



Washington State Liquor and Cannabis Board Meeting

Wednesday, December 6, 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, December 6, 2023 and announced that Member Jim Vollendroff was out sick. Member Ollie Garrett was also present.

2. YEARS OF SERVICE RECOGNITION – MARCIE WILSIE

Jeanne McShane, Deputy Director of Licensing and Regulation

Jeanne McShane: Good morning, Chair Postman, and Board Member Garrett. For the record, my name is Jeanne McShane. I'm the Deputy Director of Licensing for the Liquor and Cannabis Board. It is my honor and pleasure to be here today to celebrate Marcie Wilsie's 30 years of state service. Marcie, do you want to come and join me while I say nice things about you? So I just wanted to put some things into context for you. Remember 1993? Whitney Houston's, "I Will Always Love You"? It was #1 on the charts, the longest number one single in history. The number two song -- that year was the rocking, "Whoomp! There It Is!" by Tag Team. 1993 was also the year that Sleepless in Seattle, The Nightmare Before Christmas, Jurassic Park, and Mrs. Doubtfire were showing in theaters. Movie tickets were a whopping \$4.14 on average across the nation. A gallon of gas cost \$1.16, and milk was \$2.86 a gallon. Bill Clinton started his first term as president, and Janet Reno became the first female Attorney General of the United States.

Another historic milestone was Marcie Wilsie became permanent staff at the LCB. She had worked for us previously but was not permanent at that time, so she actually has much more than 30 years in service to us. It is my absolute pleasure, as I mentioned before, to give Marcie this award for her 30 years of service. All of her time with the state has been with the LCB Licensing Division. She has witnessed and been a part of a lot of change in that time. As I listened to Marcie talk about her years with the Board, the 2010s were the most impactful. They brought significant historical changes to the Board, and Marcie has helped shape many of those. She was here to help the Board enact Initiative 1183, which privatized liquor sales. She also shared her experience with Liquor Licensing when cannabis was legalized, and the team was creating the first ever legal cannabis system in the country. She helped develop the Oracle System to support cannabis applicants, and today she's bringing all of that history with her as she works with our partners to integrate our systems into our new computer systems.

We're lucky to have someone with so much experience with our work on the Systems Modernization Project. Marcie's understanding of where we have been over the last 30 years has been invaluable to the process. Imagine that when Marcie first started, our current system, the AS400, was only a few years old.

I asked some of our colleagues to share their thoughts about Marcie. Deputy Chief Reinke said, "I've been with the LCB since 1997 and have always found Marcie to be extremely helpful and friendly. If she is asked questions, she will always find the answers and get back to us quickly. Marcie has been a true asset to the Licensing Division and the agency.

Captain Tom Dixon, who has also been with the agency for 30 years, we celebrated him a few months ago, said, "In addition to being a great interdivisional team player, Marcie has a great deal of institutional knowledge and is one of my go-to persons for historical knowledge. Over the years, Marcie has been able to answer many of the "whys" of our old processes. She is also just plain nice to interact with." I couldn't agree more with Captain Tom. Marcie is a wealth of information. She's a great team player, and she always is open to discuss the question, "How the heck did we get here?"

Marcie's previous supervisor, John Engelman, said, "I'm lucky to have had the chance to work with Marcie during her time as a supervisor from 2019 to 2021, Marcie was a fantastic team Member, and I relied on her many times to sort out thorny licensing issues. She brought a lot of wisdom, humor, and patience to the Liquor Licensing Super Team. It is a pleasure to both get to know and work with Marcie. She truly does bring her best." So please join me today in celebrating the one, the only, Marcie Wilsie, as she passes this impressive 30-year milestone.

Chair Postman: Marcie, congratulations, but also apologies that we still have the same computer system we had when you started. All those things Jeanne mentioned are long gone, you know, from 1993, except for that, so --

Marcie Wilsie: And I will be happy to be part of seeing it go.

Chair Postman: Yes. And thank you for the work on SMP because that's a big, big, big one. So much appreciation from the Board, and it's always so great to find people in this agency who have been here that long. There is something about this place. People are dedicated, so we really appreciate that history. Thank you for it all.

Marcie Wilsie: Thank you.

3. CONSIDERATION OF PROPOSED MEMORANDUM OF AGREEMENT (MOA) BETWEEN THE LCB AND THE STILLIGUAMISH TRIBE OF INDIANS Dr. Marla Conwell, DIDA, Tribal and Government Liaison

Chair Postman: Great. Thank you. Okay. We now have an action item. The Board is going to consider a proposed Memorandum of Agreement between the LCB and the Stillaguamish Tribe of Indians. And I'll ask Dr. Marla Conwell, our Tribal and Government Liaison, to come up and present that to us, and then we'll take a motion for adoption. Good morning.

Dr. Marla Conwell: Good morning, Board. Good morning, Member Garrett. Happy to be here and present the MOA for consideration. It's with the Stillaguamish Tribe of Indians. We completed negotiations earlier this month, and I have assigned an authorization form and approval from the Stillaguamish Tribe signed by the Chairman, Eric White, and I also have a copy of the MOA here as well. Do you have any questions?

Chair Postman: That's great. Can you just give us a quick summary of why we're doing this now and what it will do?

Dr. Marla Conwell: Sure. Prior to now, the Stillaguamish have had several liquor licenses with their casino and several enterprises, including a couple of convenience stores. They would like an umbrella MOA to couple all of their licenses together and work on eventually making some other changes as well. And so that's what we have brought together.

Chair Postman: Great. Any questions from the Board on this?

Ollie Garrett: No questions.

Chair Postman: Okay. Yeah. So I'll just say I had the chance to work on this a little bit with Dr. Conwell, Leo from the AG's office, Nicola from Licensing and others who have really done a great job, I think it's a good piece of work. Like many of these, it wasn't the easiest to get to where we are, but we got to a really good place, so I recommend it. And with that, I would entertain a motion to approve the Memorandum of Agreement with the Stillaguamish Tribe of Indians.

Member Garrett made a motion to adopt the MOA. Chair Postman seconded. The motion was approved.

4. RULEMAKING TIMELINES – ALL INDUSTRIES

Cassidy West, Policy and Rules Manager

Cassidy West: Thank you. Chair Postman, and good morning, Board Member Garrett, and members of the public. First of all, congratulations, Marcie. But I'll go ahead and start with Cannabis Update today. So we actually since yesterday have gotten public comments on the quality control COA expiration date petition, which is great. So that's going to be presented on the 20th, and we do encourage people to send comments about how this is impacting them or let us know what they think, and we will accept those until the 15th. And just as a reminder, that is to extend the expiration date for the certificate of analysis from 12 to 18 months, and Jeff will

be presenting that. We have the THC Bill implementation stakeholder engagement sessions coming up, and those will have two sessions that will be the same, and they will be held on December 15th, and then on the 19th.

Sampling. We have just -- I put that on hold for a second so that we could work on the COA expiration date petition. But I do plan to pick that up after the 20th, so we'll be holding stakeholder engagement for that on conceptual draft rules in January. And then we have another medical cannabis endorsement, and Daniel is going to be working on that, and January 31st is the tentative date for the CR 102.

I wanted to mention, on the social equity rulemaking timeline, we will be tentatively holding stakeholder engagement in January, and then the CR 102 is planned -- we tentatively plan to file that on April 10th. I also want to mention that on the 7th we'll be holding the Cannabinoid Science Workgroup, and so people can listen in on that, and we'll also have a recording that you can listen to if you can't make it. That's it. Thank you. I'll pass to Daniel.

5. ALCOHOL RELATED RULEMAKING

Daniel Jacobs, Policy and Rules Coordinator

ACTION ITEM 5A – Rules Petition Review and Consideration Requesting to Add a Beer To-Go Endorsement

Daniel Jacobs: Good Morning Chair Postman and Member Garrett. I'm going to be giving a presentation on the Alcohol Delivery and MAST 13 rule project here shortly as well as presenting the current petition that we have regarding a beer "to-go" endorsement. The only other alcohol project currently underway is on trade area, and we anticipate filing that 102 on January 3rd. We're just waiting to receive some stakeholder feedback following the stakeholder engagement sessions and the tribal collaborative rule sessions. And so with the 102 filed on January 3rd, that should put the public hearing, I believe, Valentine's Day. Which would then put the 103 at the end of February and the rules in effect by April. If there aren't any questions on that I can jump into my presentations.

Chair Postman: Please go ahead.

Daniel Jacobs: Thank you. So this is just a recap of what we did yesterday, but the Director's Office is recommending denying the petition for rulemaking because we don't think that we have the authority to create an endorsement without statutory instruction and as currently proposed the endorsement may very well violate current statutes (HANDOUT 5A). So on October 9th, Brogan Adams of Cosmic Bottles submitted a petition for rulemaking requesting to create a new rule for what they described as a beer "to-go" endorsement. After conferring with agency staff, I confirmed that licensees that have that takeout and delivery endorsement currently can sell beer "to-go" if it's sold with an accompanying meal, and if the other requirements of the alcohol delivery statute are complied with as well as its accompanying rule. So I clarified that

technically, licensees are already allowed to do this. And the petitioner responded, appreciated my response, but clarified that their petition was requesting to create a beer “to-go” endorsement to allow patrons to take beer “to-go” without having to buy an accompanying meal.

Our rulemaking authority extends over endorsements that are created by the legislature, that are identified in statute. The LCB has a lot of endorsements, almost all of them are in liquor. We have one cannabis endorsement on the medical cannabis endorsement, which I'm doing rulemaking on, coincidentally enough, but every single one of them has statutory authority. Either the legislature says that a certain type of restaurant or tavern is allowed to do this particular activity, or it will outright say there shall be an endorsement to allow such and such to do such and such. But we have never created our own endorsement without an accompanying statute, and for good reason, it's highly debatable whether we even could do that.

Additionally, currently RCW 66.24.400 regarding spirits, beer, and wine restaurants says that while wine bottles can be sold for off premises consumption, meaning you can buy a wine bottle and take it with you, spirits and beer you cannot do that with those unless it's in a growler or a keg, and in order to do that, you have to have the growler or keg endorsement. If we were to accept this petition and create this endorsement, it would appear to directly conflict with that statute regarding spirits, beer, and wine restaurants.

Then lastly, as I'm about to go into regarding the CR 102, alcohol takeout and delivery has very recently been addressed by the legislature. As proposed, this endorsement wouldn't align with that framework, and the legislature hasn't just addressed it once, it also addressed it during the height of the pandemic. At neither time did the legislature deem to allow for this type of beer-to-go without an accompanying meal. We circulated this response internally with the agency's divisions, and all of them agreed with our analysis. Therefore, the Director's Office is recommending denying this petition for rulemaking because we don't have the authority to do what's being asked. Thank you, and I'm happy to answer any questions.

Chair Postman: Great. Yeah. I, for one, agree with the analysis. I think our hands are tied. We just don't have a lane there. But as I said yesterday, there are some good questions about why it is the way it is, and happy to talk to people about that if there's a legislative conversation about it.

Member Garrett made a motion to accept the staff recommendation to deny the rule petition. Chair Postman seconded. The motion was approved.

ACTION ITEM 5B – Board Approval of CR 102 for Substitute Senate Bill 5448 Standard Rules Implementation and MAST 13 Permit Privileges

Daniel Jacobs: Thank you, Chair Postman, and good morning, Chair Postman, Member Garrett, LCB staff, and members of the public. This morning, I'm requesting approval of the CR 102 for the combined alcohol delivery, takeout, and MAST 13 rulemaking (HANDOUT 5B). If approved, these proposed rules will be filed today, and there is going to be a public hearing on

Wednesday, January 17th. The public have between now and January 17th to submit comments on it. If the public hearing goes forward on January 17th, the 103 will be filed on the 31st, and then that would have rules in effect by March 2nd. The reason that I'm saying if the hearing goes forward on the 17th is because, as you may well know, that's going to be towards the beginning of Legislative Session, and sometimes there are last minute changes that need to be made where our staff or stakeholders need to be at some sort of legislative hearing or session or something on the hill. And so if that happens, we'll have to push that out.

As brief background, Substitute Senate Bill 5448 extended some of the privileges and allowances done during the pandemic for liquor licensees, made some of them permanent and rescinded others. We filed the CR 101 back in July and held two stakeholder engagement sessions in October with some draft rule language. We received comments on the draft rule language from the Washington Wine Institute, and those comments are attached to the CR 102 memo in your materials. The MAST 13 rule project was initiated after the Board accepted a petition on a different pandemic allowance and the petition requested that we make this allowance a permanent part of rule. Just to recap, MAST 13 permit holders are those folks between 18 and just shy of 21 who are allowed to currently pour beer and wine at the customer's table.

During the pandemic, the LCB issued an allowance allowing these folks to pour beer and wine away from the table. This allowance expired in September 2022. After that, a petition was submitted seeking to make this a permanent part of the rule. At the end of the most recent legislative session, after Substitute Senate Bill 5448 had been passed, this project, the 5448 rule project was combined with this MAST 13 project, as they were both on extending COVID allowances. The rule changes that are attached here broadly fall into five categories. The first one is adding references to our new alcohol and delivery statute, which is at RCW 66.24.710, distinguishing the endorsements in the new alcohol delivery statute from endorsements and privileges for takeout and delivery that already existed, ready-to-drink cocktails, consolidating our outdoor service rules, and lastly, MAST 13 rule changes. And so I'll just briefly go over those five categories.

The first one about adding statutory references is because RCW 66.24.710 codified several requirements that in a lot of places were already in the rules. Some of these requirements are such as that a meal has to be sold with alcohol sold for takeout or delivery. Another one is that folks delivering alcohol have to have MAST 12 permits, and these are for people over 21. They are essentially bartending permits. There are other requirements, but those are two of the primary ones. Where those requirements were already in rule, we basically just added the phrase, "As stated in RCW 66.24.710." Where it wasn't in rule, we added it in. Because now that it's in a statute, we also had to add it to rule.

The second category is distinguishing the new or newer alcohol takeout or delivery privilege from existing takeout and delivery privileges. This is because RCW 66.24.710 identified some licensees, such as distilleries, wineries, and breweries that already had the ability to sell alcohol for takeout. As I mentioned in talking about the petition, spirits, beer, and wine restaurants were

already allowed to sell bottles of wine for takeout, but now with the new statute, these spirit, beer, and wine restaurants could technically under this new endorsement do the exact same thing, but they would have to comply with new requirements. So a spirits, beer, and wine restaurant that had the new endorsement and wanted to sell a bottle of wine “to-go” would have to sell it with a meal. But if they sold it under their pre-existing authority to sell a bottle of wine, they didn't have to sell it with a meal. This created confusion for staff and for licensees, and so what we did is we did two things. Number one, we took out some of the confusing duplicate language, removed some references to some of these licensees so that it was clear, if these licensees are doing this activity, they are doing it under one specific endorsement. The second thing we did is we created a new rule, which is in the form of a chart that's going to be at (WAC) 314-03-600. The chart basically addresses two questions; is a meal required, and is third-party delivery allowed? And for those two questions, it says it has sort of a chart that on one axis has different types of liquor licensees, and on another axis, it has the endorsement at issue. So it will say for a spirits, beer, and wine restaurant, if you're using the new alcohol delivery endorsement is a meal required? And it would likely say yes, but it says if you're using a different endorsement, a meal isn't required. And it answers those same questions but for the third-party delivery. This chart was done as a result of Licensing and Customer Service getting a lot of questions and a lot of internal discussion, so we're hoping that this chart answers questions, but the goal is also not to create new rules via the chart. The chart is really only supposed to be explaining rules -- or explaining what's already in other rules but just sort of putting it all in one place.

The third category is ready-to-drink cocktails. These have become increasingly popular over the past few years, and they've been the subject of frequent questions to agency staff. Being able to address some of these questions in the context of delivery meant stating specifically that licensees that are allowed to sell spirits for delivery can also sell ready-to-drink cocktails as well as providing a definition for ready-to-drink cocktails.

The fourth category is the outdoor service rules. And so prior to the pandemic there were a set of outdoor service rules, and then during the pandemic when the legislature passed 1480, they instructed us to create a set of temporary exceptions to the outdoor service rules to allow restaurants and other licensees that hadn't been able to set up outdoor alcohol areas to do so in order to maximize social distancing and address -- you know, this is the time when a lot of places couldn't have people indoors. After a lot of those government restrictions lifted, those rules were very popular.

And so most recently in 5448, the legislature decided to make what was supposed to be a temporary extension of rules, they made that permanent. And what that ended up with is, we had two rules that are both permanent and both on outdoor service areas. So as part of this rulemaking, we have tried to combine these two rules into one without changing the content. And this last part is important because you may notice that some of the feedback that we got from stakeholders asked us to while they are combining the rules to also do some revisions. We have avoided doing that just because we're already doing a lot of changes, and really the purpose for alcohol and delivery for combining the outdoor service rules, the point isn't to

change the language a whole lot. The point is just to sort of streamline it so that licensees and agency staff have one rule to look at. These are just the proposed rules, so between now and the time the rules are finalized, we may do some tweaks to it, but by and large we have tried to keep the rule language regarding the outdoor service rules as consistent as possible and sort of kept to what the old language was.

The last category is the MAST 13 changes. And what we have basically done is we have done what the petition asked us. We're proposing changing the rule language to say that MAST 13 permit holders can now open and pour beer and wine at the customer's table or anywhere that isn't the customer's table as long as they aren't entering age-restricted areas or going places that folks under 21 aren't supposed to be for longer than necessary. I do want to mention, and I had mentioned briefly that this rule change is not universally liked within the agency. I mean, I think that's the best way to put it is there are parts of the agency and folks within the agency who don't think this is the best idea. They didn't think it was the best idea to accept the petition. It was noted in the petition response, and throughout this process they haven't changed their mind on it. The concern comes from the concern about increased exposure of alcohol for folks under 21.

While these concerns aren't universally held across the agency, it's not everyone in the agency that's concerned about it. Those who have expressed concern continue to express concern, and they don't think that it's necessary at this time, and they are concerned about implementation. While we're nevertheless moving forward with these proposed rule changes, I think I owe it to those folks who have remained concerned to make it clear publicly that this isn't something that everyone in the agency is on board with. So with that, I'm requesting approval for the CR 102, but I'm going to take a pause, drink some water, and I'm happy to answer any questions.

Chair Postman: Great. Yes, that's been a help. Thank you for the detailed response, and I appreciate, frankly, the transparency of the discussion. You know, the MAST 13 part is the one part I had the most questions about, and I did support, obviously, accepting that petition. One of the concerns that we have heard from people inside the agency and outside the agency is essentially a slippery slope. If we do this, what's next? Are we loosening these restrictions, and what might that lead to? Younger people will be behind the bar, even though they are not allowed to. So I do think it's a place where a licensee is going to have increased responsibility, and I hope that we're able to keep communicating that. We are creating, frankly, a little increased flexibility on the one side, but in my mind with great flexibility comes great responsibility, so they really need to make sure this is being done in a responsible way. I also understand part of this has to do with the changing labor market, and I for one, am not interested in continuing to loosen restrictions about young people working in some of these licensed operations for that reason. And so, you know, I think I've always said this about any slippery slope argument, it's up to the keeper of that right, and it's our responsibility to not let that happen sort of willy nilly, and I don't think it will happen willy nilly. So anyhow, with that, are there questions or comments on this package?

Ollie Garrett: No.

Chair Postman: Okay. Well, then let's do it. I will entertain a motion to approve the CR 102 to implement 5448 as well as the MAST 13 permit privileges.

Member Garrett made a motion to approve the CR 102. Chair Postman seconded. The motion was approved.

6. GENERAL PUBLIC COMMENT

Chair Postman invited citizens to address the Board regarding any issues related to LCB business. The Board heard from the following people:

Peter Manning: Good morning, Board Chairman Postman, Board Member Ollie, and I wish Member Vollendroff a speedy recovery. My name is Peter Manning, President of Black Excellence in Cannabis. I have a couple of issues I would like to discuss with the Board pertaining to the Social Equity in Cannabis issues that we were having. On September 15th, Black Excellence in Cannabis sent out a letter to LCB stating that they felt it was unfair for them to have to do a records request to obtain a social equity score. On September 17th, the LCB responded with a letter saying they weren't going to make any corrections, that we would have to continue with a records request in order to obtain the score. This to Black Excellence in Cannabis at the time did not seem to be amiable nor transparent, and so we at Black Excellence in Cannabis filed a complaint, a legal complaint against the LCB, and abruptly the next day, the LCB made the rubric scores available for the applicants to view.

And I think my situation and the situation with Black Excellence in Cannabis and our community is why is it that if we have a legitimate cause or a legitimate concern, we are forced to take drastic actions and be proactive? We are looking for the LCB to be understanding and understand that we have been kept out of the industry for 10 years. We have. There are other entities that have a 10-year head start on the black and brown community, and we have proven one of the elements behind that was the LCB. Now, I'm not saying that the current members of the Board are part of that, but I'm saying that that started here. The LCB has been responsible for this, and our community needs to be treated a little bit differently. We do not want to be deemed complainers. We are not complaining about anything. We're asking for fair treatment and equitable treatment, and I don't think that we're getting it. And I'm not very happy that we had to take some type of form of legal action to obtain a rubric score. That made no sense to us. How can you say you're here for the community, and you're not doing anything transparent with community.

And the LCB continues to hold dialogue about or make decisions about our community, but they don't ever include us in those decisions. That has to stop as well. We have a right. If you're going to do something for our community, the black and brown community, it should be transparent. We should be at the table. We should talk about it. You should get the input from our community. You're holding discussions about us without us, and I think as President of

Black Excellence in Cannabis, we need to shift that. And that's basically all I have to say is just that, you know, we need to make some changes and I'm reaching out to the Board today to ask for those considerations to be heard and some action be taken. Thank you.

Mike Asai: Good morning, Chair Postman, Board Member Garrett, and members here in the audience. I just want to give a support for Senator Saldaña. She's going through something difficult right now and just wanted to just say we love her, we support her, and please pray for her and her family. My name is Mike Asai with Black Excellence in Cannabis and also Emerald City Collective. Yesterday, we gave testimony, and I just want to clear something up. If Director Lukela is listening, my comment was not to say the director was a token. The Director is brand new here, and for him to be there by himself talking with House Members about the Social Equity Program, I believe was a disservice to him, was a disrespect to him, was a disservice and a disrespect to the black community. It should have been staff who have been instrumental in the past years on social equity who should have been there answering questions to the House of Representatives.

It's great that there are blacks that have been hired here at the Board, but there are still more changes that need to be made. We see the changes, but there's a lot more that needs to be made than just hiring black, and nobody here black is a token, whatsoever. Chair Postman we would like to have a meeting with you to discuss some issues that we talked about with you last year. We need to follow up. The LCB did not follow state law in 2015. The LCB went rogue when it came to Senate Bill 5052. They gave licenses mainly to white applicants who lied on incorporations. RCW 43.07.210, it states filing false statements penalties. Any person who files a false statement, which he or she knows to be false in the articles of incorporation, or any other materials required to be filed with the Secretary of State shall be guilty of a gross misdemeanor. We have multiple that have done that, and this agency knows that, but yet, they are still open for business.

Look let's talk. I only got a minute here. So we're solution based, and our complaints were valid. We have been cut out of the industry. For 5080, Senate Bill 5080, here's a brief list of solutions. There were emergency rules for 5052, but there are no emergency rules for Senate Bill 5080, and the Board needs to look at that. That was in 2016. The Board needs to come to the black and brown community in King County in person to talk about the Social Equity Program, not online, not Make Green Go. You need staff there. The rubric needs to be prioritized for the cannabis pioneers with cannabis convictions. Former dispensary owners own no more of this charter business plan. It needs to be based on articles incorporation and the duration of medical cannabis dispensaries up until 2016. Pioneers with cannabis convictions should not have to worry about getting a license, which they deserve by their actions by taking risks and the effects of the war on drugs and living in a DIA.

These pioneers have to be taken care of first and foremost in order for the future of cannabis in Washington State to move forward in a positive manner. We at Black Excellence in Cannabis want to continue to have positive dialogue with the LCB. A lot of black community leaders did not support Senate Bill 5080. We as community leaders did support the agency-led bill because

the bill will create generational wealth, many, many future jobs, lives will be changed in a positive manner forever. We can do more, and we must do more. Thank you.

Chair Postman: I'm going to just take 4 minutes of time myself here. I just have to respond to a few quick things. One, I'm glad the attempt was made to try to clarify the insulting comment made about our director. By the way, he's been here six months, has years of experience in the industry, and again is fully leading this agency today on a day-to-day basis and is deeply engaged. And so I appreciate that that was clarified that it wasn't an insult.

It's absolutely not true that it's been proven that this agency is the problem. There have been investigations. There have been lawsuits. None of them have shown anything. The federal lawsuit was dismissed with prejudice. There is none of that. The claim that the federal lawsuit prompted this agency to put forward social equity legislation is easily shown to be false because the lawsuit was dismissed -- the timing is wrong. Go look at the year that that legislation came up and when that lawsuit was filed. It just doesn't make any sense. There was not a lawsuit filed over the rubric. There was a change made in the rubric, and one of the problems faced here is that when an issue comes to us from somebody, they may not be the only person that raises that. There are other people involved in this, and sometimes there are oversights.

I've said this over and over again in this agency. We actually make mistakes. We are not perfect. Others may be. We are not. So sometimes people have to come and point something out to us. And what we do well here at the LCB is we correct those mistakes. And I've been told that in itself is disrespectful, that we shouldn't make the mistake in the first place and that somehow, we don't do that with others. And I'll tell you is that we have far more litigation, far more administrative violation notices, debates, legislative fights, and everything else with the majority owners than we do with social equity applicants. So again, it's just not true. There is not a racist conspiracy at this agency. The work that's been done shows that, and it goes on and on and on, and there are people here who some people don't like and are convinced they work in a racist way. I'm convinced they do not.

I think that this Board, the three members of this Board wouldn't stand for that for one second. The three Board Members have all been intimately involved with social equity none more than Member Garrett, but we all have. It's a priority for all of us. We sit in the meetings. We talk with legislators. We talk with our staff. None of us would stand for it for a second. And to believe that that would happen would have to have us either be implicit and involved in this racist conspiracy or dupes. And I'll tell you, none of us are either of those things. And so there may be issues of dispute, there may be problems, and we'll fix those in the way that we always do in a fair and open process. And sometimes we'll continue to make mistakes, and then sometimes we'll fix them. We pulled down our social equity rules and made them better because of input we got from cannabis pioneers, from people sitting in this room, who came to me and talked to me, and I came back, and I fought that fight for them. That too, I was told, was an objection because it should have been fixed in the first place.

If that were the case, why do we ever have a public hearing? Why do we ever seek input? We have to hear from people we hear from people all the time -- of the licensees that exist today in the cannabis realm, in the liquor realm. We had a petition today, too. One was rejected, and one was accepted. That's how we learn. That's how we do it. We talk to the people who are doing this work, and we try to do the right thing, and sometimes when it doesn't work out, we have to go to court. It happens. Sometimes we win, and sometimes we lose. We try to stay out of court. And that's my time. And with that, we are adjourned.

7. ADJOURN

Meeting adjourned at 10:45 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.
--