

# DEPARTMENT OF CANNABIS REGULATION (DCR) GUIDELINES FOR APPLICANTS TO ESTABLISH ELIGIBILITY FOR APPLICATION PROCESSING PURSUANT TO LAMC SECTION 104.08

## LAMC SECTION 104.08 – NON-RETAILER COMMERCIAL CANNABIS ACTIVITY PRIOR TO JANUARY 1, 2016, PROCESSING

An Applicant applying for a License for Non-Retailer Commercial Cannabis Activity pursuant to Los Angeles Municipal Code Section 104.08 must demonstrate that the Applicant meets the eligibility requirements for this type of License. Among other requirements, an Applicant must establish that (1) the Applicant was engaged prior to January 1, 2016, in the same type of Non-Retailer Commercial Cannabis Activity for which it now seeks a License; (2) the Applicant supplied an EMD prior to January 1, 2017; and (3) the Applicant qualifies under the Social Equity Program.

Below is a list of the various types of documentary evidence that DCR suggests an Applicant should submit (in any combination) to DCR to prove that the Applicant meets the three above-referenced requirements. An Applicant is not required to submit any or all of these documents, but an Applicant who fails to submit sufficient evidence may be determined to be ineligible to apply for a License pursuant to Section 104.08. Conversely, submission of any or all of the documents below does not necessarily mean that DCR will determine an Applicant has provided sufficient evidence. Instead, DCR will evaluate the authenticity, reliability and relevance of each document submitted and then determine whether an Applicant's submissions, taken together, constitute sufficient evidence an Applicant meets each of the three above-referenced requirements.

### **1. Evidence an Applicant was engaged prior to January 1, 2016, in the same type of Non-Retailer Commercial Cannabis Activity for which it now seeks a License**

- Written contracts or agreements executed prior to 2016, including those with clients, suppliers, and employees
- Commercial leases executed prior to 2016
- Business formation documents executed prior to 2016
- Business records reflecting operations prior to 2016, including emails, letters, notes, invoices, receipts, shipping manifests, bank statements, insurance documents, tax returns, accounting documents, payroll documents, permits, and licenses.
- Declaration signed under penalty of perjury by an Applicant or an Applicant's employee that specifies: the time period in which the business operated, all types of cannabis goods manufactured or cultivated prior to 2016, an approximate volume of cannabis goods manufactured or cultivated prior to 2016, an approximate amount of revenue generated by the business prior to 2016, and an approximate count of the number of employees the business employed prior to 2016
- Any other document an Applicant contends evidences that the Applicant was engaged prior to January 1, 2016, in the same type of Non-Retailer Commercial Cannabis Activity for which it now seeks a License

## **2. Evidence an Applicant supplied an EMMD prior to January 1, 2017**

- Written contracts or agreements with an EMMD executed prior to 2017
- Business records reflecting a business relationship with an EMMD prior to 2017, including emails, letters, notes, shipping manifests, invoices, receipts, and payment records.
- Declarations signed under penalty of perjury by an Applicant, an Applicant's employee or an owner of an EMMD that describe, in detail, the business relationship between an Applicant and an EMMD prior to 2017. Such declarations must specify: the time period in which the business relationship existed, all types of cannabis goods supplied to an EMMD prior to 2017, an approximate volume of cannabis goods supplied to an EMMD prior to 2017, and an approximate amount of money an EMMD paid to an Applicant for cannabis goods prior to 2017.
- Any other document an Applicant contends evidences that an Applicant supplied an EMMD prior to January 1, 2017.

## **3. Evidence an Applicant qualifies under the Social Equity Program**

### **A. Evidence for Tier 1 and Tier 2 status**

#### Evidence that an Applicant has a California Cannabis Arrest or Conviction prior to November 8, 2016

- Court records reflecting an Applicant's California cannabis arrest or conviction
- Government records reflecting an Applicant's California cannabis arrest or conviction
- Declarations signed under penalty of perjury by an Applicant or an Applicant's criminal defense attorney that describe, in detail, an Applicant's prior California cannabis arrest or conviction, including the nature of the underlying crime, the date on which an arrest or conviction occurred, and the jurisdiction in which an arrest or conviction occurred.
- Any other document an Applicant contends evidences a California cannabis arrest or conviction prior to November 8, 2016

#### Evidence of Low Income status

- Tax records, including tax returns, W-2s, and 1099s
- Financial records, including wage statements or bank statements
- Record reflecting eligibility for or receipt of government assistance restricted to individuals or families with low income
- Declaration signed under penalty of perjury by an Applicant that specifies all of an Applicant's income within the last 12 months
- Any other document an Applicant contends evidences Low Income Status

Evidence of residency in a Disproportionately Impacted Area for either five or ten years

- Property deeds, mortgage documents or residential lease agreements
- Financial records reflecting lease or mortgage payments that are dated and contain an Applicant's name and address
- Records reflecting government housing assistance that are dated and contain an Applicant's name and address
- Utility bills, car registration, tax or financial records, employment records, insurance documents or government-issued documents that are dated and contain an Applicant's name and address
- Education records from a school, including transcripts or enrollment documents, which might reflect an Applicant's residence
- Declaration signed under penalty of perjury by an Applicant that lists all addresses in a Disproportionately Impacted Area at which an Applicant has lived and the time periods during which an Applicant lived at each address.
- Declaration signed under penalty of perjury by an Applicant's parent or former guardian or caregiver that describes, in detail, the time period in which an Applicant lived in the parent's, guardian's or caregiver's residence, and which attaches documentation sufficient to prove that the parent's, guardian's or caregiver's residence was in a Disproportionately Impacted Area
- Any other document an Applicant contends evidences residency in a Disproportionately Impacted Area for the requisite number of years

B. Evidence for Tier 3 status

Evidence that a Tier 3 Applicant will provide a Tier 1 Applicant capital, leased space, business, licensing and compliance assistance and access to property with no rent and prorated utilities for at least three years

- An executed contract between a Tier 3 Applicant and a Tier 1 Applicant that satisfies the requirements of Section 104.20 and the Rules and Regulations
- An attestation, on a form provided by DCR, from a Tier 3 Applicant that satisfies the requirements of Section 104.20 and the Rules and Regulations

Evidence that a Tier 3 Applicant will provide a Tier 2 Applicant capital, leased space, business, licensing and compliance for at least three years

- An executed contract between Tier 3 Applicant and a Tier 2 Applicant that satisfies the requirements of Section 104.20 and the Rules and Regulations
- An attestation, on a form provided by DCR, from a Tier 3 Applicant that satisfies the requirements of Section 104.20 and the Rules and Regulations