



## Washington State Liquor and Cannabis Board Meeting

Wednesday, October 25, 2023, 10:00 am  
This meeting was held in a hybrid environment

### Meeting Minutes

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#### 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, October 25, 2023. Member Ollie Garrett and Member Jim Vollendroff were also present.

#### 2. SOCIAL EQUITY PROGRAM UPDATE

**Aaron Washington, Social Equity Program Manager; Linda Thompson, Cannabis Licensing Manager**

Aaron Washington: All right, thank you. A good Wednesday to you, Chair Postman, Members Garrett, and Vollendroff. I'm Aaron Washington, Social Equity Program Manager, along with Linda Thompson, our Cannabis Licensing Manager. We are providing an update about our social equity applicants moving forward to complete the licensing process. The social equity team facilitated a webinar on Friday, October 13th at 12:00 noon. The purpose of this event was for social equity applicants to get to know the team and ask any questions they have about next steps. There were 23 participants in attendance, and we received questions pertaining to ownership changes, locations, and available grants. We deferred questions regarding grants to the Department of Commerce, who is tasked with overseeing that program. Its representatives were also in attendance. We provided applicants the person to contact and the link to the Department of Commerce website. All other questions were answered by the Licensing team during the webinar.

We followed up with social equity applicants, including those who were unable to attend, by sending a YouTube link to view our recorded webinar, a copy of the PowerPoint we used for our presentation, a document listing the questions and answers to applicants for future reference, and a voluntary survey to learn the demographics of our applicants. We are tracking for additional feedback about the webinar to inform our future efforts. Thank you for the opportunity to present today. Are there any questions that you have that I can answer?

Chair Postman: A quick one. Other than the questions about grants, which is the commerce thing, what's your sense of what's on applicants' minds? What are the most concerning issues, if there are some, and are we able to get answers that seem to be helping?

Aaron Washington: Well, many questions are around being able to change the ownership or entity in their business, which they would have to wait for another year, and Linda will allude to that. But that seems to be the biggest question that people have. I can let Linda go into more detail about that.

Ollie Garrett: Have you seen results yet coming in from the survey? And do you have any idea of a time frame that we might get the demographics?

Aaron Washington: We're hopeful to have more participants in that survey by Friday. We have about -- so far there's about 16, so that is about 32% of our total -- identified applicants. So we're still waiting for more to come in in order to give a better picture of what our demographics look like.

Aaron Washington: If no other questions, I will hand it over to Linda Thompson.

Chair Postman: Great.

Linda Thompson: Okay. Good morning, Chair Postman, Members Garrett, and Vollendroff. I am Linda Thompson, Cannabis Manager in Licensing, and we will provide and update on the applications. So all applications have been assigned to a Licensing Specialist Senior as of September 28th. At that time, all applicants were notified of who they would be working with and their contact information. As of today, 94% of applicants have completed their initial interview. Some have already submitted initial documents for review and have scheduled or had a second interview. One application is completed and was sent to final approval on Monday, which is the final stage of the process. The Licensing Specialist Seniors have received the same kind of questions that we received at the webinar. The most frequently asked questions are about the grants, how to access them, and when they will be available.

Additionally, applicants have asked about making changes to their entity structure, like Aaron mentioned, which isn't allowed until one year after licensure per rule. So thank you for the opportunity to provide an update today.

### **3. CANNABIS RELATED RULEMAKING**

**Daniel Jacobs, Policy and Rules Coordinator**

#### **ACTION ITEM 3A – Board Approval of CR 101 for Medical Cannabis Endorsements**

Daniel Jacobs: Thank you, Chair Postman, and good morning, Board Members Garrett, Vollendroff, LCB staff, and Members of the public. This morning, I'm going to be requesting approval for the filing of a CR 101 pre-proposal statement of inquiry to begin the rulemaking process regarding medical cannabis endorsements. If approved today, there will be a public comment period open until December 9th, which is a Saturday, so really you can get comments in until Monday morning. In January, John Kingsbury submitted a petition for rulemaking seeking revisions to two regulations WAC 314-55-020 and WAC 314-55-080, regarding medical cannabis endorsements for cannabis retailers. The petition specifically requested that a revocation mechanism be added to rule to allow the LCB to revoke an endorsement for retailer's failure to meet the regulatory requirements for holding the endorsement. Upon review, WAC 314-55-080 Section 6 already provides the LCB with the authority to rescind an endorsement -- for failure to meet the various requirements for holding the endorsement. However, the Board voted at the end of March to accept the rulemaking petition as an opportunity to update the rules on medical cannabis endorsements as needed.

For example, under the current rules, theoretically, as soon as an endorsement holder fails to meet one of their requirements, which include having an employee certified as a medical cannabis consultant on staff, having a representative assortment of cannabis products necessary to meet the needs of patients, or being able to issue ID cards to medical cannabis patients, the endorsement holder is immediately noncompliant and, therefore, no longer eligible to hold the endorsement. LCB staff have identified this. I believe it may be prudent to create a clear period to cure, where the endorsement holder has a certain amount of time to remedy the noncompliance before the endorsement becomes subject to rescission. This is just one example of rule updates that may be appropriate. If approved today, as I mentioned, the public comment period will last until Saturday, December 9th, with proposed rule language posted on the website ideally in early January, which would put stakeholder engagement sessions in mid-January, and the CR 102 with proposed rule language tentatively filed January 31st. This would put the public hearing tentatively on March 13th, and assuming all goes well, rules finalized by the end of March to have them in effect by, tentative time of effect, the end of April.

Lastly, I just want to mention that two of LCB's other divisions, Licensing and Enforcement and Education (E&E), are currently engaged in mapping out a cross-agency and collaborative effort with our partners at the Department of Health (DOH) on refining the process and procedures for cooperative engagement on oversight of medical cannabis endorsement holders. We share regulatory authority over these endorsement holders with the Department of Health and with LCB regulating the licensees themselves while DOH regulates the medical cannabis and the certification of the consultants, as well as the ID cards. This process -- or this continued collaborative effort is going to be continuing simultaneously with the rulemaking process, and there may be some overlap that ends up reducing the need for rulemaking, depending on the results of both. But these two efforts are going to be going on at the same time as a way for the agency to look at medical cannabis endorsement holders from different angles. I'm more than happy to answer any questions at this point, but I am requesting approval for the CR 101 for medical cannabis endorsements.

Chair Postman: Okay. Thank you, Mr. Jacobs. One, just as we always say, but you know approval of a 101 doesn't mean that we end up doing rules. It gives us this formal structure around looking at it, which we do. I think we should end up with some rules here. I think this an opportunity that some of us have been waiting for to try to improve the system. I'm very interested in and somewhat concerned with the last thing you were saying about the internal work that is going on, just in the sense of making sure that you and those divisions are staying in close contact during this period to see it, as you said, maybe what comes of it reduces the need for rulemaking, but it also could increase the need for rulemaking depending on where we go and what that looks like. And I just want to make sure that when we kind of get to the end of this part of the process that we have a unified approach, where the internal policies and the rulemaking are fully informed by each other. Do you know what I mean?

Daniel Jacobs: Yeah, certainly. And I mean, I think some of the same folks that are engaged in sort of leading the collaborative effort with Department of Health, those are the same folks that are going to be involved in the rulemaking, and that has been something that was flagged to us even to the Rules Division or the Rules Unit, even when we started talking about filing this 101. So the two processes are going to be, I think, inextricably tied together. And so yeah, I think I agree that it's not

going to be -- we're going to do this in such a way so that the left hand and the right hand are doing the same thing.

Chair Postman: Right. Yeah, yeah. And then hopefully, by the end of the year then together we've got some substantive approach here to take a step forward on medical cannabis, is my hope.

Jim Vollendroff: I have a question. I too believe we should move forward. I had a question about the ID cards. And the scope of this is actually where I'm going. Like, do we know how many medical cannabis users there actually are and who this impacts? And I know that looks like that is a Department of Health responsibility in terms of the ID card, so I'll stop there, and then I might have a follow up question depending on the answer.

Daniel Jacobs: Sure. So, like you mentioned, because the ID cards and the issuance of those ID cards, that is Department of Health's sort of regulatory bucket. However, it does affect us because our rule requires that a licensee and endorsement holder have the capacity to produce cards. So part of the work with DOH is, from my understanding, going to involve Department of Health looking at if they suddenly see that an endorsement holder hasn't issued any ID cards in several months or some period of time, they're going to reach out and be like hey, is there something wrong with your machine? Or are patients just not getting cards? They're going to look into that. So my understanding is that we don't have those numbers but, like I mentioned, if a store or if an endorsement holder suddenly stops issuing cards, that is something that is going to get flagged to us and that we're going to work together on because it's in our requirements to.

Chair Postman: I don't have the numbers off the top of my head, but I have heard a couple of things. One, some concern that it's hard to get an accurate number. But I also think it is fair to say we have a relatively low number of people on our registry, particularly compared to how some other states might handle it. And I think that you raised a good question. We should all know that before we start even into this process too much further, so we really know the universe that we're dealing with.

Jim Vollendroff: So my follow up question is, once an individual is issued an ID card, is that an ID card in which they have, like, forever? Or do they expire if somebody doesn't use it in a period of time? How does that process work?

Chair Postman: One year?

Dustin Dickson: Yeah. Annual. Annual renewals.

Jim Vollendroff: Annual renewals. That is fantastic. Well, I'm super -- one, I appreciate the work that is happening with E&E and Licensing. I think that can't do anything but be helpful if, in fact, we are coordinating with the rulemaking process, but I think we should move ahead as well.

Chair Postman: All right. Any other questions? So yes. If not, then we'll take a motion to approve the CR 101 for medical cannabis endorsements.

Ollie Garrett: I move that we approve the CR 101 for medical cannabis endorsement.

Chair Postman: And a second?

Jim Vollendroff: I second that. Thank you.

Chair Postman: Great. And that is approved. Thanks, Mr. Jacobs. Good luck with that one.

Daniel Jacobs: All right. Thanks so much

**Member Garrett made a motion to approve the CR 101 for Medical Cannabis Endorsement. Member Vollendroff 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: Okay. Great. I believe I'm on now. Just a couple of things real quick. Now we are going to play Q&A for a little bit, Mr. Postman because you made an affirmative statement the other day, a couple meetings ago that these people aren't journalists. Were you referring to me?

Chair Postman: Actually, I wasn't. I wasn't talking to you or about you.

Christopher King: So therefore, I would infer then that you were talking about maybe Anne Continelli or Luc or those guys. I think they're journalists, too, but I'll leave them to argue that point. But just want to make sure that you weren't talking about me because it was like a broad, sweeping comment you made and, you know. Yeah. So that was an issue there. Yeah. Okay. Okay. So one quick second here. Okay. Because I mean you know who Jeff Burnside is, right? Because you were a journalist here. You know who Jeff Burnside is, right? Yeah, he's won Emmys and stuff like that. Okay. You know that Jeff and I worked together, right? Okay? So I just want to be clear, if he's a journalist, I'm a journalist, too, you know. And I was also the first journalist. I showed this graphic the last time. I was the first person to be recognized by the Supreme Judicial Court. The year I moved here, I was investigating a case back in Massachusetts, and I was the first noncommercial entity to be recognized by the Supreme Judicial Court as a journalist. So, therefore, I am a journalist. I always have been, always will be. So anyway, next point.

I'm curious now as to what happens. You know, why is there a negative connotation being bandied about for me asking for Director Lukela's resume? You know, as I told you before, I took time out of my vacation at Martha's Vineyard. I called in because I had heard that he was responsible, potentially, for launching what is the -- a loan program for, you know, affected people in Colorado. And I thought, like, well, that is a great thing. You know, I'm going to celebrate that. So there's no negative connotation about Director Lukela. I just want to see his CV and maybe help celebrate him with you. So I'm trying to get it, and I'm getting all this flack as if I'm doing something wrong, and that is unacceptable. He's a public official. We should see his CV. We should know his accomplishments, and we should be securing them and knowing that he's taking this agency forward because we haven't seen him yet. He's like an unknown quantity, and I'm trying to help you promote him. So don't give me a hard time when I ask for a CV. Just give me the CV. How about that? Is there a

problem with that? Because you gave me a blank sheet. You gave me -- everything was redacted. Remember? So I don't understand why I'm supposed to be the heavy now. Could you explain that?

Chair Postman: No, I won't engage with you on it.

Christopher King: Yeah. What's that? Your follow up? Okay Good. Great. Thank you. I don't want to have to sue you over it, and you know I will. So the other thing. Next, Kevin Shelton, he got knocked out of this process right now, the Ponder process and all that, and he was told that he failed, I guess, two of the three of the rubrics or whatever something to the criteria. But if you read the letter, Mr. Postman, and Miss Garrett and everybody there, Vollendroff, if you read the letter that he got of the notice of intent to withdraw him, it's not clear how he didn't -- it's not clear what he needs to do to be in compliance or how he failed. And there's an e-mail chain that I sent you guys where a representative from the LCB is telling him he's got to file a public records request in order to find out what it was that he didn't do right. And you know that is going to put him past the time to appeal. So that is like a procedural substantive due process violation. I've already asked you for those documents, too. The actual tabulations from Ponder, and then, you know, WLC -- LCB's typical, you know, fashion, I get them, like, whenever I get them, if I get them at all. So there's a problem there. And I just wanted to identify that problem to you so that we can [ cross-talk ] -- process here. And I wish you all the best. Thank you very much.

Peter Manning: -- Chair Postman, and Board Member Ollie Garrett, and Vollendroff. Good morning. Hey, it's good to see you down there, Ollie. Hey. I have a couple of things I'd like to express. This not a complaint. You know I recently got some communication that we were being labeled as complainers, but I'd like everyone that is in attendance to understand that had Black Excellence in Cannabis and people like myself not brought to the attention of the public at large that there was a problem with social equity in Washington when it comes to cannabis, it wouldn't -- I don't think we'd have 2070 nor would we have 5080. I think that we can't -- I don't want to be looked at as a complainer. What I want to do is be looked at as a problem -- a person who seeks out a problem with the situation and tries to correct it, especially if the people that I represent are being harmed. And, you know, like the contrast between 5052, which whites benefited off of, that process was completed in 180 days. Social equity came out, and it's taken over 1460 days, and we still don't have completion of that program.

And the reason I'm saying that is because I read the WAC rule 315-55-570. The preliminary letter of approval means an approval letter is issued to the social equity program applicant for the purpose of securing the grant from the Department of Commerce and the location and other necessities to complete the licensing process. Stated further down on Page 4 of the WAC rules, preliminary letter of approval, once the social equity applicant receives this letter he will be processed and -- that will be processed and identified as described in this section. Eligible for social equity applicants will be issued a preliminary letter of approval. Meaning if they get the permit -- if they get the congratulation letter, they should be able to go directly over to the Department of Commerce and get grant money. We have people currently out there now because there's a disconnect between the funding being available to those people that receive social equity applications and the Department of Commerce. Now we have the predators out there preying on people. And this is why there's an uptick in ownership to seeking if they can sell because you gave them the opportunity to open up a store, at the same time the grant money should have been available there.

We had more than three years to work that out with the Department of Commerce, and I just think that that should be mentioned. I would like to see that looked into. And you know, this is another thing I have to say. I go back sometimes, and I watch old videos of our interaction on the LCB website, and I ran across an instance where David Postman or Chair Postman I should say was communicating with a Native American out of Spokane, and she was, in essence, threatening to sue the LCB. Mr. David Postman, Mr. Postman, Chair Postman suggested to her that hey, we don't need to go there. Let's try to work this out through mediation. It's just like there's a different vibe when it comes to dealing with black folks because we bring legitimate issues to the LCB, and we're never offered any type of mediation. We always have to go to litigation, and you guys know what I'm talking about. To get us to the point when we say something, we're not dumb. We're not stupid. If we're pointing out facts, why does it take the court to come in and side with us and say, "Hey, they are right. You guys need to make these changes." Thank you.

## **5. ADJOURN**

Chair Postman: All right. That is everybody we had signed up to talk. One last thing. I don't want to put you on the spot, Member Vollendroff, but I know you were just at the Prevention Summit and wondered if you could just give us a quick report on what happened, and I wondered about who was honored there.

Jim Vollendroff: Of course, happy to. So, we're in Spokane. The Summit is still going on, but I've stepped away to attend the Board meeting. We had a great showing of LCB staff at the Washington State Prevention Summit. We had four staff from the E&E section. We had several staff from Licensing participate virtually, and we had a couple of honorees here this session. Mary Segawa, who is our Prevention Specialist, was recognized with the Lifetime Achievement Award last night at a banquet. And the agency itself, the Liquor and Cannabis Board, was nominated and recognized as a state agency who has done exemplary work in the area of prevention. Specifically called out was our Agency Request Legislation this last session, so it's been great, and it's been a great opportunity.

I was just leaving a session in which policy was discussed, and I shared with the room of individuals an opportunity just like we saw where people can come and sign up and interact with the Board related to policy. So it has been great, and it's nice to see that we were well represented, including our Director Will, who drove over and participated and was here last night. He is actually now headed back over to being in Tacoma today for the Equity Summit. But thank you for giving us some time, Chair Postman, to give an update on this. It's really important that we are well represented here.

Chair Postman: Yeah, that is great. I'm glad you were able to be there, and the Director, and pass all of our congratulations on to Mary, of course. That is terrific.

Jim Vollendroff: We got some great photos to share at a later date.

Chair Postman: Good. All right. We'll do that. All right. Then I think we are done for the day, and we will adjourn the Board meeting for October 25th. And we'll see you at the Caucus next week.

Meeting adjourned at 10:32 am.

Minutes approved this 4th day of June 2025



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Jim Vollendroff  
Board Chair



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Ollie Garrett  
Board Member



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Peter Holmes  
Board Member

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

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