

**THOMAS A. TURNER, JR.**  
**JOHN T. CAVAN**  
*Counselors at Law*

11377 West Olympic Boulevard  
Los Angeles, California 90064

Telephone: 310-445-3270  
Telecopier: 310-445-3271

624 South Sixth Street  
Las Vegas, Nevada 89101

Telephone: 702-382-5034  
Telecopier: 702-384-9289

November 14, 2018

Hon. Herb Wesson  
President of the Los Angeles City Counsel  
c/o Andrew Westall  
District 10  
City Hall Office  
200 North Spring Street, Room 430  
Los Angeles, California 90012

Re: Proposed Amendment to Subsection (C) of Section  
45.19.7.2 of Article 5.1, Chapter IV of the LAMC

To the Honorable Herb Wesson and Members of the  
Los Angeles City Council:

On behalf of our clients in the commercial cannabis industry in Los Angeles ("City"), we write to urge you to vote against the above-referenced proposed amendment to the ordinance ("Amendment"). If passed, the proposed Amendment would retroactively ban existing medical marijuana dispensaries ("EMMD") who moved, or applied to move, its location after October 19, 2018, even though the Department of Cannabis Regulation ("DCR") accepted, and or processed, said change of location. By this Amendment, EMMD's, who have moved since October 19, 2018, would have to make arrangements to move back to their old locations or attempt to renegotiate old leases and realize huge financial losses for the acquisition, planning and construction associated with moving in reliance on the law.

If the Amendment is allowed to pass, it would cause significant adverse financial consequences to those EMMD's who have entered into contracts and leases, purchased new properties, paid for architectural services and paid for design and construction services. These adversely affected EMMD's only incurred these financial obligations because they were relying on the language

Letter: Honorable Herb Wesson and Los Angeles City Council  
Re: Proposed Amendment  
Dated: November 15, 2018  
Page 2

of the current regulation and the approval by the DCR, who consequently, was merely following the current regulations. Its hard to see how this would not open the city up to potential liability for all loses realized by those EMMD's who relied on the current regulations and acted accordingly, only to recognize a financial loss because of the retroactive provision of the Amendment.

The reasoning for the Amendment is "unauthorized cannabis activity in the City continues to proliferate which poses an immediate threat to the public welfare". We absolutely agree with this statement, however, we do not believe that those EMMD's which are lawfully operating should be penalized for following the current regulations in force at the time. By retroactively applying the Amendment, the City would be doing just that. We believe that penalizing those that are operating outside of the law and believe it is the only way that the industry will survive. Enforcement against those illegal operations is funded in large part by the contributions of those lawfully operating EMMDs. Stifling the progress of the lawfully operating businesses stifles the enforcement against those who are illegally operating.

We stand behind the City in its commitment to social equity and applaud the City's hard work and progress thus far in making sure that the social equity program is a success. We believe that if done correctly will be the standard by which other cities emulate for their own social equity programs. Further, we understand the need to preserve locations for such candidates. We do not understand the necessity to retroactively apply the Amendment to burden the EMMD's who have operated pursuant to the law and properly filed paperwork to move, or were granted the right to move, after October 19, 2018 and prior to the passage of the Amendment.

We respectfully request that the Amendment be voted down or amended to remove the retroactive ban on transfers of location.

Respectfully Submitted,



John T. Cavan