



Delivering Revenue,
Insight and Efficiency
to Local Government

1340 Valley Vista Drive
Suite 200
Diamond Bar, CA 91765

909.861.4335
Fax 909.861.7726
888.861.0220
www.hdlcompanies.com

CITY OF CARSON

COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION REVIEW

| | |
|-------------------------------------|---|
| Business Name | Eric Son |
| DBA | Focal Strategic Investments, LLC. |
| Permit Type | Type 2A and 3A, Indoor Cultivation and Type 7, Manufacturing (Volatile) |
| Proposed Location | 17505 S. Main Street, Carson, CA 90810 |
| Business Contact Information | Eric Son 1121 S. Wilton Pl. Los Angeles, CA 90019 (310) 210-0846 eson@veridonpartners.com |

SUPPLEMENTAL INFORMATION

- The supplemental packet provided no additional information capable of addressing the Proof of Capitalization concerns. The applicant was expected to provide more detail regarding the three million dollars. The applicant's only response was:
 - "The main application asked FOCAL Strategic Investments LLC to verify the balance of bank account. We provided our balance of \$3,326,885.67. It came from the owners of the FOCAL Strategic Investments LLC.
- The applicant received a passing score for the Neighborhood Compatibility section. The supplemental packet provided additional information designed to address the common quality of life complaints associated with the cannabis industry.
- The supplemental packet provided additional information capable of addressing the Economic Benefits section.
- The supplemental packet had information designed to address Community Benefits, however it failed to provide specific examples of in kind donations, volunteer services, or financial commitments.
- The supplemental packet contained a conservative and reasonable financial spreadsheet, which included an Income Statement. The projections are relative to the proposed size and scope of the project.
- The supplemental packet contained an amended site/floor plan. The new plan lacked sufficient information.



Delivering Revenue,
Insight and Efficiency
to Local Government

1340 Valley Vista Drive
Suite 200
Diamond Bar, CA 91765

909.861.4335
Fax 909.861.7726
888.861.0220
www.hdlcompanies.com

CITY OF CARSON

COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION REVIEW

| | |
|------------------------------|---|
| Business Name | Eric Son |
| DBA | Focal Strategic Investments, LLC. |
| Permit Type | Type 2A and 3A, Indoor Cultivation and Type 7, Manufacturing (Volatile) |
| Proposed Location | 17505 S. Main Street, Carson, CA 90810 |
| Business Contact Information | Eric Son 1121 S. Wilton Pl. Los Angeles, CA 90019 (310) 210-0846 eson@veridonpartners.com |

APPLICATION AND REQUIRED SUBMITTALS

Comments:

- The applicant is Eric Son, doing business as Focal Strategic Investments, LLC.
- The percentage of ownership:
 - 33.33% - Eric Son
 - 33.33% - Jungyoon Hwang
 - 33.33% - Timothy Y. Kim
- Focal Strategic Investments, LLC does not currently hold any other commercial cannabis license or permit.
- The Main Application and Supplemental Applications for Cultivation and Manufacturing have been completed and submitted as required.
- The Supplemental Application for Cultivation properly addresses all fifteen (15) Cultivation Site Information requirements. The responses are thorough and consistent with state and local requirements.
- The Supplemental Application for Manufacturing properly addresses all seventeen (17) Manufacturing Site Information requirements. The responses are thorough and consistent with state and local requirements.
- The Supplemental Application for Manufacturing is missing pages 12, 13, and 14.
- The application contains the Secretary of State, Statement of Information, Limited Liability Company form, filed November 13, 2017, in the name of **Focal Strategic Investments, LLC**.
- The proposed location (APN #7339-003-900) is an empty lot originally owned by the City of Carson. The location is zoned, "Industrial".
- The proposed location will be approximately 13,357 sq. ft. designed to house both Cultivation and Manufacturing.
- The application contains the required background applications for all three (3) principals.
- The original application contains proof of general liability insurance for \$2,000,000. (The document was overlooked during the initial examination of the packet.)
- The application contains the Seller's Permit #AA 103-234869.

- Eric Son responded immediately to the Notice of Incomplete Application sent out by the City. Son's response contained all the requested documents.

OPERATIONAL PLAN

Comments:

- The application contains an operational plan designed to address both Cultivation and Manufacturing. The plan is well-developed and designed to utilize industry best practices.
- The operational plan contains the day-to-day operations for both the Cultivation and Manufacturing licenses.
- The application acknowledges and agrees to comply with MAUCRSA and the City of Carson laws.
- The plan properly addresses inventory handling and tracking. The proposed plan is designed to prevent theft and diversion.
- The applicant acknowledges the state required track and trace system designed by Franwell METRC.
- Hours of operation will be 9:00am to 6:00pm
- The applicant plans to address Odor by installing a complete HVAC air purification system that utilizes 10-ton commercial HVAC units.
- Construction is expected to cost \$1,005,792.00 and should last 5-6 months.

SECURITY PLAN

Comments:

- The Security Plan provides adequate information.
- The applicant has committed to no less than three (3) security guards on duty 24 hours a day, 7 days a week.
- The Security Plan proposes security measures for:
 - Third party contractors
 - Employees
 - Visitors
 - Transportation
- The application contains the required Floor and Site plans.
- Both Floor and Site plans lack sufficient detail.
- The Floor plan fails to identify the location for chemicals, pesticides and gases.
- The floor plan fails to identify
 - Designated processing area
 - Designated packaging area
 - Designated secured area
 - Designated area for harvested cannabis storage
 - Location of all lights in the canopy area

HEALTH AND SAFETY PLAN

Comments:

- The application contains a well-developed Safety plan.
- The Health and Safety Plan is designed to address:
 - Fire Prevention policies
 - Fire emergency procedures
 - Employee training
 - Site maintenance

- Evacuation procedures
- The application contains a Certified Industrial Hygienist (CIH) Plan prepared for the applicant by THC Safety Inc. Arvada, Colorado.
- The CIH offers a professionally designed diagram of the proposed Manufacturing floor plan. The plan indicates there will be one (1) Extraction Room for CO2 extraction.

IMPACT ON THE ENVIRONMENT

Comments:

- The Cultivation facility will utilize “green” business practices designed to reduce the carbon footprint.
- The application proposes the use of water conservation techniques designed to reduce water waste by 10-15%.
- The application proposes using hydroponic cultivation techniques.
- The facility will not use pesticides.

NEIGHBORHOOD COMPATIBILITY

Comments:

- The Neighborhood Compatibility plan meets the minimum requirements for this section, however is lacks detail.
- The application fails to predict and/or proposes measures to avoid quality of life complaints commonly associated with this type of industry.

EMPLOYMENT OPPORTUNITIES

Comments:

- The applicant will staff at least 50% of its workforce with people who reside in the City of Carson.
- The applicant will offer wages that are 200% or greater than the “Living Wage”.
- The applicant agrees to enter into and abide by the terms of a labor peace agreement.
- The applicant’s initial staffing plan will be to hire:
 - One (1) master grower,
 - Ten (10) cultivation employees,
 - Two (2) extraction managers and
 - Nine (9) sales and marketing staff.

ECONOMIC BENEFITS

Comments:

- The Economic Benefits section mentions the City of “Adelanto”.
- The applicant will bring economic benefits to the City of Carson through higher wages and local spending.
- The applicant fails to provide sufficient information.

COMMUNITY BENEFITS

Comments:

- The Community Benefits section mentions the City of “El Monte”.
- The applicant is committed to Participating appropriate and discreet community service.
- The applicant agrees to donate a portion of the after-tax proceeds to local nonprofit organizations.
- The application lacks specific detail.

EXPERIENCE OF THE OPERATORS

Comments:

- The application states, **Chief Executive Officer Timothy Kim** has strategy and finance experience across early-state venture start-up and private equity companies.
- The application states, **Chief Strategy Officer Jun “JY” Yoon** has experience in brand and creative operation strategy.
- The application states, **Chief Operating Officer Eric Son** has worked as a business and financial advisor to high net worth families and foundations.
- None of the owners have previous experience in the cannabis industry.

CAPITALIZATION OF THE BUSINESS

Comments:

- The application indicates funding will be generated through personal finances.
- Proof of capitalization was established by way of the attached account verification letter. Hanmi Bank verified Focal Strategic Investments, LLC has a current balance of \$3,326,885.57.
- **Point of concern:** The Hanmi Bank account was opened on 11/07/2017. There is no documentation explaining where the Three million in funding came from.
- The estimated start-up costs, including construction are \$1,005,792.00. The applicant appears to have sufficient capital to cover the start-up costs as long as he can explain where the three (3) million came from.

EDUCATIONAL PLANS

Comments:

- The applicant will reimburse up to a maximum of \$1,500 per year incurred by an employee for continuing education through an accredited program.
- The applicant will educate the community on the positive aspects of commercial cannabis.
- The applicant will share their research with the surrounding community and the cannabis community to help lead the success of the cannabis industry.

PROMOTION OF EQUITABLE BUSINESS OWNERSHIP

Comments:

- The applicant acknowledges the importance of social equity.
- The applicant is committed to working with and training those who have been marginalized and disproportionately impacted by the war on drugs.



Delivering Revenue,
Insight and Efficiency
to Local Government

1340 Valley Vista Drive
Suite 200
Diamond Bar, CA 91765

909.861.4335
Fax 909.861.7726
888.861.0220
www.hdlcompanies.com

CITY OF CARSON

COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION REVIEW

| | |
|------------------------------|---|
| Business Name | Timothy Young Kim |
| DBA | Veridon Investments LLC |
| Permit Type | Type 2A and 3A, Indoor Cultivation and Type 7, Manufacturing (Volatile) |
| Proposed Location | 20400 South Main Street, Cell 1, Carson, CA 90745 |
| Business Contact Information | Timothy Young Kim 715 S. Kingsley Drive #329 Log Angeles, CA 90005 (213) 820-0992 tkim@veridonpartners.com |

SUPPLEMENTAL INFORMATION

Comments:

- The supplemental response regarding Proof of Capitalization failed to address the original concerns. The applicant stated:
 - “Veridon Investments understands that this application was reviewed by a third party service. We would like to convey that this application is a part of a land development project which a development agreement is being negotiated with the Veridon Investment Fund.”
- The supplemental response regarding Construction Timeline failed to address the original concerns. The applicant stated:
 - “A construction timeline is not appropriate due to the nature of the project. A land development agreement is being negotiated and a formal timeline is to be decided as the City of Carson and Veridon Investments develop this project.”
- The supplemental response regarding Neighborhood Compatibility failed to address the original concerns. The applicant stated:
 - “For more information on how Veridon Investments LLC will operate in order to meet neighborhood compatibility is explained in Exhibit G Operating Plan (Main Application).”
- The supplemental response regarding Community Benefits failed to provide specific information. The applicant stated:
 - “Veridon Investments LLC will provide a multitude of benefits to the City of Carson, in addition to the development agreement fees. The facility will strive to be a proactive and positive part of the City of Carson community. While keeping in mind that the product we cultivate and manufacture is still controversial among many.”
- The attached excel spreadsheet provides no useful data.



Delivering Revenue,
Insight and Efficiency
to Local Government

1340 Valley Vista Drive
Suite 200
Diamond Bar, CA 91765

909.861.4335
Fax 909.861.7726
888.861.0220
www.hdlcompanies.com

CITY OF CARSON

COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION REVIEW

| | |
|------------------------------|---|
| Business Name | Timothy Young Kim |
| DBA | Veridon Investments LLC |
| Permit Type | Type 2A and 3A, Indoor Cultivation and Type 7, Manufacturing (Volatile) |
| Proposed Location | 20400 South Main Street, Cell 1, Carson, CA 90745 |
| Business Contact Information | Timothy Young Kim 715 S. Kingsley Drive #329 Log Angeles, CA 90005 (213) 820-0992 tkim@veridonpartners.com |

APPLICATION AND REQUIRED SUBMITTALS

Comments:

- The applicant is Timothy Kim, doing business as Veridon Investments, LLC.
- The percentage of ownership:
 - 45% - Jungyoon Hwang
 - 35% - Timothy Y. Kim
 - 20% - Eric Son
- Veridon Investments, LLC does not currently hold any other commercial cannabis license or permit.
- The Main Application and Supplemental Applications for Cultivation and Manufacturing have been completed and submitted as required.
- The Supplemental Application for Cultivation properly addresses all fifteen (15) Cultivation Site Information requirements. The responses are thorough and consistent with state and local requirements.
- The Supplemental Application for Manufacturing properly addresses all seventeen (17) Manufacturing Site Information requirements. The responses are thorough and consistent with state and local requirements.
- The application contains the Secretary of State, Statement of Information, Limited Liability Company form, filed January 29, 2018, in the name of **Veridon Investments, LLC**.
- The proposed location (APN Not Provided) Applicant states, "Veridon Investments LLC is currently in negotiations with the City of Carson for the landfill project. We will not be able to provide the exact location of the property until those negotiations are complete."
- The application contains the required background applications for all three (3) principals.
- The original application contains proof of general liability insurance for \$2,000,000. (The document was overlooked during the initial examination of the packet.)
- The application contains the Seller's Permit #AA 103-234743.

OPERATIONAL PLAN

Comments:

- The application contains an operational plan designed to address both Cultivation and Manufacturing. The plan is well-developed and designed to utilize industry best practices.
- The operational plan contains the day-to-day operations for both the Cultivation and Manufacturing licenses.
- The application acknowledges and agrees to comply with MAUCRSA and the City of Carson laws.
- The plan properly addresses inventory handling and tracking. The proposed plan is designed to prevent theft and diversion.
- The applicant acknowledges the state required track and trace system designed by Franwell METRC.
- Hours of operation will be 9:00am to 6:00pm.
- The applicant plans to address Odor by installing a complete HVAC air purification system that utilizes 10-ton commercial HVAC units.

SECURITY PLAN

Comments:

- The Security Plan provides adequate information.
- The applicant has committed to no less than three (3) security guards on duty 24 hours a day, 7 days a week.
- The Security Plan proposes security measures for:
 - Third party contractors
 - Employees
 - Visitors
 - Transportation
- The application contains the required Floor and Site plans.
- Both Floor and Site plans lack sufficient detail.
- The Floor plan fails to identify the location for chemicals, pesticides and gases.
- The floor plan fails to identify
 - Designated processing area
 - Designated packaging area
 - Designated secured area
 - Designated area for harvested cannabis storage
 - Location of all lights in the canopy area

HEALTH AND SAFETY PLAN

Comments:

- The application contains a well-developed Safety plan.
- The Health and Safety Plan is designed to address:
 - Fire Prevention policies
 - Fire emergency procedures
 - Employee training
 - Site maintenance
 - Evacuation procedures
- The application contains a Certified Industrial Hygienist (CIH) Plan prepared for the applicant by THC Safety Inc. Arvada, Colorado.
- The CIH offers a professionally designed diagram of the proposed Manufacturing floor plan. The plan indicates there will be one (1) Extraction Room for CO2 extraction.

IMPACT ON THE ENVIRONMENT

Comments:

- The Cultivation facility will utilize “green” business practices designed to reduce the carbon footprint.
- The application proposes the use of water conservation techniques designed to reduce water waste by 10-15%.
- The application proposes using hydroponic cultivation techniques.
- The facility will not use pesticides.

NEIGHBORHOOD COMPATIBILITY

Comments:

- The Neighborhood Compatibility plan meets the minimum requirements for this section, however is lacks detail.
- The application fails to predict and/or proposes measures to avoid quality of life complaints commonly associated with this type of industry.

EMPLOYMENT OPPORTUNITIES

Comments:

- The applicant will staff at least 50% of its workforce with people who reside in the City of Carson.
- The applicant will offer wages that are 200% or greater than the “Living Wage”.
- The applicant agrees to enter into and abide by the terms of a labor peace agreement.
- The applicant’s initial staffing plan will be to hire:
 - One (1) master grower,
 - Ten (10) cultivation employees,
 - Two (2) extraction managers and
 - Nine (9) sales and marketing staff.

ECONOMIC BENEFITS

Comments:

- The Economic Benefits section mentions the City of “Adelanto”.
- The applicant will bring economic benefits to the City of Carson through higher wages and local spending.
- The applicant fails to provide sufficient information.

COMMUNITY BENEFITS

Comments:

- The Community Benefits section mentions the City of “El Monte”.
- The applicant is committed to Participating appropriate and discreet community service.
- The applicant agrees to donate a portion of the after-tax proceeds to local nonprofit organizations.
- The application lacks specific detail.

EXPERIENCE OF THE OPERATORS

Comments:

- The application states, **Chief Executive Officer Timothy Kim** has strategy and finance experience across early-state venture start-up and private equity companies.

- The application states, **Chief Strategy Officer Jun “JY” Yoon** has experience in brand and creative operation strategy.
- The application states, **Chief Operating Officer Eric Son** has worked as a business and financial advisor to high net worth families and foundations.
- The application states, **Chief Financial Officer Adam Leeman** has experience working as an investment banker and investment relations professional. (Not named in the Focal Strategic application).
- The application states, **Chief Business Development Officer Mac Bugeon Lee** has experience working with public organizations and international agencies. (Not named in the Focal Strategic application).
- None of the owners have previous experience in the cannabis industry.
- **Point of concern:** Adam Leeman and Mac Bugeon Lee failed to submit background applications. Both hold positions that would require them to complete background applications.

CAPITALIZATION OF THE BUSINESS

Comments:

- **Point of concern:** The application fails to contain proof of capitalization.
- The application fails to provide a construction budget or timeline.
- The application fails to provide a description of the start-up costs.

EDUCATIONAL PLANS

Comments:

- The applicant will reimburse up to a maximum of \$1,500 per year incurred by an employee for continuing education through an accredited program.
- The applicant will educate the community on the positive aspects of commercial cannabis.
- The applicant will share their research with the surrounding community and the cannabis community to help lead the success of the cannabis industry.

PROMOTION OF EQUITABLE BUSINESS OWNERSHIP

Comments:

- The applicant acknowledges the importance of social equity.
- The applicant is committed to working with and training those who have been marginalized and disproportionately impacted by the war on drugs.

CITY OF CARSON

COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION REVIEW

| | |
|-------------------------------------|---|
| Business Name | Rose Gold Extracts Inc. |
| DBA | RGE |
| Permit Type | Cannabis Center, NO APPLICATIONS WERE SUBMITTED |
| Proposed Location | 20432 -20434 S. Santa Fe Ave, Carson, CA 90810 |
| Business Contact Information | James Andrew Finn Jr. 1202 11th St. Hermosa Beach, CA 90254 (551) 804-6466 j.m@elixr.la |

SUPPLEMENTAL INFORMATION

Comments:

- In many cases the applicant failed to provide additional information, opting to direct the reader to information previously reviewed in the original application. As indicated in the original application review, the information was not placed in the appropriate section. This prevented the section from being awarded sufficient points.
- General Liability insurance was provided.
- The supplemental packet lacks the required supplemental application for (Cultivation?).
- The supplemental packet contained a Consolidated Pro Forma which has no frame of reference. The applicant has failed to submit the required supplemental application along with providing the day-to-day operations details and production/yield estimates.
- Comment regarding Rose Gold Extracts filing as a Mutual Benefit Non-Profit. The applicant's response was:
 - "If and when RGE is granted a license/permit, they will become an S-Corp and no longer a non-profit."
- The applicant still has not submitted complete background applications with the appropriate identification.
 - James Finn provided his identification with the supplemental packet but has not submitted a signed background application.
 - The supplemental packet has no additional information on Goodman. Matthew Goodman has not submitted a background application or identification.
 - The supplemental packet has no additional information on Gomez. Ana Gomez submitted a complete background application however she has not provided the required identification.
- The supplemental packet provided minimal information designed to address the Experience of the Operators.
- The original application listed Robin Danby and Jerome Pathon as investors.
 - The supplemental packet contained a bank account for Jerome Pathon; however, it failed to explain Pathon's involvement with the company. (the ownership structure, percentage of ownership or the terms and conditions of the loan).

- The supplemental packet failed to address the concerns with the 401k being used for capital.
- No supplemental information to address the Educational Plans.
- The supplemental packet contains an amended “Safety and Security Plan”. The plan combines two different sections. This makes it difficult to award the appropriate points for each section.



Delivering Revenue,
Insight and Efficiency
to Local Government

1340 Valley Vista Drive
Suite 200
Diamond Bar, CA 91765

909.861.4335
Fax 909.861.7726
888.861.0220
www.hdlcompanies.com

CITY OF CARSON

COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION REVIEW

| | |
|------------------------------|--|
| Applicant Name | Matthew Goodman |
| DBA | Rose Gold Extracts Inc. |
| Permit Type | Cannabis Center, NO APPLICATIONS WERE SUBMITTED |
| Proposed Location | 20432 -20434 S. Santa Fe Ave, Carson, CA 90810 |
| Business Contact Information | James Andrew Finn Jr. 1202 11 th St. Hermosa Beach, CA 90254 (551) 804-6466 j.m@elixr.la |

APPLICATION AND REQUIRED SUBMITTALS

Comments:

- James A. Finn Jr. and Matthew Goodman are listed as Applicant/Owner.
- No Proof of General Liability Insurance.
- Point of concern:** The application packet only contained the Main Application (Cannabis Center).
- On page 2, the applicant provided the wrong zip code of 90801 instead of 90810.
- On page 3, the applicant failed to provide an adequate response to, "Legal Description of Properties (Including A.P.N.). The response lacked a legal description.
- Point of concern:** On page 3, the applicant failed to respond to the "Zoning" question.
- Point of concern:** On page 5, Section C. Business Information, the applicant checked the box for Indoor Cultivation, Wholesale Distribution and Manufacturing; however, failed to complete the required supplemental application form for each.
- On page 5, Section C, questions #3, The application indicates Rose Gold Extracts Inc. is a **Mutual Benefit Non-Profit**.
- The Articles of Incorporation for Rose Gold Extracts filed with the Secretary of State on August 17, 2016 list the address for the corporation as **600 Anton Blvd. #1100, Costa Mesa, CA 92626**.
- The Community Outreach Manager is Matthew Goodman (323) 496-2122.
- Point of concern:** The Commercial Cannabis Operation Permit Application *Property Owner's Statement of Consent* list the address for the proposed location as "20434 S. Santa Fe Ave. **Long Beach**, CA 90810". A Google Maps search locates this address outside the city limits of Carson.
- Point of concern:** The applicant, James Andrew Finn Jr. failed to sign and date the Criminal Background & Credit History Investigation Release form.
- Point of concern:** The applicant, Matthew Goodman failed to provide a complete Employee/Owner Background Application form (page one (1) was missing).
- Point of concern:** Both applicants failed to provide proof of identification (Driver's Licenses and Social Security cards).
- The applicant failed to submit an overall application packet which was divided into thirteen (13) separate Merit List Sections/Tabs. This made evaluation of the required merit list impossible.

OPERATIONAL PLAN

Comments:

- **Point of concern:** The applicant packet lacked a supplemental application for any type of commercial cannabis operation.
- Since the applicant failed to submit a single supplemental application, the Operational Plan could not be accurately evaluated.
- The application lacked proof of insurance
- The applicant contained a Seller's Permit.

SECURITY PLAN

Comments:

- The application lacked a diagram capable of demonstrating the location of surveillance cameras, access control equipment and limited access areas add addition to:
 - Product security, location and method
 - Cash handling procedures and security methods
 - Delivery security
 - Perimeter security techniques and alarm systems
 - Surveillance equipment description, DVR, recording devices, data storage capabilities and battery backup.

HEALTH AND SAFETY PLAN

Comments:

- The applicant provided information on OSHA requirements; however, it lacked a proposed plan to ensure compliance with such requirements.
- Page 57, Enhanced Product Safety, "our product labeling will meet and exceed all the requirements set out by CalCannabis and the MCRSA. We will be fully compliant with Ordinance No. 3358." Although the application acknowledges state compliance requirements, it provides insufficient detail regarding proposed policies and procedures or written manufacturing protocols as required by the Department of Public Health (Cannabis Manufacturing Licensing).
- The application failed to address:
 - Pesticide protocols
 - Odor Control
 - Waste management (information found in the Environmental Benefits section. The information provided lacked sufficient detail)
 - Sanitation
 - Fire safety plan
 - Fire sprinklers
 - Wastewater treatment
 - Hazardous material disposal (information found in the Environmental Benefits section. The information provided lacked sufficient detail)

IMPACT ON THE ENVIRONMENT

Comments:

- The application lacked sufficient detail.
- Since the application packet and Operation Plan lacked a Cultivation Plan it is difficult to determine potential environment impacts and therefore evaluating the information provided is impossible.

- The application failed to describe practices designed towards renewable energy techniques.

NEIGHBORHOOD COMPATIBILITY

Comments:

- Under the title, Local Enterprise (page 69), the application states, “We are confident that our planned improvements will substantially improve the properties [sic] current aesthetics and that the neighborhood will benefit from RGE presence at this location.”
- The Neighborhood Plan fails to provide sufficient detail as to how the exterior areas and surrounding public spaces will be compatible with the neighborhood and be designed to avoid becoming a nuisance.

EMPLOYMENT OPPORTUNITIES

Comments:

- The applicant agrees to pay both full and part-time employees a salary of over 200% of the Federal Poverty Level for a family of two.
- The applicant is committed to reimbursing its employees who decide to pursue industry training or community college courses at Long Beach Community College (page 67).
- The Employment Opportunities section of the application fails to provide an estimated number of full and part-time employees or acknowledge the Labor Peace Agreement requirements. (staffing was mentioned on page 6 of the Business Plan, “4 full-time and 6 part-time employees...”)
- The application lacks a proposed approach to workforce recruitment, employee development and employee compensation.
- The applicant is committed to reimbursing its employees who agree to attend the Cannabis Training Institute (CTI) (page 67).
- The application failed to describe the extent to which the business will be a locally managed enterprise whose owners and /or employees reside within the Carson area.

ECONOMIC BENEFITS

Comments:

- Under the title Local Enterprise (page 69), the applicant agrees to utilize locally licensed contractors, engineers and architects. The Plan lacks specific details.

COMMUNITY BENEFITS

Comments:

- The applicant agrees to make an annual cash gift of \$15,000 to concussion research (page 57).
- The applicant agrees to create a fund to support the infrastructure of parks for children ages 2 to 4 years (page 57).

EXPERIENCE OF THE OPERATORS

Comments:

- Matthew Goodman, Chief Compliance Specialist – supply chain/distribution manager, owner and CEO of Seed of Health Wellness Center Inc.
- Aaron Culbertson, Project Manager – qualified certified applicator.
- The application appears to lack the name, address, email and phone number of any person who is managing or responsible for the commercial cannabis operations activities.
- The application fails to describe the qualifications for the Owner, James Finn and any other individual in a position to manage the day-to-day operations for the two permits being sought.

CAPITALIZATION OF THE BUSINESS

Comments:

- The projected construction and start-up cost are \$901,600.
- Proof of capitalization was offer by way of:
 - Jim Finn NFL Player, Second Career Savings Plan 401(k) account statement \$430,349.03
 - James A Finn Primerica Quarterly Statement \$423,869.57
- Based on the information provided, the start-up cost may exceed the available capital.
- The use of a 401(k) for business capital is often problematic. One is only allowed to take a loan from a 401(k) when the initial plan explicitly state that a loan provision is included. If this is the case, then documentation should be provided.
- Page 2 of the Business Plan indicates there are two (2) additional investors, Robin Danby and Jerome Pathon. Additional information should be provided.

EDUCATIONAL PLANS

Comments:

- The application provided no detail regarding a proposed Educational Plan.

PROMOTION OF EQUITABLE BUSINESS OWNERSHIP

Comments:

- The application states (page 66), "RGE will comply with all federal and state regulations addressing equal opportunity in the workplace."
- The application states (page 66), "RGE does not discriminate against an employee or applicant for employment because of race, color, religion, sex or national origin."
- Other than making the above statements, the application lacks a specified plan as to how the business proposes to address marginalized communities disproportionately impacted by the war on drugs.

CITY OF CARSON

COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION REVIEW

| | |
|------------------------------|---|
| Applicant Name | EEL Holdings, LLC |
| DBA | Connected Cannabis Co. |
| Permit Type | Cannabis Center, No Supplemental Applications Received |
| Proposed Location | 17050-17100 S. Margay Ave., Carson, CA 90746 |
| Business Contact Information | Elliot Lewis 6020 Bayshore Walk Long Beach, CA 90803 (323) 377-1024 17100margay@gmail.com |

SUPPLEMENTAL INFORMATION

- The supplemental packet failed to provide additional information.
- The supplemental packet attempted to address the following points of concern:
 - Overall Qualification** – the applicant failed to provide additional information designed to address the qualifications of Elliot Lewis. Instead, the supplemental packet describes the qualification of Cookie Management Group (CMG).
 - Revenue** – the applicant failed to provide a pro forma or sufficient information to address the estimated annual revenue. The following statement was provided:
 - “Moving forward we will be providing a pro forma that illustrate the financial potential of our facility for the benefit of CMG and for the City of Carson.”
 - Background Report** – the applicant failed to submit the required background application.
 - “Elliot Lewis will provide all necessary and required background information and has been vetted and has already been approved for licensing in several municipalities and on the state licensing level in California.”
- The applicant stated, “Up until this point CMG has been hesitant to fully commit the resources and capital at their disposal for the Licensing package offered by the city of Carson. Uncertain tax structure and a lack of retail licensing availability has fueled CMG’s hesitancy.”
- The applicant asked to be granted more time to complete the application:
 - “CMG and Elliot Lewis would ask the city of Carson to grant more time for submission of a fully completed application package that reflects the highest-standards by which CMG can perform.”
 - “We would also ask that we be allowed to simultaneously move forward in the vetting process with the city of Carson.”



Delivering Revenue,
Insight and Efficiency
to Local Government

1340 Valley Vista Drive
Suite 200
Diamond Bar, CA 91765

909.861.4335
Fax 909.861.7726
888.861.0220
www.hdlcompanies.com

CITY OF CARSON

COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION REVIEW

| | |
|-------------------------------------|---|
| Applicant Name | EEL Holdings, LLC |
| DBA | Connected Cannabis Co. |
| Permit Type | Cannabis Center, No Supplemental Applications Received |
| Proposed Location | 17050-17100 S. Margay Ave., Carson, CA 90746 |
| Business Contact Information | Elliot Lewis 6020 Bayshore Walk Long Beach, CA 90803 (323) 377-1024 17100margay@gmail.com |

APPLICATION AND REQUIRED SUBMITTALS

Comments:

- The application packet was not presented in the recommended format. It contains information from several different applications.
- As evident by the attached marketing material, the applicant, EEL Holdings (Connected Cannabis Co) is a subsidiary of Cookies Management Group (CMG). CMG operates licensed facilities in:
 - Sacramento
 - San Francisco
 - Stockton
 - Long Beach
 - San Jose
 - Santa Ana
- The subject property is located at 17050-17100 S. Margay Ave., Carson CA 90746
 - APN 7319-001-027
- **Point of concern:** Page 3, "Zoning" question, the applicant failed to identify the zone in which the proposed property is located in.
- The proposed location is owned by Margay 2003, LLC.
- **Point of concern:** The *Property Owner's Statement of Consent* is attached; however, it was not completed nor was it signed and dated.
- **Point of concern:** Page 5, question C; "Business Information" – the applicant checked the boxes for Indoor Cultivation and Wholesale Distribution, however the application packet lacked the required supplemental applications.
- Page 7, "Manager" question, the applicant failed to identify a single manager, employee or community outreach manager. The only response was, "TBD".
- **Point of concern:** The application lacks:
 - Consent to Criminal History application and fee
 - Intelifi background waiver
 - Proof of liability insurance
 - Required supplemental applications

- The application contains the Secretary of State, Statement of Information (Limited Liability Company), filed March 22, 2018 in the name of EEL Holdings, LLC.
- Application contains the Board of Equalization Consolidated *Seller's Permit* in the name of EEL Holdings, LLC at 1900 Main Street #500, Irvine, CA 92614.

OPERATIONAL PLAN

Comments:

- The application packet lacks a defined Operation Plan section.
- The application fails to describe the day-to-day operations.
- The application contains information regarding the Cultivation process, however the overall application lacks the required Supplemental Application for Cultivation.
- The Operation Plan lacks:
 - To-scale Floor Plan (the attached Floor Plan is too small and illegible)
 - To-scale Site Plan
 - Operation visibility
 - Signage plan
 - Transportation plan
 - Lighting plan
- The applicant holds other permits in the following cities:
 - Lynwood
 - Long Beach
 - Bellflower

SECURITY PLAN

Comments:

- The application packet lacks a defined section for the Security Plan.
- The application packet merely recites state regulations and fails to describe the specific security measures the business will implement.
- **Point of concern:** The Security Plan lacks:
 - Cash handling procedures
 - Product security, location and methods
 - Access control measures and accountability techniques
 - Visitor Control procedures
 - Site diagram capable of identifying names and locations for all rooms, limited-access areas, safes/vaults and surveillance equipment

HEALTH AND SAFETY PLAN

Comments:

- The application packet lacks a defined section for the Health and Safety Plan.
- **Point of concern:** The Health and Safety Plan fails to address with adequate detail:
 - Fire sprinkler systems
 - HVAC systems
 - Fire extinguisher locations and training programs
 - Gas and solvent storage location and methods
 - Gas detection and monitoring systems
 - Alarm systems
- The Plan contains information on Ventilation and Odor Control, however the detail is insufficient for the size and scope of the proposed project.

IMPACT ON THE ENVIRONMENT

Comments:

- The application packet lacks a defined section for Impact on the Environment.
- The application fails to adequately address this section.

NEIGHBORHOOD COMPATIBILITY

Comments:

- The Neighborhood Compatibility section is the only section properly identified. The section provides adequate detail regarding proposed nuisance mitigation.

EMPLOYMENT OPPORTUNITIES

Comments:

- The application packet lacks a defined section for Employment Opportunities.
- The application fails to adequately address this section.

ECONOMIC BENEFITS

Comments:

- The application packet lacks a defined section for Economic Benefits.
- The application fails to adequately address this section.

COMMUNITY BENEFITS

Comments:

- The application packet lacks a defined section for Community Benefits.
- The application offers, “the applicant will incentivize its employees to volunteer with preferred organization setting a target of 500 community services hours a year.”
- The applicant will work with local charitable organizations in order to address the Community’s needs.
- The applicant offers to create a community garden.

EXPERIENCE OF THE OPERATORS

Comments:

- The application packet lacks a defined section for Experience of the Operator(s).
- The applicant, Elliot Lewis appears to have extensive experience in the cannabis industry. Lewis is involved in multiple projects throughout the state.

CAPITALIZATION OF THE BUSINESS

Comments:

- The application packet lacks a defined section for Capitalization of the business.
- Since the application packet lacks the required Supplemental Application for Cultivation it is difficult to evaluate the information provided.
- The application contains a pro forma, which includes commercial activities not being sought. The pro forma appears to be part of marketing material and not specifically developed for the proposed project.
- The application lacks:
 - Construction budget and timeline

- Operations and maintenance budget
- Accurate proforma

EDUCATIONAL PLANS

Comments:

- The application packet lacks a defined section for Educational Plans.
- The application fails to adequately address this section.

PROMOTION OF EQUITABLE BUSINESS OWNERSHIP

Comments:

- The application packet lacks a defined section for Promotion of Equitable Business Ownership.
- The application fails to adequately address this section.



Delivering Revenue,
Insight and Efficiency
to Local Government

1340 Valley Vista Drive
Suite 200
Diamond Bar, CA 91765

909.861.4335
Fax 909.861.7726
888.861.0220
www.hdlcompanies.com

CITY OF CARSON

COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION REVIEW

| | |
|-------------------------------------|---|
| Business Name | California Processing Company, LLC |
| DBA | Not Provided |
| Permit Type | Cannabis Center & Manufacturing |
| Proposed Location | 2403 E. 223rd Street, Carson, CA 90745 |
| Business Contact Information | Todd Parkin 16501 Ventura Blvd Suite 400 Encino, CA 91436 (747) 217-2282 carcomllc@gmail.com |

SUPPLEMENTAL INFORMATION

- There is no indication the applicant paid the application fee for the Manufacturing Supplemental Application.
- California Processing Company, LLC is 100% owned by Todd Parkin.
- The Seller's Permit was submitted to the City on June 27, 2018.
- The supplemental response failed to provide additional financial information including Proof of Capitalization.
 - Point of Concern #4: Historical Financial Information – Applicant states,
 - “There is no non-proprietary historical financial information for this product [sic] to provide at this time.”
 - “We are happy to share some of business's proprietary information in a controlled presentation and in a meeting with the City.”
- The amended floor plan identified proposed camera locations, however it lacked sufficient detail capable of properly addressing all of the Security Plan requirements.
- The supplemental packet attempted to address the day-to-day operations by stating: “Safety and Security Plan provided in Exhibit 3.1 to detail policies and procedures for day to day operations.” The day-to-day operations is supposed to be evaluated in the Operational Plan sections, not the Security Plan Section.
- The packet contained information designed to address the Economic Benefits.
- The packet contained Todd Parkin's qualifications.
- The supplemental packet contained an amended Social Equity Plan modeled after the County of Los Angeles.

CITY OF CARSON

COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION REVIEW

| | |
|------------------------------|--|
| Business Name | Todd Parkin |
| DBA | California Processing Company, LLC |
| Permit Type | Main - Cannabis Center & Manufacturing |
| Proposed Location | 2403 E. 223 rd Street, Carson, CA 90745 |
| Business Contact Information | Todd Parkin 16501 Ventura Blvd Suite 400 Encino, CA 91436 (747) 217-2282 carcomllc@gmail.com |

APPLICATION AND REQUIRED SUBMITTALS

Comments:

- The subject property is located at 2403 E. 23rd Street, Carson CA 90745
 - APN 7315-012-900
 - APN 7315-012-894
- The application indicates the property is zoned "Industrial".
- The *Property Owner's Statement of Consent* indicates the owner is the City of Carson under contract for sale with **Carcom Center, LLC**.
- The proposed location will be a ground-up build of an 8,217 sq. ft. facility.
- Point of concern:** The application fails to list an individual owner.
- Point of concern:** It appears Todd Parkin is 100% owner of California Processing Company, however the application indicates the owner as "California Processing Company, LLC".
- Page 5, question #3 "formation documents pending processing with Secretary of State".
- Point of concern:** The application lacks proof of a Seller's Permit.
- Point of concern:** Subsection 1.4 Financial and Business Information: failed to provide the required financial information. The applicant stated, "the Applicant, California Processing Company, LLC, is a new company in the process of formation and does not have historical financial information at this time."
- Point of concern:** Subsection 1.4 Financial and Business Information: failed to provide Owner Information. The applicant stated, "the owner of the Applicant is an experienced businessman with an extensive record of operating successful institutional grade corporate businesses. Further details and background in Section 10 and 11."
- Todd Parkin signed and dated all the required acknowledgements on pages 11 through 13.

OPERATIONAL PLAN

Comments:

- The application contains the required Floor Plan, Site Plan and description of the Manufacturing Site.

- **Point of concern:** The application fails to describe the day-to-day operations.
- **Point of concern:** The application fails to provide a general description of the proposed operation, including how the proposed operation will operate in compliance with state and local law.
- The application fails to provide details regarding signage.

SECURITY PLAN

Comments:

- The Security Plan was prepared by FireWatchSolutions on June 8, 2018.
- The portion of the Security Plan prepared by the qualified consultant was thorough and well-developed. The remainder of the Security Plan consists of short paragraphs, which lacked detail and failed to demonstrate overall compliance with state and local licensing requirements.
- No less than two (2) armed security guards shall be present at the location at all times.
- **Point of concern:** The Security Plan states the surveillance will be maintained for “30-days” when state regulations require 90-days digital storage.
- Security Floor Plan identifies Camera and Access Control locations.
- **Point of concern:** The Security Floor Plan fails to identify the location of the DVR/Surveillance equipment, Limited-Access areas and product storage.
- **Point of concern:** Although the Floor Plan identifies several camera locations, the site will require more camera coverage than proposed.
- The applicant failed to provide adequate detail regarding the “Vault” and “Manufacturing Security”. The short, four (4) line paragraph is insufficient.

HEALTH AND SAFETY PLAN

Comments:

- The Health and Safety Plan appears to have been developed by a third-party security consultant; however, the application fails to identify the firm that prepared it.
- **Point of concern:** The Health and Safety Plan prepared for this section should have been included in the Operation Plan. The Plan was designed to address the day-to-day operations and not the overall safety of the facility.
- The Health and Safety Plan lacks any reference to CA state regulations as they pertain to Manufacturing operations, Packaging & Labeling and Equipment & Machinery Qualification.
- **Point of concern:** The Health and Safety Plan fails to identify the extraction equipment, solvents and procedures to be followed.
- **Point of concern:** The Health and Safety Plan fails to address with adequate detail:
 - Fire sprinkler systems
 - HVAC systems
 - Capture and evade systems
 - Extraction room construction (hoods, booths or rooms)
 - Fire extinguisher locations and training programs
 - Gas detection and monitoring systems
 - Gas and solvent storage methods
 - Alarm systems
- The Plan fails to address with adequate detail:
 - Enhanced product safety measures
 - Odor control measures
 - Waste management

IMPACT ON THE ENVIRONMENT

Comments:

- This section consists of two (2) small paragraphs.
- The application fails to identify any proposed “green” business practices.
- The application states the business will “seek” known principals of sustainability.
- The applicant fails to describe specific practices designed with a focus towards renewable energy techniques.

NEIGHBORHOOD COMPATIBILITY

Comments:

- The Neighborhood Compatibility sections fails to describe how the business will be managed to avoid becoming a nuisance.
- The application fails to describe policies and techniques designed to mitigate neighborhood problems.

EMPLOYMENT OPPORTUNITIES

Comments:

- **Point of concern:** The business anticipates hiring at least 50 people in the first 18 months and potentially hundreds more in years 2, 3 and 4.
- **Point of concern:** This is unrealistic and is not consistent with businesses similar in scope and size.
- The applicant has committed to hiring local residents.

ECONOMIC BENEFITS

Comments:

- The application fails to provide specific detail.

COMMUNITY BENEFITS

Comments:

- The applicant offers monthly Volunteer Service Opportunities.
- The application suggests giveaway programs and community clean-up efforts.

EXPERIENCE OF THE OPERATORS

Comments:

- The application fails to identify the “Operator”.
- The application mentions a “Management Team”, however it fails to identify any of the members.

CAPITALIZATION OF THE BUSINESS

Comments:

- Proof of Capitalization – “the applicant itself is a new entity without any direct capitalization as of the date of this application.”
- **Point of concern:** The application indicates, “The owner of the Applicant has the personal capability to continue to develop the project as long as required until an institutional financing is completed.”
- The application fails to identify the funding source.
- The proposed location will be a ground-up build of an 8,217 facility.
- The proposed construction will take six (6) months.

- The proposed construction budget is \$1,156,965.00 of which the applicant has failed to demonstrate sufficient capital.

EDUCATIONAL PLANS

Comments:

- The application proposes a well-developed social engagement plan to offer and support drug awareness, prevention and counseling programs.
- The applicant agrees to work with local or state providers to develop or support awareness programs.

PROMOTION OF EQUITABLE BUSINESS OWNERSHIP

Comments:

- The applicant will be an equal opportunity employer.
- The applicant agrees to prohibit discriminatory practices.
- The application fails to propose a plan to develop a social equity program designed to ensure the business is diverse and inclusive.