



Office of the Governor
Governor Gavin Newsom
Sacramento, CA, 95814

April 8, 2020

Dear Governor Newsom:

As the State of California considers additional guidance and direction to contain the spread of coronavirus (COVID-19), we urge you to direct the State's cannabis licensing agencies -- including the Department of Consumer Affairs' Bureau of Cannabis Control, the California Department of Food & Agriculture's CalCannabis Cultivation Licensing Branch, and the Department of Public Health's Manufactured Cannabis Safety Branch -- to temporarily suspend the deadlines for renewing licenses and for paying annual license renewal fees that are due, as specified in MAUCRSA and its implementing regulations.

We appreciate the efforts taken by various state departments and offices, including your own, to assist small businesses during this difficult time. However, while cannabis licensees have been deemed "essential" by the State, they are unable to benefit from many of the resources available to other businesses, and face a heavier financial and regulatory burden than most to begin with. For example, cannabis operators are not eligible for the SBA loans or other federal aid being offered to other businesses in light of this pandemic, despite being tax-payers just like other businesses. In addition, most cannabis businesses will not be able to take advantage of the California-specific funding recently announced by your office intended to benefit businesses unable to qualify for federal programs, because the banks participating in the loan program will not deal with cannabis operators due to Internal Revenue Code §280E and banking regulations. As a result, cannabis licensees have a higher tax burden and a harder time accessing banking and traditional funding sources compared to other businesses and still are largely shut out from emergency funding intended to help.

These businesses are having to make rapid modifications to how they operate in response to the current public health crisis, which requires time and resources. In addition, some aspects of the license renewal process may be hindered by workforce disruptions or other factors that are out of a licensee's control. Many cannabis operators are now caring for loved ones, homeschooling their children, or are quarantined themselves. Local and state regulatory licensing burdens are even more costly to comply with under these circumstances. Relief from license renewal fees and deadlines will be greatly appreciated, and is necessary for many of these businesses to weather this storm.

For each licensee that is forced to close its doors, whatever the reason, jobs are lost and the local economy suffers further. Given the record number of unemployment claims filed in the past few

7770 Healdsburg Ave., Sebastopol, CA, 95472
T: (707) 829-0215 | F: (707) 861-9187
www.omarfigueroa.com | info@omarfigueroa.com

— LAW OFFICES OF —
OMAR FIGUEROA

weeks, it is in the State's interest to do whatever possible to help the cannabis supply chain stay afloat from seed to sale. Please consider granting the authority to the cannabis licensing agencies to waive or delay renewal fees due similar to the grant made by you in Executive Order N-40-20 to the Director of Alcohol Beverage Control. While cannabis, like the alcohol supply chain, remains an essential business, the indelible impact of this pandemic and the measures necessary to implement safety procedures greatly impacts the financial viability of cannabis businesses. This action, while seemingly small in the grand scheme of things, would provide much-needed immediate relief for the state's cannabis industry.

We deeply appreciate all the work the State of California is doing to keep the population safe and prevent the spread of the coronavirus. Please provide licensed operators some relief from having to worry about renewal deadlines and fees during this emergency, so they can focus on keeping their employees and communities safe while continuing to provide an essential service. Additional aid, such as reductions of cannabis tax rates or making CDTFA's small business relief payment plans available for cannabis tax liabilities, would also help these businesses survive.

Sincerely,

Omar Figueroa, Esq.
Lauren Mendelsohn, Esq.
Andrew Kingsdale, Esq.

Supported by:

California NORML
National Cannabis Industry Association
Sonoma County Growers Alliance
Coachella Valley Cannabis Alliance Network
Santa Cruz Veterans Alliance
Jahlibyrd LLC
HG Logistics LLC
Benjamin Berman-Brady, Botanika, Inc.
Marty Clein, Martyjuana Brand
Sonoma Pacific Distribution
KJM Data and Science
Hezekiah D. Allen, Chairperson, Emerald Grown
Tahoe Wellness Center
Medical Marijuana 411
Dragonfly Wellness Center

7770 Healdsburg Ave., Sebastopol, CA, 95472
T: (707) 829-0215 | F: (707) 861-9187
www.omarfigueroa.com | info@omarfigueroa.com

— LAW OFFICES OF —
OMAR FIGUEROA

Chris Call, CEO, North Bay Credit Union
Joanna Cedar, The Cedar Group
Convergence Laboratories
Lara DeCaro, Leland, Parachini, Steinberg, Matzger & Melnick LLP
SPARC
Cannabis Business Association of Sonoma County
Erin Gore
Cosmic View
California Cannabis Tourism Association
The Cannabis Trail
Purple Charles
Fred Krissman
Lelehnia DuBois, Lele & Company
Redwood Roots Distribution, LLC
Root One Botanicals
Cushman Greenfield
Susan Soares, C.A.R.E.
Golden State Herb
BelCosta Labs
Adam Mintz, ROR Capital Investments, LLC
BubblingWellsOasis.com
Green Humming Bird Farm
Sierra Sun Grown CO-OP
Humboldt's Full Sun Farms
Sierra Sol Farm
Grass Valley Growers Cooperative
Dina Browner, P&S Ventures
Karyn Wagner, First MC Processing LLC
Stephanie Stanis, JadeHouse Extractions
Ronnie Franklin, 8 Mile Family Farms
Sequoyah Hudson, CannAssert, LLC
Karen Byars, Mendocino Cannabis Resource Events
Madrone
Mathew Pasqual, Wholesome Delivery
Alpaca Club
Anira G'Acha, Mendocino Innovations For Quality Inc.
Patrick King, The Soil King Garden Center
Patrick King, OrganiKing LLC
Patrick King, Soil King Enterprise

— LAW OFFICES OF —
OMAR FIGUEROA

Patrick King, Seed 2 Soul LLC
Patrick King, Tri-State Distribution
Green Gift Gardens
Rachel Turiel, SYNNEFA dba Herbanology
Cameron Hattan, Fiddler's Greens
Cameron Hattan, High Tide Distribution
Law Office of Dale Schafer
Paul Semonian, FLYT Delivery
Mark Shaffer, Shelby Ridge LLC
David King, MendoRoyal LLC
Basil McMahon, Rough & Ready Goods
Graham Burke, Rough & Ready Goods
Brandy Moulton, Sovereign
GreenTrade Santa Cruz
T Mitchell, Aluh-teh LLC/Seaweed
T Mitchell, EyeNEye LLC
Michelle Wieloch, Leonard Moore Cooperative
Covelo Cannabis Advocacy Group
Monique Ramirez & Gust Stout, Sunbright Gardens
Christina Sava, Vicente Sederberg LLP
Elena DuCharme, Esq.
CBD Botanica
Michael Williams, Seed 2 Soul
Bryce Berryessa, La Vida Verde
Blank, Skunk Feather
Kyle Giorchino, Treehouse
The Hook
Kelly Moriarty, John Kelly Co.
Fuego
Sharon Krinsky, Hassell Girls, Inc. dba Society Jane
Sheree Silveira, Charles Polston, Craig Jones
Potters Organic
Tony Bowles, Chapter Chair, Bay Area, Americans for Safe Access
Jacqueline Patterson, Patient Advocate
Brittany Massaro, Humboldt Logistics
Robert Scott, Mountain High LLC
Big Fir Farms, Richard Etherton
Big Daddy O's Organics, Thomas Norton
Lynn McDonald, Mamba Humboldt Logistics
Ivo Lopez, Mendocino Natural Farms Inc.

— LAW OFFICES OF —
OMAR FIGUEROA

Kiersten Morgan, Mendocino Natural Farms Inc.
Ruth Bergman, Deep Roots Farm
Jennie Chiavetta, Legacy Nursery
Berkeley Patients Group
Clark Howell LLP
Menaka Mahajan, Mahajan Consulting
Patricia Lawrence, Floracy, Inc.
Jeff Gray, SC Laboratories Inc.
Lucy Bussell
Shannon Hattan, Fiddler's Greens
Shannon Hattan, High Tide Manufacturing and Distribution
Creek Tompkins, Soul Evolution Enterprise
Swami Chaitanya, Swami Select, SPC
Nikki Lastreto, Swami Select, SPC
Point Bay Distributor, LLC
Pacific Coast Concentrates, LLC
Heirloom Organics, LLC
420 Central
CMX Distribution, Inc.
The Healing Plant of California
Julie Chiariello, Skunk Global Media Inc
Original Equity Group SPC
Aren Ash, Padre Mu
Steven Amato Dolce Canapa Farms LLC
Justin Floyd, The Middleman 619
Mendocino Cannabis Alliance
David Rothenberg, Mighty Self Inc.
Shanon & Casandra Taliaferro, Spruce Grove Farms
Rob Golightly
Chad Steelman
Kevin Jodrey, Ganjier Farms Cooperative LLC

cc: *Nicole Elliott, Senior Advisor on Cannabis
Department of Consumer Affairs - Bureau of Cannabis Control
Department of Food & Agriculture - CalCannabis Cultivation Licensing
Department of Public Health - Manufactured Cannabis Safety Branch*