

Communication from Public

Name: Brandon Shubunka

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

Council File No: 20-0782

Comments for Public Posting: I am a social equity applicant and want to thank the DCR and Council for considering moving this process forward. However, I am concerned about the proposal to strictly limit the ability to expand the business footprint. For retail stores there are several reasons why it might be necessary to expand beyond more than 20% of your original size. First, since this proposal would be added after all applicants had already designated their business premises. Since it is common practice for retail cannabis stores to expand into neighboring spaces once they become available it is certainly the case that some applicants designated business premises that are simply too small to support a business over the long term. Second, it may become necessary to expand a business premises of a store for good public reasons that DCR would not want to arbitrarily block based on a nonflexible rule. This includes that it may be necessary to expand in order to comply with ADA requirements, acquire rights to sufficient additional parking, or in order to have space to offer educational services to the elderly. The point is, there are a lot of reasons it could be in the interests of the City to allow some cannabis retail stores to expand and a blanket rule prohibiting expansion does not allow for the flexibility to make good policy decisions on a case by case basis.

Communication from Public

Name: Ra'Shon Harper
Date Submitted: 06/24/2020 09:34 AM
Council File No: 20-0782

Comments for Public Posting: I want to thank the Department of Cannabis Regulations for setting out these proposals, which I do generally support and appreciate. However, one provision that seems to go against good public policy is the proposal to add Section 104.03(e)(4)(i) as follows: "Add Section 104.03(e)(4)(i) to limit the expansion of the Business Premises footprint to 500 square feet or 20 percent of the existing Business Premises floor area, whichever is less, and require compliance with Article 5, Chapter X of the Los Angeles Municipal Code." Bringing in money to improve neighborhoods is a key benefit of cannabis retail businesses. I am a qualified social equity applicant and the building we identified is a smaller, older one that the neighborhood would probably like to see replaced with something newer and safer. I know a few other fellow applicants who have similar buildings. If we are prohibited from expanding and improving the business premises our ability to invest back into the community will be limited arbitrarily. I understand DCR would need to approve any revisions to the business premises and support responsible community reinvestment under supervision. But a blanket prohibition on expanding beyond the original footprint would really impact the ability of operators to responsibly engage in community reinvestment.

Communication from Public

Name: Oliver Barroso
Date Submitted: 06/24/2020 09:35 AM
Council File No: 20-0782

Comments for Public Posting: I write today as a social equity applicant who was successful in being invoiced and moving forward in licensing. I note that am the kind of candidate the social equity program was designed to help, having been negatively impacted personally by a California cannabis arrest. While we have professional and financial sponsorship, without which it would not be practical to navigate this complex and expensive process, our funding is still limited. One of the most expensive items has been maintaining real estate that remains unused over many months. Given the continuing delays we could well lose our real estate for any number of reasons, including not only the mounting costs but also some landlords who are taking advantage of the situation. I am therefore fully in support of the DCR's proposal allowing for relocation. However, if we relocate there is no guaranty we will find a replacement property that is the same size. Therefore, while I am generally in support of the DCR's proposals to reorganize and revise the Cannabis Procedures Ordinance, I do not support the proposal limiting the expansion of the Business Premises to 500 square feet or 20 percent of the existing Business Premises floor area. If this applies to a relocation it will greatly reduce our relocation options and undermine our practical ability to relocate. Given the long process delays and mounting costs the Council should not hold out the option to relocate and then take it away.

Communication from Public

Name: Dana Leigh Cisneros, Esq.

Date Submitted: 06/24/2020 09:39 AM

Council File No: 20-0782

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 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 §104.0



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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 injury 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.

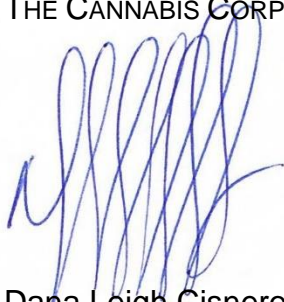
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To that end, we must strongly oppose the lottery process as it will create harsh and unfair results for those who have acted properly and followed all the rules established thus far.

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.