MINUTES OF THE ALCOHOLIC BEVERAGE CONTROL BOARD

June 12, 2024

PLACE: ABC Board Room - 1515 W 7th Street, Little Rock, AR 72201

MEMBERS PRESENT: ALEX BLASS, CHAIRMAN; JAMIE ANDERSON; SUSAN PEACOCK; HANNAH RAY; STEVEN SMITH

MEMBERS ABSENT:

On the 12th day of June 2024, the ABC Board did convene at Little Rock for its regular monthly meeting. Chairman Blass and all Board members attended in person.

The meeting started at 9:00 a.m., with Chairman Blass calling the meeting to order.

Chairman Blass introduced the Director’s Decisions, Violation Resume, Warning Letters, and requests for extensions of Inactive Status Letters, and the Board members confirmed they reviewed each item. Board member Hannah Ray made a motion to approve, Board member Susan Peacock seconded the motion, and the motion passed with a 5-0 vote.

Next on the agenda was a PowerPoint presented by ABC Director Christy Bjornson before the Board, detailing administrative updates by the ABC Division.

ABC Director Bjornson and the Board members then discussed setting the date for upcoming ABC Board Meeting. ABC Director Bjornson asked the Board members if they would be opposed to setting dates at least two months in advance. The Board members agreed, and the following dates were chosen:

- July 17, 2024
- August 21, 2024
The next agenda item was the hearing for Dragan Vicentic, Green Springs Medical, LLC, 309 Seneca Street, Hot Springs MMC Dispensary; Appeal Director’s Order of May 2, 2024; Revocation.; Said violations were:

- Facility could not locate sixty eight grams (68 g) and thirty-four (34) prepacked medical cannabis items that were in the inventory tracking system and possessed thirty-three grams (33 g) of cannabis over what was in the inventory tracking (3 counts)

- Facility failed to conduct a comprehensive biannual inventory of all usable marijuana within the facility; Facility failed to enter correct UIN’s on cannabis sales to patients.

- Facility’s processing was unsanitary with litter and dirty utensils.

- Facility could not locate seven hundred and eight grams (708 g) and three hundred and five (305) prepacked medical cannabis items that were in the inventory tracking system and possessed nine grams (9 g) of cannabis over what was int the inventory tracking (3 counts)

- Facility failed to label medical cannabis to patients in compliance with the Department of Health Rules.

- Facility’s operator failed to cooperate with ABC Enforcement.

- Facility sold over eighteen hundred (1800) separate items across one hundred and fifty-one (151) separate UIN’s of products that had expired test results.

Chairman Alex Blass first introduced the agenda item and asked if the parties had any motions they would like to be heard prior to moving forward. Mr. Q. Byrum Hurst, attorney representing Green Springs Medical made a motion for continuance. Chairman Blass then asked the Board members to make a motion, where Board member Anderson made a motion to proceed with the hearing, Board member Smith seconded, and the motion was passed with a 5-0 vote.

Chairman Blass then swore in all witnesses prepared to offer testimony, and the Board recognized all who were sworn in. Chairman Blass then asked for opening statements. ABC Director Bjornson provided opening statements on behalf of ABC, detailing reasons why the
Board members should consider revocation. Following this, Mr. Justin Hurst, attorney representing Green Springs provided opening statements on behalf of Green Springs, detailing reasons the Board should consider other sanctions outside of revocation.

Moving forward, ABC staff attorney Chip Leibovich introduced the ABC evidence packet to the Board to be submitted as evidence. Mr. Justin Hurst also introduced the Green Springs evidence packet to the Board to be submitted as evidence. Chair Chairman Blass accepted both.

ABC staff attorney Chip Leibovich then called ABC's first witness, ABC Enforcement Agent and Senior Auditor, Haley Allen to testify. She provided statements and responded to questioning from ABC staff attorney Chip Leibovich. Agent Allen explained her role in ABC inspections and detailed her contributions to the ABC evidence packet. Chairman Blass also questioned Agent Allen, where she responded providing him with specifics about questions of definitions, processes, data breakdowns. For the sake of timeliness, Chairman Blass requested that rather than having Agent Allen go through each line item of her report in her testimony, the Board consider the report in its entirety.

Following this, ABC staff attorney Chip Leibovich moved to questioning Agent Allen about the sanitary concerns found at Green Springs Medical, where she responded and explained her findings. Board member Smith asked if such findings were typical in other facilities, where Agent Allen explained they are not and continued with her testimony. Chairman Blass and Board members Anderson and Smith questioned Agent Allen about UIN discrepancies and expired products, where she responded with further clarification. ABC staff attorney Chip Leibovich continued his line of questioning about the expired products, and Chairman Blass asked for clarification about how such items were tested, where ABC staff attorney Chip Leibovich notified the Board that ABC is not directly involved in product testing, and Agent Allen

Continued. Mr. Q. Byrum Hurst objected ABC staff attorney Chip Leibovich providing input in Agent Allen's testimony, Chairman Blass allowed, and ABC staff attorney Chip Leibovich, Chairman Blass, and Board members Smith and Peacock moved forward with questioning, where Agent Allen responded.
The witness was then passed, and Mr. Justin Hurst questioned Agent Allen about how biannual inspections are carried about by ABC Enforcement and inventory tracking processes where she responded. Chairman Blass objected Mr. Justin Hurst’s questions regarding Mr. Vicentic’s intentions when updating the inventory tracking system as Agent Allen could not know what the intentions were. Mr. Justin Hurst moved on with questioning, where Agent Allen responded.

Following this, Mr. Justin Hurst then questioned Agent Allen about sanitary concern, where she responded. He also asked about the effects of expired products on patients, where ABC Director Bjornson objected because Agent Allen’s profession does not allow here to speak to the scientific effects. Chairman Blass and Board member Anderson asked for further clarification that the purpose of Agent Allen’s testimony was to bring attention to the expired products that were sold despite the rules prohibiting the action rather than what the health risks were by doing so. Mr. Justin Hurst then argued that it should be allowed as talks of risk were mentioned in opening statements by ABC, where ABC Director Bjornson notified the Board that Agent Allen could be cross examined within the scope of her investigative input and she did not make the statements regarding what the effect of expired products would be to patients. Board member Anderson and Chairman Blass then asked for clarification on MMC rules about expiration dates, where ABC Director Bjornson and ABC staff attorney Chip Leibovich responded. Mr. Justin Hurst moved on with questioning, where Agent Allen responded.

The witness was then passed, and before ABC Director Bjornson questioned Agent Allen, Board member Anderson questioned Agent Allen about her duties to prevent harm, where she responded. Following this, ABC Director Bjornson questioned Agent Allen about biannual inspection processes used by ABC Enforcement, sanitary concerns, and expired product sales at Green Springs Medical versus what is seen at other dispensaries. To follow up, Mr. Justin Hurst questioned Agent Allen about sanitary concerns, cooperative measure by Green Springs Medical, and biannual inspection findings, where she responded. The witness was then dismissed.
Following this, ABC staff attorney Chip Leibovich called ABC Enforcement Agent and Auditor, Austin Hodges to testify. He provided statements and responded to questioning from ABC staff attorney Chip Leibovich. Agent Hodges explained his role in ABC inspections and detailed his contributions to the ABC evidence packet. ABC staff attorney Chip Leibovich questioned Agent Hodges about his findings during his inspection, sanitary concerns, inventory tracking, and waste disposal, where he responded. Chairman Blass also followed up with questions regarding inventory tracking, and waste disposal, where Agent Hodges responded. ABC staff attorney Chip Leibovich then continued questioning Agent Hodges and asked for clarification about the “deli style” service used by Green Springs Medical, where he responded. ABC Director Bjornson also questioned Agent Hodges about tracking with “deli style” services, where he responded.

ABC staff attorney Chip Leibovich then moved on to question Agent Hodges about social media posts he found showing expired products purchased from Green Springs Medical, where he responded. The witness was passed, and Mr. Justin Hurst questioned Agent Hodges about his findings during his investigations and cooperative measures by Green Springs Medical, where he responded. Mr. Justin Hurst questioned Agent Hodges about inventory issues, where ABC staff attorney Chip Leibovich notified the Board that Agent Hodges did not make comments about inventory. Mr. Justin Hurst then corrected his questions to ask about weight and safety issues, and social media findings where Agent Hodges responded. The witness was passed.

ABC Director Bjornson then had follow-up questions, where she questioned Agent Hodges about biannual inspection processes and sanitary concerns. Mr. Justin Hurst objected the relevance of ABC Director Bjornson’s line of questioning of whether Agent Hodges would shop at Green Springs since knowing of the sanitary concerns. ABC Director Bjornson moved on, and Agent Hodges responded to her questions.

Board member Smith then asked for clarification about how many inspections can be conducted by ABC Enforcement within a year, where ABC staff attorney Chip Leibovich responded. The witness was dismissed after this, and Chairman Blass announced a recess at 11:03 a.m.
Chairman Blass called the hearing back to order at 11:11 a.m. ABC staff attorney Chip Leibovich called ABC Enforcement Agent and Investigator, Ka’Noesha Wilson to testify. She provided statements and responded to questioning from ABC staff attorney Chip Leibovich. Agent Wilson explained her role in ABC inspections and detailed her contributions to the ABC evidence packet. The witness was then passed, and Mr. Justin Hurst questioned Agent Wilson, where she responded. Following this, the witness was passed again, and ABC Director Bjornson questioned Agent Wilson, where she responded. The witness was then dismissed.

ABC staff attorney Chip Leibovich notified the Board that Agent ABC Enforcement Agent and Investigator, Reginald Ridgell was also present, but his testimony would be duplicative of Agent Wilson’s, so ABC would move to their next witness.

ABC staff attorney Chip Leibovich called ABC Enforcement Agent and Investigator, Blake Miller to testify. He provided statements and responded to questioning from ABC staff attorney Chip Leibovich. Agent Miller explained his role in ABC inspections as an undercover agent and detailed his contributions to the ABC evidence packet. ABC staff attorney Chip Leibovich questioned Agent Miller about purchasing expired products and products with incorrect labeling, where he responded. The witness was then passed, and Mr. Justin Hurst questioned Agent Miller, where he responded. The witness was passed again, and ABC Director Bjornson questioned Agent Miller, where he responded.

Board member Peacock and Chairman Blass asked for clarification about ABC’s labeling requirements, where ABC staff attorney Chip Leibovich responded. The witness was then dismissed, concluding ABC’s presentation of their case.

Mr. Justin Hurst called Mr. Dragan Vicentic as Green Springs Medical’s first witness. Mr. Vicentic provided statements, detailed background information for Green Springs Medical, and responded to questioning from Mr. Justin Hurst. ABC staff attorney Chip Leibovich objected Mr. Vicentic’s comments about the hiring processes of other Medical Marijuana Dispensaries in Arkansas. Mr. Justin Hurst moved on with questioning Mr. Vicentic. He then provided statements about labeling concerns, biannual investigation findings, sanitary concerns, and expired product findings. ABC staff attorney Chip Leibovich asked the Board for Mr. Vicentic and
Mr. Justin Hurst to restructure their witness testimony approach to have Mr. Vicentic respond to questioning rather than only providing statements, where Chairman Blass agreed, and Mr. Justin Hurst moved forward with questioning. Board member Peacock asked for clarification about Green Springs process of marking down products that are nearing their expiration dates, where Mr. Vicentic responded. Mr. Justin Hurst then continued with his questioning. Mr. Vicentic provided the Board with examples of their labels, and the Board excepted them after review by ABC, and he then continued responding to questioning by Mr. Justin Hurst.

Chairman Blass then asked for clarification about selling products with a harvest dates, and ABC staff attorney Chip Leibovich clarified that the violation was not for a lack of a harvest date, but rather a lack of having a testing date. Chairman Blass continued questioning Mr. Vicentic, where he responded, and ABC staff attorney Chip Leibovich objected that Mr. Vicentic was not qualified to testify about lab processes. Chairman Blass and Board member Peacock continued to ask for clarification, where ABC staff attorney Chip Leibovich and ABC Director Bjornson responded. Mr. Justin Hurst then moved on with questioning Mr. Vicentic, where he responded.

Chairman Blass asked if he may bring up previous hearings, and ABC Director Bjornson notified him that it would be best to stick to the facts of the case and allow ABC to cross examine the witness as it may answer some questions Chairman Blass might have had. Mr. Justin Hurst then moved forward and questioned Mr. Vicentic about labeling, social media posts, the pharmacist hired by Green Springs, and the Settlement Offer sent to him by ABC, where he responded. The witness was passed.

ABC staff attorney Chip Leibovich questioned Mr. Vicentic, about inventory discrepancies, where he responded. Mr. Vicentic stated he would like to interject, ABC Director Bjornson objected, and ABC staff attorney Chip Leibovich restated his question and reminded Mr. Vicentic of his answer. ABC staff attorney Chip Leibovich continued to question Mr. Vicentic about labeling and sanitary concerns, where he responded. Chairman Anderson asked for clarification about the sanitary concerns and sanitation processes used by Green Springs Medical, where ABC staff attorney Chip Leibovich responded. ABC staff attorney Chip Leibovich then continued to question Mr. Vicentic about expired product sales and labeling discrepancies, where he
responded. Mr. Justin Hurst objected ABC staff attorney Chip Leibovich testifying for Mr. Vicentic. ABC staff attorney Chip Leibovich continued questioning, and Mr. Vicentic responded. Chairman Blass then asked for clarification about the expired sales and how Mr. Vicentic was notified of which products to not sell, where he and ABC staff attorney Chip Leibovich responded. ABC Director Bjornson notified the Board that despite given the opportunity to disprove evidence by ABC, Mr. Vicentic could not show anything, and she asked that the Board allow ABC staff attorney Chip Leibovich to move forward with his questioning, and the Chairman Blass allowed.

ABC staff attorney Chip Leibovich then continued to question Mr. Vicentic about his previous ABC Board hearings, where he responded. Board member Anderson asked for clarification to be given to the new Board members about previous ABC Board hearings that dealt with medical marijuana issues, and ABC staff attorney Chip Leibovich provided examples. ABC staff attorney Chip Leibovich asked Mr. Vicentic if Green Springs Medical was participating in the sales compliance program offered by ABC, where he stated that they were not. The witness was passed.

Mr. Justin Hurst had follow-up questions about labeling, where Mr. Vicentic responded. Board members Anderson and Peacock, and Chairman Blass asked for clarification about the growing and labeling process, where Mr. Vicentic and ABC Director Bjornson responded. Mr. Justin Hurst then continued his questioning, where Mr. Vicentic responded. Chairman Blass asked questions about licensing renewals, where ABC staff attorney Chip Leibovich responded. The witness was dismissed.

Mr. Q. Byrum Hurst called Dr. Johnathan Wolfe as Green Springs Medical's second witness. Dr. Wolfe provided statements, detailed his background as being a consulting pharmacist for Green Springs Medical, and responded to questioning from Mr. Q. Byrum Hurst. Dr. Wolfe responded to questioning of sanitary concerns and referenced guidance's of sanitary conditions. ABC Director Bjornson objected his references since he was not qualified as an expert witness and would be referencing rules not applicable to ABC. Chairman Blass allowed him to proceed. Mr. Q. Byrum Hurst then questioned Dr. Wolfe about moisture loss issues found with inventory
concerns, and ABC staff attorney Chip Leibovich objected since the discussion of agricultural products was outside scope of pharmacy. Chairman Blass and Board member Smith agreed with the objection. Mr. Q. Byrum Hurst continued to move forward and questioned Dr. Wolfe about inventory concerns, and ABC Director Bjornson objected, stating inventory tracking fell outside the scope of what a pharmacist could testify to. Chairman Blass allowed Mr. Q. Byrum Hurst to continue his line of questioning about inventory concerns, expired product sales, and risks of safety, where Dr. Wolfe responded. ABC staff attorney Chip Leibovich objected as what is done in pharmacology and by the Department of Health with expired prescription drugs is not applicable to ABC rules. Mr. Q. Byrum Hurst clarified to the Board that Dr. Wolfe was suggesting that the timeline to use expired products should be adjusted, and Board member Smith and Chairman Blass notified him that it was an issue to take before the Department of Health and not ABC. Mr. Q. Byrum Hurst withdrew.

Mr. Q. Byrum Hurst then continued to question Dr. Wolfe about weight discrepancies, and ABC staff attorney Chip Leibovich objected to his comments because Dr. Wolfe was discussing volume versus weights, which was not an issue of question. The witness was passed, and ABC Director Bjornson questioned Dr. Wolfe about sanitary concerns, where he responded. ABC staff attorney Chip Leibovich then questioned Dr. Wolfe, where he responded. The witness was dismissed.

Since there were no additional witnesses, Chairman Blass allowed closing statements to be provided. ABC Director Bjornson provided closing statements for ABC and asked the Board to consider revocation. Mr. Vicente and Mr. Justin Hurst then provided closing statements for Green Springs Medical and asked the Board to consider another sanction outside of revocation.

ABC staff attorney Chip Leibovich offered clarification to the Board about ABC processes of notifying licensee of the risk of fines, suspensions, and revocation. Chairman Blass, Board member Anderson, Mr. Justin Hurst, and Mr. Q. Byrum Hurst then asked for further clarification about the revocation process, where ABC Director Bjornson and ABC staff attorney Chip Leibovich responded. Board member Smith then made a motion to uphold violations 1, 2, 3, 4,
5, 7, 8, 9, and 10, with violation 6 dropped. Board member Peacock seconded the motion, and it was passed with a 5-0 vote.

ABC Director Bjornson read the Order of the manner and means for the transfer and disposition of usable marijuana, as defined by ABC MM Rule 3.47, notifying the Board that it could be given to Mr. Vicentic following the hearing. She then notified the Board that she had a copy of the Board Order that could have violation 6 redacted and would be ready to sign if the Board allowed. Chairman Blass agreed, and the Board Order was signed by him following the redaction of violation 6.

Seeing that there was nothing further for the hearing, ABC Director Bjornson notified the Board that there were no other agenda items, but a decision of where to hold the next ABC Board meeting was needed. Chairman Blass announced that since the July meeting would not be as heavily attended, the meeting will be held at the Regulatory Board Room located at 101 East Capitol, Suite 119, Little Rock, AR 72201.

The meeting was then adjourned at 1:53 p.m.

[Signatures]

Alex Blass, Chairman

Christy Bjornson, Director