Dear CAURD Licensees,

The purpose of this communication is to provide an update from the Office of Cannabis Management (the Office) on the matter of Carmine Fiore, et al. v. The New York State Cannabis Control Board, et al. (Index No. <u>907282-23</u>) in Albany Supreme Court. Last Friday, the Court issued a preliminary injunction for certain aspects of the CAURD program. While the decision is disappointing, the Office will be working to ensure provisionally licensed CAURD are able to move forward with the licensing process.

The Court's decision did acknowledge the significant efforts, expenditures, and other costs have already been made by provisional licensees to get their dispensaries open, and created pathways for provisional licensees who meet certain criteria to move forward and be exempted from the injunction.

The first pathway is for licensees who have completed all licensing requirements. In accordance with this, the Office will be submitting a list of provisional licensees who have met all requirements for licensing, including but not limited to, site plan approval from the Cannabis Control Board (the Board), and where applicable, from local municipalities (before August 7th, 2023), for consideration by the Court to move forward in the process. The Office will be contacting these licensees soon with additional information.

The second pathway for provisional licensees to be exempted from the injunction is on a case-by-case basis to be determined by the Court. To assist the Office in requesting an exception for a provisional licensee, the Office is developing an online form to collect expenses and other costs incurred by provisional licensees who are working to get their dispensaries open. To prepare to fill out this form, provisional CAURD licensees should begin collecting information related to any costs incurred, including but not limited to, costs for real estate, consultants, legal assistance, accounting, recruitment and other staff-related commitments, staffing salaries and any related benefits, dispensary construction, renovation or buildout, equipment purchases, technology purchases, marketing and advertisement, and any other documentable costs related to obtaining and the operationalization of their provisional license. The form will allow provisional licensees to upload attachments and provide a narrative description of the costs and the remaining steps outstanding to open your dispensary. Please be inclusive, expansive, and detailed on this form. All reported costs should be supported by receipts or other proof of payment or outstanding liability. Per the Court order, the costs that will be taken under consideration must have occurred before August 7th, 2023. The Office will then present this information to the Court for consideration to be excepted from the injunction. If excepted by the Court, the provisional licensee will be allowed to move forward in the process to opening their dispensary.

Please note that other than the exceptions granted by the court, the Office is unable to further process provisional licensee applications at this time.

The Office will continue to update all licensees as more information becomes available. Sincerely,

Office of Cannabis Management Website: <u>https://cannabis.ny.gov</u> E-mail: <u>AULicensing@ocm.ny.gov</u> Phone: <u>1-888-OCM-5151 (1-888-626-5151)</u>