



Washington State Liquor and Cannabis Board Meeting

Wednesday, September 11, 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, September 11, 2024. Member Jim Vollendroff was also present.

2. RULEMAKING TIMELINES – ALL INDUSTRIES

Cassidy West, Policy and Rules Manager

Cassidy West: Good morning. Thank you, Chair Postman and Board Member Vollendroff. Since I gave a pretty lengthy update yesterday, I will just give a brief high-level overview. So we have 12 rulemaking projects. About half of those are statutorily mandated, one legislative report, and we have four petitions. Those are the ones on title certificate holders that we're going to present next week at the Board meeting on the 25th.

Cassidy West: So all projects are on track, except that we are extending the timeline for 2151 lab accreditation, as well as the waste, just to allow time for stakeholder feedback and coordination with other agencies. We will have upcoming stakeholder engagement sessions on the minors on premises. And that will be on the 16th and 19th of this month. And then we will have the emergency liquor permits stakeholder engagement on the 30th. That's September and October 30. Other than that, we just have our 103s coming up at the next Board meeting, assuming all goes well today with the public hearings. And then we'll have a public hearing for cannabis sampling too on the 25th.

3. CANNABIS RELATED RULEMAKING

ACTION ITEM 3A – Rules Petition Review and Consideration Requesting to Amend WAC 314-55-310 to Allow Cannabis Transportation Licensees to Cross-Dock at Their Own Fulfillment Hubs to Organize Shipments

Cassidy West, Policy and Rules Manager

Cassidy West: Great, thank you. This morning I'll be presenting a petition response regarding a request to amend WAC 314-55-310, which governs cannabis transportation license requirements (HANDOUT 3A). The petition was submitted in July 2024 by Edgar Castenada-Zarate, representing Dos Transportation, and seeks to allow cannabis transportation

licensees the ability to engage in cross-docking activities at their own fulfillment hubs.

Currently, products must be delivered within 48 hours of pickup, and temporary storage at a facility is not allowed. The petitioner argues that this restriction creates inefficiency and safety risks, particularly due to the long driving hours, and adverse weather conditions that drivers sometimes face. The Board has broad statutory authority to adopt rules. And so we analyzed the petition through various lenses to create our recommendation for the Board today, including statutory authority, safety, equity, security and alignment with Board goals. For safety, a cross-docking could help mitigate driver fatigue and improve public safety. There are commercial driving laws that talk about hours of service, so this is fairly standard in other industries. However, the proposal would require strong security measures to prevent diversion during temporary storage. This allowance could reduce barriers to entry as well as lowering operational barriers and increased flexibility for operators. This could particularly benefit those new entrants into the market, and smaller businesses, and improve their competitive standing.

We looked at security. And so while operational flexibility is positive, we have to ensure that the rules would have a robust security traceability and surveillance system so that, like I said, we would reduce the risk of threat or diversion.

And then finally, alignment with the Board's policy goals. This proposal does align with the Board's goals to improve safety, and improve operational efficiency reducing undue burdens, while fostering equitable opportunities for participation in the market.

The transportation requirements have not been substantially updated since 2016, making this a timely opportunity for modernization. We have not received any public comments while we have the petition posted online from stakeholders, however, many stakeholders have expressed an interest in us looking into these rules. So should rulemaking proceed, we do expect that there will be a robust engagement from the cannabis transportation sector.

And with that, for the reasons outlined above, to improve safety, operational efficiency and equity, the Director's Office staff recommends that the Board accept the petition to initiate rulemaking to amend WAC 314-55-310.

Member Vollendroff made a motion to accept the petition requesting to amend WAC 314-55-310. Chair Postman seconded. The motion was approved.

ACTION ITEM 3B – Board Adoption of CR 103 for Substitute House Bill 1453 – Medical Cannabis Patient Excise Tax Exemption Implementation
Daniel Jacobs, Policy and Rules Coordinator

Daniel Jacobs: Good morning, Chair Postman, Member Vollendroff. This morning I'm requesting approval of the CR 103, or rulemaking order on implementing Substitute House Bill 1453 on the medical cannabis patient excise tax exemption (HANDOUT 3B). If approved today,

the rule language will be filed later this morning, and effective October 12th. Substitute House Bill 1453 was passed during the most recent legislative session and went into effect on June 6th. It exempts cannabis sales from the 37% excise tax, if all the following conditions are met. One, the cannabis is purchased by a registered patient or designated provider, with a recognition card. Two, the cannabis is Department of Health compliant. And three, the retailer holds a medical cannabis endorsement.

The LCB is given rulemaking authority to identify the records that need to be kept by retailers, demonstrating that these requirements are met. This tax exemption is currently scheduled to expire in June 2029. We held two stakeholder engagement sessions in early June and incorporated some of the feedback received into the draft rule language. We've amended three existing rule sections to address the new excise tax exemption, including 314-55-083 on traceability, 314-55-087 on record keeping generally, and 314-55-089 on tax reporting. These have all been changed to address the new requirements, and to reference a new rule that we're creating at 314-55-090, which is dedicated solely to this new excise tax exemption. The thought behind creating a whole rule is based on past experience with the alcohol delivery allowances that were temporary during the pandemic but then made permanent by the legislature.

Similar to that situation, if the legislature decides to make this exemption permanent, or to change it later on, we'll have a rule in place, that we can then change or remove the expiration date of. Or alternatively, if they let it expire, then we can rescind the rule at that time.

The language in 314-55-090 repeats the requirements of 1453, as well as requiring retailers to keep the following records for every sale where they are exempting the excise tax: the date of the sale; the unique identifying number from the recognition card, as well as its effective and expiration date; what product is sold that is having the excise tax exempted from it; and the sales price.

There have been some other technical changes proposed to 314-55-087 and 089, such as updating LCB's mailing address and fixing some typographical errors, as well as changing the acronym from WSLCB to LCB, consistent with other rulemaking completed July 31st. Up to and during the public hearing, we received predominantly positive feedback. During the public hearing itself, a request was made to make clear that any patient information remains confidential per Department of Health (DOH) statute at RCW 69.51A.230, so we've added a provision to our new rule, specifically stating that. Lastly, there's a brief discussion about requiring certificates of analysis to be uploaded via CCRS, during the last Board meeting.

And I want to clarify that this rulemaking is not changing what quality assurance testing is required to be uploaded to CCRS. Quality assurance testing is already required to be uploaded to CCRS. And for DOH compliant product, heavy metal testing is considered as part of that quality assurance testing, and, therefore, heavy metal testing for DOH compliant product is already required to be uploaded in CCRS. Because, you know, in sort of logic terms, if A equals B and B equals C, therefore, A equals C.

Therefore, I'm requesting the Board's approval for the CR 103 on implementing substitute House Bill 1453 on the medical cannabis patient excise tax exemption. Thank you, and I'm happy to answer any questions.

Member Vollendroff made a motion to approve the CR 103 for Substitute House Bill 1453, the Medical Cannabis Patient Excise Tax Exemption Implementation. Chair Postman seconded. The motion was approved.

**ACTION ITEM 3C – Hearing Regarding CR 102 for Cannabis Payment Flexibility
Daniel Jacobs, Policy and Rules Coordinator**

Daniel Jacobs: I'll be introducing the public hearing that we're going to hold on that here shortly. I know that there are two other public hearings scheduled for today, but this one is the younger step-sibling of the other two, I guess. And so I'm here to preview public hearing for cannabis payment flexibility (HANDOUT 3C). Assuming there's no testimony that causes us to substantially change the proposed rule language, the final rules will be filed September 25th and effective October 26th. This project is amending WAC 314-55-115 on what methods cannabis licensees can use to purchase cannabis from other licensees and is the result of a petition that the Board accepted in March 2023.

The CR 101 was filed May 8th, and a survey with draft rule language was posted on the LCB website from June 3rd through July 8th. The majority of the respondents were on the manufacturing side of cannabis and mostly supported the proposed rule changes. These survey results have been posted on the website, as attached to the CR 102 memo. The only note of hesitation is that a decent portion of respondents expressed concern about an increase in NSF, or insufficient fund issues, which as I'll shortly explain, these are already addressed in existing rule language.

314-55-115 identifies methods by which cannabis licensees can purchase cannabis from other licensees. And it identifies check, pre-paid accounts, debit or credit card, electronic funds transfer and using a money transmitter as those methods. The proposed rule language clarifies that just as with the other payment methods, when paying with a check, a purchase order has to be done by an irrevocable invoice; both parties have to keep records consistent with other LCB requirements; and the check has to be mailed no later than the next business day after cannabis delivery and it has to be deposited no more than five business days post cannabis delivery. We're also proposing to clarify that, as used in the rule, the word "delivery" refers to delivery of cannabis, as opposed to delivery of payment. And this is because, especially with checks, we talk about timelines from when payments delivered versus cannabis. So we just need to sort of clarify that we're talking about the delivery of cannabis.

We only received one comment on the CR 101, and that was asking about the issues related to NSF checks. So 314-55-115 already addresses NSF payments in section 6. And it says that NSF issues have to be corrected by 3:00 p.m. on the business day after the NSF issue is

reported. Otherwise, it becomes an impermissible extension of credit, which is already punishable in our penalty structure. And that penalty can be found in 314-55-523.

As of this morning, we received one written comment that requests to remove the deadline requirement for depositing the check. My understanding is that this request will be repeated in testimony. And I'm happy to respond to any questions about that after the public hearing is concluded. And that's because during the public hearing itself, I'm not going to be able to answer any questions until the public hearing has ended. Thank you. And that's what I got.

Chair Postman opened the Public Hearing and invited citizens to address the Board. The Board heard from the following person:

Amber Vaughn: Hello. I'm Amber Vaughn, the President of Terpene Transit. I'm also on the Board for WACA, a trade organization for the cannabis industry. We, as a trade organization, support cannabis payment flexibility. We believe that allowing retailers to mail a check for cannabis deliveries will help to ensure operational efficiencies that other businesses utilize regularly. Furthermore, I do believe, you know, coming from the transportation sector, we're able to see a lot of different dynamics within the industry. It will overall improve compliance. In the event that an invoice amount is changed from the point of order to the point of delivery, sometimes what we experience is that the check amount does not match the new invoice total that was sent. Given the fact that anybody who is a signer for a checking account is considered a TPI, there's minimal employees or staff at retail locations permitted to sign checks, so often they're left in advance. So what we see is a lot of product then needing to be returned to the point of origin, which given 48 hours can be complicated, or even for in-house deliveries, complicated given their 24 hours. Furthermore, it could reduce the potential check fraud, limiting access to checks within potentially high turnover retail establishments, it will assign the responsibility of that check only to management or long-term employees. Furthermore, it will reduce potentially the cash exchange at the site of retail, hopefully minimizing any kind of theft or crime related to cash exchanges.

Checks are already currently being mailed, under the guise often that they are going to be ACH under payment, and then later mail the payment. I think what this will do here is set reasonable parameters regarding timelines on mail payments and expectations. You know, it kind of leaves a producer/processor in a weird spot when they're told the payment is going to be ACH, and then later it's mailed, and they have no indication of when it's going to arrive.

The one comment we do have, Daniel Jacobs has already addressed this, is regarding the deposit timeline. Mail is unpredictable. Personally, we experienced maybe two mail arrivals in the month of December last year, at our own organizations, due to mail strikes, et cetera. So that's one factor. The other one is, banking for the cannabis industry isn't necessarily accessible. My bank at Terpene Transit is in Seattle, we're based in Bellingham. I think reasonable timeline is one thing, setting five days is a tricky measure. And I just really appreciate the opportunity to speak on CR 102 regarding cannabis payment flexibility. I think it will be a healthy move for the industry, especially with the amendment to adopt.

Chair Postman closed the Public Hearing.

Chair Postman: Before we go on to the next one, though, Mr. Jacobs, did you want to address the one issue that was raised?

Daniel Jacobs: I certainly can. I'm in the process -- I would say in terms of that sort of end date, our concern is that we want to have an end date to the timeline. I'm certainly sympathetic to sort of not being subject to the whims of the mail, the U.S. Postal Service, especially during the winter. And so, I think that our Rules team is going to circle back to this, and sort of figure it out. But I do think we need to have an end point so we have a limit, that a check can't get mailed and then you have however long you want to deposit it. But I think that if we can figure out a way to tie that to a different measuring point, I think we're certainly interested in doing that. I'll be connecting with them in the next couple days to see if we can figure out some other benchmark to use.

Chair Postman: Great. Thank you, that sounds just right. Okay. Our next public hearing will be presented by Cassidy West.

ACTION ITEM 3D – Public Hearing Regarding CR 102 for Engrossed Second Substitute Senate Bill 5367 Concerning the Regulation of Products Containing THC
Cassidy West, Policy and Rules Manager

Cassidy West: Okay. This morning, we'll be having a public hearing on proposed rules implementing Engrossed Second Substitute Senate Bill 5367, concerning the regulation of products containing THC (HANDOUT 3D). The legislation was enacted in July 2023, and we filed the 102 with proposed rules in July 2024. The proposed rules in the CR 102 filing included changes to the definitions section, where we incorporated definitions from statute and other related definitions. We amended serving size requirements to consider that various types of compounds are on the market and could be present in products. And then we focused on packaging and labeling concerns to promote consumer transparency and safety. And overall, our goal was not to significantly increase the regulatory burden for cannabis licensees, as the legislation was intended to squelch products on the unregulated market. So we received no public comments besides the one that we received this morning. Comments that were received other than the one this morning were really more questions from hemp manufacturers asking what the requirements are, and what detectable levels are needed. Jennifer gave a great presentation yesterday on that. And then we have had a lot of conversations with Public Health and Prevention. I expect they will be providing a comment today. And we look forward to hearing that, as well as from any other stakeholders. And that's it for this one, unless there are any questions.

Chair Postman opened the Public Hearing and invited citizens to address the Board. The Board heard from the following people:

Caitlein Ryan: Good morning. Thank you so much for your time this morning. Again, my name is Caitlein Ryan, I'm the Executive Director for the Cannabis Alliance. I'm here this morning to express our concerns about the ongoing rulemaking for ESSB 5367 and the impact these proposed rules this will have on the cannabis industry. We appreciate the challenges the passage of this bill has presented in rulemaking. I do though wish that we had had the opportunity to comment on the CR 102 draft prior to its filing. And as a result, unfortunately, I'm here at the last minute providing you with feedback, and I'm afraid that it's going to -- I'm hoping you will consider, probably will result in a supplemental 102. The most concerning aspect of the proposed rulemaking at this point is the requirement that the limits of any additional single THC compound be no more than 0.5 milligrams per serving. And that the combined concentration of all the additional THC compounds to be limited to 1 milligram per serving. We sort of believe this proposed rule is out of step with other states and will create unnecessary burdens on Washington's cannabis businesses, especially with regards to plant constituents that are fundamental to cannabis medicine. Specifically, the rule is vague, in terms of what constitutes additional THC compounds. This lack of clarity makes it difficult for businesses to know exactly what is being regulated, which can lead to some confusion and potential compliance issues. Also, even the CR 102 states, that research on cannabinoid compounds remains limited. So the scientific basis for this definition is vague at best. And while we do operate in a closed market, it's still in context of competitive products available on the internet. And this proposed rule is sort of out of alignment with regulations in other states, and then, also what's available on the unregulated market. We do think it's important to note that the existing cannabis market is already heavily regulated. We do believe in high standards for product safety. But, in essence, these new rules sort of do place additional burdens on those already following the rules. What do we do to address the problem of unregulated cannabis sales? We do propose that LCB create a list of allowable cannabinoids, for clarity's sake. And we also request that this list be something that could be easily modified over time, as research evolves, and we do know more. We think that doing this, you can support innovation in the industry, ensure patient access to necessary medicine, while ensuring that cannabis products remain safe for consumers. The list that we're proposing at this time includes THCV, CBG, CBN, CBGV, CBC, CBL and CBDV. That's not exhaustive, that's sort of the list that we have at this time and would really welcome an opportunity to collaborate further on that. Thank you again for your time and your consideration. Like I said, I appreciate the challenge here, and hope that you're willing to continue this process so we get it to where it needs to be.

Wendy Hull: Good morning, Board Members. My name is Wendy Hull, I'm the owner of Fairwinds. We are a producer/processor located down in Vancouver, Washington. I'm also a member of the Washington CannaBusiness Association, so I'll be speaking on behalf of both today. Overall, we support the approach outlined in this bill. One thing that we would like to reiterate, one of our understandings is that the compounds -- kind of like what Caitlein spoke to, compounds though, such as CBG, CBGV, CBDV, and a number of other compounds, including CBN and THCV, are exempt from the .5 milligram combined 1 milligram threshold, so it's our understanding that those are exempt. And based on that understanding, we do support this bill, but we also feel that there needs to be more specificity in this bill. We think it's important to list

the compounds out, so that down the road, you know, one or two years down the road, there's no question on what compounds are exempt from this bill. We feel like that is very important, based on some of the concerns that have been raised in the past with the compounds. Also, noting that compounds are discovered all the time, and into the future, we think it's important to outline these compounds. But other than that, that feedback we've provided, written comments as well, and overall with those changes, we support this bill.

Chair Postman closed the Public Hearing.

**ACTION ITEM 3E – Public Hearing Regarding CR 102 for Engrossed Second Substitute Senate Bill 5080 Expanding and Improving the Social Equity in Cannabis Program
Cassidy West, Policy and Rules Manager**

Cassidy West: Hello again. So, as you mentioned, we'll be having a public hearing today for rulemaking to implement Engrossed Second Substitute Senate Bill 5080, which focuses on expanding and improving the social equity in cannabis program (HANDOUT 3E). This legislation was also passed in the 2023 session. And it seeks to address the social and economic disparities caused by the war on drugs by increasing opportunities for individuals from disproportionately impacted communities to participate in the cannabis industry. The rulemaking effort is focused on expanding eligibility criteria, for finding and scoring the application process, and establishing safeguards for equity and licensing. The CR 102 was filed in August 2024, the Board approved it July 31st, and the proposed rules modify one section of WAC 314-55-570. We held significant stakeholder engagement, virtual, hybrid sessions as well as two different surveys. Three different surveys, actually. And so we're really looking forward to stakeholder feedback today, and if no substantive changes are required after the hearing today, then we'll move forward with filing CR 103 on September 25th. And thank you, happy to answer any questions or add any more clarity.

Chair Postman opened the Public Hearing and invited citizens to address the Board. The Board heard from the following people:

Amirah Ziada: Hello. Thank you for allowing me to speak. I'm Amirah Ziada, I'm with the Washington Cannabis Workers Club, which is a project of UFCW 3000, which is the largest union in the State of Washington. We, as you know, I think I testified before, we were on the social equity task force when that took place. And I have a couple concerns. One, I think, you know, as I said before, if we're going to be changing anything about the social equity program, it should be in line with what came out of the task force. And one of the parts that are confusing to me is the certificate holder part of the legislation. I believe that that should be separate legislation. I don't really understand what it has to do with equity in cannabis. I believe there's -- my understanding is that there's a different type of a -- different threshold for them to be able to get a license and move their license around. And I feel like if we're really trying to make sure that black and brown people, and people who were affected by the war on drugs are getting an opportunity to enter into this industry, and make it in this industry, that it's being a little bit diluted with this certificate holder part of the legislation. I understand they have to meet

some requirements under social equity, but as you've heard from other people, and that we've seen, there's a lot of loopholes around that. People can just ask someone to sign on and be part of their license, so that they can move it. I just think that part should be revisited, and probably, you know, considered for some different kind of rulemaking or different legislation, so that we can keep the integrity and intent of the social equity program. That's all I have to say. Thank you.

Peter Manning: Good afternoon, Chair Postman and Board Member Vollendroff. My name is Peter Manning, I'm a representative of Black Excellence in Cannabis -- the President, actually. I have some concerns about the rubric, and the proposed rubric. I think that we probably -- the first rubric that was successful with 2070, like I said, I believe the success rate that reached our community, 75%, I know that worked -- as far as when -- it pertained in Seattle. We're still waiting to get data from the LCB as to what nationalities got the licenses, of the 40 licenses, what nationalities came out the winner, you know. But you guys are taking the 40 points away from those people, and you're dropping down to 15 for the income. I think that's wrong. I think that that -- black and brown people have suffered economically in this country, and that is a strong indicator there that should have stayed in the rubric the way it was. I think you guys are trying -- I don't know if it's the LCB or WACA that's running things. But this is -- this new rubric is tailored to fit more whites than it is that of black or brown. And title certificate holders should not be a part of this, this is not equity for them, this is equity for the black and brown communities. They were victims of the LCB intentional disregard for them in the industry, the inclusion thereof, I believe. I also believe that the mobility, it's an insult to have a guy under 2070 to get a license in Skagit County. He had 120 points, and he outdid somebody in Seattle that had 250, in King County. Now, you guys are going to allow them to move anywhere. I don't think that's going to work out legally, I just don't. I think you guys are going to have some hurdles there in the courts. I don't think that's equitable or fair. Another thing I don't think, the D.I. points for the dispensaries in -- you guys have moved that down to 25 points, and 5 points for dispensary owners. Once again, it's an attack on black people that had dispensaries that the LCB closed. So, I think, Mr. Postman -- I really, truly believe that WACA is running things down there. I believe that this is the same blueprint WACA wanted to run back when the social equity task force was in. This is their blueprint. Postman, who is running stuff? Is it you or is it WACA. And I heard Jeanne McShane was fired? Is this true? Thank you.

Mike Asai: Good morning, my name is Mike Asai, I'm Vice President of Black Excellence in Cannabis. I'm also a pioneer with Emerald City Collective, first downtown Seattle dispensary unjustly shut down. In regard to the draft rules of 5080 -- LCB, you're listening, I will give you that. But it's hard to give you that, because I'm saying you're listening, because, you know, you took stuff away, and then you put it back in. That makes no sense. We have to waste time and energy to say, hey, why are you removing something that was in the rulemaking prior, and then we have to yell and scream for you to put it back. So I guess it's a form of listening. Certificate holders need to be removed from the program. You guys know this would be a detriment to social equity. Certificate holders, they got licenses in 2015, 2016. They qualify. Why do they need to be hijacking the program, it's going to dilute it. It's not right. Yeah, I supported it once.

But once I found out exactly the details of it, there's nobody Black that has a certificate. Nobody. And there's 40 some certificate holders. And they're probably all white, because there's nobody Black. The mobility, it's an insult. Here's the numbers, 250, 280, 260, 270, 220. These are people with scores that did not get across the finish line. So, you know, you can't change the goalpost and say, well, apply for a county, and then now you have some white folks who got these licenses on a social equity, and they want to hijack the rules of 5080, saying well, our license could be mobile after 2024. I don't know if it's racist, I don't know what it is. But it's unjust. You just cannot let this happen. This 90-day period mobility. No, you cannot change the goalpost. If people who had 250, 280, if they knew that their license could be mobile, they would have applied for Klickitat County. They would have applied for Lopez. There were six licenses that nobody applied for because nobody wanted them. But I guarantee you, these people with 250, 280, 260, 270, 220, who did not get a license, had they known, oh, let me just go ahead and get that license in Lopez island, it could be mobile. Come on, that's not right. The rubric points, this is an insult, this is an attack on pioneers. Listen, why are you guys lowering points for pioneers. Senate Bill 5131 was the rubber stamp that you guys had an agency-led bill, and you got rid of the pioneers in 2017, when you were supposed to open up the licensing again. Now, here we are, we have to fight and tell you, why are you lowering these points? These points should be raised. If anything, stay the same, but they shouldn't be lowered. They should be raised. Let's get this right. Thank you.

Paul Brice: Hello, my name is Paul Brice, retail owner Happy Trees. I don't want to go down all the titles, because I only have three minutes. Rubric score or even the success of social equity. I don't understand how we can even try pushing 5080, being a part of the task force, seeing all the grabs of how many white people, how many are Asian, how many are Black. Zero studies have been shown to us anywhere. Anywhere have we seen studies of results, and we're trying to push this next one through, because we know it's flawed, and we know we can wrap this up, and then we can just completely dismantle social equity, and then we can give it to a lot of people that it was not intended to go to, black or brown. Again, we can't say that no more. But we can have selective understanding, when we want to have selective understanding. We wanted to roll this out, so we said, hey, we won't take the lawsuits right now, we'll roll it out. Now that we see it's flawed, we're going to keep -- like I said, LCB is the most guilty for see something, say something. That's why we're in this situation. We know what the task is, what we're going to try to get done. But yet, we're going to keep pushing, as if, you know, LCB are the pioneers, we didn't have anything right, we're going to allow this to be wrong. I mean, take the lawsuit. You know you're going to get lawsuits from everyone. If you're going to release this, this is all about inclusion for what's the lack of black or brown representation, but we're pushing things that we know that are not going to breed for black or brown. And everyone seems to be okay with it. And again, we don't -- how -- I was a biology major until I caught a double felony charge my senior year in college with a 3.86 GPA. I mean, I understand what studying is, and I understand what being a part of this program for five years, and seeing all these studies, hearing all the studies. Trying to push through this next part without seeing any of the studying just seems -- I don't know if it's just -- there's just no words for it, you know. Myself, I scored 255 points, I did not qualify for this program, I'm a nigga from the street, a true SEA. I deserve to have one of these licenses, but yet I don't get one? Again, DIA, once

established for a DIA, always a DIA. You can't give someone a DIA and say, hey you survived a DIA, now we're going to take away the DIA from you. Because now it's a great area, supposedly. I watched my neighborhood park get removed, because there's so many shootings in South Tacoma. Raised since 3 years old, South Tacoma, Manitou area. Like, I'm not hearing that that's -- none of you guys would have raised your kids in this area. None of you guys would have sent any of your kids to the parks in this area. And yet it's no longer DIA. And again, we're all in agreement with title certs. It's just absurd to say, any white person can now find any person who off the street, that lived in a DIA, made under 88,000, say, hey, jump in with me, we'll have a management contract. And now I become an SEA, just ridiculous.

Chair Postman closed the Public Hearing

4. 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:

Christopher King: Great. Great morning, folks. I spoke with Scott McKinley after Cannafest, Cantanna Fest, rather, and I know that they got the runaround big time on the whole thing. The landowner from Arlington got threatened, then there were not one, but two permitting events in Seattle. Those were yanked away. They had to issue a public retraction and move the event again. Seattle Parks and Recreation and you guys are going to stall on providing responses to my public records request. As you always do, it's your modus operandi. You know, I'll be dragged out of it. I bet you'll be sitting here a year from now waiting for documents that I just asked for about that whole event. Something was shady up there. I'm not sure exactly what it is, but something's not right about that, and we all know it, okay? They're stonewalling Scott right now on the Halloween party at Gasworks that he's trying to put together. I just talked to him, it's a fact, you guys are shady. Next, now I met Amirah at Cantanna Fest also, and I spoke with her, and she's right, the certificate holders are not part of the social equity deal. I told you from Mt. Vernon, about 16 months ago, before I lived here that the abuse would ensue with fake entities and straw people. And sure enough, that's what we're looking at. Once again, King Cast is right. Also, dropping the affordability points from 40 to 15, that's ridiculous. The notion of all drugs counting, it's further ridiculous. It's all dilution. It's driven by your corporate cronies and WACA and all those people. You know, it's a fact. What you just did to Levy Haines at her appeal is ridiculous, what happened with that whole situation. She was clearly involved in a cannabis related offense by the level of punishment and her own sworn testimony that was disregarded by the hearing officer. But the system let her down again, the same way they flip-flopped on the spousal requirements under I502 and kept her out, only to reverse those requirements later and keep that fine sister out, yeah, that fine Brown sister out. Okay. Next, the Board and WACA continue influences to try to dilute social equity, like I said. And the only time Chair Postman offers comments at meetings is to put us down when we complain about situations. And -- he'll protect his people. Oh, those are hardworking people, and all this, that and the other. But if you ask him a question he's not comfortable with, he's not going to

respond to anything, okay? And that's content based and viewpoint based discrimination. Every day it is, selective. It's completely inappropriate of a public official, you know. If you don't like what we're saying, just keep your mouth shut, the same way you keep your mouth shut when I ask you a question that you don't want to answer. All right? Let's try that, okay? So, yeah, everybody knows that LCB is run by your largely white cronies and WACA. The Stranger even said it back in 2019, Vicki Christophersen, the woman who runs weed policy in Washington State. Vicki Christophersen is the most powerful person in legal pot history. It's a fact. I'm not just saying it. Listen, the LCB, as it stands today, is a cancer on cannabis, all right? And for black and brown, unfortunately, I'm sad to say, it's metastasized. Have a good day. See you soon.

Sami Saad: I want to thank everybody, to let everybody know who I am. I am the first medical cannabis in Washington, and I'm a victim of the LCB back then. And they closed us down because they lied to us. They told us we're going to make it category 1, 2, and 3 and you guys will get the license first. I didn't get that license. And I've been forced out, unfortunately. And we were fighting. I'm bilingual, I believe when they said the HB-2070, they're going to add more license. I have a lot of group of people. I'm one the spokesman of the Sudanese community, Sudanese-American community and the East African-American community. Our community is more than 65,000 Washingtonian, and they fought with me. And they even have my name on King 5 news. At the time Ollie Garrett was there, Peter Manning was there, as well as Mike Asai. And they did great. But the thing is, you guys not acknowledge, you guys took from us. And they said in the HB-2070, we're going to add more license for the social equity, for the people that lost their shop, and we lie to them, you know, in a different way. You know, we took their shops and we're going to give them those again back. And at the time, I was fighting, and all my people they voted, and they were supporting Pettigrew, and he's a democrat. And at the time I said, oh, okay. So we went there, Peter Manning told me, oh, this is not for us, don't vote for this. And he was right. Peter, he was right. But unfortunately, I didn't know inside -- when you say codes, you should detail. I don't know what 2070 is, tell us what it means. What it mean is a trick. They didn't give us our shops. After that, they add to it, but that's okay, we find out at the time, it was certain license only. And the certain license when we oppose it, they tell me, why? I said, they lied to us. Even Ollie Garrett said she will help me, and she hurt my feeling. I call her, "Ollie, you told me you gonna help me." She said, don't call my phone again. Maybe she had a bad day, but it hurt me. Later I find out -- and I'm not accusing her, but I find out she was dating someone, his name was Jim Buchanan, he has multiple cannabis shop. And he's a partner with -- it's called Emerald Haze and after that he founded Greener Today, or something like that. And after that, one a Board Member, he has a retail shop, and he's in Eastern Washington, and a lawyer have a shop. Sami Saad been forced out. Sami Saad lost his kids now in the war -- because a Democrat, they make the issue in Sudan like between two generals, and it's a lie. And it's a foul side agenda to defile a country because of the gold mining there. And now they make it to here, to this cannabis. I wanted to make something for the help -- people that lost their kids, because I lost my kids because a democrat is affecting Sudan, because Equa and the militia was official army of Sudan, not respecting our Sudanese President. So, of course, they will disrespect you. If you guys didn't give the pioneer first, you guys stink, and I don't believe in your guys. Nobody believe in you again. And democrat, they

failed. They failed in issue in Sudan. Don't vote democrat.

Tamiko Henry: Okay, great. Thank you, good morning, everyone. The LCB, from what I've seen, has done a great harm to the black and brown communities. And I want to give a big thanks to Black Excellence in Cannabis for bringing the light -- bringing the light to the shortcomings of the LCB.

Chair Postman: It looks like you're muted again, Tamika. I'm not sure why that's happening. It seems to be going on and off. But it's muted now. Okay. We'll check back and see if she's able to join us later in the meeting.

Jamar Urban: Good morning, my name is Jamar Urban. I think the LCB is a racist organization that needs to be replaced. They have devastated the black and brown community.

Lily Castillo: I think it's a terrible thing that the State of Washington has done to black and brown communities, and I'm concerned about this, because of the disparities in black and brown communities. I think this would further cause disproportion in their communities, with the exclusion of them from the cannabis industry. And I'd like to give thanks to Black Excellence in Cannabis for fighting the fight.

Peter Manning: Once again, thank you, Chair Postman and Board Member Vollendroff. My name is Peter Manning, president of Black Excellence in Cannabis. I'd like to reiterate a couple things. The rubric that you guys are proposing now, and those changes that you guys made, they don't fit the targeted people that 2070, which I worked on, Black Excellence in Cannabis, 5080, which we worked on, Black Excellence in Cannabis. We understand the mechanisms and the inner workings of it, so does the LCB. We believe that outside influences that have deep pockets control what goes on in the LCB. It's just a fact, because I don't understand how something could work for our community, and then in midflight it changes. And it changed because it did not hit the targeted white sector. It actually targeted and hit Black. You see, listen, I went to a white event that was held by whites, and it was a farm setting, it was just jubilant and it was consumption of various forms of marijuana and THC products. No LCB in sight. Went to an event hosted by a Black organization, WCWC, and there was LCB members everywhere. And they were harassing people. It's just indicative of the LCB to just not like Black people. When you guys were the Liquor Control Board, it was the same way. There were three liquor licenses handed out to Black people in the State of Washington? I mean, come on, Chair Postman, listen, you have such dirty laundry within the LCB, you guys got to shake up. Just letting Jeanne McShane go isn't good enough. Nicola Reed needs to go; Rebecca Smith needs to go. These people need to go. We have enough damning evidence on these guys to show they were in collusion. There was something going on. We believe wholeheartedly that your agency has been corrupted, and Black people have suffered that. I look at everybody that came on here with long pockets. They're completely -- they can take time to get educated on what they're doing. They have a ten-year head start on Black people starting out now. A lot of us for the last 10 years have been fighting economically to stay afloat. You know you guys gave whites ten years advantage over the Black and Brown people. There needs to be some type of

reparations for that, Postman. Thank you very much.

Mike Asai: Once again, good morning. Mike Asai, Vice President of Black Excellence in Cannabis. Also, founder of Emerald City Collective. Social equity program is the topic. Let me just say this, this has been a trying week for me. My mom was in the hospital for a week fighting for her life. By the grace of God and prayers, she's home now. She's recovering, she's on oxygen. I'm wondering where Ollie Garrett is, I'm pretty sure Ollie was at her Tabor gala over the weekend. Today is an important day, in regards to social equity. I hope Ollie's okay, but understand, I'm here when I could be right next to my mom right now, helping her heal. You know, having the LCB -- this is something I've been thinking about for a long time. Having the LCB implement social equity is really like a rapist doing their own sentencing. That's what we have here. We have the perpetrator trying to do social equity. And, you know, you guys just truly are not listening. You say you're listening, but you're not. Because if you're listening, you would have raised the points for pioneers. You would make the pioneers a priority. Senate Bill 5052 in 2015 was based off the criteria like myself Paul Brice and Peter Manning, who actually did the right thing, who was licensed, paid taxes, and, as a matter of fact, had marijuana and cannabis on their incorporation. You guys were told this by somebody in 2016. Are you looking at their incorporations to make sure people qualify? No, you didn't care. You just wanted the white people, who had a lottery, to get more licenses, and then you just wanted white people in this industry period. That's just what it is. And as Peter said, my question, yeah, how many right now, currently, how many Blacks have liquor licenses? That's the question we should find out, we need the answer to. WACA, all around -- look, Director Lukela, I don't mean to call you out, but I have to, because here's the deal, September 19, 2023, when I came down here to speak on behalf of some people, I spoke with Aaron Washington. As I'm in the lobby, because we met with you, Director, on August 30th, my grandma's 95th birthday, 2023. And when we met with you, we was excited, but we met you down here in the basement, over there. When I was in the foyer talking with Aaron Washington, which I didn't like, I said, can we talk in a room? I see you come out of the room -- I'm sorry, I see you come out of the elevator with white folk from the cannabis industry. That really bothered me. You know why it bothered me? Because it showed me, well, white folk can go up to the penthouse? But when Black people schedule a meeting, we're down here in the basement? We did have a follow-up meeting with you, Director, with Justin and others, and we were upstairs. But that was because we had made it a point, and we voiced our displeasure to representatives and senators. I'm not sure if that got back to you or not. But understand this, that showed the level of disrespect, as your new director, to the Black community. Because this agency has been racist. It continues to be racist. And we need this agency removed from cannabis. Thank you.

Paul Brice: Hello, Paul Brice again. Right now, I just opened up in Prosser. Yeah, I drove down here. When I leave here today, I'll drive four hours to get back to Prosser. I applied originally for Tacoma, missed Tacoma. Then applied again for the social equity, missed this one again. Getting back to the grab, you know, look who's here, look who's talking, look who's showing up. We -- let's not be silly, when we say address social equity, we don't mean for white people, we know what it's meant for. And on top of that, like again, why can't we have no research numbers or studies that show how many of these licenses went to, say, a sole

proprietor, as an individual Black person, versus whoever signed the right management contract, where the Black person's another Sean Kemp. I mean, again, you know, if we asked all the winners to be here, I guarantee you, we wouldn't be looking at a predominant Black room. Black or brown room. It's just not -- it wouldn't be the case. I mean, I know for a fact, there are some individuals, groups that walked away with 12 licenses. 12 licenses. That's almost half. Another group, 4 licenses. Again, all managed by a white person at the very top. Like, you have to want to have actual success for this program. Again, see something, say something. So guilty of it, like -- not wanting to bring facts -- bring the facts that you know you don't want to see, because you want to just ramrod this through and have it just -- oh, well, it didn't work out right. And again, five years later, this is the outcome of it, this is what we're seeing? You know, just getting back to the whole title certs. To remotely let people be a part of this small, select group, even for the next round, again, it's because whatever new license types that you guys know are going to be very valuable, you want to make sure all your friends are also involved with. I know, without a doubt, that's a big part of making sure this gets through, so we can award a bunch of other people, and it can just be something different. You know, the fact that I've been a mentor for this social equity program, and now because supposedly I'm part of it, I can't even be a mentor for this group. Knowing that we have Ponders or whatnot, where they say, we can no longer gather or unionize. We're all adults. You know, there's a reason why that's being repressed. Or we can't come to light, because no one wants to see the truth of how this really rolled out. And you guys are still obviously just trying to make this push out while you know it's flawed.

5. ADJOURN

Meeting adjourned at 11:07 am.

Minutes approved this 8th day of October 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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