

Communication from Public

Name:

Date Submitted: 12/12/2022 11:49 AM

Council File No: 21-1083-S1

Comments for Public Posting: Please see attached letter submitted on behalf of CRONJA Culture and JC RAD Inc.

10/13/2022

Chair Council member Marqueece Harris Dawson
Planning and Land Use Management Committee
Councilmember Gilbert A. Cedillo
Councilmember Bob Blumenfield
Councilmember John S. Lee
Councilmember Monica Rodriguez
City Clerk

City of Los Angeles
City Hall, Room 395
Los Angeles, California

Council File No. 21-1083

Support DCR Recommendation to Delete LAMC 104.03(a)(2)(ii)

We are social equity operators licensed in the State of California, and we would like to comment on the current regulations related to ownership in the Los Angeles Municipal Code Section 104.03 (a) 2(ii). We are grateful to the Department of Cannabis Regulation and its continued work with the Los Angeles City Council to streamline and demystify the pathway to cannabis business licensure. The DCR has shown that as a regulatory body, it endeavors to protect and encourage the success of Social Equity Applicants and their businesses.

On September 29, 2021, Council Member Marqueece Harris Dawson put forth a motion in collaboration with Council Member Curren Price demanding amendments to the current licensing process. The changes addressed the financial burdens on business owners created by a lack of transparent processing.

The steps taken by the honorable Marqueece Harris-Dawson and the honorable Curren D. Price in motion 21-1083 help to further level the field, but remaining restrictions for social equity applicants could prevent their success.

To address the issue, CRONJA Culture and JC RAD Inc. support DCR's original proposal amending the definitions of "Owner" (specifically section VI(B), page 22); as listed in the DCR report transmitted October 29, 2021, as part of Council File No. 21-1083.

DCR suggested an amendment to permit foreign entities that properly register with the California Secretary of State to be Owners of an Applicant or Licensee. Currently, LAMC 104.03(a)(2)(ii) prohibits Persons from being Owners of Persons applying for a license if it is an entity that is incorporated outside of the United States.

LAMC 104.03(a)(2)(ii) would be amended to read:

(ii) Any entity that is incorporated outside of the United States if not properly registered to do business in California.

Successful regulation for Social Equity Ownership should allow them the same opportunities afforded to other potential businesses. The current regulations would restrict social equity applications from a major funding source available to their out-of-city competitors.

Cannabis' illegality at the national level restricts US investment. Foreign companies represent the only opportunity for Cannabis companies to raise money from public stock offerings and major industry capital sources. This restriction serves no purpose other than to limit opportunities for U.S. companies and licensees who may want to work with publicly traded companies.

We request that the DCR and the City Council consider the unintended consequences of restricting pathways to inexpensive and transparent sources of capital for equity owners.

We highly recommend that PLUM and all other councils that had a hand in approving this motion revisit amending the LAMC exactly as recommended by DCR's originally submitted report in response to the proposed motion, dated October 29, 2021.

Thank you for the DCR and City Council's continued work and consideration. For questions, please contact Sammi Ma at sammi.ma@columbia.care.

Sincerely,

DocuSigned by:

E223C1079EDF4E3...

Michael Malcolm, CRONJA Culture / JC RAD Inc. Licensed in Los Angeles, California

Communication from Public

Name:

Date Submitted: 12/12/2022 11:52 AM

Council File No: 21-1083-S1

Comments for Public Posting: Please see the attached letter submitted on behalf of Farmer and The Felon Cannabis Co.



Chair Council member Marqueece Harris Dawson
Planning and Land Use Management Committee
Councilmember Gilbert A. Cedillo
Councilmember Bob Blumenfield
Councilmember John S. Lee
Councilmember Monica Rodriguez
City Clerk

City of Los Angeles
City Hall, Room 395
Los Angeles, California

Council File No. 21-1083

Support DCR Recommendation to Delete LAMC 104.03(a)(2)(ii)

We are a locally owned cannabis company, licensed in the State of California, and we would like to comment on the current regulations related to ownership in the Los Angeles Municipal Code Section 104.03 (a) 2(ii).

We are grateful to the Department of Cannabis Regulation and its continued work with the Los Angeles City Council to streamline and demystify the pathway to cannabis business licensure. The DCR has shown that as a regulatory body, it endeavors to protect and encourage the success of Social Equity Applicants and their businesses.

On September 29, 2021, Council Member Marqueece Harris Dawson put forth a motion in collaboration with Council Member Curren Price demanding amendments to the current licensing process. The changes addressed the financial burdens on business owners created by a lack of transparent processing.

The steps taken by the honorable Marqueece Harris-Dawson and the honorable Curren D. Price in motion 21-1083 help to further level the field, but remaining restrictions for social equity applicants could prevent their success.

To address the issue, Farmer and the Felon support DCR's original proposal amending the definitions of "Owner" (specifically section VI(B), page 22); as listed in the DCR report transmitted October 29, 2021, as part of Council File No. 21-1083.

DCR suggested an amendment to permit foreign entities that properly register with

the California Secretary of State to be Owners of an Applicant or Licensee. Currently, LAMC 104.03(a)(2)(ii) prohibits Persons from being Owners of Persons applying for a license if it is an entity that is incorporated outside of the United States.

LAMC 104.03(a)(2)(ii) would be amended to read:

(ii) Any entity that is incorporated outside of the United States if not properly registered to do business in California.

Successful regulation for Social Equity Ownership should allow these businesses the same opportunities afforded to other potential businesses. The current regulations would restrict social equity applications from a major funding source available to their out-of-city competitors.

Cannabis' illegality at the national level restricts US investment. Foreign companies represent the only opportunity for Cannabis companies to raise money from public stock offerings and major industry capital sources. This restriction serves no purpose other than to limit opportunities for U.S. companies and licensees who may want to work with publicly traded companies.

We request that the DCR and the City Council consider the unintended consequences of restricting pathways to inexpensive and transparent sources of capital for equity owners.

We highly recommend that PLUM and all other councils that had a hand in approving this motion revisit amending the LAMC exactly as recommended by DCR's originally submitted report in response to the proposed motion, dated October 29, 2021.

Thank you for the DCR and City Council's continued work and consideration. For questions, please contact Sammi Ma at sammi.ma@columbia.care.

Sincerely,
Tiffany Devitt
Director Regulatory Affairs
Farmer and the Felon Cannabis Company