

Alabama Medical Cannabis Commission Meeting

Minutes

December 12, 2023

The Alabama Medical Cannabis Commission met on December 12, 2023, at the Alabama State House, room 200. The meeting was called to order by Chairman Rex Vaughn at 1:02 P.M.

Mr. James Harwell led the Commission's invocation. The roll was taken with a quorum present. Commission members present for the meeting were Mr. Rex Vaughn, Dr. William Saliski, Dr. Sam Blakemore, Mr. Dwight Gamble, Dr. Eric Jensen, Judge Charles Price, Ms. Taylor Hatchett, Mr. James Harwell, and Dr. Jimmie Harvey. Dr. Angela Martin, Ms. Loree Skelton, and Dr. Jerzy P. Szaflarski, were absent from the meeting. Mr. Dion Robinson was not present for the roll call at the opening of the meeting; however, he arrived during the consideration of pass/fail show cause responses and was present from that point forward.

Chairman Vaughn stated that meeting minutes from December 1, 2023, and December 5-8, 2023, were being prepared and would be considered at the next AMCC meeting.

Chairman Vaughn thanked Commission members and applicants for participating in presentations. He noted that applicants were not obligated to make presentations and that they would still be subject to an award of a license even if they did not participate in the presentations. Chairman Vaughn then recognized Mr. Justin Aday to discuss the procedures and process for the meeting.

Mr. Aday began by reviewing several aspects of the emergency rule (538-X-3-.20ER) adopted by the Commission at its October 12, 2023, meeting. He reminded members that their licensing decisions were to be made without regard to the previous third-party scores as detailed in the litigation settlement. He also noted that an applicant's failure to make a presentation does not preclude the applicant from being considered for licensure. He explained that applicants were provided an opportunity to show cause in response to potential pass/fail notations identified by the Commission. He further explained that eleven integrated facility applicants were sent a pass/fail show cause notice and that two of those applicants failed to submit a response. He referenced the summary of pass/fail show cause responses included in the Commissioners' packet.

Mr. Aday also discussed the procedures provided in the emergency rule for ranking and voting on applicants who are subject to an award of license. He explained that once pass/fail matters are disposed of Commissioners would be provided an integrated facility ranking sheet. He further explained that Commissioners will rank all applicants in descending order by assigning a unique numerical ranking for each applicant. He reminded Commissioners that all rankings shall give due consideration to all statutory and regulatory criteria. In addition, he noted that Alabama Code §20-2A-51(b) requires that at least one-fifth of integrated facility licenses are to be awarded to minority applicants.

Mr. Aday explained that completed ranking sheets would be collected, compiled, and sorted in descending order. The Commission would then consider the applicants in order based on their average rank value until all applicants have been considered or until the statutory license limit has been reached. He noted that, pursuant to Rule 538-X-3-.20ER, in the event of a tie between two or more applicants a drawing would be held to determine the order in which the applicants would be considered. In conclusion, he reminded members that the compiled rankings, identifying each applicant and commissioner, would be made available for public inspection after the meeting and posted on the AMCC website.

Chairman Vaughn then moved to discuss the two applicants who failed to respond to their pass/fail show cause notices. Those applicants were ML Jemison Properties, LLC and ETS Holdings, LLC. A motion to eliminate the two applicants who did not respond to the pass/fail show cause notice was made by Dr. Jensen, seconded by Mr. Harwell and received unanimous approval from the Commission.

Chairman Vaughn moved to consider the nine applicants who submitted a response to their pass/fail show cause notice. He reminded members that the applicants' responses were included in the Commissioners' materials. He opened the floor to consider eliminating any one or more of the nine applicants. Mr. Dwight Gamble made a motion to eliminate Alabama Medical Grow, LLC, from consideration for failure to provide proof of the \$2 million integrated facility performance bond in its show cause response. A second was made by Mr. Harwell and the motion received unanimous approval by the Commission. With no further discussion or motions made, the Commission continued with its subsequent decision item.

Integrated facility ranking sheets were distributed, completed, collected, and compiled. Each Commissioner was provided a list of integrated facility applicants in order of average ranking. Chairman Vaughn announced each applicant and their average rank value in descending order. The Commission proceeded to consider the award and denial of integrated facility licenses.

Chairman Vaughn and Mr. Aday reminded members that at least one-fifth of integrated facility licenses are to be awarded to minority applicants. Commissioners inquired whether it was in order to consider a minority applicant first. Ms. Hatchett made a motion to consider awarding Southeast Cannabis Company, LLC, an integrated facility license. Chairman Vaughn requested a point of order and asked Mr. Mark Wilkerson if it was appropriate to consider applicants out of rank order. Mr. Wilkerson referenced the Commission's emergency rules and concluded that it would be in order for the Commission to consider a motion to nominate any applicant out of rank order. Ms. Hatchett withdrew her motion to award Southeast Cannabis Company, LLC, an integrated facility license. Mr. Gamble then made a motion that the Commission proceed with first considering a minority applicant out of rank order. The motion was seconded by Ms. Hatchett and received unanimous approval by the Commission.

Chairman Vaughn then opened the floor for nominations of minority applicants. A motion to award Southeast Cannabis Company, LLC, an integrated facility license was made by Ms. Hatchett and seconded by Mr. Gamble. The motion failed with Dr. Blakemore, Dr. Saliski, Dr. Jensen, Judge Price, and Dr. Harvey voting against the motion.

Dr. Saliski made a motion to award Trulieve AL, Inc. an integrated facility license. A second was made by Judge Price and the applicant received approval by the Commission. Chairman Vaughn, Ms. Hatchett, and Dr. Harvey voted against the motion.

Chairman Vaughn then stated that the Commission would begin considering applicants based on rank order. Dr. Blakemore made a motion to award Sustainable Alabama, LLC, an integrated facility license. A second was made by Ms. Hatchett and the applicant received approval by the Commission. Chairman Vaughn voted against the motion.

Dr. Jensen made a motion to award Wagon Trail Med-Serv, LLC, an integrated facility license. A second was made by Mr. Harwell and the applicant received unanimous approval by the Commission.

Ms. Hatchett made a motion to award Flowerwood Medical Cannabis, LLC, and integrated facility license. A second was made by Dr. Jensen and the applicant received unanimous approval by the Commission.

Chairman Vaughn presented Jemmstone Alabama, LLC. Judge Price made a motion to consider Alabama Always, LLC. Chairman Vaughn requested a point of order regarding whether Judge Price's motion was in order. Mr. Aday advised that it would be in order for a motion to consider any applicant out of rank order and, if such motion prevails, to then consider a motion for a particular applicant. Judge Price then made a motion to consider applicants out of rank order. The motion failed for lack of a second. Chairman Vaughn then presented Jemmstone Alabama, LLC. There was no motion regarding Jemmstone Alabama, LLC.

Chairman Vaughn presented Specialty Medical Products of Alabama, LLC. Dr. Blakemore made a motion to award Specialty Medical Products of Alabama, LLC, an integrated facility license. A second was made by Mr. Harwell and the applicant received approval by the Commission. Judge Price voted against the motion.

Following the vote, Chairman Vaughn noted that the Commission had awarded the statutory limit of integrated facility licenses. Chairman Vaughn asked for a motion to deny all other integrated facility applicants who were not awarded a license. A motion to deny such applicants was made by Ms. Hatchett, seconded by Mr. Harwell, and received unanimous approval by the Commission.

Chairman Vaughn recognized Mr. Aday to discuss the fee required for requesting an investigative hearing. Mr. Aday noted that the revised investigative hearing procedures adopted by the Commission removed the fee requirement. He stated that due to the deadline for requesting an investigative hearing running before the effective date of the revised procedures it would be appropriate for the Commission to consider waiving the fee requirement. Dr. Jensen made a motion to waive the fee requirement for requests for investigative hearing. A second was made Ms. Hatchett and the motion received unanimous approval by the Commission.

Chairman Vaughn noted that applicants who had been awarded a license would be invoiced for the required license fee and that the AMCC staff would be coordinating pre-issuance site

inspections. He also noted that those applicants who had been denied a license have until December 26, 2023, to request an investigative hearing.

Chairman Vaughn recognized Mr. Scott Absher to discuss the upcoming pre-issuance site inspections. Mr. Absher noted that during the scheduled inspections that the Commission would be reviewing sites, plans and other pertinent materials.

There being no further business, a motion to adjourn was made by Mr. Harwell, seconded by Dr. Blakemore, and unanimously approved by the Commission. The meeting adjourned at 2:41 P.M.

Approved on: _____

Secretary: _____