



**Maryland Medical Cannabis Commission
Full Commission Meeting
September 3, 2020: 2:00 pm
Conducted Online**

MINUTES

Commissioners Present

Brian Lopez, Commission Chairman
Phil Cogan
Konrad Dawson
Ehsan Abdeshahian
Charles LoDico
Liz Hines
Obi Onyewu
Tiffany Randolph
Nancy Rosen-Cohen
Saundra Washington

Commissioners Absent

Jinlene Chan
Megan Dingus
Scott Welsh

MMCC Staff Present

Will Tilburg, Executive Director
Lori Dodson, Deputy Director
Taylor Kasky, Director of Policy and Government Affairs
Rebecca Jackson, Education and Research Analyst
Heather Nelson, Assistant Attorney General
Matt McCarthy, Assistant Attorney General
Jamie, Assistant Attorney General
Christi Megna, Senior Regulatory Analyst
Kathryn Callahan, Policy Analyst
Marla Rosado Diaz, Policy Analyst
Tony Grover, Director of Enforcement and Compliance

Mary-jo Mather, Director of Administration

Call to Order and Welcome

Chairman Lopez called the meeting to order at 2:10 pm. A verbal roll call was conducted, which verified that a quorum was achieved.

Approval of the September 3, 2020 Minutes

There were no corrections to the minutes. Commissioner Rosen-Cohen offered a motion to approve the Minutes, which was seconded by Commissioner Cogan. Commissioners unanimously approved the minutes.

Executive Director's Report: Will Tilburg

Mr. Tilburg reported year-to-date retail sales of medical cannabis of more than \$240,000,000, surpassing the total for 2019. He reported that there are over 111,000 registered patients to date, with 25,000 having been registered just from January 1, 2020. Fiscal reports will be completed in late September or early October, and reported at the next meeting of the Finance Committee later in the year. He announced that two Requests for Procurement have been released through E-Maryland Marketplace, the State's online procurement portal, for two separate procurements. The selected entity for the first RFP will perform a comprehensive market analysis of medical and adult-use cannabis in Maryland, and will conclude with a report to the MMCC estimating the projected growth of the Maryland Medical Cannabis Program over the next five years; and will also report the potential economic impact of legalizing adult-use cannabis in the State. The second procurement asks for an analysis of the health and public safety effects of medical and adult-use cannabis in Maryland.

Chairman Lopez then invited Commissioners to offer their Committee Reports.

Committee Reports:

Compliance Committee Report

Commissioner Cogan, the Chairman of the Compliance Committee, reported that the Compliance Committee had received and considered five cases. Two of the cases dealt with employee-agent diversion; one case dealt with recordkeeping violations and untimely remittance to the Commission of employee-agent credentials after termination of the agent's employment; and the last case concerned a vertically-integrated company that was in violation due to possession of two grower licenses. A quorum of the Commission approved all recommendations for each case, including the conditions for divestiture of an entity's impermissible second

grower license. The Compliance Committee also considered an appeal of a sanction previously imposed by the Commission, in which the Respondent appealed that sanction after the required one year period imposed. The Commission agreed to strike the sanction.

Policy Committee Report

Executive Director Tilburg noted that the July 30, 2020 Policy Committee meeting, held virtually, was attended by 160 members of the public, and the Commission received extensive comments on several topics. The Chairwoman of the Policy Committee, Tiffany Randolph, provided the following detailed report:

The committee received extensive written and oral public comment on the following four regulatory proposals:

The Continuation of COVID-19 Temporary Measures

Since the State of Emergency was declared in March, the Commission has issued a series of bulletins addressing various temporary measures put in place in response to the COVID-19 pandemic, including on-site delivery and the suspension of patient signature and attestation requirements. The Committee received significant comment regarding the continuation of these temporary measures, and after reviewing the comments and hearing the testimony provided, the Commission authorized staff to begin developing regulatory proposals to make certain measures permanent.

Diversity within the medical cannabis industry in Maryland

The Commission remains committed to promoting diversity and the participation of diverse groups within the medical cannabis industry. In furtherance of this commitment, the MMCC solicited public comment and input for proposals to continue increasing diversity, equity, and inclusion within the medical cannabis industry. A wide range of stakeholders provided excellent comment and feedback, and the Committee is looking to schedule a diversity, equity, and inclusion workshop in the coming weeks to continue this important and on-going conversation.

Fine schedule

On December 16, 2019, the MMCC voted to approve a regulatory amendment that authorized issuance of monetary fines according to a fine schedule. A draft of this fine schedule was presented for public comment, and as a result of the very helpful feedback received, Commission staff are making necessary revisions.

Grower Request to Operate at More Than One Facility

The Committee received a request from a grower to operate at more than one location. As a result of this request, the Committee considered whether to recommend a policy change to the full Commission, which would authorize medical cannabis licensees to operate more than one facility under a single license. After receiving substantial public comment on the matter, the Policy Committee voted against making a recommendation to the full Commission to change the current policy, and affirmed that a licensee may only operate one facility per license.

Final Review Subcommittee Report

Chairman Lopez extended his thanks to the Final Review Subcommittee for the hours spent on their consideration of several matters. Chairwoman Rosen-Cohen offered the following report, with Mr. Lopez providing the relevant regulatory provisions for each matter considered.

Peninsula Alternative Health Dispensary: Request to Change Location

The Final Review Subcommittee carefully reviewed the facts presented in Peninsula Alternative Health's request to change location. The Final Review Subcommittee determined that this entity completed the required change of location application and paid the fee required under COMAR 10.62.35. In addition, as part of the application, Peninsula Alternative Health demonstrated (1) the business or economic necessity for the proposed change of location, (2) non-opposition from local government to the proposed change of location, and (3) that the proposed change of location would be within the same Senatorial District as originally pre-approved.

As a final point, the Final Review Subcommittee notes that the licensee who submitted this request to change location timely submitted its application and waited patiently for the Commission's consideration of the request even as it neared the expiration date of its lease on its original location. After the Commission meeting scheduled for last week could not proceed online due to connectivity issues, Commission staff contacted individual commissioners to secure individual Commissioners' votes by email in support of approving this change of location so that the licensee could have a decision on its request prior to the expiration date of its lease. Therefore, the Final Review Subcommittee recommends that the Commission ratify the prior approval of Peninsula Alternative Health's Request to Change Location to the new location within Senatorial District 37, located at 1003 Mt. Herman Road, Salisbury, MD 21804. After the appropriate motions were offered, the full Commission unanimously approved the request.

Ancillary Business Registrations

Tellon Transport Company: Secure Medical Cannabis Transportation Co. Registration

After presentation of the investigatory report, and completion of the regulatory requirements, Chairwoman Rosen-Cohen stated that the Final Review Subcommittee recommended that the full Commission approve an ancillary business registration to Tellon Transport Company as a secure medical cannabis transportation company. There was no discussion. After the appropriate motions were offered, the full Commission unanimously approved the request.

SECTEC INC: Security Guard Agency Registration

After presentation of the investigatory report, and completion of the regulatory requirements, Chairwoman Rosen-Cohen stated that the Final Review Subcommittee recommended that the full Commission approve an ancillary business registration to SECTEC INC as a security guard agency. There was no discussion. After the appropriate motions were offered, the full Commission unanimously approved the request.

WECARE DENALI LLC: Green Waste Company Registration

Chairman Lopez noted that this entity is the very first green waste company requesting an ancillary business registration. After presentation of the investigatory report, and completion of the regulatory requirements, Chairwoman Rosen-Cohen stated that the Final Review Subcommittee recommended that the full Commission approve an ancillary business registration to WECARE DENALI LLC as a green waste company. There was no discussion. After the appropriate motions were offered, the full Commission unanimously approved the request.

Licensee Change in Legal Business Name: PharmaCann LLC to PharmaCann of MD LLC

Chairman Rosen-Cohen noted that the licensee had submitted a certificate of good standing from the Maryland Department of Assessments and Taxation to support its request. After review of the relevant documents and investigation, the Final Review Subcommittee recommended that the full Commission approve the request the legal name from PharmaCann LLC to PharmaCann of MD LLC.

After the appropriate motions were offered, the full Commission unanimously approved the request.

Requests to Transfer Ownership Interests in or Control of Licenses

Management Agreement: AFS Maryland LLC-Licensed Processor Pursuant to COMAR 10.62.19.11

Chairman Lopez outlined the regulatory requirements to transfer control of a licensed processor and then Chairwoman Rosen-Cohen reported that the Final Review Subcommittee carefully reviewed the documents submitted, including the proposed Management Agreement and supporting documentation. The Final Review Subcommittee found that the licensee seeking approval submitted all required information, and that there were no statutory or regulatory restrictions prohibiting the proposed transfer. The Final Review Subcommittee recommended that the Commission approve the management agreement between AFS Maryland LLC and CRESCO LABS ARIZONA LLC. After the appropriate motions were offered, Commissioners unanimously approved the management agreement. None were opposed, and none abstained.

Approval of Three Management Agreements submitted by

- (1) Mission Maryland**
- (2) Chesapeake Integrated Health Institute (dba Mission Hampden)**
- (3) Maryland Alternative Relief (dba Mission Rockville)**

Chairman Lopez noted that, as for the transfer of control for a Processor license, the same requirements apply for the transfer of control of a Dispensary license.

Ms. Rosen-Cohen continued her report by stating that the Final Review Subcommittee carefully reviewed the documents and reports for the three proposed management agreements. She noted that each of the three dispensaries wished to enter into a management agreement with MLH-MDO HOLDCO INC, dba ETHOS CANNABIS (“ETHOS CANNABIS”). Each of these three management agreements were the same in all material terms.

The Final Review Subcommittee carefully reviewed the documents submitted, including the proposed Management Agreement and supporting documentation. The Final Review Subcommittee found that the licensees seeking approval did submit all required information. The Final Review Subcommittee found that none of the proposed Management Agreements constituted an impermissible transfer of an interest in a license, and further found that the criminal history record information did not trigger any regulatory restriction. The Final Review Subcommittee did not find good cause to deny the Management Agreements and recommended that the Commission approve the proposed management agreements. After the appropriate motions were offered, the full Commission voted unanimously to approve the three management agreements.

Request to Transfer an Interest in a Licensed Dispensary: Blue Ridge Wellness LLC

Chairman Lopez listed the regulatory requirements for a transfer of an ownership interest. Chairwoman Rosen-Cohen reported that Final Review Subcommittee reviewed the request to transfer submitted by Blue Ridge Wellness, LLC which is seeking Commission approval to redeem the interest originally held by a member who wishes to withdraw from the LLC. Blue Ridge Wellness, LLC was originally held by two members each holding a 50% interest in the LLC. One member wished to withdraw. Should the Commission approve this transfer, the interest previously held by the member who wishes to withdraw from Blue Ridge Wellness will revert to the other original member.

The Final Review Subcommittee carefully reviewed the materials submitted by the licensee and found that the Commission received proper notice of the proposed transfer, that the proposed transfer does not violate Maryland statute, that the licensee has paid the required fee, and that all criminal history information and tax records were in good order. The Final Review Subcommittee did not find good cause to deny the transfer and recommended that the Commission approve the proposed transfer submitted by Blue Ridge Wellness LLC. After the appropriate motions were offered, the full Commission voted unanimously to approve the transfer of interest submitted by Blue Ridge Wellness LLC. There was no discussion. There were no abstentions or nays.

Dispensary License: Pure Hana Synergy LLC, dba Green Point Wellness

Chairman Lopez outlined the regulatory requirements for a final Dispensary license. Chairwoman Rosen-Cohen then reported that the Investigative Summary, Financial Summary, and Inspection Summary were provided by the inspector, Mitchel Parke. No information was identified that would prohibit the applicant from being licensed. Notice of inspection, pre-inspection checklist, Dispensary inspection report, and investigative background checklist were provided and in good order. The inspector has confirmed that the Dispensary has submitted the Stage 2 application and paid the required fee specified in COMAR 10.62.35 and the applicant has met all of the final Dispensary Licensing Requirements. The inspector was available via phone for the review of the material and to answer questions. No additional investigative information was necessary or provided.

The Final Review Subcommittee therefore recommended that the Commission find that the applicant, PURE HANA SYNERGY LLC, dba GREEN POINT_WELLNESS, has satisfied all regulatory requirements for licensure and that the Commission issue a DISPENSARY License to PURE HANA SYNERGY LLC, dba GREEN POINT WELLNESS. After the appropriate motions were offered, the full Commission voted unanimously to issue a Dispensary license to PURE HANA SYNERGY LLC, dba GREEN POINT WELLNESS. There was no discussion. There were no abstentions or

nays.

Closed Session Pursuant to the Open Meetings Act (General Provisions Article § 3-305)

Chairman Lopez noted that the Commission would need to meet briefly in Closed Session to consult with counsel to obtain legal advice, and to consult with staff about pending or potential litigation (per General Provisions Article § 3-305) (7) and (8). He noted further, that, at the beginning of this year, the Commission engaged Zuckerman Spaeder LLP to conduct an independent investigation into allegations of undue influence and bias relating to the Commission's 2019 medical cannabis grower and processor application process. Chairman Lopez stated that the Commission had been eagerly awaiting the findings of that investigation. Mr. Lopez then asked Commissioners present to consider moving into Closed Session to receive advice of counsel on the legal impact of the Commission's reporting publicly on the findings of the investigation.

A motion to close the meeting to receive advice of counsel on the legal impact of reporting publicly on the findings of the investigation was offered by Commissioner Washington, and seconded by Commissioner Hines. The Commission voted unanimously to move into Closed Session. There were no abstentions or nays. The Commission moved into Closed Session at 3:00 pm. Commissioners Lopez, Washington, LoDico, Rosen-Cohen, Cogan, Hines, Dawson and Onyewu were present for the Closed Session. Assistant Attorney Generals Heather Nelson, Matt McCarthy, and Jamie Tansey were also present, along with MMCC staff. Commissioners Abdesahian, Chan, Welsh, Randolph and Dingus were absent. The Closed Session adjourned at 3:40 pm, and Commissioners present rejoined the full Commission meeting by redialing into the public GoToMeeting session. Chairman Lopez re-convened the Open Meeting at 3:59 pm. A new Roll Call was conducted, and again, a quorum was present. Chairman Lopez announced that Commissioners had voted unanimously to release the Zuckerman Spaeder LLP Report that the Commission had contracted through a public procurement: "Report on Investigation Into Potential Bias or Undue Influence in the 2019 Medical Marijuana Grower and Processor License Application Review Process."

New Business

No new business was offered by those present.

Adjournment

After Commissioner Washington moved to adjourn, which was seconded by Commissioner Hines, Chairman Lopez adjourned the meeting at 4:02 pm.