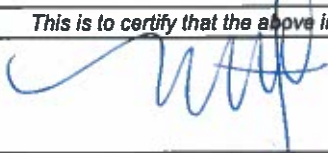


**Guam Department of Revenue and Taxation
Cannabis Control Board Regular Meeting
Meeting Date: June 21, 2021 | Time 1:00pm
Zoom Video Conference Meeting ID: 931 0790 3410**

<u>Board Members</u>	<u>Position Title</u>	<u>Signature</u>
Atty. Vanessa Lee Williams	Board Chairperson - Member	
Dafne Mansapit-Shimizu	Vice Chairperson - Director, Department of Revenue & Taxation	
Ursula Herrera	Board Secretary - Member	Zoom
Adrian Cruz	Deputy Director, Department of Agriculture	Zoom
Dr. Suzanne S. Kaneshiro Cid Mostales	Chief Public Health Officer, Department of Public Health & Social Services	
Theresa Arriola	Director, Guam Behavioral Health & Wellness Center	Zoom
Stephen Ignacio	Chief, Guam Police Department	
Nico Fujikawa	Director of Tourism Research, Guam Visitors Bureau	Zoom
William M. Parkinson	Member	Zoom

This is to certify that the above information is true and correct:



Board Secretary
6/21/2021

Cannabis Control Board
Meeting Minutes
June 21, 2021

Opening

Interim Chairperson Cruz called the regular board meeting of the Cannabis Control Board to order at 1:17 p.m. on June 21, 2021.

Location: Zoom Video Conference
Meeting ID: 931 0790 3410

Attendees Present:

Adrian Cruz (DOAG), Deputy Director
Theresa Arriola (GBHWC)
Ursula Herrera (*Appointee*), Secretary
Nico Fujikawa (GVB)
William Parkinson (*Appointee*)

Apologies:

Vanessa Williams (*Appointee*), Chair
Dafne Shimizu (DRT), Vice-Chair
Cid Mostales (DPHSS)
Stephen Ignacio (GPD)

Quorum present? Yes

Director Fujikawa made a motion to nominate Director Cruz to act as interim Chairperson for the meeting. Director Arriola seconded the motion. Motion carried unanimously.

Secretary's Report

Secretary Herrera reported that the draft minutes from the May 17, 2021 meeting, CCB 28, was circulated to the Board on Thursday.

Director Parkinson made a motion to accept the minutes of the May 17, 2021 (CCB 28) meeting. Subject to corrections. Director Fujikawa seconded the motion. Motion carried unanimously.

Old Business

a. Annual Summit

Secretary Herrera stated that under the advisement of Vice-Chair Shimizu, the planning of the Annual Summit shall commence following submission of the proposed rules and regulations.

Director Fujikawa added that at the last meeting, the Board agreed to add this item to the agenda under Old Business to continue the conversation and to start planning.

b. Seed-to-Sale RFP

As a representative from DPHSS was not present at the meeting, Interim Chairperson Cruz provided an update noting that Cid Mostales from DHPSS was classified to work on the Seed-to-Sale, and according to their estimate, it should be done by the end of June. He shared that DRT and DOAG have jointly provided comments to DHPSS for the RFP:

1. Both agencies were concerned about security in place to ensure the system was safeguarded from hacking and other unauthorized accesses. DRT was concerned about business EINS being shared, and DOAG was concerned about private farmer proprietary information being shared.
2. Both agencies requested the capability to upload and use the system.

Interim Chairperson Cruz reported that until the RFP is issued, he was unaware as to whether both agencies' comments were taken into consideration. He also stated that the Medical Marijuana Board meeting was postponed until July, because DPHSS was working on the Seed-to-Sale RFP.

New Business

a. Letter from the Honorable Lourdes A. Leon Guerrero, Governor of Guam; dated May 28, 2021; Re: Cannabis Control Board's Proposed Rules and Regulations

Secretary Herrera made a motion to accept, receive and deliberate on the May 28, 2021 letter from the Governor of Guam regarding the Cannabis Control Board's proposed rules and regulations. Director Fujikawa seconded the motion. Motion carried unanimously.

For record purposes, Secretary Herrera recited the contents of the May 28, 2021 letter from the Governor of Guam and the letter from Fisher Huesman to the Board and other individual in attendance. The contents of both letters expressed concern that the proposed definition of "responsible official" precludes those with a conviction from participating in the industry. The letter from Fisher Huesman included suggestions to revise the definition, such as

specifying that a responsible official shall not have been convicted within the last five years in any state or jurisdiction of the United States, delineating between convictions, expunging certain conviction records pertaining to cannabis, and allowing individuals with expunged records to participate in the cannabis industry. The current rules are silent on expungement.

Interim Chairperson Cruz reiterated that the Board held public hearings and thanked members of the public for their input. He noted that as part of the consultation process, the Board took public comments into consideration and had deliberated at length based on the input received prior to finalizing the proposed rules and regulations. Interim Chairperson Cruz noted that the comments raised by Mr. Tom Fisher have been previously raised during the public hearings. It was noted that the Board had also previously debated the issue.

Director Parkinson agreed with Mr. Fisher's letter. He stated that at previous Board discussions, he suggested that those with felonies/convictions be permitted to participate in the industry. The Board voted against this at the time, and he acknowledged that his suggestion at the time was maybe too broad; however, his reasons for doing so were consistent with the reasons presented by Mr. Fisher. Director Parkinson supported Mr. Fisher's proposed revisions to the definition of "responsible official".

Interim Chairperson Cruz reiterated that the proposed rules and regulations do not permit those with convictions to act as a responsible official, which is a position similar to a general manager and is accountable to the government for compliance. However, he noted that there is nothing in the proposed rules and regulations that prevent such an individual from owning or operating a cannabis business, or being employed in the cannabis industry.

Director Fujikawa agreed that the Board had discussed this issue at length and added that as the responsible official would be liaising and interacting with the government, the Board felt, at the time, it was important that there be extra layer of control and due diligence. However, the Board was fully supportive of convicted felons working in the industry and throughout the cannabis supply chain.

Director Arriola stated that Mr. Fisher has been a regular attendee at Board meetings; therefore, it can be assumed that he would have been aware of the

public hearings. She asked whether Mr. Fisher has provided input/testimony during the public hearing phase. The Board responded that they believe Mr. Fisher did but would have to review the matrix again to confirm. Director Arriola stated that if Mr. Fisher had not previously raised this issue in his testimony, she would support reviewing based on his comments and suggestions. She indicated that she would support allowing individuals with felonies related only to the sale, manufacture and distribution of marijuana to be responsible officials but not individuals with other marijuana-related felonies, such as murder, hit and run, or theft.

- Interim Chairperson Cruz agreed with Director Arriola's last statement to permit individuals with felonies related to the sale, manufacture and distribution of marijuana to be responsible officials but not individuals with other marijuana-related felonies.
- Director Parkinson disagreed stating that if the individual has paid their debt to society, then they should be treated equally.
- Director Arriola left the meeting at 1:58 p.m.
- Director Fujikawa supported Mr. Fisher's recommendation, noting that it was a good balance between ensuring the quality of the industry and the products and providing second chances to convicted individuals. Prior to making any changes, he recommended that the affected agencies, such as GPD and DRT, be consulted first.
- Secretary Herrera supports Mr. Fisher's recommendation with a caveat to the expungement of convictions to be limited to cannabis convictions only.

Interim Chairperson Cruz noted that the proposed rules and regulations represent work done over the last 1.5 years. There are businesses that have made investments in anticipation of the legalization of the industry but are still waiting for the government approval to proceed. For those reasons, he stated it was important to move forward.

Secretary Herrera reported that following her review of the matrix, there was no testimony submitted from Mr. Tom Fisher.

Director Parkinson made a motion to accept the Governor's recommendation to reconsider the definition of "responsible official" and to do so. Secretary Herrera seconded. Motion carried unanimously.

The Board contemplated the following scenarios:

1. Maintain status quo, that felons cannot be a responsible official.
2. Allow those with felonies to be a responsible official.
3. Remove the role of a responsible official as the owner would be ultimately responsible for any areas of noncompliance anyway.
4. Amend criteria for a responsible official to allow those with felonies only related to marijuana sale, manufacture, and distribution, and recognize expungement.

Director Parkinson made a motion to amend the definition of "responsible official" in the proposed rules and regulations to allow individuals with any felony to become a responsible official. There was no seconder for this motion. The motion failed.

Director Fujikawa made a motion to amend the definition of "responsible official" to allow convicted felons who have been convicted of cultivation, manufacturing, distribution, and sale of marijuana, exclusively, to be eligible to apply to become a responsible official. Director Herrera seconded the motion. Motion carried unanimously.

- Interim Chairperson Cruz clarified that this motion is to allow any individual with previous felonies related only to the cultivation, manufacturing, sale and distribution of marijuana to be eligible to become a responsible official and for these felonies to be excluded from the day the proposed rules and regulation are promulgated.
- Director Fujikawa added that any other violent marijuana-related crimes are not covered within this motion.

The rules will be amended to reflect the Board's decision and resubmitted to the Governor of Guam and the Attorney General for approval.

Secretary Herrera to make the appropriate amendments to the applicable section in the proposed rules and regulations as soon as possible. Interim Chairperson Cruz will determine whether he or Chairperson Williams shall sign the amendment. He committed to getting this completed and submitted as soon as possible. He apologized to the public for the delay.

Next CCB Board Meeting

It was determined that the next regular meeting will be held on July 19, 2021 at 1:00 p.m.

Open Forum/Public Comment

There were no announcements or issues raised by the Board and no comments raised from the public.

Adjournment

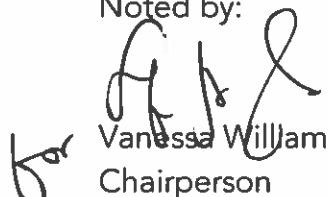
Secretary Herrera made a motion to adjourn the meeting. Director Parkinson seconded the motion. Motion carried unanimously.

The Cannabis Control Board meeting was adjourned at 2:19 p.m. on June 21, 2021.

Prepared by:


Ursula Herrera
Secretary

Noted by:


Vanessa Williams
Chairperson

CANNABIS CONTROL BOARD

Regular Meeting #29 | June 21, 2021 | 1:00 pm

Zoom Video Conference Meeting ID: 931 0790 3410

- I. Call to Order
- II. Roll Call of Members/Quorum
- III. Secretary's Report
 - a. Meeting Minutes – CCB #28, May 17, 2021
- IV. Old Business
 - a. Annual Summit
 - b. Seed-to-Sale RFP
- V. New Business
 - a. Letter from the Honorable Lourdes A. Leon Guerrero, Governor of Guam; dated May 28, 2021; Re: Cannabis Control Board's Proposed Rules and Regulations
- VI. Next CCB Board Meeting
- VII. Open Forum/Public Comment
- VIII. Adjournment