

NY Court Blocks OCM Directives Threatening Cannabis Businesses

New York Court Grants Preliminary Injunction Blocking OCM Directives That Threatened More Than 150 Licensed Cannabis Businesses

Judge Savona's Order Protects Licensed Dispensaries From Forced Closures and Relocations Until February 2026

ALBANY, N.Y.— The Supreme Court of New York has issued a preliminary injunction halting enforcement of directives from the Office of Cannabis Management (OCM) that could have shuttered more than 150 licensed cannabis dispensaries across the state. The ruling provides temporary relief for operators while ongoing litigation unfolds and underscores the validity of the plaintiffs' case against the agency.

The injunction, signed by Judge Savona, AJSC, remains in effect through Feb. 15, 2026, covering license renewal applications expiring on or before that date as well as new applications submitted by current licensees, provisional licensees, or applicants. Importantly, the order requires OCM to revert to its previously established method of calculating distances between dispensaries and schools, as outlined in its March 11, 2024 "Guidance for Adult-Use Retail Dispensaries."

Plaintiffs Argue OCM Directives Created Chaos and Put Compliant Businesses at Risk

According to attorney Jorge Luis Vasquez Jr., who represents the petitioners, the injunction represents a safeguard for compliant, tax-paying businesses across New York that suddenly faced disruption due to OCM's reinterpretation of siting policies.

"The OCM's directives would have forced businesses that followed every rule to suddenly uproot or close their doors, jeopardizing investments, leases, and community trust," Vasquez said. "By requiring the OCM to honor its own prior guidance, the court has ensured stability while the broader issues are litigated. Licensed operators deserve regulatory clarity, and we will continue to pursue a resolution that protects equity licensees and delivers on the state's promise of a fair and sustainable cannabis market."

Majority of Impacted Dispensaries Are Justice-Involved Equity Licensees From CAURD Program

Nearly 90% of the affected businesses are owned by Conditional Adult-Use Retail Dispensary (CAURD) justice-involved individuals, many of whom are Black or Latino. These dispensaries invested heavily to comply with state rules only to face sudden uncertainty due to OCM's new stance on proximity requirements.

Industry leaders argue that forcing compliant operators into noncompliance not only threatens equity goals but also undermines community investments.

Industry Leaders Warn That OCM Directives Could Drive Consumers Back to the Illicit Market

Matthew Bernardo, president of Housing Works Inc., emphasized that OCM's reinterpretation put dispensaries in untenable positions that endangered their access to banking, investment, and lease agreements.

"Disrupting operations at this scale not only harms law-abiding businesses but also drives consumers back to the illicit market, where untested products put public health at risk," Bernardo said.

Petitioners in the case include Housing Works Cannabis Co., Conbud, The Cannabis Place, Rezidue, Summit Canna, Hush, High Fade, Elise Pelka LLC, Common Courtesy Dispensary LLC, Toastree LLC, Monarch NYC LLC, and Luxe Leaf Boutique LLC. These businesses collectively filed suit against the OCM on Aug. 15, 2025, challenging the directives.

Cannabis Business Leaders Call on Governor Hochul to Support an Equitable Solution

Industry advocates see the injunction as an opportunity for state leadership to intervene. Osbert Orduna, CEO of The Cannabis Place dispensary, urged Governor Kathy Hochul to step in with a legislative solution that saves jobs and protects the state's legal cannabis industry.

"This injunction presents a unique opportunity for Gov. Hochul to lead the legislative solution and resolve this matter in an equitable manner that will save thousands of legal cannabis industry jobs throughout the state, while ensuring access for tested and regulated cannabis products for consumers," Orduna said.

Preliminary Injunction Brings Temporary Stability but Broader Issues Remain Unresolved

While the injunction is a major win for New York's licensed dispensaries, the order is preliminary and will need to be reviewed again after six months. The ruling does not resolve the underlying case but provides operators with a crucial period of stability to continue operating while litigation proceeds.

The plaintiffs remain committed to pushing for long-term regulatory clarity, arguing that without a clear framework, licensed operators remain vulnerable to shifting interpretations by the OCM.

Court Ruling Represents a Pivotal Moment for New York's Legal Cannabis Market

The New York Supreme Court's injunction halting OCM directives offers immediate relief for more than 150 dispensaries caught in regulatory uncertainty. For equity licensees, who make up the majority of those impacted, the ruling is not only a reprieve but also a validation of their fight for fairness in the state's cannabis industry.

As the case progresses, stakeholders across the industry will be watching closely. The decision has highlighted the urgent need for transparent, consistent, and equitable cannabis regulations in New York to safeguard investments, preserve community trust, and ensure the long-term success of the legal market.

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