# A Quick View of the TORREY HOLISTICS v. CITY OF SAN DIEGO, Case No. 24CU029405C From the Verified Petition for Writ of Mandate (ROA-2 - Filed by Sheppard Mullin)

### With comments in italics

By Darryl Cotton 11/04/2025

**Pg's. 1:22-2:2,** "...requests that the Court issue a writ of mandate directing the Respondents to comply with its mandatory duties under the SDMC and all applicable land use plans, including, but not limited to LCP. Additionally, because of the highly arbitrary and capricious nature of the Respondents' actions serving no legitimate government interest in flagrant violation of the law, Torrey Holistics seeks injunctive relief expressly authorized by law as alleged herein."

**Pg. 2:25-28**, "Defendant and Respondent David Seyranian is an individual and is a "Financially Interested Person" on the application to amend and extend the MedMen CUP at issue in this case, as identified in the application's Ownership Disclosure Statement. Together, with **Sorrento Valley Investment Group, Mr. Seyranian shall be referred to herein as ("SVIG")"** 

**Pg. 6:15-22**, "SDMC section 141.0504 places a five (5) year time limit on Cannabis Outlet CUPs, but states these CUPs can be amended for another five-year term. SDMC section 126.0114(d), which outlines the process for amending CUPs to extend expiration dates, states an amendment to an existing development permit will not affect the original expiration date of the permit unless a change is specifically requested. In such cases, the application must be deemed complete prior to the development permit expiration date and the development permit will automatically be extended until a decision on the amendment request is final, and all available administrative appeals of the project decision have been exhausted."

**Pg's. 6:23-7:6,** "As part of the aforementioned amendment process, the City found allowing CUPs to remain in effect while their amendments are being processed is reasonable. However, SDMC section 126.0114 did not provide for a time limit on this extension and allowed applicants to take as long as they like to process. In the context of a five-year time limit, this can lead to applicants taking an extended amount of time to process their amendments, effectively extending their CUPs for up to a year or more in some cases. City research indicated that amendments cost sixty-three percent (63%) as much as the original permit, but they take 108 days (3.6 months) longer to process. The average cost paid by a successful applicant for a new Cannabis CUP in the City is approximately \$22,371, with an average processing time of 447 days (14.7 months). As of the date the City was considering amending its cannabis regulations, approximately eleven (11) CUP amendments have been processed to a decision, with an average cost of \$14,165 and an average processing time of 555 days (18.2 months). In short, amendments cost less, but take more time.

**Pg 7:7-12,** "Staff admitted it had significant equity and due process concerns with these extended amendment periods and **how they can function as "holding" a spot.** Specifically, staff has found that applicants have used this code process to continue extending their CUP application while not actually seeing the amendment application through to decision. Because there is a cap on the number of

cannabis CUPs, this prevents other applicants from applying for a CUP because there are no permits available."

In other words, staff was aware that the process was being gamed. If nothing else, this warranted deeper vetting on those applicants' applications to determine if they were, otherwise, actually in compliance. City Attorneys aware of this had a "Duty of Diligence" as Attorneys and a ministerial duty as city officials, to act on this knowledge. (Penalties for false statements also apply to lies by omission, which violate the Duty of Candor. (MWS)

**Pg. 7:13-19,** "Therefore, staff proposed changes to address the issue. Specifically, *[as they should have]* SDMC section 141.0504(n)(4)1 outlines the cannabis CUP amendment process, and **states that an application to extend the expiration date of a CUP must be submitted and deemed complete <b>prior to the CUP expiration date**, and the existing CUP is automatically extended until a decision on the amendment request is final, and all available administrative appeals of the project decision have been exhausted. SDMC section 141.0504(n)(4) was to be amended to prohibit the indefinite extensions of cannabis CUPs as to allow other eligible applicants to be able to process their permits."

**Pg's. 7:20-8:11,** "On or about December 14, 2022, the City Council adopted Ordinance O-21591, which amended SDMC section 141.0504 related to "Cannabis Outlets." Under the amendment, existing Cannabis Outlets that changed districts as a result of City Council redistricting are allowed to remain in certain circumstances, which may result in more than four (4) existing in a district. The SDMC contains the following note after Section 141.0504: "Amendments as adopted by O21591 N.S. will not apply within the Coastal Overlay Zone until the California Coastal Commission certifies it as a Local Coastal Program Amendment."

36. On or about February 9, 2023, the California Coastal Commission ("CCC") approved an amendment to the City's LCP, which would incorporate the aforementioned cannabis-related SDMC amendments.

37. In its action, the CC certified the request to amend the City's certified LCP implementation plan. Specifically, the amendment included code amendments related to redistricting and conditional use permit extensions for Cannabis Outlets. It was the CCC's understanding and intent to certify the proposed ordinance that "would allow permitted cannabis outlets to continue operating if their location is redistricted into a new City Council district that is at or over the cannabis outlet limit."

## C. MedMen CUP Amendment

**Pg's. 8:16-10:5,** "On or about June 18, 2018, the City of San Diego City Council ("City Council") considered and approved the MedMen CUP with SVIG listed as the property owner and Sun Felt, LLC listed as the permittee.

40. On or about June 6, 2023, Sure Felt, LLC filed an amendment application prior to the expiration of the MedMen CUP (June 18, 2023). The City deemed the Sure Felt, LLC application deemed complete the same day, automatically extending the lifespan of the MedMen CUP for the processing period of that application.

This is a point well worth drilling down on. When the CUP was unlawfully transferred to SVIG, who was vetted in that process? An LLC must state the responsible parties, and an LLC is not a responsible party. Considering Austin's involvement, the applicant disclosure regulations must be determined if that vetting was done. Full disclosure, as Austin argues in another case, is required under CA BPC § 26001 (See Quick View at Pg. 2)

01/17/2025, Whitney Hodges Declaration, David Seyranian is listed as the **SVIG Owner and Applicant and Other Financially Interested Persons** on the 04/16/2024, City Ownership Disclosure Statement (EX B, Report to the Planning Commission, Attachment 5 (Pg. 29))

In the PROJECT APPEAL DISCUSSION (EX B, Report to the Planning Commission (Pg. 3)) Appeal Issue No. 1, claims Factual Error re Sure Felt LLC WAS the valid applicant for the CUP Amendment. In their response, where the City shows inconsistencies is that they are stating that the Amended CUP allowed the property owner was allowed to "rescind the prior applicant, Sure Felt, LLC as an authorized agent of the owner." This is NOT the normal DSD policy to allow an owner to rescind the licensee as that licensee had to have qualified, through background checks and in the case of David Seyranian in the amended CUP there is no evidence he cleared background checks or paid the SVIG tax delinquency. (See ¶ 57)

Appeal Issue No. 2, claims New Information which the City, in their response states, "The property owner has the right to change the applicant of an application." This is absurd. If that's the case, property owners would move against successful licensee/tenants by amending the CUP, rescinding the relationship and inserting themselves in as Owner/Applicant. Furthermore, this is a total contradiction in how DSD treated the Cotton CUP in which Cotton, me, the property owner, was told by DSD (Tirandazi) that the CUP could only be withdrawn if both I and Berry, the applicant/licensee strawman for Geraci, agreed to it. The CUP being processed on MY PROPERTY could not be withdrawn by me when I decided to "rescind the applicant." Notably this is what occurred;

March 21, 2017, I inform DSD Tirandazi that the Geraci/Berry CUP application should be denied because the "applicants have no legal access to my property. (See <u>EX-075</u>)

August 8, 2017, Geraci's agent, Abhay Schweitzer states there have been no change of ownership since the application was submitted. That means, from Geraci, I am still the owner of the property. In her August 9, 2017, reply, Tirandazi states that a request to withdraw the current application must come from "BOTH THE PROPERTY OWNER AND THE FINANCIAL RESPONSIBLE PARTY ASSOCIATED WITH THE CURRENT CUP APPLICATION [emphasis added]." (See EX-107)

September 29, 2017, DSD Tirandazi's email to Glavnick with cc's to Cotton attorney David Demian, Schweitzer, Berry and Fitzgerald (DSD), in which Tirandazi changes her position and does allow a second CUP to be processed on my property (with strawman Berry being the first and acknowledged in this email. Geraci is nowhere to be found), which sets up a "race to the finish." This most certainly was not DSD's position was on the SVIG appeal. There DSD allows SVIG to "rescind the applicant." This is unequal protection under the law and a violation of my 14<sup>th</sup> amendment rights. (See <u>EX-114</u>)

- 41. Upon information and belief, Torrey Holistics alleges that in or around September 2023, the City alerted Sure Felt, LLC that a City audit found discrepancies in monies due the City under the MedMen CUP-related operating licenses. The City stated that because amounts were owed, the City could deny the MedMen CUP amendment application. The City stopped processing the MedMen CUP amendment application until a promissory note was negotiated. It then took the City (4) four months to draft, negotiate, and finalize said promissory notes with Sure Felt, LLC.
- 42. Upon information and belief, Torrey Holistics alleges that on or about April 10, 2024 Cannabis Business Division ("CBD") Director Lara Gates alerted Sure Felt, LLC that it was behind on promissory note payments, and the City would again stop processing the MedMen CUP amendment application. In addition, Ms. Gates threatened that the City was referring the matter to the District Attorney's office and seeking criminal prosecution.

This is ironic when the City will file a complaint against a delinquent licensee, (See CITY OF SAN DIEGO v. XTRACTA DISTRIBUTION ET AL, Case No. 37-2022-00020499-CU-CL-CTL (ROA-1)) Austin Legal Group-Gina Austin ("ALG") replies that the Plaintiff has "unclean hands...comparative fault" and that the Complaint be dismissed with prejudice. (ROA-13). Faced with that Reply the City does dismiss the complaint with prejudice. (ROA-44)

- 43. On or about April 16, 2024, the City sent Sure Felt, LLC and Notice of Possible Revocation of the Cannabis Operating Permit and Non-Renewal of CUP #1865509 for Conditional Use Permit Violations ("Revocation Notice") due to non-payment of taxes, among other things.
- 44. On or about April 17, 2024, SVIG notified the City of changes to the previously deemed-complete Sure Felt, LLC amendment application. These changes removed Sure Felt, LLC as the applicant of the MedMen CUP amendment and rescinded its authorized agent status.
- 45. Upon information and belief, Torrey Holistics alleges that on or about April 25, 2024, Sure Felt, LLC was granted a Receivership Order and Preliminary Injunction that included the property located at 10715 Sorrento Valley Road. The City was promptly made aware of the stay on all actions concerning said property.
- 46. The City then reviewed the amended application and, on or about May 2, 2024, DSD approved the amended MedMen CUP amendment application in favor of SVIG. This approval occurred using the same City project number as Sure Felt, LLC's application despite the material changes to the application.
- 47. On or about May 15, 2024, Sure Felt, LLC filed an appeal of DSD's approval.
- 48. Upon information and belief, Torrey Holistics alleges that on or about May 20, 2024, the City informed Sure Felt, LLC that it had not transferred the MedMen CUP to SVIG, but that it had accepted and approved a new application and site plan for the MedMen CUP storefront (using the Sure Felt, LLC project application number despite the rescission of its authorized agent status).
- 49. On or about May 21, 2024, the Torrey Pines Community Planning Board rescinded its March 12, 2024 approval of the MedMen CUP amendment application.

50. On or about September 19, 2024, the Planning Commission held a publicly noticed hearing to consider the appeal and public testimony in opposition of the MedMen CUP amendment application. The Planning Commission denied Sure Felt, LLC's appeal and affirmed DSD's approval of the MedMen CUP amendment application despite the identification of numerous violations of application regulations."

There have been numerous Planning Commission appeals in which the Planning Commissioners acknowledged DSD processing anomalies which they described as "gaming the system." These can be found in the 2014-2021 Deep Dive of all the cannabis CUP appeals.

Pg's 10:16-13:16, "The City's authority to approve an extension or amendment to a Cannabis Outlet CUP is subject to the requirements set forth in the City's regulations and published policies, including the SDMC and the City's LCP. The City is responsible for administering regulations and published policies and California law, and is obligated to perform the duties of: (1) awarding entitlements for applications in compliance with the City's regulations and published policies; and (2) not awarding entitlements for applications that do not meet the requirements prescribed in the City's regulations and published policies.

- 55. The City's approval of the MedMen CUP amendment application is in violation of the City's regulations and published policies, and California law is illegal, arbitrary, capricious, lacking in evidentiary support, and inconsistent with the rules of interpretation for at least five (5) reasons.
- 56. First, the application to amend the MedMen CUP expired as of April 17, 2024, when SVIG made material changes to the application that was deemed complete as of June 6, 2023. Because these material changes that required a new determination of completeness were made after the original MedMen CUP was set, the application was no longer subject to the automatic extension provided by SDMC. Therefore, without an application deemed complete prior to June 18, 2023, there was no longer a valid MedMen CUP to extend.
- 57. Second, as identified in the Staff Report dated September 12, 2024, and prepared in relation to Sure Felt, LLC's appeal, Sure Felt, LLC and SVIG [both] failed to pay approximately \$96,588.54 related to a promissory note, taxes and penalties, exclusive of any interest that is accruing. (This being the case, neither Sure Felt's application to amend, nor SVIG's application seeking to assume the MEDMEN application could lawfully proceed. (MWS)) See also COTTON v. CITY OF SAN DIEGO at https://151farmers.org/wp-content/uploads/2018/04/Cottons-PWOM-7134C-FULL.pdf
- 58. Pursuant to MedMen CUP, which was issued to both Sure Felt, LLC and SVIG, the entitlement is a covenant running with the land and binding on both Sure Felt, LLC and SVIG. (See Condition of Appeal ["COA"] No. 6.) Under the CUP, Sure Felt LLC and SVIG are subject to the regulations of the City and prohibited from violating federal, state or City "laws, ordinances, regulations, or policies." (See COA Nos. 7, 8.)
- 59. SDMC Chapter 3, Article 4, Division 1 ("Cannabis Business Tax Ordinance") outlines the requirements for taxation on the retail and wholesale sales of cannabis and cannabis products in the City of San Diego. These taxes must be paid in addition to the general sales tax. Failure to remit these

taxes in a timely manner can lead to penalties issued by the City Treasurer's office and can also lead to administrative action on an annual "Operating Permit" or CUP, up to and including revocation, per SDMC section 121.0313 (if taxes are not paid, the necessary permits for operation may be revoked).

- 60. As discussed above, because neither Sure Felt, LLC nor SVIG complied with the Cannabis Business Tax Ordinance, the City issued the Revocation Notice, which stated the outstanding amounts were to be paid no later than May 5, 2024. There is no evidence these amounts have or will be paid to the City.
- 61. Despite this, the City took the position that, because the applicant of the renewal application switched from Sure Felt, LLC to SVIG, the switch in the named applicant somehow relieved the holders of the MedMen CUP from the obligations set forth in the Revocation Notice. However, this is fallacy as both Sure Felt, LLC and SVIG were required to comply with the Cannabis Business Tax Ordinance under the conditions of the CUP. Removing Sure Felt, LLC from the application does not somehow remediate that fact that a CUP holder presently seeking an amendment is net in default of paying close to \$100,000 in monies owed to the City.
- 62. Assuming en arguendo that the change in the named applicant resolved the issue on unpaid taxes and money owed, which it does not, approving the amendment to extend the life of the original MedMen CUP would set a dangerous precedent that could destabilize and jeopardize the cannabis industry within the City. Specifically, it would allow an end run around financial obligations intentionally embedded in the entitlements granted to cannabis operators and identified in the SDMC. Eventually, such loophole could be weaponized by operators in other industries and bilk the City out of hundreds of thousands, if not millions of dollars in taxes. Such precedent would be in violation of the intent of the 2022 amendments to tax requirements as discussed above that were enacted to protect against this very scenario.

## Again see https://151farmers.org/wp-content/uploads/2018/04/Cottons-PWOM-7134C-FULL.pdf

63. Third, given the fact SVIG remains out of compliance with the obligations established within the CUP as of the date of this filing, the June 10, 2024 recall of the Revocation Notice should not have been issued. As such, SVIG is in violation of the MedMen CUP and the SDMC and should be ineligible for the amendment it obtained for the MedMen CUP. Put alternatively, the MedMen CUP should be deemed expired/revoked as of May 5, 2024 (deadline to repay the City under the Revocation).

66. Lastly, as the property subject to the MedMen CUP is within the Coastal Overlay Zone, under the Coastal Act (Pub. Res. Code §§ 30001 et seq.), the CCC is required to certify an authorized exceedance of the Cannabis Outlet cap that is not otherwise permitted by the SDMC and LCP. (This is another prime example of deliberate indifference, in violation of due process and equal protection (MWS)) No such certification was sought or obtained. Therefore, the approval of the MedMen CUP amendment application is in violation of the Coastal Act and the California Environmental Quality Act (Pub. Res. Code §§ 21000 et seq.) ("CEQA"). (See e.g., Union of Medical Marijuana Patients, Inc. (2019) 7 Cal.5th 1171.)"

See COTTON v. CITY OF SAN DIEGO (PWOM re CEQA) at https://151farmers.org/wp-content/uploads/2018/04/Cottons-Writ-of-Mandate-re-CEQA-Final.pdf

**Pg's 13:17-14:2**, Therefore, the City's arbitrary and capricious approval of the application to amend the MedMen CUP lacked evidentiary support.

68. The City also required to provide substantial evidence in the administrative record to support its rules and regulations. (W. States Petroleum Ass'n v. Super. Ct. (1995) 9 Cal.4th 559, 571-574.) "Evidence is substantial if a reasonable trier of fact could conclude that the evidence is reasonable, credible, and of solid value." (Plastic Pipe and Fittings Ass'n v. Cal. Bldg. Standards Comm. (2004) 124 Cal.App.4th 1390, 1407.) The City's interpretation of the City's regulations and published policies is not supported by any evidence, much less substantial evidence.

69. As a past, current and future applicant under the City's regulations and published policies, Torrey Holistics has a clear, present, legal, and beneficial right in seeing that the City is required to follow the City's regulations and published policies and California law, and properly issues cannabis-relate entitlements."

**Pg. 15:5-21**, "An actual controversy has arisen and now exists between Torrey Holistics and respondents regarding whether the SDMC and LCP allows for the City to approve an amendment to an existing Cannabis Outlet CUP: (i) when the applicant is out of compliance with SDMC's tax requirements; (ii) when a material change in the application occurs after the expiration date of the original Cannabis Outlet CUP; (iii) when the application is out of compliance with the COAs in the original Cannabis Outlet CUP; (v) when the original Cannabis Outlet CUP was never subject to redistricting but the extension of the CUP would result in continued exceedance of the Cannabis Outlet cap established by the SDMC and LCP; and (vi) the City acted arbitrarily and capriciously in light of state and local laws related to cannabis operations.

79. Torrey Holistics desire a judicial determination of whether the approval of the MedMen CUP amendment violates state and local laws, including the SDMC and LCP. Specifically, Torrey Holistics seeks a declaratory judgment that the Planning Commission's denial of the appeal and affirmation of the approval of the MedMen CUP amendment violates state and local law, is arbitrary and capricious, and disparately favors SVIG compared to those similarly situated. (Such favor violates the 14<sup>th</sup> Amendment's requirement for "equal protection of the laws" (MWS))

80. Torrey Holistics further seeks a declaratory judgment that, upon satisfaction of all other requisites, the City must revoke the approval for the MedMen CUP amendment and any subsequently issued cannabis operating approvals."

# **Further Review:**

- 1) As it relates to another <u>Sheppard Mullin client CUP interests</u>, i.e. <u>Perkins-2015</u>, why didn't Sheppard Mullin attorney Donna Jones file a Petition for Writ of Mandate in an attempt to correct the CUP processing anomalies which were believed to exist in 2015?
- The communications between various City parties and attorneys Austin and Morgan-Reed re CUP Revocation at Sorrento Valley Rd. and 5125 Convoy Street as found in <a href="PRA-24-3007">PRA-24-3007</a> smacks of the City giving information to a competing interest, who is then given preferential treatment in the CUP amendment, because these happen to be Austin clients. This, among

- other communications (See <u>PRA 24-1005 Pg's 2-4</u>) is the basis for an anticipated Mass Tort-Civil RICO complaint to be filed in a federal court.
- The 03/21/2025 MINUTE ORDER Denies Torrey Holistics Motion for Preliminary Injunction citing "Petitioner lacks a probability of success on the merits in numerous respects."

First, that the petition is "time barred." While there may exist an affirmative defense for dismissal under Rule 12(b)(6), that 90 day, "**no exceptions**" deadline would not apply. The civil SOL is 4 years starting from the date the injury was discovered which would be from the date of this paper.

Second, that the Petitioner failed to join an indispensable party. Which would be GOAT Venture, LLC who is NOT named on the CUP Amendment.

Three, that Relative Interim Harm and that Petitioners failure to "...identify even a single concrete harm to itself...that lawfully used a CUP for approximately seven years...and any operation going forward will constitute "black market" operations that would exposer SVIG, Mr. Seyranian and ANY THIRD-PARTY TENANT [emphasis added] (a third-party tenant who is NOT disclosed on the CUP Amendment. The court got this so wrong and ALG and the City got away with it!) To turn a lawful business into a "black market" operation by preliminary injunction seems to this court to be a significant harm." (See ROA-33)

4) 05/05/2025, Sheppard Mullin's Request for Dismissal w/o Prejudice. (See ROA-34)

#### **Conclusions:**

There is no time like the present to have a powerhouse law firm sub in for my pro per representation in COTTON v. CITY OF SAN DIEGO which exposes the CITY to what has been their special treatment of Gina Austin clients who simply don't pay their Cannabis Business Taxes. The lack of "harm" cited in Judge Smyth in his MINUTE ORDER can be clearly seen in the evidence provided in the COTTON PWOM and warrants judicial attention as it HAS risen to a public policy/protection issue,

03/27/2025, Cotton's PWOM (ROA-4) at <a href="https://151farmers.org/wp-content/uploads/2018/04/Cottons-PWOM-7134C-FULL.pdf">https://151farmers.org/wp-content/uploads/2018/04/Cottons-PWOM-7134C-FULL.pdf</a>

05/08/2025, City's Notice of Demurrer (ROA-13) at <a href="https://151farmers.org/wp-content/uploads/2018/04/25-05-08-CITY-Notice-of-Demurrer-ROA-13.pdf">https://151farmers.org/wp-content/uploads/2018/04/25-05-08-CITY-Notice-of-Demurrer-ROA-13.pdf</a>

05/08/2025, City's MPA iso Demurrer (ROA-14) at <a href="https://151farmers.org/wp-content/uploads/2018/04/25-05-08-CITY-Notice-of-Demurrer-ROA-13.pdf">https://151farmers.org/wp-content/uploads/2018/04/25-05-08-CITY-Notice-of-Demurrer-ROA-13.pdf</a>

05/27/2025, Cotton's Opposition to Noticed Motion (ROA-17) at <a href="https://151farmers.org/wp-content/uploads/2018/04/25-05-27-COTTONs-Opp-to-Noticed-Motion-ROA-17.pdf">https://151farmers.org/wp-content/uploads/2018/04/25-05-27-COTTONs-Opp-to-Noticed-Motion-ROA-17.pdf</a>

05/27/2025, Cotton's Declaration iso Opposition to Noticed Motion (ROA-18) at https://151farmers.org/wp-content/uploads/2018/04/25-05-27-COTTONs-DEC-iso-OPP-to-Noticed-Motion-ROA-18.pdf

07/07/2025, Cotton's RJN iso Opposition to Noticed Motion (ROA-19) at <a href="https://151farmers.org/wp-content/uploads/2018/04/25-07-07-COTTONs-Request-for-Judicial-Notice-ROA-19.pdf">https://151farmers.org/wp-content/uploads/2018/04/25-07-07-COTTONs-Request-for-Judicial-Notice-ROA-19.pdf</a>



The next hearing is scheduled for January 23, 2026. I can represent myself but for the love of God, when will a single lawyer stand up and join me in this fight to expose what this City is engaging in? It's no wonder these people act with impunity. The bad actors make a show of it, but the cannabis cabal in San Diego always controls the destiny of who gets what in this all-cash industry. In fact, the bad actors who bribe those in government for cannabis control now hold sway over those same government officials regardless of the industry.

I will keep coming. The damage to the CUP applicants, the licensees, and the taxpayers will eventually be exposed. The question is when.

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