

Communication from Public

Name: Robert

Date Submitted: 06/24/2020 08:32 AM

Council File No: 20-0446-S1

Comments for Public Posting: Good afternoon Council, As an equity applicant I was one of the first 100 to submit my application, but I know the process wasn't fair. Everyone does. I stand for all that deserve a seat at this table. I was repositioned because unknowing to me, the system let me in a few seconds early. I had been hitting refresh the minute before 10am to ensure I wasn't late. There is no way DCR or Acela would know the key factors like internet traffic or internet speed to be able to reposition any of us properly. I was "repositioned" behind someone that is a couple blocks away on a Main Street (but within the distance requirement). So even though someone like me would get a license under the top 200, as discussed in the rules committee yesterday, I would be forced to move. This isn't right. The property that I have been paying a lease on this entire time will be disqualified by an applicant that is a few blocks away? Even though we may both get licenses I don't believe either of us should have to abandon our properties because DCR made a decision on its own to move our spot in line. I am in support of the City Council understanding that the process was flawed and doing the right thing today not just for me, but for all of those that followed DCR's instructions. We believed in the process and trusted DCR. 1. Please issue as many permits as you can, as we all believed what DCR told us and the timelines provided and have been holding on for dear life to our property. 2. Remove the distance requirements between retail stores for this first round. This is NOT a state requirement, only a City requirement. This would solve a huge problem. Many of us can not afford to come up with an additional deposit and break our lease. The social equity applicants are all ready up against many challenges like competing with large corporations with funding that own many of the cannabis stores and starting a business in the middle of failing retail all around us and a pandemic with many unknowns. We ask that you get back to the intent of this program and process the applications regardless of distance and let the market decide. Please remove the distance requirements between retail stores for this first 200 applicants and let us open our doors at our own risk of competition. Many other Cities do not have a required distance between retail stores, and operate well. As a victim of the war on drugs, I was proud to see my City step up. But what followed has been painful, and wrong. Please make this

right today and be on the right side of history. Make me proud today. Thank you, Robert

Communication from Public

Name: Dana Leigh Cisneros, Esq.

Date Submitted: 06/24/2020 09:37 AM

Council File No: 20-0446-S1

Comments for Public Posting: Dear Hon. Councilmembers: This firm represents the interests of two (2) social equity tier 1 qualified applicants who submitted applications to the Department of Cannabis Regulation on September 3, 2019 in complete compliance with both the spirit and the letter of all Los Angeles Municipal Codes related to the social equity retail licensing procedure (LAMC §104.06.1). Our clients, who submitted applications ranked in 54th and 214th positions. Neither our clients nor any member of this firm logged into the licensing portal early; we did not use artificial intelligence, robots, vectors or any other technology to gain an unfair advantage during the application process. We strongly support the Department of Cannabis Regulation's recommendations to proceed with immediately processing the first 100 applicants and to award temporary approval to all other applicants. Our client who ranked in the top 100 has already paid all fees and has continued to pay rent on its chosen location costing nearly \$100,000 in addition to the lost revenues caused by the delay in processing. It is important for the Committee and the Council to acknowledge that the delays in processing these first 100 Social Equity Applicants were caused by systemic, avoidable failures by the DCR in conjunction with certain other applicants who took unfair advantage of the social equity process. Any further delays in processing these first 100 social equity applicants unduly penalizes those who fairly participated in the process. To that end, we urge you to recommend that the first 100 applicants who did not violate the rules, be allowed to proceed with processing and inspections so they can commence operations. We are encouraged that the DCR and Rules Committee propose the issuance of temporary approval for all applicants. With more than 800 applications submitted during the first round and a proposal to reopen social equity eligibility based on expanded criteria, it is unclear how the DCR intends to accomplish this objective given the current 400 retail license cap. We are opposed to the lottery system proposed. Applicants who did not make in the first 100 applications processed have been holding property for nearly a year in anticipation of Round 2 opening. Under the current enactment, our client who ranked 214th is guaranteed to be processed in Round 2 and on that basis alone, as continued to rent the premises at a rate of \$20,000 per month. We understand that

struggles facing Los Angeles and the Department of Cannabis Regulation. However, we can no longer stand idly by in silence as you continue to disregard and recklessly injure qualified social equity applicants by changing the rules mid-process because the DCR failed to ensure a fair process and then mislead the public and the Council by grossly underestimating the actual number of applicants who were permitted access to the licensing system before the official start time. To be clear, the proposed amendment proposed by the DCR and Rules Committee changing the rules and procedures from first come, first served to a lottery is due solely to the DCR's questionable conduct. In no way does, "The proposed Application Lottery support [] a process that provides a fair and transparent opportunity for pre-verified applicants to apply for the remaining retail licenses in the City." There is absolutely nothing fair about allowing individuals who violated the rules to maintain eligibility in the process. There is nothing fair about an applicant holding its property for, what will be over a year by the time this lottery takes place. There is nothing fair about increasing the pool of applicants and creating a random process so that those who would have certainly been processed now are subject to a game of chance. To that end, we must strongly oppose the lottery process as it will create harsh and unfair results for those who have acted properly and followed all the rules established thus far. Instead, we support processing all social equity applicants who have already submitted an application. If those applicants no longer maintain the property they submitted with the application package, they should be permitted a reasonable time to locate replacement property. As to reopening the social equity eligibility process, we generally support this action, so long as it does not serve to harm those who timely complied with your rules and have been holding property. Thank you for your careful consideration of our comments. Sincerely, THE CANNABIS CORPORATE LAW FIRM Dana Leigh Cisneros, Esq. 714-676-2035 CannabisCorpLaw.com



Cannabis Corporate
— LAW FIRM —

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June 24, 2020

Los Angeles City Council
John Ferraro Council Chamber
Room 340, City Hall
200 North Spring Street, Los Angeles, CA 90012

RE: Council File Nos. 20-0446-S1, 17-0653, 20-0446, 20-0782, 20-0785

Dear Hon. Councilmembers:

This firm represents the interests of two (2) social equity tier 1 qualified applicants who submitted applications to the Department of Cannabis Regulation on September 3, 2019 in complete compliance with both the spirit and the letter of all Los Angeles Municipal Codes related to the social equity retail licensing procedure (LAMC §104.06.1). Our clients, who submitted applications ranked in 54th and 214th positions. Neither our clients nor any member of this firm logged into the licensing portal early; we did not use artificial intelligence, robots, vectors or any other technology to gain an unfair advantage during the application process.

We strongly support the Department of Cannabis Regulation's recommendations to proceed with immediately processing the first 100 applicants and to award temporary approval to all other applicants.

Our client who ranked in the top 100 has already paid all fees and has continued to pay rent on its chosen location costing nearly \$100,000 in addition to the lost revenues caused by the delay in processing.

It is important for the Committee and the Council to acknowledge that the delays in processing these first 100 Social Equity Applicants were caused by systemic, avoidable failures by the DCR in conjunction with certain other applicants who took unfair advantage of the social equity process. Any further delays in processing these first 100 social equity applicants unduly penalizes those who fairly participated in the process. To that end, we urge you to recommend that the first 100 applicants who did not violate the rules, be allowed to proceed with processing and inspections so they can commence operations.

We are encouraged that the DCR and Rules Committee propose the issuance of temporary approval for all applicants. With more than 800 applications submitted during the first round and a proposal to reopen social equity eligibility based on expanded criteria, it is unclear how the DCR intends to accomplish this objective given the current 400 retail license cap.

We are opposed to the lottery system proposed. Applicants who did not make in the first 100 applications processed have been holding property for nearly a year in anticipation of Round 2 opening. Under the current enactment, our client who ranked 214th is guaranteed to be processed in Round 2 and on that basis alone, as continued to rent the premises at a rate of \$20,000 per month.

We understand that struggles facing Los Angeles and the Department of Cannabis Regulation. However, we can no longer stand idly by in silence as you continue to disregard and recklessly injure qualified social equity applicants by changing the rules mid-process because the DCR failed to ensure a fair process and then mislead the public and the Council by grossly underestimating the actual number of applicants who were permitted access to the licensing system before the official start time.

To be clear, the proposed amendment proposed by the DCR and Rules Committee changing the rules and procedures from first come, first served to a lottery is due solely to the DCR's questionable conduct. In no way does, "The proposed Application Lottery support [] a process that provides a fair and transparent opportunity for pre-verified applicants to apply for the remaining retail licenses in the City." There is absolutely nothing fair about allowing individuals who violated the rules to maintain eligibility in the process. There is nothing fair about an applicant holding its property for, what will be over a year by the time this lottery takes place. There is nothing fair about increasing the pool of applicants *and* creating a random process so that those who would have certainly been processed now are subject to a game of chance.

To that end, we must strongly oppose the lottery process as it will create harsh and unfair results for those who have acted properly and followed all the rules established thus far.

Instead, we support processing all social equity applicants who have already submitted an application. If those applicants no longer maintain the property they submitted with the application package, they should be permitted a reasonable time to locate replacement property. As to reopening the social equity eligibility process, we generally support this action, so long as it does not serve to harm those who timely complied with your rules and have been holding property.

Thank you for your careful consideration of our comments.

Sincerely,
THE CANNABIS CORPORATE LAW FIRM

A handwritten signature in blue ink, appearing to read 'Dana Leigh Cisneros', is written over the firm name.

Dana Leigh Cisneros, Esq.

Communication from Public

Name: K H

Date Submitted: 06/24/2020 11:24 AM

Council File No: 20-0446-S1

Comments for Public Posting: Hello City Council, I would like to kindly request that the city lift the distance requirements of being too close to another dispensary. It is simply not fair for social equity applicants to have been asked to pay a lease for nearly a year and not be able to open their business. It is not fair to ask someone to pay this prohibitive fees to move locations or break a long term lease. In addition, the process for the applicants was flawed. It does not make sense that the applicant would have to abandon their property because DCR made a decision on its own to move this person's spot in line. Please remove the distance requirements between retail stores for this first 200 applicants and let these business owners open at their own risk. The City of LA has imposed distancing restrictions which have not been mandated by the State. risk of competition. This is the city's chance to get this right and honor the initial intention of the social equity program. Regards, KH

Communication from Public

Name: James Webber

Date Submitted: 06/24/2020 09:57 AM

Council File No: 20-0446-S1

Comments for Public Posting: I have a good friend who has been given the opportunity to become a social equity partner in a cannabis store, but because of some city-specific distance requirements/restrictions, they are in threat of having to move locations, which is not at all possible for them and partner, as they are locked into a lease. He said they did everything on time and by the book, following all the directions asked of them by city, but are still odd man out because of this restriction. My friend has had a difficult life and this is the big break they've has been waiting for, which is now threatened by an arbitrary rule put in place by the city. Many cities are operating without distance requirements and are very successful. Please lift the distance restriction for cannabis stores!