



Washington State Liquor and Cannabis Board Meeting

Wednesday, December 7, 2022, 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 7, 2022. Member Ollie Garrett and Member Jim Vollendroff were also present.

2. EMPLOYEE RETIREMENT RECOGNITIONS

JIM MORGAN, CHIEF FINANCIAL OFFICER

Rick Garza, Agency Director

Rick Garza: Board Members, staff that's present, and the public, this is a great opportunity to recognize two of our division directors who are retiring, one in the next few days and one by the end of the month. So, I'd like to start with Jim Morgan. Jim has served as the Liquor and Cannabis Board's Chief Financial Officer and Director of Finance since 2017. He has competently led the Finance Division and the agency's finances with a steady hand throughout his tenure. He's also impacted the agency in two unrelated ways that's had a very positive impact on our agency, our employees, and the industries that we regulate. First, I'll start with the building move, and I know it's something that Jim is proud of.

In 2019, Jim served as the hands-on executive sponsor for the relocation of the LCB's headquarters. The move included soliciting bids, site selection, organizational change management, and Jim spent a lot of time in the team, months, feels like almost a year, before the move, communicating and providing overall planning and implementation for folks because, obviously, people were very concerned about where we were moving and what it looked like and how that would change the work that they do. The employee move itself was accomplished over the span of three weekends, with Jim present each weekend to help direct traffic, reshuffle priorities, or do whatever was necessary to get the job done. This was a project of high magnitude with significant risk and change. Jim was exceptional in navigating through leadership and employee expectations during the project. I remember so well, Jim, that we would pack that conference room upstairs in the old location, and you and your staff, but especially you did just a really great job of helping people understand and kind of concerns that they may have had about our move.

And then CCRS. Jim also served as the executive sponsor of the CCRS Project, which transitioned the agency off previous traceability systems that were burdensome to the industry as well as to agency staff itself. Today, the traceability system we have is functioning as it should, with additional improvements planned to be implemented soon. I think, personally, what I'd say is I've always appreciated Jim's work ethic, always willing to reach out and assist our agency with any need we might have. I came to rely on him with any issue before our agency and respected his analytical style and common-sense approach to problem solving. The staff that he led daily in the Finance division know the steady hand he guided them with, and that was reflected in the annual employee Survey results, which outperformed all other Divisions in the agency. Simply put, his staff give the agency high marks in all aspects of the survey. A credit to the person that led the division with a competent, steady, and balanced hand.

He's already got a trip planned to San Diego in January to relax in the sun with his wife, Jennifer, who is also retiring. He'll now have more time to golf and relax in Packwood with his son and his family. So, I really want to take this time to thank you, Jim, for all the contributions you've made to the LCB over these years as well as the citizens of the State of Washington. Congratulations.

Chair Postman: So yeah. Um, well, since we're starting with Jim, why don't we just let the Board and others if they had things to say, and I'll go ahead and take the privilege of going next. I'm glad you mentioned Rick, the employee survey. It's the sort of thing that doesn't always get a lot of attention or actually frankly usually it gets attention when it's not very good, but the marks, Jim, that your staff gives you and the team – it's just -- it's remarkable. It's an outlier in a lot of ways, and I've seen these studies from agencies all across state government. And you know, when I spoke to your staff at one point, I half-jokingly called it, you know, the happiest place on Earth, apparently, the Finance department, and it works against some stereotypes, too, right? You know, you're not just green eye shade folks there. People really feel connected to the mission of the agency, and I credit you for that, Jim. You're able to, you know, see the big picture here for what we're doing and then understand that that role --- you know, you this role of that requires attention to detail and more rules and regulations and laws than anything. And to be able to live in both those worlds really has helped us, I think, move forward.

And I'll just say, you know, that -- your own style is really appreciated by the Board, and I noticed that from my earliest days here that when there was something that needed to be done, and it all came close to your world, you stepped up and said, "Let me take care of that." And that's -- that to me is really just a sign of a true public servant who understands why they're here each day and willing to jump in and do those things and, I know you'll do well in retirement as you did in the workplace because you're a man of many interests. You know, for those who don't know, Jim's a woodworker. He plays guitar, just sort of this little bit of a Renaissance man, and I picture you having a fulfilling retirement. So, thanks for everything. Congratulations. Really appreciate it. And you bring some style to the office too, which we're in dire need of. I'm going to give you a chance to talk but let me check in with my fellow Board Members here and see if they want to add something.

Ollie Garrett: I just want to add I echo what you said and to just say thanks, Jim. We really appreciate you, and I've actually learned more about you today upon your retirement.

Jim Vollendroff: I was going to say something similar, that I've learned a lot about you just in this short period of time here this morning, Jim. I've only been with the LCB since May, and I want to thank you personally for your responsiveness to any question that I had in this. I mean, I can't -- the responsive time and your turn around for things that I've asked for has been remarkable, and I want to acknowledge that and thank you for that. The other thing David mentioned, you -- or excuse me, Rick mentioned you doing the -- coordinating the move. I've been involved in the move from one building into a brand-new building, and I know how much work that is. So that in itself is worth extra recognition this morning. So, thank you for your contributions and your commitment to public service.

Chandra Wax: Thank you for giving us the opportunity to speak. I just wanted to briefly say that over my career, I've worked with a number of great leaders and great advisors, and I just wanted to thank Director Morgan for being a great partner and for allowing us to build a great working relationship between the Enforcement and Education division and the Finance division, so thank you, Jim, and I'm excited for the adventures you will have, and I look forward to having lunch with an old retired guy soon.

Jim Morgan: Well, thank you for having me. I really appreciate it. My time with LCB and my time with the state has been very rewarding. Early on in my career, I never pictured myself with the state because you know how those state workers are, and I learned after I came to the state that that was a grave misconception. I've worked with some of the finest people I've ever worked with who are dedicated. They may not always act in a way that --or the results that they produce or the decisions that they have to make may not always make people happy, but I found they have the best of intentions, and their dedication is second to none. I have had the opportunity to lead two pretty significant projects here, and none of those would be possible without great teams, people just absolutely dedicated to their work and dedicated to achieving those outcomes. I'm looking forward to more time. You know, people ask me what I'm going to do, and basically whatever I want to do, and that's the beauty of retirement. Some time playing golf. I've got two young grandsons, time in the workshop, so it's just time for a new chapter, and I appreciate all of the opportunities that I've had here. Thank you very much.

Justin Nordhorn: Good morning, Chair Postman, Members of the Board. I just wanted to say a quick thank you to Jim. He's just been a stellar director for the agency over the years. I don't think that we could have been as successful as we were without his guidance and his leadership in working through a number of different financial issues. Whether that's been in my previous role in Enforcement or even in the role in Policy as we continue to develop opportunities to move this agency forward. It's really critical to have those very neutral, objective vantage points on, whether it's legislation coming through or it's something that we're trying to create out of our agency. He was always that neutral point, always just willing to walk you through it, always taking the time, whether it was an external inquiry from a stakeholder that I

couldn't have an answer for, and he's like, "Yeah, let me help you pick it up." Most recently, it was going through some of the data on our study that will be out here shortly, and we're trying to figure out what that looks like. Yeah, just at the drop of the hat help you out. So, thank you, Jim. I really appreciate all of your efforts over the years. I'm going to miss you. I think it's going to be a hole you're leaving behind, and I think you've done some really, really good work with the Board. So, congratulations on your retirement, and I wish you the best.

George Williams: Thank you for allowing me to come here and spend some time appreciating the contributions that Jim has made. As the relatively newest director within the agency, I really appreciate Jim's welcoming stance and bringing me on board, mentoring me, and helping me navigate how to be a director successfully in this agency. I really appreciate the words and advice that Jim has given me over the last several years and the partnership that we built between Finance and IT as well as fostering a better collaboration across the agency. His shepherding of CCRS has been spectacular, and as I'm taking that over from him, I know it's going to be easy because he did all the heavy lifting, and I just got to, you know, bring it home, really, which is not going to be hard to do given the work that he put in. So, thank you, Jim. Happy retirement and definitely looking forward to future conversations with you.

Becky Smith: So, I, too, thank you, Jim. I'm certainly going to miss you quite a bit. I can't believe you're leaving and you're retiring, and I'm completely jealous. But I just thank you for being such a strong leader for not just your division, but for the agency. I've appreciated you listening to me, you having conversations and making things work more smoothly for both of our divisions and for the agency as a whole. Again, I'm going to miss you, and I wish you well in your retirement.

CHRIS THOMPSON, DIRECTOR OF LEGISLATIVE RELATIONS

Rick Garza, Agency Director

Rick Garza: Next, I'd like to recognize Chris Thompson, our Legislative Director and Tribal Liaison, who is also retiring at the end of this month. And Chris, I didn't want to miss anything, so I did write it out. Chris joined the LCB staff over five years ago in August of 2017, capping a lengthy career in Washington State government. I have known Chris for many years. We both started our careers working in the Washington State Senate in 1983. He has been involved in and around the Washington State Legislature for most of the past 39 years, both regular, obviously, and special sessions. He and I are both creatures of the Legislature. During those years, his primary focus was higher education, a lot different than the issues we work on at the LCB. Also, he worked for several years with a nonprofit group for independent colleges in Washington as well as a few years' experience with the California Legislature in the late 1980s and early 1990s. His relationships with legislators and staff that were built over those years helped guide our success during his time with the LCB.

Chris has been instrumental in many of the LCB's efforts during his time with the agency. He has served as our Tribal Liaison, a critical role in working with our federally recognized Tribes, and was the lead and instrumental in establishing over 20 Tribal Cannabis Compacts. It's

unparalleled anywhere in the country, by the way, the relationship that we've had with Tribes to allow them to enter the cannabis marketplace, and Chris led that effort. As our Legislative Director in 2020, Chris helped successfully guide through the Legislature House Bill 2870, the legislation which established our Social Equity Program. Of course, that legislation was the foundation for what today is an agency top priority and stands to have a lasting impact on the industry as well as the lives of those who will be licensed. I know I speak for many when I say that we have greatly appreciated his work and collaborative efforts with the LCB during his time with our agency.

Chris will be enjoying his first vacation during the 2023 Legislative Session on the white sands of the Hawaiian beaches. Please join me in sending warm wishes and congratulations to Chris. Chris, thank you for your contributions to the LCB as well as the citizens of Washington.

Chair Postman: Thank you, Rick. When I came here less than two years ago, Chris was one of the very few people in the whole place that I had any, you know, relationship with before I knew Rick and a few others. But Chris and I sort of wove in and out of each other's jobs for probably close to 30 years, I would say, from when I got here in '92 or '93. And, you know, when Rick talks about how long you've been working in and around the Legislature, that's like dog years, you know? That is some hard work, and it'll be really interesting to see how you feel when you're in Hawaii. I'm sure you'll feel good, but when you're finally away from your first session, it's such a weird biorhythm thing because your world is so attached to that cycle of craziness. And really, when you came here and you took on both the legislative piece and the Tribal piece, those are two incredibly difficult, sensitive, and just very important jobs to what we do. The government-to-government relationship with Tribal governments is of the utmost importance to the State of Washington. The state has a great record there, and you really have done a lot to build that relationship with the Tribes and to help the Tribes in their sovereign right for economic independence in the emerging markets that we have. And I know it's meant a lot to those Tribes. We get to hear, you know, from them when we approve the compacts, and it's always moving to me, so I appreciate that work personally. And your knowledge of the Legislature and that world is really so important, and I appreciate that you've been here a little bit with your replacement to do some downloading and do that because as much as someone knows the Legislature, and several of us do, it's also very issue specific. And to be able to say what does this member think about cannabis, alcohol, vape, whatever it is? You've really kind of given us the road map to engaging with the Legislature. And you know, and I've said this to you a couple of times probably in emails, every once in a while, I'll think I have some great idea about something we should do, and 99.9% of the time you say. "Yeah, I've just done that, I already did it." You know, so I would -- I tried to learn. And then on the one-tenth of 1% it was probably a stupid idea. So, you always seemed to anticipate what the next step should be to keep us in front of the Legislature. And I will say this, you're not afraid of them, and some people are. There are people who work around the Legislature for years and are so tentative about it. And, you know, you had, I think, the benefit of working for a great agency backed by a Director who also knows the Legislature well, and there's a strong independent streak as a regulatory agency, and to be able to navigate that and bring us the things you have including, you know, the social equity legislation, the creation of the taskforce that came out of that work, and to be

able to continue to engage in that is going to pay dividends for years to come. I know it's controversial in some corners, but while the legislative taskforce has done their work, you helped make sure that we did ours on a separate parallel track, and you should be proud of that work. And I am hoping that in the coming years you'll be able to see the fruits of that as we all will. So personally, I really appreciate it. I've always enjoyed knowing you as we've bumped into each other in the wings and the halls, and it'll seem strange now that I'll know you won't be there this session. But really a deep, deep thanks from me as the Board Chair and as a legislative hanger-oner. So, thank you, Chris.

Ollie Garrett: Once again, I'm going to echo off of David, and David said it all. But, Chris, I really enjoyed working with you. I enjoyed the support, the effort, and the work that went into together with the House Bill 2870, and I will miss going through this session with all of our agency request bills.

Jim Vollendroff: I'd like to just echo what David and Ollie just said. Specifically, I like what was said by David in terms of dog years working with the Legislature. It's so true and your knowledge in strategy is important, and I'm glad that you had this overlap time with the person who's going to try to fill your shoes. So, thanks so much for your contributions.

Becky Smith: So, Chris, I too want to thank you for all the work that you've done. I can't believe that you're leaving [audio cuts out] Licensing. You know everything there is about liquor, and now you're going to leave us. So, I wish you well. I, too, want to thank you for all of the work on both the compacts and on social equity. We couldn't have done it without you. You certainly are going to be missed at this crazy time in January, and if you want to come back and help me out and volunteer, you can certainly do that.

Justin Nordhorn: Chris, I just want to also give you a heartfelt thanks and wish you well as you go off. I know when you came on board, you know, we had a lot of things going on at that time. Super appreciate how much you were willing to sit down and listen and try to really understand the issues of the LCB because they're really complicated. Some people think they're fairly simplistic, but there's so much depth in a lot of the different areas that we regulate, and you just sucked it up and were trying to learn it. And then you were able to take some of those operational and technical pieces and boil it down to a language others can understand. And so, when we get into the weeds on things you're like, no, let's bring it back up, and that really can communicate the understanding [audio cuts out] to the legislative staff and the members. So, I really appreciated all those efforts [audio cuts out] you got to spend strategizing on moving things through. Not sure I appreciate all the stuff that I've been picking up this year, but that's okay, you know. But the issue is that I'm really impressed with your work ethic. You know, we've known for several months that you were retiring, you never let up shepherding things through, continued communications with stakeholders, just so impressed with the dedicated public service that you provided. So, really wish you the best in your retirement and enjoy those beaches of Hawaii. So, take care.

Chandra Wax: Thank you, Dustin and Gretchen, for giving me the ability to turn on my camera and speak. I just wanted to thank Chris for -- one of the things when I think of Director Thompson is that he was always willing to be a good,-- he would be willing to work through issues. Like he would stand up for his position, and he would never back down, and he was always willing to debate an issue until we could come up with the right answer for what's best for the agency and our licensees. And I really appreciate that about you, so I hope, Chris, that you enjoy your retirement and that you're not a stranger. Thank you.

Chris Thompson: Well, as both you, Mr. Chairman, and Rick have implied, the very bizarre, unique rhythms of the legislative process are kind of in my biorhythms or in my blood. And as much as I have enjoyed that, I'm looking forward to a blood transfusion, and I think maybe coming to terms with my new station in life will be assisted by, you know, 11 days on the beach in Hawaii. Seriously, though, I want to say what a privilege it is to engage in public service. Six months shy of 40 years ago I started with the state Senate. Some of my most interesting times in state government I remember working in Governor Lock's press office and doing good-natured battle with you at the Seattle Times and the Press Corps in Olympia, always respected your abilities and your approach and the accountability process I think is really, really valuable. So, I feel incredibly fortunate to have been given the opportunity to engage in public service for a long career. I appreciate my opportunities here at LCB. And as much as I have said, you know, I really love the legislative process, I mean, I particularly appreciate the opportunity to work with the Tribes in our state and to try to build and strengthen those relationships. And I think that resonates with me personally in a way that not much of my other work has that I've been able to get pretty deeply into. So, I'm really grateful for that. I want to say also that in all the different jobs, and there been many I've been privileged to hold in state government, uniquely at LCB, I've seen the amazing teamwork, the all-hands-on-deck spirit, and heavy lifting that's required during session and those crazy timelines, I could always count on anyone and everyone I needed help from in the agency to be there, to be there now to turn rush projects around and, you know, I couldn't have accomplished anything on our behalf without that huge team all pitching in with everything they got, including you and other Board Members I've worked with in the past. You know, Ollie's been terrific on some of our efforts in the Legislature. Russ Hauge was also very supportive of a lot of our efforts, and that's an unusual relationship across state government, the Board, and this agency, and so the uniqueness and the anomaly of that situation has been something that was an asset for us up there. And like I say, I'll miss a lot of that, but I'm really looking forward to the next chapter. And again, thank you. Thanks to this agency and to Washington State government for giving me, you know, opportunities of a lifetime. I'm really grateful. Thank you.

3. RULEMAKING TIMELINES – ALL INDUSTRIES

Kathy Hoffman, PhD, Policy and Rules Manager

Kathy Hoffman: Thank you, Chair Postman, and good morning Board Members Garrett and Vollendroff. That's a hard act to follow, I just want to say. It's going to be hard to see both Chris and Jim go, so thank you. Very, very brief rules update today since I gave a very

comprehensive version yesterday, but just to say we will recommence advertising rules. Cassidy will come to the Board with that in January, and she'll also start working on the Under 16/Over 16 rule petitions that the Board approved a couple months ago on the cannabis side, those rules are moving forward. Jeff continues to work on the canopy rule project. We did have a World Café last month that was very successful. He also hopes to bring forward the 101 on cannabis sampling as well. So that'll happen probably in January. That's what's going on with the Cannabis side.

On the Alcohol side, Daniel will bring forward the rule project related to cloud storage. We know that that petition came to us on the cannabis side of the house, but we feel that there are probably implications for the rules that LCB administer, so we'll be taking a look there. He's also going to bring forward the CR 101 concerning allowing organizations like the Elks Club, fraternal organizations, to have more than one event per quarter, and that was the rule petition that was approved earlier this year as well. And so that's really it for rules updates at this point. Jeff and I will both be bringing forward recommendations and additional agenda items.

4. ALCOHOL RELATED RULEMAKING

ACTION ITEM 4A – Rules Petition Review and Consideration Requesting Amendment to WAC 314-17-015 to Allow Class 13 Permit Holders to Pour Alcohol and Open Bottles at the Counter Just as Class 12 Permit Holders Do Kathy Hoffman, PhD, Policy and Rules Manager

Kathy Hoffman: On October 12, John Clifford of Pagliacci Pizza submitted a petition for a rule amendment that would allow a Class 13 permit holder to pour alcohol and open bottles at the counter just as the Class 12 permit holders do "because there was an allowance to do this during the COVID-19 pandemic, and there were likely no detrimental effects that occurred." (HANDOUT 4A) He also indicated that employees were allowed to do these activities already. So just for clarification, the Class 12 and 13 permits are alcohol server permits. So, we did allow this activity to happen during the COVID-19 pandemic but only under very limited circumstances, and Mr. Clifford references this in his rule petition. So that allowance allowed a Class 13 permit holder to pre-pour samples, flights and glasses of wine or beer for customers at a location other than the customer's table. So again, it was very narrow and very specific, and the purpose of the allowance was to allow and support social distancing and business re-entry following the pandemic. And the agency did not extend this allowance to include all alcohol, which could include spirits as defined in statute and other beverages containing alcohol beyond the beer and wine specified in statute. That allowance expired on September 30 of this year as well. So, statute describes the employment of persons 18 and over and holding certain liquor licenses, and under certain circumstances, employees 18 and over are allowed to serve and carry liquor and perform other duties for certain licensed employers, and that kind of describes what happens with Class 13 permits. So, we limit the activities in rule for the Class 13 permit and describe that in WAC 314-17-015(b) and (c).

But I want to make the distinction here that the Class 12 permit can sell, serve, or mix alcohol spirits, wine, or beer for consumption on the premises facility, but the Class 13 permit is much more limited. So, statute does not specify or limit where service can take place or even expressly authorize the Class 13 permit holder to open as opposed to serve beer or wine, because this activity has already been addressed in rule, as I already mentioned. If Mr. Clifford had requested an expansion of the location at which the Class 13 permit holder could open beer and wine to locations where only beer and wine and not spirits are sold, this could possibly be achieved through rule making. However, Mr. Clifford requests allowing a Class 13 permit holders between the ages of 18 and 21 to engage in activity beyond the service of alcohol, spirits, beer, and wine, aligning with the activities of the Class 12 permit, even though the legislature intended there to be a difference between these permit types. So based on this analysis, staff conclude that the request conflicts with current statute and for that reason, the petition should be denied.

Member Garrett made a motion to accept the staff recommendation and deny the petition. Member Vollendroff seconded. The motion was approved unanimously.

5. CANNABIS RELATED RULEMAKING

ACTION ITEM 5A – Rules Petition Review and Consideration Requesting Amendment to Cannabis Licensing Fee Structures to Reward Growers that Shut Down for At Least One Year by Reducing Their Licensing Costs to 10%

Jeff Kildahl, Policy and Rules Coordinator

Jeff Kildahl: Good morning, Chair Postman, and Board Members Garrett, and Vollendroff. Thank you for the opportunity to present this rulemaking petition response and recommendation today (HANDOUT 5A). On October 13, the agency received the rulemaking petition from Jeff Merryman. In his petition, Mr. Merryman requests creation of a new administrative rule to reduce the annual license fee for cannabis producers who shut down their cannabis growing facilities for at least one year or more. In the message accompanying his petition, Mr. Merryman explains that the idea behind this request is to, "reward growers who shut down for at least a year or more, so they only have to pay 10% of their Licensing costs, but they cannot have any clones, plants, or product onsite during their dormancy." He adds, "Dormancy runs from January 1 to December 31, and if they come out of dormancy during that time, they owe LCB that remaining 90% of their annual license fee for that year." And in addition, he asserts that the reduction of the annual cannabis producers' licenses, to 10% of the current rate for dormant producers is, "desperately needed in our current market situation." While the statute RCW 69.50.342(1)(i) authorizes the Board to adopt rules regarding application reinstatement and renewal of fees for cannabis licenses, the annual fee for issuance and renewal of a cannabis producer's license is set in statute at \$1381.00. If put into effect this requested new rule, it would require any cannabis producer licensee seeking a reduction in the annual renewal fee to declare their intention to remain dormant for one year, from January 1 through December 31, before paying the reduced license fee for that one-year interval. A producer who would resume

production during that one-year dormancy period would be required to remit the remaining balance of the annual renewal fee in order to repay the amount discounted for enjoying the suspended production status. To assure proper license renewal fees are paid under the requested rule, agency staff would have to be prepared to track the production status and reduced renewal fees of producer licenses in this suspended status and collect additional fees from producers who decide to leave a dormant status and resume production during the year. The requested rule would also require agency staff to perform additional outreach. The two licensees to ensure that dormant producers alert the agency and fully renew their license when they resume cannabis production.

So, in conclusion, Mr. Merryman has requested this rule to reduce licensing costs, and while an individual cannabis producer licensee may decide to suspend production in response to economic conditions in the industry, the amount of the annual fee is dictated by state law. As I said earlier, it's set in 69.50.325(1). As this amount is set by the RCW, a change to this amount would require either an action of the Legislature or by the citizen's initiative process. So, based on all of the above information and the analysis reasons described above, consistent with 34.05.331(1)(a), Director's Office staff recommend that the Board deny Jeff Merryman's rule petition request that we received on October 13.

Member Vollendroff made a motion to deny the petition request to amend cannabis license fee structures. Member Garrett seconded. The motion was approved unanimously.

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:

David Busby: Thanks again for having me. You know, since we've raised some issues with the CCRS system with the LCB, we've observed an increase in Enforcement contacts from the LCB to our clients, and I'm sure that's just a coincidence, but I'm here to talk about CCRS similar. It's still not possible to verify data in that system without a FOIA request, which takes many days to complete, and now it seems like we're going to be obligated to issue more of those requests on a more frequent basis, multiple requests per licensee per week. I hope the agency is prepared to service those in a timely fashion. Agency staff have also requested from licensee's copies of data in CCRS, but due to the one-way design of CCRS that's just not possible except, of course, through this FOIA process which, again, costs agency time and money. I'm not sure if that was your intention. Another issue that we've raised is that it's simply not possible to load some of the data due to the limitations of CCRS. OpenTHC clients are blocked from loading data on the B2B transactions because other licensees on other platforms have not loaded theirs, and this makes recording of those transactions impossible. Is the agency expecting OpenTHC or our clients to enforce the data load policy to those other licensees or those other software vendors? I do appreciate that agency staff has reached out to us and our clients in this

process to work with us through these issues. It's kind of frustrating, though, to only now get active dialogue about issues that were originally raised with the CCRS 12 months ago. We've also observed online there's a new test environment, a pre-cannabis reporting that's been created for CCRS and OpenTHC has requested on numerous occasions to be part of this testing, but we received zero communication from the agency on that subject. Is there -- maybe we could get a status update on that down the road. And then finally, in talks with some agency staff, I mentioned a unique Canary method that we've developed with our CCRS uploads to try to play the system so we can get some method of being able to cross reference what we upload with what we think is there, On the phone call the staff called the method clever, and that's awesome, but it's not really sanctioned and this method may not be compatible with the service agreement we are going to be obligated to sign. I've asked the agency for clarification on this and if we can continue to use this method to give us some reliability with those CCRS imports. I'm still waiting on a response. Please allow us to do this work around so we can get some reliability. And finally, you know, despite all our criticisms of CCRS, there are two key advantages to this platform. Right? The technology is owned by the agency, and the agency is engaged in improving this platform, so that's awesome. And then also, the system -- you got something in place for B2B transactions, which still seven years on for the metric platform is not possible seven years later. So, thanks for keeping that B2B stuff flowing when we did this switch over. Right? That's a big deal, I think. And that's it for me. Congratulations to Director Morgan for his years of service to the state. You know, enjoy your retirement. You know. I'm critical of the work, but I still also think it's a job well done. Thank you.

Christopher King: Okay. First of all, you know, we sit here all the time and the LCB continues to talk about, you know, these valiant efforts that are being made and that they can't do anything now because they're going to get pushed back legally in terms of equity. You guys knew all this years ago when you fomented this whole plan that included your cronies to start with, and predominantly rich white people who bought in the industry, then you knew that there would be pushback years later when you tried equity. Everybody warned you about that. Aaron Faucett warned you, Barfield warned you, everybody warned you. You knew what was going to happen. It was inevitable. That's the first thing. Now the second thing comes to the point as to being why are you all continuing to do business with people who claim to be Black Excellence in Cannabis when you know for a fact that Aaron Barfield is the founder of Black Excellence in Cannabis stood for years, and that Peter Manning and Mike Asai went behind his back and formed this corporate entity, a sham entity. All right? And so, my taxpayer lawsuit on that matter is supported by Aaron Barfield, and there's a hearing on April 16. Now, Mike Asai likes to come to those Board meetings and trash talk me and try to say, oh, I'm only, you know, going against Ollie Garrett and I'm, you know, trying to injure this black woman and all this stuff. That's crazy. I've criticized the entire Board on numerous occasions, including but not limited to the fact that Ollie got that letter through that whole Nate Gate scam -- the pay-to-play with Nate Gate with Kevin, and you haven't produced any documents where Kevin Shelton was trying to talk to you. He wrote that letter that was encouraged and all set up with, you know, Nate, so -- and Chris Bennett and all those guys. So, Nate Miles, Chris Bennett, you won't answer that.

But anyway, let's get back to this thing with Mike Asai. He's in the room right now. I just talked to the process server, the corporate entity Black Excellence in Cannabis and Peter Manning have accepted service processed for this hearing. Why haven't you? You know, you always want to sit there and trash talk me. Go ahead, be a man and let us know where you're at because the process server verified with your neighbors, homeboy, that you live there, and you're refusing to accept service. That's a cowardly approach. All right? Just like stealing somebody's name without telling them. And he wrote you a cease and desist. All right? The judge is going to hear all about it. So, these are the people you're hanging out with at the LCB because they think now that they're going to be some of the raisins in the porridge, that they're going to be accepted by you and your current state of cronyism. All right? You have fomented and inculcated a state of cronyism at the LCB as reported by everybody. All right. So, you know, the Government Accountability Institute talked about it. Everybody talks about it. We all know this. All right? So, these guys think that they're going to be mosey in with you in that manner. They're always going to be sharecroppers, but we'll get to that later. I remember Mike Asai showed up and said it was ludicrous for me to think -- for anybody to say that Ollie Garrett had a part of these licenses for Black Excellence entities, he was talking about the old licenses, the original licenses. There were licenses that were granted, you know, a year ago, folks. That's what I was talking about, Mike. You know better. So anyway, why are you still doing business with these people? You really don't have a right to. You know, they stole it. All right? Are you encouraging intellectual property theft? Because I'm going to tell the judge. I can't wait for this hearing. It's going to be live. It's going to be recorded, and it's all going to come out. You're running with these people who are rogues. Why would you do such a thing? What ethically -- what ethical principles are you willing to set aside to further allow yourselves to continue this complete charade. It's just a -- charade. It's a facade. That's a new word. It's a "charad." It's everything. Yeah, Ollie, you can look away like that like you always do. All right? But you know I'm right. Yeah. So, boy, oh boy. So yeah, once you just encourage your buddy there, Mike Asai, to accept service of process. And you can try to trash talk me because I warned him. I told him that, you know. Good day. Bye-bye.

Aaron Barfield: My name is Aaron Barfield. I'm the founder of Black Excellence in Cannabis. Um, yeah, forgive me, I'm nervous. I'm not at public speaker. I was born and raised in Washington State, went to Renton High School, graduated from Eastern Washington University. I worked for Hopelink, Friends of Youth, and also the Department of Corrections, and DSHS. I got into the cannabis industry as a medical cannabis provider, and once recreational passed, I knew that that was unfortunately going to be the writing of the end of the medical cannabis industry, so I did what I could to transfer over. That has been nothing but a mess ever since. I won't go into my ownership of Emerald Haze, but in 2016, I applied for additional licenses and was rejected. That rejection was based on unfair LCB practices and discrimination. We filed -- I filed a lawsuit in federal court to do something about that and fight for inclusion for black people in this industry, which we have no -- almost zero part of, and that has been well documented. I don't need to go into that, but we ended up signing a settlement for two licenses, which I believe that settlement was negotiated -- it was not negotiated in good faith. We were forced to accept the settlement under a company that, unbeknownst to me, was already saddled with \$1.7 million in debt. Thanks to Ollie Garrett's paramour or boyfriend, whatever you want to [indistinct] link or

whatever you want to call it at this point, that company had a judgment against it for \$1.7 million and, basically, completely negated the value of that. So basically, I have written the LCB multiple times and trying to get that situation resolved. I've been ignored. I've also been trying to get some kind of inclusion for black people that are effective solutions through the social equity taskforce. That has been another charade, a bunch of basically bamboozlement. It's been nothing but dysfunction, corruption, and collusion through that whole process. Two of the taskforce Chairs have been removed. The current taskforce -- one of the current taskforce Chairs has no -- he doesn't have any of the credentials to serve on the taskforce, let alone be the Chair of the taskforce. And we have no hope for any solution coming from that social equity taskforce. We are not waiting for social equity licenses. We deserve licenses that we should have been had years ago, and we're not -- like I said, we're not going to wait for social equity licenses. You guys can either come to the table and negotiate with us for real licenses that we deserve, or we're going to start protesting again. We're going to be in the courts. We're going to be in the media and all that. We're going to make sure everybody knows about what has been going on here. Chris Thompson, you've done a great job with basically, manipulating the Legislature to make sure that there was no part for black people in this industry, and you should take that same with you along with Jane Rushford and Russ Hauge, and all the rest of you who do nothing about this. We have been talking to you for years about this, and there's been no progress. Thank you.

Brionne Corbray: Hi, my name is Brionne Corbray. First thing I got to say, it's just shameful. Okay. This is actually quite shameful that we are still here at this point. Not ten years later, cause it's been 10 years since you guys took my store at gunpoint and threatened to kill me over my store. And it's been 10 years, but it's been three since we first even started this social equity program. And we -- I mean, you guys should really be embarrassed. I think that in today's day and age with knowing how black people have been dealt with in business and in all of these endeavors when it comes to this country, for you guys to continue with that same type of behavior. It's incredible. If you look back into -- 1915, when they went through and just destroyed black economy. That's what you guys did here. That's what you guys did here. You should really be embarrassed, but I could see on the faces of people that they're not -- you're not even embarrassed of it. You're not even embarrassed that you're in this -- that we're having this conversation. Right? And white people, they run the shit. We don't. They run -- they make the rules. They make the laws. They do all that. And the thing of it is that you're not even embarrassed. I'm looking at all of you. This woman over here is, you know, sitting there shaking her head, making faces when somebody is talking about something that has happened to them in their life. And because you people haven't experienced it, you don't have any clue the effects that it has on us as black people. I went through three years of depression over this shit. Three years of depression. I have never wanted to kill anybody in my entire life, but for those three years, I did. It is one of the most demeaning things to ever happen to you to have somebody come and take your hard-earned work away from you because of the color of your skin. And you guys don't seem to understand that. We've been talking with you for three years trying to work it out, and we're still here talking. I ain't been back here. Last time I came here, they called the police on me. Dude, Matt, whatever his name is, went upstairs and called the police. I wasn't even here when they got here. But he claimed something happened that never even happened.

He said I was -- I don't even say the N word. I quit saying the N word when I was 15. He said I was out there in that lobby screaming the N word. That's what he told the police. We got the -- we got the call. We got the actual call. We had them send it to us. And you guys should be embarrassed. You really should. I don't understand it, the mentality of it all, and what makes you think that you're that much better to where you can treat us this way. I mean, them days should have been one a long time ago. Right? Am I right? They should have been gone a long time ago, but we're still having this same debate. Ms. Garrett, I do apologize for that video Chris Thompson put out. I had no idea he was going to do that. I appreciate your work on the Board. All right? So, everybody don't feel the same way that you hear some of these cats talking. I appreciate the work. But for the rest of y'all, you really need to look inward. Inward and figure it out because you guys are putting our backs up against the wall. You guys stole \$40-\$50 million dollars worth of generational wealth from us. You guys should be embarrassed. I'm embarrassed for you.

Sekani Perkins: My name is Sekani Perkins. In 2011, me and my twin brother opened up our collective, The Green Thumb Collective. Shortly afterwards, we were targeted due to a proximity issue. They claimed that it was a daycare in the basement of a church which disqualified us. So, I just want to bring up the issue that happened not too long ago in Roy, Washington concerning close to a half a ton of marijuana being seized by the LCB along with Pierce County Sheriff's Department along with firearms. Now, anytime you have drugs in connection with firearms it's punishable for up to five years, 60 months in federal prison. Now, the guy that spoke previously, Brionne Corbray, was targeted as well with the former Federal Prosecutor, Jenny Durkin, and they used the federal government in collusion to target this community. So, I find it kind of ironic that the Redbarn Trading Post and Vincere's Compassion Club opened up, I think, about 30 days after this fiasco. So, I just want to put that out there. That's all I have to say.

Gregory Foster: Good morning. So, thank you for the opportunity to speak. And I think I will not necessarily go by my notes because of the nature of the conversation here today, but I wanted to come and initiate conversation with the Board. For the past five years my colleagues and I, Bailey here also, we've attended or remotely observed basically, all of the Liquor and Cannabis Board public meetings. And I think we act or we try to act as a bridge between the regulators and the regulated community as well as other interested parties and try to bring you closer together to work towards shared goals. And I think that we still have a lot of work to do. Our primary aim has always been to increase transparency around cannabis policymaking and create better informed and more engaged citizens because we think that in the long term, if we have more people at the table and more voices at the table, then that's going to result in better policymaking outcomes for everybody. We tell our audiences what's happening. We coach them on relevant laws, rules, and policies and encourage them to engage constructively in the process, which is a continuous process of evolving the shared codes that structure our relationship with the plant cannabis and with each other. Now, you know, we've come a long way, but it's pretty obvious we have a long way still to go. Now, I intended just to come today to talk about, you know, there's been some turnover at the agency, and I want to recognize Mr. Morgan and Mr. Thompson for the work that you have done and for being open and welcoming to me. I just wanted to acknowledge Mr. Morgan, in particular. The first time I met him was

during a Traceability Advisory Committee meeting years ago now, and he's always welcomed my input, even though my input often on that subject has not been, you know, the best of news, especially around MJ Freeway, not to be naming names. And I also want to recognize that Jim is responsible for the public information staff. And I know you've heard different reports about the public information team, but in my experience and, you know, maybe there's different reasons for this, but in my experience, it's been a very professional team, very responsive, and I've worked with the information staff of a lot of agencies, and so I just want to credit Ms. Norton and her team and a lot of the folks that work there. And also want to welcome Daniel Jacobs and Cassidy West, the new Policy and Rules Coordinators. And, you know, you all have a great opportunity, this is a pretty innovative rulemaking team. Ms. Hoffman deserves a lot of credit for creating new approaches to things that are trying to be more inclusive in the rulemaking process. You don't see that in other agencies at all, really. And so, thank you for bringing aboard someone who has some cannabis industry experience also with Ms. West, so we're eager to see what perspective she brings from Colorado. I'm running out of time but just wanted to, you know, it's been 10 years now. It took a lot of courage, I think, for the staff to step up there and to do this work, but we got a long way to go pretty clearly. And, you know, thank you for doing the work. Stay open. [Indistinct] at all. We're all learning. Thank you.

Bailey Hirschburg: My name is Bailey Hirschburg. I'm also a Member of Cannabis Observer, and I'm proud that for four and a half years and with hundreds of observations, whether one's interest is professional or recreational, Cannabis Observer can be counted on for primary information and for recordings of all the LCB events. I'm also a Member of the National Organization for the Reform of Marijuana Laws (NORML). It's a privilege to pass on as much information as possible to cannabis consumers, to advocates, to patients, as well as policymakers, regulators like yourselves here at LCB, and the public. I think you guys should be lauded on a couple of things in the past year that you've done for cannabis policy, specifically pesticide testing being expanded to all the product that's going to be on the I502 market. I also think you guys are getting near to opening a social equity window that's long overdue. The former gives peace of mind to consumers. The latter gives disproportionate opportunity to consumers or to communities that have long suffered under disproportionate policing in the drug war. I believe that when social equity is needed and successfully executed, you find justice. Delayed, diluted, but nonetheless, demanded justice. Only time will tell if the equity program you guys have at LCB can deliver equity or a measure of justice. When NORML started in the 1970s, we picked that name because society wouldn't call us NORML, otherwise. Now, a decade after I helped pass I502, the concept has taken root so thoroughly that cannabis normalization has been voiced as a problem. But this is only a problem to the degree that we don't engender responsible cannabis consumption, which NORML has outlined in since 1996. Going into 2023, please be thinking about how policies and legislation your agency's backing aligns with the principles of responsible use. Whether it's keeping cannabis away from youth or allowing settings for cannabis consumption by those who would enjoy it socially.

I've previously discussed social use of cannabis with each Board Member as well as members of the Social Equity Taskforce. I'm pleased to say that they included that with their recommendations, and I'd like to ask the Board to consider meeting that moment to consider

joining with them and calling for a complete revamp of RCW 69.50.465, which prohibits cannabis clubs of any kind. We need a special event permitting. We need special licensing to begin to be established for cannabis. This can start moving consumption into adult-only venues rather than limiting use to all-ages residences. Surely, now that axe throwing and additional membership drives for wine clubs are moving forward, cannabis consumers can expect some expansion of activity beyond new warning labels or further advertising limitations. The author, F. Scott Fitzgerald, was quoted as saying, "There are no second acts in American lives." But cannabis is a weed, and after being a naturopathic remedy, then a vile narcotic, and now a boom to business in taxes, this plant is easily in its third American Act. While you guys consider the next 10 years for legal cannabis in Washington, please reach out and listen to consumers, whether it's including them in the Cannabis Advisory Council to a greater degree, your Pro-Equity Anti-Racism team, or actual direct outreach events, similar to your BIPOC events that you held in 2020. So, thank you guys so much for your time and have a good rest of your year.

Sami Saad: So, this time I'm still speaking, and I wish we have respect for each other. My name is Sami Saad. I'm the first founder in 2009/2010, and this is if -- if the camera can show, it would show that the -- opening date. And this is my name there. In 2009/2010, one of the first shop in Washington. When I had applied after being harassed by the fake police and to close my shop and, and I still remember when I was renewing my license and Sherry McClain worked for the City of Seattle in the Marijuana Unit. She said, "Sami, you can't make your money now, later, then we'll take it away from you guys." I said, "Sherry, I don't even make money Sherry, I just want to help the community. And she said, "Sam, you're a good guy. I know you for a long time." I know her just through the licensing. Unfortunately, we're having a big meeting in the Lucian Center. We met with Ollie Garrett and Paula Saldaña. They both said they will help me. I call Ollie Garrett two or three weeks later. She said, "Do not call this phone ever again." And I found out two of her boyfriends got licensed, Rafael and Jim Buchanan. They both dated her. They both is -- Aaron Barfield, he's right. They started Black Excellence like Peter Manning told me. He started -- him and the gentleman over there, his -- I think his name is Brionne, and Brionne, he quit, and that's a long time ago before even Peter Manning exists, and I know Peter Manning before Aaron Barfield, but unfortunately, a lot of fake. I wish to be friend. I wish Ollie Garrett, I wish her the best, but we should be honest with each other and help each other. Paula Saldaña called my phone, her and Peter Manning, and I didn't know there was a three-way, and somebody was listening to them as Kevin Shelton. And they say, "Can you please stop talking about Ollie Garrett, and this way we'll help you. And stay away from Christopher King." When I said, no, she said -- she used the F word on me, and it was very sad. And I've been called by the LCB before that, they say, "Mr. Abdullah, you need to throw your application." My name is Sami Saad. Abdullah is my middle name. I don't know because I'm Muslim. There is not Muslim in this field. I am African. I am African. I am not African American, but I am proud to be with them. I'm black just like them. I'm mixed with different thing. It don't make me better than anyone. You know, I'm not radical. Not at all. I'm not racist. I'm mixed with Jewish, and I'm mixed with Arab. At the same time, I'm Muslim. Can we be acknowledged? If this one it didn't help us, the SB 2870, you are [indistinct], and we're being used by the Legislature. They [indistinct] Paolo Saldaña to -- no, Rebecca Saldaña to be on this program to help us. She met with my community. We can't sit like a zoo. They have it even on Channel 5. They have Ollie

Garrett and Peter Manning. They are speaking on my behalf, and I was not even in Channel 5. We did not get no shop. Peter Manning got, but he say -- he say, "Ah, we -- got in abandoned area." You the one get Peter, not us. I open my shop before you. It's sad. Aaron Barfield, he been having a hard time. His shop is being run by a lawyer -- a white lawyer. I'm not against white, -- and he can't make a living. Now he work for my cousin driving, and his shop paying somebody else 400,000. This is abusing him as a black man. I'm supporting Aaron Barfield. He created Black Excellence, and we are together. Aaron Barfield -- Peter Manning, he said, "Let's go join the lawsuit with us, oppose HB 2870 because they using us." I'm the one being used all over. I've been smart everywhere. Can I get my shop? This is 2009, and I still hold my license. It's not fair. This is sickness. I didn't have it for money. I had it to help the community. A lot of people they say we don't see you, Sam, we don't support this. And some people say we're going to hate those shop. I said this is criminal. I find out some shop is being hit by a car inside in Renton right across where I live. He don't live in Renton. I live in Renton. I teach mixed martial art, and I'm the best one. I'm a community leader. I have a junk removal company. I have many, many businesses. I'm at the best. We're not being acknowledged. You guys lied to us. And I been disrespected last time. They searched me on my backpack because I'm Muslim? I have a backpack. This is my backpack. I'm the only one being searched. This is not fair, I'm not welcome here.

Michael Perry: Thank you. Good morning. Thank you for having me. A lot of tension in the room. I wasn't coming to bring tension, just to speak some of my facts. I had a shop, uh, Seaweed Alternative Medicine in 2010. It was at the corner of Martin Luther King and Othello. The sign still is up today. And you know, I thought having a cannabis license and a dispensary would be something very, you know, profitable and uplifting for my community. But when my shop was closed because I was within 1000 feet of a park, and there are other dispensaries next to churches and whatnot, you know, it was really disheartening to not have a leg up in the industry. You know, I'm still hopeful and hoping that, you know, we could speak with each other instead of us talking at you. You know, we want to speak together and see what type of a plan that is set forth. What is the outlook? What, you know, what are, you know, the goals that you have? Where are the licenses going to come from? You know, some of us that were born and raised and had shops in King County, we know that King County is where it's a most -- it's most profitable license. You know? Don't give me a license in Whatcom County or Spokane. I'm from Seattle, Washington. I'm from -- born in King County. So, you know, it's just something that we need to come to the table. Hopefully, we could bring down the anxiety and the tension and actually speak to us, speak to each other with actual truth. You know, everyone deserves truth. The truth may hurt, but let's just speak the truth. You know? Thank you for having me today, and I hope that we can get some of these issues resolved.

Sekayi Perkins: My name is Sekayi Perkins. I'm a co-founder of the Green Thumb Collective Therapeutic Urban Municipal Branch, with my identical twin brother, Sekani Perkins. I'm here to address the injustices that I faced. In a perfect world, America would be considered the epitome of success and freedom, with Washington State being the beacon and Seattle being the pillar. However, this American dream I heard about all my entire life was a facade. I founded my marijuana business on the foundation of morals and truth with the expectations of building a

better future. I earned every right to be [audio cuts out] to the very notion of the American dream, just as the next law-abiding the citizen, yet still in 2022 I'm fighting here the same fight that my ancestors endured. It is incumbent of me to speak on the injustices inherent on behalf of the powers that be. Our voices will not be silenced, just like the bus boycotts in the 1960s, our communities forced the system's hand for equity based on the collective agreement to deliberately exercise our economic stronghold through a strategic cohesive [indistinct] effort. So, we will file a class-action lawsuit if we have to. The Washington State License (sic) Control Board ought to be ashamed with all the disparities, wreckage, harm, and discrimination as well as mental health it's caused by deliberately excluding blacks out of the marijuana industry. It was outright barbaric the way they been violated -- I mean the way they violated us. How long do we have to continue to endure injustices caused by this oppressive system that never had our best interests at heart? My forefathers built this country only for their offspring to be treated as second class citizens. I stand on the shoulders of those who come before me. It would be remiss of me not to address the suffering I face. Our presence here alone reminds everyone of the inequality we suffer as blacks, not only daily, but economically through redlining, healthcare, as well as a plethora of other privileges denied based on limitations forced on black people in America. We as blacks have individual stories about being targeted. However, we stand united as one whenever there's an injustice. Thank you.

Peter Manning: So, tensions run high, you know. My name is Peter Manning. I am the one of the co-founders of Black Excellence in Cannabis. I have incorporated Black Excellence in Cannabis. I am the sole owner of Black Excellence in Cannabis as we -- as I speak here. I have an Executive body. I have all five original members of Black Excellence in Cannabis as part of my Executive body, period, just to give some clarity there. One thing I can say is I started this mission in 2014, when I met Rick Garza and Rebecca Smith downtown Seattle, and I asked them what was going to be the outlook for the black people in the cannabis industry when we make this transition from recreational -- from medical to recreational. They assured me then that this would be -- it would be okay. It would be hunky dory. Everything was fine. But it came down to it, I stayed. I kept my nose down to the pavement. I seen it was going awry. I, Peter Manning, sent letters out. I was responsible for getting the Deborah Diamond report. I'd like to think that I have something to do with the Heinz report getting done. I have been diligent in this mission for social equity contrary to what people would believe or what they might want to say. My name resonates here. Today I am very proud, even though there's opposition on some levels, but this is the result of me. I am bringing this energy here. What we need to do is understand that there are people in this room that had legitimate businesses just like every white person had a legitimate business, but these people here were targeted because of their skin color and the location and the proximity of the dollars that they could, -- that their organizations or their companies were bringing in. That was a targeted attack on the black community, period. It was an insult to see the ACLU come up and say that they were celebrating this 10-year anniversary of writing black people, basically, out of the cannabis industry. They used us to get the bill passed in total, saying that we're going to stop this enforcement of these people, black and brown, but once that happened, they closed the door on us. It became white profiteering. You profiteered off of us putting us in jail, and then you profiteered off us by selling us the same weed you were putting us in jail for. That's hypocrisy, and it's an insult. And if black people, their

frustrations are directed at each other, but if they were really smart, they would team up and then direct it where it needs to go. And I'm not talking about it in a negative sense. I'm talking about it in the positive sense. Unity gets further than separation. My energy resonates here, Mr. Postman, Dustin. You see it. I have not given up the fight. Ollie, you see it. This is me. I brought this, and I'm going to keep bringing more and more and more, and I'm going to pack -- you guys are going to have to open that room up. I'm going to bring so many black and brown people down here to speak truth to power. You guys have a good day. Black Excellence in Cannabis.

Mike Asai: Good morning. Bear with me. Some of you know I was in a major car accident a month and a half ago. Head on collision, not my fault, so I'm just trying to get right. I want to read a quote by Malcolm X. "If you're not careful, the newspapers will have you hating the people who are being oppressed and loving the people who are doing the oppressing." Malcolm X. My name is Mike Asai. I am a founder of Emerald City Collective, second black-owned in Washington State, and the first in downtown Seattle. I'd like to say we -- and I'm also Vice President of Black Excellence in Cannabis, the new Black Excellence in Cannabis. We have no friends here at the LCB. I heard there's an anniversary. This 10-year anniversary is not for the black pioneers or the black and brown community. What is there to celebrate? You are celebrating legalization for 95% white inclusion in the market. During the November 1st Board Caucus meeting, Alison Holcomb made it clearly known that she and ACLU truly don't care about social equity for the black and brown communities. She had not even taken time to read the Social Equity Program before attending the Board Caucus meeting. This indeed was another slap in the face to the black community. The ACLU, along with Alison Holcomb, used the war on drugs to get Washington voters to vote for cannabis legalization, war on drugs affecting blacks the most. The pain and suffering blacks face for cannabis is unimaginable. We've been traumatized, and now still traumatized now that it's legal. Alison Holcomb should be ashamed of herself. Nobody from the black community is praising her. The medical cannabis pioneers are the ones who should be praised. Present today we have some black cannabis pioneers who took the risk to lay the foundation for legalization. Brionne Corbray, Game Collective; Michael Perry, Seaweed; the Perkins Twins, Green Thumb Collective; Bella Soleil, Peter Manning, and myself, Emerald City Collective. ACLU and Alison Holcomb did not take any risks. ACLU and Alison Holcomb did not help create House Bill 2870 and Social Equity in Cannabis. Board Members and staff need to understand this. It's very hard to move forward when the wrong done to us as cannabis pioneers has not been handled still to this day. We are respectfully demanding some type of reparations for the unjust closures done to us. We will not let this go away. We support the program. But is this -- we support the Social Equity Program, but it does not take the pain of the millions lost over the past six years. The LCB let two sessions pass by without introducing the legislation allowing the social equity retail licenses to be mobile. Why? There wasn't actually legislation needed to make these mobile. Why such long delays since April of this year to get the Social Equity Program going? The Program is headed in the wrong direction. Giving out license -- giving out social equity licenses that are in banned county and cities, there's nothing close to equity. We see now LCB is willing to create such legislation, but why such delays? We need to continue to work together to make the Social Equity Program a success. Thank you for your time. [Applause]

Chair Postman: I want to address a few things. First of all, I don't think you could look at somebody's face, somebody you haven't known and know what's in their heart or in their head and what they've done. And I think we have to get beyond that sort of reaction to people who are trying to do good work. To what you just said, Mike, you know, that doesn't take the pain away of what happened to those businesses. I understand that, and I know it doesn't take away the pain of what happened in the hundreds and hundreds of years prior to that. I can't. I can't. That's not within my bailiwick. What is, is to come up with a program that addresses some of the very things that you all or many of you here today talked about. I think we've done that. Now, is it too late? Is it too late? No, it's not too late because we should keep trying. Should it have been sooner? I would have loved it to have been sooner. I wish it had been taken care of earlier. I wish that the so-called, you know, merging of medical and recreational had been handled differently. Absolutely. I do think there was, um, you know, sort of a practical problem in the merging in if you looked at how many dispensaries and collectives were operating in the thousands, perhaps, statewide versus what 502 envisioned for recreational business. And I will say I do believe the ACLU cares, but that initiative didn't address this issue. So, what we faced here is a legislature, frankly, and then the regulators of this agency that were given a law passed by the voters in 2012. And the reason it came from the voters is -- you know what? The Legislature never would have done it on their own. You know? A lot of major changes in our society have come from the power of the initiative, where people can do this. They can push it. That said, the initiative process is not a perfect system. You know? There aren't public hearings about what that bill says. It's not, you know, given any kind of public hearing prior to it being drafted, and you don't have stakeholder input, for example. And so what the Legislature first, and then the Governor, and then us -- well, I wasn't here at the time, but, you know, I was with the Governor at the time, all of them had to take this imperfect law that the voters said and say, "well, what's the intent here?" You know, the intent and very clearly stated in the intent of it was to try to right some of the wrongs of the war on drugs, which is, there is no doubt that the war on drugs was racially skewed. We know that. I don't really even find anybody who can argue about it. Most conservatives, I just can't believe they would argue about it. We know that's true. So, this was a step. It was harm reduction, and that's how they approached it. Was that the right approach? I don't know, but that's what we had, so that's what we were given. And then they merged these two systems where you took thousands of you, including, you know, real pioneers who, as we know, some of your business licenses are paying taxes out in the open about what they were doing, and the state allowed those dispensaries to operate. I get that. And then all of a sudden, you're told we're only going to let a very few through the gate. I get that.

I've not been in that position, so I don't know what it's like to have my business ripped from me like that. You're right. I don't know. I don't have that experience. But I've heard about it. I've heard about it week after week here, and I listen, and I learn a lot about it. And one of the things that we've been faced with is how do we try to address some of these, both the -- built-in inequities in the legislation that the voters passed overwhelmingly, by the way, as well as what happened with law enforcement after the fact. When you know, somebody mentioned here that the work of the US Attorney's Office at the time and the aggressive shutting down of these stores. And so, you know, the LCB understood -- and, again, this predates me -- but they understood that something had gone wrong, that these goals of 502 were not -- not just not

enough but were working against equity. And so, they wrote a bill and they submitted it to the Legislature, and it was backed by the Governor to say, wait, we got to look at this social equity question. Now I get that 100%, that's better if it was embedded from the start, right? You don't want to be always, you know, following up after, following up after. You know, Peter Manning came here one day and said -- this was many months ago, maybe a year ago -- "I want to come and talk about terpenes and cannabis. I don't want to come here and keep talking to you about social equity. I want to be a part of this industry." I felt that, and I've used that line a lot. I understand that, but what we had was we had to catch up. So, the LCB brought forth that legislation, and the Legislature said, "good idea," and they built on it. And they said, "Let's create a task force." And then what happened -- and so this question of why have we waited? Why did we do this? Because the law said so. They passed legislation to create this taskforce, which they thought was going to lead the way to a plan to address some of these ills. And we were told we would be given recommendations from said task force, and so we -- we've been working with that task force as much as we can to try to inform their discussions, to do some of the leg work. Ollie Garrett has served on that task force and we've waited for that task force. But in the same time, we did what we could internally. One thing we did is we looked at criminal background checks, which we were told had excluded some people from licenses the first time around because we had such a broad interpretation of what that should look like. So, we changed that on our own by rulemaking. And then we started work on rulemaking for a Social Equity Licensing Program, and that's what you all were talking about today -- is, you know, how do you get licenses in the hands of the people who have been harmed by this system? And I will say that my vision of that system is not just the dispensaries but predates that and looks at the war on drugs, and that's been our direction from the Legislature, and it's embedded in that legislation. They talk about that -- that that's part of our goal here. And so, we've looked at how do you do that? And we had a lot of hearings. Now, unfortunately, we didn't have one meeting over the year that we've had these discussions that had this many people on it, and I wish we did. We've had a few people each time, and other than that, you know, some input on separately from meetings, but we haven't had this sort of discussion. And so, we worked and we worked, and we've talked to people, and we've learned, and we came up with a draft rule package that would have created a Social Equity Licensing Program. And, you know, this rulemaking is very technical and it's pretty new to me but, you know, we have these different steps. We put out the 101, which just says we intend to look at this issue. Then the 102 is the draft, and it says here's really what we're thinking. And then that goes out, and we held a public hearing, and then we vote on the final. So, we got to that point of the 102. So, let's just say we got to the point of having draft rules, and that was early this year, and I don't remember exactly when, but spring I'm guessing. And I thought we were going to be bringing it forward to the Board for approval soon. And I've told this story, but we have new people who are engaged here, and I'm going to tell it again.

Staff came to me and came to the Board and said, "You know what? We can do better than this. We need to do better than this. It doesn't go far enough." And we said, "Well, okay. But, you know, we've been looking at this. And they said, "Well, we're looking again. We got our -- we're looking at legal risks. We're looking at policy. We're talking to the Legislature. We're talking to the taskforce. And you know, it's a hackneyed phrase, but we're leaning in. We're going to push

this. And so, one of the things that got added at that point -- and really, I said that's unusual in government. I think that's unusual in most organizations, where people internally work and put their heart into something, then go, "You know what? We didn't do well enough. Let's try it again." So, they opened it up and they said, "We're going to delay this." And we knew we'd get some crap for that, but we did it. And one of the things that we said then was well, wait a minute then, what about this stuff we're hearing about the dispensaries? What about these people that operated dispensaries prior to the merging of the systems? Shouldn't we be giving them points on the rubric that we use to score these applications? It's like, well, let's look at that. So, then we talked to some people who have come to the Board time and time again, who said they were in that business, and we asked about that business, and we looked at their records, and we changed those rules. And we said, "You know what? Just as important as the war on drugs is, there's been a failure of a system, of what happened to these medical dispensary pioneers. Let's give them points in this thing. Now, I think that's a really good thing. I think it addresses what many of you were talking about here today. And I don't have the numbers in front of me, but I think that you can get up to 40 points if you ran -- I'm just going to say, a dispensary, you know, medical store, whatever you want to call it. And you still -- there's points for being drug convictions of various sorts. There's points for economically distressed areas and where your store operated. We want to look at that, you know, where was it? And who operated it, and what did it do? That seems to me what I keep hearing is the goal.

So, then the other thing about where these licenses are. There's 40-some licenses. So, first of all, the LCB cannot create new licenses on their own. The Legislature is our bosses in a lot of ways, but we have 40-some, I think is the right number, licenses that either were returned or whatever that is our pool, right? And early on -- Mike Asai is right -- that if you would look to see, well, how many of those could actually be located because we still have people with moratoriums or zoning restrictions, and it's impossible. You know, you could say, "Oh, congratulations, you know, you've got a license in this town." And you go to that town, and they say, "We're not letting you open here." So that's not very useful. But now what we've done for the first time, I understand, is we said, "No, you can move that within that county anywhere you want." And when we go and we look for those, all but a few now could be located. I want to say of the 40-something, maybe there's four or five that we think -- is that even close? Anybody who knows -- I don't know. So, I'll get you those numbers if somebody wants them. So, we flipped that. We flipped that. That was one of the things we've done, is we said no. You know, people would come to me and go, "You say you're going to put out 40 licenses." That's not true. It's B.S. We looked at them and go, "Well, yeah, I get that." I don't want to mislead people. I don't want to mislead people cause I'm the one sitting at the table, and I'm going to get people coming and yelling at me, so what are we going to do? And staff knew what -- staff brought this to us. We're not telling them what to do. Staff is driven by this. And so, when people talk about staff here not caring or that they should be driven by shame, they care. They're working. They're doing everything they can to improve this system, frankly, within the statutory authority that the Legislature gives us. We are restricted. We do have some bookends on what we can do.

So, we have a piece of legislation this year that we're going to go to, which does push for more social equity licenses because the task force work is done. We now have the green light to

move forward and do our own work there, and we're doing it. We just got that legislation approved by the Governor's Office late last week, I think. We're going forward. We're looking for sponsors. It's a great bill, and it's going to build on what we're doing by rules. But here, to me, is the most important right now, today. Yes, it should have been done sooner. I wish that we all knew enough to not come up with the draft that we then later thought wasn't good enough. I wish we could have done it better the first time. But we learned from it. We've come up with a better plan, and that plan addresses what I hear people talking about, which is what about people who have medical licenses, medical stores? So okay, we do that. What about being able to be more mobile within -- we don't believe we have the authority to move them outside of the county they've been issued in, but within the county first time, yeah. Let's do that. We're hearing people what they're telling us in testimony and in meetings and in letters, and then we're responding to that.

So, I can't address everything that led up to this. I'm aware of what led up to this. I've read about it. I've had long conversations with some of you in this room about it. I am more than open to hearing those conversations, and those conversations are the same ones that take place in this building. When you all leave, don't think for a second that the conversation is here, "Oh God. Did you hear that?" They're like, "Okay, what are we going to do? What's real? Let's look at this. What's fixable?" But I'll tell you right now is our rules were passed. We approved that final package. We've issued contracts. We hired an amazing firm out of Chicago to help do the actual -- the double-blind lottery part and some other pieces of this, and to score the applications. We got a firm that's working on the public information side of this. I mean we're doing everything we can to get this out there and do this. We're working. We need to get reliable data on where economically distressed areas are. Where are those actual borders? Now, people will tell us, "I got it right here." In order to be able to do this, we have to have data that is reliable and is verified, and we're working on it, but it's taking a little longer than we thought. But we're not sitting on our hands. We're not doing nothing. We're just about there. So, with all that said, I'll tell you that one of the things that's going on is I think there's people that don't like that rule package. They don't want to go through that process. They don't want to compete. They don't want to put in a license application. They want a license, and I get that. I understand the frustration and the impatience, but we can't do that. We can only issue licenses through this competitive process, and that's what we will do. But it's not an ignorant approach. It is a very aware approach of the issues that you were talking to me about today, about medical and about what happened in the transition and what happened with law enforcement. Now, I don't know if everybody who wants one is going to get one. Like I said, there's dozens. There's a couple dozens. We only hear from a few people. I don't think any of us think that the people who want licenses are only those that come to meetings. There's a lot of people out there that are waiting to hear what's going to happen. People don't have time to come to meetings, I get that. So, we don't know that there are, but that's why we're not just saying, "Okay, we're done. We've got our rules ready. Let's wait and see." We're getting this done. We're working on this. We want to get that program open as soon as we can, and then we're in front of the Legislature come January and say, now this. We need more. We need to do better. And I hope that you'll look at that legislation, and we'll make sure it's easily accessible on our website, and if it's something that you think would help, you'll help us get that passed. Because one of the problems that we face

is that there is no collective voice that goes to the Legislature. You know, it's one person will get to one legislator, and they'll say, "Well, I spoke to the community, and here's what we want." Somebody else will say the same, and then nothing happens.

And we know -- we know there are people that don't share the goal of a more equitable cannabis market. The LCB shares that goal. You all share that goal. We are not enemies. And if we can't find a way to work together on that, it's going to be really difficult. We need to be able to go to the Legislature and say here is a meaningful, realistic, equitable plan. And part of what's on -- the burden on us right now is we're going to be doing this by rulemaking, which means it's outside of the Legislature's control. That's why we're moving forward on it. We got to make sure that works. We got to be able to get those licenses in the hands of people, help them be successful, push back on those that want to stop this program and stop this kind of progress, and then go to the Legislature and say, "See, it works. We can do it." And the community, however you want to describe that, wants more, and here we all are. And I am offering myself -- and I know my fellow Board Members will as well -- for any conversations about how we can do that because it does not work if all we're hearing is that things happened in the past, or that you don't trust the LCB, or that you believe that I am racist, or that I should be ashamed, or that we're corrupt. And I've heard all of these things over and over again or other things that we've heard. I'm going to keep doing my job, and I've got limitations on my job, but I'm going to keep doing it. And I know that my fellow Board Members are, too. And I know that Rick Garza, who leads this agency, is, too. He's taking a lot of heat from people about this. He pushes people. He says -- he was right there saying, "We're going to reopen this thing. Let's do better." He said, "I don't feel good about it. Let's do better." The Licensing people, Becky Smith and her team. Oh, my God, they care. So, we got people here. We got a team, but I'm not going to -- I'm not interested, frankly, in fighting about who runs what organization. That doesn't impact us. That's not what we're doing. We're trying to find a program that addresses some of the inequities that exist in this marketplace. We will not fix it all. It can't fix it all, but we can get a start. We can show that government, which way too often has been used as a tool for inequity, can be used as a tool for equity. That cannabis, which is not yet accepted, you know, completely, and to Bailey Hirschburg's point, you know, normalization was a goal, and now it's said it's a bad thing, and we need to stop. Like we're still fighting with this social pushback on cannabis. We got to be able to go, okay, we all at least are in a universe where we think cannabis has a place in Washington State for adults recreational, medically. We think that the cannabis industry needs to be more racially diverse, needs to be more economically diverse, needs to be more equitable, that we need to address some of the ills that came before this was dumped on the Legislature in an initiative in 2013 -- in January of 2013. And if we can't do that, I don't know how we're going to make progress. I really don't. And, you know, I'm always told don't respond, don't talk. But I can't just sit here and let this go unsaid. Not that I feel defensive, though it sounds like it, it's because I want you to know what's in my head and what we're doing here because I don't think some of you do.

I think we've got a lot of good work that's been done and a lot more to do that we need to share with people, broader people. The Licensing program is out there. The rules are on our website. I think if you look at them, you'll find stuff you don't like about it, but it's not nothing. It addresses

the war on drugs. It addresses the medical people, the pioneers. It addresses mobility of licenses, and take a look at that, and if there's -- you know, and part of the problem is, right now if there's things in that you don't like, rulemaking is done, so we can't just go, okay, we're going to pull that back and undo that piece. We got to get this program going, but it does matter that people are engaged -- and then I'll stop -- that people are engaged in the execution of all of this work. We are in the agency. We know that intentions are one thing, actions are other, and we have to be very precise, and we have a lot of work to do. Like I said, we've got these contractors who are working with us, consultants we have to keep an eye on them and work with them and make sure of that. Department of Commerce is involved because they have money for grants for -- new entrepreneurs who entered the industry. So, there's a lot going on, and so we know we got to keep watching it, and that's where we need help. We need input. We need people talking about these things out there. But I get to the point where I can't talk about what happened 10 years ago anymore because I've got rules in place right now, and we've got legislation in front of the Legislature come January, based on what I've heard and all those things. And now I'll tell you that, officially, we're not supposed to be able to talk to anybody, but since I've sat here now, I am going to talk.

7. ADJOURN

Meeting adjourned at 12:01 pm.

Minutes approved this 7th day of January 2026



Jim Vollendroff
Board Chair



Ollie Garrett
Board Member



Peter Holmes
Board Member

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

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