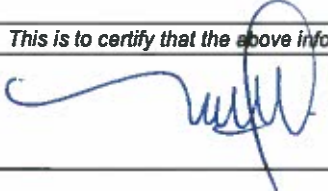


**Guam Department of Revenue and Taxation
Cannabis Control Board Regular Meeting
Meeting Date: February 03, 2021 | Time 1:00pm
Zoom Video Conference Meeting ID: 698 255 5129**

<u>Board Members</u>	<u>Position Title</u>	<u>Signature</u>
Atty. Vanessa Lee Williams	Board Chairperson - Member	Zoom
Dafne Mansapit-Shimizu	Vice Chairperson - Director, Department of Revenue & Taxation	Zoom
Ursula Herrera	Board Secretary - Member	Zoom
Adrian Cruz	Deputy Director, Department of Agriculture	Zoom
Dr. Suzanne S. Kaneshiro	Chief Public Health Officer, Department of Public Health & Social Services	Zoom
Zita Pangelinan		
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:

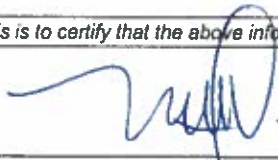


Board Secretary
2/3/2021

Guam Department of Revenue and Taxation
Cannabis Control Board Regular Meeting
Meeting Date: March 25, 2021 | Time 1:00pm
Zoom Video Conference Meeting ID: 698 255 5129

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

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



Board Secretary
3/25/2021

Cannabis Control Board
Meeting Minutes
February 3 and March 25, 2021

Opening

Chairperson Williams called the regular board meeting of the Cannabis Control Board to order at 1:05 p.m. on February 3, 2021.

Location: Zoom Video Conference
Meeting ID: 698 255 5129
Password: CCBGUAM

Attendees Present:

Vanessa Williams (*Appointee*), Chair
Dafne Shimizu (DRT), Vice-Chair
Adrian Cruz (DOAG)
Ursula Herrera (*Appointee*), Secretary
William Parkinson (*Appointee*)
Nico Fujikawa (GVB)
Frank Leon Guerrero (DRT)
Dr. Kaneshiro (DPHSS)
Theresa Arriola (GBHWC)

Apologies:

Chief Stephen Ignacio (GPD)

Quorum present? Yes

Secretary's Report

The minutes of the following meetings were unanimously approved as distributed:

- December 17, 2020 (CCB 23)
- December 21 and 30, 2020 (CCB 24)

Correction to include: Under Old Business, Article 5 - Retail Cannabis Stores, first bullet regarding §9501, the minutes of the January 6, 2021 (CCB 25) meeting were revised to clarify the Department refers to the Department of Public Health and Social Services, rather than the Department of Revenue and Tax.

The minutes of the January 6, 2021 (CCB 25) meeting were unanimously approved as amended.

Old Business

a. Response from Banking and Insurance Board

Chairperson Williams provided an update and overview of the Banking and Insurance Board's response to the CCB's inquiry about how licensed cannabis businesses would conduct their financial transactions and whether Guam banks can provide services to licensed cannabis businesses. She reported that the Banking and Insurance Board's response stated that the decision to accept financial transactions is at the discretion of each individual bank, and if the bank were to do so, the respective bank would do so

in accordance with federal and local laws and develop policies and processes in place to monitor.

Director Adrian Cruz joined in the midst of this topic.

b. Review of Public Hearing Testimony, Public Comment and E-mail Testimonies

ii. Article 5 – Retail Cannabis Stores

Vice-Chair Shimizu clarified that Article 5 was complete and that no further discussion was required.

Director Cruz asked for an update on the status of the seed-to-sale program and the meeting to be scheduled with the Medical Cannabis Board. Dr. Kaneshiro responded that she was still waiting for approval from Director Art San Agustin (DPHSS) and confirmed that a meeting with the Medical Cannabis Board would be scheduled once it has been published.

i. Article 2 – Licensing of Cannabis Establishments

Vice-Chair Shimizu provided an overview of the DRT's proposed revisions, noting that the items had been raised at previous meeting but have not yet been addressed. She confirmed that proposed revisions were made to be consistent with the Medical Cannabis Board.

- §9205 regarding revoking of the cannabis identification card or other responsible individual or designated transporter – Revised to specify violation of the law for medicinal or adult use of cannabis.
- Subsection 3 – Suggested removing this section as there is no definition of "moral turpitude" in the rules.
- Subsection 4 – Revised to indicate "knowingly" violated.

Director Parkinson raised concerns with the current language in §9205 (a.), Subsection 3 preventing individuals with a criminal history from entering the industry. Chairperson Williams and several Board members indicated that the current language does not prevent those individuals from entering the industry as it uses "may" language, and the terminology gives the Board discretion to review the licenses relative to the authority or privileges.

- *Director Parkinson made a motion to strike out all of Subsection 3 of section (a.) in §9205. Director Cruz seconded the motion. Three directors voted in favor, and four directors opposed. The motion was defeated.*

There was further discussion about the ambiguity around the term "moral turpitude" in subsection 3 as the term is currently not defined.

- *Director Arriola made a motion to remove the words "moral turpitude" from subsection 3 but later withdrew her motion.*
- *Chairperson Williams made a motion to leave subsection 3 as currently written and define "moral turpitude" in the definitions section. Director Cruz seconded the motion. Motion carried unanimously.*

Vice-Chair Shimizu provided an overview of the remaining amendments in Article 2.

- § 9206(c) – revised to specify “registry cannabis identification card”.
- Housekeeping amendments, such as correcting references, typographical errors, etc.

There was discussion about the current fees being a barrier to entry into the industry, tiers for licensing, and vertical integration for micro-licenses. The Board agreed more fulsome discussion was required on the application fees as the law sets the maximum at \$5,000. Fees in excess of \$5,000 is permitted if deemed necessary to carry out responsibilities.

Action Items:

- Dr. Kaneshiro to follow up with Director Art San Agustin (DPHSS) on the seed-to-sale program.
- Draft a definition for “moral turpitude” in the definition section of the rules for the Board’s review at a later date and include limits to positions of authority and specify crimes such as financial, theft, burglary, etc.

Recess of Meeting

Director Cruz made a motion to recess the meeting and reconvene at a later date at the call of Chairperson Williams. Director Arriola seconded the motion. Motion carried.

The Cannabis Control Board meeting recessed at 1:59 p.m. on February 3, 2021. The next meeting was scheduled for Wednesday, February 10, 2021 at 1:00 p.m.

Reconvening – March 25, 2021

The CCB regular meeting #26 reconvened on Wednesday, March 25, 2021 at 1:00 p.m.

Chairperson Williams called the regular board meeting of the Cannabis Control Board (the Board or CCB) to order at 1:09 p.m. on March 25, 2021.

Location: Zoom Video Conference

Meeting ID: 698 255 5129

Password: CCBGUAM

Attendees Present:

Vanessa Williams (Appointee), Chair
Dafne Shimizu (DRT), Vice-Chair
Adrian Cruz (DOAG)
Ursula Herrera (Appointee)
Nico Fujikawa (GVB)
William Parkinson (Appointee)
Theresa Arriola (GBHWC)
Chief Stephen Ignacio (GPD)
Dr. Kaneshiro (DPHSS)

Apologies:

Quorum present? Yes

Old Business

a. Review of Public Hearing Testimony, Public Comment and E-mail Testimonies (continued)

The CCB continued discussion on the application and licensing fees. Vice-Chair Shimizu provided a comparison of fees for medicinal versus recreational and suggested that the Board consider adjusting the application fee and capping it at \$5,000 in accordance with the law.

- *Director Cruz made a motion to adjust the Type 2 application fee from \$5,000 to \$3,500, the Type 3 application fee from \$10,000 to \$5,000, and the cannabis product manufacturing facility license from \$5,000 to \$3,000. Director Cruz withdrew his motion.*
- The Board discussed the licensing and renewal fees for manufacturing, testing facilities and retail cannabis stores.
 - *Director Cruz made a motion to adjust the Type 2 application fee to \$3,500, the Type 2 renewal fee to \$5,000 and be duplicated in all the other types. Vice-Chair Shimizu seconded. The motion carried unanimously.*

Vice-Chair Shimizu made a motion that Articles 2, 5, 8 of Chapter 9 be approved based on the discussions at Board meetings. Dr. Kaneshiro seconded the motion. The motion carried unanimously.

iii. Articles 4, 6, and 7

Dr. Kaneshiro reported that there were no changes or amendments from DPHSS and that it will mimic Medical Cannabis rules.

Director Cruz asked whether Article 6 – Labeling and Packaging applies to both farmers and manufacturers. Particularly, he requested clarification as to whether farmers would be able to sell raw products directly to retail shops without going through manufacturers for packaging. Dr. Kaneshiro indicated that farmers would be able to do that provided that the product remains raw and its original form has not changed.

Vice-Chair Shimizu stated that the DRT is comfortable with the Articles as drafted provided that DPHSS, as subject matter experts, are comfortable with them. Dr. Kaneshiro responded that DPHSS are comfortable with the Articles as drafted.

Dr. Kaneshiro made a motion to accept Articles 4, 6 and 7 as drafted. Vice-Chair Shimizu seconded. The motion carried unanimously.

iv. Section 1 – Definitions

Regarding the Definitions sections, the Board indicated it would be a living document that may be updated from time to time as the industry develops and

evolves. The Board indicated it was comfortable with the Definitions section as drafted.

Director Cruz made a motion to accept Section 1 – Definitions. Secretary Herrera seconded. The motion carried unanimously.

Chairperson Williams provided an overview of next steps, noting the approved Articles and the Economic Impact Report and Study will be compiled for the respective parties.

Chairperson Williams reiterated the Board's stance on vertical integration, which is currently not permitted in the rules and regulations. The Board acknowledged that vertical integration was an important issue raised by the public and committed to revisiting the issue again in a year once the industry is more active. Chairperson Williams stated the decision was made based on the research and trends of the rest of the country.

Vice-Chair Shimizu made a motion to transmit all approved Articles and sections to the Governor, AG's office, and the Department of Administration for review before being transmitted to Legislature as required by law. Director Herrera seconded. The motion carried unanimously.

Chairperson Williams asked DPHSS for an update on the seed-to-sale program. Dr. Kay reported that it is under review by the Office of Technology for system compatibility; however, they have not provided a timeline for completion of the review.

Action Item:

- Chairperson Williams to request a timeline from the Office of Technology regarding the seed-to-sale program.

Next CCB Board Meeting

The Board agreed to hold its next regular meeting on Monday, April 19, 2021 at 1:00 p.m.

Open Forum/Public Comment

There were no announcement or issues raised by the Board.

Comment from Mr. Melchor Manibusan

Mr. Manibusan requested for an update on vertical licenses and whether the issue can be brought back at the Board level for discussion. He shared that he would like to be able to oversee his own product from start to finish, from growing it to developing products. Mr. Manibusan also expressed his support for the retail cannabis industry in Guam.

Chairperson Williams responded that vertical integration is not currently permitted and reiterated the Board's commitment to revisiting it in the future after a year of active industry. She reiterated the Board's concerns, including the potential for small business to be severely impacted by the larger capacity of larger businesses and noted that the Board had considered both sides when making its decision.

Adjournment

Director Cruz made a motion to adjourn the meeting. Director Herrera seconded. Motion carried.

The Cannabis Control Board meeting was adjourned at 2:13 p.m. on March 25, 2021.

Prepared by:


Ursula Herrera
Secretary

Noted by:


Vanessa Williams
Chairperson

CANNABIS CONTROL BOARD

Regular Meeting #26 | February 03, 2021 | 1:00 pm

Zoom Video Conference Meeting ID: 698 255 5129

- I. Call to Order
- II. Roll Call of Members/Quorum
- III. Secretary's Report –
 - i. December 17, 2020, Meeting #23 Minutes
 - ii. December 21 & 30, 2020, Meeting #24 Minutes
 - iii. January 06, 2020, Meeting #25 Minutes
- IV. Old Business
 - a. Response from Banking and Insurance Board
 - b. Review of Public Hearing Testimony, Public Comment and E-mail Testimonies
 - i. Article 2 – Licensing of Cannabis Entitlements
 - ii. Article 5 - Retail Cannabis Stores
- V. Next CCB Board Meeting
- VI. Open Forum/Public Comment
- VII. Adjournment

