

**From:** [fabian@greenlabsllc.com](mailto:fabian@greenlabsllc.com)  
**To:** [Nordhorn, Justin T \(LCB\)](#)  
**Cc:** [McCallum, Matthew C \(LCB\)](#); ["Caitlein Ryan"](#); [LCB DL Rules](#)  
**Subject:** RE: LCB Board Action: Cannabis Payment Flexibility Rules Finalized  
**Date:** Monday, October 14, 2024 7:48:28 PM

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External Email

Mr. Nordhorn,

Thank you for your continued attention to this matter.

It seems that the concern about the insufficiency of a 5-day period for depositing checks was raised before the rule's implementation. Both Terpene Transit and WACA (represented by Mrs. Vicky Christopherson) provided feedback, but this was overruled without a clear explanation or engagement to understand why 5 days is inadequate. It is difficult to comprehend why no feasibility studies have been conducted in the six months since, especially considering the industry feedback provided.

I appreciate your effort in connecting me with Mr. Matthew McCallum. However, you mentioned consistency, which is exactly what a rule is intended to ensure. I'm unclear on how we would justify extending this rule to 15 days exclusively for Green Labs LLC.

1. I welcome a conversation with Mr. McCallum and would appreciate his guidance on how Green Labs can legally comply with a 15-day window for check deposits. As we do not extend credit to retail stores, we are compliant in that respect, and the 5-day requirement seems like an undue burden. Mr. McCallum, you can read my feedback below, I'd be happy to get on a phone call if you have questions, but prefer to communicate over email.
2. This email also serves as formal feedback on the recently adopted rule **and as a request for changing the rule**. Due to the reasons outlined below, Green Labs will not be able to comply with this requirement. After 10 years of holding our license without issue, this rule now places us in non-compliance—through no fault or unwillingness on our part, but rather due to the practical challenges highlighted. Unfortunately, I am unable to attend a board meeting, so I kindly request that you convey this feedback to the board directly on my behalf.

Thank you for your understanding.

Sincerely,

Fabian

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**From:** Nordhorn, Justin T (LCB) <[justin.nordhorn@lcb.wa.gov](mailto:justin.nordhorn@lcb.wa.gov)>

**Sent:** Monday, October 14, 2024 12:34 PM

**To:** Fabian Toader <[fabian@greenlabsllc.com](mailto:fabian@greenlabsllc.com)>

**Cc:** McCallum, Matthew C (LCB) <[matthew.mccallum@lcb.wa.gov](mailto:matthew.mccallum@lcb.wa.gov)>; Caitlein Ryan

<caitlein.ryan@thecannabisalliance.us>

**Subject:** RE: LCB Board Action: Cannabis Payment Flexibility Rules Finalized

Greetings Fabian,

I am sorry you are frustrated and disappointed in the recently adopted rule, and response to your concerns. I do understand your concerns, and you certainly identify a relevant challenge. I cannot identify the reasons you were not informed of the rule development. As you can see below a number of announcements and engagements occurred during this rule project. I do recommend signing up for our gov delivery notifications, if you have not done so already. If you are not familiar with how to sign up, you can go to the LCB website, and enter your email address in the pop-up window that appears when the [home page](#) is pulled up, or you can go through this link to our [resources page](#) too. If you are like me, a person who closes pop-up windows immediately when they come up, I can understand how this can be missed. If you have already signed up, another means of keeping informed of rule activity can be through associations. I see you copied the Cannabis Alliance on your message, and I am fairly confident they can also help with information sharing.

As for this specific rule, it is not that we do not care or want feedback at this time, we are just not in a position to make changes after rule adoption. As Daniel mentioned, we do plan on conducting an evaluation of effectiveness of the recently adopted rule at this time next year, to review impacts and effectiveness. Results of the evaluation may necessitate further rule changes.

I know waiting for the assessment and evaluation next year does not address your current concerns. It may be helpful to connect with our enforcement and education division. I cannot guarantee any specific action from another division, but I would like to encourage you to reach out to your area officer or compliance consultant and share the specific challenges you are facing. They may be able to offer suggestions, or work with you to mitigate your concerns. The intent of the rule development was to provide some additional flexibility for payments. One challenge we face is to ensure there is no extension of credit being offered or extended between retail and non-retail businesses, which can occur as a result of lengthy payment transactions. We also strive to ensure consistency. The 5-day timeline was intended to align with other rule standards to mitigate confusion between payment types and approaches. If you are able to frame the discussion with the officer or compliance consultant showing the challenge of meeting the regulatory language without any intent to provide or extend credit, I hope a productive dialogue can occur. I have copied the manager in the enforcement and education division who oversees education and the compliance consultants to help start the conversation.

As Daniel mentioned, you are certainly welcome to share your thoughts and concerns at an open public board meeting too. Board meetings are scheduled every other week, and we conclude meetings with an open public comment period where individuals have up to 3 minutes to share comments. This forum is a listening only forum for board members, and they will typically not answer questions during the segment of the meeting. But if follow-up to questions is needed, the board will ask agency staff to follow-up after the meeting on their behalf. As a note, board meetings are hybrid, so in-person attendance is not necessary in order to participate in the open public comment period. Pre-registration for public comment is required for remote participants, and you

can find the information needed to participate in the [Board information pages](#).

I hope you find the information and suggestions helpful.

Kind Regards,

Justin

**Justin Nordhorn** (*he/him/his*)

Director of Policy and External Affairs  
Washington State Liquor and Cannabis Board  
360.918.1474 cell

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**From:** Fabian Toader <[fabian@greenlabsllc.com](mailto:fabian@greenlabsllc.com)>

**Sent:** Monday, October 14, 2024 10:36 AM

**To:** Jacobs, Daniel (LCB) <[daniel.jacobs@lcb.wa.gov](mailto:daniel.jacobs@lcb.wa.gov)>; LCB DL Rules <[rules@lcb.wa.gov](mailto:rules@lcb.wa.gov)>; Nordhorn, Justin T (LCB) <[justin.nordhorn@lcb.wa.gov](mailto:justin.nordhorn@lcb.wa.gov)>

**Cc:** Caitlein Ryan <[caitlein.ryan@thecannabisalliance.us](mailto:caitlein.ryan@thecannabisalliance.us)>; Davis, Sarah (LCB) <[sarah.davis@lcb.wa.gov](mailto:sarah.davis@lcb.wa.gov)>

**Subject:** Re: LCB Board Action: Cannabis Payment Flexibility Rules Finalized

### External Email

Adding Mr. Nordhorn who last week did reply (thank you!) and told me your office will take the time last week to respond to my feedback and concerns.

As a body that is supposed to receive feedback ([rules@lcb](mailto:rules@lcb)), I'm highly disappointed seeing your response below. At the very least you should be concerned with the fact that I am providing this feedback now, how I missed providing feedback in the first place and try to actually help support industry, who actually supports and pays for your role and organization.

Am i not very clear in my initial email that you are HURTING my business and i worry I cannot comply with your demands, not because I am not more than willing to do so, but because your office failed to actually conduct a proper study to how your ruling will affect us all? Has anyone actually read my email or this is just another day in the office while I am actually stressed out that I won't be able to comply?

Thank you,  
Fabian

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**From:** Jacobs, Daniel (LCB) <[daniel.jacobs@lcb.wa.gov](mailto:daniel.jacobs@lcb.wa.gov)>  
**Sent:** Monday, October 14, 2024 10:22:45 AM  
**To:** Fabian Toader <[fabian@greenlabsllc.com](mailto:fabian@greenlabsllc.com)>; LCB DL Rules <[rules@lcb.wa.gov](mailto:rules@lcb.wa.gov)>  
**Cc:** Caitlein Ryan <[caitlein.ryan@thecannabisalliance.us](mailto:caitlein.ryan@thecannabisalliance.us)>  
**Subject:** RE: LCB Board Action: Cannabis Payment Flexibility Rules Finalized

Mr. Toader:

I was out of office last week, and did not have access to my work email.

Stakeholder feedback is an important part of our rulemaking process, and there are multiple opportunities for the public to provide input on our rulemaking throughout the rulemaking process, as there were with this rulemaking project. The rulemaking process for this particular project has already ended, and so the opportunity for formal feedback on this rulemaking to change the amended wording has ended.

As mentioned below, Gov delivery messaging on rulemaking updates is the best way to learn about rulemaking updates as they occur.

On May 8, 2024, a gov delivery notice went out informing the public that the rulemaking on cannabis flexible payment terms had begun, and [inviting the public](#) to provide comments by June 20, 2024. (Email Attached).

On June 3, 2024, a gov delivery notice went out inviting the public to participate in a survey on draft proposed rule language. This survey was open until July 8, 2024. The survey was also posted on the LCB's website and repeatedly mentioned during public board meetings. (Email Attached).

On July 31, 2024, a gov delivery notice went out informing the public that proposed rule language had been filed and [inviting the public](#) to provide written comments on the proposed rule language until September 11, 2024. (Email Attached).

On September 11, 2024, a [public hearing](#) was held on the proposed rule changes, during which, members of the public were invited to publicly speak about the rule changes.

Lastly, we have publicly committed to conducting a retrospective review in a year to examine whether the rule changes have resulted in increased enforcement actions and if so, to potentially re-open this rulemaking.

You are free of course to [sign up to speak](#) at the next Board meeting and provide your concerns to the Board directly.

Please feel free to follow up with any questions or concerns,

Sincerely,

Daniel Jacobs, Esq. *(he/him/his)*  
Rules & Policy Coordinator  
Washington State Liquor and Cannabis Board  
[Daniel.jacobs@lcb.wa.gov](mailto:Daniel.jacobs@lcb.wa.gov)  
Mobile: (360) 480-1238



## Washington State Liquor and Cannabis Board

**DISCLAIMER:** The information provided above does not, and is not intended to, constitute legal advice; instead, all information, content, and materials included are done so in the scope of my employment as Policy & Rules Coordinator with the Washington State Liquor & Cannabis Board (LCB).

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**From:** Fabian Toader <[fabian@greenlabsllc.com](mailto:fabian@greenlabsllc.com)>  
**Sent:** Monday, October 14, 2024 9:40 AM  
**To:** Jacobs, Daniel (LCB) <[daniel.jacobs@lcb.wa.gov](mailto:daniel.jacobs@lcb.wa.gov)>; LCB DL Rules <[rules@lcb.wa.gov](mailto:rules@lcb.wa.gov)>  
**Cc:** Caitlein Ryan <[caitlein.ryan@thecannabisalliance.us](mailto:caitlein.ryan@thecannabisalliance.us)>  
**Subject:** Re: LCB Board Action: Cannabis Payment Flexibility Rules Finalized

External Email

So basically you don't care about my feedback, my business and how your rule affected, am I interpreting your response correctly? It took a whole week to respond, making sure we are on the same page.

Thanks,  
Fabian

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**From:** Jacobs, Daniel (LCB) <[daniel.jacobs@lcb.wa.gov](mailto:daniel.jacobs@lcb.wa.gov)>  
**Sent:** Monday, October 14, 2024 8:19:33 AM  
**To:** Fabian Toader <[fabian@greenlabsllc.com](mailto:fabian@greenlabsllc.com)>; LCB DL Rules <[rules@lcb.wa.gov](mailto:rules@lcb.wa.gov)>  
**Cc:** Caitlein Ryan <[caitlein.ryan@thecannabisalliance.us](mailto:caitlein.ryan@thecannabisalliance.us)>  
**Subject:** RE: LCB Board Action: Cannabis Payment Flexibility Rules Finalized

Mr. Toader:

Yes, this is the LCB inbox for providing feedback on rulemaking.

These rules have already been finalized, however, this rulemaking was done in accordance with the [Administrative Procedures Act](#), and in addition to a survey that was distributed and posted on the LCB website for over a month in June, there was a public comment period open from July 31<sup>st</sup> through September 11<sup>th</sup>.

If you'd like more information about ongoing LCB rulemaking, please [sign up](#) for our Gov Delivery messages and select "rulemaking updates."

Please feel free to follow up with any questions or concerns,

Sincerely,

Daniel Jacobs, Esq. *(he/him/his)*  
Rules & Policy Coordinator  
Washington State Liquor and Cannabis Board  
[Daniel.jacobs@lcb.wa.gov](mailto:Daniel.jacobs@lcb.wa.gov)  
Mobile: (360) 480-1238



## Washington State Liquor and Cannabis Board

**DISCLAIMER: The information provided above does not, and is not intended to, constitute legal advice; instead, all information, content, and materials included are done so in the scope of my employment as Policy & Rules Coordinator with the Washington State Liquor & Cannabis Board (LCB).**

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**From:** Fabian Toader <[fabian@greenlabsllc.com](mailto:fabian@greenlabsllc.com)>  
**Sent:** Wednesday, October 9, 2024 4:40 PM  
**To:** LCB DL Rules <[rules@lcb.wa.gov](mailto:rules@lcb.wa.gov)>  
**Cc:** Caitlein Ryan <[caitlein.ryan@thecannabisalliance.us](mailto:caitlein.ryan@thecannabisalliance.us)>  
**Subject:** Re: LCB Board Action: Cannabis Payment Flexibility Rules Finalized

External Email

Is this the WSLCB alias for providing feedback?

Thanks,  
Fabian

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**From:** Fabian Toader <[fabian@greenlabsllc.com](mailto:fabian@greenlabsllc.com)>  
**Sent:** Tuesday, October 8, 2024 5:37:58 PM  
**To:** U-D-LCB-Rules <[rules@lcb.wa.gov](mailto:rules@lcb.wa.gov)>

**Cc:** Caitlein Ryan <[caitlein.ryan@thecannabisalliance.us](mailto:caitlein.ryan@thecannabisalliance.us)>

**Subject:** Re: LCB Board Action: Cannabis Payment Flexibility Rules Finalized

Hello,

It appears that decisions have been made affecting my business without my awareness, which hindered my ability to react and provide feedback during the rulemaking process.

In the past five years, I have found no WSLCB rules beneficial to my business; more often, they have been detrimental to both my operations and the broader industry. However, **I wholeheartedly welcome the strengthened rule on payments for deliveries** as a positive change for the industry.

What I find problematic is the new rule requiring checks to be deposited within five days of receipt. Given the geographical constraints—my business, home, and the nearest bank are each 150 miles apart—this rule presents a significant challenge. A decade ago, regulations forced my business to be located 150 miles from home, and the 3-4 banks in Washington State approved for our transactions adds to the difficulty and cost.

Typically, payments received in Week 1 are processed at our facility in Week 2. Midway through Week 2, my wife collects the checks from our driver, verifies them at home, and then travels another 150 miles direction to deposit them. This process necessitates a minimum of 12 days from receipt to deposit, and **ideally 15 days to ensure compliance without undue stress**.

If you are already thinking "*can't he do mobile depositing?*". Yes, I could. But not my employees 150 miles away, they would have to have full access to the bank account according to OBEE Credit Union. I will never give access to my bank account to my employees because WSLCB thinks I should.

There are numerous regulatory requirements that may not be fully understood. Managing check slips and check mail receipts imposes significant administrative burden, which cannot be justified merely for convenience.

I urge you to consider the practical implications by examining a real-life scenario that incorporates our residences, business locations, and banking options. Please take the time to run through an actual scenario to validate your assumptions. You should have all the data you need: where each of us live, where our businesses are and what are the banks we work with. Whatever you end up deciding, please ensure that you are not regressing existing workflows and costing our business and industry additional money to comply with for something that is near impossible to achieve. Whatever decisions are made, it is crucial not to disrupt established workflows or impose undue financial burdens on our business and industry. You used to run feasibility studies at the beginning of time and would love to see you do that again, using third party companies that would remove your bias from decision making.

While I appreciate efforts to improve regulations, I urge you to focus on addressing bad actors without penalizing law-abiding businesses. It is essential to thoroughly assess the impact of these changes to demonstrate genuine support for our industry rather than inadvertently causing harm.

I HAVE PREVIOUSLY SENT OTHER CORRESPONDENCE TO THIS ALIAS AND RECEIVED NO RESPONSE. PLEASE ACKNOWLEDGE RECEIPT OF THIS EMAIL.

Thanks,

Fabian Toader

Green Labs LLC

----- Forwarded message -----

From: **Washington State Liquor and Cannabis Board** <[wslcb@public.govdelivery.com](mailto:wslcb@public.govdelivery.com)>

Date: Wed, Sep 25, 2024 at 3:33 PM

Subject: LCB Board Action: Cannabis Payment Flexibility Rules Finalized

To: <[scot@greenlabsllc.com](mailto:scot@greenlabsllc.com)>

Having trouble viewing this email? [View it as a Web page.](#)

**Sept. 25, 2024**

### **LCB Board Action: Cannabis Payment Flexibility Rules Finalized**

On Sept. 25, 2024, during its regularly scheduled meeting, the Liquor and Cannabis Board (LCB) took the following cannabis-related action:

#### **Final Rules Adopted – Effective Oct. 26, 2024**

The Board adopted final rules (CR 103) to amend [WAC 314-55-115](#) detailing how licensees can buy cannabis from other licensees and pay for it with a check.

- [Concise Explanatory Statement](#)
- [Memorandum](#)



- [CR 103 filed as WSR 24-20-055 on September 25, 2024](#)

More information is available on the [LCB Current Rulemaking Activity](#) webpage. If you have any questions regarding this announcement, please contact [rules@lcb.wa.gov](mailto:rules@lcb.wa.gov). To sign up to receive email announcements for all LCB rulemaking activities visit the agency's sign-up [page](#). There you can register to receive updates and announcements for a wide variety of agency topics.

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98504-3088

