



Washington State Liquor and Cannabis Board Meeting

Wednesday, March 13, 2024, 10:00 am
This meeting was held in a hybrid environment

Meeting Minutes

1. CALL TO ORDER

Chair Postman called the regular meeting of the Washington State Liquor and Cannabis Board to order at 10:00 am on Wednesday, March 13, 2024. Member Ollie Garrett and Member Jim Vollendroff were also present.

2. RULEMAKING TIMELINES – ALL INDUSTRIES

Cassidy West, Policy and Rules Manager

Cassidy West: Well, hello. Thank you. Thank you and good morning, Chair Postman, Board Members Garrett, and Vollendroff. I'll go ahead and start out with the cannabis rulemaking. So tomorrow at 2:00 we'll be holding a second stakeholder engagement regarding medical cannabis endorsement rules, and we will likely be holding another engagement session after we revise the rules, but all of that depends on what goes on tomorrow.

So for the THC bill, draft rules will be going out. Some of them will be going out this week and some of them will be going out next week. The reason for this is we are going to hold different engagement sessions based on the topics. Since the rules addressed so many different sections, I think it was like 11 or something, and so that is just a lot to fit in at once. So anyway, folks can stay tuned to that and sign up for GovDelivery. Those announcements will come out with the rules. Oh, and just going back on that, and so once the rules go out, we'll be holding engagement to review those with the public either the week of the 25th or April 8th. Just I'll be out that first week of April.

So for the sampling because we do want to kind of stagger and not have to have all the stakeholders come at one time for all of the things, we're going to disseminate the sampling draft rules in early April and then mid-April hold the sampling engagement sessions. And same thing just reviewing draft rule language and, hopefully, we can file the 102 after those happen.

So with regards to a new rule project that Denise will be working on, it's about cannabis payment flexibility to allow checks to be mailed within three business days, Daniel's working on this. And so we may send out a survey to get information from folks. We're trying to figure out what that engagement looks like, but we're looking at filing the 101 on April 10th, and then the 102 would be filed likely in June. Denise is working on the Minors on Premises Project, and she

will be presenting the 101 to the Board at the next meeting on March 27th. And we expect a lot of stakeholder engagement for this just because we have received a lot of comments, and they are varied in how people feel about this, and so we'll go ahead and say that June is the 102 filing date. So we may be able to push to make it sooner, but we'll see.

Okay, social equity. So it's still on track. We're in the process of drafting those rules internally, and then the next steps will be engagement. And as I was mapping this out yesterday with the THC bill and sampling, it's likely we'll be holding that social equity engagement also in April. But because there may be different stakeholders, we won't have too much overlap, but we'll see. And then Daniel's going to be talking about the prohibited conduct timeline. Of course, he has the petition. And then the only other upcoming rule will be the 103 that Denise will be presenting on the 27th, and this was about the expedited rulemaking for penalties for selling tobaccos to minors. And with that, are there any questions? Otherwise, I can pass it to Daniel. Okay, great. Thank you

3. GENERAL RULEMAKING

Daniel Jacobs, Policy and Rules Coordinator

ACTION ITEM 3A – Board Consideration of Rules Petitions Regarding WAC 314-11-050 – Prohibited Conduct

Daniel Jacobs: We got these petitions January 31st that were sent to the rules inbox and Board members (HANDOUT 3A). What's happened since now and then, the rulemaking is currently underway. The 101 has been filed, the public comment period is open until March 22nd. I did just want to say as an update on public comments we've received, I've been including also testimony that we've received at Board meetings because several individuals during public comment time of Board meetings have testified about the rule, and given that our public comment period is open and they've been testifying about it, even though those aren't written comments, submitted via e-mail, I would argue that they still count as public comments on it. So far, though, we've received 15 comments. Some folks have commented more than once. All but one have been supportive of repeal or of the rulemaking process, several have explicitly asked us to accept the petition. Just sort of for some update on that.

In terms of the legislation, the 6105 is sitting on the governor's desk. There are some bills that are scheduled to be signed this afternoon. 6105 isn't listed as one of those bills. Otherwise, in terms of the sort of timeline for the -- well, I guess I could just pause and ask if there are any other questions on the petition. I can also go into a little more detail of the timeline of how a few of these different things have overlapped.

Ollie Garrett: So if the bill -- if the 6105 is signed, what happens with the CR 101?

Daniel Jacobs: That is a great question. So we are trying to figure that out. So because the CR 101 -- it's tricky because the CR 101 is really only about the prohibited conduct rule. It isn't

about the broader part of 6105 about licensing adult entertainment establishments, for example. Currently, our 101 timeline had us filing the 102 with proposed rule language on April 10th. We additionally were planning on doing stakeholder engagement to discuss the proposed rule language. However, with 6105, we don't have any proposed rule language to do. All we're doing is we have to repeal 11-050, and then there are several other rule sections that make reference to 11-050, such as some of our penalty tables that say of a sports entertainment facility, what happens to them if they violate 11-050? Obviously, those rules need to be amended to strike those rows from the table because there is no 11-050.

The advertising rule also, for instance, talks about advertisers or entertainers and how they need to comply with 11-050. Obviously, with it being repealed, that needs to be changed, too. It's not so -- and with our timeline, what we would do is if we stuck to our initial timeline of the 102 on April 10th, we'd have a public hearing May 22nd, and then in theory we'd have the rule language finalized in June. Really, the hearing -- I don't want to say it would be, like, meaningless, but it wouldn't -- there's not a whole lot of sort of -- we can't do a whole lot with the feedback we get because we're being ordered to repeal the rule language anyway, and if we're repealing 11-050, it just makes sense for us to take all the cross-references out of the other rules. While we could, in theory, do it on an expedited timeline after the governor signs the bill, because of how the calendar plays out, the rule language would only get repealed maybe two weeks earlier than June. If we did it in sort of an expedited fashion, it might be repealed at the end of May, which would still have it on the -- repealed off the book end of June.

I do just want to say that I have seen some reports in the news about plans for establishments to host events with adult entertainment. The rule is still on the books -- under no circumstances will the rule be repealed by next weekend. But, in terms of what's going to happen to the 101, the Rules team, we're still in the process of figuring out. It might make most sense for us to just stick with our initial timeline because that still has it repealed by June, which is consistent with 6105 being signed. I will also say 6105, while it tells us to repeal the rule, it doesn't say we have to do it immediately. Obviously, we want to do it as quick as possible, but it doesn't tell us you have to repeal it immediately. The other two sections that they talk about being effective January 1, like Justin had mentioned yesterday, those are for those other sections, but the repeal section is effective like most other legislation, 90 days after it's signed. So having it repealed, whether it's by the beginning of June or two weeks earlier by end of May-ish, we're still consistent with the legislation. I know that was a lot of information so feel free to follow up if any of that was confusing.

Chair Postman: So it is likely we would no matter what, we'll probably continue if for no other reason to make sure we're taking out the links to the rule that no longer exists and things of that sort. Right? We're going to have to do something.

Daniel Jacobs: Yeah. I mean, either way, because we already have the 101 filed, and we've already started that process just in the time saving. Yeah, if we hadn't already filed the 101, then it would make sense for us to do it via expedited rulemaking, but because of the stage we're at and because also there was another possibility if in theory, if the governor had signed it

yesterday, then maybe we would have saved a month by doing it expedited. But just because of how the calendar is working out, either way, it looks like it will be off the books end of May, beginning of June, and then, like, you won't be able to find it in the online WAC, or it'll say repealed in July.

Chair Postman: Okay, great. Okay. So I think we're on that. So then let us just try to -- let's move to this, and I will entertain a motion to accept the staff recommendation, which is accepting the rules petition regarding WAC 314-11-050, known as the Prohibited Conduct WAC.

Member Vollendroff made a motion to accept the petitions regarding WAC 314-11-050. Chair Postman seconded. The motion was approved.

4. CANNABIS RELATED RULEMAKING

Cassidy West, Policy and Rules Manager

ACTION ITEM 4A – Rules Petition Review and Consideration Request to Amend WAC 314-55-105 to Include Cannabis Harvest Date on Product Labels

Cassidy West: Great, thank you. So on January 25th, Chuck Olivier submitted a petition for rulemaking requesting that the Board initiate rulemaking to consider amending WAC 314-55-105, the packaging and labeling rules, to require the harvest date for usable cannabis and the processing date for cannabis concentrates, collectively “the dates” to be on retail product labels (HANDOUT 4A). The petitioner is a citizen who's concerned about consumer safety and suggests that by providing the dates on labels consumers would have more information to enable them to assess the quality of the product and safety of the product and ultimately make more informed purchasing decisions based on their preferences. According to the petitioner, consumers are specifically concerned with the freshness of sun grown cannabis that is harvested seasonally and stored long term. So overtime, the terpenes and cannabinoids degrade, making it difficult for consumers to know how the product may affect them, and the risk of contaminant formation increases over time, which could potentially result in negative health effects and may actually disproportionately impact consumers who use cannabis for medical purposes.

So in determining the staff recommendation for the Board, we consider a variety of factors, including but not limited to, statutory authority and obligations, alignment with the Board's policy goals and priorities, the immediacy of the safety, environmental, or security concerns raised, level of public interest, merits of the petition, potential benefits, cost and risk and consequences, as well as public health impacts, and then equity impacts and, of course, the feasibility and practicability on how it may affect agency resources. With regards to statutory authority, the LCB has broad authority to establish rules related to product quality standards and packaging and labeling requirements to promote public health and safety. Per statute, the labeling rules are intended to assist consumers in making informed choices. Under the current regulatory framework, the harvest or processing date is optional, and so unless licensees include the

information, consumers may have difficulty accessing it, otherwise. And if petitioner indicated that certificates of analysis, which must be provided to the consumer by the retailer at the request of the consumer, have the dates but are not often available at the retailer.

Looking at the current rules, they only require the date the product is received by the laboratory to be included on the COAs. However, COAs may not be an accurate or reliable proxy for these dates because product can be stored on a licensed premises for a year or more before it's tested. The COA expires annually, and then upon expiration, licensees can retest to attain another COA that's valid for a year. After product is sold to the retailer, it doesn't expire and can remain on the premises until it's sold. And although there are rules limiting the amount of inventory that may be on any one licensed premises, there are no shelf-life requirements at retail. So as I mentioned, the risk of contaminant formation and risk of terpene, cannabinoid, and flavonoid degradation increases overtime, and the petitioner mentioned that they are particularly concerned with sun grown cannabis because it's harvested seasonally and stored longer. And this is compared with indoor cannabis, which typically there is perpetual harvest throughout the year, so it's fresher.

So we reviewed the current research and found that the stability and quality of cannabis primarily depends on how the product is stored and not the cultivation environment, although there are a variety of factors that contribute to the safety and quality of cannabis. So exposure to heat, light, and humidity can accelerate the degradation process and growth of contaminants, and the current rules do not have clear storage guidelines. Degradation of compounds in cannabis not only affects the product potency, as stated by the petitioner, but also the consumer experience. Depending on how the compounds degrade, the intoxicating effects may not be what the consumer expected, and the flavor and aroma can diminish over time, especially if it isn't stored properly. And with regards to the product safety and potential health impacts, although there is no evidence that the plant pathogens and mold can significantly impact the quality and safety of cannabis, they can significantly impact the quality and safety of cannabis.

The specific prevalence rates of these health issues among cannabis users is not well documented, so this highlights the gap in the research and underscores the need for more studies to better understand the scale and scope of the health risk associated with mold and pathogen exposure. So if the dates are not included on the labels, and consumers cannot obtain the information otherwise, it creates the situation in which the seller knows more or better information than the purchaser, which leads to an imbalance of power and potentially unfair decisions. When a consumer does not have the information to adequately assess the product's quality, they may make purchasing decisions that aren't in their best interest, for example, purchasing potentially harmful low-quality cannabis at a high price. Requiring the dates on labels do directly address the consumer knowledge gap and would likely enable consumers to make more informed purchasing decisions.

And some of the benefits of how the market may change or what the benefits of these consumer behaviors changing. If the dates are required on label, it may benefit cannabis businesses by enabling them to make more informed decisions, which would ensure better -- more fair

competition and effectively allocate resources to ensure efficient operations and customer satisfaction. This is especially important to consider given the current state of the cannabis market and decline of prices and for social equity applicants who are at a competitive disadvantage already compared with existing operators because they're entering into the market 10 years after legalization. Some of the potential cost or risk that may occur if we required the dates on the labels could include, obviously, the increase of cost of compliance for licensees, which could result in a higher price for consumers. However, initiating rulemaking provides an opportunity to explore other options, non-regulatory options that may address the petitioner's concern while also minimizing the compliance burden for businesses.

So one of the big things too, and not just looking at social equity, but socioeconomic equity. So if there are increased costs to businesses that ultimately get transferred to the consumer, it may disproportionately impact low-income consumers who rely on affordable options. Alternatively, low-quality and potentially harmful products would likely disproportionately impact low-income individuals who have difficulty accessing healthcare and rely on cannabis for medical purposes.

And finally, as stated, if these labels were required and consumer purchasing behavior changed, then it may temporarily disrupt the market as businesses adjust to allocate resources effectively. So I actually went into some other states, Jim. Just you had asked yesterday. Sorry, Member Vollendroff. And so there was a study in 2020 that was reported, and less than five states require harvest dates on labels. When we did a recent query post on Canada, Oregon responded, Montana, West Virginia, and they all indicated that they have harvest dates. I did a little bit of other research, and California, Illinois, Michigan, and Nevada also require the harvest date or some other sort of day like packaging date that would indicate how old the product is. And with regards to public comments and public interest, I did go back and look at the 2018 rules, and the prior concern, actually, interestingly enough, was the concern that consumer behavior would change if the date -- if people looked at the dates only because they would be purchasing based on freshness, which may be misleading and, therefore, disproportionately impact outdoor growers. Or you just heard that the benefit in consumer behavior actually might be positive.

And then for this round we did receive a few comments that were in support, but no comments against including the labels. So with that, the petitioner raises important considerations regarding consumer transparency and the potential public health benefits. A thorough rulemaking process informed by stakeholder input and feasibility studies will be crucial for reaching a well-informed decision regarding requiring these dates on labels. Initiating the rulemaking, like I said, provides an opportunity for us to explore other options that can address the petitioner's concern, while also minimizing cost of businesses and a disruption to the market. So given the potential health benefits, alignment with Board goals, and consumer interest, the Director's Office staff recommends that the Board accept the petition for adoption, repeal, or amendment of the rules related to product labeling requirements and initiate rulemaking -- proceedings consistent with the EPA. It's a long one. Thank you. I'm happy to answer any questions.

Ollie Garrett: And you covered that you did -- so you did go back because I remember in 2018, packaging and labeling was a huge take on for us, and we worked with public health and the community and on and on to come up with what we came up with, and a lot of it had to do with too much stuff on the package. So you did go back, and you looked at all of that, the comments, and how they went into creating the packaging and labeling rule. And my question, which you might not be able to answer today, do we know if there have been any issues based on not having that on the package? Has (Public) Health said people have gotten contaminated product?

Cassidy West: So when we looked at the research, like I said, the prevalence rate of how cannabis products are affecting people negatively health-wise is just so limited, and the reporting systems could be improved in the states. And so to answer your question, we really don't know if there are harmful effects occurring. But I will say that a lot of consumers reached out, so there does seem to be a concern not only in the consumers who reached out this time but last time as well.

Jim Vollendroff: Thank you, Cassidy, for that briefing. And Member Garrett, I think that was a really good question around what have we seen? Has this been a problem? Because I had a similar question. But I think about this from the perspective of the consumer and consumer knowledge, and I don't see any downside to accepting the petition from my perspective. All we're doing is exploring it, and it gives opportunity for us to hear from all sides and potentially come up with solutions that don't add cost but also give consumers more information about harvest date. I've mentioned this about apples. I'm always interested in how old apples are because sometimes you buy them, and it's like, okay, this is last year's apple, I can tell. And although this is not exactly the same thing, it's all about consumer knowledge and giving consumers that information.

Chair Postman: Yeah, I largely agree. You know, I will say, the comment that we saw that we've gotten about this, you know, is not -- this isn't our top priority. That's true. It's just not our top priority, and I do think that's really on your shoulders, Ms. West, and your team, which is, how do you triage all the different ones you have? Because of what you're working on, this doesn't necessarily rise to the top in my book. And I also do really wonder about what happens between indoor and outdoor grow, you know? And I don't think we want two sets of rules. But then even just having one set, it seems like could have the same impact, which is people shopping by date when that may not really be a driver of quality or safety. So I guess I'm okay with us accepting it so we can look at that, but I think we really have to think, is there a threshold level of data that we want to see about what the potential downsides of people buying old weed is before we move ahead with it, if that makes sense.

Cassidy West: Yes, absolutely. And the research on the quality of indoor and outdoor was very scarce. Most of it did focus around the storage conditions. And so speaking of alternatives, maybe a solution is just changing the storage rules and not even touching it. You know? So we could get creative with that.

Chair Postman: Right. And we did have the conversation about extending the life of the testing certificate as well and what that would do and, you know, I just think we need to look at it a little bit ballistically if you will, and let's just make sure that there is a real problem that we're addressing if we decide to move forward, but that's why we do all the work. Well, I should say that's why you do all the work, so we'll do that. And with that, is there a motion to accept the staff recommendation to approve the rules petition to amend WAC 314-55-105?

Member Garrett made a motion to accept the staff recommendation to approve the rules petition to amend WAC 314-55-105. Member Vollendroff seconded. The motion was approved.

5. 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:

Sami Saad: Hello and good morning, everyone, and thank you so much. You guys working hard. I understand sometime maybe we was mad at the past. You know? The thing is taking too slow, but I thank you guys, you know, people working. They say if you don't thank the people, you will never thank God, so thank you all. I just want to address one thing. One I -- it's like three things. One, a lot of bad products. I think the LCB, they should create one of those doctors, but he have to be a medical user as well about quality. As Muslim, they say that in yourself and you don't know so. And I own a lot of farms somewhere else in Sudan as a dual citizen, and as a farmer and as a business owner. Inside door and outside door is a totally different -- just like this. If you stay home all the time, you need to take B12. So in taking a lot of medicine, it affects you. Even the doctor tell you don't take it a lot. Growing weed outside weed or cannabis is a lot healthier and a lot better. It should be a lot of product in the market is not good. As the business owner and a medical user, there's a lot of bad products.

I've been in cannabis, and I know about cannabis for the longest and before even exists here as legal in the United States, so, and I know from my uncle it is good for a certain thing, for, you know, for painkiller. So my thing is, if we feel we care about those people as a business owner, and one of the medical cannabis started since day one. I'm the first medical cannabis in Washington, there is nobody before me in the state, and the state records show that. And now, I'm one of those winners -- the social equity winners. I wish if you guys have that person to test those products, the second thing is I wish upcoming of 52 license to be divided. The pioneer to get the license first. I have my license now but still is not equity for us because the past they getting five shops or three shops. Now we getting only one. Second thing is it should not be no restriction on inside the company to move the percentages. That's the guardian. We are over 18. We should not be to be guard that.

The other issue is the work on commerce. They way delay, and even I spoke to Elijah Moon, he don't even know what's going on. This is about security location, not to tell me how to be

success. This has hurt our feeling because we've been in the business. Most of us, we pioneered. We know what to be success. We know how to operate a business because we had a business in the past. We've been forced out. So we know this is not this legislator. It's a past legislator, and you guys want to make it better. But if you guys want to make it better, we should be respected on this one. There is no one who want to sell anything to anyone. This is for to help people. Me, personally, I don't even want that money for myself. I want it for the community and for others. And I brought people to the company. Before even this, I have people I brought to the company. I don't even know about this for the longest.

So at the end of the day, if you help the people, God will help you if. You help the people, people choose you. That's why I have a lot of support. That's why they have me in KING5 news when Ms. Ollie Garrett was speaking and Peter Manning, all of them, they have community fight back. Sami Saad, 12th Green, but they don't have Sami Saad there. They have Jim Buchanan. No disrespect to Jim Buchanan, but he own a shop already, and Emerald Haze has just being sold to Evergreen Market.

Okay, the second thing is Renton, they've been very racist because we are eligible to have in Renton, and they're not allowing us. The City of Renton is not allowing. Two people owning licensing, Evergreen Market, and the other one is 420. That's not fair. There is no black person on anything. I'm Muslim, I'm black, and I have African American with me in the license. We feel all the social equity we should be acknowledged, and those pioneers that should get their license, 22 license go to the -- 26 license should go to the pioneer, and 26 license should go to other people. That's what the fear is, far people being left out. Thank you so much.

Christopher King: Terrific. Then I'll go right ahead. So guys, I don't know where to start really, but basically, it's all about lies. Okay? And let's start, though, in solidarity with my brother, Peter Manning, who recognized the fundamental lie of Dennis Turner and Cloud 9 Cannabis over there in Arlington last week. He followed my presentation. He vetted it, and he said, "Yep, that's garbage." And again, this is the type of thing that you do, though you partner up with people who have nefarious backgrounds, like Dennis Turner does as a fighting of law in [indistinct] again, which I've told you about repeatedly. And then you have the Kaleafa guys, the Widmer family, the guys who hid the Porsche, hid the Rolex, had millions of dollars in fraud charges against them, findings of fact lied to the US trustee and lied to you, and they're getting multiple licenses like Sami just said, like four or five licenses -- four or five shops out of one license. Okay?

And then the black folks are just struggling to get anything going. All right? And by the way, as Peter brought up last week -- and Peter and I have more in common than not. All right? So I'm going to bury the hatchet on another lawsuit because I still disagree with him, but he's my brother, and brothers are allowed to disagree. We agree about much more than we disagree. And bottom line is I can still file that suit again if I want to because the court dodged the question. Yeah. They like to do that. Anyway, I find that the media and the courts just do whatever you want them to do. David Postman, I know you're a former political writer for The Seattle Times. I'm sure that has nothing to do with it. But anyway, here's the thing. These

stories, Kaleafa and the charade that's going on in Arlington, these are newsworthy things, but for some reason the media around here can't seem to catch a clue. And what we have is Gregory Foster asking for more information. I give it to him, then nothing happens. I've had all these reporters from KING5, including Eric Wilkinson, call us, me, Libby, Kevin, Sami. They call us and then they never want to write what we tell them. Okay?

Now, you know I ran a weekly newspaper, a statewide Cincinnati edition of the Ohio Call and Post, and then I was a daily reporter for The Indianapolis Star. I've been around the block, and I know when there's a silent freeze, and this whole thing is a silent freeze. This agency is a lie. You were brought up. This agency started because the state needed money in the first place. You know, the mortgage crisis had hit, and I knew this because I used to write for WAMU. All right? And Chicago Title. So this state was broke. You needed money. You're bring in the LCB so you can get taxed on weed now. All right? And you know you sold the liquor stores, and so you needed money to replace the income that was lost to that. You know, it's all that was just crazy, and so is everything. This LCB is just fraught with lies all the way through. They [indistinct] just affected bigger than I could ever even possibly believe. And, you know, I can't even get the CV of your director, but no journalist talks about that. What kind of universe -- are we living in a parallel universe? Because that's not the way I grew up as a journalist.

The CV of a corporation or of a public entity provides his or their CV. It's crazy. And you've got mums the word. Everybody's looking around, oh this King guy's crazy, then I get this chick, Marilyn Mack, writing me, and she's telling me. Oh yeah, talk fast, and you attack. I can't hear you. Okay? That's crazy. People hear me just fine. I got awards for public speaking. And then you have also the lie that Rick Garza told Kevin Shelton about not knowing about [indistinct] when we have from early January of the year before Garza wrote him a stalking complaint from your files. You released this after the court dismissed the lawsuit against -- that Kevin brought against the LCB in your 10th installment, as you like to drag things out. This agency is nothing but a lie. Goodbye. See you next time.

Sky Theriot: Hi, Board Members, staff, and members of the public. I'm Sky Theriot, and I stand before you today with profound gratitude for the Board's decisive action in accepting the petitions to amend or repeal 314-11-050, the Prohibited Conduct Rules. I want to speak to the meaningful impact of having public comment periods, especially in this time where it may seem unfruitful. While the initial inspection of the value of stakeholder engagement may seem like an unfruitful step, giving any community a chance to voice their concerns does more than inform policymaking but also provides a space for citizens to share their experiences and the impact of this rule for the public record. Ultimately, this helps to improve public participation and establish trust with entities that may not have that trust already. Acknowledging the historical context of governmental agencies involvement in systemic discrimination, I commend the Board for your departure from the convention when the rules have demonstrably perpetuated harm against marginalized communities.

Today marks the pivotal moment, signaling a renewed commitment by the Liquor and Cannabis Board to fair and equitable rulemaking processes. By embracing these changes, we pave the

way for future leaders to engage with structures previously overlooked, fostering a culture of inclusive leadership and progressive governance. While there is still much ground to cover, today's decision represents a significant stride towards dismantling discriminatory practices within Washington State's law enforcement framework, and I extend my deepest appreciation for your swift and thoughtful consideration of the issues at hand. Together we can continue our collaborative journey towards building a more just and equitable state. Thank you.

Eric Kotz: Thank you, Liquor and Cannabis Board. I had originally come up with a plan to request the Liquor Board accept the petitions requesting the full repeal of the Prohibited Conduct WAC 314-11-050, but you just did that and thank you for doing that. While I didn't have the opportunity to submit my own petition, I'm friends with most of the petition submitters, and I know they'll appreciate the Board accepting it. Now that the petitions have been accepted, I'd like to ask the Board to swiftly and fully repeal WAC 314-11-050 on as soon as possible timeline. I believe that means the CR 102 will be filed on April 10th and ultimately have an effective date of June -- I'm sorry, July 6, 2024. Swift action in this way would honor the petitioners' intentions when they filed the petitions. Just please fully repeal that WAC. Thank you.

Peter Manning: I'm not sure what time it is, but it's still like morning to me. Good morning, Chair Postman and Board Member Vollendroff, and Board Member Ollie Garrett. Black Excellence in Cannabis comes before you today to discuss the money that we spoke last, what, two weeks ago. We understand now that the funds are being or getting ready to be allocated. We met with Chris Green, at the Department of Commerce last week. We understand that that tally is now \$9 million dollars. We're not sure how this going to be allocated. We are aware that the Board is going to go to a meeting on the 20th to meet with the Department of Commerce and Launch, which brings me to my next point.

We are kind of hesitant on the Launch organization number one because the person that runs Launch worked with the white retail industry here for seven years, and now this person is the head of the social equity grant funding and the social equity program and the rollout for 5080. This seems kind of -- there may be a conflict of interest. We're not sure that that was the right choice in the Department of Commerce. There was a lot of black organizations that were more qualified to speak for the black and brown community from the standpoint of social equity. There was people that had been fighting in this industry for the last 10 years that were not reached out to. There was no reference made, or any questions, and he just wanted to use Launch. Launch has no experience with our community. We think that's a bad choice. We would ask that you guys rethink that. Sincerely rethink it.

To add insult to injury, we were offered, Black Excellence in Cannabis helped pioneer the whole social equity movement in Washington State. I was offered \$251 to speak for Launch, as if it's something that Black Excellence in Cannabis helped to create. We declined. It was an insult to be offered \$251 to some people that have no experience in this but want to use our experience and felt it was only worth \$251. Think about that for a moment. The experience that we have for the last 10 years to be given to someone for \$251, they're not coming up with a sincere heart to

address the issues in our community. We were closed out of this industry on purpose through what we believe was racial intentions to keep black people and brown people from economic wealth. This, I truly believe this. So please look into this Launch entity that you guys are trusting in to dole out this money, this grant funding. We're not happy with it. The community is not happy with it, and we just like to -- it's a sensitive subject for me, and I think that we cannot just hand this over to anyone. So with that being said, thank you for your attention.

Mike Asai: Morning, Chair Postman, Board Member Vollendroff, and Board Member Garrett, and community members. My name is Mike Asai with Emerald City Collective. I was the first downtown Seattle dispensary in 2010 unjustly shut down, and it's documented. On my Articles of Incorporation, I didn't lie. I put on there to provide cannabis. In 2010, I was saying cannabis for medical patients. I started the dispensary because I lost my father in 2009. He needed medicine. I have regrets that I didn't give him that medicine, and he needed more water. He had a brain hemorrhage. I had to take him off life support. Since being shut down unjustly, I lost my uncle in 2021. I lost my brother a year ago in 2023. Had I not been shut down; I probably could have helped prolong my uncle's life. My brother in and out of prison, I probably could help prolong his life, but I was unjustly shut down and lost out on millions of dollars.

Look, it's been four years. March 12, 2020 is when House Bill 2870 passed. Four years, and we still haven't got one true social equity license open. This is facts. That's 1462 days. It's been 173 days since the congratulations letter went out, and we still haven't got grant funding. And LCB's rules and the social equity it says preliminary letter of approval. To complete the licensing process, you take that preliminary approval, you go to get commerce to complete the licensing process. It's an insult for someone and those to say the grant funds are not a gift of funds. Everybody, look. I went to college. A Pell grant is in essence a gift. It's a grant that you get from the federal government to go do what you need to do. Now, in the rules for social equity, they are to give out the grant funds within 12 months to show how we spent that money. We don't need to be babysat. There is 9 million in the pot. That 9 million, most of it needs to go towards opening the businesses. We need at least 150,000 minimum social equity.

I'm an applicant, but I'm still fighting this fight. Just because I got a license doesn't mean that I'm going to shut up and be quiet. I'm not gonna shut up and dribble. Whatever the saying is. It's a disrespect for people to think that we got something that we should be happy about it. I'm not happy. The community is not happy. Everybody knows what's the meaning of grant funds are. There's a 200 million reinvestment from commerce, and there's 9 million in this pot. We need this money to go towards opening the stores. It's a disrespect just to me, to Black Excellence in Cannabis, to black and brown to the community. Don't insult our intelligence. We know what we're talking about. The social equity task force met for over two years. We know what grant funds are. Let's stop playing the games. And I'll echo what Peter said. No, we're not happy with Launch. We're proud of all this placating. It seems as if when it comes to black and brown, and let me say black, especially, because my ancestors helped build this country. And it seems as if when it's time for black empowerment, there is purposed delays. What is this country afraid of? Are you afraid that we're going to get money? What? I just don't understand it. And that's what it seems -- you have to understand from my situation. I was handcuffed at 8 years old just for just

being black. I didn't do anything. I was just with some friends. We got accused of something, and the police handcuffed me. This is the stuff that we deal with as black in this country. I don't play the race card. I say what facts are and what it is. Black lives matter, but I'm tell you what matters. I know my black lives matter. Black wealth, black empowerment, black reparations are what matter, and I will always keep fighting that fight. Thank you.

6. ADJOURN

Chair Postman adjourned the meeting at 10:48 am.

Minutes approved this 26th 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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