



Washington State Liquor and Cannabis Board Meeting

Wednesday, February 28, 2024, 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, February 28, 2024. Member Ollie Garrett was also present.

Postman noted that agenda item "Board Consideration of Rules Petitions Regarding WAC 314-11-050" is listed under Cannabis Related Rulemaking, but it is a separate agenda item.

2. APPROVAL OF MEETING MINUTES

Member Garrett made a motion to approve January 31, 2024, Board Meeting minutes. Chair Postman seconded. The motion was approved.

3. CANNABIS RELATED RULEMAKING

ACTION ITEM 3A – Board Approval of CR 101 for Minors on Non-Retail Cannabis Licensed Premises
Denise Laflamme, Policy and Rules Coordinator

Denise Laflamme: Good morning. Good morning, Chair Postman, and Board Member Garrett. Today, I'm requesting the Board's approval to file a CR 101 or pre-proposal statement of inquiry to initiate rulemaking proceedings consistent with the APA to consider amendments to WAC 314-55-015 to allow certain persons under the age of 21 on the licensed premises of producers and processors under limited specific circumstances (HANDOUT 3A). The CR 101 relates to two rulemaking petitions that the Board accepted in August 2022, both from Crystal Oliver. These petitions pertain to amending WAC 314-55-015 to allow persons under 21 on licensed premises of cannabis producers and processors in two different situations. The first situation pertains to reinstating a temporary cannabis license allowance that the LCB put into place during COVID that permitted minors under 16 years of age on the licensed premises of cannabis producers and processors provided certain conditions were met.

These conditions included that the child under 16 was a child or grandchild of the licensee, was not engaging in any work or active employment for the license business, did not possess any products associated with the production, processing, or sales of cannabis. This allowance was put in place to support families of licensees impacted by school and daycare closures resulting from the statewide COVID-19 response. This allowance expired on December 31, 2022. The second situation pertains to allowing employees of contractors who are between the ages of 16 and 21 on the licensed premises of cannabis producers and processors -- provided that the employee is not engaging in work directly related to the production, processing, or sales of cannabis. This would accommodate young employees as apprentices and trainees in such trades as construction, electrical, plumbing, and HVAC systems, who may be onsite to conduct repair or maintenance type work. The petitioner cited that the statute does not specifically prohibit these types of workers and producers and processors, and that allowing these workers could help support small independent construction companies.

If approved, the CR 101 would be filed today, February 28, 2024, and an informal public comment period would be open until March 28th. Tentatively, we expect to bring the CR 102 with the proposed draft rules to the Board for approval in July after conducting two rounds of stakeholder engagement sessions to develop proposed draft rules. If the CR 102 is approved, a public hearing will tentatively be held in August. If a supplementary 102 does not have to be filed, we expect to file the CR 103 in September, which means rules would become effective in October. As brought up during the Caucus yesterday, we will look at existing statutes that allow certain workers and interns ages 18 to 21 on licensed liquor premises that may be used as templates in the rulemaking process. We anticipate working closely with Enforcement to ascertain how these changes might be workable as well as agency partners responsible for Children's Health and Wellness, including the Department of Health and the Department of Children, Youth, and Families, among others. We would also want to seek input from Labor and Industries related to employees of contractors. I'm happy to answer any questions you may have. Thank you.

Member Garrett moved to adopt the CR 101 for Minors on Non-Retail Cannabis Licensed Premises. Chair Postman seconded. The motion was approved.

AMENDED AGENDA ITEM – Board Consideration of Rules Petitions Regarding WAC 314-11-050 – Prohibited Conduct

Daniel Jacobs, Policy and Rules Coordinator

Daniel Jacobs: Good morning, Chair Postman and Member Garrett. Before I shift actually to that, I did just want to, if it's okay, give a brief update about medical cannabis endorsement rulemaking.

Chair Postman: Yes, please.

Daniel Jacobs: So that's one of my rulemaking projects, and actually just yesterday, we sent out via GovDelivery an invitation to two stakeholder engagement sessions that are going to be held on Monday, March 11th from 10:00 to 11:30 and Thursday, March 14th from 2:00 to 3:30 for and we are inviting the public and stakeholders to provide comment and discuss some draft rule language that we've posted. I have sent that out via GovDelivery that they're needing information. It's going to be held virtually, and it's posted on our website, but I just wanted to also announce it here at the Board meeting while I have this public forum for a few minutes just to sort of say we would like every -- you know, anyone and everyone to attend. If you have any question, please e-mail the rules inbox rules@lcb.wa.gov. And lastly, the two sessions are going to cover the same topic, so -- don't worry. If you can only attend one of them, you're not going to miss something that's only talked about in the other. We're going to cover the same thing. We just want to be able to have one session in the morning, one in the afternoon, one early in the week, and one later in the week.

Daniel Jacobs: All right, great. With that, I'm going to address the petitions for rulemaking that we discussed briefly yesterday (HANDOUT 3B). So I'm presenting the Director's Office staff recommendation on six petitions that we received on January 31st requesting repeal of WAC 314-11-050, known as the Prohibited Conduct Rule. We're recommending approval of these petitions because we've already begun the rulemaking process. So as I said on January 31st, six different individuals submitted almost identically worded petitions requesting two things: one, the immediate halt of enforcement of WAC 314-11-050, and secondly, it's repeal via press release made by the agency on February 1st. The Board and the agency has already halted enforcement of WAC 314-11-050. The petition response initially was scheduled to be presented on February 14th, when the Board actually approved a CR 101 to begin rulemaking on this topic in part to explore this very question, potentially to repeal WAC 314-11-050.

As you may know, Engrossed Substitute Senate Bill 6105 also addresses the topic of the repeal of 314-11-050. And if that language passes, which I believe it may have passed the House yesterday, may make this a moot point, and it may order us to repeal the language. But even if this bill doesn't pass, we may end up repealing this language on our own via the rulemaking process. The fact that addressing this petition was tabled until after approval of the CR 101 does not change the fact that the Board is already addressing this topic and intended to address this topic after receipt of the petition. Therefore, I'm recommending approval of the petition for rulemaking consistent with the Board's language and actions thus far on this topic. Thank you, and I'm happy to answer any questions.

Ollie Garrett: Yeah. Like I stated at the last Board meeting, and I thought yesterday in our discussion this wasn't going to be brought for it yet. But as I stated in the last Board meeting, I'm not prepared for the accepting of the petition on something that we are now already doing without a full Board discussion, and we haven't had that full Board discussion yet. So I'm not prepared to take action on this at this moment.

Chair Postman: Well, the only thing I would say is we have had quite a bit of full Board discussion about the underlying issue of that, and it really is -- it doesn't matter at this point. It's academic. We're doing the work.

Ollie Garrett: Right.

Chair Postman: I think that acting today would -- and I wish we had done it sooner to accept the petitions. It just shows the acknowledgement that we had members of the public asking us to do what in fact we've done. So just so everybody knows, even though this apparently won't be accepted today, it doesn't affect what the rulemaking will be or when the timeline of that is. It's just we won't be able to formally accept it, which I think was too bad, but we will deal with that. It's not necessary for us to act on it. You know, to your Mr. Jacobs, the point about legislative action is really going to be, frankly, so much more influential in this process than anything else right now and, we've seen a couple of different versions, and I think this will be a task for our AAGs and you, and the Policy and Rules staff really to help us on what we can do. When the Senate passed a bill on the floor a couple weeks ago to mandate repeal of the WAC. what the sponsor of the amendment said was it was a way to hit reset. And I think we've discussed this, but there was some conversation on the Senate floor during debate about our agency's existing authority to put in place a different set of rules, which at the time led me to believe that the intent was not to take it off the books completely but that they wanted us to get the clear message that this was a priority and in the words of the sponsor of the amendment, it was to hit reset. The version that the House passed was amended and it says the Liquor and Cannabis Board shall repeal the WAC in its entirety and the Liquor and Cannabis Board is pre-empted from adopting any similar rule as provided under Section 4 of this Act. Which I think might be stating kind of the legal reality, anyhow. If the legislature were to pass something, we can't just put something back in its place, but this makes it very clear that the Legislature's intent in this House version, at least, is that nothing similar goes back in there. So I guess I'd just say that to ask you at what point do we just -- I guess we just wait until that bill, see what passes and what's signed. And at that point, do we just stop if that's what the law is?

Daniel Jacobs: Yeah. Um, to be honest, it's been sort of hard to -- I sort of tried to come up with sort of plans for different scenarios, but the scenarios keep shifting a little bit. So you know, while I had initially stated that I was tentatively planning on having stakeholder engagement sessions at the end of March and draft rule language filed in April, that was at a time when the proposed language just said repeal the rule. So first it just said repeal the rule, and then an amendment came in that said, no, don't repeal the rule, they say, but you can't make any rules on sexually oriented conduct and some other things. Then they were like, no, no, no, let's go back. We're going to both repeal the rule. You're pre-empted from doing anything similar, and you can't make rules on sexually oriented, which I think is the current version. So if that's the case, I don't -- frankly, we may need to change the rulemaking process just because I don't know that it makes sense for us to go and host sessions on draft rule language if we can't do that anymore.

If we're just doing a straight repeal, and I think I mentioned this at the February 6th meeting though, but because of the timeline, it may take until June to get this rule off the books anyway. I don't know that -- if the legislature passes the law and the governor signs it in, I don't know that we can... We could do it in an expedited basis and sort of skip the 101, which is ironic because we've already started it. But I mean -- I think -- and I don't want to speak for Member Vollendroff, he had mentioned that he thinks that it -- or he had mentioned previously that he thought it was important for us to have some sort of public session to discuss it. You know, I'm not going to make that call as to whether that makes sense. If there's nothing for us to discuss, at least if we just need to repeal the rule, and we don't have authority to replace it with anything. Frankly, that makes my job easier because then I don't have to sort of debate internally about what to replace it with because there is nothing to replace it with.

Chair Postman: I'm not sure if that point we need -- well, we're going to wait and see then. You know? I mean the bill is changing. We don't know how fast it will both pass, be signed, take effect. We're going to keep moving on our rulemaking at this point. Again, the fact that the petitions were not accepted does not impact the timeline. I want the people who submitted those petitions to understand that we are moving forward with them. You've already started your work as you've discussed a couple of meetings. The pace of that won't change. So if the legislature ends up not passing a bill, we're not losing any ground on this. We're going to continue forward. And the fact that we accepted the 101 gives us that ability to look at anything from full repeal to amendment of the WAC.

Ollie Garrett: Yeah. And I just wanted to say that I spoke with one of the petitioners, Sky, last night that in everything we're seeing and with everything that's being done and the fact that we have opened up the CR 101, and we know what was going on with the legislators, that I don't want it to seem like I'm rejecting the petition. I'm saying I don't see where we need to go outside of our normal process to accept the petition on things that's already being done.

Ollie Garrett: I just want to be clear on that.

Chair Postman: Yeah, I understand. And I think I addressed this before, too, that in terms of the outside our ordinary process, we don't really have an instance to compare it to in this case because where we diverted from our ordinary process was when we announced publicly that we were going to suspend enforcement of this rule and open rulemaking. We did that prior to having Mr. Jacobs work on the CR 101. As we were discussing that internally on that Wednesday was when we got the rules petitions in and they were sort of simultaneous to our internal discussions, and we went ahead, of course, and made that announcement and did stop enforcement at that point. So that's where we've diverted from originally -- the rule only is that we have a maximum amount of time in which we can act on a rule petition, but we're not required to wait that full amount. We almost always do because our rules people are busy. We don't always, though, and when they're ready, they bring it forward. So acting on it I don't think changes our standard process of accepting rules petitions, but again, it doesn't matter in this case. We're going to keep going. So we're going to table that item indefinitely, and Mr. Jacobs, we'll all just keep watching what we're doing. And I know that we'll

continue to get updates from Marc Webster and you and others on what that process is going to be, so look forward to that. Sorry to make you go through this now for a third time, but that's tabled, and we're going to move to your next item, which is presenting the CR 103 for adoption on Trade Areas.

4. ALCOHOL RELATED RULEMAKING

ACTION ITEM 4A – Board Adoption of CR 103 for Trade Areas

Daniel Jacobs, Policy and Rules Coordinator

Daniel Jacobs: Not a problem. Thank you. And so good morning. This morning, I'm requesting approval of the CR 103 for the Trade Area rulemaking (HANDOUT 4A). If approved, the CR 103 will be filed immediately, and the rule changes will be effective Saturday, March 30th. As a brief background, WAC 314-02-1071 defines the term Trade Area as it's used in RCW 66.24.630 on spirits retailers. The law requires spirits retailers to be at least 10,000 square feet, subject to a few exceptions. One of those exceptions is if there are no other spirits retailers in the Trade Area of the proposed new store. Another exception is if these premises used to be a state-owned liquor store. This means that you can open a spirits retailer that's smaller than 10,000 square feet if, among other things, there aren't any other stores in the Trade Area. But the term Trade Area isn't defined in statute, so we get to define it in rule.

Currently, Trade Area is defined as 20 miles. Again, unless we are talking about locations on some of the islands or former state liquor stores. When the rule was initially created after liquor privatization in 2013, there was a proposal to include stores on Tribal land and owned by Tribes in the list of exceptions to the 20-mile requirement. This would have allowed stores on Tribal land or owned by Tribes to open regardless of the square footage. This proposal did not make its way into the final rule language, and some Tribes were unable to open spirits retailers as a result. We filed the CR 101 in May and circulated draft rule language initially in July and then again in October before we had Tribal engagement sessions and stakeholder feedback session in November. Following the stakeholder feedback session in November, we got some industry feedback that we didn't end up incorporating into the draft rules. Those draft rules were filed on January 3rd, and since then we've received no written comment on the draft rules. However, there was testimony provided at the February 14th public hearing in opposition to the rule changes, and I will address that testimony momentarily.

The proposed rule language does three main things. One, it removes an outdated reference to how LCB measures 20 miles. Secondly, it cleans up the language about the retailers that are located on some of the islands, and third, it adds in language exempting retailers in Indian country owned by Tribes or Tribal enterprises from the 20-mile distance requirement, as well as we define the term as Indian country and what counts as a Tribe, both making reference to federal regulations on the topic. Now during the public hearing, individuals representing former state liquor stores testified in opposition, stating that they believe that this rule change would dilute the value of the Trade Area, which they understood as being purchased with part or with

the rights to these former state liquor stores. They testified that there was a sense that the LCB was changing the terms of the deal a decade after these rules were initially written, and there was also a concern that this would allow the dramatic proliferation of liquor stores in Washington state.

As I mentioned, in the concise explanatory statement, just reviewing the timeline here, Initiative 1130 and 1183 was passed in November 2011. The state liquor stores were auctioned off in the first round in May 2012, and then those stores that didn't get auctioned off then were auctioned off a month later. In late May 2012, after the first round of auctions, we filed the 101 saying we're going to define what Trade Area is, but that was just the first step. The final rule language giving a proposed definition for Trade Area in stating that it would be 20 miles and the debate about whether or not to include or exempt Tribal stores in Indian country that didn't happen until March 2013, which is almost a year after the auctions happened and almost nine months after the purchase of former state liquor stores had occurred.

Next, just to clarify, this rule change would only allow for new liquor stores that otherwise could not have opened because these stores are smaller than 10,000 square feet. So as I mentioned in Caucus yesterday, this rule change isn't going to allow a BevMo! or a Total Wine & More to open in Indian country because those could have already opened. They're bigger than 10,000 square feet, so this rule doesn't change anything. Regarding sort of the notion that we're changing the terms of the deal, LCB retains rulemaking authority. We had rulemaking authority then to define the term Trade Area, and we still have it. We have the authority to change the rules, and we do so all the time. We didn't make any assurances at the time that the rule would stay permanent because that's not something that we do.

Any rule changes, additionally, if a rule change would dramatically affect the cost or impact to small businesses, there's a regulatory mechanism in statute to sort of force us to go through that analysis, which is a small business economic impact statement. If these rule changes would have dramatically affected these small liquor stores, we would have been required to do this analysis at the 102 stage and based on the economic analysis we did at the 102 stage, that wasn't needed. Lastly, as I have previously mentioned a few times, all indications from the Tribes that we've received are that only a handful of Tribes plan on taking advantage of these rule changes, namely those stores that previously weren't able to open a liquor store on their sovereign land. While theoretically it's possible that a Tribe that already has a liquor store could now open another one, frankly, if it already had a liquor store, it could already open another one bigger than 10,000 square feet. Maybe this will now allow it to open one that's smaller than 10,000 square feet. But again, if it's smaller than 10,000 square feet, I'm not sure how big a competitive impact it's going to have. But regardless our intention all along has been to allow Tribes to conduct their business on their sovereign land, and that's what we intend to do through this rulemaking. As such, I'm requesting approval of the CR 103 on the Trade Area rulemaking, and I'm happy to answer any questions.

Member Garrett moved to adopt the CR 103 for Trade Areas. Chair Postman seconded. The motion was approved.

5. GENERAL PUBLIC COMMENT

David Busby: Awesome. Thank you. I'm here to chat about CCRS. You guys had announced -- last couple of weeks came out some announcements. CCRS was going to be offline for some updates, and I think that worked out swimmingly. You know? I'm usually in here being rather critical of the compliance system. You know I deal with it a lot, so I see a lot of these cases. You know, I have noticed the response times have improved a little bit, so maybe that was something that happened in there. I had some other annoyances that I had filed bugs on about CCRS. Some of those seem to be improved in the UI -- you know, when I sign in and do stuff manually, which is also excellent. You know, I think it's a good show that the state has decided to own the technology stack on there. I mean, you know, I have some feelings about that tech stack, but the fact that you're owning it already and making those improvements is a good show. And it also is demonstrating that a state agency can take ownership of that stuff and doesn't need out-of-state vendors with very expensive proprietary technologies that then caused some complexities for the agency.

You know, you can move at the speed you want to move at, and I think -- you know, I'm in here critical really a lot, so it's important to also say, "This is a good show. This is well done." Um, yes, and that's it. Thank you.

Sky Theriot: Hi, Members of the Board, staff, and the public. My name is Sky Theriot. With the recent passing of the Gross Substitute Senate Bill 6105 in the House, it's obvious that the Liquor and Cannabis Board has an undeniable duty to repeal the WAC 314-11-050. I stand today in gratitude for the Board's swift action on this process. The positive enforcement has been felt in our community up in Seattle. And with the CR 101 having been filed at the last Board meeting, your actions are likely to take effect before January 2025, which is currently listed on the legislation. So even if that bill does get repassed in the Senate, we will still be half a year ahead of schedule, which is going to have a really important impact both for the LGBTQ+, our community, as well as The Strippers Are Workers organization, who have been fighting much longer on this issue.

As I have said before, these rules have demonstrably been unfairly enforced and caused harm in the lives of many LGBTQ+ citizens across our state. And as I see it, Washington state must be a beacon of hope in a nation wrought with bigotry and homophobia. While consistency does have its place in government affairs, when we find rules that have disproportionate impacts such as these, it is important and infinitely valuable to break from those consistency patterns to show the public that we're no longer interested in maintaining laws that don't serve the public as a whole. And as I have shared in previous public comments, being able to be partially or fully nude in licensed establishments has, in very plain words, saved my own life. Many can ignore the benefits of a positive impact on mental health because it's not nearly as visible as something like weight loss or physical health changes, and this silent relief is one that many in our community are seeking.

Having safe spaces to receive this mental health relief is paramount to undoing decades of damage caused by navigating the world around us safely. As I mentioned on the call with Member Garrett yesterday, I grew up in a place where I was physically assaulted for -- before I even came out and then increasingly physically assaulted as I did come out. So when I looked to Washington to be that safe beacon only to then be harassed by an enforcement team of this agency, it kind of sent a shockwave of trauma back through my life. But again, I expressed my gratitude for your prompt attention to this, and I look forward to seeing this process through to the end. Thank you.

Chad Sweeney: Hello, Chair Postman, Member Garrett, and Board members, and staff. My name is Chad Sweeney, and I'm here to speak about the Board's rulemaking process for WAC 314-11-050. First, I also want to thank the Board and staff for listening to our communities and listening to our concerns. We have felt heard and recognized, and that means a lot. As we talked about the legislature spoken, both houses have directed the LCB to either repeal or significantly revise this rule, and I'm here to advocate for immediate action from the Board to completely repeal the rule. I believe the LCB should act quickly and decisively to remove this harmful, outdated, and unnecessary language from the Washington Administrative Code. A full, unequivocal repeal of this rule is the right thing to do to promote safety, inclusion, and community in licensed establishments in adding or retaining any language that describes behavior that's acceptable in license establishments is duplicative, unnecessary, and confusing.

Washington statutes already make it illegal for individuals to display their body parts in a way that could cause affront or alarm to another. It is already illegal in the State of Washington to non-consensually have sexual contact with another person. So retaining any rules of conduct that distinguish between what's acceptable in a liquor establishment and what's acceptable in any other public place will continue to make queer spaces vulnerable to the exact kind of problematic and intrusive enforcement that brought us here in the first place. LCB has the capacity and expertise to make rule changes using the existing statutory mechanism that you've already started, so I urge you to use this mechanism to fully repeal this harmful rule. Thank you.

Christopher King: Great day to everyone here. I thought I'd make black history today being the first black man to drive from Mount Vernon to come down here to a Board meeting because the black history that was postulated and put online by KING5 at the first of the month turned out to be a false narrative. Okay? Because it said that Dennis Turner was this new social equity candidate who got a new store at Arlington, Washington. Well, as you all know, I lived in Arlington for three years. Okay? I know the community very well. And he's not new. I have all of the licenses before he was with Lucid. He was with Turner, Vuskovich, and Aguilar. He had a Euphoria. He had another Cloud9 entity before. He's been around the block. And that's one thing because the social equity program was never designed to help people who had existing 502 licenses, was it? Why would that be the point? That makes no sense. All right?

It was to help people like Kevin Shelton, who is filming me right now, get what was taken from them by people like Jenny Durkin, when Jenny Durkin was busy violating the heck out of the

Ogden memo, sending go-to-hell letters to all the black pioneers, threatening them that they needed to get out within 30 days. Yes, she did. And her excuse to Ann cuts Nelly on the video project. I'm not even going to get into her excuse yet. I'll let Ann do that, but that's ridiculous. So anyway, we had a false narrative with that, but what I'm finding to be much larger of an issue is that the LCB has an ongoing history of buddying up to people with nefarious backgrounds. Where should I start? How about the whole way that he and Eisenberg did what he did on the South end down there? That was disgusting.

But more than that, there's a family called the Widmer family we have talked about before. The Widmer family were your own lawyers, Mr. Postman, wrote, and I quote, "that he's involved in some transactions -- various financial transactions would turn your hair white." Okay? Millions of dollars of fraud findings against his companies, and he gets licenses with Kaleafa. Okay? What's up with that? He lied to the US trustee. He hit the Porsche. He hit the Rolex. He hit everything. He lied to you, Mr. Postman, and you still let them get licenses. And same with Dennis Turner. He was involved in that case with a case you have to know about that I told you about before. Turner, Quinn, and Pang, and it was what's her face that sued them with alkaloid cannabis. She now owns that. Grider is her name. They were double dealing behind her back. She found the property, took out \$115,000 loan for the -- to get it ready. Okay?

Then they burn rubber on her. And I had the court order. It's right here. Assessments 178,000, 350,000, 437,000 for her again, and these -- and he was involved in all of this. So it -- that's not acceptable, and it's not acceptable to me or anybody in this room, is it? Why are people like him getting licenses under the false premise that he's a new social equity candidate while people like Kevin Shelton sit there in dismay. This makes no sense, but that's what the LCB does. And you say you're ushering in this new era of transparency. You won't even give me the CV of your Director Bill Lukela. Okay? Let's face it, it is not unreasonable for a citizen to ask for the CV of the head of a public agency. I am not the problem, and I refuse to let anybody in this room ever insinuate that I'm the problem. I have never been the problem. The LCB has always been the problem. And as I discussed with Sky a few minutes ago, we're going to get up and do some things together because I have no problem with GLBTQ. My partner identifies with that community. I have helped that community before. I'm good with them. We don't have a problem, but we all have a problem with you, and that's not my fault. It's not his fault. It's never going to be our fault. You have left the black community in shambles for 10 years now, and I'm tired of it. I have got handouts for everybody. I'd like to send a copy of this back, please. I have got handouts for everyone so they could see the truth that major press won't talk about.

Peter Manning: Good morning, Chair Postman, Board Member Ollie Garrett. I am Peter Manning, President of Black Excellence in Cannabis. I'll just start by saying that a little bit of recognition needs to be handed out. 2020 Black Excellence in Cannabis, a pioneer of 42 licenses that came out last year. Last year, Black Excellence in Cannabis helped create 52 retail stores, 100 processors, and 10 producers, with the Vice President, Mike Asai, at my side. Black Excellence in Cannabis has really been fighting this fight for the last 10 years. And for those that have questions, that is 204 opportunities that we have given or brought to the black and brown community of Washington. The sad part of that is that these opportunities should have been

given to the black and brown community from the onset of Social Equity in Cannabis period in Washington. There should be no need for a social equity program here being that we are all made privy to the problems that we were faced with in 2015 as well as 2016 as well as 2017.

My point being, we are now at the crest of where the 42 licenses were supposed to go live. We at Black Excellence in Cannabis did look into the Arlington situation. We have to agree that that is not what we consider social equity. That was not the target to give it to someone that was currently in the retail sector and then to be glorified on the medias as if job complete. The job is not complete until we reinstate those people that were stripped out of King County, Pierce County, and Snohomish County that legitimately have places of business such as dispensaries that were in those cities that were run out through cronyism, nepotism, whatever you want to call it, and it was replaced with white people that had no idea what the cannabis sector was like. The black and brown community was hurt there.

I'd like to move on to my third point or my fourth. The -- LCB gave the social equity applicants that did get the letter of approval, they gave them a direct link to a women's minority group that was supposed to help with funding for those applicants. Everybody who's hope with a hope and a prayer reached out to those people. Black Excellence in Cannabis looked into it. It turned out that that agency or that entity was only a referral center. The LCB was marketing that as if that was where the money was going to come from. So our question is at Black Excellence in Cannabis, Mr. Postman, Chair Postman, where is the money for these stores at, man? We got to have dialogue there. Ollie Garrett, we need dialogue on where this money and when this money is coming. We have no idea where this is at. It is most definitely hindering this program. We would like some transparency. Thank you very much.

Sami Saad: Hello everyone. How you doing, Mr. David, and everyone in the room, and Ms. Ollie Garrett, and Director Lukela. Welcome to Washington. I just wanted to say something in why we disagree in the past, and still we can disagree about something. I just would love from you guys to see in the future those black pioneers, the one that start the medical, to be acknowledged in those 40 licenses. The rubric, I'm one of the winners. I own the first medical cannabis shop ever in Washington. I'm the first one. I have been forced out long time ago. I got my opportunity this time I'm overqualified, not just qualified. And I really, you know, like I said, uh, some people got - some people -- a lot of people they started they didn't get, so there is no fully equity. There is no justice. But I'm not going to blame the whole Board on this. I'm blaming those fake leaders in the community. They reflecting the wrong way to the Board to make them accept the rubric and the point program, and some people being arrested and some people been having cannabis shop to have points to get their shop. If you take from somebody, you should give them first. So make it half and half.

I wish the Board to work with the people to build a trust with the community, so it will never be a frustration. I'm one of the winners, but I still feel like I'm a slave to the LCB in a certain way because the fake leaders -- those are black leader, and they don't represent us in the right way. They reflect to the Board, hey, you have to put a certain restriction. Nobody can change percentage until after one years to those social equity applicant new store owners. This is not

right. Second thing is the work on commerce. They don't want to give people money to secure their store. If I can have my store, I have the fund. Other people don't. I'm looking for other people, too. So if I love for my brother, God give me and give them. So I'm not blaming all for the Board. I'm blaming those fake self-appointed leaders, so I wish the Board to work with the people. And I trust, you know, Mr. David Postman when he said this is the point this, this, this, I look at it. I say, hey, if it's this, I'm a winner. I told him that a long time ago, and I look at it, and they have a different agency, and that agency, they don't know us. And they have many, many agencies, and I'm one of the winners.

So I trusted what is being put, so I'm not blaming the Board. So the social equity going forward it is kind of not the best is going forward, but those -- I wish the Board don't listen to those people. They say oh, we are this, we are that. We all asking for those pioneers to be acknowledged. Trust me, it will be some success, it will be people will be happy. Second thing is very important. CR 103, about that, for us as a social equity applicant, we should not be include something like that. We're being forced out. So I want to open a shop in Renton. Now, all the licenses in Renton owned by Evergreen Market, and he bought the last shop from Emerald Haze, and now we cannot even have something like that. I was in the City Council meeting with Mr. Ed, He said he will call me. He never called me. Yeah. Mr. Ed he never call me. Other people, Caucasian, they will try to help me. Our own black people, they don't want to help me. Trust me. It's not about color. Trust me. That's why I believe in fairness. So we don't blame Ms. Ollie Garrett. We don't blame Mr. David. We blame those community leaders. But I wish Mr. -- those you got in the Board. Just, you know, understand those people. Acknowledge those people. Trust me, it will be some success, and it will be people [indistinct]. But I really thank you, all of you guys, and I really just one thing. Thanks to all of those people from the Licensing department. They reached out to everyone, to every applicant.

6. ADJOURN

Meeting adjourned at 10:49 am.

Minutes approved this 13th day of August 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.
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