



Washington State Liquor and Cannabis Board Meeting

Wednesday, March 29, 2023, 10:00 am
This meeting was held in a hybrid environment

Meeting Minutes

1. CALL TO ORDER

Chair David Postman called the regular meeting of the Washington State Liquor and Cannabis Board to order at 10:00 am on Wednesday, March 29, 2023. Member Jim Vollendroff was also present.

2. CANNABIS RELATED RULEMAKING

ACTION ITEM 2A – Board Adoption of Emergency Rules (103E) Regarding the Social Equity Application Window

Daniel Jacobs, Policy and Rules Coordinator

Daniel Jacobs: Thank you, Chair Postman and Member Vollendroff. This morning, I would like to ask for your approval to file emergency rules concerning an extension of the current 30-day window to accept applications for the Social Equity in Cannabis Program (HANDOUT 2A). The current application window is scheduled to close tomorrow, March 30, 2023. For background, as part of the Social Equity in Cannabis Program application process, some applicants seek to form a new business entity by applying for certification as a limited liability company or a similar business structure through the Washington Secretary of State's office. Early last week, we learned that there had been an unforeseeable and unexpected delay at the Secretary of State's office, resulting in new business entity application processing creating a backlog of over 10 days. We believe that this delay is likely to impact the timely completion of all necessary requirements for some Social Equity Program applicants seeking to form a new business entity.

For this reason, we believe that an immediate temporary extension of the application window from 30 to 58 days is necessary to provide an equitable opportunity for potential applicants to complete the Social Equity application process. Now, why are we doing 58 days and not 60? So this is actually deliberate because it aligns with the operational practices of the State's Department of Revenue's Business Licensing Services or BLS. BLS accepts and processes Liquor and Cannabis Board Licensing applications. As an operational matter, BLS is required to close the application window on a Thursday, meaning that the application window will close on April 27, 2023 at 5 p.m., and the number of days between March 1st, which is when we opened the window, and April 27th is 58 days. Immediate adoption of this rule is necessary to preserve general welfare, including commerce and business as they relate to the Social Equity in Cannabis Program, its application process, and program applicants by ensuring a fair and equitable opportunity for Washingtonians to participate in the program, including those who are disproportionately impacted by the war on drugs.

Lastly, I want to emphasize that this emergency rule does not revise or otherwise change any other requirement of the existing Social Equity Program application process, including submission of required documents as described in Rule. It simply provides a one-time temporary extension of time in which to apply based on an unforeseeable processing delay, and if approved for filing today, I will file the CR 103E and the rule text with the Code Reviser consistent with RCW 34.05.350, concerning Emergency Rules. The rules will become effective immediately upon filing. Under the timeline, we plan to come back to the Board during its regularly-scheduled meeting on May 10th to request withdrawal of these rules if they are approved, since they will no longer be necessary at that time. Thank you, and I am happy to answer any questions.

Chair Postman: Thank you. Questions or comments, Member Vollendroff?

Member Vollendroff: I don't think so. I think I heard enough yesterday in Caucus to fill me in. I do -- you know, this is all about equitable access, and I believe that this is the right thing to do, and it is unfortunate that there were unforeseeable delays, but it sounds like other state agencies have been working with us, and we are on track, assuming that we make this small adjustment here. So I appreciate the update.

Chair Postman: Yeah. Yeah, I would agree with that. When this came to my attention. An extension was the last thing I wanted to do just because we are all anxious to keep moving, but it is the only way to give everybody the fair chance. This is not related to people filing late or not getting their work done or following our checklist. This was an internal problem to state agencies, and there was just no way for us to go and find those applicants without doing this and making sure that we capture everybody who rightfully has the right to apply for this program, so I support it as well. With that, then I will take a motion to approve adoption of emergency rules 103E regarding the Social Equity application window.

Member Vollendroff made a motion to adopt emergency rules regarding the Social Equity application window. Chair Postman seconded. The motion was approved unanimously.

**ACTION ITEM 2B – Rules Petition Review and Consideration Requesting Changes to WAC 314-55-020 and 314-55-080, Regarding Revocation of Medical Endorsements
Daniel Jacobs, Policy and Rules Coordinator**

Chair Postman: Next up is Rules Petition Review and consideration. This is the Rules Petition from John Kingsbury requesting changes to WAC 314-55-020 and 314-55-080 regarding Revocation of Medical Endorsements. Back to you, Mr. Jacobs.

Daniel Jacobs: Thank you, and good morning, again. I am here again to present the agency's response to a petition for rulemaking submitted by John Kingsbury regarding Medical Cannabis Endorsements for cannabis retailers (HANDOUT 2B). The agency received this petition January 31st, and the petitioner specifically has requested amending the rule to create a mechanism for the Board to remove a Medical Cannabis Endorsement from retailers that no longer meet the requirements. These requirements are found in Washington Administrative Code 314-55-080 and in RCW 69.53. 75. The petitioner has requested a revision to 314-55-080 rather than a legislative change. Endorsements are additions to licenses that change the circumstances under which regulated substances can be sold. While there are dozens of endorsements for various types of Liquor licenses, this is the only endorsement available to cannabis licensees.

WAC 314-55-080 requires Medical Cannabis Endorsement holders to, among other things, have a cannabis consultant on staff, maintain a representative assortment of medically-compliant cannabis products, and be able to issue recognition cards to qualifying patients and enter those patients into the relevant Department of Health database. I just mentioned the Department of Health, and the Washington State Department of Health regulates

the certification of the cannabis consultants as well as the issuance of the recognition cards and, lastly, what counts as medically-compliant product. The Liquor and Cannabis Board has a list on our website that is updated weekly that identifies the retailers with currently valid Medical Cannabis Endorsements, and as of a couple weeks ago the last I checked while finishing drafting my response, there were 235 retailers with valid endorsements.

Relevant to the petition, there is already a subsection of WAC 314-55-080 that states that failure to comply with the various requirements for maintaining the endorsement can result in suspension or revocation of the endorsement. Specifically, this is subsection (6), so it seems that the conceptual change that the petitioner is seeking is actually already in rule. For some additional history, since October, the petitioner has been in frequent contact with various staff and managers within both Enforcement and Education Division and the Licensing Division regarding his concerns on whether the listed retailers meet the relevant requirements. As a result, Licensing contacted 289 retailers with a series of questions related to the endorsement requirements, and as a result, 51 retailers voluntarily surrendered their endorsements since October. Some agency staff have noted that the consultant requirements specifically can be especially difficult to keep entirely up-to-date.

If a retailer has one consultant on staff, and that consultant quits on a Thursday. I am not sure how reasonable it is to expect the retailer to notify LCB on Friday that they no longer meet the requirements for the endorsement. Hiring people can take a couple of weeks, and there is nothing in rule that addresses this lag time. Similarly, if something happens and a retailer runs out of medically-compliant product or there is some sort of technical malfunction with the card machine, they immediately become ineligible for the endorsement, and as the rule currently stands, they no longer have a valid endorsement and shouldn't be on the list. However, these sort of realities of business operations are not reflected in the rule language, and this has been something that has been flagged by internal staff. Lastly, I want to note the importance of having up-to-date information where Medical Cannabis patients can go for medically-compliant product.

And to note that this is especially important because of the reliance of Medical Cannabis patients on compliant cannabis to address their ailments. As I mentioned yesterday, I have identified three options that the Board has for responding to this petition. Also discussed yesterday, these aren't the only three options out there. The first option, as I see it, would be to deny the petition and leave things there. This maintains the status quo. The logic behind this would be that the petitioner asked for there to be revocation authority added to the rule, and that is already in the rule. The risk of this is that the petitioner's complaints are likely to continue, and this will likely continue to take up Enforcement and Education's staff time.

Additionally, we will still have a list that in theory contains retailers that don't legitimately qualify for the Medical Cannabis Endorsement, and those retailers may benefit by having been publicly identified as having an endorsement that they shouldn't have. I am not able to identify an immediate benefit to this option, but that is the analysis of that first option. The second one would be to deny the petition for a similar reason that the specific rule change is already in effect but rather instead of leaving it there, provide a public-facing message or some sort of guidance document to cannabis retailers regarding requirements described in Rule for maintaining a cannabis endorsement. Such a message or guidance may provide additional contact information for relevant LCB staff and directions on how to cancel their Medical Cannabis Endorsement if they no longer qualify.

I will note that recently LCB through the Topics and Trends Blog post and through other messaging has done something similar but, nevertheless, this is still an option that is a little more nuanced than the denying the petition and essentially doing nothing. The risk here is as with the first option, the petitioner may continue to complain regarding the list of endorsement holders. Additionally, as with any public-facing message, there is a risk of misinterpretation or confusion on the part of readers. However, that is not a risk exclusive to this option, that is just a risk of any kind of public communication. The benefit would be that providing some additional guidance might be a faster way to address the concerns than would be the traditional rulemaking path. However, at the

same time, it might not fully address the petitioners' concerns or concerns that have subsequently been brought up by internal staff.

Additionally, a benefit may be that this messaging may prompt noncompliant retailers to come into compliance in order to maintain their Medical Cannabis Endorsement. Lastly, the Board can accept the petition, agree to initiate the rulemaking process regarding amending Washington Administrative Code 314-55-080 in order to address other concerns brought up now. It is not clear that we would be adding authority for revocation of Medical Cannabis Endorsements because that is already there; however, as I have previously identified, there are other issues within the rule language as it currently stands that could be addressed. There could be additional penalties. Just throwing it out there. Or we could add some time for when a Cannabis consultant leaves or if there is an issue with the machine, and/or address any sort of other issue regarding the Medical Cannabis Endorsement regulation.

The risk here would be that retailers that don't currently qualify for the endorsement may retain the endorsement during the rule development process. I will note that is not a risk exclusive to this option, and that is also a risk regarding any of the options. The benefit would be that it may be a stronger encouragement to noncompliant retailers to return to compliance and, additionally, a benefit would be that as with other rulemaking we would be allowing for collaborative stakeholder involvement and possible additional clarity to rule language in a public-facing and thorough way. As mentioned earlier, and as Dr. Hoffman mentioned yesterday, I am not going to be making a specific recommendation. But these were the options as I see it. Lastly, there is an additional option mentioned where we could address the petition, or we could address the concerns through rulemaking and expand the scope. However, that still is accepting the petition. Thank you for your time, and I am happy to answer any questions.

Chair Postman: Thank you for that. Appreciate that. Since we don't have a specific recommendation in front of us, we will have to talk about what it is we are going to propose. Given my thought real quick, which is I kind of like option three. I think I agree with the analysis that says we have the authority, but I am more interested in the fact that there are other pieces of this, as you pointed out on your briefing, Mr. Jacobs, where we are not really able to necessarily efficiently exercise that authority, given some of the shortcomings that are in the rules, like the example you gave if a consultant leaves the job the next day, they are theoretically not allowed to hold that endorsement. That doesn't make sense to me. But we also don't want them to wait six months or a year or never follow up, so it seems to me there is work that can be done. I have talked with Leadership and Licensing today. I think they believe that there is some productive work that could be done by accepting this petition and looking at what else can be done around this, even though again, I think we have the authority, but we need to be able to find a way to make it more efficient. Member Vollendroff, any thoughts? Questions?

Member Vollendroff: Yeah, yeah. Just a couple of thoughts. I am not one to open up processes unnecessarily; however, I think that this is an important issue that has been brought to our attention, and it seems like not only is there opportunity within rulemaking to address some of the concerns but maybe some internal processing, as well. I think by accepting the proposal, it gives us that opportunity, so I am supportive of accepting the proposal at this point.

Chair Postman: Great. Okay. Then, in fact, if you would, we can entertain a motion to accept the petition submitted by John Kingsbury requesting changes to WAC 314-55-020 and 314-55-080 regarding Revocation of Medical Endorsements.

Member Vollendroff made a motion to accept the proposal regarding Revocation of Medical Endorsements. Chair Postman seconded. The motion was approved unanimously.

ACTION ITEM 2C – Rules Petition Review and Consideration Requesting Amendments to Rule Allowing Mailing of Checks within Three Days of Product Delivery
Cassidy West, Policy and Rules Coordinator

Cassidy West: Thank you, Chair Postman, and good morning, Board Member Vollendroff. On February 6, 2023, the Board received a petition for adoption, amendment, or appeal of a State Administrative Rule from Micah Sherman (HANDOUT 2C). The petitioner requests that the agency amend WAC 314-55-115(1) to allow checks to be mailed and postmarked within three business days of delivery, including the date of delivery. Under the current rules, payment is required prior to or at the time of delivery. Currently, WAC 314-55-115 provides that only cash or other forms of payment that the Board recognizes as cash, including prepaid accounts, checks, credit, and debit cards, electronic funds transfers, and transactions using a money transmitter may be used as payment for cannabis and transactions between licensees, and payment must be made prior to or at the time of delivery.

With regards to checks, this presumably means that the check has been received by the seller prior to or at the time of delivery; however, this is not specifically addressed in the Rules. Under subsections (2), (3), and (5) of WAC 314-55-115, respectively the payments using credit and debit cards, electronic fund transfers, and money transmitters may be initiated up to one business day following the delivery. In addition, payment for electronic fund transfers and money transmitters, payment doesn't have to be completed until five days following the delivery. WAC subsection (6) of the rule further provides that if a transaction is reported as having nonsufficient funds, the purchaser must pay the full amount of the transaction to the seller by 3 p.m. on the first business day following delivery. Until the NSF transaction is paid, the cannabis licensee who received the transaction may not deliver any cannabis to the purchaser, and it is the responsibility of the purchaser to not receive any additional cannabis from another licensee.

By Rule, any transaction reported as having nonsufficient funds is considered to be an extension of credit. If a prepaid account is used in cash, and a cash deposit is over extended, it is considered to be an extension of credit as well, and if a licensee makes an attempt to delay payment on a money transmitter for any period of time, it is considered an unlawful attempt to purchase products on credit. To provide some context regarding this rule, LCB's initial rulemaking framework was designed to regulate cannabis like alcohol. WAC 314-55-115 and WAC 314-55-108 were directly informed by the alcohol rules; however, the alcohol statutes do not control any of the Cannabis business activity. Chapter 6950 RCW, the controlling statute for cannabis, does not speak to money advances as a violation of tier restrictions. This is going back into the basis of the rule in regard to an extension of credit. There are concerns regarding undue influence with regards to extension of credit.

Now going back -- Chapter 6950 RCW, which is the controlling statute for cannabis, does not speak to money advances as a violation of the tier restrictions, which goes back to the alcohol rules. Instead, with respect to cannabis, the Board exercises broad rulemaking authority, including how business transactions, such as payments, are addressed in the rules. It is unclear how the proposed rule revision might impact LCB divisions. Feedback varied from suggesting no impact to expressing a belief that the requested Rule Revision would require legislative rather than regulatory action. Today, I present the following policy options to the Board to consider and respond to petitioner's request. Deny the petition, and the risk associated with that may be the logistical issues cited by the petitioner related to mailing checks in advance of the delivery will not be mitigated.

Additionally, businesses will not have the flexibility to conduct business operations that are consistent with usual and common business practices. A benefit of option 1, denying a petition, is to maintain the status quo. Option 2 would be to accept the petition and agree to amend WAC 314-55-115(1) and allow checks for purchasing Cannabis being mailed and postmarked within three business days of delivery, including the date of delivery. What are the risks associated with that? It is possible that even if the Board approves the petition, and the agency enters into the rule inquiry, that no rule change may occur, or the rule change may not necessarily align with the

petitioner's request. This can occur for a variety of reasons, including but not limited to stakeholder feedback during Rule Workshops and feedback received on the CR 101 if filed.

One of the benefits to accepting this Rule Petition would be cannabis businesses will have the additional flexibility to conduct business in a manner that would be consistent with common and usual business practices which supports the agency's overarching social equity goal. Thank you. Does anyone have any questions?

Chair Postman: Thank you for that. One, if we accept a petition, then the next step would be adoption of a 101. Or do you -- is that right? So you still sort of go through the regular rulemaking after the acceptance. Right?

Cassidy West: Yes.

Chair Postman: Yes. So this is pre pre-proposal statement of inquiry. Right?

Cassidy West: Yes.

Chair Postman: To look at whether we want it. Okay. You know, I did reach out -- or the petitioner reached out to me with a little more information, which helped me a little, but I am still at a little bit of a loss around some of the concerns raised by this, which to me speaks to accepting it for that, at least pre-proposal inquiry. We talk about usual and common business practices and this aligning with that, which is good, but we always have that federal cloud hanging over all of this, and that is part of it, too, so it isn't a usual or common business yet. It is a little bit different, and so I think we have been sensitive to that but also trying to evolve as we get past or getting close to 10 years of operation. I think there is some logic to having alcohol and cannabis aligned as much as possible. There are a lot of questions I have, and it seems to me at least that accepting the petition allows us to have that conversation and then come back and decide whether or not we actually proceed with rulemaking. Thoughts, Member Vollendroff?

Member Vollendroff: Thank you for your comments, Chair Postman, first of all. Cassidy, I think you did a great job of presenting this, and I just want to make sure that if we do accept this -- you pointed out that this doesn't necessarily mean that the outcome is going to be as requested by the petitioner and that is one possibility, but there are also other potential outcomes of accepting this. I appreciate you bringing that up. Interesting, David, that you brought up the usual business practices because I was thinking the same thing. Well, that is true, but this isn't necessarily usual business. However, having said that, I think that there are certain stigmas associated with cannabis still that we need to continue to push back at and to the degree that it makes sense that we can align our processes for alcohol and cannabis. I think it makes sense, so from that perspective, I think it makes sense for us to accept this for discussion and move forward.

Chair Postman: Great. Good. Yeah, and I would align myself with what the both of you have said. It obviously doesn't mean we proceed, but it is worthy of that conversation. So with that, we will look for a motion to accept the petition from Micah Sherman requesting amendments to the Rule allowing mailing of checks within three days of product delivery.

Member Vollendroff made a motion to accept this request in rulemaking, allowing mailing of checks within three days of product delivery. Chair Postman seconded. The motion was approved unanimously.

3. ALCOHOL RELATED RULEMAKING

ACTION ITEM 3A – Board Approval of CR 101 for Private Club Membership Drives

Jeff Kildahl, Policy and Rules Coordinator

Jeff Kildahl: Good morning, Chair Postman, and Member Vollendroff. This morning I am presenting a CR 101 pre-proposal package to consider revising WAC 314-40-040(6) to permit private clubs licensed under RCW 66.24.450 or RCW 66.24.452 to add additional membership drives or host consecutive membership drives (HANDOUT 3A). This possible rulemaking would also consider amendment repeal, or the creation of a new Rule Section entitled 314 WAC needed to align potential revisions to WAC 314-40-040. For a brief background, the Board accepted a rulemaking petition on this issue on September 14, 2022, which asked the agency to consider updates to this WAC section that would allow private clubs to add one additional membership drive per calendar quarter, where club liquor may be given or sold as part of the membership drive activities. This will be for a total of eight events per year and to host a consecutive membership drive during one quarter per calendar year.

The petition stated the requested rule change would allow private club organizations "to be able to reach out to the community more and showcase the good works we do within our community, the State of Washington, and across the nation." So if approved today for filing with the Office of the Code Reviser, notice of the CR 101 would be published in The Washington State Register on April 19, 2023, and under this timeline, the informal comment period for the CR 101 would end on April 14, 2023, and we would tentatively expect to bring forward a CR 102 package with proposed rule language for your approval on May 24, 2023. Under this timeline, this would allow for the public hearing to be held on July 5, 2023 and for consideration of the CR 103 permanent rule package on July 19, 2023, which would give the rule and effective date of August 19, 2023. So this concludes my presentation of the CR 101 package, and I would be happy to answer any questions.

Chair Postman: I just have one for us. I was just trying to pull up your memo here, but you could answer it quick. What did we hear from public comment period? Anything of opposition, substance, concerns?

Jeff Kildahl: There has been no public comment period yet. We accepted the petition last year, and this is the first step to provide public notice of the possible rulemaking. We have not fielded any comments on this from the public other than just routine communication from the petitioner.

Member Vollendroff made a motion to approve the CR 101 for Private Club Membership Drives. Chair Postman seconded. The motion was approved unanimously.

4. GENERAL PUBLIC COMMENT

Chair Postman invited citizens to address the Board regarding any issues related to LCB business.

Christopher King: Terrific. I just want to say, for instance, a lot of things that you consider personal attacks are not really personal attacks. You just say that they are when they are really not, and they pertain directly to things that are at issue or brought into issue by some of your bootlickers there that raised it last time. You know, the whole thing that happened at Tabor 100. I didn't bring that up. Anyway, let me just move ahead. First order of business. I see now that under SB 5405, you guys now have subpoena powers. That is kind of scary because you are not a law enforcement agency. You never have been and probably never will be, but now you have got subpoena powers. So I am just putting this out there to let the bootlickers out there know that those subpoena powers that have apparently been used against minorities, are probably going to continue to be used against minorities and those who don't favor with you because that is the way that you operate things on a cronyism-type basis. It's empirical, and it's a fact.

Next, it is not just me saying it. Other people have said it, as well. The high-powered law firms have said that right here in this town, so don't point the finger at me. All right. Next. You have got House Bill 1132 looking how to deputize these people, agents who have never had any form of training or anything like that. Like I said a couple of weeks ago, you might as well deputize me because at least I actually work for a law enforcement agency, for Pete's sake, and these guys haven't. That was Agent John, and John's whole argument was to get [indistinct] training, and they ignored him and his [indistinct]. You know, they just basically ran him right out of town as if he didn't know what he was talking about, and yet still, we see the Legislation sitting here and try to remedy that which he raised before with me and others. All right. So, yeah, we know what we are talking about even though you just don't like it.

Next point. Oh boy, oh boy. Yeah, Rick Garza. You know, two tears in a bucket regarding his departure. He lied to Kevin Shelton when he said to Kevin Shelton, that Kevin was making him aware of this issue about compassion clubs and all that. I have the King County Sheriff police report from where they raided Vincere's, and it was in conjunction with LCB. So how is Rick Garza not going to know about the presence of these clubs who are doing exactly what they told the black clubs they could not do? All right? It's impossible. He's there. Ipso, facto, he knew, and so, therefore, he lied to Kevin Shelton when he said, "Thank you for bringing this to my attention, Mr. Shelton." It is just ridiculous. All right? And you know, those are the bootlickers again. You guys, people are saying that we are only critical of the Board and this, that, and the other. You are only as good as your last performance. Okay? I get chewed out at work kind of regular. Why is that? I have a demanding job, and I make mistakes, so I get chewed out, but then I bounce right back. We continue to do what we do. You know?

If I walk onto the tennis court and I get smoked, I am only as good as my last performance. To date, you guys have not performed, period. You have performed in a manner to obfuscate the truth and to subjugate blacks, and your whole shtick right now in this whole Social Equity Program is going to leave the black pioneers in the dust again. That is what we have been saying, and it's going to come down that way. All right? In favor of this rubric that Ollie's buddy, Jim Buchanan, and his manifest, and I have the emails between Kevin, Jim, and me. All right? So don't say I don't. I have them. But we argued with him over this very issue a year and a half ago, and he's trying to say, "Oh, well, no. This is going to be good for everybody." No, it's not. You --

Dustin Dickson: Christopher, you have 30 seconds.

Christopher King: Thank you. He doesn't do anything for the original black pioneers. Okay? If they get a license, they will be very lucky. I remember sitting here two years ago with the Legislative walk on the phone and another activist who will not be named right now, and they were saying, "Oh, these licenses should be issued in the next several months." Okay? We are still sitting here. We are still hoping and praying. I am just saying, you are only as good as your last results, and you have none today except for obfuscation. Have a nice day.

Mike Asai: Good morning, Board Members. I am Mike Asai, the founder of Emerald City Collective 2010, and Vice President of Black Excellence in Cannabis. We agree with LCB extending the application window to April 29th, but what we do not agree with is the continued lack of communication by the LCB with the community and the Department of Commerce. This is the reason the application window needs to be extended. Yes, there is a backlog with the Secretary of State processing new corporations for LLCs. But the lack of communication at the department -- the lack of communication with the Department of Commerce we believe to be the root of the issues. Mentors should have been given a month's opportunity prior to the Social Equity application window going live to help potential mentees learn more about the process in detail in a one-on-one format. Make Green Go was not enough. The community deserved more one-on-one in person help before the application window went live.

There has been much disinformation from the LCB, which has caused uproar from the community. We at Black Excellence in Cannabis have tried to be solution-based, working with LCB. Unfortunately, this seems to be the same playing book from the Heinz report. The LCB is saying one thing but then doing something different. After March 1st, the LCB updated the website to give proper clarity on the applying process. Applicants had the assumption documents will be uploaded when applying during the 30-day window. The update should have been there from the start. Today, I need more than four minutes, but I will write a more detailed formal letter of my concerns this week. We black cannabis pioneers are tired. The black and brown community is tired of the same tactics we have seen for the past 10 plus years now.

I am currently mourning the unexpected death of my brother. Had I not been unjustly cut seven years ago out of this industry, I would have had the finances to help my brother prolong his life, but I could not. This is my experience of trauma. Others like me have experienced some trauma, as well. The LCB should forward those submitted applications to Ponder Diversity Group while the window is extended to April 27th. Why cause Ponder delayed start processing and scoring applications. Maybe this can help them start now and work out any issues without having to process thousands of applications. I started Emerald City Collective after the passing of my father in July 2009 to help medical patients like my father. I am wearing my 1985 Laker championship hat, thinking about him as I remember watching our Lakers beat Boston, and him telling me stories about picking cotton as a 10-year-old in East Texas, and then coming to Seattle to teach himself how to read. He had to fight for inclusion within the City of Seattle. I find myself doing the same thing. The topic is different, but fighting for inclusion is the same.

We need clarity. We don't need disinformation. I am just tired. We are tired. We need the LCB to do the right thing.

Dustin Dickson: Mike, you have 30 seconds.

Mike Asai: Thank you. Lastly, I am very sick and tired. The LCB knows that there are white retailers who did not qualify, and they currently have multiple locations. They should not have a license. They should not be up and running, yet they have made millions while me and other black pioneers have sat and lost everything in generational wealth and income and have been traumatized.

Jim McCray: Okay. Thank you very much. This is Jim McCray. I'm not a licensee, just an interested party and potential consumer. Two or three points today. One is regarding your decision to extend the application window for the Social Equity License. This is the second time that the agency has put their thumbs intentionally, or otherwise, on the scale of equity in this process. The first was one when the boundary of what was a differentially-impacted area was changed by staff unilaterally, presumably with some input of applicants, and now to extend the application window. Now we have heard the excuse that came out this week. The reason of rationale, which is that there is some unspecified delay in the Secretary of State's Bureau of Licensing Services Department of Revenue that is more than 10 days. Well, I have got three specific questions. I would really love it if you could answer these. One is you have 46 slots available. How many as of today or as of yesterday or as of last time staff has left, how many completed applications has the agency received for these equity licenses? Is it more than 46? And if it is more than 46, you are disadvantaging everyone who has submitted their application in a timely manner relative to those who will get the extension. So that would be very nice to know that answer. That is something staff should have now.

Second was with regards to the Bureau of Licensing services, what is their normal turnaround time on doing an LLC or a business entity? And what is the delay now? A lot greater than 10 days. What is the delay that they are expecting now? Because you just almost doubled the length of the application window. You could make it 7 days

longer, 14, 21, 28, 35. Well, you have opted to make it 28. That is 93% increase in the length. You know? Fine. But please understand that by doing that you are effectively disincentivizing the people who do things early and punctually. Now, in listening to your Caucus yesterday, there was some, I believe they were going on about the issues with the Bureau of Licensing Services and timing and when they submit data and stuff like this, we brought back that coupled with Mr. Kingsbury's application today. It brought back memories of more than seven years ago, when the Patient Protection Act licenses came up for the lottery, whatever you called it.

There were two things, really, that people needed. They had to get one of the three, two of the three, or three of the three qualifications to be Priority one, two, or three. But then the second thing that was within people's control was when they submitted the applications. Well as the person that was number one in line submitting the applications to the Bureau of Licensing services that morning, in Tumwater. You know, I did notice that when I showed up on the list within the LCB, I was number 345 on the list, not number one, number 345. So whatever problem there is with being able to figure out when something was submitted, Bureau of Licensing Services versus the Secretary of State versus your own internal systems, I would suggest that the lessons that were hopefully learned seven years ago should be acted upon. Okay. One last thing. If someone just -- please, if you could answer that question of how many--

Dustin Dickson: Jim, you have 30 seconds.

Jim McCray: -- why, that would be great. The second one is -- and this is just a cut off -- at 5367, your agency bill -- well, I really hope that doesn't pass. There are a lot of, I think, unintended consequences if you do pass that. But 1772 is not one of the agency's bills, but it is one that Greg Water -- Kevin Waters -- Rep. Waters suggested came from a discussion he had with Director Garza.

Dustin Dickson: Jim, that's your time.

Jim McCray: Okay. Thank you.

Bailey Hirschberg: Bailey Hirschberg, Washington NORML. Thank you to the Board for taking the time to hear from us today. Ten years ago this month I got my first communication from the LCB thanking me for my input on the implementation of I502. It is too early in the agency's process to provide you with definitive answers on whatever I asked about. It was nice to be heard. Five years ago this month I started working for the Cannabis Observer and moved more from being someone who was fairly aware of what the agency did to watching you guys more closely, helping inform people about what you do, and giving me opportunities to interact with you guys and being heard a little more.

Earlier this month, I had my first of all the meetings I have had with LCB staff, probably 10 or 12 over the years. My first meeting ran significantly over time. There is a really good reason why you guys stick to schedules and why most of the time that is not going to happen. But I had a lot to say, and I really appreciated Justin Nordhorn and Kathy Hoffman giving me the space to say that, and then when I tried to rush out of there afterwards because I had gone so far over time, they said, "Well, we have some thoughts. Would you like to hear what we have been thinking?" Sometimes just being heard can be incredibly powerful. I know that people come up here and sometimes they feel like they are heard, and sometimes they are not. I just wanted to give you guys kudos that I am now expecting every meeting I have with you to run that far over. That has altered my expectations.

But also a little more critically relating to your guys' conversation yesterday on Medical Cannabis and on the potential of outside of the petition you adopted what kind of systems and changes you want to make that may best impact patients, and I would play devil's advocate in covering what you guys had said yesterday. I found myself realizing that if I have an endorsement on my store -- if I have that endorsement and I am on a list, and I

can get patients to come in and visit me, the odds that I am making a sale really increase, regardless of whether I have a consultant there, regardless of whether I have compliant product, so kind of being surprised of what would someone get out of this without maintaining compliance. Well, maybe don't be so shocked. The other issue of this is, as you are looking at what needs to be changed -- I should say, as I watch a lot of your guys' events I will hear a refrain that sometimes annoys me, and that is very much why we are here to look forward.

We are not here to dwell on what happened or how we got here because you can lose an entire meeting to would-a, could-a, should-a's, but there is a power of people being heard. I know I am getting close to that 30-second mark, so I would say look at Medical Cannabis, listen to patients, listen to their doctors. Obviously, you are going to have your own internal dialogue, but center those people as much as you can--

Dustin Dickson: Thirty seconds, Bailey.

Bailey Hirschberg: -- because there is a power for them in being heard. There will be a power for you guys in hearing about stuff you may not have been responsible for that may not even be within your power. Think of it like when a good idea comes to you in the shower. It is a chance and an opportunity for you to be thinking about this subject without being focused on exactly only what you can do. It gives you a context that may prove incredibly valuable. So thank you for hearing me today.

Peter Manning: Good afternoon, or good morning, Chair Postman, and Member Vollendroff. My name is Peter Manning. I am the President of Black Excellence in Cannabis. I come here today to bring a problem that we are currently faced with. At Black Excellence in Cannabis, we have made it our goal to be solution-based. We have made it our goal to try to work out any differences that we may have with LCB. We have had a long struggle with the LCB in the past. We have been more confrontational than we should have been maybe, but we have changed that, and we are more solution-based now, and the reward for that is not what we expect. It is disinformation. We were given and told repeatedly that the rubric and the 51% would be judged off of one individual and one individual only. Not only was this recorded, but this was also sent to us via email. We learned completely different that the rubric, the 51% now, in order to make it up to 51%, you could take 9 or 10 people to make the rubric to reach 310 points, whereas we were told before that the 51% only pertained to one individual. This is disinformation.

This is information we received from Rebecca Smith. That is disinformation. We also received disinformation from Rebecca Smith when it pertained to the March 1st date. We informed her that we had heard in February that the March 1st date was going to be March 1st, the release date of the license. She has denied this emphatically and laughed it off as mere rumor. It was then posted that it was going to be March 1st. We also expressed to Rebecca Smith, about the DIA map and how it did not fit the parameters that will include people of color. She said that they were unequivocally not going to change the DIA map. It reflected what it reflected. We met with senators. Senators heard our concerns, and the DIA map was changed. Why is it that we, an organization that represents the people, are given disinformation?

One, we have been told that we need to confer to some portal to some website to receive answers. This is not the same type of energy that was given to those people when they apply for 5052. White retailers actually receive a welcoming hand, a plethora of information on how to obtain a license. It was just the whole thing was different. When black people are reaching out for equity, we have to have all these different requirements, Social Equity plans, this, that, and the other, and then nobody knows exactly how we get equity. This is crazy. Not even the black people who represent the black community, such as Black Excellence in Cannabis, were given proper information to relay it. We gave out disinformation on the premise of what the LCB gave to us. We fed our people misinformation.

Dustin Dickson: Peter, you have 30 seconds.

Peter Manning: This is not acceptable. Thank you.

6. ADJOURN

Chair Postman adjourned the meeting at 10:57 am.

Minutes approved this 26th day of February 2025.



Jim Vollendroff
Board Chair



Ollie Garrett
Board Member



Peter Holmes
Board Member

Minutes prepared by: Deborah Soper, Administrative Assistant to the Board

LCB Mission - Promote public safety, public health, and trust through fair administration, education, and enforcement of liquor, cannabis, tobacco, and vapor laws.