

State is ready to act

Alex Traverso, spokesman for the state Bureau of Cannabis Control, said his agency is eager to issue more temporary business licenses as quickly as possible for companies that can submit applications.

“We’ve been talking to the city about this, and ultimately, from our perspective, our process doesn’t change,” he said.

“They can tell us these businesses are good to go, but for the businesses to get a temp license by the end of the year, they have to follow the same process as everyone else.”

Traverso also said authorization from local authorities – such as the DCR or L.A. regulators – can be as simple as a letter from city officials with the names of applicants approved to run commercial cannabis operations, as opposed to a formal permit for each company that wants a license.

“It doesn’t need to be a finely worded letter,” he said. “It could just say, ‘The city of L.A. approves these businesses for operations,’ with a list of names.

“We’re waiting for them to open up and allow more licensees.”

The Department of Food and Agriculture and the Department of Public Health could not immediately be reached for comment.

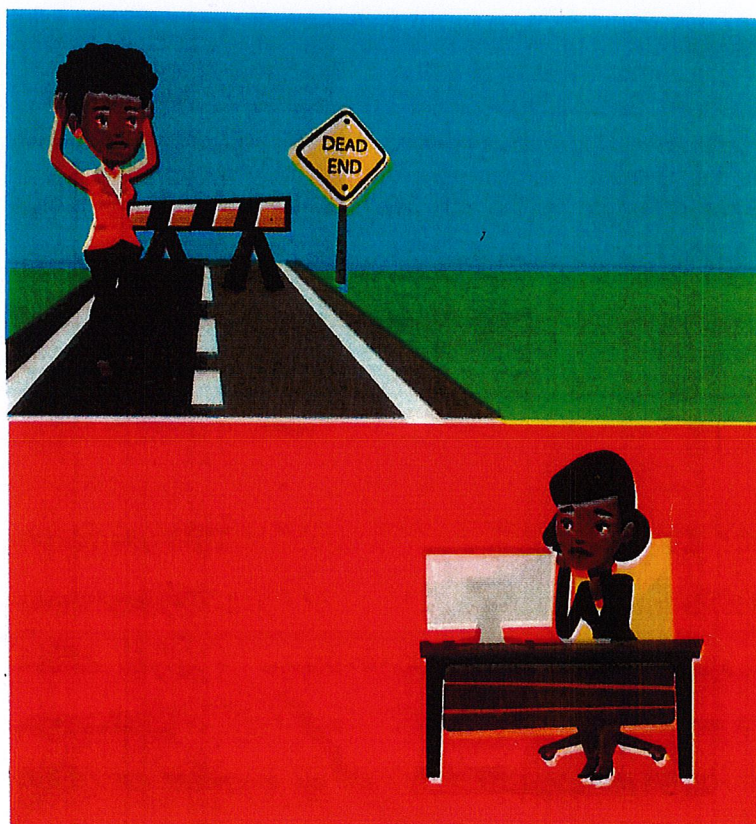
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Second, when you have questions about whether a step or process is correct, specialized cannabis business attorneys are a great resource to assist. If you can have person dedicated to ensuring compliance and an attorney to help with interpretation when necessary, hopefully your licensed business will avoid a charging document from the OLCC. Those documents are looking more and more dangerous, and contesting them can be quite a process.

California Cannabis: Cities and the End of Temporary Licenses

By Griffen Thorne on November 15, 2018

POSTED IN CALIFORNIA, LEGAL ISSUES, LICENSING, NEWS



Hopefully, more cities are creative with this hard stop.

We recently wrote about an announcement by the California Department of Food

and Agriculture ("CDFA") that temporary license applications need to be submitted by December 1, 2018 in order to be reviewed on time for approval and issuance before December 31, 2018. To date, California Department of Public Health ("CDPH") followed suit, but the California Bureau of Cannabis Control ("BCC") has not. It's safe to say that BCC applications submitted after December 1, 2018 have a low chance of being issued this year.

This is significant because after January 1, 2019, these agencies will have **no legal authority** to issue temporary licenses, and will not do so. After January 1, 2019, only **provisional licenses** will be issued, and only then to parties who hold or held temporary licenses. Parties that don't have temporary licenses and thus cannot get provisional licenses will be stuck in the annual license logjam, which everyone knows moves at a snails' pace. These deadlines cannot be solved with more regulations. They are from **MAUCRSA** and only the legislature can modify them. We wouldn't count on that happening.

This time crunch places would-be licensees whose local applications are under review from California cities in a tough spot. As part of the state-level application process, the above-linked MAUCRSA section requires applicants to fork over "[a] copy of a valid license, permit, **or other authorization**, issued by a local jurisdiction", and cities are not going to state that an applicant is approved while an application is under review.

Some cities have come up with creative solutions to this problem. The Los Angeles Department of Cannabis Regulation ("DCR"), for example, issued a release stating that it would issue to applicants from the second phase of applications (which closed a few months ago) who have paid their application fees a local letter of authorization that could be taken to the target state agency. The letter would not authorize commercial cannabis activity in Los Angeles. It would authorize an applicant to simply move into the temporary license phase, in order to eventually secure the provisional license that would eventually get them operational faster. At least one state agency,

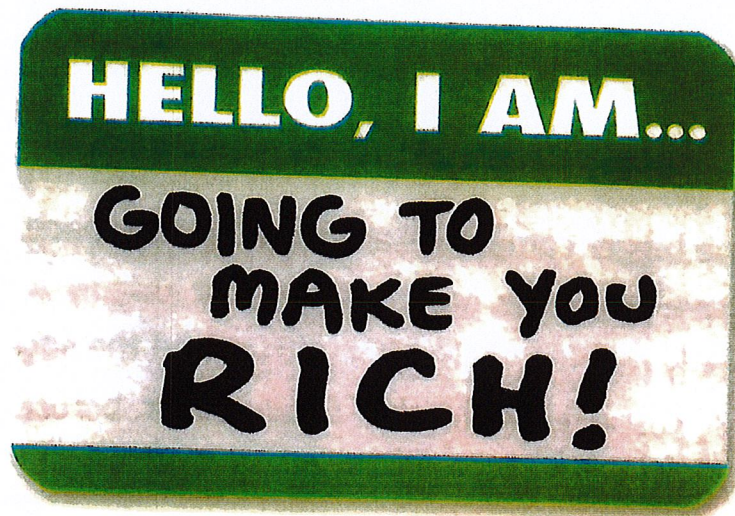
in turn, has expressed that letters from localities may be sufficient. Earlier this year, the CDPH wrote that local authorization may take the form of a "letter of acknowledgement".

L.A. is a big city, and is swamped in applications. Our L.A. cannabis business and real estate lawyers have seen some other cities issue letters of authorization, but others that have refused. It's not clear whether many other cities would write a letter of authorization, or what they would be willing to say. But it's certainly worth reaching out to a city to see if they will.

Don't Be a Marijuana Mooch!

By Hilary Bricken on November 14, 2018

POSTED IN BUSINESS BASICS, MEDICAL MARIJUANA, RECREATIONAL MARIJUANA



DON'T BE THE MOOCH.

This morning when I went to the gym before work, I put on an **NPR** podcast that delved into the story of the FTC's bust of David Diamond. Diamond is an infamous Angeleno who defrauded hundreds of people via telemarketing scams. In the podcast, the interviewee does a great job of explaining the common scammer term, "mooch." A