to Dr. Verna (horticulturist or horticulture scientist) of the NMC Cooperative Research Extension and Education Service for confirmation before the commission's adopting its pesticide resolution, or incorporation as a regulatory requirement. Chairwoman acknowledged.

VIII. Managing Director's Report

No MD report; presented above cannabis applications.

IX. Adjournment

Hearing no further discussion, Chairwoman motioned to adjourn the meeting, seconded by Vice Chairman; all commissioners voted in favor for meeting adjournment, motion carried. Meeting adjourned at 5:00 p.m.