

# EXHIBIT A San Bernardino

## Consulting Services Concerning Local Marijuana Policies and Regulations

Fee Schedule

RFP F-17-32A

October 25, 2017

Submitted by:  
Hdl Companies  
1340 Valley Vista Dr., Suite 200  
Diamond Bar, CA 91765  
www.hdlcompanies.com

Contact:  
Andy Nickerson  
909.861.4335  
anickerson@hdlcompanies.com



Proposal for Consulting Services Concerning Local Marijuana Policies and Regulations RFP F-17-32A  
City of San Bernardino  
October 25, 2017

### E. Fees

#### 1. Fees -- Detailed by Service

Hdl's fee is based on time, materials and travel expenses associated with the execution of the services.

Scope of Service Objectives	Estimated Hours of Labor/Budget
<b>Objective 1:</b> Preparation of City Ordinances including Review of Existing Municipal Code (Measure O)	20 Hours/\$6,000
<b>Objective 2:</b> Development of an Application and Discretionary Review Process	20 Hours/\$6,000
<b>Objective 3:</b> Recommending and Developing a Cost-Recovery Policy	10 Hours/\$3,000
<b>Objective 4:</b> Recommending and Developing an Ongoing Revenue and Taxation Strategy that is Compliance with Applicable State Regulations	30 Hours/\$9,000
<b>Objective 5:</b> Work in Conjunction with the CAC to Develop a Plan to Address Local Regulation of Marijuana including: 1. Attend CAC Meetings and Provide Meeting Summaries (5 Meetings) *Meeting Cost Breakdown Below 2. Provide Options to the CAC for additional items including Recreational Use, Personal Cultivation, Smoking in Public Areas and Taxes (10 Hours Each) 3. Provide Options to the CAC if Measure O is Invalidated	*Flat Rate/\$7,500 40 Hours/\$12,000 20 Hours/\$6,000
<b>TOTAL</b>	<b>\$49,500</b>

\*Cost Per Meeting:  
Costs for travel and attendance at meeting for Director/Manager (Includes 2 hours travel and 2 hours for meeting attendance)  
Costs for travel and attendance at meeting for Analyst to take Minutes for the meeting  
**Total**

\$1,000  
\$ 500  
**\$1,500**

#### 2. Billing and Payment Expectations

Within 30 days of the completion of each objective, client will be billed for that objective. Payment terms are Net 30.

#### 3. Any Additional Fees

- Hdl can provide background investigations at \$300 per applicant.
- Travel cost and attendance other than the kick-off meeting with staff and the five scheduled CAC meetings shall be billed at \$1000 per consultant staff member requested to attend any meeting such as staff, committees or, council meetings.

October 25, 2017

- b. Additional services beyond the scope of services in this proposal are priced separately depending on the complexity of tasks involved. Such fees can either be fixed or time and materials. Our current hourly rates are listed below.

Director	\$300 per hour
Manager/Policy Advisor	\$250 per hour
Project Coordinator	\$195 per hour
Outreach Coordinator	\$195 per hour
Senior Auditor	\$195 per hour
Analyst	\$125 per hour
Administrative	\$ 75 per hour

# San Bernardino

## Consulting Services Concerning Local Marijuana Policies and Regulations

RFP F-17-32A

Copy

October 25, 2017

Submitted by:  
Hill Companies  
1340 Valley Vista Dr., Suite 200  
Diamond Bar, CA 91765  
www.hillcompanies.com

Contact:  
Andy Nicolson  
909.861.4335  
andnic@hillcompanies.com

**Hill**  
COMPANIES

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**EXECUTIVE SUMMARY**

Thank you for the opportunity to present this proposal for consulting services concerning local marijuana policies and regulations. This includes preparation of city ordinances, developing an application and discretionary review process, recommending and developing cost-recovery policy, and recommending and developing an ongoing revenue and taxation strategy in compliance with applicable state regulations.

HdL has read and agrees with the terms and conditions set forth in the RFP.

HdL has partnered with over 85 California agencies on cannabis-related consulting projects. Our scope of work includes all the requirements set forth in the Request for Proposals. Our experience includes ordinance review, community outreach, merit-based application development and support, permitting process, cost recovery, fiscal analysis and regulatory/financial compliance reviews.

HdL was founded in 1983 and has over 34 years of experience providing professional consulting services to local governments throughout California. In 2015, HdL established a specialized Cannabis Services division with expert staff that has worked closely with the Department of Consumer Affairs, Department of Food and Agriculture, Department of Public Health and the California Department of Tax and Fee Administration (CDTFA) previously known as the State Board of Equalization in the implementation of the Medical Cannabis Regulatory and Safety Act (MCRSA), Proposition 64 Adult Use Marijuana Act (AUMA) and most recently SB 94 Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA). In addition, our staff has partnered with the League of California Cities, California State Association of Counties and the Police Chiefs Association to develop policy and regulatory strategies to manage the Cannabis Industry in California. We offer the resources and expertise to assist local agencies with the design and implementation of all aspects of their regulatory and taxation policies and programs.

Of interest to you and your City is our knowledgeable team of professionals who have direct experience with establishing and implementing Marijuana Management Programs for both medicinal and adult recreational use marijuana. Our team has over 33 years of direct experience establishing and implementing medicinal and retail cannabis regulatory and taxation programs which include establishing land-use regulations, permit processes, staffing plans, cost recovery fees, structuring cannabis business tax fees, regulatory compliance, financial audits and law enforcement training. They have also conducted over 11,000 cannabis compliance inspections and investigations in Colorado, California and Nevada.



**QUESTIONNAIRE/RESPONSE TO SCOPE OF SERVICES**

**A. Company and General Information**

October 25, 2017

Vanessa Slouka, Accounting Assistant  
Vanir Tower, Finance Department  
City of San Bernardino  
290 N. "D" Street, 3<sup>rd</sup> Floor  
San Bernardino, CA 92401

Enclosed please find our proposal for the **Consulting Services Concerning Local Marijuana Policies and Regulations**. This proposal constitutes a firm and irrevocable offer for a period of 120 days following the submittal deadline of October 25, 2017.

I would serve as the primary contact for this project. I have 25 years of experience working with local government agencies to enhance tax revenues and implement financial, economic development and regulatory programs. My contact information is:

Andrew Nickerson, President  
Hinderliter, de Llamas and Associates (HdL)  
1340 Valley Vista Drive, Suite 200  
Diamond Bar, California 91765  
Phone: 909.861.4335 - Fax: 909.861.7726  
anickerson@hdlcompanies.com  
Federal I.D. Number: 33-008507

HdL has read and agrees with the terms and conditions set forth in the RFP.

We look forward to the opportunity to partner with San Bernardino to develop a strategy which meets your program needs. If you have any questions or require additional information, please feel free to contact me at 909.861.4335 ext. 333 or anickerson@hdlcompanies.com.

Sincerely,



Andrew Nickerson  
President

**B. Qualifications and Experience of the Firm**

**1. Firm History and Organizational Structure**

Hinderliter, de Llamas and Associates (HdL) was incorporated in the state of California in 1985. HdL is a 100% employee owned company, providing audit and consulting services for sales, use and transaction taxes, economic development services and cannabis consulting services. The firm developed California's first computerized sales tax management program and was responsible for securing legislation (AB 1611) that allowed independent verification of state allocations.

In 2015, HdL established a cannabis services division with expert staff that works closely with the Department of Consumer Affairs, Department of Food and Agriculture, Department of Public Health and California Department of Tax and Fee Administration (formerly The State Board of Equalization) in the implementation of the Medical Cannabis Regulatory and Safety Act (MCRSA) and Proposition 64 Adult Use Marijuana Act (AUMA) and most recently SB 94 Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). In addition, our staff has partnered with the League of California Cities, CSAC, and the Police Chiefs Association to develop policy and regulatory strategies to manage the Cannabis Industry in California. We offer the resources and expertise to assist cities and counties with the design and implementation of all aspects of their regulatory and taxation policies and programs.

HdL's Cannabis Management services are led by Cannabis Compliance Director David McPherson, who is one of the state's most recognized experts in cannabis policies, regulations and taxation strategies. When Mr. McPherson was the Revenue & Tax Administrator in the City of Oakland, he became a pioneer by being the first person in the Country to tax, regulate and audit the cannabis industry. He uses his experience of understanding horticulture, processing and dispensary operations to assist local and state agencies in developing cannabis policies for regulation, compliance, auditing and economic development. Another key member of the team is Matt Eaton, Cannabis Compliance Manager, who's previous experience as a Supervisory Criminal Investigator with the Colorado Department of Revenue in the Marijuana Enforcement Division (MED) provided him the opportunity to conduct over 11,000 criminal investigations and compliance audits of marijuana-related businesses. Our Cannabis Compliance team includes eight team members:

David McPherson – Cannabis Compliance Director  
Matt Eaton – Cannabis Compliance Manager  
Kami Miller – Senior Auditor  
Mark Lovelace - Cannabis Policy Advisor  
Stephanie Martin – Cannabis Outreach Coordinator  
Elizabeth Eumurian – Senior Analyst

HdL currently employs over 60 employees. The corporate headquarters is located in Diamond Bar, CA with additional offices in Pleasanton and San Dimas.

Please see HdL's organization chart following this page.

2. Primary Business of Parent Company

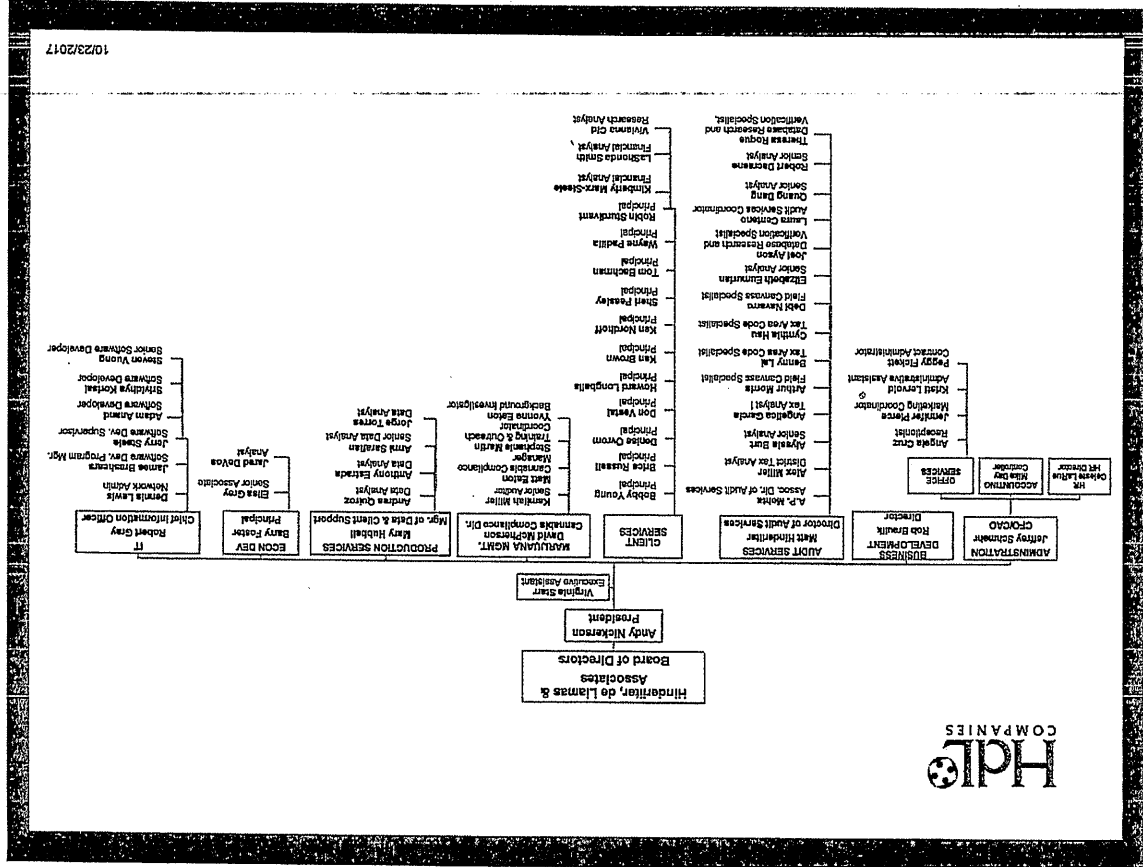
Founded in 1983, HdL Companies is a consortium of three companies established to maximize local government revenues by providing a variety of audits, analytical services and software products. Hindertler, de Lamas & Associates was incorporated in 1985. In 1990, HdL Coren & Cone was established to provide audit and information services related to property taxes. The third affiliated company, HdL Software, was formed in 1996 to provide a variety of enterprise software, processing tools for business licensing, code enforcement, animal control, building permits and tracking/billing of false alarms. HdL's systematic and coordinated approach to revenue management and economic data analysis is currently being utilized by over 400 agencies in six states.

HdL Companies maintains the largest privately held sales, property and business tax databases in California. The firm constantly improves and enhances the California Department of Tax and Fee Administration (CDTFA) raw registration data by correcting addresses and business names, differentiating brick and mortar retailers from business to business and online taxpayers and adding new business classifications to better identify emerging trends and economic opportunities.

HdL's audit and management support activities are enhanced by the largest privately held sales and use tax database in California. This includes constantly updated registration data for every seller in California, allocation data for 502 of the state's 538 agencies and 113 transactions tax districts, business license data for 668,000 businesses, property tax data for every jurisdiction in the 38 largest counties, a constantly updated automated telephone directory for all of California and thousands of business contacts developed through three decades of audit and business development activity.

HdL monitors an annual sales tax base of \$4.9 billion on behalf of clients that includes some of the most complex industrial, e-commerce, inventory/delivery, and out-of-state sales and use tax issues in California. The Company submits an average of 5,000 to 6,000 errors for correction each year with total values generally ranging from \$40 million to \$50 million. To date, HdL has recovered a cumulative total of \$2 billion in new sales and use tax revenues for client agencies.

HdL Companies is a Corporate Partner of the League of California Cities and California State Association of Counties, and works extensively with the State Association of County Auditors, California Society of Municipal Finance Officers (CSMFO) and California Municipal Revenue and Tax Association (CMRTA) on anticipation and planning of programs to strengthen local government revenues.



3. Office Location for Managing the City's Account

HdL's Cannabis Services for San Bernardino will be managed from our corporate headquarters located at 1340 Valley Vista Drive, Suite 200, Diamond Bar, CA. Team members providing services and support include:

Andy Nickerson - President  
David McPherson – Cannabis Compliance Director  
Matt Eaton – Cannabis Compliance Manager  
Kami Miller – Senior Auditor  
Mark Lovelace - Cannabis Policy Advisor  
Stephanie Martin – Cannabis Outreach Coordinator  
Elizabeth Eumurian – Senior Analyst

David McPherson will have primary responsibility for managing this account.

4. Firm's Experience and Similar Projects

HdL has partnered with over 85 California agencies on cannabis-related projects in the last 5 years. Our scope of work includes all the requirements set forth in the City's Request for Proposals. Our services include ordinance development, community outreach, merit-based application development and support, permitting process, cost recovery, fiscal analysis and regulatory/financial compliance reviews.

HdL's cannabis team has the experience to assist the City with drafting amendments to regulatory ordinances. In the past year, the firm has developed or reviewed over 40 ordinances for its clients. In addition, HdL has assisted 20 cities with marijuana-related regulation and taxation ordinances that were placed before voters on the November 2016, March 2017 and June 2017 ballots which all successfully passed.

We have completed similar projects for the cities of California City, Culver City, Greenfield, Long Beach, Marysville, and Salinas. We are currently working on similar projects for the cities of Blythe, Costa Mesa, El Monte, Grover Beach, Half Moon Bay, Hanford, Maywood, Montclair, Moreno Valley, Nevada City, Perris, Pico Rivera, Port Hueneme, Riverside, San Fernando, Thousand Oaks and Union City. In addition, we are working on similar projects for the following counties: Inyo, Mono, Stanislaus, Contra Costa, Placer and Monterey.

5. Areas That Make HdL Different from Competitors

HdL has practical cannabis government expertise at the state, county and local level which makes HdL the only consulting firm in California that has this hands-on experience with policy issues, developing financial and regulatory ordinances, preparing fiscal analysis and tax measures to address the cannabis industry. HdL has special training in cannabis horticulture, dispensary management, manufacturing and possesses law enforcement experience to address public safety concerns. Our team has conducted over 11,000 cannabis compliance inspections and investigations in Colorado, California and Nevada.

**HdL has been recognized as an industry leader, providing government solutions by industry professionals.**

David McPherson, HdL's Cannabis Compliance Director, is one of the state's most recognized experts in cannabis policies, regulations and taxation strategies. He uses his experience dealing with the industry to assist local and state agencies in developing cannabis policies for regulation, compliance, auditing and economic development. Cannabis Compliance Manager Matt Eaton was a Supervisory Criminal Investigator with the Colorado Department of Revenue in the Marijuana Enforcement Division (MED) where he was responsible for conducting over 10,000 criminal investigations and compliance audits. Furthermore, he worked closely with local law enforcement agencies in the State of Colorado on Marijuana issues and provided special training. Kami Miller, Cannabis Senior Auditor, served three years as a Marijuana Compliance Manager for the Department of Public Behavior and Health (DPBH) for the State of Nevada. During this time Kami played a key role in Nevada's implementation of its Medical Marijuana Program in which she was responsible for statewide monitoring of medical marijuana facilities that included cultivation, production, testing labs and retail stores.

HdL understands the City's needs. Our professional team has direct experience with establishing and implementing both medicinal and adult-use cannabis regulatory programs which includes establishing land-use regulations, permit processes, developing state regulations, staffing plans, cost recovery fees, structuring marijuana business tax fees and training law enforcement agencies on how to develop criminal investigations.

**We help our clients develop successful programs.**

HdL provides subject matter and technical support to implement your agency's Cannabis Management Program. Services include working with agency staff on all issues related to cannabis tax policies, fiscal analysis, legislation, regulatory ordinances and providing best practices for compliance with state and local laws.

Implementing a successful application process for dispensary, cultivation, manufacturing, transportation and distribution facilities can be overwhelming. HdL works with agency staff to develop a comprehensive application process and assist City staff with application reviews and recommendations. HdL ensures the entire process is transparent and meets all legal standards set forth by the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) and all applicable local laws.

HdL assists agencies with developing cost recovery programs to recover costs associated with reviewing medicinal and adult-use cannabis business applications and issuing cannabis business permits. Our team prepares fiscal reports to present tax options for the various types of cannabis businesses which will be operating in your jurisdiction and develops strategies to maximize agency economic benefits and provides the cannabis business an opportunity for success.

**We offer community outreach expertise.**

HdL has given workshops and presentations for many professional organizations in the state. Recent cannabis-related presentations and workshops include:

- League of Cities – Economic Development Managers
- North Coast Regional Summit

- State Board of Equalization – Cannabis Traceability Workshop
- League of California Cities – City Manager Department Meeting 2016, 2017
- Placer County Chamber of Commerce
- California City Stakeholders Meeting
- San Bernardino City/County Conference – 2016, 2017
- State Board of Equalization – Marijuana Audit Training
- Central Valley Cities – City Attorney Association
- City of Banning Town Hall Community Meeting
- CATTIC – Bay Area Annual Conference
- CSFMO – Central Valley Chapter
- CSMFO – Channel Counties Chapter
- Bond Buyers Annual Conference
- California State Association of Counties – Orange County Chapter
- City of El Monte Council Workshop
- City of Lynwood Council Workshop
- League of California Cities Annual Conference – 2016, 2017
- County Administrative Officers Association
- CMRTA Annual Conference – 2016, 2017
- California Police Chiefs Association – Bay Area, Central CA and Southern CA
- CSMFO – Coachella Valley Chapter
- Solano County Board of Supervisors
- City of San Fernando City Council
- City of Arvin City Council
- CSMFO Annual Conference 2017
- League City Managers Department Meeting 2017
- CMRTA Division 1 Chapter Meeting
- City of Blythe Council Workshop
- City of El Monte Council Workshop
- City of Colton Council Workshop
- City of Pacifica Council Workshop
- City of Riverside Council Workshop
- California Police Chiefs Association Webinar
- City of San Carlos Council Workshop
- CSMFO Orange County Chapter Meeting
- County of Riverside Board of Supervisors Workshop
- Contract Cities Annual Conference
- CSAC Counties Cannabis Summit
- Motherlode County Auditors Meeting
- League of Cities SB 94 Webinar Aug 2017
- City of Tracy Community and Public Outreach
- City of Culver City Ad Hoc Workshop
- Napa County Local Agencies Meeting
- City of Union City Community and Public Outreach
- City of Pico Rivera Cannabis Policy Workshop

**C. Qualifications and Experience of Proposed Project Team**

Our team of professionals has over 33 years of direct experience establishing and implementing medical and retail cannabis regulatory and taxation programs which include establishing land-use regulations, permit processes, staffing plans, cost recovery fees, structuring cannabis business tax fees, regulatory compliance, financial audits and law enforcement training. Our team has conducted over 11,000 cannabis compliance inspections and investigations in Colorado, California and Nevada.

HdL's Cannabis Compliance Director will oversee this project. The HdL team has experts to meet all the objectives set forth in the City's Request for Proposals. Using a team approach, HdL will utilize its experts to deliver the services requested. HdL will not be using any subcontractors on this project.

**David McPherson, Cannabis Compliance Director**

David McPherson works with local agencies to prepare them to mitigate regulatory issues surrounding Proposition 64. Prior to joining the firm, David served 28 years in local government for the County of Orange and the cities of Newport Beach, San Jose and Oakland. David's experience as a law enforcement officer, compliance auditor, and tax administrator has provided him a wealth of experience that makes him uniquely qualified to manage HdL's Cannabis Management Program. While working for the City of Oakland, he became the first Tax Administrator in the County to successfully tax, regulate and audit medical marijuana businesses. David has over 8 years of experience working with Cannabis regulatory programs.

David is one of the state's most recognized experts in cannabis regulatory policies, compliance implementation and tax policies. His unique knowledge in horticulture, processing and dispensary operations while working for the City of Oakland has made him one of the pioneers in creating a Cannabis Management Program. He uses his experience to assist local and state agencies in developing cannabis policies for regulation, compliance, auditing and economic development. He worked closely with the League of Cities and lobbyists on the development of the Medical Cannabis Regulation and Safety Act (MCRSA) and helped shape SB94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

David provides technical support on cannabis-related matters to the League of Cities, the Police Chiefs Association, Rural County Representatives of California, and the California State Association of Counties. In addition, David is working collaboratively with the Department of Consumers Affairs, Department of Food & Agriculture, Department of Health Services and the California Department of Tax and Fee Administration (previously known as the State Board of Equalization) on the implementation of best practices for regulating the Cannabis Industry for local agencies.

A sampling of some of the agencies that David has worked with in the last two years include the Cities of Blythe, California City, Coachella, Culver City, Colton, El Monte, Gonzales, Greenfield, Grover Beach, Hanford, King City, Long Beach, Marysville, Maywood, Montclair, Pasadena, Port Huenerne, Riverside, Salinas, San Fernando, Thousand Oaks, Tracy, Ventura and Watsonville and the Counties of Inyo, Riverside, Santa Cruz, Contra Costa, Lake, Mendocino, Mono, Monterey, Placer, Riverside and Ventura.

David received his Bachelor's Degree in History from California State University, Fullerton and his Master's Degree in Public Administration from California State University, Long Beach. While at Long Beach, he was named "Future Urban Administrator of the Year".

**Matt Eaton, Cannabis Compliance Manager**

Matt Eaton is the Cannabis Compliance Manager at HdL and plays a critical role in implementing the Cannabis Compliance Program for local agencies. Prior to joining the firm, he was a progressive law enforcement professional with 29 years' experience conducting criminal/regulatory investigations and corporate/individual background investigations.

While working as a Supervisory Investigator at the Colorado Department of Revenue in the Marijuana Enforcement Division (MED) Matt managed Criminal Investigators and civilian staff in the Denver Metro and Longmont Field Offices. During his six year tenure at the MED he conducted approximately 10,000 criminal investigations and compliance reviews which included regulatory and financial investigations. In addition, he is a subject matter expert on track and trace systems. He understands the complexity of reviewing data to ensure businesses are in compliance with state and local regulations. Matt was also responsible for planning, developing and implementing report and field inspection protocols for the agency.

Matt also played an instrumental role in recommending changes to current regulations and identifying essential language for new legislation in the State of Colorado. Matt is well known for his ability to maintain working relationships with Cannabis Industry leaders and external stakeholders in resolving issues.

A sampling of some of the agencies that Matt has worked with in the last three years include the Cities of Blythe, California City, Desert Hot Springs, El Monte, Greenfield, Grover Beach, Long Beach, Salinas, San Fernando and Vallejo and the Counties of Monterey, Placer and Solano, Monterey and the Monterey Fire District.

Matt received his Bachelors of Science Degree from Biola University and currently maintains a Colorado Post Certificate. He has also served as an Adjunct Instructor teaching law enforcement principles related to criminology, correctional processes, procedural law, interviews, interrogations and criminal evidence at AIMS Community College in Greeley, Colorado.

**Kami Miller, Cannabis Senior Auditor**

Kami Miller is the Cannabis Senior Auditor at HdL who's primary role is to ensure cannabis compliance and identify the risk assessment in the supply chain process of each permitted business. Prior to joining the firm, she served three years as a Marijuana Compliance Manager for the Department of Public Behavior and Health (DPBH) for the State of Nevada. During this time Kami played a key role in Nevada's implementation of its Medical Marijuana Program in which she was responsible for statewide monitoring of medical marijuana facilities that included cultivation, production, testing labs and retail stores.

A sampling of some of the agencies that Kami has worked with in the last two years include the Cities of Hanford, Port Hueneeme, Maywood, Nevada City, Tracy, Watsonville and the County of Contra Costa.

While working as a Marijuana Compliance Manager for the DPBH for the State of Nevada Kami managed Compliance Auditors and support staff in Las Vegas Office. During her three-year tenure at the DPBH, she conducted approximately 1,000 compliance and financial inspections in which she developed the documentation for the inspection protocols in order to establish comprehensive reports. In addition, her experience in Nevada provided her the opportunity to learn the various track and trace systems that allowed her to develop industry chain practices for the Department of Taxation.

Kami received her Bachelors in Business Administration in E-Commerce and Supply Chain Management from Tennessee State University.

**Mark Lovelace, Cannabis Policy Advisor**

Mark Lovelace has 16 years of broad experience in public policy, community engagement and advocacy and is recognized as a leader in advancing the statewide discussion of medical and recreation cannabis as a policy issue in California.

Mark served on the Humboldt County Board of Supervisors from 2009 through 2016, where he was instrumental in developing a comprehensive approach to regulating cannabis, including a voter-approved tax on commercial cultivation and an innovative track and trace pilot program. Mark established and co-chaired the Medical Marijuana Working Group for the California State Association of Counties (CSAC) and helped draft CSAC's legislative platform for cannabis issues. Mark pioneered the first-ever six-county regional summit on cannabis issues in 2015, which resulted in the North Coast Counties Marijuana Policy Statement. His work and input were pivotal in guiding the development of SB 643 and AB 243, two components of the Medical Cannabis Regulation and Safety Act (MCRSA).

Mark has worked extensively with public agencies and statewide associations on cannabis issues, including CSAC, Rural County Representatives of California (RCRC), the Association of California Water Agencies, the North Coast Resource Partnership, California Department of Fish and Wildlife, the State Water Board, the North Coast Regional Water Board, the Bureau of Medical Cannabis Regulation, State legislators, the Department of Justice, Members of Congress and others. He has organized and led numerous presentations, workshops and panel discussions on cannabis issues and has been a sought-after speaker on the topic for government agencies, community organizations and cannabis industry groups.

A sampling of some of the agencies that Mark has worked with in the last three years include the Counties of Contra Costa, Humboldt, Inyo, Santa Cruz, Santa Barbara, Lake, Riverside, San Joaquin and Stanislaus.

Mark received his Bachelor of Science Degree in Industrial and Product Design from California State University, San Jose. Prior to his time on the Board, he worked for many years as a respected advocate on land use, planning, development and environmental issues.



**Stephanie Martin, Cannabis Outreach Coordinator**

With over 28 years of diversified law enforcement experience, Stephanie has used her training and expertise to develop communication-based partnerships, create and implement outreach programs and apply her communication skills for media relations. Stephanie's public service career included working as a Police Officer, Program Manager, and Community Affairs Officer for the Manhattan Beach Police Department. In these roles, Stephanie had supervisory responsibilities, managed budgets, performed training and interviewed/selected applicants. Stephanie also served as a DARE program coordinator for the City of Redondo Beach.

Stephanie has recently worked with California City, the City of Commerce, Long Beach and Maywood. She earned her Bachelor of Science degree from Chapman University in Orange California.

**Elizabeth Eumurian, Senior Analyst**

Elizabeth Eumurian is a Senior Analyst in HdL's Audit Department. Elizabeth previously worked for a large financial institution analyzing data for reporting anomalies and performing financial audits. She has also worked as a senior auditor in the entertainment industry. In this role, Elizabeth executed testing procedures for targeted audit programs, analyzed findings and prepared audit and compliance reports. Elizabeth has recently done work for California City, Coachella, Desert Hot Springs, Perris and Long Beach.

She earned her Bachelor of Arts degree in History from California State University, Fullerton.

**Adam Crabtree, CEO of Nationwide Compliance Specialists (HdL Strategic Partner)**

Adam Crabtree is the Founder and CEO of Nationwide Compliance Specialists, Inc. (NCS), headquartered in Denver, Colorado. After graduation, Adam began his career in banking, managing sales, operations and compliance for a Tier 1 bank. It was there that he recognized the inherent flaws and systemic disconnect between banks, state government, and the Cannabis industry. Relying on his background in banking, his education, and his analytical acumen, he began to dig into the pain points that are at the center of these issues. It was at this point that the core of the NCS platform, the patent-pending predictive analytical algorithm, was born. The algorithm was written to gather numerous, seemingly unrelated, data points and analyze the interplay between them. After a successful testing period, NCS transformed the algorithm into a high-powered, near-real time, analytics engine capable of aggregating and analyzing tens of millions of data points that are then transformed into clear, concise, detailed reports. These reports are used to assist in decision-making and resource allocation in the financial, regulatory and governmental sectors. The NCS partnership with HdL has established a "one of a kind" financial auditing program which will help ensure that cannabis businesses are properly reporting taxes, fees and other data required by state and local agencies.

Adam's expertise with identifying and recognizing financial banking issues has given him the opportunity to work collaboratively with state and local officials as well as financial institutions in Colorado and California. He is often requested to conduct presentations about the current challenges for the Cannabis industry and how the use of advanced analytics can help government overcome them. In addition, he has conducted presentations to the California State Assembly, Alaska Bar Association, State Board of Equalization, Native Nation, and numerous elected officials spanning from Hawaii to Massachusetts. Adam is a proud three-time graduate of the University of Colorado (BA, MBA, MSF).

**Johan Klehs – Lobbyist**

The firm engages Johan Klehs as its lobbyist to represent client interests in matters before the California Department of Tax and Fee Administration and the California State Legislature. In statewide office, Mr. Klehs served as Chair and a Member of the State Board of Equalization as well as a Member of the Franchise Tax Board. He also served 14 years as a Member of the California State Assembly and four years as a Member of the San Leandro City Council. In the Assembly, Mr. Klehs chaired the Assembly Revenue and Taxation Committee longer than any individual in California's history.

Staff resumes follow this page.

## Andrew Nickerson

### Experience

#### *Hinderliter, de Llamas & Associates - President:*

- 2011 - Present  
Lead the strategic planning, sales and management operation of this market leader in sales tax, audit and information services. Led the development of a web-based sales tax application that offers HdL clients immediate access to the latest Board of Equalization sales, use and transactions tax data and quarterly reports. Forged business affiliation with Beacon Economics, Equity Recovery Solutions and Cost Control Associates to expand service offerings to local government agencies. Initiated HeadLines, a bi-weekly e-news service that provides up-to-date information on trends affecting California's economy. HeadLines is currently being circulated to over 1,400 subscribers.

#### *HdL Coren & Cone - Vice President of Sales and Operations:*

- 2002 - 2010  
Lead the product development and sales activities for this provider of government tax consulting services and related software products. Manage major accounts that generate over \$2.5 million in annual revenues. Prepare marketing proposals and deliver sales presentations to prospective clients. Meet annually with clients to review and discuss management reports and assist with budget projections. Enhanced revenues by identifying and developing complementary products and services that were marketed to existing clients. Forged a strategic partnership with ESRI, a California based technology firm, enabling HdL to rapidly expand the utility of existing software applications. Streamlined a manual process for auditing real estate transfer tax revenues, significantly reducing staffing requirements and increasing revenue recovery. Spearheaded the in-house conversion of a 15 year old business critical database and software application increasing the companies' capabilities and enabling the firm to expand services to additional clients without adding extra staff.

#### *HdL Coren & Cone - Production Manager:*

- 1997 - 2002  
Managed the team responsible for producing semiannual property tax reports and executive summaries for over 100 California cities. Guided IT staff in expanding the capabilities of the firms' proprietary software applications. Designed systems for importing and maintaining property tax records from 35 California counties into a customized database format. Provided on-site software training and technical support to client agencies. Facilitated special projects and requests from strategic business partners.

#### *HdL Coren & Cone - Associate:*

- 1992 - 1997  
Conducted database research of tax records and contacted business owners to verify sales tax information. Performed sales tax and property tax revenue audits for client agencies. Coordinated audit recovery with local, county and state agencies. Analyzed tax receipts for development projects and tax sharing agreements.

### Education

- Bachelor of Science, Business Administration (Concentration In Finance, Real Estate, and Law)  
California State Polytechnic University, Pomona

1992

## David McPherson

### Experience

#### *Hinderliter, de Llamas & Associates - Cannabis Compliance Director:*

- 2015 - Present  
Currently working on implementation and regulatory requirements for Prop. 64 with local agencies to prepare them to mitigate several issues surrounding the ballot measure. Continues to provide technical support to the League of California Cities, the Police Chiefs Association, Rural County Representatives of California and the California State Association of Counties. Also, currently working collaboratively with the Department of Consumer Affairs, Department of Food & Agriculture, Department Health Services and the State Board of Equalization on implementing best practices for regulating the Cannabis Industry.

#### *City of Oakland - Revenue & Tax Administrator:*

- 2010 - 2015  
Implemented several programs to assist with generating revenue for the City, and implemented policies and procedures for audit functions to ensure the proper application of business tax classifications assessments. Managed the revenue collection, payment processing and appeals for parking administration. Prepared oral and written reports to City Council/Finance Committee to make recommendations on business tax and other revenues in order to ensure accurate revenue forecasting. Conducted presentations and training to professional organizations such as NBELO, CSMFO, CMRTA, GRCA, and CMTA. Also conducted administrative oversight for Board of Review Hearing appeals for Business, Uniform Transient Occupancy, and Parking Taxes. Successfully passed Ballot Measures F and V for the Cannabis Business Tax which generated millions for the City. Worked closely with the League of California Cities and lobbyists on the development of AB 243, SB 243 and AB 266 which established the Medical Cannabis Regulation and Safety Act (MCRSA).

#### *City of San Jose - Deputy Director:*

- 2006 - 2010  
Created a revenue collection strategic plan which assisted in generating revenue for the City. Implemented a new business tax system which manages billing and collections for the City's accounts, and a policy and procedures to ensure bad debt write-offs are properly reserved. Also implemented an in-house program saving the City additional costs on consulting fees. Conducted presentations throughout the country on revenue enhancement strategies, and coordinated technology changes with other agencies and departments. Responded to inquiries and complaints from customers and City Council.

#### *City of San Jose - Senior Revenue Auditor:*

- 1997 - 2006  
Successfully generated new revenues for the City resulting from auditing sales and business taxes. Designed and implemented several programs. Conducted training for various municipal organizations for revenue enhancement strategies, and coordinated technology changes with other agencies and departments. Planned and prepared budget for Revenue Audit Unit, and evaluated the efficiencies and effectiveness of revenue collections and made recommendations to streamline many processes. Served as a Technical Advisor for the League of California Cities on Revenue and Taxation issues.

#### *City of Newport Beach - Revenue Technician:*

- 1993 - 1997  
Analyzed and evaluated City's sales tax revenue for misallocations. Administered City's transient occupancy tax program and implemented revisions to the transient occupancy tax ordinance. Reviewed and designed a variety of revenue collection forms, and analyzed miscellaneous revenue receivables. Developed a strategy to consolidate the collection efforts. Implemented changes to various tax laws, and business improvement district fee system. Recommended and assisted in the implementation for Revenue Division policies and procedures, and responded to complaints and request for information from the public and other departments. Planned and organized special projects and surveys and coordinated activities with private consultants.

#### *City of Newport Beach - License Inspector:*

- 1989 - 1993  
Designed sales tax misallocation program which generated revenue. Implemented City's sales tax self-accrual program. Performed inspections for compliance with business tax and regulatory permits. Created reports for the enforcement of business tax. Investigated complaints from the public and other agencies. Coordinated business tax enforcement strategy by utilizing Fire Department Staff. Enforced the collections of delinquent revenues and issued citations in the field.

**Education**

- Master of Public Administration - California State University, Long Beach
- Bachelor of Arts, History - California State University, Fullerton

1993  
1986

**Professional**

- California Municipal Revenue & Tax Association
- Certified Revenue Officer
- Certified Licensing Official
- National Bureau of Business Licensing Officials
- Government Revenue Collection Association
- California Society of Municipal Finance Officers
- California Public Parking Association
- Government Finance Officers Association

**Matt Eaton**

**Experience**

**Hinderliter, de Llamas & Associates - Cannabis Compliance Manager:**

- Assist agencies and law enforcement with community outreach and education. Provide technical matter expertise for Marijuana regulation and application processes. "Rule Maker" for MSKCA and Proposition 64. Assist with compliance audits. Assist in the development of track and trace systems.

2017 - Present

**Department of Revenue, Colorado - Criminal Investigator II:**

- Conducted complex criminal and regulatory investigations for the Medical Marijuana Enforcement Division, Denver Metro and Longmont Field Offices. Planned, conducted and supervised regulatory investigations as they relate to the Colorado Marijuana Code. Conducted professional financial investigations which included experience in financial auditing and accounting. Prepared background investigations of companies and individuals to determine suitability for licensure. Responsible for recommending modifications to current regulations and identify needs for new legislation. Supervised project management responsibilities for development of new area field office. Assisted with the planning, development and implementation of report writing standards and field inspection protocols.

2011 - 2016

**Berthoud Police Department, Colorado - Patrol Officer:**

- Patrolled town to enforce laws and local ordinances, prevent crime, and arrest violators. Addressed neighborhood issues by working with community to reduce crime potential. Secured grants, drafting and submitting grant requests for patrol equipment, vehicles and communication upgrades. Implemented improvements in securing and processing evidence, researched and audited current evidence inventory procedure, purged unnecessary items, and redesigned evidence booking operations to meet current industry standards. Researched and audited current report management policies, identified deficiencies, redesigned investigative report outlines and developed standardized internal controls for report routing procedures.

2007 - 2011

**Montclair Police Department, Montclair - Technical Services Officer:**

- Supported department by overseeing budget, purchasing equipment, and managing fleet. Supervised civilian employees, volunteers and reserve officers. Conducted background investigations for employees. Ensured that new officers were properly equipped and trained on firearms. Conducted annual financial and equipment rental. Researched, wrote and managed multiple grants and associated funds requirements. Assisted in the development and implementation of general operation policies designed to reduce the number of citizen complaints received as a result of field contacts made by the civilian staff.

2004 - 2006

**Montclair Police Department, Montclair - Patrol Officer:**

- Performed patrol responsibilities as well as field trained new and lateral officers. Taught advanced training courses and supervised tactical firearms training.

2002 - 2004

**Montclair Police Department, Montclair - Senior Detective:**

- Managed caseload which included investigations into complex sexual and major physical assault crimes. Oversaw detective bureau budget, determining best use of resource allocations and monitoring expenditures. Assisted in development of countywide child abuse investigation protocol, writing protocol for first responders in order to provide consistent approach to child abuse investigations. Conducted multi-agency investigation into million-dollar medical fraud investigation which led to the successful prosecution of several licensed dentists in four separate dental practices.

1996 - 2002

**Montclair Police Department, Montclair - Patrol Officer:**

- Conducted community-oriented policing. Served as Field Training Officer, teaching and mentoring new officers, performed covert patrols. Created and implemented county's first sex registrant compliance enforcement effort, including developing prosecutable criteria for sex registration violations in addition to organizing compliance sweep to identify violators. Organized and executed Bait Car enforcement detail, conducted crime analysis of potential high crime areas throughout the city. Based on findings, requested and received grant funding for multi-agency Bait Car enforcement program which led to a dramatic decrease in auto theft.

1989 - 1996

**Teaching**

**AMS Community College, Greeley Co & Everest College:**

- **2006 – 2009**
- Subjects taught: Correctional Process, Criminology, Procedural Law, Interviews and Interrogations, Introduction to Corrections, and Criminal Evidence

**Education**

- Bachelor of Science, Organizational Leadership – *Biola University, La Mirada*
- Associates of Science, Administrative of Justice (Law Enforcement Option)  
Mt. San Antonio College, Walnut
- Certificate of Completion, Basic Police Academy  
San Bernardino County Sheriff's Regional Training Center, San Bernardino
- Colorado POST Certificate (2007)
- California POST Instructor Certification (2000), Advanced (1999), Intermediate (1993), and Basic (1990) POST Certificates

**Professional**

Completed 2,000+ hours of training, including these selected courses:

- Criminal Investigation
- Regulatory Investigation
- Sexual Assault Investigation
- Narcotic Interdiction Investigation
- Background Investigation
- Advanced Gang Investigation
- Grant Writing & Asset Procurement Training
- Field Training Officer
- Advanced FTO Training
- Securities Fraud Investigation
- Canine Handler Course
- Canine Narcotic Detection
- White Collar Crimes Investigation
- Grant Development
- P.O.S.T. Train the Trainers
- Peer Support Counseling
- Firearms Instructor's Course
- STAR Supervisor Training

**Kami Miller**

**Experience**

- **Hinderliter, de Lamas & Associates - Senior Auditor:** 2017 – Present  
Ensures cannabis compliance and identifies the risk assessment in the supply chain process of each permitted business.

**State of Nevada, DPBH – Medical Marijuana Compliance Auditor:**

- Developed industry supply chain practices for the Department of Taxation. Tasked with the statewide monitoring of privately owned medical marijuana facilities including cultivation, production, labs and retail environments. Worked directly with federal agencies and technology vendors that met compliance standards. Document inspection findings and complete comprehensive reports which included details of compliance with laws and regulations, deficiencies regarding controls, procedures and operations, supporting facts and documentation and recommendations for corrective action.

**GMR Marketing – Marketing Manager:**

- Marketing Manager for enterprise and consumer tech companies for tradeshows/conferences. Assisted with implementing grassroots and guerilla marketing strategies at events and led the team in Brand activations above 100% within the first quarter. Worked resulted in new projects during the economic downturn representing a small percentage of company turnover. Created auditing program.

**Lexmark – Supply Chain Analyst:**

- Led global supply chain operations team. Created reports for technical documents, procurement and material regulations, PEA and audit reports. Also in charge of gaining visibility into its logistics operations and synchronizing product data.

**Education**

- Bachelors of Science, Business Administration, E Commerce and Supply Chain Program  
*Tennessee State University*

2010

**Mark Lovelace**

**Experience**

**Hinderliter, de Llamas & Associates - Cannabis Policy Advisor:**  
2017 - Present  
Provides subject matter expertise on water conservancy, land use and CEQA issues related to cannabis cultivation and manufacturing. Performs outreach to policymakers, community groups, MMJ patients and cannabis business owners. Monitors and reviews state legislation and regulatory proposals. Project lead for projects in Northern California. Assist in the development of local cannabis regulatory programs.

**Humboldt County - 3rd District Supervisor:**

2009 - 2017  
Board experience in all areas of local government including budget, land use, public safety, policy development, State and Federal legislation and media relations. Selected appointments include California State Association of Counties, National Association of Counties, Redwood Region Economic Development Commission, Workforce Development Board, First 5 Humboldt, North Coast Resource Partnership, Klamath Basin Coordinating Committee and Medical Marijuana Subcommittee. Regional and Statewide appointments include Founding Co-Chair for CSAC Medical Marijuana Working Group, Co-Chair for Coastal Counties Association, County Medical Services Program Governing Board, Redwood Coast Connect Broadband Consortium and Ocean Renewable Energy Protocols Team.

**Humboldt Watershed Council - President:**

2003 - 2008  
Chief executive of 501(c)(3) environmental organization. Led successful efforts to protect water quality through improved regulation of timber management. Represented HWC in meetings and administrative hearings with local, State and Federal agencies, officials and elected representatives. Managed grants, budgets, committees, litigation, fundraising, media and contracts. Authored two successful appeals to the State Water Board.

**Healthy Humboldt Coalition - Project Coordinator:**

2003 - 2008  
Developed a coalition of environmental and community organizations to achieve a conservation-oriented General Plan Update for the Humboldt. Partnered with public health, affordable housing and transportation advocates. Managed contracts, consultants, media relations, budgets and grants. Organized and coordinated numerous workshops, forums and presentations.

**Sunnybrae/Arcata Neighborhood Alliance - Founder and Director:**

2000 - 2006  
Led successful community effort to purchase and establish a 175-acre community forest. Worked closely with State and Federal agencies and numerous funding partners. Helped raise millions in funding and thousands in direct community donations.

**Design Link - Owner:**

2001 - 2008  
Established design and product-development consultancy for small manufacturers. Developed high-efficiency production methods for clients around the country, and created graphics, training and promotional materials.

**Wildwood Company - Production Manager:**

1989 - 2001  
Managed all aspects of production for a high-tech wood products manufacturer. Increased output by 500% while improving both quality and consistency. Trained employees, developed standardized processes and operations manuals.

**Education**

1987  
Bachelor of Science, Industrial and Product Design - San Jose State University, San Jose

**Selected Accomplishments**

- Guided development of the first MMJRSA compliant cannabis regulation program in California, including a cannabis excise tax and a pilot track-and-trace program
- Initiated first of its kind six-counties regional cannabis policy summit
- Developed successful strategy for passage of public safety sales tax initiative
- Obtained permanent protection of over 100,000 acres of working lands, including 3 community forests
- Advanced largest dam removal project in history
- Secured Federal recognition of 1959 water rights contract
- Facilitated tri-county broadband deployment project

**Selected Events, Presentations, and Speaking Engagements**

- "Health Impact Assessments for Better Planning", National Association of Counties, Washington DC
- Coastal Commission Joint Workshop with Coastal Counties and Cities, San Francisco
- "The Emerging Cannabis Labor Market", Workforce Development Board, Eureka,
- "Regulating Legal Cannabis", California Association of Counties, Sacramento
- "Environmental Impact of Marijuana Cultivation", Association of California Water Agencies, South Lake Tahoe
- "What to Expect from Cannabis Legalization", California Growers Association, Eureka
- "RePower Humboldt", University of California, Davis
- Guest lecturer, Humboldt State University, 2001 - Present

## Stephanie Martin

### Experience

#### *Hinderliter, de Llamas & Associates – Cannabis Outreach Coordinator:*

- Assists clients with community engagement workshops on cannabis-related issues, license application review and processing, establishing youth prevention programs and public safety training.

#### *Public Information Officer – Manhattan Beach Police Department:*

- 1990 - 2016 Focused in the areas of community based policing (developing partnerships and outreach), school safety and Community Relations (Media Relations, Public Speaking and Education). Responsible for recruitment, selection and training of volunteers, who provided support services to all divisions of the department.

#### *Crime Prevention Specialist – Redondo Beach Police Department:*

- 1988 - 1990 Conducted school safety assemblies, coordinated the DARE program, produced newsletters and brochures and conducted home security inspections for the purpose of educating residents on how to deter crime.

### Education

- Bachelors of Arts, Social Science – *Chapman University* 2006
- Associates of Arts, Liberal Arts and Sciences/*Liberal Studies – El Camino College* 1989

### Certifications

- Integrated EOD Concepts – Bombs, Bombers & Bombings*
- First Aid/CPR*
- FEMA*
- Public Safety Communications*
- Crisis Communications*
- School Safety Advocacy Council*
- Sacramento Regional Driver Training Authority*
- CSI – Field Evidence Technician*
- Member of NJ School Safety Technical Working Group*

## Elizabeth Eumurian

### Experience

#### *Hinderliter, de Llamas & Associates – Senior Analyst:*

- 2017 – Present Develops revenue models for cannabis industry taxation. Analyzes accounting information, sales tax allocations and business license data for compliance programs. Executes testing procedures for targeted audit programs, analyzes findings and prepares audit and compliance reports.

#### *Nigro, Karlin, Segal & Feldstein, LLC – Senior Auditor:*

- 2014 – 2016 Completed, manipulated and analyzed data as part of a targeted audit program to ensure compliance with pre-established rules and regulations. Drafted audit reports by identifying and gathering support for potential issues. Supported client efforts to collect on report findings by analyzing auditee responses. Assisted in developing and executing testing procedures for new testing areas. Also, assisted management with planning activities, such as assignments and budgets projections. Prepared reports and updates for regular status meeting with clients.

#### *ECCU – Fulfillment Representative:*

- 2013 – 2014 Reviewed various financial reports for inaccuracies or anomalies and make recommendations regarding further action. Performed monthly audits of department work to ensure minimum 95% QC and 98% SLA rates. Prepared various written communications such as letters/emails, policy and procedure change notifications and recommendations.

#### *Richard Nixon Presidential Library and Museum – Museum Technician:*

- 2011 – 2012 Created and maintained records using MS Access-based database software. Standardized record data to adhere to the workplace guidelines. Designed queries and created reports for use in analyzing data, and assisted in mapping data for transfer to an updated database.

### Education

- Bachelors of Arts, History – *California State University, Fullerton* 2010
- Associates of Art, History and Liberal Studies – *Santiago Canyon College, Orange* 2007

**Adam Crabtree**

**Experience**

**Hinderliter, de Lamas & Associates – HDL Strategic Partner:**

- Established a "one of a kind" financial auditing program which will help ensure that cannabis businesses are properly reporting taxes, fees and other data required by state and local agencies.

**Nationwide Compliance Specialist – Founder & CEO:**

- Created an algorithm to gather numerous, seemingly unrelated data points and analyze the interplay between the two. After a successful testing period, the algorithm was transferred into a high-powered, near-real time, analytics engine capable of aggregating and analyzing tens of millions of data points that are then transformed into clear, concise, detailed reports. These reports are then used to assist in decision-making and resource allocation in the financial, regulatory and governmental sectors.

**Education**

- Master of Science in Finance – *University of Colorado*
- Master of Business Administration – *University of Colorado*
- Bachelor of Arts – *University of Colorado*

**Presentations**

- *California State Assembly*
- *Alaska Bar Association*
- *State Board of Equalization*
- *Native Nation*

**Johan Klehs**

**Experience**

**Hinderliter, de Lamas & Associates – Lobbyist:**

- Represents client interests in matters before the Board of Equalization and the State Legislature.

**Johan Klehs & Company, Inc.:**

- Part of California's statewide political leadership and respected as an expert in budget, fiscal, taxation and business issues affecting California and its economy. Maintains a wide range of ties with the executive and legislative branches of state and federal government. Creates and maintains strategic alliances and partnerships for the successful advocacy of his clients' policy positions. Authored over 142 bills signed into law including: The Research and Development Tax Credit, The Manufacturer's Investment Tax Credit, Comprehensive State Tax Reform, The Net Operating Loss Carry Forward Law, The Sub Chapter S Law, Affordable Housing Tax Credit and The Urban Water Conservation Plan.

**Education**

- Master of Public Administration – *California State University, East Bay*
- Bachelor of Arts, Political Science – *California State University, East Bay*

**Professional**

- Chair and Member of the *California State Board of Equalization (1995-2003)*
- Member of the *Franchise Tax Board*
- Member of the *California State Assembly (14 years)*

**D. Questions/Response to Scope of Services**

The regulation, compliance and taxation of Cannabis is complex and filled with challenging issues. Therefore, the objectives presented in this proposal are based on HdL's experience and the expectations and desired outcomes of the City. However, due to the ongoing evolution of the state's Medical Cannabis Regulation and Safety Act (MCRSA), the Adult Use Marijuana Act, Proposition 64 and SB 94, Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), HdL is agreeable to modifications to this scope of services as deemed necessary by both HdL and City staff. HdL's staff has over 33 years of experience developing, designing and reviewing and regulatory programs for state and local agencies.

The Consultant will work with the Citizen's Advisory Committee (CAC), City Council, City staff, the public, and stakeholders to develop a comprehensive set of marijuana policies and regulations including:

1. Preparation of City Ordinance Including Review of Existing Municipal Code (Measure O)

HdL has established a specialized cannabis services division with expert staff that have been working closely with the Department of Consumer Affairs, Department of Food and Agriculture, Department of Public Health and the CDTFA (formerly the State Board of Equalization) in the implementation of the Medical Cannabis Regulatory and Safety Act (MCRSA), Proposition 64 Adult Use Marijuana Act (AUMA) and SB 94, Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). In addition, our staff has partnered with the League of California Cities, CSAC, and the California Police Chiefs Association to develop policy and regulatory strategies to manage the Cannabis Industry in California. We have the resources and expertise to assist cities and counties with the design and implementation of all aspects of their regulatory and taxation policies and programs.

The firm will review the existing city ordinance(s) and provide recommendations to ensure compliance with all state and local laws to confirm the ordinance(s) conform to best practices for regulating cannabis businesses in the City. HdL will provide recommendations and changes to city ordinance(s), policy and procedures.

HdL has the experience to assist the City with drafting amendments into regulatory ordinances. In the past two years, the firm has developed or assisted in the development of over 40 ordinances for its clients. In addition, HdL has assisted 15 cities with marijuana-related regulation and taxation ordinances that were placed before voters on the November 2016, March 2017 and June 2017 ballots which all successfully passed.

2. Development of an Application and Discretionary Review Process

A. Application Process

HdL will establish a multi-phased (tiered) merit based application process for prospective businesses (including medical and recreational retail, distribution, cultivation, processing, manufacturing, and testing).

HdL staff will work collaboratively with the CAC, City Council, City staff, the public, stakeholders and policy makers in developing the Marijuana business application and recommend fees for each phase of the process to ensure cost recovery of staff resources. HdL will develop the processes to incorporate the merit based, multi-phase application and permitting processes for prospective businesses.

**Application Development and Submittal Requirements**

In the past two years, HdL has developed a proprietary application process and has conducted reviews of over 1,000 applications.

Phase 1 will require each member of the applicant's team to complete the application materials, which will include a Live Scan form or alternative background requirements, Release and Authorization form and Disclosure and Acknowledgement form.

Prior to Phase II, HdL staff experienced with developing "best practices" for Marijuana facility applications will collaborate with City staff to certify all information desired by the City is incorporated in the Marijuana business application. HdL will review the City's ordinance requirements, the California Attorney General's Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use (2008), and new regulatory requirements established by MCRSA, AUMA and MAUCRSA. Furthermore, HdL will develop evaluation criteria to be used by City staff for the review process in accordance with the City's proposed regulatory ordinance. In addition to the documents and minimum standard requirements for the filing of the application, the Request for Permit Application (RFPA) will consider these seven (7) key components of the application.

The criteria we recommend for the City staff to use in the decision process will include the following but not be limited to these categories:

- > Location of the proposed facility
- > Articles of Incorporation
- > Live scan submissions
- > Proof of capitalization
- > Proof of insurance
- > Business plan (includes building & construction, security plan and fire plan)
- > Industry experience

**Application Review and Initial Ranking**

HdL will review all applications to identify incomplete submissions for immediate disqualification, omissions of live scan submissions or other background requirements of all business partners, and applications which do not conform to zoning requirements for their perspective permit specifically authorized by the RFPA. The best submissions will be forward thinking and deploy solutions that identify "green" practices, while employing "sustainable" energy and waste solutions, and implement the "best practices" available in the cannabis industry. Consideration will be given to applications designed to reduce and address concerns the City may have regarding nuisance behavior, environmental issues, or product safety.



The specific criteria which will be used in evaluating and rating the applications shall include the following:

- Overall quality of the proposal including responsiveness and conformance to RFP requirements for content and format;
- Quality and appropriateness of proposed applicant team, professional experience and background of primary applicants and key sub lessees;
- Key personnel, project location, and other management staff with required experience and skills relevant to this project;
- Primary applicants experience and ability to manage operations of proposed facility, scheduling of work, cost estimating and budget management;
- Primary makeup of applicant's corporate board, and prior experience working with local government agencies;
- Patient tracking, product inventory management and recordkeeping;
- Quality and appropriateness of proposed site, business model, organization, and knowledge and experience working with specific legal codes and regulations;
- Transportation plan describing the procedures for safety and securely transporting cannabis products and currency;
- Applicants use and implementation of solutions designed to reduce and address any actual or potential concerns of the City and its residents, and
- Any other additional information which the City would like to incorporate into the selection process which they deemed necessary.

**Preliminary Results and Recommendations:**

All applications will be individually scored by HdL staff and the scores will be consolidated into a single results spreadsheet to allow for easy evaluation of results. HdL recommends that all applicants that at least pass Phase II with a score of at least 80% move onto Phase III of the application process.

All the applicants from each category will be reviewed and rated based on ten (10) point categories. An applicant's score for points will be based on their ability to meet or exceed minimum requirements in the ten (10) categories. Applicants must provide information on how they plan to meet these point categories. Such action will become a mandatory condition of their permit. Failure to meet or comply with this requirement will subject applicants to penalties and/or revocation proceedings.

These categories include the following:

1. Final Proposed Location
2. Business Plan
3. Community Benefits
4. Enhanced Product Safety
5. Environmental Benefits
6. Labor and Employment Practices
7. Local Enterprise
8. Neighborhood Compatibility Plan
9. Qualifications of Principals
10. Safety and Security Plan

**Facility Inspection and Interview Panel Support**

HdL will conduct site verification prior to Phase III. In addition, HdL staff will prepare panel interview questions to be used by City staff for the final ranking of candidates.

All those applicants which meet the 80% criteria will advance to a panel interview by the Selection Committee. Prior to scheduling the panel interviews all proposed site locations will be inspected to determine if applicants have been operating prior to being issued a permit. Any applicants identified as having been in operation without a permit will be disqualified. If it is determined that an operation was pre-existing but failed to pay past taxes, such non-disclosure of this information will cause the application to be disqualified from consideration. In addition, any misrepresentation, failure to disclose, or withholding of information pertinent to this application process including but not limited to prior operations, board and management composition, pre-constructed sites, gross receipts, length of time operating, etc. may result in immediate disqualification.

Once the site inspection has been completed the applicants will be scheduled for a panel interview. The interview panel may consist of subject matter experts from the following areas: City Managers representative, Community Development, Finance, and Fire or Police. Please note it is HdL's recommendation that the City Attorney's Office not participate on this panel to remain neutral in case of an appeal or potential litigation which they must defend. However, it will be the City's sole discretion on how to address this issue.

**Final Selection and Presentation to Council**

- Following the objective ranking of the application materials and the interview panels scoring, City staff will bring forward for the City Council's consideration recommendations for issuing permits for the appropriate number of applicants which comply with Measure 0 or any amendments requested from the City for each permit type authorized or make a policy determination to have this done administratively.
- HdL will be available to assist City staff with responses to questions or to provide other assistance at City Council meetings.

**B. Discretionary Review Process**

HdL has worked with numerous clients in developing discretionary review and entitlement processes which are best suited for each community such as Conditional Use Permits, Development Agreements and Special Regulatory Permits.

The firm will work with the CAC, City Council, City staff, the public, stakeholders and policy makers to determine the best entitlement strategy to ensure land use, public safety and welfare concerns of the public agency. The Consultant will review Measure 0 or any newly drafted ordinance to ensure that the City is in compliance with the executing of the requirements of it local laws.

3. Recommending and Developing a Cost-Recovery Policy

To develop a cost recovery fee, HdL will analyze the costs of staff time, overhead, fringe benefits, consultants and other services associated with the regulatory process. HdL staff has developed medicinal and adult-use marijuana regulatory fees for agencies by doing a "in gap" analysis of staff responsibilities and time allotted to this program to establish appropriate fees for the City's level of oversight and enforcement of the regulatory process.

4. Recommending and Developing an Ongoing Revenue and Taxation Strategy that is Compliance with Applicable State Regulations

HdL's staff has extensive experience developing tax policies that comply with Proposition 218. In the past two years, the firm has developed or reviewed over 40 ordinances for its clients. In addition, HdL has assisted 20 cities with marijuana-related regulation and taxation ordinances that were placed before voters on the November 2016, March 2017 and June 2017 ballots which all successfully passed. The firm is currently in the process of working with several other agencies to develop tax policies and ballot measures for March 2018, June 2018 and November 2018. Each of these is designed to provide the greatest flexibility in economic benefits to the City and strategically designed to address changes to the economy. These tax strategies were also created to comply with Proposition 218 and Proposition 26 to ensure smooth implementation for local agencies.

5. Work in Conjunction with the CAG to Develop a Plan to Address Local Regulation of Marijuana

A. HdL is recognized throughout the state as the leader in providing public outreach, study sessions and stakeholder meetings for policy makers as well as internal and external stakeholders related to cannabis policy and taxation regulatory issues. The firm will attend, participate and advise during meetings with the CAC and provide meeting summaries for inclusions into a report to the Mayor and City Council.

Our staff understands the importance of community outreach to ensure a successful Cannabis Management Program is implemented in the City. HdL's Cannabis Policy Advisor has over 16 years of experience in public policy, community engagement and advocacy from both the public and private sector. Our Cannabis Compliance Director has 8 years of experience developing one of the first cannabis regulatory programs in the country for a local municipality. Our Cannabis Compliance Manager has over five years of experience developing state regulatory programs and was one of the original regulators to develop marijuana policies for the state of Colorado. Our Cannabis Senior Auditor has served three years as a Marijuana Compliance Manager for the Department of Public Behavior and Health (DPBH) for the State of Nevada. HdL also employs a Cannabis Outreach Coordinator who has training and expertise in developing community-based outreach programs.

In the last two years, HdL has conducted over 125 workshops for professional organizations and local governments. Our public involvement process brings together all segments and geographies of the community including: elected officials, public agency staff, law enforcement, industry stakeholders, community groups and marijuana users. Our team will conduct the necessary outreach programs specific to San Bernardino including public outreach, study sessions with decision makers, stakeholder meetings and public hearings and provide expertise on city code amendments, a merit-based application process, cost recovery fees, and tax policy in compliance with Proposition 218 and Proposition 26.

B. Provide Options to the CAC for Items Not Covered by Measure O

HdL staff will work strategically with CAC and the City staff to address recreational use, personal cultivation, smoking in public areas and tax issues. HdL also has experience providing training for safety issues and has trained over 400 police chiefs and command staff in California to deal with recreational use and personal cultivation. Furthermore, HdL has worked with several clients to develop personal cultivation ordinances and best practices to preserve public safety and welfare of local communities. HdL has developed or assisted in the development of approximately 40 ballot measures.

C. Provide Options to the CAC Should Measure O Be Invalidated by the Courts

As a result of HdL's experience with implementing 40 city ordinances, evaluating over 1,000 applicants for permits and working with over 100 attorneys, both for local agencies and the cannabis industry to address sensitive issues and policy decisions, the firm has the expertise to address options for the City should Measure O be found invalid by the court. Through the stakeholder process, HdL has been able to develop best practice regulatory and land use ordinances. Therefore, should Measure O be invalidated by the courts, HdL will use its subject matter expertise to assist the City with options and recommendations for implementation of marijuana regulations.

**What differentiates HdL from other respondents?**

1. HdL is the only consultant that has prior cannabis regulatory experience and taxation policy expertise in the implementation and development at the state, county and local level.
2. HdL has previous law enforcement experience and has the ability to do background checks to evaluate the quality of the applicants.
3. HdL is the only company that has developed proprietary software to review confidential financial information for most cannabis businesses in California.
4. HdL staff have special training and expertise in horticulture, dispensary management, land use issues and regulatory compliance laws and regulations.

**E. Fees**

As requested, the fee schedule is in a separate, sealed envelope.

**F. References**

HdL has partnered with over 85 agencies on cannabis-related projects. Our scope of work includes all the requirements set forth in the Request for Proposals and have included ordinance review and preparation, merit-based application and discretionary review process, cost recovery, fiscal analysis and compliance reviews. HdL has not been disqualified in any past contracts.

**Tom Weil** - City Manager  
City of California City  
Phone: 760.373.7170  
Email: citymgr@californiacity-ca.gov  
Project Start Date: 9/27/16

**Project Completion Date: 4/25/17**  
**Services Provided:** Kick-off meeting, provide expertise for updating ordinance, participate in City Council meetings, provide consultation as needed, develop application process, develop cost recovery fees, provide application review and rankings, provide facility inspections and panel interview support, final selection and presentation to Council and prepare a cost recovery and fiscal analysis.

**Jesse Mays** - Assistant to the City Manager  
City of Culver City

Phone: 310.253.5831  
Email: jesse.mays@culvercity.org  
Project Start Date: 5/9/17

**Project Completion Date: 12/1/17**  
**Services Provided:** Kick off meeting and ongoing coordination with marijuana task force and city attorney, review existing ordinances for medical and non-medical marijuana currently in place in city, attend, participate and advise during requested meetings, preparation of commercial marijuana program, development of personal cultivation procedures, drafting of compliance code updates for Prop 64 compliance, drafting of code updates for marijuana deliveries, policies/procedures to manage cash payments.

**Mic Steinmann** – Community Development Director  
City of Greenfield

Phone: 831.674.5591  
Email: msteinmann@ci.greenfield.ca.us  
Project Start Date: 7/12/16

**Project Completion Date: 3/1/17**  
**Services Provided:** Subject matter expertise and technical support, program oversight and management, application development and support, facility inspection and interview panel support, final selection and presentation to council, cost recovery and fiscal analysis.

**Darlene Mata** – Community Development Director  
City of Hanford

Phone: 209.585.2540  
Email: dmata@cityofhanfordca.com  
Project Start Date: 7/6/17

**Project Completion Date: Present**  
**Services Provided:** Subject matter expertise and technical support, program oversight and management, application development and support, facility inspection and interview panel support, final selection and presentation to council, cost recovery and fiscal analysis.

**Chris Callihan - City Attorney**

City of Salinas  
Phone: 831.758.7201  
Email: [chris.callihan@ci.salinas.ca.us](mailto:chris.callihan@ci.salinas.ca.us)  
Project Start Date: 2/1/16  
Project Completion Date: 1/30/17

Services Provided: Kick-off meeting, participate in City Council meetings, provide consultation as needed, develop application process, provide application review and rankings, provide facility inspections and panel interview support, prepare cost recovery fees and fiscal analysis.

**Mark Evantoff – Deputy City Manager**

City of Union City  
Phone: 510.675.5345  
Email: [mark@unioncity.org](mailto:mark@unioncity.org)  
Project Start Date: 6/27/17  
Project Completion Date: 12/31/17

Services Provided: Draft City regulatory code amendments, technical support for subject matter expertise, develop best practices pertaining to medical cannabis implementation for cultivation, manufacturing and dispensaries, provide community outreach, and provide organizational aspects of medical cannabis management and supervision.

**G. Implementation Schedule**

Nov 1-3	City Council Contract Approval.
Nov 6-10	Kick-off meeting with City staff and review of existing city regulations and ordinances.
Nov 13-17	Citizen Advisory Committee Meeting #1 (attend/participate/advise). Discuss regulatory issues and other policy issues to be implemented.
Nov 15-17	Draft regulatory ordinance and/or incorporate Measure O with additional requirements or amendments.
Nov 20-22	Citizen Advisory Committee Meeting #2 (attend/participate/advise). Discuss drafted regulatory ordinance and key policy issues for initial application process.
Nov 23-26	Draft a discretionary review application process.
Nov 27-Dec 1	Citizen Advisory Committee Meeting #3 (attend/participate/advise) Discuss drafted discretionary review application process.
Dec 4-5	Develop initial/on-going cost recovery fee for application process and fiscal analysis for on-going revenues and taxation strategies.
Dec 6-8	Citizen Advisory Committee Meeting #4 (attend/participate/advise). Discuss cost recovery fees/fiscal analysis for revenues and taxation strategies.
Dec 11-15	Citizen Advisory Committee Meeting #5 (attend/participate/advise). Discuss other policy implementation items not covered in Measure O and prepare ordinances and/or implementation of those policy issues.
Dec 18-20	Contingency alternative dates for Citizen Advisory Meeting (if applicable) and draft tax policy with compliance with Proposition 218.
Dec 21-29	Follow-up discussion with City Staff and assist in preparing final report to City Council.
Jan 3	City Council Meeting #1 Present Staff Report and First Reading of the Regulatory and Zoning Ordinances (attend/participate/advise) (if applicable).
Jan 17	City Council #2 Meeting Second Reading of the Regulatory and Zoning Ordinances (attend/participate/advise) (if applicable).

**H. Certificate of Insurance**

If selected, HdL will provide the necessary insurance certificates meeting the requirements set forth in the Request for Proposals.

**I. Business Tax Certificate**

If HdL is awarded the contract, we will obtain a business tax certificate and maintain an active certificate throughout the contracted period.

**REQUIRED FORMS**

- A. Proposal Checklist
- B. Bid Contents and Forms
- C. Non-Collusion Declaration

**RFP F-17-32A  
 DEVELOPMENT OF LOCAL MARIJUANA POLICIES AND  
 REGULATIONS**

**Bid Documents to Be Returned**

- Title Page
- Cover Letter / Letter of Introduction
- Project Approach
- Project Staffing
- Vendor Qualifications and Project Experience
- Statement of Qualifications & References (City Form)
- Statement of Past Contract Disqualifications (City Form)
- Original Proposal (Vendor Form)
- Two (2) copies of Proposal (Vendor Form)
- Original Firm & Fixed Fee Summary Proposal Price Form/Fee Schedule in a separate SEALED envelope (Vendor Form)
- Authorized Binding Signature(s)
- Proof of Insurance
- Addendum Received (City Form) (IV Forms)
- Non-Collusion Declaration (City Form) (IV Forms)
- Listing of Proposed Subcontractor (City Form) (IV Forms)
- 120 Day Minimum Proposal Validity Statement (City Form) (IV Forms)  
General Specifications #4 III Additional Requirements, VI General
- Workers' Compensation Insurance Certificate (City Form)
- Copy of Contractor License or other appropriate Licenses where applicable (VI)  
General Specifications #5 Not Applicable

Proposer(s) are requested to submit this checklist completed with all bid documents.  
 This list may not be inclusive of all documents needed to submit your RFP.

Bid Contents and Forms

Are there any other additional or incidental costs that will be required by your firm in order to meet the requirements of the Proposal Specifications? Yes / **NO** (circle one). If you answered "Yes," please provide detail of said additional costs:

Please indicate any elements of the Proposal Specifications that cannot be met by your firm.  
HdL can meet all requirements set forth in the RFP.

Have you included in your proposal all informational items and forms as requested? **Yes** / No (circle one). If you answered "No," please explain:

This offer shall remain firm for 120 days from RFP close date.

Terms and conditions as set forth in this RFP apply to this proposal. HdL agrees to the terms and conditions.

Cash discount allowable 0% days; unless otherwise stated, payment terms are: Net thirty (30) days.

In signing this proposal, proposer(s) warrants that all certifications and documents requested herein are attached and properly completed and signed.

From time to time, the City may issue one or more addenda to this RFP. Below, please indicate all Addenda to this RFP received by your firm, and the date said Addenda was/were received.

Verification of Addenda Received

Addenda No: 1 Received on: October 23, 2017  
Addenda No: Received on:  
Addenda No: Received on:

FIRM NAME: Hinderliter de Llamas & Associates  
ADDRESS: 1340 Valley Vista Dr., Suite 200, Diamond Bar, CA 91765

Phone: 909.861.4335

Email: anickerson@hdlcompanies.com

Fax: 909.861.7726

Authorized Signature:

Print Name: Andrew Nickerson

Title: President

IF SUBMITTING A "NO PROPOSAL," PLEASE STATE REASON (S) BELOW:

**NON-COLLUSION DECLARATION**

TO: MAYOR AND COMMON COUNCIL, CITY OF SAN BERNARDINO

In accordance with Title 23, United States Code, Section 112, the undersigned hereby states, under penalty of perjury:

That he/she has not, neither directly nor indirectly, entered into any agreement, participated in any collusion, or otherwise taken action in restraint of free competitive proposal in connection with RFP F-17-32.

Business Name HdL Companies

Business Address 1340 Valley Vista Drive, Suite 200  
Diamond Bar, CA 91765

Signature of Contractor(s) 