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Plaintiff Alternative Real Estate Investments, Inc., dba Cannabis Real Estate
Consultants

SUPERIOR COURT OF THE STATE OF CALIFORNIA
KERN COUNTY
CIVIL DIVISION

GRANDMA'S STASH, LLC, a California)
limited liability company,)

Plaintiff,

versus

CITY OF CALIFORNIA CITY, a)
municipality, WILLIAM SMITH, in his)
official capacity as councilmember,)
RONALD SMITH, in his official)
capacity as councilmember, DONALD)
PARRIS, in his official capacity as)
councilmember and Mayor Pro Tem,)
ANNA LINN, in her official capacity as)
interim city manager, RICHARD)
(RICK) JONES, an individual, and)
DOES 1-10,

Defendants.

Case No.: BCV-20-102119

Assigned to: Hon.

COMPLAINT FOR EQUITABLE
ESTOPPEL; VIOLATIONS OF THE
POLITICAL REFORM ACT; CONFLICT
OF INTEREST; FRAUD; 42 U.S.C. §
1983; VIOLATION OF CALIFORNIA
CONSTITUTION, ART. 1, § 2;
INTENTIONAL INTERFERENCE
WITH PROSPECTIVE ECONOMIC
ADVANTAGE; and VIOLATIONS OF
BUSINESS AND PROFESSIONS CODE,
§ 17200 *et seq.*,
SEEKING COMPENSATORY AND
PUNITIVE DAMAGES, AND SEEKING
EQUITABLE RELIEF AGAINST
DEFENDANTS AND EACH OF THEM
COMPLAINT FILED:

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COMPLAINT

FACTUAL BACKGROUND AND PARTIES

Plaintiff GRANDMA'S STASH, LLC, a California limited liability company, is informed, believes, and so alleges as follows:

1. Plaintiff GRANDMA'S STASH, LLC, is a California limited liability company duly registered and in good standing with the State of California ("**Plaintiff**" or "**Stash**").

2. Plaintiff's principal place of business is located at 8205 Dogbane Avenue, California City, California 93505.

3. Councilmen of California City, the Planning Department, the City Manager, Anna Linn ("**Manager**" or "**City Manager**") and other authorized representatives (collectively, "**Agents**") are agents of the City, including but not limited to, Defendants William Smith, Ronald Smith, and mayor pro tem Donald Parris.

4. Defendant California City ("**City**") is a municipality and legal subdivision of the State of California charged with administering and enforcing state and local laws. The City has a clear and present duty to follow California law. (*See Cal. Const.*, Art. III § 3.5.)

5. Defendant Donald Parris is the Mayor Pro Tem and councilman of the City ("**Mayor**"). He swore an oath to uphold and abide by the California Constitution. (*See California Const. Art. XX § 3.*) Mayor Parris also has a clear and present duty to follow California law. (*See California Const. Art. III § 3.5.*) Mayor Parris is sued only in his official capacity.

6. Defendants William Smith and Ronald Smith (and Donald Parris) are both councilmen of the City (collectively, "**Councilmen**"). They swore an oath to uphold and abide by the California Constitution. (*See California Const. Art. XX § 3.*) Both councilmen have a clear and present duty to follow California law. (*See*

1 *California Const. Art. III § 3.5.)* Councilmen William Smith and Ronald Smith are
2 sued only in their official capacities.

3 7. Defendant Anna Linn is the City Manager of California City, California.
4 She is responsible for the implementation and enforcement of policies and
5 programs established by the City Council of California City ("**Council**"), and
6 coordination of those efforts through the City departments.¹ She has a clear and
7 present duty to follow California law. *See California Const. Art. III § 3.5.* City
8 Manager Anna Linn is only sued in her official capacity.

9 8. On February 2019, Plaintiff filed a conditional use permit application
10 (the "**CUP**" or "**Application**") to the City.

11 9. On March 2019, Plaintiff was notified by the City's Associate Planner
12 that its CUP Application would not be processed until it had been awarded a City-
13 level cannabis delivery license ("**License**" or "**City License**").

14 10. On March 2019, Appellant submitted one (1) Marijuana Delivery
15 Permit Application to the City ("**Delivery Application**").

16 11. Plaintiff's Delivery Application satisfied the minimum standards for
17 issuance of a facility license under Chapter 6 of the City's Municipal Code ("**Code**").
18 A full text of Chapter 6 of the Code is attached hereto as **Exhibit "R"**.

19 12. Pursuant to Section 5-6.501(c) of the Code, after initial review "the City
20 Manager will issue permits for all cannabis businesses except for dispensaries."

21 13. On August 23, 2019, Plaintiff received notification from the City
22 Manager of California City that it had "met all the requirements necessary per the
23 City of California City's Cannabis Regulations and Ordinances and currently qualify
24 to hold" a License ("**Notification**"). A true and correct copy of the Notification is
25 attached hereto as **Exhibit "A"**.

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¹ <https://www.californiacity-ca.gov/CC/index.php/departments-1/city-manager>

1 14. Plaintiff accepted the License awarded in connection with the August
2 23, 2019 Notification from the City's authorized agent.

3 15. On August 2019, after Plaintiff obtained its City License, Plaintiff
4 inquired into the filing of its state license application in reliance upon the City
5 approval that was granted on August 23, 2019 (i.e., the Notification), and was
6 resent a copy of its License by City agent, Tiffany Carter, on August 26, 2019.

7 16. In order to obtain the State License (defined below) the Bureau of
8 Cannabis Control ("**BCC**") is required to verify the City License as part of its
9 application process.

10 17. Anna Linn, the City Manager, conferred with the BCC directly and
11 verified with same, that Plaintiff was indeed granted the City License.

12 18. On October 2019, Plaintiff obtained its California State Delivery
13 License (Type 9) ("**State License**"). A true and correct copy of the State License is
14 attached hereto as **Exhibit "J"**.

15 19. Plaintiff has incurred costs and fees in excess of \$65,000 in reliance on
16 the City's issuance of the License/Notification.

17 20. Between August 2019 and April 2020, Plaintiff and its representatives
18 communicated with City representatives no less than twenty (20) times by
19 electronic mail (email) and Short Service Message Services, as well as through
20 multiple phone conversations.

21 21. Between November 2019 and January 2020, the City and its authorized
22 Agents began processing Plaintiff's CUP.

23 22. On January 21, 2020, Council scheduled a Conditional Use Permit, CUP
24 19-01, hearing on behalf of Plaintiff and its delivery-only cannabis License.

25 23. A true and correct copy of the "Notice of Public Hearing" from the City
26 providing notice of Plaintiff's CUP hearing ("**Hearing**") is attached hereto as
27 **Exhibit "B"**, and is incorporated herein by reference.
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1 24. On January 22, 2020, the City's Planning Department accepted
2 payment for a plan check fee for Plaintiff's proposed tenant improvements relating
3 to its approved cannabis delivery permit (Receipt No. 3.017702) ("**Check**"). A true
4 and correct copy of the Check is attached hereto as **Exhibit "C"**, and is incorporated
5 herein by reference.

6 25. Sometime after January 22, 2020, Plaintiff was informed that its
7 proposed tenant improvements had been approved but that the License could not
8 be issued due to ongoing discussions within the City.

9 26. Plaintiff's January 21, 2020 Hearing was delayed and transferred to a
10 Planning Commission meeting for February 4, 2020.

11 27. Plaintiff's CUP was not addressed during the February 4, 2020
12 Planning Commission meeting.

13 28. Thereafter, Plaintiff received no further written communication from
14 the City relating to its CUP or Check until a March 10, 2020 communication by
15 Tiffany Carter of the Building Department asking if Plaintiff had been able to
16 contact the Manager.

17 29. On March 16, 2020, Plaintiff received communication from the
18 Manager that they would be given a chance to present their CUP during a City
19 Council meeting scheduled for March 24, 2020.

20 30. On March 19, 2020, The Governor of California issued a stay-at-home
21 order to protect the health and well-being of all Californians and slow the spread
22 of COVID-19.

23 31. On April 20, 2020, Plaintiff received communication from a City
24 representative that Council would be discussing cannabis delivery licenses during
25 the April 28, 2020 City Council meeting.

26 32. On or before April 28, 2020, Plaintiff submitted a comment to be read
27 and considered during the Council's consideration of NB 3. cannabis delivery
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1 permit discussion (the “**Discussion**”). A true and correct copy of Plaintiff’s
2 submitted comment is attached hereto as **Exhibit “D”**, and is incorporated herein
3 by reference.

4 33. Due to concerns related to COVID-19 and the potential threat to City
5 Councilmembers and interested parties, the April 28, 2020 City Council meeting
6 did not allow for interested parties to appear in person to discuss their opposition
7 and/or support of the City Council’s discussion; foregoing Plaintiff’s opportunity to
8 participate and comment.

9 34. On April 28, 2020, Council voted on and enacted a motion to stop the
10 processing of all cannabis delivery permits.

11 35. Pursuant to the Code, Chapter 5, Article 6, the decision of the Manager
12 or its designee relating to a cannabis permit/license can be appealed by a permittee
13 through a de novo hearing conducted by Council.

14 36. On May 8, 2020, Plaintiff submitted a Notice of its Intent to Appeal the
15 April 28, 2020 City Council Decision on the Discussion. A true and correct copy of
16 Plaintiff’s submitted Intent to Appeal is attached hereto as **Exhibit “E”**, and is
17 incorporated herein by reference.

18 37. On June 3, 2020, Plaintiff received a Notice of Appeal Hearing from the
19 City, stating that an appeal hearing would be conducted on Thursday, June 11,
20 2020.

21 38. On June 9, 2020, Plaintiff received a hearing rescheduling notice
22 indicating that the appeal hearing had been rescheduled for Tuesday, June 23, 2020
23 (“**Appeal Hearing**”).

24 39. On June 23, 2020, Plaintiff appealed the Manager’s revocation and
25 refusal to renew Plaintiff’s License.

26 40. Plaintiff’s Notice of Intent to Appeal, and appeal (“**Appeal**”) were
27 timely filed with the City Clerk in accordance with Chapter 5, Article 6 of the Code.
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1 41. Pursuant to Code §5-6.603(d), Council “may affirm, reverse or modify
2 the decision appealed” under order Chapter 5, Article 6 of the Code.

3 42. At the Appeal Hearing, Council moved to deny the Appeal and affirmed
4 the City’s decision to revoke and refuse renewal of Plaintiff’s License.

5 43. On or about July 13, 2020, Plaintiff has submitted a Notice of Claim with
6 the City. A true and correct copy of the Notice of Claim is attached hereto as **Exhibit**
7 **“P”**.

8 44. Jurisdiction and venue is proper in this court because Defendants are
9 located in Kern County, are civil servants of the City, and the wrongful acts
10 complained of in this Complaint occurred in same.

11
12 **FIRST CLAIM FOR EQUITABLE ESTOPPEL**
13 **AGAINST ALL DEFENDANTS**

14 45. Plaintiff adopts and incorporates by reference Paragraphs 1 – 44.

15 46. All Defendants owe a fiduciary duty and obligation to enforce the laws
16 and regulations that govern the State of California and the City, including but not
17 limited to, the Code.

18 47. California law requires the following elements (“**Elements**”) to be
19 satisfied in order to enforce equitable estoppel:

- 20 a. Party to be estopped must be apprised of the facts;
21 b. Party to be estopped must intend that its conduct shall be acted
22 upon, or must so act that the party asserting the estoppel has a
23 right to believe it was so intended;
24 c. The other party asserting estoppel must be ignorant of the true
25 state of facts; and
26 d. The other party asserting estoppel must rely upon the conduct
27 to its injury; the detrimental reliance must be reasonable.
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1 (*Schafer v. City of Los Angeles*, 237 Cal. App. 4th 1250, 1261; *see also Strong v. County*
2 *of Santa Cruz* [1975] 15 Cal.3d 720, 725; *Waller v. Truck Ins. Exchange, Inc.* [1995]
3 11 Cal.4th 1, 35; *Windsor Pacific LLC v. Samwood Co., Inc.* [2013] 213 Cal.App.4th
4 263, 271–272.)

5 An additional element required for estoppel against a government agency,
6 such as the City and its Agents, is the balance of policy concerns to “determine
7 whether the avoidance of injustice in the particular case justifies any adverse
8 impact on public policy or the public interest.” (*Schafer*, at 1261.) In other words,
9 “even if the four elements of equitable estoppel are satisfied, the doctrine is
10 inapplicable if the court determines that the avoidance of injustice in the particular
11 case does not justify the adverse impact on public policy or the public interest.”
12 (*Id.*)

13 **48. Elements**

14 **a. Party to be Estopped Must be Apprised of the Facts**

15 The City, City Manager, Mayor and Councilmen (collectively, “**City**
16 **Defendants**”) knew the business that Plaintiff was involved in (cannabis delivery)
17 (“**Business**”), not only from the multiple correspondence exchanged with Plaintiff
18 regarding permitting and licensing for cannabis delivery (at the City and State
19 level), but most importantly, from the City’s eventual issuance and granting of the
20 License, confirmed by the Notification. **See Exhibit “A”.**

21 **b. Party to be Estopped Must Intend that its Conduct Shall be**
22 **Acted Upon, or Must so Act that the Party Asserting the**
23 **Estoppel has a Right to Believe it was so Intended**

24 City Defendants intended and/or should have known that its approval of
25 Plaintiff’s Delivery Application and eventual issuance of the License (“**Issuance**”)
26 would induce Plaintiff to rely on such conduct and to expend an exorbitant amount
27 of time and money (“**Expenditures**”), including but not limited to,
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1 permitting/licensing fees, rent/lease, and retainment of various professionals (e.g.,
2 legal counsel, engineer, architect) necessary to effectuate and operate the Business.
3 Simply put, there is no way that City Defendants did not expect nor intend on
4 Plaintiff to move forward and act upon the Issuance by expending resources on
5 building out and operating the Business.

6 **c. The Other Party Asserting Estoppel Must be Ignorant of the**
7 **True State of Facts**

8 Plaintiff, having had complied with, and performed all obligations under the
9 Code and applicable law, had no reason to believe that its application for License
10 renewal would be denied (evidenced by the initial Issuance). Accordingly, Plaintiff
11 is ignorant of the true state of the facts as to why the City Defendants rejected and
12 refused to renew Plaintiff's License; moreover, City Defendants took all measures
13 possible to deny Plaintiff's renewal (without legitimate reasoning/justification) by
14 denying Plaintiff's Appeal, heard at the Appeal Hearing. A true and correct copy of
15 the Appeal is attached hereto as **Exhibit "F"**, and Plaintiff hereby incorporates its
16 allegations therein by reference as part of this Complaint.

17 Due to Plaintiff's confusion as to City Defendants' continuous and
18 unreasonable denial/refusal to renew the License, Plaintiff inquired and
19 investigated ("**Investigation**") as to the specific individuals involved in the matter
20 (i.e., City Defendants, City Agents, etc.). The Investigation uncovered a plethora of
21 suspicious and fraudulent activities by the Mayor, Councilmen, and Defendant
22 Richard Jones ("**Rick**")—a politically well-connected individual in the City. In
23 particular, Plaintiff uncovered a complaint filed with the Fair Political Practices
24 Commission ("**FPC**") and FBI, dated June 24, 2020 ("**FPC Complaint**"). A true and
25 correct copy of the FPC Complaint is attached hereto as **Exhibit "G"** and Plaintiff
26 hereby incorporates its allegations therein by reference as part of this Complaint.
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Furthermore, the Investigation uncovered other complaints (“**Supporting Complaints**”) filed against businesses owned and/or managed by Rick—*Preferred Towing, Fast Response Security*—that further indicates and supports Plaintiff’s belief and allegation that the Mayor, Councilmen and Rick have conspired and schemed to illegally benefit financially for their own self-interests, at the expense of Plaintiff (and other cannabis business operators that have been unjustifiably denied renewal/cannabis licenses). True and correct copies of the Supporting Complaints are attached hereto as **Exhibit “H”**.

Based off of the Investigation, Plaintiff, on information and belief, allege that the true state of facts that were unbeknownst to same are the following:

- Rick is an owner of and operator of certain cannabis operations and interrelated businesses in California city (e.g., Fast Response Security);
- Councilmen William Smith, Ronald Smith and Donald Parris, have conspired and schemed with Rick to create a scheme in which all individuals gain financially at the expense of Plaintiff;
- Specifically, on information and belief, Rick has, and continues to bribe the Councilmen and Mayor with cash payments and business/real estate transactions/purchases that no reasonable person would purchase (i.e., transactions that result in a windfall to the Councilmen and Mayor) (the “**Bribe**”, “**Bribery**”, or “**Scheme**”); and
- As part of the exchange/Bribery, the Mayor and Councilmen, and in turn, the City Defendants, have and continues to (unjustifiably and without reason) refuse to grant and deny Plaintiff’s License renewal (“**Renewal**”) despite Plaintiff’s compliance with the Code and applicable law, as evidenced by the City’s prior Issuance.

1 In light of the above, Plaintiff alleges, on information and belief, that the
2 above allegations are the true state of facts that Plaintiff has been ignorant of as to
3 why Council and the City have been denying Renewal of Plaintiff's License, despite
4 the initial Notification and Issuance being granted.

5 **d. The Other Party Asserting Estoppel Must Rely Upon the**
6 **Conduct to its Injury; Detrimental Reliance Must be**
7 **Reasonable**

8 Considering the fact that the City granted Plaintiff its License, and that
9 Plaintiff complied with all applicable law and regulations, Plaintiff reasonably
10 relied, to its detriment, on the Issuance and invested a substantial amount of time,
11 money and resources in building out and operating its Business (i.e., the
12 Expenditures).

13 To date, these Expenditures are in excess of \$65,000.00. Furthermore, the
14 City never hinted or informed Plaintiff of any problems or issues with the License
15 or Business operations prior to this instant matter. Accordingly, Plaintiff is justified
16 in reasonably relying on the City's conduct of approving the Delivery Application
17 and License issuance to which now, Plaintiff is injured—damages to be
18 supplemented and proven at trial; including but not limited to, the Expenditures in
19 excess of \$65,000, consequential damages (loss of future profit, Business sale, and
20 sale of License [generally sold on the market for \$250,000 - \$350,000]).

21 **e. Additional Element: Avoidance of Injustice Justifies the**
22 **Adverse Impact on Public Policy or Public Interest, if any**

23 As previously stated above: in order to effectuate estoppel against a
24 government agency, such as the City and City Defendants, the court must
25 "determine whether the avoidance of injustice in the particular case justifies any
26 adverse impact on public policy or the public interest." (*Schafer*, at 1261.) In other
27 words, "even if the four elements of equitable estoppel are satisfied, the doctrine is
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1 inapplicable if the court determines that the avoidance of injustice in the particular
2 case does not justify the adverse impact on public policy or the public interest.”
3 (*Id.*)

4 In this instant matter, Plaintiff is requesting this Court to estop Defendants
5 from denying Plaintiff’s License Renewal as required by Section 5-6.501 of the
6 Code:

7 ***After the initial review the City Manager will issue***
8 ***permits for all cannabis businesses except for***
9 ***dispensaries.*** For cannabis dispensary permits, the City
10 Manager will make a recommendation to the City Council,
11 and the City Council shall make a final determination in
12 accordance with Article 7.

13 (Emphasis added.) Plaintiff’s Business is not a retail dispensary, it is a delivery
14 business, and considering that Plaintiff has met all requirements imposed by the
15 Code and applicable law (again, evidenced by the City’s Notification and Issuance),
16 the City is required to issue and grant the Renewal.

17 Most importantly, an order from this Court estopping the City, Mayor and
18 Council from denying the Renewal (avoidance of injustice) will not have an adverse
19 impact on public policy of public interest. To the contrary, such an order would (1)
20 avoid/reverse injustice committed against Plaintiff (and other cannabis operators
21 who have been unjustifiably denied) *and* (2) make a *positive* impact on public
22 policy and interest as there is no room for corrupt officials to lead, supervise and
23 enforce policies and law in the City of California City, especially when said officials
24 are entrusted by the public to do so with dignity and in good faith.

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1 **SECOND CLAIM FOR VIOLATIONS OF THE CALIFORNIA POLITICAL**
2 **REFORM ACT; CONFLICT OF INTEREST; AGAINST DEFENDANT COUNCILMEN**

3 49. Plaintiff adopts and incorporates by reference Paragraphs 1 – 48.

4 50. The California Political Reform Act (the “**Act**”) was enacted, in general,
5 to regulate politicians within the State of California to prevent corruption and
6 unethical behavior, including but not limited to, campaign financing, financial
7 conflicts of interests by public officials, lobbyist registration and reporting, post-
8 governmental employment, and gifts to public officials/candidates².

9 51. The Act requires, among other things, for elected officials and public
10 employees to file a Form 700 – Statement of Economic Interests (“**Form**”) to avoid
11 financial conflicts of interests, and to act as a reminder to public officials to abstain
12 from making or participating in governmental decisions that are deemed conflicts
13 of interest.³ (*Act*, Article I, § 87100 et. seq.)

14 52. Councilman William Smith’s most recent Form, discloses, under
15 penalty of perjury, that he sold his “hardware retail store” under the business entity
16 “City Hardware, Inc.” (“**Hardware**”) during the covered reporting period. In
17 violation of the Act and applicable law, Councilman does not disclose (a) who
18 purchased the business nor (b) the purchase price it was sold for. A true and correct
19 copy of Councilman William Smith’s Form is attached hereto as **Exhibit “J”**.

20 53. Most curious as to William Smith’s violation is that the Hardware
21 business was sold to a municipally regulated cannabis proprietor, for \$3.5M, when
22 that business, on information and belief, was losing money and the official sales
23 price was listed at \$1M.

24 54. Provided the foregoing, and on information and belief, Plaintiff alleges
25 that Councilman William Smith is in violation of the Act, intentionally omitting and
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28 ² <http://www.fppc.ca.gov/the-law.html>

³ <http://www.fppc.ca.gov/Form700.html>

misrepresenting to the California public—presumably motivated by Councilman’s self-interest and financial gain.

55. Councilman Ron Smith, also required by the Act to file a Form, reported, under penalty of perjury, that he owns nothing and has no reportable interests whatsoever. Councilman Ron Smith is employed as a pastor at “Victory Baptist Church” in the City, where he receives a salary and other compensation from same—this is a reportable interest. A true and correct copy of Ron Smith’s Form is attached hereto as **Exhibit “K”**.

56. More peculiar is the fact that a search of California’s nonprofit registry reveals no church under the name of “Victory Baptist Church”. **See Exhibit “L”**.

57. Furthermore, Councilman Ron Smith owns several parcels of real estate that was also unreported. **See Exhibit “M”**.

58. The foregoing omissions by Councilman Ron Smith constitutes a blatant violation of the Act and other applicable law; presumably motivated by self-gain and financial interest.

59. Councilman and Mayor Don Parris also states, under perjury, that there is no reportable interest/income on his most recent Form. On information and belief, Don Parris and his wife have non-governmental income that is reportable. Moreover, Parris sold a piece of devalued property to a cannabis operator for three (3) times the value of its actual worth. **See Exhibits “N” and “O”**. Parris, as well as the other Councilmen, voted on cannabis-related license applications without Plaintiff and the California public being aware of the foregoing violations committed by the Councilmen.

60. As previously stated, the Act was enacted in order to prevent elected officials from self-dealing/conflicts of interest.

61. All three (3) Councilmen are in violation of the Act for the foregoing reasons; Plaintiff alleges on same, and on information and belief, that its application

1 for Renewal has been denied by Defendant Councilmen due to Councilmen's self-
2 serving interests and self-dealing.

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4 **THIRD CLAIM FOR FRAUD AGAINST ALL DEFENDANTS**

5 62. Plaintiff adopts and incorporates by reference Paragraphs 1 – 61.

6 63. City Defendants' reasoning in its decision to deny Plaintiff's application
7 for Renewal of the License and granting of the CUP is as follows (the "**Counts**"): 8

9 a. Applicant did not qualify for a permit on April 27, 2019. The
10 letter issued to applicant was not approved by the Council and
11 was issued in error. ("**Count 1**").

12 b. Applicant failed to apply for renewal of a permit pursuant to the
13 requirements of Code § 5-6.504(a). ("**Count 2**").

14 c. For all the reasons set forth herein, the License is suspended or
15 revoked at the time of renewal. Code § 5-6.504(c)(2). ("**Count**
16 **3**").

17 d. The cannabis Business has not been in regular and continuous
18 operation in the four (4) months prior to renewal. Code § 5-
19 6.504(c)(3). ("**Count 4**").

20 e. The cannabis Business has failed to conform to the requirements
21 of Chapter 6 of Title 5 of the Code. Code § 5-6.504(c)(4). ("**Count**
22 **5**").

23 f. The permittee is unable to renew its State of California license
24 for the reasons stated herein. Code § 5-6.504(c)(5). ("**Count 6**").

25 g. The City Manager has determined, based on substantial
26 evidence, that the permittee or applicant is in violation of the
27 requirements of this Chapter, the City's Municipal Code, and
28 state rules and regulations, and of the term or condition of the

1 permit, and the City has determined that the violation is grounds
2 for termination or revocation of the cannabis business permit.
3 (“Count 7”).

4 64. As to Count 1, Plaintiff submitted the Delivery Application to the City
5 on March 2019, which satisfied the minimum standards as required by the Code
6 and applicable law; this is proven by the City’s Notification of same stating that
7 Plaintiff had “met all the requirements necessary per the City of California City’s
8 Cannabis Regulations and Ordinances and currently qualify to hold” a License. **See**
9 **Exhibit “A”**.

10 65. Furthermore, communications exchanged between Plaintiff and the
11 City Defendants regarding the Delivery Application/CUP never once indicated to
12 Plaintiff that same was “done in error” or was defective for any reason whatsoever.

13 66. Accordingly, Count 1 of the City’s rejection is unfound and
14 unsubstantiated; to the contrary, the City’s conduct indicate that Plaintiff has
15 performed all of its obligations under the Code and applicable law. Therefore, the
16 City’s Issuance of the License was done properly, consistent with Code § 5-6.501(c).

17 67. In regards to Count 2, Code § 5-6.504(a) states that “an application for
18 renewal of a cannabis permit shall be filed at least sixty (60) calendar days prior to
19 the expiration date of the current permit.”

20 68. Code § 5-6.502 states that each “cannabis business permit issued
21 pursuant to this Chapter shall expire twelve (12) months after the date of issuance.”

22 69. The permit (i.e., the License) was issued by the City to Plaintiff on
23 August 23, 2019, making the deadline to submit the renewal application June 24,
24 2020. The renewal application was submitted by Plaintiff on or about April 2020.

25 70. On April 28, 2020, Council voted on and enacted a motion to stop
26 processing all cannabis delivery permits, halting Plaintiff’s efforts in obtaining
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1 Renewal and the CUP. Accordingly, Count 2 is inapplicable as the application for
2 Renewal was submitted timely and halted by the City's act.

3 71. In regards to Count 3, Code § 5-6.504(c)(2) states that an application
4 for renewal shall be rejected if "the cannabis business permit is suspended or
5 revoked at the time of the application."

6 72. For the reasons outlined in Counts 1 and 2 above as well as those
7 discussed in Counts 4-7 below, Plaintiff's Permit has been suspended and revoked
8 in error.

9 73. Plaintiff has not violated any of the purported reasons for suspension
10 or revocation; and, if Plaintiff has violated any such reasons it has done so due to
11 the City's unreasonable delays in the processing of the CUP and tenant
12 improvement submissions with the planning department.

13 74. Accordingly, but for the City's unreasonable delays in the processing of
14 Plaintiff's various submissions, Plaintiff would be in full compliance with all out of
15 conditions outlined in Code § 5-6.504(c)(1)-(6).

16 75. Therefore, the City has caused Plaintiff's License to be revoked; and,
17 but for the City's erroneous revocation and suspension, Plaintiff would not be in
18 violation of Code § 5-6.504(c)(2).

19 76. As to Count 4, Code § 5-6.504(c)(3) states that an application for
20 renewal shall be rejected if "the cannabis business has not been in regular and
21 continuous operation in the four (4) months prior to the renewal application."

22 77. Plaintiff's Renewal application was not due until June 24, 2020. Four
23 months prior to June 24, 2020 would have been February 24, 2020.

24 78. Plaintiff's CUP hearing was originally dated January 21, 2020, which
25 was then indefinitely postponed by the City Council and further delayed due to
26 complications surrounding the novel COVID-19 virus.
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1 79. Plaintiff's tenant improvements were submitted January 22, 2020, to
2 which Plaintiff was informed by the City that no corrections were required for
3 same, but that the building permits could not be issued until the City Council
4 clarified issues surrounding the CUP and License.

5 80. Both the CUP hearing and tenant improvement submissions, which
6 were timely submitted by Plaintiff, were necessary requirements for the Business
7 to become operational.

8 81. Had the City reviewed and approved Plaintiff's submissions in a timely
9 fashion, Plaintiff's Business could have been in regular and continuous operation
10 in the four (4) months prior to the renewal application.

11 82. The City's delay of the processing of Plaintiff's timely submissions
12 made it impossible for Plaintiff to be in regular and continuous operations in the
13 four (4) months prior to the renewal application.

14 83. Furthermore, upon information and belief, the City has granted
15 renewals to other cannabis businesses that have not been in regular and
16 continuous operation in the four (4) months prior to the renewal application.

17 84. But for the City's postponement and unreasonable delay in the
18 processing of Plaintiff's CUP and planning submissions, Plaintiff's Business could
19 have been in regular and continuous operation in the four (4) months prior to the
20 renewal application.

21 85. Accordingly, absent the City's improper delays, Plaintiff would have
22 been in compliance with Code § 5-6.504(c)(3).

23 86. As to Count 5, the City summarizes its rejection of Plaintiff's application
24 for Renewal/CUP on Code § 5-6.504(c)(4), which states that an application for
25 renewal shall be rejected if "the cannabis business has failed to conform to the
26 requirements of this Chapter, or of any regulations adopted pursuant to this
27 Chapter."
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1 87. For the reasons outlined above in Counts 1 – 4, as well as Counts 6 -7
2 discussed below, Plaintiff has not failed to conform to the requirements of Chapter
3 6, Title 5 of the Code.

4 88. Plaintiff has not yet been in operation so as to violate any of the
5 operational requirements imposed on Cannabis Delivery businesses in Articles 9
6 and 12 of Chapter 6 of Title 5.

7 89. Furthermore, but for the delays and actions of the City and its
8 representatives, Plaintiff would have been in conformance with all the
9 requirements of Article 5 of Chapter 6 of Title 5 of the Code.

10 90. The City's reasoning fails to specify any other reasons of non-
11 conformance that would apply to Appellant.

12 91. Accordingly, because Plaintiff is in conformance with the requirements
13 of Chapter 6 of Title 5, because any potential non-conformance is the result of the
14 City's unreasonable actions and delay, and because no actual non-conformance has
15 been specified by the City, Plaintiff is in conformance with Chapter 6 of Title 5 of
16 the Code and non-conformance is not a supporting reason for revocation or
17 suspension.

18 92. In regards to Count 6, Code § 5-6.504(c)(5) states that an application
19 for renewal shall be rejected if "the cannabis business fails or is unable to renew its
20 State of California license."

21 93. Plaintiff obtained its State License on October 2019, subject to renewal
22 on October 2020.

23 94. Plaintiff is not in violation of the Code, applicable local or state laws
24 that would prevent Plaintiff from renewing its State License.

25 95. For the reasons outlined in Counts 1 - 5 above as well as those
26 discussed in Count 7 below, the Plaintiff has not failed to conform to any
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1 requirements of Chapter 6 of Title 5 of the Code that would prohibit it from
2 renewing its State License.

3 96. Furthermore, absent the City's erroneous suspension and revocation
4 of Plaintiff's License, Plaintiff is, and would be able to renew its State License.

5 97. As to Count 7 (in short, City Manager determined that Plaintiff is in
6 violation of Chapter 6 of the Code, State rules and regulations, providing ground for
7 termination/revocation of Plaintiff's License), the City's determination is unfound
8 and unsubstantiated for all of the reasons stated under Counts 1 – 6.

9 98. Plaintiff has been, and is in conformance with all of the requirements
10 under Chapter 6 of the Code, all applicable law and regulation, and all conditions
11 imposed.

12 99. The City Manager and the City have failed to make any substantive
13 claims of Plaintiff's purported violation.

14 100. Purported violations without any evidence do not amount to actual
15 violations that would substantiate the grounds for termination or revocation being
16 brought by the City and its City Manager.

17 101. For the reasons outlined in Counts 1-6 above, Plaintiff has not failed to
18 conform to any requirements of Chapter 6 of Title 5 of the Code.

19 102. The City has not made any supportable claims of Plaintiff's violations
20 of State rules and regulations.

21 103. Accordingly, and as discussed herein, in Counts 1 - 6 above, any and all
22 potential violations that Plaintiff has been accused of are the result of the City's
23 negligent and/or willful actions, which have resulted in unreasonable delays in the
24 processing of necessary prerequisites for Plaintiff's Business and its operations.

25 104. For the reasons stated above and discussed herein, the City Manager
26 and the City's determinations have been made in error and there are no actual
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28

1 violations that amount to grounds for termination or revocation of Plaintiff's
2 License.

3 105. *California Penal Code* (“**CPC**”) §§ 67 and 68 requires the following
4 elements for an executive officer or public employee to be charged with, and
5 convicted of bribery:

- 6 a. A person gives or offers to give an executive officer/public
7 employee;
8 b. Cash or something with value;
9 c. With corrupt intent; and
10 d. To affect the officer's or employee's decision in an official
11 function.

12 Similarly, *CPC* §§ 67 and 68 holds “every executive or ministerial officer,
13 employee, or appointee of the State of California, a county or city therein, or a
14 political subdivision thereof, who asks, ***receives, or agrees to receive***, any bribe,
15 upon any agreement or understanding that ***his or her vote, opinion, or action***
16 ***upon any matter then pending, or that may be brought before him or her in his***
17 ***or her official capacity....*”** (Emphasis added.) Full text of *CPC* §§ 67 and 68 is
18 attached hereto as **Exhibit “I”**.

19 106. Plaintiff, on information and belief (i.e., the Investigation), Plaintiff
20 alleges that all three (3) Councilmen and Rick, are guilty of bribery pursuant to the
21 above.

22 107. Specifically, Rick gave all three (3) Councilmen (and allegedly, to the
23 Coast Highway Patrol and City Police Chiefs; **see Exhibits G and H**) cash payments
24 (whether direct or through the purchase of invaluable real estate owned by
25 Councilmen; **see Exhibits G and H**) in order to protect his own interest in his
26 cannabis businesses (and security business) by having Councilmen deny Plaintiff's
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1 request for Renewal, along with the denial of other numerous applicants/cannabis
2 operators in order to prevent increased competition with his cannabis operations.

3 108. Accordingly, the Councilmen (and in turn, the City) have improperly
4 used, and abused their authority and position in office as City Agents/officials to
5 financially gain for their own benefits at the expense of Plaintiff—the unjustified
6 denial of Plaintiff’s request/application for Renewal (the “**Denial**”).

7 109. The Councilmen and City intentionally misrepresented the reasoning
8 for the Denial, in order to induce Plaintiff into believing it has taken missteps in its
9 Delivery Application and Renewal, when in reality, Plaintiff has performed
10 everything correctly under the Code and all applicable law, thereby committing
11 fraud. Any reasoning provided by the City Defendants as to Plaintiff’s “failure” to
12 comply with the Code (and applicable law) as basis for the Denial is unfound and
13 unjust as any procedural error (in particular, delay in filing/submission) is due to
14 the City Defendants’ lack of response and intentional delay in an effort to frustrate
15 Plaintiff’s efforts for Renewal. **See Exhibit “F”**.

16 110. The foregoing allegations is substantiated not only by Plaintiff’s
17 specific set of circumstances, but also by numerous other complaints and appeals
18 filed by cannabis operators within the City. For instance, on July 14, 2020, a Council
19 meeting (the “**Meeting**”) was held wherein an attorney (among other cannabis
20 operator-complainants) representing two (2) cannabis operators was arguing his
21 clients’ cases as to why their permits were not issued, *despite* being in compliance
22 with all applicable law and regulations—including the procuring of a certificate of
23 occupancy—while cannabis businesses owned and operated by Rick Jones was
24 issued a permit without having a certificate of occupancy first issued, pursuant to
25 Chapter 6 of the Code. The Agenda for the Meeting is available online⁴.

26
27 ⁴
28 https://docs.google.com/gview?url=https%3A%2F%2Fcaliforniacity.granicus.com%2FDocumentViewer.php%3Ffile%3Dcaliforniacity_02360c1524f35edef458175562a4a53e.pdf%26view%3D1&embedded=true

1 111. In summary, Councilmen seem to be unable to provide a direct, and
2 logical response/answer to any of the complainants' allegations and/or questions
3 during the Meeting. Attached hereto as **Exhibit "Q"** is a video snippet of the Meeting
4 (via Dropbox link).

5
6 **FOURTH CLAIM FOR VIOLATION OF RIGHTS UNDER FIRST AMENDMENT TO**
7 **U.S. CONSTITUTION (42 U.S.C. § 1983)**
8 **[Against City Defendants]**

9 112. Plaintiff adopts and incorporates by reference Paragraphs 1 – 111
10 above as though set forth in full herein.

11 113. City Code Chapter 6 is an unconstitutional abridgment on its face, and
12 as applied, of Plaintiff's affirmative rights to freedom of speech under the United
13 States Constitution, First and Fourteenth Amendments.

14 114. City Code Chapter 6, on its face and as applied, is an unconstitutionally
15 overbroad restriction on expressive activity.

16 115. City Code Chapter 6, on its face and as applied, is a content-based and
17 viewpoint-based restriction on speech.

18 116. City Code Chapter 6, on its face and as applied, did not serve a
19 significant governmental interest.

20 117. City Code Chapter 6, on its face and as applied, did not leave open
21 ample alternative channels of communication.

22 118. City Code Chapter 6, on its face and as applied, is neither narrowly
23 tailored nor the least restrictive means to accomplish any permissible
24 governmental purpose sought to be served by the Code.

25 119. City Code Chapter 6 is an irrational and unreasonable statute, imposing
26 unjustifiable restrictions on the exercise of protected constitutional rights.
27
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1 120. City Code Chapter 6, on its face and as applied, violates the California
2 State Constitution by denying Plaintiff's free speech rights and other protections of
3 state and federal law.

4
5 **FIFTH CLAIM FOR VIOLATION OF RIGHTS UNDER FIFTH AND FOURTEENTH**
6 **AMENDMENT TO U.S. CONSTITUTION (42 U.S.C. § 1983)**

7 **[Against City Defendants]**

8 121. Plaintiff adopts and incorporates by reference Paragraphs 1 – 120
9 above as though set forth in full herein.

10 122. Defendants denied Plaintiff to procedural due process under the law as
11 the application, selection and renewal process detailed in Chapter 6 of the Code
12 were arbitrary and without consequence.

13 123. Defendants had previously agreed to vote only for cannabis
14 businesses/operations run by Defendant Rick Jones (and potentially, other 3rd
15 party cannabis operators that have political ties with City Defendants), regardless
16 of full compliance and satisfaction of the requirements prescribed under the Code
17 by Plaintiff and other applicants wrongfully denied. This agreement between
18 Councilmen and Rick Jones, and its implementation were part of the City's Scheme
19 to defraud applicants and ensure that only their pre-determined candidates would
20 obtain permits for the self-serving interest and benefit of the Councilmen and Rick
21 Jones.

22 124. Defendants purposely misrepresented to Plaintiff and the public that
23 the selection process would not be arbitrary and would be transparent.

24 125. Plaintiff reasonably relied and paid City fees, among other things (i.e.,
25 the Expenditures), and submitted to the procedure outlined in the Code, in addition
26 to any and all instructions provided by the City.

126. Defendants knowingly accepted the applications (of Rick Jones and, potentially other applicants with underlying ties with Councilmen) without providing consideration to the Plaintiff's application for Renewal, summarily denying all applicants. In other words, City Defendants failed to follow their own procedures and rules outlined in the Code and without justification, arbitrarily denying Plaintiff's application for Renewal.

127. City action of creating a sham application and selection/renewal process violates the United States Constitution fifth and fourteenth amendment right to procedural due process under the law.

**SIXTH CLAIM FOR VIOLATION OF THE CALIFORNIA CONSTITUTION,
ARTICLE I, § 2
[Against City Defendants]**

128. Plaintiff adopts and incorporates by reference Paragraphs 1 – 127 above as though set forth in full herein.

129. Chapter 6 of the Code, on its face and as applied, violates Article I, § 2 of the California Constitution.

**SEVENTH CLAIM FOR INTENTIONAL INTERFERENCE OF PROSPECTIVE
ECONOMIC ADVANTAGE AGAINST DEFENDANT RICK**

130. Plaintiff adopts and incorporates by reference Paragraphs 1 – 129.

131. Defendant Rick and "DOE" Defendants 1-10, inclusive, intentionally interfered with the economic relationship between Plaintiff and City Defendants that was likely to benefit Plaintiff, for its own benefit, to continue Business operations.

132. Defendant Rick knew of the existence of the economic relationship between Plaintiff and City Defendants.

1 133. Plaintiff and City Defendants had entered into a relationship that
2 Defendant Rick knew was likely to benefit the Plaintiff because Rick is (on
3 information and belief; the Investigation) in the cannabis space within the City—
4 whether it be direct cannabis operations or related business such as the security
5 business—and is therefore aware of the fees, taxes and charges that the City would
6 receive from Plaintiff through its cannabis delivery Business. See Code, Chapter 6
7 (requiring cannabis businesses to pay certain fees and taxes to the City).

8 134. Defendant Rick intended to disrupt, and did indeed disrupt/delay (the
9 “**Delay**” or “**Disruption**”) Plaintiff’s Delivery Application and Renewal of same
10 through the Bribery Scheme implemented by and between himself and the City
11 Councilmen, resulting in unreasonable and unjustifiable Denial of the Renewal and
12 Plaintiff’s Appeal.

13 135. Furthermore, the Delay has resulted in significant monetary damages,
14 including but not limited to, the Expenditures and the loss of future profit and
15 business goodwill/relations.

16 136. Performance of the Business and relationship between Plaintiff and
17 City Defendants were actually interrupted since Plaintiff’s Business operations will
18 be forced to seize upon expiration of its current licenses, or until the Renewal is
19 granted.

20 137. Plaintiff therefore suffered damages in the amounts of sunk money
21 (i.e., the Expenditures), loss of future profit (from daily sales and eventual sale of
22 the License) and business goodwill due to the disruption caused by Rick and the
23 Bribery Scheme involving the Councilmen.

24 138. Defendant Rick’s interference and disruption in the form of Bribery is
25 material. If Plaintiff knew that Rick intended to interfere with its Business via
26 Bribery to the Councilmen, Plaintiff would not have invested its time, money and
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resources in applying for (among many other things) the License and Renewal of same with the City.

139. Plaintiff has been harmed by Rick's interference and illegal Scheme, causing unjust and undue Delay and Disruption to Plaintiff's Business and License Renewal.

140. Wherefore, Plaintiff seeks damages for at least the Expenditures and consequential damages in the sum of future loss sales and profit from the Business operation and loss of opportunity to eventually sell the License, and further seeks punitive damages of up to three times the amount of said sum (to be proven at trial) to punish and deter Defendants from committing intentional interference with Plaintiff's economic advantage in the relationship with the City.

**EIGHTH CLAIM FOR RESTITUTION AND INJUNCTIVE RELIEF FOR UNFAIR
AND DECEPTIVE BUSINESS PRACTICES UNDER BUSINESS & PROFESSIONS
CODE § 17200 *et seq.* AGAINST ALL DEFENDANTS**

141. Plaintiff adopts and incorporates Paragraphs 1-141 here.

142. Defendants and each of them have engaged in unfair and deceptive business practices, by, among other things, making false and misleading statements to Plaintiff to deceive and trick Plaintiff into believing its Business would be continuously operational.

143. City Defendants' conduct of granting the License and providing the Notification was done with the intent, or reasonable knowledge that Plaintiff would rely on said conduct, to ultimately receive taxes and fees from the Business.

144. City Defendants wrongfully availed itself of the benefits of Plaintiff's Business operations (e.g., City cannabis taxes and fees) when same never had the

1 intent to allow Plaintiff's Business to continue due to the Scheme organized
2 between City Defendants and Rick.

3 145. Defendants and each of their conduct is not only unfair and fraudulent,
4 it is also in breach of the implied covenant of good faith and fair dealing.

5 146. Defendants failed to act in good faith with Plaintiff when Defendants'
6 conduct was not honest – from participating in the illegal Scheme to providing
7 Plaintiff with blatantly incorrect and false reasoning for denying Plaintiff's
8 application for License Renewal. **See Exhibit "F"**.

9 147. Defendants failed to act with fair dealing by unfairly availing itself of
10 the cannabis taxes and License/permitting fees (collectively, the "**Fees**" or
11 "**Benefits**") from Plaintiff without actually allowing Plaintiff's Business to continue,
12 despite Plaintiff's full compliance with the Code and payments of Fees.

13 148. As a direct and proximate result of Defendants' and each of their
14 frauds, trickery, false promises, deceits, and covenant breaches, Plaintiff has been
15 deprived of its expectations in continuing its Business and profiting from same.

16 149. Plaintiff's Business services are valuable since Plaintiff is a licensed and
17 authorized cannabis delivery business, providing an essential service to City
18 residents, providing jobs to same, and benefitting the City through the Fees
19 procured from the Business' sales. Defendants' wrongful acts have deprived
20 Plaintiff of being able to continue said services and benefits provided to the City
21 and its residents; most egregious, is the loss of Plaintiff's investment of time, money
22 and energy, including but not limited to, its Expenditures and loss of future
23 sales/profit. A constructive trust should be imposed against Defendants and of
24 each them for same (amount to be proven at trial), including Plaintiff's attorneys'
25 fees, expenses and costs to essentially "return" Plaintiff its damages.

26 150. Additionally, the Court should impose an injunction against
27 Defendants and each of them, ordering the following:
28

- 1 **a.** City Defendants enjoined from denying its application for License
2 Renewal;
3 **b.** An order against City Defendants to grant Plaintiff's Renewal;
4 **c.** All Defendants enjoined from continuing their illegal Scheme of
5 Bribery;
6 **d.** An order against all Defendants to pay (jointly and severally) Plaintiff
7 all fees, cost and expenses expended by Plaintiff in obtaining the License and
8 enforcing this Renewal, including its reasonable attorneys' fees and costs; and
9 **e.** An order against Councilmen to resign from their positions as City
10 officials and Agents.

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10. For its reasonable attorneys' fees and costs of suit; and,

11. For such other and further relief as the Court deems proper.

Dated: September 8, 2020

/s/ Lawrence W. Horwitz
Lawrence Horwitz, Esq., as
attorney for Plaintiff.

EXHIBIT “A”

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OFFICE OF THE CITY MANAGER

21000 Hacienda Blvd.
California City, CA 93505
760-373-7170
citymgr@californiacity-ca.gov
www.californiacity-ca.gov

8/23/2019

To Whom It May Concern,

This letter is to confirm that *Grandma's Stash* have met all the requirements necessary per the City of California City's Cannabis Regulations and Ordinances and currently qualify to hold the following licenses:

Business name: *Grandma's Stash*
APN: 213-500-10

Type of license: (1) *Delivery Permit*

Best Regards,

Anna Linn
Interim City Manager

EXHIBIT “B”

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**NOTICE OF PUBLIC HEARING
SENT TO NEIGHBORING PROPERTY OWNERS
TO CONSIDER CONDITIONAL USE PERMIT 19-01
BETWEEN THE CITY OF CALIFORNIA CITY AND CARLOS ZEPEDA
BY THE CITY OF CALIFORNIA CITY PLANNING COMMISSION**

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Planning Commission at the Council Chambers at City Hall, 21000 Hacienda Boulevard, California City, California, 93505, to consider a Conditional Use Permit, (CUP 19-01), for delivery only cannabis. This proposed business is located at 8205 Dogbane Ave., California City CA, 93505, (APN 213-500-10). Applicant Name: Carlos Zepeda. Business Name: Grandma's Stash.

PUBLIC HEARING DATE IS:

Tuesday, January 21, 2020 Planning Commission Meeting

NOTICE IS FURTHER GIVEN this project meets California Environmental Quality Act (CEQA), the CEQA guidelines, and the City's environmental procedures, and is determined to be exempt pursuant to Section 15061 (b) (3) (general rule) of the CEQA Guidelines, in that it can be seen with certainty that there is no possibility that this proposal will have a significant effect on the environment.

PERSONS WISHING TO BE HEARD on this matter are encouraged to attend or submit their comments in writing to the undersigned on or before the public hearing date specified herein. Questions may be directed to a member of the Planning Department staff at (760) 338-1377 or via email at planning@californiacity-ca.gov.

Matthew Alexander,
City of California City Community Development Director
Published in the Mojave Desert News

**Conditional Use Permit 19-01
"Grandma's Stash"**



EXHIBIT “C”

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City of California City
21000 Hacienda Blvd
California City CA 93505

Receipt No: 3.017702

(760) 373-8661

Jan 22, 2020

Grandmas Stash/ COMP 20-06

Permits/Fees - Plan Check Fees
10-3414 Plan Check Fees

126.04

Total:

126.04

Credit Card Check No: Visa
Payor: Grandmas Stash/ COMP 20-06

126.04

Total Applied:

126.04

Change Tendered:

.00

Duplicate Copy

01/22/2020 3:36 PM

CITY OF CALIFORNIA CITY
21000 HACIENDA BLVD
CALIFORNIA CI. CA 92505
760-373-7167
39300501361740

Merchant ID: 1740 Store #: 0001
Term #: 0001 Ref #: 0004

Phone Order

XXXXXXXXXXXX2106
VISA Entry Method: Manual

Total: \$ 126.04

01/22/20 15:35:37
Inv #: 000004 Appr Code: 163057
Transaction ID: 300022849372169
Apprvd: Online Batch#: 000018

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THANK YOU!

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EXHIBIT “D”

California City
21000 Hacienda Blvd.

Grandma's Stash
8205 Dogbane Ave.

Re: Cannabis Business Delivery Permit

Dear City Council & Administration:

We are writing to provide a comment with regard to the City Council's discussion of Cannabis Delivery Permits. Specifically, we are requesting that the City Council consider moving forward with the review and approval of Grandma's Stash, LLC's Conditional Use Permit (CUP) for cannabis delivery operations in the City of California City.

To begin with, we would like to commend the City and the Council's efforts with respect to cannabis regulations and the progressive stance that has been adopted by the City with respect to permitting commercial cannabis activities. We believe the city's stance provides a mutually beneficial economic opportunity for both the City as well as the cannabis businesses that it has approved for operation, and Grandma's Stash looks forward to the opportunity of opening its cannabis delivery business and contributing through payment of city taxes and other community benefits pledges.

Unlike many of the other delivery applicants, Grandma's Stash has diligently pursued its Cannabis Delivery Permit since we became aware of the City's decision to permit cannabis dispensaries and delivery operations. Prior to the city's issuance of delivery permits, Grandma's Stash proactively submitted its CUP documentation in February 2019 so that it could be prepared to move forward with the necessary CUP process once it received approval for its delivery permit. Unfortunately, Grandma's Stash's delivery permit application was not approved during the City's April 27, 2019 meeting.

However, in August 23, 2019 the City notified Grandma's Stash that its ***Delivery Permit*** license had been approved (See Exhibit A). Grandma's Stash relied upon this approval and made significant investments in order to complete the processes required to finalize its city and state licenses to begin cannabis retail delivery operations in California City. The series of conflicting approvals, statements and assurances that have transpired between August 2019 up to present day has cost Grandma's Stash substantially, both in time and money.

Background: Pertinent background information includes the following:

- Grandma's Stash submitted its CUP application on February 27, 2019
- California City awarded a Cannabis Delivery Permit to Grandma's Stash on August 23, 2019
- Grandma's Stash acquired its State Delivery (Type 9) License in October 2019
- The CUP hearing was scheduled for January 21, 2020
- The CUP hearing was continued and transferred to Planning Commission set for February 4, 2020
- The issue *was not* raised during the February 4th Planning Commission Meeting
- Grandma's Stash has spent approximately \$65,000 to date towards license approval

We believe that it is in the best interest of both Grandma's Stash and California City that our CUP be considered for approval and that we be permitted to move forward with gaining a final certificate of occupancy to commence with delivery operations. The City's approval of our license and postponement of our CUP review has caused in an unreasonable delay that has resulted in lost tax revenue for the City and lost business opportunity for Grandma's Stash.

We understand the current hardships faced by the City with respect to COVID-19, but our delivery-only cannabis business would be considered an "essential business" and our operation would provide additional revenue sources for the City. While there are other delivery operations open and pending, we believe the range of delivery proposed by Grandma's Stash's unique business plan will allow us to complement the City's current operators and serve additional patient markets, which will bring additional jobs and revenue to the City's residents.

Overall, we are just looking to pursue the right that the City granted to us when it approved our Cannabis Delivery Permit on August 23, 2019. Despite the unwarranted delays in our CUP process, we are hopeful that we can move forward in concert with the City towards the approval of our CUP and eventual opening of our cannabis delivery operation.

Request: We are requesting that the City Council consider and approve Conditional Use Permit 19-01, on April 28, 2020 or the earliest possible date, and authorize Grandma's Stash to begin operating as soon as possible.

- We have agreed to abide by all local and state requirements
- Local and State Cannabis Business Permits are in place

Our goal is to work with the city to start generating revenue through California City's inclusion of cannabis businesses. We believe this to be in the best interest of both Grandma's Stash and California City.

Respectfully submitted,

Jade Suyematsu

Owner
Grandma's Stash
E: jadiesuyie@yahoo.com

Carlos Zepeda

Owner
Grandma's Stash
E: czepeda228@gmail.com

EXHIBIT A



OFFICE OF THE CITY MANAGER
21000 Hacienda Blvd.
California City, CA 93505
760-373-7170
citymgr@californiacity-ca.gov
www.californiacity-ca.gov

8/23/2019

To Whom It May Concern,

This letter is to confirm that *Grandma's Stash* have met all the requirements necessary per the City of California City's Cannabis Regulations and Ordinances and currently qualify to hold the following licenses:

Business name: *Grandma's Stash*
APN: *213-500-10*

Type of license: *(1) Delivery Permit*

Best Regards,

A handwritten signature in black ink, appearing to read "Anna Linn".

Anna Linn
Interim City Manager

**PLANNING COMMISSION
OF THE
CITY OF CALIFORNIA CITY
AGENDA**



MEETING DATE: Tuesday February 4, 2020

TIME: 6:00 p.m.

LOCATION: Council Chambers,
21000 Hacienda Blvd.
California City, CA 93505

If you need special assistance to participate in this meeting, please contact the Planning Secretary's office at (760) 373-7177. Notification of 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 American Disabilities Act Title II).

NOTE: Any writings or documents provided to a majority of the Planning Commission regarding any item on this agenda is available for public inspection in the Planning Division office at City Hall located at 21000 Hacienda Blvd, California City, CA, during normal business hours. Documents related to closed session items or which are otherwise exempt from disclosure under applicable laws. These writings are also available for review by the public in the Council Chambers at the time of the meeting.

LATE COMMUNICATIONS: Following the posting of the agenda any emails, writings or documents that the public would like to submit to the Commission must be received by the Recording Secretary no later than 3:00 p.m. the Monday prior to the meeting. Past that deadline citizens may bring these items directly to the meeting. Please bring 10 copies for distribution to Commission, staff and the public.

*****At this time, please take a moment to turn off your cell phones*****

Charles McGuire
Mayor

Donald Parris
Mayor Pro Tem

Nick Lessenevitch
Councilmember

Ron Smith
Councilmember

William Smith
Councilmember



AGENDA

CITY OF CALIFORNIA CITY CITY COUNCIL

Tuesday, April 28, 2020
Regular Meeting 6:00 pm

Council Chambers
21000 Hacienda Blvd.
California City, Ca 93505

If you need special assistance to participate in this meeting, please contact the City Clerk's office at (760) 373-7140. Notification of 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 American Disabilities Act Title II)

THE APRIL 28th, 2020 REGULAR MEETING WILL BE CONDUCTED PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER N-25-20

In order to minimize the spread of the COVID 19 virus, the City offers two options:

1. You may observe the City Council meetings live on the City of California City website at www.californiacity-ca.gov. To view from the website, select the [Video Feed](#) link on the home page. You will also have the ability to make comments via "Ecomment" on the live feed. All Ecomments, staying within the 3 minute time limit, will be read into the record. The Ecomment instruction guide can be found on the front page of the city's website.
2. If you wish to make comments via email, please send your comments to cityclerk@californiacity-ca.gov **no later than 5pm**, Tuesday April 28, 2020.

The City of California City thanks you in advance for taking all precautions to prevent spreading the COVID 19 virus.

NB 3. Cannabis Delivery Permit Discussion – City Manager Linn / Mayor Pro Tem Parris

Recommendation

Council discuss and direct City Manager as desired

CONDITIONAL USE PERMITS							
TYPE	PROJECT	APPLICANT	MEETING DATE	PLANNING PROJECT STATUS	CEQA STATUS	CCO PERMIT FEES	STAFF
		Grandma's Stash 8205 Dogbane APN 213-500-10 Zone C5	2/4/2020	CUP hearing cont. for February 4th Planning Commission Meeting	CE	\$ 842.00	Matthew
CUP	19-01						
CUP	19-03	8 Minute Solar	TBD	Documents Submitted		\$ 2,443.00	Department
CUP	19-04	8 Minute Solar	TBD	Documents Submitted		\$ 2,443.00	Department
CUP	20-01	Starbucks	TBD	Waiting for Plans, needs full payment (HOLD)	TBD	\$ 2,061.00	Shawn

EXHIBIT “E”

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MADDOCKS LAW PC
PROFESSIONAL CORPORATION

California City
Office of the City Clerk
21000 Hacienda Blvd.

Grandma's Stash
8205 Dogbane Ave.

Re: Notice of Intent to Appeal April 28 City Council Decision on NB 3. Cannabis Delivery Permit Discussion

Office of the City Clerk,

I am writing on behalf of Grandma's Stash, LLC who is submitting an official request to appeal arising from the City Council's April 28 decision to stop processing cannabis delivery licenses.

On April 28, 2020 the City Council voted on and enacted a motion to stop the processing of all cannabis delivery permits.

To begin with, the City Council failed to publicize the scope of the Cannabis Delivery Permit Discussion and moved forward with this discussion without notifying any of the interested parties.

Further, the Council's discussion and decision was based on a misunderstanding of the operative timelines for the parties to perform. The majority of permits were issued in April of 2019. Grandma's Stash did not receive its approval until August 23 of 2019 (See Exhibit A). Given that the Ordinance requires that licensees be up and running within 8 months of approval and no later than a year after the approval, the City's decision has unduly taken away Grandma's Stash's right to pursue its permit to completion.

Grandma's Stash's CUP has been pending review since at least as early as January 21, 2020 when its original CUP hearing was scheduled. The City Council has since twice delayed the review of Grandma's Stash's CUP prior to its April 28th decision. Now the City Council's decision to stop processing permits has completely removed our right to pursue our permit within the one year timeline laid out in the City's Ordinance.

We believe the delayed approval of Grandma's Stash's delivery license approval combined with the delay of the review of our CUP has unjustly taken away our right to pursue a license that was granted to us by the City. The one year timeline discussed by the Council in its hearing does not apply to Grandma's Stash who was not issued its license until August 23, 2020 and, but for the council's

23 Corporate Plaza Dr #150, Newport Beach, CA 92660
Phone (949) 291.0587 **Email** maddocksg@greencp.com

postponement of our CUP hearing, Grandma's Stash would have been able to complete its permit prior to the City's decision to suspend all processing and issuance of Cannabis Delivery Permits.

Accordingly, Grandma's Stash seeks to appeal the City Council's decision broadly, and specifically as it applies to Grandma's Stash's unique licensing situation, which is distinct from that of the ten delivery licenses that were granted in April 2019.

Specifically, we are requesting that the City Council consider moving forward with the review and approval of Grandma's Stash, LLC's Conditional Use Permit (CUP) for cannabis delivery operations in the City of California City.

We look forward to the opportunity to further discuss this matter with the City Council members of California City.

Respectfully submitted,

Sean Maddocks, Esq.
CA Bar#: 314550

EXHIBIT “F”

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BEFORE THE CITY COUNCIL OF THE CITY OF CALIFORNIA CITY

GRANDMAS STASH, LLC,)	
)	
Appellant,)	
)	
v.)	Case No. _____
)	
CITY COUNCIL OF CALIFORNIA)	
CITY)	
)	
Respondent.)	
)	
)	

APPEAL

COMES NOW Appellant, Grandmas Stash, LLC, by and through its attorney, Maddocks Law P.C., and states to the Council as follows:

Parties and Jurisdiction

1. Appellant Grandmas Stash, LLC (“Appellant”), is a California limited liability company duly registered and in good standing in the State of California.
2. Appellant’s address is 8205 Dogbane Avenue, California City, California.
3. The City Council of California City, the Planning Department, the City Manager and other authorized representatives (the “Agents”) are agents of the City of California City.
4. In February 2019, Appellant submitted one (1) Conditional Use Permit (the “CUP”) application to the City of California City.
5. In March 2019, Appellant was notified by the City’s Associate Planner that its CUP application would not be processed until it had been awarded a Cannabis Delivery License.
6. In March 2019, Appellant submitted one (1) Marijuana Delivery Permit Application to the City of California City (the “Delivery Permit Application”).

7. Appellant's Delivery Permit Application satisfied the minimum standards for issuance of a facility license under Chapter 6 of the California City Municipal Code).

8. On April 27, 2019, Appellant received notification from the City of California City that its delivery permit had not been approved through the City's initial selection process.

9. Pursuant to Section 5-6.501(c) of the California City Municipal Code, after initial review the City Manager will issue permits for all cannabis businesses except for dispensaries.

10. On August 23, 2019, Appellant received notification from the City Manager of California City that it had "met all the requirements necessary per the City of California City's Cannabis Regulations and Ordinances and currently qualify to hold" a Cannabis Delivery Permit.

11. Appellant accepted the license awarded in connection with the August 23, 2019 notification from the City's authorized agent.

12. A true and correct copy of the notifications from the City of California City approving Appellant's Delivery Permit License is attached hereto as **Exhibit "A"**, and is incorporated herein by reference.

13. Appellant has incurred costs and fees in excess of \$65,000 in reliance on California City's August 23, 2020 permit issuance.

14. In August 2019, Appellant inquired into the filing of its state license application in reliance upon the City approval that was granted on August 23, 2019, and was resent a copy of its delivery permit by City agent, Tiffany Carter, on August 26, 2019.

15. Between August 2019 and April 2020, Appellant and its representatives communicated with City representatives no less than twenty (20) times by electronic mail (e-mail) and Short Service Message Services, as well as through multiple phone conversations.

16. Between November 2019 and January 2020, the City of California City and its authorized Agents began processing Appellant's CUP Permit.

17. On January 21, 2020, the City Council of California scheduled a Conditional Use Permit, CUP 19-01, hearing on behalf of Appellant and its delivery only cannabis permit.

18. A true and correct copy of the "Notice of Public Hearing" from the City of California City providing notice of Appellant's CUP hearing is attached hereto as **Exhibit "B"**, and is incorporated herein by reference.

19. On January 22, 2020, the City of California City's Planning Department accepted payment for a plan check fee for Appellant's proposed tenant improvements relating to its approved cannabis delivery permit (Receipt No. 3.017702).

20. A true and correct copy of Appellant's Plan Check Fees is attached hereto as **Exhibit "C"**, and is incorporated herein by reference.

21. Sometime after January 22, 2020, Appellant was informed that its proposed tenant improvements had been approved but that permits could not be issued due to ongoing discussions within the City.

22. Appellant's January 21, 2020 CUP hearing was delayed and transferred to a Planning Commission meeting for February 4, 2020.

23. Appellant's CUP was not addressed during the February 4, 2020 Planning Commission Meeting.

24. Appellant received no further written communication from the City relating to its CUP or Plan Check until a March 10, 2020 communication by Tiffany Carter of the Building Department asking if Appellant had been able to contact the City Manager.

25. On March 16, 2020, Appellant received communication from the City Manager that they would be given a chance to present their CUP during a City Council meeting scheduled for March 24, 2020.

26. On March 19, 2020, The Governor of California issued a stay-at-home order to protect the health and well-being of all Californians and slow the spread of COVID-19.

27. On April 20, 2020, Appellant received communication from a City representative that the City Council would be discussing Cannabis Delivery Permits during the April 28, 2020 City Council meeting.

28. On or before April 28, 2020, Appellant submitted a comment to be read and considered during the City Council's consideration of NB 3. Cannabis Delivery Permit Discussion.

29. A true and correct copy of Appellant's submitted comment is attached hereto as **Exhibit "D"**, and is incorporated herein by reference

30. Due to concerns related to COVID-19 and the potential threat to City Council members and interested parties, the April 28, 2020 City Council meeting did not allow for interested parties to appear in person to discuss their opposition and/or support of the City Council Members' discussion.

31. On April 28, 2020, the City Council voted on and enacted a motion to stop the processing of all cannabis delivery permits.

32. Pursuant to the California City Municipal Code, Chapter 5, Article 6, the decision of the City Manager or its designee relating to a cannabis permit can be appealed by a permittee through a de novo hearing conducted by the City Council.

33. On May 8, 2020, Appellant submitted a Notice of its Intent to Appeal the April 28, 2020 City Council Decision on NB 3. Cannabis Delivery Permit Discussion.

34. A true and correct copy of Appellant's submitted Intent to Appeal is attached hereto as **Exhibit "E"**, and is incorporated herein by reference.

35. On June 3, 2020, Appellant received a Notice of Appeal Hearing from the City of California City, stating that an appeal hearing would be conducted on Thursday June 11, 2020.

36. On June 9, 2020, Appellant received a hearing rescheduling notice indicating that the appeal hearing had been rescheduled for Tuesday June 23, 2020.

37. Appellant appeals the City Manager's revocation and refusal to renew Appellant's Marijuana Delivery Permit.

38. Appellant's Notice of Intent to Appeal and this Complaint were timely filed with the City Clerk in accordance with Chapter 5, Article 6 of the California City Municipal Code (the "CCMC").

39. Pursuant to CCMC §5-6.603(d), the City Council may affirm, reverse or modify the decision appealed under order Chapter 5, Article 6 of the CCMC.

Reasons for Revocation and Non-renewal

40. As part of the its decision to revoke and not renew appellant's delivery permit, the City of California City provided seven reasons for non-renewal and revocation of appellant's delivery permit (the "Reasons for Revocation and Non-renewal").

41. The Reasons for Revocation and Non-renewal include the following:

(1) Applicant did not qualify for a permit on April 27, 2019. The letter issued to applicant was not approved by the Council and was issued in error.

- (2) Applicant failed to apply for renewal of a permit pursuant to the requirements of CCMC 5-6.504(a).
- (3) For all the reasons set forth herein, the Permit is suspended or revoked at the time of renewal. CCMC 5-6.504(c)(2).
- (4) The Cannabis business has not been in regular and continuous operation in the four (4) months prior to renewal. CCMC 5-6.504(c)(3)
- (5) The cannabis business has failed to conform to the requirements of Chapter 6 of Title 5 of the California City Municipal Code. CCMC 5-6.504(c)(4)
- (6) The permittee is unable to renew its State of California license for the reasons stated herein. CCMC 5-6.504(c)(5)
- (7) The City Manager has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this Chapter, the City's Municipal Code, and state rules and regulations, and of the term or condition of the permit, and the City has determined that the violation is grounds for termination or revocation of the cannabis business permit.

42. Appellant believes the reasons for non-renewal and revocation are erroneous and argues that the above listed reasons do not apply to Appellant's Marijuana Delivery Permit.

COUNT I

Appeal of the City's Statement that Appellant's Permit was Issued in Error

43. Appellant submitted one (1) Marijuana Delivery Permit Application to the City of California City in March 2019.

44. Appellant's Delivery Permit Application satisfied the minimum standards for issuance of a facility license under Chapter 6 of the California City Municipal Code.

45. On April 27, 2019, Appellant received notification from the City of California City that its delivery permit had not been approved through the City's initial selection process.

46. Pursuant to Section 5-6.501(c) of the California City Municipal Code, after initial review the city Manager will issue permits for all cannabis businesses except for dispensaries.

47. On August 23, 2019, Appellant received notification from the City Manager of California City that it had "met all the requirements necessary per the City of California City's Cannabis Regulations and Ordinances and currently qualify to hold" a Cannabis Delivery Permit.

48. The City Manager's issuance of Appellant's Delivery Permit was consistent with Section 5-6.501(c) of the CCMC,

49. In February 2019, Appellant submitted one (1) Conditional Use Permit (the "CUP") application to the City of California City.

50. In March 2019, Appellant was notified by the City's Associate Planner that its CUP application would not be processed until it had been awarded a Cannabis Delivery License.

51. Appellant's CUP was further processed between November 2019 and January 2020, and Appellant's CUP was eventually scheduled for a hearing on January 21, 2020.

52. Between August 2019 and April 2020, Appellant and its representatives communicated with City representatives no less than twenty (20) times by electronic mail (e-mail) and Short Service Message Services, as well as through multiple phone conversations.

53. During the time period from the issuance of its permit, through the continued processing of its CUP and acceptance of additional Planning fees, and up until the City Council's revocation and non-renewal decision and eventual Notice of Appeal Hearing received on June 3, 2020, Appellant received no written communication from the City or its Agents that its permit had been issued in error.

54. Appellant's receipt of a Permit from the City Manager on August 23, 2019 was consistent with the procedures outlined in CCMC §5-6.501(c); and, therefore, the permit was not issued in error.

55. Appellant's reliance on and actions in accordance with the proper issuance of its permit were corroborated by and induced by multiple City agents, including the City Manager.

56. The affirming actions of the City and its agents resulted in Appellant investing over \$65,000 in reliance upon the City's correct issuance of its Marijuana Delivery Permit.

57. The correct procedural issuance of Appellant's permit and the supportive action of the City and its representatives after the permit issuance for a period of no less than eight months indicates that the permit was correctly issued.

58. The City Manager's decision to award the permit and then revoke it eight (8) months later was arbitrary, subjective, unfair, erroneous, capricious, and/or negligent.

COUNT 2

Appeal of the City's Statement that

Appellant Failed to Apply for Renewal of a Permit

Pursuant to the Requirements of CCMC 5-6.504(a)

59. CCMC 5-6.504(a) states that “[a]n application for renewal of a cannabis permit shall be filed at least sixty (60) calendar days prior to the expiration date of the current permit.

60. CCMC 5-6.502 states that each “cannabis business permit issued pursuant to this Chapter shall expire twelve (12) months after the date of issuance.”

61. Appellant’s permit was issued by the City Manager in accordance with CCMC §5-6.501(c) on August 23, 2019.

62. Appellant is not required to submit its renewal application until sixty (60) calendar days before the twelfth month after its permit was issued.

63. Appellant is not required to be submitted until Wednesday June 24, 2020.

64. Appellant cannot have failed to apply for its renewal permit pursuant to the requirements given that its deadline to submit a renewal permit has not expired.

65. Therefore, Appellant has not failed to apply for renewal pursuant to the requirements of CCMC 5-6.504(a).

COUNT 3

Appeal of the City’s Reason that

the Permit is Suspended or Revoked at the time of Renewal.

CCMC 5-6.504(c)(2).

66. CCMC 5-6.504(c)(2) states that an application for renewal shall be rejected if “the cannabis business permit is suspended or revoked at the time of the application.

67. For the reasons outlined in Counts 1 and 2 above as well as those discussed in Counts 4-7 below, the Appellant’s Permit has been suspended and revoked in error.

68. Appellant has not violated any of the purported reasons for suspension or revocation; and, if Appellant has violated any such reasons it has done so due to the City's unreasonable delays in the processing of Appellant's CUP and tenant improvement submissions with the planning department.

69. But for the City's unreasonable delays in the processing of Appellant's various submissions Appellant would be in full compliance with all of the conditions outlined in CCMC §5-6.504(c)(1)-(6).

70. Therefore, the City has caused Appellant's permit to be revoked; and, but for the City's erroneous revocation and suspension Appellant would not be in violation of CCMC 5-6.504(c)(2).

COUNT 4

Appeal of the City's Reason that

The Cannabis Business has not been in Regular and Continuous

Operation in the four Months prior to Renewal

CCMC 5-6.504(C)(3)

71. CCMC 5-6.504(c)(3) states that an application for renewal shall be rejected if "the cannabis business has not been in regular and continuous operation in the four (4) months prior to the renewal application.

72. Appellant's renewal application is not due until June 24, 2020.

73. Four months prior to June 24, 2020 would have been February 24, 2020.

74. Appellant's CUP hearing was originally dated January 21, 2020.

75. Appellant's CUP hearing was indefinitely postponed by the City Council and further delayed due to complications surrounding the novel COVID-19 virus.

76. Appellant's tenant improvements were submitted January 22, 2020.

77. Appellant was informed that no corrections were required for his improvements, but that the building permits could not be issued until the City Council clarified issues surrounding Appellant's CUP and permit.

78. Both the CUP hearing and tenant improvement submissions, which were timely submitted by Appellant, were necessary requirements for Appellant to become operational.

79. Had the City reviewed and approved Appellant's submissions in a timely fashion, Appellant could have been in regular and continuous operation in the four (4) months prior to the renewal application.

80. The City's delay of the processing of Appellant's timely submissions made it impossible for Appellant to be in regular and continuous operations in the four (4) months prior to the renewal application

81. Upon information and belief, the City has granted renewals to other cannabis businesses that have not been in regular and continuous operation in the four (4) months prior to the renewal application.

82. But for the City's postponement and unreasonable delay in the processing of Appellant's CUP and planning submissions, Appellant could have been in regular and continuous operation in the four (4) months prior to the renewal application.

83. Therefore, absent the City's improper delays, Appellant would have been in compliance with CCMC 5-6.504(c)(3).

COUNT 5

Appeal of the City's Reason that The Cannabis Business has Failed to Conform to the Requirements of Chapter 6 of Title 5 of the California City Municipal Code.

CCMC 5-6.504(C)(4)

84. CCMC 5-6.504(c)(4) states that an application for renewal shall be rejected if “the cannabis business has failed to conform to the requirements of this Chapter, or of any regulations adopted pursuant to this Chapter.

85. For the reasons outlined in Counts 1-4 above as well as those discussed in Counts 6 and 7 below, the Appellant has not failed to conform to the requirement of Chapter 6 of Title 5 of the California City Municipal Code.

86. Appellant has not yet been in operation so as to violate any of the operational requirements imposed on Cannabis Delivery businesses in Articles 9 and 12 of Chapter 6 of Title 5.

87. Further, but for the delays and actions of the City and its representatives, Appellant would have been in conformance with all the requirements of Article 5 of Chapter 6 of Title 5 of the CCMC.

88. The City's reasoning fails to specify any other reasons of non-conformance that would apply to Appellant.

89. Because the Appellant is in conformance with the requirements of Chapter 6 of Title 5, because any potential non-conformance is the result of the City's unreasonable actions, and because no actual non-conformance has been specified by the City, Appellant is in

conformance with Chapter 6 of Title 5 of the CCMC and non-conformance is not a supporting reason for revocation or suspension.

COUNT 6

Appeal of the City's Reason that

The Permittee is Unable to Renew its State of California

License for the Reasons State Herein.

CCMC 5-6.504(C)(5)

90. CCMC 5-6.504(c)(5) states that an application for renewal shall be rejected if “the cannabis business fails or is unable to renew its State of California license.”

91. Appellant acquired its State Delivery license in October 2019.

92. Appellant has an active California state license, which is subject to renewal in October 2020.

93. Appellant is neither in violation of any local rules or any state rules that would prevent it from renewing its California State license

94. For the reasons outlined in Counts 1-5 above as well as those discussed in Count 7 below, the Appellant's has not failed to conform to any requirements of Chapter 6 of Title 5 of the California City Municipal Code that would prohibit it from renewing its California state license.

95. Absent the City's erroneous suspension and revocation of Appellant's Marijuana Delivery Permit, Appellant is, and would be, able to renew its State of California License.

COUNT 7

Appeal of the City's Reason that The City Manager has determined the permittee is in violation of the requirements of Chapter 6, the City's Municipal Code, and state rules and regulations, and of the term or condition of the permit, and has determined the violation is grounds for termination or revocation of the cannabis business permit.

96. Appellant has not violated any requirements of Chapter 6, the City's Municipal Code, state rules and regulation, or terms or conditions of its permits.

97. The City Manager and the City have failed to make any substantive claims or Appellant's purported violation.

98. Purported violations without any evidence do not amount to actual violations that would substantiate the grounds for termination or revocation being brought by the City and its City Manager.

99. For the reasons outlined in Counts 1-6 above, the Appellant's has not failed to conform to any requirements of Chapter 6 of Title 5 of the California City Municipal Code.

100. The City has not made any supportable claims of Appellant's violations of state rules and regulations.

101. As discussed herein, in Counts 1-6 above, any and all potential violations that appellant has been accused of are the result of the City's negligent and/or willful actions, which have resulted in unreasonable delays in the processing of necessary pre-requirements for Appellant's operations.

102. For the reasons stated above and discussed herein, the City Manager and the City's determinations have been made in error and there are no actual violations that amount to grounds for termination or revocation of Appellant's Marijuana delivery Permit.

Relief Requested

103. For the reasons stated above, the revocation and suspension Appellant's Marijuana Delivery Permit was arbitrary, subjective, unfair, erroneous, capricious, negligent, and/or was unsupported by competent and substantial evidence.

104. Appellant's reliance upon the City and continuous efforts to develop their Marijuana Delivery Permit have resulted in substantial financial and personal damage to Appellant with an excess of \$65,000 in monetary damages.

105. Appellant is not asking that the City Council completely overturn its decision to revoke and not renew other permittees who have failed to comply with the City's rules under CCMC §5-6.504.

106. Appellant believes that the date of issuance and the circumstances surrounding delays resulting from the City's actions and COVID-19 are unique and warrant overturning the revocation and non-renewal, as well as granting an extension of the filing and continuous operations requirements outlined in CCMC §5-6.504.

107. Appellant's reasonable reliance coupled with the City's negligent and or willful inducement of said reliance gives rise to additional legal claims, including, but not limited to, fraudulent inducement, breach of implied contract, promissory estoppel, reliance damages, breach of the implied covenant of good faith and fair dealing, and due process violations.

108. Appellant reserves the right to supplement and/or amend its Appeal with additional details or claims and Appellant reserves the right to pursue an appeal and relief through its right to file a lawsuit in a court of competent jurisdiction.

109. **WHEREFORE**, Appellant respectfully requests that the City Council exercise its authority pursuant to CCMC §5-6.603(d) to reverse or modify the decision of the California City City Manager to revoke and not renew Appellant's Marijuana Delivery Permit; Appellant requests for such relief as well as for the opportunity to finalize its interest in the Marijuana Delivery Permit that was rightfully issued to it by the City Manager on August 23, 2019; further, Appellant asks for any added relief as the City Council and its members deem just and proper.

Respectfully Submitted,

MADDOCKS LAW, P.C.

By: _____



Sean D. Maddocks
California Bar No. 314550

MADDOCKS LAW, P.C.
23 Corporate Plaza Dr #150
Newport Beach, CA 92660
Phone: (949) 291-0587
E-Mail: maddocks@maddockslaw.com

ATTORNEY FOR APPELLANT

SDM/99617-001
6/18/2020 3:37 PM

EXHIBIT A



OFFICE OF THE CITY MANAGER

21000 Hacienda Blvd.
California City, CA 93505
760-373-7170
citymgr@californiacity-ca.gov
www.californiacity-ca.gov

8/23/2019

To Whom It May Concern,

This letter is to confirm that *Grandma's Stash* have met all the requirements necessary per the City of California City's Cannabis Regulations and Ordinances and currently qualify to hold the following licenses:

Business name: *Grandma's Stash*
APN: 213-500-10

Type of license: (1) *Delivery Permit*

Best Regards,

Anna Linn
Interim City Manager

EXHIBIT B



**NOTICE OF PUBLIC HEARING
SENT TO NEIGHBORING PROPERTY OWNERS
TO CONSIDER CONDITIONAL USE PERMIT 19-01
BETWEEN THE CITY OF CALIFORNIA CITY AND CARLOS ZEPEDA
BY THE CITY OF CALIFORNIA CITY PLANNING COMMISSION**

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Planning Commission at the Council Chambers at City Hall, 21000 Hacienda Boulevard, California City, California, 93505, to consider a Conditional Use Permit, (CUP 19-01), for delivery only cannabis. This proposed business is located at 8205 Dogbane Ave., California City CA, 93505, (APN 213-500-10). Applicant Name: Carlos Zepeda. Business Name: Grandma's Stash.

PUBLIC HEARING DATE IS:

Tuesday, January 21, 2020 Planning Commission Meeting

NOTICE IS FURTHER GIVEN this project meets California Environmental Quality Act (CEQA), the CEQA guidelines, and the City's environmental procedures, and is determined to be exempt pursuant to Section 15061 (b) (3) (general rule) of the CEQA Guidelines, in that it can be seen with certainty that there is no possibility that this proposal will have a significant effect on the environment.

PERSONS WISHING TO BE HEARD on this matter are encouraged to attend or submit their comments in writing to the undersigned on or before the public hearing date specified herein. Questions may be directed to a member of the Planning Department staff at (760) 338-1377 or via email at planning@californiacity-ca.gov.

Matthew Alexander,
City of California City Community Development Director
Published in the Mojave Desert News

**Conditional Use Permit 19-01
"Grandma's Stash"**



EXHIBIT C

City of California City 21000 Hacienda Blvd California City CA 93505		(760) 373-8661
Receipt No: 3.017702		Jan 22, 2020
Grandmas Stash/ COMP 20-06		
Permits/Fees - Plan Check Fees 10-3414 Plan Check Fees		126.04
Total:		126.04
Credit Card	Check No: Visa	126.04
Payor: Grandmas Stash/ COMP 20-06		126.04
Total Applied:		126.04
Change Tendered:		.00
Duplicate Copy 01/22/2020 3:36 PM		

CITY OF CALIFORNIA CITY 21000 HACIENDA BLVD CALIFORNIA CI. CA 92505 760-373-7167 39300501361740	
Merchant ID: 1740 Term #: 0001	Store #: 0001 Ref #: 0004
Phone Order	
XXXXXXXXXXXX2106 VISA Entry Method: Manual	
Total: \$ 126.04	
01/22/20 15:35:37 Inv #: 000004 Appr Code: 163057 Transaction ID: 300022849372169 Apprvd: Online Batch#: 000018	
Customer Copy THANK YOU!	

EXHIBIT D

California City
21000 Hacienda Blvd.

Grandma's Stash
8205 Dogbane Ave.

Re: Cannabis Business Delivery Permit

Dear City Council & Administration:

We are writing to provide a comment with regard to the City Council's discussion of Cannabis Delivery Permits. Specifically, we are requesting that the City Council consider moving forward with the review and approval of Grandma's Stash, LLC's Conditional Use Permit (CUP) for cannabis delivery operations in the City of California City.

To begin with, we would like to commend the City and the Council's efforts with respect to cannabis regulations and the progressive stance that has been adopted by the City with respect to permitting commercial cannabis activities. We believe the city's stance provides a mutually beneficial economic opportunity for both the City as well as the cannabis businesses that it has approved for operation, and Grandma's Stash looks forward to the opportunity of opening its cannabis delivery business and contributing through payment of city taxes and other community benefits pledges.

Unlike many of the other delivery applicants, Grandma's Stash has diligently pursued its Cannabis Delivery Permit since we became aware of the City's decision to permit cannabis dispensaries and delivery operations. Prior to the city's issuance of delivery permits, Grandma's Stash proactively submitted its CUP documentation in February 2019 so that it could be prepared to move forward with the necessary CUP process once it received approval for its delivery permit. Unfortunately, Grandma's Stash's delivery permit application was not approved during the City's April 27, 2019 meeting.

However, in August 23, 2019 the City notified Grandma's Stash that its ***Delivery Permit*** license had been approved (See Exhibit A). Grandma's Stash relied upon this approval and made significant investments in order to complete the processes required to finalize its city and state licenses to begin cannabis retail delivery operations in California City. The series of conflicting approvals, statements and assurances that have transpired between August 2019 up to present day has cost Grandma's Stash substantially, both in time and money.

Background: Pertinent background information includes the following:

- Grandma's Stash submitted its CUP application on February 27, 2019
- California City awarded a Cannabis Delivery Permit to Grandma's Stash on August 23, 2019
- Grandma's Stash acquired its State Delivery (Type 9) License in October 2019
- The CUP hearing was scheduled for January 21, 2020
- The CUP hearing was continued and transferred to Planning Commission set for February 4, 2020
- The issue *was not* raised during the February 4th Planning Commission Meeting
- Grandma's Stash has spent approximately \$65,000 to date towards license approval

We believe that it is in the best interest of both Grandma's Stash and California City that our CUP be considered for approval and that we be permitted to move forward with gaining a final certificate of occupancy to commence with delivery operations. The City's approval of our license and postponement of our CUP review has caused in an unreasonable delay that has resulted in lost tax revenue for the City and lost business opportunity for Grandma's Stash.

We understand the current hardships faced by the City with respect to COVID-19, but our delivery-only cannabis business would be considered an "essential business" and our operation would provide additional revenue sources for the City. While there are other delivery operations open and pending, we believe the range of delivery proposed by Grandma's Stash's unique business plan will allow us to complement the City's current operators and serve additional patient markets, which will bring additional jobs and revenue to the City's residents.

Overall, we are just looking to pursue the right that the City granted to us when it approved our Cannabis Delivery Permit on August 23, 2019. Despite the unwarranted delays in our CUP process, we are hopeful that we can move forward in concert with the City towards the approval of our CUP and eventual opening of our cannabis delivery operation.

Request: We are requesting that the City Council consider and approve Conditional Use Permit 19-01, on April 28, 2020 or the earliest possible date, and authorize Grandma's Stash to begin operating as soon as possible.

- We have agreed to abide by all local and state requirements
- Local and State Cannabis Business Permits are in place

Our goal is to work with the city to start generating revenue through California City's inclusion of cannabis businesses. We believe this to be in the best interest of both Grandma's Stash and California City.

Respectfully submitted,

Jade Suyematsu

Owner
Grandma's Stash
E: jadiesuyie@yahoo.com

Carlos Zepeda

Owner
Grandma's Stash
E: czepeda228@gmail.com

EXHIBIT A



OFFICE OF THE CITY MANAGER
21000 Hacienda Blvd.
California City, CA 93505
760-373-7170
citymgr@californiacity-ca.gov
www.californiacity-ca.gov

8/23/2019

To Whom It May Concern,

This letter is to confirm that *Grandma's Stash* have met all the requirements necessary per the City of California City's Cannabis Regulations and Ordinances and currently qualify to hold the following licenses:

Business name: *Grandma's Stash*
APN: *213-500-10*

Type of license: *(1) Delivery Permit*

Best Regards,

Anna Linn
Interim City Manager

**PLANNING COMMISSION
OF THE
CITY OF CALIFORNIA CITY
AGENDA**



MEETING DATE: Tuesday February 4, 2020

TIME: 6:00 p.m.

LOCATION: Council Chambers,
21000 Hacienda Blvd.
California City, CA 93505

If you need special assistance to participate in this meeting, please contact the Planning Secretary's office at (760) 373-7177. Notification of 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 American Disabilities Act Title II).

NOTE: Any writings or documents provided to a majority of the Planning Commission regarding any item on this agenda is available for public inspection in the Planning Division office at City Hall located at 21000 Hacienda Blvd, California City, CA, during normal business hours. Documents related to closed session items or which are otherwise exempt from disclosure under applicable laws. These writings are also available for review by the public in the Council Chambers at the time of the meeting.

LATE COMMUNICATIONS: Following the posting of the agenda any emails, writings or documents that the public would like to submit to the Commission must be received by the Recording Secretary no later than 3:00 p.m. the Monday prior to the meeting. Past that deadline citizens may bring these items directly to the meeting. Please bring 10 copies for distribution to Commission, staff and the public.

*****At this time, please take a moment to turn off your cell phones*****

Charles McGuire
Mayor

Donald Parris
Mayor Pro Tem

Nick Lessenevitch
Councilmember

Ron Smith
Councilmember

William Smith
Councilmember



AGENDA

CITY OF CALIFORNIA CITY CITY COUNCIL

Tuesday, April 28, 2020
Regular Meeting 6:00 pm

Council Chambers
21000 Hacienda Blvd.
California City, Ca 93505

If you need special assistance to participate in this meeting, please contact the City Clerk's office at (760) 373-7140. Notification of 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 American Disabilities Act Title II)

THE APRIL 28th, 2020 REGULAR MEETING WILL BE CONDUCTED PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDER N-25-20

In order to minimize the spread of the COVID 19 virus, the City offers two options:

1. You may observe the City Council meetings live on the City of California City website at www.californiacity-ca.gov. To view from the website, select the [Video Feed](#) link on the home page. You will also have the ability to make comments via "Ecomment" on the live feed. All Ecomments, staying within the 3 minute time limit, will be read into the record. The Ecomment instruction guide can be found on the front page of the city's website.
2. If you wish to make comments via email, please send your comments to cityclerk@californiacity-ca.gov **no later than 5pm**, Tuesday April 28, 2020.

The City of California City thanks you in advance for taking all precautions to prevent spreading the COVID 19 virus.

NB 3. Cannabis Delivery Permit Discussion – City Manager Linn / Mayor Pro Tem Parris

Recommendation

Council discuss and direct City Manager as desired

CONDITIONAL USE PERMITS							
TYPE	PROJECT	APPLICANT	MEETING DATE	PLANNING PROJECT STATUS	CEQA STATUS	CCO PERMIT FEES	STAFF
		Grandma's Stash 8205 Dogbane APN 213-500-10 Zone C5	2/4/2020	CUP hearing cont. for February 4th Planning Commission Meeting	CE	\$ 842.00	Matthew
CUP	19-01						
CUP	19-03	8 Minute Solar	TBD	Documents Submitted		\$ 2,443.00	Department
CUP	19-04	8 Minute Solar	TBD	Documents Submitted		\$ 2,443.00	Department
CUP	20-01	Starbucks	TBD	Waiting for Plans, needs full payment (HOLD)	TBD	\$ 2,061.00	Shawn

EXHIBIT E

MADDOCKS LAW PC
PROFESSIONAL CORPORATION

California City
Office of the City Clerk
21000 Hacienda Blvd.

Grandma's Stash
8205 Dogbane Ave.

Re: Notice of Intent to Appeal April 28 City Council Decision on NB 3. Cannabis Delivery Permit Discussion

Office of the City Clerk,

I am writing on behalf of Grandma's Stash, LLC who is submitting an official request to appeal arising from the City Council's April 28 decision to stop processing cannabis delivery licenses.

On April 28, 2020 the City Council voted on and enacted a motion to stop the processing of all cannabis delivery permits.

To begin with, the City Council failed to publicize the scope of the Cannabis Delivery Permit Discussion and moved forward with this discussion without notifying any of the interested parties.

Further, the Council's discussion and decision was based on a misunderstanding of the operative timelines for the parties to perform. The majority of permits were issued in April of 2019. Grandma's Stash did not receive its approval until August 23 of 2019 (See Exhibit A). Given that the Ordinance requires that licensees be up and running within 8 months of approval and no later than a year after the approval, the City's decision has unduly taken away Grandma's Stash's right to pursue its permit to completion.

Grandma's Stash's CUP has been pending review since at least as early as January 21, 2020 when its original CUP hearing was scheduled. The City Council has since twice delayed the review of Grandma's Stash's CUP prior to its April 28th decision. Now the City Council's decision to stop processing permits has completely removed our right to pursue our permit within the one year timeline laid out in the City's Ordinance.

We believe the delayed approval of Grandma's Stash's delivery license approval combined with the delay of the review of our CUP has unjustly taken away our right to pursue a license that was granted to us by the City. The one year timeline discussed by the Council in its hearing does not apply to Grandma's Stash who was not issued its license until August 23, 2020 and, but for the council's

23 Corporate Plaza Dr #150, Newport Beach, CA 92660
Phone (949) 291.0587 **Email** maddocksg@greencp.com

postponement of our CUP hearing, Grandma's Stash would have been able to complete its permit prior to the City's decision to suspend all processing and issuance of Cannabis Delivery Permits.

Accordingly, Grandma's Stash seeks to appeal the City Council's decision broadly, and specifically as it applies to Grandma's Stash's unique licensing situation, which is distinct from that of the ten delivery licenses that were granted in April 2019.

Specifically, we are requesting that the City Council consider moving forward with the review and approval of Grandma's Stash, LLC's Conditional Use Permit (CUP) for cannabis delivery operations in the City of California City.

We look forward to the opportunity to further discuss this matter with the City Council members of California City.

Respectfully submitted,

Sean Maddocks, Esq.
CA Bar#: 314550

MADDOCKS LAW PC
PROFESSIONAL CORPORATION

EXHIBIT “G”

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Ms. Tami Marie Johnson
8348 Redwood Boulevard
California City, CA 93505
818-585-3534 or 562-825-9863
JTMK1969@Gmail.com

24 June 2020

Ms. Galena West
Chief of Enforcement
Fair Political Practices Commission
1102 Q Street, Suite 3000
Sacramento, CA 95811

Dear Ms. West,

I submit this sworn complaint to detail widespread violations of the Political Reform Act in California City. These violations include conflicts of interest, transgressions of the state's sunshine laws, and strong indicia of outright corruption. So pervasive are these violations that I am sending a copy of this Sworn Complaint to the Federal Bureau of Investigation, the State Attorney General, and the Kern County District Attorney. Regardless of what happens with those investigations, I ask that the FPPC not ignore these violations and take the appropriate steps to remedy them.

Introduction

California City is a general-law city with a five-member city council. With the third-largest municipal land mass in California after Los Angeles and San Diego, and a strong industrial (and recently cannabis) presence, there have long been rumors of corruption. Recent machinations have enhanced these suspicions.

As you know, California law requires elected officials to file annually a Form 700 "Statement of Economic Interests." This form is the centerpiece of California's sunshine laws, and enables the public, media, and government agencies to determine whether policymakers have a conflict of interest. The law contains limited exceptions, for example, officials need not disclose their personal residence. Officials must report real-estate holdings, especially ones that generate payments. They must report salaries and other income that come from non-governmental sources. They must report stock ownership, gifts, loans, and paid travel. And they certainly must report large payments that come from people or entities who do business with their jurisdictions.

California City officials violated these laws in spectacular fashion. This complaint covers violations by Police Chief Jon Walker, and Councilmen William Smith, Ron Smith, and Donald Parris.

Violations by Police Chief Jon Walker

Background

In June 2016, the California City Council voted to allow cannabis within the city. In October 2016, the politically well-connected “boss” of California City, Rick Jones, created a Private Patrol (security guard) company called Fast Response Security. *See* Exh. A. The company promptly hired Rick Hurtado, brother of then-Police Chief Eric Hurtado. Shortly thereafter, it was discovered that city property like desks were taken to and being used at Fast Response’s offices. *See* Exh. B.

In 2018, some councilmen pushed for a lucrative minimum wage of \$22 for security guards hired by cannabis companies in California City. (By comparison, the average such wage for *unionized* security guards in *big cities* is about \$12-\$13.) The council also authorized the Police Chief to set additional policies that apply to cannabis firms hiring security guards.

Chief Hurtado – whose brother was getting paid tens of thousands of dollars by Fast Response Security – implemented a curious policy requiring every cannabis business to contract with a firm that could respond to calls for backup with additional guards, within 15 minutes. *See, e.g.,* Exh. C. In other words, the police chief required each cannabis business to contract with a firm based less than 15 minutes away from their locations. There is one such security company that meets that criterion: Fast Response Security.

These acts created a lucrative monopoly for a politically connected crony of the council members.

In 2019, Chief Hurtado retired. The city appointed Tim O’Quinn as Interim Chief on 9 October 2019. O’Quinn had been featured on Dateline NBC for his efforts to solve eight unsolved homicides in California City. After informing city officials he was going to serve a search warrant on Fast Response Towing (another Rick Jones company), O’Quinn was ousted from his job as Interim Chief – just ten days into the job. Exh. D.

Corruption?

The city then appointed Jon “Jonny” Walker as chief. To put it mildly, he was a curious choice. An actor, singer in a country band, and resident of faraway Los Angeles, Walker had never advanced beyond the rank of Sergeant, and only in the Los Angeles Police Department. Exh. E. It’s exceedingly rare for a police officer to go from Sergeant to Chief.

Apparently, Walker had one quality that made him appealing to the City Council. He is an employee of Fast Response Security. Attached as Exhibit F is an official document from the California DCA, listing Walker as the Private Patrol Operator for Fast Response Security. Attached as Exhibit G is a printout from Fast Response Security’s website, depicting clearly Mr. Walker as an employee of Fast Response Security.

Patent Violations of the Political Reform Act

Attached as Exhibit H is Jonny Walkers's most recent Form 700. Under penalty of perjury, Walker states that he had no reportable interests whatsoever. His failure to report the income from Fast Response Security is both a Political Reform Act violation and perjury – in addition to being highly suspect from a corruption standpoint.

A conviction for perjury is appropriate, and would would preclude Mr. Walker from serving as Police Chief.

Violations by William Smith

In his most recent Form 700, William "Bill" Smith discloses that he sold his hardware store during the covered reporting period. Exh. I. In violation of the law, he does not disclose who bought it – or the purchase price. According to public records, the purchaser is a cannabis proprietor doing business in the city. Exh. J.

Such disclosures are the reason for Form 700's existence. The media, public, and the California City city attorney might find it relevant that a Councilman sold his business, to a municipally regulated cannabis proprietor – for \$3.5 million dollars – when that business, on information and belief, was losing money. (They also apparently listed the "official" sales price as just \$1 million dollars.)

It gets worse. According to deal documents, Councilman Bill Smith agreed to carry a note to this purchaser at an interest *far* beyond prevailing rates. See Exh. K. This means that the cannabis businessman agreed to make large monthly payments to a sitting Councilman. Is this arrangement legitimate? That is beyond the scope of this complaint. One thing is certain, however. Bill Smith's failure to disclose this on his Form 700 was perjury.

Councilman Bill Smith cannot pretend he does not understand the instructions. Indeed, he disclosed many other interests on his Form 700. He conveniently overlooked this one.

A conviction for perjury is appropriate, and provides grounds for Councilman Bill Smith to forfeit his office.

These undisclosed conflicts have real consequences. At the 23 June 2020 California City Council meeting, Councilman Bill Smith voted to deny *other* cannabis license applications, despite them having met all their legal requirements, and without disclosing his massive payments from an existing competitor. This is an actual conflict.

Violations by Ron Smith

Attached as Exhibit L is Ron Smith's most recent publicly available Form 700. Under penalty of perjury, he states that he owns nothing, that he has no reportable interests whatsoever.

Ron Smith is employed as the Pastor at a "Victory Baptist Church" in California City. Exh. M. Pastor Smith draws a salary and other compensation from Victory Baptist. This is a reportable interest. Additionally, Ron Smith owns multiple parcels of real estate that he didn't report. Exh. N.

Currently, someone with business before the city could make a large cash "donation" to this "church" and such funds, in whole or in part, would go to Ron Smith. There is little or no oversight. This concern is augmented by the fact that a search of California's nonprofit registry reveals that no such entity as "Victory Baptist Church" of California City exists or is registered with the state. *See* Exh. O.

Ron Smith's failure to report these matters are both Political Reform Act violations and perjury, and grounds to forfeit office.

Violations by Don Parris

Attached as Exhibit P is Don Parris's most recent publicly available Form 700. He lists nothing – no reportable interests whatsoever.

Yet, on information and belief, Don Parris and his wife have non-governmental income that is reportable.

More significantly, Parris sold a piece of devalued property in town that he wanted to dump – for three times its value – to a cannabis operator. *See* Exhs. Q-R. Parris did not report this income on his Form 700, and he too voted on other license applications without anyone having the benefit of this knowledge.

Parris's Form 700 is perjurious, and grounds to forfeit office. As is his actual conflict.

Indicia of General Corruption

Rick Jones' stranglehold on the council should also be investigated, as we believe the council regularly takes official action to benefit Jones, and unfortunately, in California City, it is rare that council members take such steps without a quid pro quo. If such matters are illegal, they are grounds for state action against the wrongdoers. If any income from such arrangements is undisclosed, it is grounds for at minimum a perjury conviction for failure to report on the Form 700s.

Two examples:

In February 2020, the council considered bids for a simple fence replacement in town. Under California City laws, the council must choose the smallest bid for such matters. Exh. S. The council unabashedly violated the law, and chose the *highest* bid, which was 80% higher than the lowest bid. *See* Exh. T. The owner of that fencing company? Rick Jones. *See* Exh. U.

In Fall 2018, a man named Al West sued Rick Jones for fraud. Al West had previously been the Agent for Service of Process for "Fast Response Security." Exh. V. West alleged

Jones borrowed \$150,000 from him with no intent to repay it. Exh. W. This civil lawsuit between the two businessmen continued through the court process.

In early 2020, someone sued California City alleging various violations. The City Council rushed to settle that lawsuit, using taxpayer funds. In April 2020, as part of this "settlement," the city then cut a check to a man named Al West – for \$150,000. Exh. X.

Conclusion

Our city needs your help. We are in a largely forgotten corner of California, and this often allows city officials to think they can operate with impunity.

The above facts show a pattern of financial conflicts of interest; gifts over the limit; false, inadequate, and inaccurate reporting on statements of economic interests; and direct cash payments. All of these are violations of the Political Reform Act.

Please help the law-abiding residents of California City take our city back.

I swear under penalty of perjury that I have completed this complaint to the best of my knowledge and that the exhibits thereto are true and correct.

A handwritten signature in black ink, appearing to read "Tami Marie Johnson", written over a horizontal line.


Tami Marie Johnson

24 June 2020

Better Business Bureau®


Exhibit A


[Home](#) > [California](#) > [California City](#) > [Security Guards](#) > Fast Response Security, Inc.




Fast Response Security,
Inc.

Security Guards

 6508 California City
Blvd.
Calif City, CA 93505

 <http://www.fastsecuritys.com/>

 [\(661\) 775-5650](tel:(661)775-5650)

Accreditation

THIS BUSINESS IS NOT BBB
ACCREDITED

Years in Business: 3

BBB Rating

A+

Customer Reviews are not used in
the calculation of BBB Rating

Customer Reviews

THIS BUSINESS HAS 0 REVIEWS

Customer Complaints

THIS BUSINESS HAS 0
COMPLAINTS

This website uses cookies to analyze traffic, assist with navigation, and improve your experience. You can learn more about our cookies in our [Privacy Policy](#).

Business Details

Location of This Business

6508 California City Blvd., Calif City, CA 93505

BBB File Opened: 5/1/2020

Years in Business: 3

Business Started: 10/17/2016

Type of Entity: Corporation

Business Management

Mr. Richard W Jones, President

Contact Information

Principal

Mr. Richard W Jones, President

Customer Contact

Mr. Richard W Jones, President

Additional Contact Information

Email Addresses

[Email this Business](#) Sales

[Email this Business](#) Technical Support

[Email this Business](#) Customer Service

Customer Complaints

0 Customer Complaints

Customer Reviews

0 Customer Reviews

Business Categories

Security Guards

This website uses cookies to analyze traffic, assist with navigation, and improve your experience. You can learn more about our cookies in our [Privacy Policy](#).

Exh. B

On October 23, 2016, California City Police Chief Eric Hurtado and his brother, Rick Hurtado, were seen removing desks from the police department building. These desks were later discovered in the office of a private security company where Rick Hurtado was an employee. Based on this information, the Public Integrity Unit of the District Attorney's Office began an investigation.

*About one month prior to the removal of the desks, California City (City) passed an ordinance that allowed interested persons to apply for a license to operate medical marijuana businesses. This application process included a background check on the proposed business's owners. Due to the size of the Police Department, Chief **Hurtado** wanted to hire outside contractors to perform this work. Chief **Hurtado** planned to use office space at the airport, which is owned by the City, but did not yet have City approval to hire the investigators. He asked the airport manager to let him know if someone else was interested in the space before renting it out to them.*

*Sometime later, a security company approached the airport about renting office space. Chief **Hurtado** told the airport manager they could have the space as another airport office tenant would soon be moving out and he was still waiting for the City to approve the hiring of the investigator positions. According to Rick **Hurtado**, the desks were moved to.*

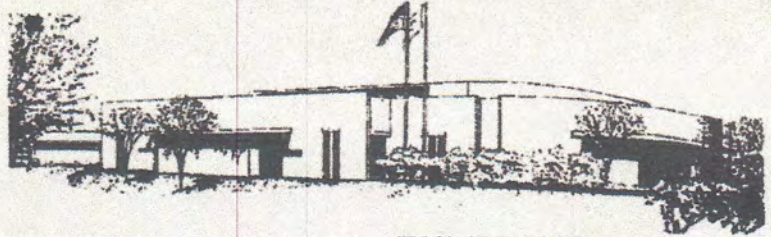
Although the desks were found on private property, there is insufficient evidence to show an intent to deprive the City of its property. The claim that the desks were moved to the airport in anticipation of their use at the future City office space is plausible. Since the desks were quickly recovered during the investigation, it is impossible to know whether this would have occurred or not.

*Based on all the available evidence, it is unlikely that a jury would be unanimously convinced beyond a reasonable doubt that Chief **Hurtado** stole or otherwise misappropriated City property.*



CITY OF CALIFORNIA CITY POLICE DEPARTMENT

ERIC HURTADO
Chief of Police



(760) 373-8606 INCORPORATED 1965

October 30, 2018

Exhibit C

Bud Technology
Ray Iskander
Ray@budtechnology.com
California City, CA 93505

Dear Ray:

Thank you for meeting with me this afternoon regarding the security of Bud Technology located at the airport here in California City. This letter is a recap of our visit and the concerns identified:

- 1) Keypads both for ingress and egress on the two rooms with outside windows in the far building. This, along with the glass-break alarm will help to deter theft should anyone actually attempt to break in to that building.
- 2) The far building's front facing window also needs the glass-break alarm in place.
- 3) A glass-break alarm is also recommended for the windows in the first building.
- 4) To further deter break-ins, I recommend inside rolling, locking window covering (hurricane shutters) for the inside of all windows in all three buildings.
- 5) Security – Per our conversation it will take around 90-120 for you to start up production. With that in mind, I think a metered approach for your facility security needs would be appropriate. This is what I would like to see and feel free if you want to discuss this further:

DAY 1 – 60 (1) One unarmed security officer MON-FRI first 8 hours of opening (i.e. 8:00-4:00 PM) Plus the contract of having an armed security officer be able to arrive to your business within 15 minutes of any alarm call.

DAY 61-120 Same as above with the addition of (1) hourly armed patrol-check after hours.

DAY 121+ (1) Armed guard station inside gate or roaming the 3 buildings **during normal weekday hours**. Patrol Guard must be present during end-of-day closing.

Please advise should you have questions or need more information.

Sincerely,

Chief Eric Hurtado

Exhibit D

KGET.com

NEWS ▾

WEATHER ▾

SPORTS ▾

FEATURES ▾

TRAFFIC ▾

COMMUNITY ▾

PROS WHO KNOW ▾

by: Joseph Luiz

Posted: Oct 21, 2019 / 04:17 PM PDT / Updated: Oct 21, 2019 / 04:17 PM PDT

CALIFORNIA CITY, Calif. (KGET) — The California City Police Department has changed chiefs twice in the span of just a few weeks.

Less than two weeks after California City Police Chief Eric Hurtado resigned, a department spokesperson confirmed with KGET that Timothy O'Quinn is "no longer" serving as the interim chief. Shannon Hayes has been named the new interim chief.

Hayes had worked as a detective sergeant with the department since 2004.

CCPD did not say why Quinn is no longer serving as the interim chief.

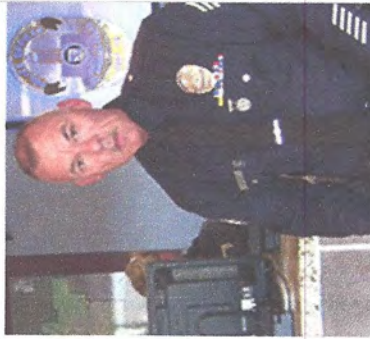
This article will be updated if more information becomes available.

Exhibit E



Our Management Team

With backgrounds in State Highway Patrol, Sheriff, LAPD, and tactical training at one of the largest police departments, our Board of Directors pass their experience and training onto our security personnel to assure the best possible service to our clients.



Sgt. Jon L. Walker
Certified Instructor



Amanda Adolf
Manager, Certified Instructor



Sgt. Michael Gubelli
Legal/Risk Management



Richard Jones
CEO

BUREAU OF SECURITY AND INVESTIGATIVE SERVICES

CURRENT DATE / TIME

JUNE 22, 2020
11:12:37 AM

DETAILS FOR WALKER, JON L

NAME: WALKER, JON L

TYPE: PPO QUALIFIED MANAGER

ADDRESS OF RECORD

LOS ANGELES CA 90042-3125

LOS ANGELES COUNTY

Exhibit F

LICENSE RELATIONSHIPS

PPO TO QUALIFIED MANAGER

LICENSE/REGISTRATION ROLE: QUALIFIED
MANAGER

RELATED PARTY ROLE: PRIVATE PATROL
OPERATOR

NAME: FAST RESPONSE SECURITY, INC.

LICENSE/REGISTRATION TYPE: PRIVATE PATROL
OPERATOR

LICENSE NUMBER: 119994 **PRIMARY STATUS:**
CURRENT

ADDRESS :

6508 CALIFORNIA CITY BLVD
CALIFORNIA CITY CA 93505-1700
KERN COUNTY

MAP



Our Management Team

With backgrounds in State Highway Patrol, Sheriff, LAPD, and tactical training at one of the largest police departments, our Board of Directors pass their experience and training onto our security personnel to assure the best possible service to our clients.



Sgt. Jon L. Walker
Certified Instructor



Amanda Adolf
Manager, Certified Instructor



Sgt. Michael Gubelli
Legal/Risk Management



Richard Jones
CEO

CALIFORNIA FORM 700
 FAIR POLITICAL PRACTICES COMMISSION

STATEMENT OF ECONOMIC INTERESTS

Date Initial Filing Received

COVER PAGE

A PUBLIC DOCUMENT



Please type or print in ink.

NAME OF FILER (LAST)

Walker

(FIRST)

Jon

1. Office, Agency, or Court

Agency Name (Do not use acronyms)

City of California City

Division, Board, Department, District, if applicable

Your Position

Police Chief

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: _____

Position: _____

2. Jurisdiction of Office (Check at least one box)

☐ State☐ Judge, Retired Judge, Pro Tem Judge, or Court Commissioner
(Statewide Jurisdiction)☐ Multi-County☐ County of _____☒ City of

California City

☐ Other _____

3. Type of Statement (Check at least one box)

☐ Annual: The period covered is January 1, 2019, through
December 31, 2019.

-or-

The period covered is _____, through
December 31, 2019.☐ Leaving Office: Date Left _____
(Check one circle.)☐ The period covered is January 1, 2019, through the date of
leaving office.

-or-

☐ The period covered is _____, through
the date of leaving office.☒ Assuming Office: Date assumed 01/14/2020☐ Candidate: Date of Election _____ and office sought, if different than Part 1: _____

4. Schedule Summary (must complete)

► Total number of pages including this cover page: 1

Schedules attached

☐ Schedule A-1 - Investments - schedule attached☐ Schedule C - Income, Loans, & Business Positions - schedule attached☐ Schedule A-2 - Investments - schedule attached☐ Schedule D - Income - Gifts - schedule attached☐ Schedule B - Real Property - schedule attached☐ Schedule E - Income - Gifts - Travel Payments - schedule attached-or- ☒ None - No reportable interests on any schedule

5. Verification

MAILING ADDRESS

STREET

CITY

STATE

ZIP CODE

(Business or Agency Address Recommended - Public Document)

DAYTIME TELEPHONE NUMBER

(760) 373-7171

EMAIL ADDRESS

jwalker@californiacity.pd.org

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed

(month, day, year)

2/6/2020

Signature

(File the originally signed paper statement with your filing official.)

STATEMENT OF ECONOMIC INTERESTS

COVER PAGE

A PUBLIC DOCUMENT

Please type or print in ink.

NAME OF FILER (LAST)

(FIRST)

SMITH

WILLIAM

ROBERT



1. Office, Agency, or Court

Agency Name (Do not use acronyms)

City of California City

Division, Board, Department, District, if applicable

City Council

Your Position

City Council Member

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: _____

Position: _____

2. Jurisdiction of Office (Check at least one box)

☐ State☐ Judge, Retired Judge, Pro Tem Judge, or Court Commissioner
(Statewide Jurisdiction)☐ Multi-County _____☐ County of _____☒ City of California City☐ Other _____

3. Type of Statement (Check at least one box)

☐ Annual: The period covered is January 1, 2019, through
December 31, 2019.

-or-

The period covered is ____/____/____, through
December 31, 2019.☐ Leaving Office: Date Left ____/____/____
(Check one circle.)☐ The period covered is January 1, 2019, through the date of
leaving office.

-or-

☐ The period covered is ____/____/____, through
the date of leaving office.☒ Assuming Office: Date assumed 03 / 06 / 2020☐ Candidate: Date of Election _____ and office sought, if different than Part 1: _____

4. Schedule Summary (must complete)

► Total number of pages including this cover page: 5

Schedules attached

☒ Schedule A-1 - Investments - schedule attached☐ Schedule C - Income, Loans, & Business Positions - schedule attached☐ Schedule A-2 - Investments - schedule attached☐ Schedule D - Income - Gifts - schedule attached☒ Schedule B - Real Property - schedule attached☐ Schedule E - Income - Gifts - Travel Payments - schedule attached-or- ☐ None - No reportable interests on any schedule

5. Verification

MAILING ADDRESS

STREET

CITY

STATE

ZIP CODE

(Business or Agency Address Recommended - Public Document)

P.O. BOX 2364

CALIFORNIA CITY

CA

93504

DAYTIME TELEPHONE NUMBER

(760) 784-1298

EMAIL ADDRESS

billsmith.47@hotmail.com

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 03/27/2020

(month, day, year)

Signature

(File the originally signed paper statement with your filing official.)

SCHEDULE A-1

Investments

Stocks, Bonds, and Other Interests

(Ownership Interest is Less Than 10%)

Investments must be itemized.

Do not attach brokerage or financial statements.

CALIFORNIA FORM **700**

FAIR POLITICAL PRACTICES COMMISSION

Name

WILLIAM ROBERT SMITH

► NAME OF BUSINESS ENTITY
CITY HARDWARE, INC.

GENERAL DESCRIPTION OF THIS BUSINESS
Hardware Retail Store

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☒ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock ☐ Other _____ (Describe)
☐ Partnership ☐ Income Received of \$0 - \$499
 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/19 10/22/19
ACQUIRED DISPOSED

► NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock ☐ Other _____ (Describe)
☐ Partnership ☐ Income Received of \$0 - \$499
 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/19 ____/____/19
ACQUIRED DISPOSED

► NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock ☐ Other _____ (Describe)
☐ Partnership ☐ Income Received of \$0 - \$499
 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/19 ____/____/19
ACQUIRED DISPOSED

► NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock ☐ Other _____ (Describe)
☐ Partnership ☐ Income Received of \$0 - \$499
 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/19 ____/____/19
ACQUIRED DISPOSED

► NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock ☐ Other _____ (Describe)
☐ Partnership ☐ Income Received of \$0 - \$499
 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/19 ____/____/19
ACQUIRED DISPOSED

► NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock ☐ Other _____ (Describe)
☐ Partnership ☐ Income Received of \$0 - \$499
 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/19 ____/____/19
ACQUIRED DISPOSED

Comments: _____

SCHEDULE B
Interests in Real Property
(Including Rental Income)

CALIFORNIA FORM **700**
FAIR POLITICAL PRACTICES COMMISSION

Name

WILLIAM R. SMITH

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

213-033-16-00-9

CITY

CALIFORNIA CITY

FAIR MARKET VALUE

- ☒ \$2,000 - \$10,000
☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000
☐ Over \$1,000,000

IF APPLICABLE, LIST DATE:

____/____/19 ____/____/19
ACQUIRED DISPOSED

NATURE OF INTEREST

- ☒ Ownership/Deed of Trust ☐ Easement
☐ Leasehold _____
Yrs. remaining Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

- ☐ \$0 - \$499 ☐ \$500 - \$1,000 ☐ \$1,001 - \$10,000
☐ \$10,001 - \$100,000 ☐ OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☒ None

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

207-191-02-00-6

CITY

CALIFORNIA CITY

FAIR MARKET VALUE

- ☒ \$2,000 - \$10,000
☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000
☐ Over \$1,000,000

IF APPLICABLE, LIST DATE:

____/____/19 ____/____/19
ACQUIRED DISPOSED

NATURE OF INTEREST

- ☒ Ownership/Deed of Trust ☐ Easement
☐ Leasehold _____
Yrs. remaining Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

- ☐ \$0 - \$499 ☐ \$500 - \$1,000 ☐ \$1,001 - \$10,000
☐ \$10,001 - \$100,000 ☐ OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☒ None

* You are not required to report loans from a commercial lending institution made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE

TERM (Months/Years)

_____% ☐ None

HIGHEST BALANCE DURING REPORTING PERIOD

- ☐ \$500 - \$1,000 ☐ \$1,001 - \$10,000
☐ \$10,001 - \$100,000 ☐ OVER \$100,000
☐ Guarantor, if applicable

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE

TERM (Months/Years)

_____% ☐ None

HIGHEST BALANCE DURING REPORTING PERIOD

- ☐ \$500 - \$1,000 ☐ \$1,001 - \$10,000
☐ \$10,001 - \$100,000 ☐ OVER \$100,000
☐ Guarantor, if applicable

Comments: _____

SCHEDULE B
Interests in Real Property
(Including Rental Income)

CALIFORNIA FORM 700
FAIR POLITICAL PRACTICES COMMISSION

Name

WILLIAM R. SMITH

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

207-191-03-00-9

CITY

CALIFORNIA CITY

FAIR MARKET VALUE

☒ \$2,000 - \$10,000

☐ \$10,001 - \$100,000

☐ \$100,001 - \$1,000,000

☐ Over \$1,000,000

IF APPLICABLE, LIST DATE:

____/____/19
ACQUIRED

____/____/19
DISPOSED

NATURE OF INTEREST

☒ Ownership/Deed of Trust

☐ Easement

☐ Leasehold

Yrs. remaining

☐

Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

☐ \$0 - \$499

☐ \$500 - \$1,000

☐ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☐ None

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

CITY

FAIR MARKET VALUE

☐ \$2,000 - \$10,000

☐ \$10,001 - \$100,000

☐ \$100,001 - \$1,000,000

☐ Over \$1,000,000

IF APPLICABLE, LIST DATE:

____/____/19
ACQUIRED

____/____/19
DISPOSED

NATURE OF INTEREST

☐ Ownership/Deed of Trust

☐ Easement

☐ Leasehold

Yrs. remaining

☐

Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

☐ \$0 - \$499

☐ \$500 - \$1,000

☐ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☐ None

* You are not required to report loans from a commercial lending institution made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE

TERM (Months/Years)

_____%

☐ None

HIGHEST BALANCE DURING REPORTING PERIOD

☐ \$500 - \$1,000

☐ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

☐ Guarantor, if applicable

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE

TERM (Months/Years)

_____%

☐ None

HIGHEST BALANCE DURING REPORTING PERIOD

☐ \$500 - \$1,000

☐ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

☐ Guarantor, if applicable

Comments:

SCHEDULE B
Interests in Real Property
(Including Rental Income)

CALIFORNIA FORM 700
FAIR POLITICAL PRACTICES COMMISSION

Name

WILLIAM R. SMITH

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

204-121-04-00-0

CITY

CALIFORNIA CITY

FAIR MARKET VALUE

☐ \$2,000 - \$10,000

☒ \$10,001 - \$100,000

☐ \$100,001 - \$1,000,000

☐ Over \$1,000,000

IF APPLICABLE, LIST DATE:

____/____/19 ____/____/19
ACQUIRED DISPOSED

NATURE OF INTEREST

☒ Ownership/Deed of Trust

☐ Easement

☐ Leasehold

Yrs. remaining

☐

Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

☐ \$0 - \$499

☐ \$500 - \$1,000

☒ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☐ None

Melinda Reese

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

207-022-23-00-4

CITY

CALIFORNIA CITY

FAIR MARKET VALUE

☐ \$2,000 - \$10,000

☐ \$10,001 - \$100,000

☒ \$100,001 - \$1,000,000

☐ Over \$1,000,000

IF APPLICABLE, LIST DATE:

____/____/19 ____/____/19
ACQUIRED DISPOSED

NATURE OF INTEREST

☒ Ownership/Deed of Trust

☐ Easement

☐ Leasehold

Yrs. remaining

☐

Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

☐ \$0 - \$499

☐ \$500 - \$1,000

☒ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☐ None

Lisa Heck

* You are not required to report loans from a commercial lending institution made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE

TERM (Months/Years)

_____% ☐ None

HIGHEST BALANCE DURING REPORTING PERIOD

☐ \$500 - \$1,000

☐ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

☐ Guarantor, if applicable

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE

TERM (Months/Years)

_____% ☐ None

HIGHEST BALANCE DURING REPORTING PERIOD

☐ \$500 - \$1,000

☐ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

☐ Guarantor, if applicable

Comments:



First American

*my*FirstAm® Recorded Document

Exhibit J

The Recorded Document images are displayed in the subsequent pages for the following request:

State: CA
County: Kern

Document Number: 140326
Document Date: 20191023

Limitation of Liability for Informational Report

IMPORTANT – READ CAREFULLY: THIS REPORT IS NOT AN INSURED PRODUCT OR SERVICE OR A REPRESENTATION OF THE CONDITION OF TITLE TO REAL PROPERTY. IT IS NOT AN ABSTRACT, LEGAL OPINION, OPINION OF TITLE, TITLE INSURANCE COMMITMENT OR PRELIMINARY REPORT, OR ANY FORM OF TITLE INSURANCE OR GUARANTY. THIS REPORT IS ISSUED EXCLUSIVELY FOR THE BENEFIT OF THE APPLICANT THEREFOR, AND MAY NOT BE USED OR RELIED UPON BY ANY OTHER PERSON. THIS REPORT MAY NOT BE REPRODUCED IN ANY MANNER WITHOUT FIRST AMERICAN'S PRIOR WRITTEN CONSENT. FIRST AMERICAN DOES NOT REPRESENT OR WARRANT THAT THE INFORMATION HEREIN IS COMPLETE OR FREE FROM ERROR, AND THE INFORMATION HEREIN IS PROVIDED WITHOUT ANY WARRANTIES OF ANY KIND, AS-IS, AND WITH ALL FAULTS. AS A MATERIAL PART OF THE CONSIDERATION GIVEN IN EXCHANGE FOR THE ISSUANCE OF THIS REPORT, RECIPIENT AGREES THAT FIRST AMERICAN'S SOLE LIABILITY FOR ANY LOSS OR DAMAGE CAUSED BY AN ERROR OR OMISSION DUE TO INACCURATE INFORMATION OR NEGLIGENCE IN PREPARING THIS REPORT SHALL BE LIMITED TO THE FEE CHARGED FOR THE REPORT. RECIPIENT ACCEPTS THIS REPORT WITH THIS LIMITATION AND AGREES THAT FIRST AMERICAN WOULD NOT HAVE ISSUED THIS REPORT BUT FOR THE LIMITATION OF LIABILITY DESCRIBED ABOVE. FIRST AMERICAN MAKES NO REPRESENTATION OR WARRANTY AS TO THE LEGALITY OR PROPRIETY OF RECIPIENT'S USE OF THE INFORMATION HEREIN.

Jon Lifquist, Assessor – Recorder
Kern County Official Records

BOLDENL
10/23/2019
11:52 AM

RECORDING REQUESTED BY:
First American Title Company

Recorded at the request of
First American Title

DOC#: 219140326

Stat Types: 1 **Pages:** 2



Fees	13.00
Taxes	1,100.00
Others	0.00
PAID	\$1,113.00

MAIL TAX STATEMENT
AND WHEN RECORDED MAIL DOCUMENT TO:
Kern River Group LLC
7594 California City Blvd
California City, CA 93505

Space Above This Line for Recorder's Use Only

A.P.N.: 211-010-22-00-5

File No.: 1504-6034436 (tj)

GRANT DEED

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX \$1,100.00; CITY TRANSFER TAX \$;
SURVEY MONUMENT FEE \$

[☒] computed on the consideration or full value of property conveyed, OR
[☐] computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
[☐] unincorporated area; [☒] City of California City, and

EXEMPT FROM BUILDING HOMES AND JOBS ACTS FEE PER GOVERNMENT CODE 27388.1(a)(2)

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **William Robert Smith and Donna Lee Smith, Trustees of The 2008 William and Donna Smith Living Trust under declaration of the trust, dated September 14, 2008**

hereby GRANTS to **Kern River Group LLC, a California limited liability company**

the following described property in the City of **California City**, County of **Kern**, State of **California**:

THE EAST HALF OF THE EAST HALF OF THE WEST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 32 SOUTH, RANGE 37 EAST, M.D.B.M., IN THE CITY OF CALIFORNIA CITY, COUNTY OF KERN, STATE OF CALIFORNIA, PER THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE SURVEYOR GENERAL.

ALSO EXCEPTING THEREFROM 1/2 OF ALL OIL, GAS AND OTHER MINERALS CONTAINED WITHIN SAID LAND, AS RESERVED IN DEED FROM DE LOSS P. BROWN AND WIFE, RECORDED OCTOBER 31, 1957 IN BOOK 2862, PAGE 464 OF OFFICIAL RECORDS.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO "PARCEL B" OF THAT CERTAIN CERTIFICATE APPROVING A CERTIFICATE OF COMPLIANCE PARCEL MAP WAIVER NO. 03-01, RECORDED AUGUST 13, 2003 AS INSTRUMENT NO. 2003-168116 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL THAT REAL PROPERTY GRANTED TO THE CITY OF CALIFORNIA CITY, A MUNICIPAL CORPORATION, FROM WILLIAM R. SMITH AND DONNA L. SMITH, HUSBAND AND WIFE AS JOINT TENANTS, IN GRANT DEED RECORDED OCTOBER 19, 2006 AS INSTRUMENT NO. 0206260571 IN KERN COUNTY OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF DESCRIBED IN THAT CERTAIN FINAL ORDER OF CONDEMNATION ISSUED OUT OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF KERN CASE NO. S-1500-CV-276638, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 25, 2013 AS DOCUMENT NO. 0213026093, OFFICIAL RECORDS.

Mail Tax Statements To: **SAME AS ABOVE**

Grar

A.P.N.: 211-010-22-00-5

Dated: September 25, 2019

The 2008 William and Donna Smith Living Trust
under declaration of the trust

William Robert Smith

William Robert Smith, Trustee

Donna Lee Smith

Donna Lee Smith, Trustee

A notary public or other officer completing this certificate
verifies only the identity of the individual who signed the
document to which this certificate is attached, and not the
truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)SS
COUNTY OF KERN)

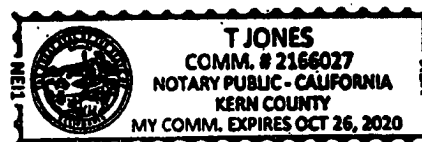
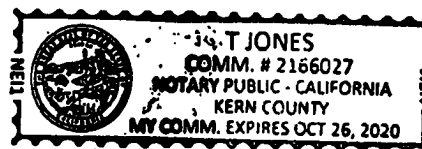
On SEPTEMBER 25, 2019, before me, T. JONES, Notary
Public, personally appeared -----William Robert Smith and Donna Lee Smith-----, who proved
to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within
instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is
true and correct.

WITNESS my hand and official seal.

This area for official notarial seal

T. Jones
Notary Signature



Alex Padilla
California Secretary of State

Exhibit J, continued

LLC Entity Detail

201833310177 - KERN RIVER GROUP, LLC

Last statement filed on:	01/22/2020
Registration Date:	11/28/2018
Jurisdiction:	CALIFORNIA
Status:	ACTIVE
Agent for Service of Process:	MICHAEL JAMES ELLISON 9951MENDIBURU ROAD CALIFORNIA CITY CA 93505
Entity Address:	9951MENDIBURU ROAD CALIFORNIA CITY CA 93505
Mailing Address:	9951MENDIBURU ROAD CALIFORNIA CITY CA 93505
LLC Management:	One Manager

Please review this information to determine if you have identified the correct LLC. If correct, click Continue Filing, or click New Search to locate your LLC.

Back to Results
New Search
Continue Filing



First American

*my*FirstAm® Recorded Document

Exhibit K

The Recorded Document images are displayed in the subsequent pages for the following request:

State: CA
County: KERN

Document Number: 0000140327
Document Date: 20191023

Limitation of Liability for Informational Report

IMPORTANT – READ CAREFULLY: THIS REPORT IS NOT AN INSURED PRODUCT OR SERVICE OR A REPRESENTATION OF THE CONDITION OF TITLE TO REAL PROPERTY. IT IS NOT AN ABSTRACT, LEGAL OPINION, OPINION OF TITLE, TITLE INSURANCE COMMITMENT OR PRELIMINARY REPORT, OR ANY FORM OF TITLE INSURANCE OR GUARANTY. THIS REPORT IS ISSUED EXCLUSIVELY FOR THE BENEFIT OF THE APPLICANT THEREFOR, AND MAY NOT BE USED OR RELIED UPON BY ANY OTHER PERSON. THIS REPORT MAY NOT BE REPRODUCED IN ANY MANNER WITHOUT FIRST AMERICAN'S PRIOR WRITTEN CONSENT. FIRST AMERICAN DOES NOT REPRESENT OR WARRANT THAT THE INFORMATION HEREIN IS COMPLETE OR FREE FROM ERROR, AND THE INFORMATION HEREIN IS PROVIDED WITHOUT ANY WARRANTIES OF ANY KIND, AS-IS, AND WITH ALL FAULTS. AS A MATERIAL PART OF THE CONSIDERATION GIVEN IN EXCHANGE FOR THE ISSUANCE OF THIS REPORT, RECIPIENT AGREES THAT FIRST AMERICAN'S SOLE LIABILITY FOR ANY LOSS OR DAMAGE CAUSED BY AN ERROR OR OMISSION DUE TO INACCURATE INFORMATION OR NEGLIGENCE IN PREPARING THIS REPORT SHALL BE LIMITED TO THE FEE CHARGED FOR THE REPORT. RECIPIENT ACCEPTS THIS REPORT WITH THIS LIMITATION AND AGREES THAT FIRST AMERICAN WOULD NOT HAVE ISSUED THIS REPORT BUT FOR THE LIMITATION OF LIABILITY DESCRIBED ABOVE. FIRST AMERICAN MAKES NO REPRESENTATION OR WARRANTY AS TO THE LEGALITY OR PROPRIETY OF RECIPIENT'S USE OF THE INFORMATION HEREIN.

RECORDING REQUESTED BY:
First American Title Company

Jon Lifquist, Assessor-Recorder
Kern County Official Records

LB
10/23/2019
11:52 AM

WHEN RECORDED MAIL DOCUMENT TO:
The 2008 Smith Living Trust
10406 Crest Rd
California City, CA 93505

Recorded Electronically by:
734 First American Title

DOC #: 219140327



219140327

Stat Types: 2	Pages: 7
FEES	54.00
TAXES	.00
OTHER	.00
PAID	54.00

Space Above This Line for Recorder's Use Only

A.P.N.: 211-010-22-00-5

File No.: 1504-6034436 (tj)

Property Address: 7594 California City Blvd, California City, CA 93505

Documentary Transfer Tax \$ _____

- ☐ Computed on full value of property conveyed, OR
☐ Computed on full value less lien & encumbrances remaining at time of sale.

Signature of declarant or agent determining tax/firm name.

DEED OF TRUST WITH ASSIGNMENT OF RENTS

Title of Document

The document to which this page is affixed and made a part of is exempt from the fee imposed by the Building Homes & Jobs Act (SB 2-2017) (GC 27388.1) for the following reason:

(X) Recorded [concurrently] in connection with a transfer of real property subject to the imposition of Documentary Transfer Tax per GC 27388.1 (a) (2).

() Recorded [concurrently] in connection with a transfer of real property that is residential dwelling to an owner-occupier per GC 27388.1 (a) (2).

() Maximum fee of \$225 has been reached per GC 27388.1 (a) (1).

() Not related to real property GC 27388.1 (a) (1).

() Exempt from fee under GC 27388.1 due to being recorded in connection with a transaction that was subject to documentary transfer tax which was paid on document recorded _____ as Document No. _____ of Official Records

() Exempt from fee under GC 27388.1 due to the maximum fees having been paid on document(s) recorded _____ as Document No. _____ of Official Records

() Exempt from fee under GC 27388.1 due to it being recorded in connection with a transfer of real property that is a residential dwelling to an owner-occupier. The recorded document transferring the dwelling to the owner-occupier was recorded _____ as document No. _____ of Official Records.

() Exempt from fee under GC 27388.1 for the following reasons: _____

Failure to include an exemption reason will result in the imposition of the \$75 Building Homes and Jobs Act fee. Fees collected are deposited to the State and may not be available for refund.

RECORDING REQUESTED BY:

First American Title Company

AND WHEN RECORDED MAIL DOCUMENT TO:

The 2008 Smith Living Trust
10406 Crest Rd
California City, CA 93505

Space Above This Line for Recorder's Use Only

A.P.N.: 211-010-22-00-5

File No.: 1504-6034436 (tj)

**DEED OF TRUST WITH ASSIGNMENT OF RENTS
(LONG FORM)**

THIS DEED OF TRUST, made this **October 18, 2019**, between

TRUSTOR: **Kern River Group LLC, a California limited liability company**

whose address is **7594 California City Blvd, California City, CA 93505**,

TRUSTEE: **First American Title Insurance Company, a Nebraska Corporation**

and BENEFICIARY: **William Robert Smith and Donna Lee Smith, trustees of The 2008 Smith Living Trust u/d/t dated September 14, 2008**

WITNESSETH: That Trustor irrevocably grants to Trustee in trust, with power of sale, that property in the City of California City, County of Kern, State of California, described as:

THE EAST HALF OF THE EAST HALF OF THE WEST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 27, TOWNSHIP 32 SOUTH, RANGE 37 EAST, M.D.B.M., IN THE CITY OF CALIFORNIA CITY, COUNTY OF KERN, STATE OF CALIFORNIA, PER THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE SURVEYOR GENERAL.

ALSO EXCEPTING THEREFROM 1/2 OF ALL OIL, GAS AND OTHER MINERALS CONTAINED WITHIN SAID LAND, AS RESERVED IN DEED FROM DE LOSS P. BROWN AND WIFE, RECORDED OCTOBER 31, 1957 IN BOOK 2862, PAGE 464 OF OFFICIAL RECORDS.

THIS LEGAL DESCRIPTION IS MADE PURSUANT TO "PARCEL B" OF THAT CERTAIN CERTIFICATE APPROVING A CERTIFICATE OF COMPLIANCE PARCEL MAP WAIVER NO. 03-01, RECORDED AUGUST 13, 2003 AS INSTRUMENT NO. 2003-168116 OF OFFICIAL RECORDS.

EXCEPTING THEREFROM ALL THAT REAL PROPERTY GRANTED TO THE CITY OF CALIFORNIA CITY, A MUNICIPAL CORPORATION, FROM WILLIAM R. SMITH AND DONNA L. SMITH, HUSBAND AND WIFE AS JOINT TENANTS, IN GRANT DEED RECORDED OCTOBER 19, 2006 AS INSTRUMENT NO. 0206260571 IN KERN COUNTY OFFICIAL RECORDS.

ALSO EXCEPTING THEREFROM ALL THAT PORTION THEREOF DESCRIBED IN THAT CERTAIN

(Continued on Page 2)

FINAL ORDER OF CONDEMNATION ISSUED OUT OF THE SUPERIOR COURT OF THE STATE OF CALIFORNIA, COUNTY OF KERN CASE NO. S-1500-CV-276638, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 25, 2013 AS DOCUMENT NO. 0213026093, OFFICIAL RECORDS.

together with rents, issues and profits thereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits for the purpose of securing (1) payment of the sum of **\$1,000,000.00**, with interest thereon according to the terms of a promissory note or notes of even date herewith made by Trustor, payable to order of Beneficiary, and extensions or renewals thereof, (2) the performance of each agreement of Trustor incorporated by reference or contained herein and (3) payment of additional sums and interest thereon which may hereafter be loaned to Trustor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust.

A. To protect the security of this Deed of Trust, Trustor agrees:

- 1) To keep said property in good condition and repair, not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.
- 2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- 3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.
- 4) To pay, at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all cost, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

- 5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any

(Continued on Page 3)

amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

- 1) That any award in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
- 2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require payment when due of all other sums so secured or to declare default for failure so to pay.
- 3) That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easements thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.
- 4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto".
- 5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collecting of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.
- 6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said note and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time

(Continued on Page 4)

thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.


After deducting all costs, fees and expenses of trustee and of this Trust, including costs of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

- 7) That Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument, executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated shall be conclusive proof of proper substitution of such successor Trustee or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.
- 8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.
- 9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.
- 10) Trustor requests that copies of the notice of default and notice of sale be sent to Trustor's address as shown above.

Beneficiary requests that copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust be sent to Beneficiary's address, as set forth on page one of this Deed of Trust, as provided by Section 2924(b) of the California Civil Code.

If the Trustor shall sell, convey or alienate said property, or any part thereof, or any interest therein, or shall be divested of his title or any interest therein in any manner or way, whether voluntarily or involuntarily, without the written consent of the Beneficiary being first had and obtained, Beneficiary shall have the right, at its option, except as prohibited by law, to declare any indebtedness or obligations secured hereby, irrespective of the maturity date specified in any Note evidencing the same, immediately due and payable.

Kern River Group LLC, a California limited liability company

By: 
Name: Michael J Ellison
Title: Member

(Continued on Page 5)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)SS

COUNTY OF KERN)

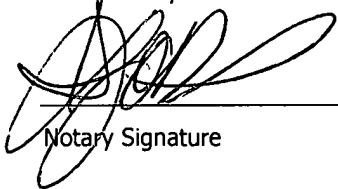
On OCTOBER 23, 2019 before me, T. Jones, Notary Public, personally appeared Michael J. Ellison

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

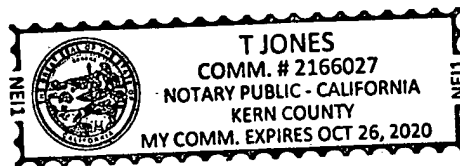
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

This area for official notarial seal.



Notary Signature



(Continued on Page 6)

-----DO NOT RECORD-----

REQUEST FOR FULL RECONVEYANCE

To be used only when note has been paid.

To: First American Title Insurance Company, a Nebraska Corporation , **Trustee**

Dated: _____

The undersigned is the legal owner and holder of all indebtedness secured by the within Deed of Trust. All sums secured by said Deed of Trust have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith together with said Deed of Trust, to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the same.

Mail Reconveyance to:

By _____
By _____

NOTE: Signatures on this Request for Full Reconveyance must be notarized.

**Do not lose or destroy this Deed of Trust OR THE NOTE which it secures.
Both must be delivered to the Trustee for cancellation before reconveyance will be made.**

STATEMENT OF ECONOMIC INTERESTS

Date Initial Filing Received

Filing Official Use Only

COVER PAGE

A PUBLIC DOCUMENT

Please type or print in ink.

NAME OF FILER (LAST)

(FIRST)

Smith

Ronald



1. Office, Agency, or Court

Agency Name (Do not use acronyms)

City of California City

Division, Board, Department, District, if applicable

City Council

Your Position

Councilmember

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency:

Position:

2. Jurisdiction of Office (Check at least one box)

☐ State

☐ Judge, Retired Judge, Pro Tem Judge, or Court Commissioner
(Statewide Jurisdiction)

☐ Multi-County

☐ County of

☒ City of California City

☐ Other

3. Type of Statement (Check at least one box)

☒ **Annual:** The period covered is January 1, 2019, through December 31, 2019.

-or-

The period covered is 07 / 21 / 2019, through December 31, 2019.

☐ **Leaving Office:** Date Left ____/____/_____
(Check one circle.)

☐ The period covered is January 1, 2019, through the date of leaving office.

-or-

☐ The period covered is ____/____/_____, through the date of leaving office.

☐ **Assuming Office:** Date assumed ____/____/____

☐ **Candidate:** Date of Election _____ and office sought, if different than Part 1: _____

4. Schedule Summary (must complete)

► Total number of pages including this cover page: 1

Schedules attached

☐ **Schedule A-1 - Investments** - schedule attached

☐ **Schedule C - Income, Loans, & Business Positions** - schedule attached

☐ **Schedule A-2 - Investments** - schedule attached

☐ **Schedule D - Income - Gifts** - schedule attached

☐ **Schedule B - Real Property** - schedule attached

☐ **Schedule E - Income - Gifts - Travel Payments** - schedule attached

-or- ☒ **None - No reportable interests on any schedule**

5. Verification

MAILING ADDRESS

STREET

CITY

STATE

ZIP CODE

(Business or Agency Address Recommended - Public Document)

21000 Hacienda Blvd.

California City

CA

93505

DAYTIME TELEPHONE NUMBER

(760) 272-1350

EMAIL ADDRESS

rsmith@californiacity-ca.gov

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed

3/17/20

(month, day, year)

Signature

Ronald V. Smith Jr.

(File the originally signed paper statement with your filing official.)



Exhibit M

Leadership



Pastor Ron & Mrs. Kim Smith

Both Ron and Kim were raised in pastors' homes and came to a



First American

Exhibit N

myFirstAm® Property Profile

9307 Karen Ave, California City, CA 93505

Property Information			
Owner(s):	Smith , Ronald V / Smith , Kimberly A	Mailing Address:	Po Box 2462, California City, CA 93504
Owner Phone:	Unknown	Property Address:	9307 Karen Ave, California City, CA 93505
Vesting Type:		Alt. APN:	
County:	Kern	APN:	208-311-02-00
Map Coord:	2615-J1	Census Tract:	005507
Lot#:	168	Block:	168
Subdivision:		Tract:	2791
Legal:	Map 2791 , Block , Lot 168		

Property Characteristics			
Use:	Sfr	Year Built / Eff. :	1991 / 1991
		Sq. Ft. :	1711
Zoning:	R1	Lot Size Ac / Sq Ft:	0.18 / 7840
		# of Units:	1
Bedrooms:	3	Bathrooms:	2
		Fireplace:	Y
# Rooms:		Quality:	Average
		Heating:	Wall
Pool:		Air:	
		Style:	
Stories:	1	Improvements:	
		Parking / #:	Attached / 2
Gross Area:	1711	Garage Area :	540
		Basement Area:	

Sale and Loan Information			
Sale / Rec Date:	07/24/1993 / 07/30/1993	*\$/Sq. Ft.:	\$52.31
		2nd Mtg.:	
Sale Price:	\$89,500	1st Loan:	\$84,950
		Prior Sale Amt:	
Doc No.:	0068852307	Loan Type:	Conventional
		Prior Sale Date:	
Doc Type:		Transfer Date:	07/30/1993
		Prior Doc No.:	
Seller:	Majestic Enterpr	Lender:	America's Wholesale Lender
		Prior Doc Type:	

*\$/Sq.Ft. is a calculation of Sale Price divided by Sq.Feet.

Tax Information			
Imp Value:	\$130,774	Exemption Type:	
Land Value:	\$12,417	Tax Year / Area:	2019 / 11-019
Total Value:	\$143,191	Tax Value:	
Total Tax Amt:	\$1,925.25	Improved:	91%



First American

myFirstAm® Property Profile

9517 Evelyn Ave, California City, CA 93505

Property Information

Owner(s):	Smith , Ronald V / Smith , Kimberly A	Mailing Address:	Po Box 2462, California City, CA 93504
Owner Phone:	Unknown	Property Address:	9517 Evelyn Ave, California City, CA 93505
Vesting Type:		Alt. APN:	
County:	Kern	APN:	208-142-15-00
Map Coord:	2585-J7	Census Tract:	005507
Lot#:	210	Block:	210
Subdivision:		Tract:	2228
Legal:	Map 2228 , Block , Lot 210		

Property Characteristics

Use:	Sfr	Year Built / Eff. :	1990 / 1990	Sq. Ft. :	1497
Zoning:	RM1/RM2	Lot Size Ac / Sq Ft:	0.23 / 10018	# of Units:	1
Bedrooms:	3	Bathrooms:	2	Fireplace:	Y
# Rooms:		Quality:	Average	Heating:	Floor/Wall Furnace
Pool:		Air:	Y	Style:	
Stories:	1	Improvements:		Parking / #:	Attached / 2
Gross Area:	1497	Garage Area :	552	Basement Area:	

Sale and Loan Information

Sale / Rec Date:	05/24/2001 / 05/31/2001	*\$/Sq. Ft.:	\$59.45	2nd Mtg.:	
Sale Price:	\$89,000	1st Loan:	\$89,594	Prior Sale Amt:	\$84,000
Doc No.:	74738	Loan Type:	Federal Housing	Prior Sale Date:	04/25/1991
Doc Type:	Deed	Transfer Date:	05/31/2001	Prior Doc No.:	0065151791
Seller:	Bobb,Monroe F & Marie A	Lender:	North American Mortgage	Prior Doc Type:	

*\$/Sq.Ft. is a calculation of Sale Price divided by Sq.Feet.

Tax Information

Imp Value:	\$35,319	Exemption Type:	
Land Value:	\$11,770	Tax Year / Area:	2019 / 11-019
Total Value:	\$47,089	Tax Value:	
Total Tax Amt:	\$804.54	Improved:	75%



First American

myFirstAm® Property Profile

20631 94th St, California City, CA 93505

Property Information

Owner(s):	Smith , Ronald V / Smith , Kimberly A	Mailing Address:	Po Box 2462, California City, CA 93504
Owner Phone:	Unknown	Property Address:	20631 94th St, California City, CA 93505
Vesting Type:		Alt. APN:	
County:	Kern	APN:	205-101-02-00
Map Coord:	2615-J3	Census Tract:	005507
Lot#:	267	Block:	267
Subdivision:		Tract:	2069
Legal:	Map 2069 , Block , Lot 267		

Property Characteristics

Use:	Sfr	Year Built / Eff. :	1990 / 1990	Sq. Ft. :	1418
Zoning:	R1	Lot Size Ac / Sq Ft:	0.24 / 10454	# of Units:	1
Bedrooms:	3	Bathrooms:	2	Fireplace:	Y
# Rooms:		Quality:	Average	Heating:	Central
Pool:		Air:	Y	Style:	
Stories:	1	Improvements:		Parking / #:	Attached / 2
Gross Area:	1418	Garage Area :	495	Basement Area:	

Sale and Loan Information

Sale / Rec Date:	10/10/1998 / 10/16/1998	*\$/Sq. Ft.:	\$37.38	2nd Mtg.:	
Sale Price:	\$53,000	1st Loan:	\$54,090	Prior Sale Amt:	\$86,500
Doc No.:	0000141939	Loan Type:	Federal Housing	Prior Sale Date:	09/21/1990
Doc Type:		Transfer Date:	10/16/1998	Prior Doc No.:	0000043689
Seller:	Hud	Lender:	Norwest Mortgage Inc	Prior Doc Type:	

*\$/Sq.Ft. is a calculation of Sale Price divided by Sq.Feet.

Tax Information

Imp Value:	\$29,621	Exemption Type:	
Land Value:	\$11,798	Tax Year / Area:	2019 / 11-019
Total Value:	\$41,419	Tax Value:	
Total Tax Amt:	\$738.41	Improved:	72%

Exhibit O

HOME ABOUT MEDIA CAREERS REGULATIONS RESOURCES PROGRAMS CONTACT

Click on the Organization Name for details about the registration or report record. The maximum number of records shown per page is 50. If there are multiple pages of the search results, the clickable page numbers will be displayed at the bottom. If you get too many results or do not find the organization for which you are searching, click the 'Search Again' button and change the search criteria. It is best to search by something that is as unique to the organization as possible such as State Charity Registration Number, FEIN, SOS Corporate Number, or an unusual portion of their name. To see all registration and report records associated with an organization, avoid searching by State Charity Registration Number as that is record-specific.

Search Again

ORGANIZATION NAME	RECORD TYPE	REGISTRY STATUS	RCT NUMBER	FEIN	CITY	ST
VICTORY BAPTIST CHURCH	Charity Registration	Exempt - Religious			RIDGECREST	CA
VICTORY BAPTIST CHURCH LAKESIDE, INC.	Charity Registration	Exempt - Religious		272453926		
VICTORY BAPTIST CHURCH OF ALAMEDA COUNTY	Charity Registration	Exempt - Religious			UNION CITY	CA
VICTORY BAPTIST CHURCH OF ATWATER	Charity Registration	Exempt - Religious			ATWATER	CA
VICTORY BAPTIST CHURCH OF CHICO, CALIFORNIA	Charity Registration	Exempt - Religious			CHICO	CA
VICTORY BAPTIST CHURCH OF CHINO, CALIFORNIA, INC.	Charity Registration	Exempt - Religious		568863425	CHINO	CA
VICTORY BAPTIST CHURCH OF EL CAJON CORPORATION	Charity Registration	Exempt - Religious			EL CAJON	CA
VICTORY BAPTIST CHURCH OF FRESNO, CALIFORNIA, INC.	Charity Registration	Exempt - Religious		800665997		
VICTORY BAPTIST CHURCH OF LOS ANGELES, CALIFORNIA	Charity Registration	Exempt - Religious		951831093	LOS ANGELES	CA
VICTORY BAPTIST CHURCH OF MIDWAY CITY	Charity Registration	Exempt - Dissolved	EX582446		MIDWAY CITY	CA
VICTORY BAPTIST CHURCH OF OAKLAND, INC.	Charity Registration	Exempt - Religious		943017150	OAKLAND	CA
VICTORY BAPTIST CHURCH OF RANCHO CUCAMONGA, CALIFORNIA	Charity Registration	Exempt - Dissolved	EX572614	952480385	RANCHO CUCAMONGA	CA
VICTORY BAPTIST CHURCH OF SACRAMENTO	Charity Registration	Dissolved	EX592063	680331166	SACRAMENTO	CA
VICTORY BAPTIST CHURCH OF SACRAMENTO, INC.	Charity Registration	Exempt - Religious		454776252		
VICTORY BAPTIST CHURCH OF SAN DIEGO COUNTY	Charity Registration	Exempt - Religious			LEMON GROVE	CA

COVER PAGE

A PUBLIC DOCUMENT

Please type or print in ink.

NAME OF FILER (LAST)

(FIRST)

Parris

Donald



1. Office, Agency, or Court

Agency Name (Do not use acronyms)

City of California City

Division, Board, Department, District, if applicable

City Council

Your Position

Mayor Pro Tem

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: Eastern Kern Air Pollution Control Board

Position: Director

2. Jurisdiction of Office (Check at least one box)

☐ State

☐ Judge, Retired Judge, Pro Tem Judge, or Court Commissioner
(Statewide Jurisdiction)

☐ Multi-County

☒ County of Kern

☒ City of California City

☐ Other

3. Type of Statement (Check at least one box)

☒ **Annual:** The period covered is January 1, 2019, through
December 31, 2019.

-or-

The period covered is ____/____/____, through
December 31, 2019.

☐ **Leaving Office:** Date Left ____/____/____
(Check one circle.)

☐ The period covered is January 1, 2019, through the date of
leaving office.

-or-

☐ The period covered is ____/____/____, through
the date of leaving office.

☐ **Assuming Office:** Date assumed ____/____/____

☐ **Candidate:** Date of Election ____ and office sought, if different than Part 1: ____

4. Schedule Summary (must complete)

► Total number of pages including this cover page: 1

Schedules attached

☐ **Schedule A-1 - Investments** - schedule attached

☐ **Schedule C - Income, Loans, & Business Positions** - schedule attached

☐ **Schedule A-2 - Investments** - schedule attached

☐ **Schedule D - Income - Gifts** - schedule attached

☐ **Schedule B - Real Property** - schedule attached

☐ **Schedule E - Income - Gifts - Travel Payments** - schedule attached

-or- ☒ **None** - No reportable interests on any schedule

5. Verification

MAILING ADDRESS

STREET

CITY

STATE

ZIP CODE

(Business or Agency Address Recommended - Public Document)

21000 Hacienda Blvd.

California City

CA

93505

DAYTIME TELEPHONE NUMBER

(760) 793-2987

EMAIL ADDRESS

dparris@californiacity-ca.gov

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 3-12-2020
(month, day, year)

Signature

(File the originally signed paper statement with your filing official.)

Exhibit Q

Property Profile

Property Data

Site Address:	Primary Owner:	ELLISON, MICHAEL; THE MICHAEL ELLISON LIVING TRUST,
California City, CA 93505	Secondary Owner:	APN: 205-022-02-00-9
Mail Address:	Census Tract:	0055.07
9951 Mendiburu Rd	Housing Tract	2069
California City, CA 93505	Number:	
	Legal Description:	LOT:18 BLK:18 TR#:2069 TRACT 2069, BLOCK, LOT 18
	Subdivision:	
	Property County:	Kern County

Property Characteristics

Bedrooms: 0	Year Built:	Square Feet: 0
Bathrooms: 0	Use Code: Commercial-Vacant Land	Lot Size: 9583 Sqft
Total Rooms:	Number of Units: 0	Garage:
Zoning: C-3	Amenities:	
Number of Stories:	Building Style:	Coords: 35.125481,-117.96478

Sale & Loan Information

Transfer Date: 02/07/2020	Seller: PARRIS, DONALD L; PARRIS, CYNTHIA	Document: 220017634
Transfer Value: \$20,000.00	Cost/Sq Feet: Infinity	Title Company: Orange Coast Title Company
First Loan Amt: \$0.00	Lender:	

Assessed & Tax Information

Assessed Value: \$7,959.00	Percent Improvement: 0	Homeowner Exemption:
Land Value: \$7,959.00	Tax Amount: \$290.03	Tax Rate Area: 11-019
Improvement Value: \$0.00	Tax Status: Current	

This informational product is being furnished free of charge as a customer service by Orange Coast Title Company (OCT) in conformance with the rules established by the California Department of Insurance. The information contained herein as well as any accompanying documents is not a full representation of the status of title to the property in question. The issuance of this information does not constitute a contract to issue a policy of title insurance on these same terms, neither express or implied. While the information contained herein is believed to be accurate, no liability is assumed by OCT either in contract, tort or otherwise for any error or omission contained herein and this information may not be relied upon in the acquisition or in any loan made on property by the recipient of this information without the issuance of a policy of title insurance.

RECORDING REQUESTED BY:
Orange Coast Title Company
Order No. 210-2040408-10
Escrow No. 241799-AM
Parcel No. 205-022-02-00-9

Recorded Electronically by:
728 Orange Coast Title Co NorthCal

DOC#: 220017634



220017634

Stat Types: 1	Pages: 3
FEES	19.00
TAXES	22.00
OTHER	.00
PAID	41.00

AND WHEN RECORDED MAIL TO:

THE MICHAEL ELLISON LIVING
TRUST DATED JUNE 10, 2017
9951 MENDIBURU ROAD
CALIFORNIA CITY, CA 93505

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) THAT DOCUMENTARY TRANSFER TAX IS \$22.00 and CITY \$0

- ☒ computed on full value of property conveyed, or
☐ computed on full value less liens or encumbrances remaining at the time of sale.
☒ unincorporated area: ☒ California City, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Donald L. Parris and Cynthia Parris, Husband and Wife as Joint Tenants**

hereby GRANT(S) to **Michael Ellison, Trustee of The Michael Ellison Living Trust dated June 10, 2017**

the following described real property in the County of **Kern**, State of California: SEE "EXHIBIT A" ATTACHED

Date of This Legal Document: October 18, 2019

Donald L. Parris
Donald L. Parris

Cynthia Parris
Cynthia Parris

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF Kern

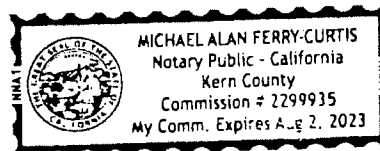
} S.S.

On 11/19/19, before me Michael Alan Ferry-Curtis, Notary Public, personally appeared **Donald L. Parris and Cynthia Parris**, who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature ma ferry-curtis (Seal)



Mail Tax Statement to: SAME AS ABOVE or Address Noted Below

RECORDING REQUESTED BY:
Orange Coast Title Company
Order No. 210-2040408-10
Escrow No. 241799-AM
Parcel No. 205-022-02-00-9

AND WHEN RECORDED MAIL TO:

THE MICHAEL ELLISON LIVING
TRUST DATED JUNE 10, 2017
9951 MENDIBURU ROAD
CALIFORNIA CITY, CA 93505

CERTIFICATION

Under the provisions of Government Code 27361.7 I
certify under the penalty that the following is a
true copy of illegible wording found in the attached
document:

Date:

2/7/20

Signature:

Jasmin Carpizo

Print Name:

Jasmin Carpizo

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) THAT DOCUMENTARY TRANSFER TAX IS \$22.00 and CITY \$0

- ☒ computed on full value of property conveyed, or
☐ computed on full value less liens or encumbrances remaining at the time of sale.
☒ unincorporated area: ☒ California City, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Donald L. Parris and Cynthia Parris,
Husband and Wife as Joint Tenants

hereby GRANT(S) to Michael Ellison, Trustee of The Michael Ellison Living Trust dated June 10, 2017

the following described real property in the County of Kern, State of California: SEE "EXHIBIT A" ATTACHED

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Cynthia Parris
Cynthia Parris

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to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

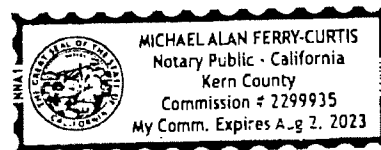
COUNTY OF Kern } s.s.

On 11/19/19, before me Michael Alan Ferry-Curtis, Notary Public,
personally appeared **Donald L. Parris and Cynthia Parris**, who proved to me on the basis of satisfactory evidence to be the
persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their
authorized capacities and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons
acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

Signature MA Ferry-Curtis (Seal)



Mail Tax Statement to: SAME AS ABOVE or Address Noted Below

Exhibit "A"

Lot(s) 18 of Tract 2069, in the City of California City, County of Kern, State of California, as per map recorded in Book 10, Page(s) 88 inclusive of Maps, in the office of the County Recorder of said County.

Exhibit R

MLS #	Status	Address	Price	Status Change Date	DOM
1 19009661	Closed	Yucaipa Street	\$2,800	01/10/2020	41
2 19008797	Closed	Yucaipa Street	\$6,000	10/22/2019	18
3 19009534	Closed	0 Xavier Avenue	\$6,000	01/21/2020	16
4 18002419	Closed	Wonder	\$5,000	04/14/2020	237
5 18011283	Closed	Walpole Avenue	\$3,000	02/28/2020	466
6 18009957	Closed	Walpole Avenue	\$3,000	02/28/2020	500
7 19012046	Closed	Vic. Randsburg Mojave Road	\$2,750	06/07/2020	172
8 20000995	Closed	Tawney Street	\$3,000	05/08/2020	81
9 19009303	Closed	Tackett Drive	\$3,000	06/10/2020	215
10 19005674	Closed	9143 Tabor Court	\$5,900	10/12/2019	136
11 19003594	Closed	Sycamore	\$8,000	08/17/2019	124
12 19003092	Closed	Susan Ave	\$5,000	08/13/2019	98
13 18000908	Closed	Stewart	\$4,000	05/08/2020	806
14 19007269	Closed	Stewart Court	\$3,900	05/13/2020	247
15 19000767	Closed	S South Loop Boulevard	\$3,500	11/23/2019	262
16 19001990	Closed	Sally Avenue	\$8,000	08/10/2019	119
17 19003071	Closed	Russel Drive	\$2,500	11/13/2019	195
18 18009674	Closed	Redwood Blvd. Avenue	\$3,000	05/29/2020	542
19 19006675	Closed	Redwood Blvd Boulevard	\$4,000	05/30/2020	303
20 18012489	Closed	Redwood Boulevard	\$7,500	10/21/2019	325
21 19005188	Closed	Quezon Ave	\$2,500	12/17/2019	214
22 19012295	Closed	Quezon Avenue	\$3,000	02/04/2020	45
23 18012190	Closed	Poppy Boulevard	\$3,000	05/29/2020	475
24 18009209	Closed	Peach Avenue	\$3,800	10/04/2019	332
25 19006302	Closed	Orchid Drive	\$1,300	11/27/2019	147
26 20002098	Closed	Margery Avenue & 93rd Street	\$6,000	05/05/2020	24
27 19004558	Closed	Oleander Avenue	\$2,500	12/11/2019	188
28 19004562	Closed	Oleander Avenue	\$2,500	12/11/2019	188
29 19004563	Closed	Oleander Avenue	\$2,500	12/11/2019	188

Rejection of All Bids. In its discretion the City Council may reject all bids presented, if City, prior to rejecting all bids and declaring that the project can be more economically performed by City employees, furnishes a written notice to the apparent low bidder. The notice shall inform the bidder of The city's intention to reject the bid, and shall be mailed at least two (2) business days prior to the hearing where the bid will be rejected. If after the first invitation of bids all bids are rejected, after reevaluating its cost estimates of the project, the city may:(i)

E

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Abandon the project or readvertise for bids; or(ii)

X

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h

Following passage of a resolution of the City Council by a four-fifths (4/5) vote stating the project can be performed more economically by the employees of the City, the City may have the project done by force account without further complying with the requirements of the Act.(2)

i

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b

All contracts for public projects shall be awarded to the lowest responsible bidder as provided in the UPCCAA. All other informally or formally bid contracts shall be awarded to the lowest responsible bidder, unless otherwise provided in this code. If two (2) or more bids are the same and the lowest, the City may accept the one it chooses.(3)

i

t

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If no bids are received through the formal or informal procedure, the project may be performed by the employees of the City by force account or negotiated contract without further complying with this article.([Ord. No.](#)

S

[13-717, § 2, 4-16-2013.](#))

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALIFORNIA,
CALIFORNIA, AMENDING ARTICLE 1 ["BUDGETED EXPENDITURES"] OF
CHAPTER 3 OF TITLE 3 OF THE CITY OF CALIFORNIA MUNICIPAL CODE
PERTAINING TO PURCHASES OF SUPPLIES, EQUIPMENT AND SERVICES BY
THE CITY OF CALIFORNIA**

WHEREAS, the City currently follows the procedures set forth in the California Public Contract Code Sections 20160-20175 which require that the awarding of contracts for public projects over \$5,000 must be let to bid under a formal bidding process; and

WHEREAS, by electing to become subject to the Uniform Public Construction Cost Accounting Act (the "UPCCAA," Public Contract Code section 22000 *et seq.*) the City would be able to use an informal bidding process for public projects contracts up to \$175,000, thus increasing the efficiency of procedures and saving the City a substantial amount of time and effort in processing public projects bids; and

WHEREAS, electing to become subject to the UPCCAA also allows the City to have public projects under \$45,000 be performed by City staff, negotiated contract or purchase order; and

WHEREAS, the City Council has elected to become subject to the UPCCAA pursuant to Resolution No. 04-13-2507. ____

WHEREAS, City also intends to utilize the Act's procedures to govern the City's purchase of all other goods, services, equipment and maintenance work, as authorized pursuant to Public Contract Code Section 22003;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CALIFORNIA
CITY DOES ORDAIN AS FOLLOWS:**

SECTION 1: The City Council finds that all the facts, findings, and conclusions set forth above in this Ordinance are true and correct.

SECTION 2: Article 1 of Chapter 3 of Title 3 (Budgeted Expenditures) of the California Municipal Code is hereby to be replaced in its entirety with the following Article 1:

ARTICLE 1. BUDGETED EXPENDITURES

3-3.101 Definitions.

For the purposes of this Article, the following definitions apply:

(a) "UPCCAA" shall mean the Uniform Public Construction Cost Accounting Act, Public Contract Code 22000 *et seq.*

(b) "Commission" shall mean the Uniform Construction Cost Accounting Commission, created pursuant to Public Contract Code Section 22010.

The agenda
items:

Exhibit T

Please visit:


https://www.youtube.com/watch?v=KYFsgsgj_CA

for the record of the Council meeting.

The discussion begins at the 1 hour and 49 minute mark

Exhibit U

4156315

	Secretary of State Articles of Incorporation of a General Stock Corporation	ARTS-GS
IMPORTANT — Read Instructions before completing this form. Filing Fee — \$100.00 Copy Fees — First page \$1.00; each attachment page \$0.50; Certification Fee — \$5.00 Note: Corporations may have to pay minimum \$800 tax to the California Franchise Tax Board each year. For more information, go to https://www.ftb.ca.gov .		

FILED
Secretary of State
State of California
MAY 25 2018

icc
This Space For Office Use Only

1. Corporate Name (Go to www.sos.ca.gov/business/be/name-availability for general corporate name requirements and restrictions.)

The name of the corporation is Preferred Building Contractors, Inc.

2. Business Addresses (Enter the complete business addresses.)

a. Initial Street Address of Corporation — Do not list a P.O. Box	City (no abbreviations)	State	Zip Code
6508 California City Blvd.	California City	CA	93505
b. Initial Mailing Address of Corporation, if different than item 2a	City (no abbreviations)	State	Zip Code

3. Service of Process (Must provide either Individual **OR** Corporation.)

INDIVIDUAL — Complete Items 3a and 3b only. Must include agent's full name and California street address.

a. California Agent's First Name (if agent is not a corporation)	Middle Name	Last Name	Suffix
b. Street Address (if agent is not a corporation) — Do not enter a P.O. Box	City (no abbreviations)	State	Zip Code
		CA	

CORPORATION — Complete Item 3c. Only include the name of the registered agent Corporation.

c. California Registered Corporate Agent's Name (if agent is a corporation) — **Do not complete Item 3a or 3b**

Incorp Services, Inc.

4. Shares (Enter the number of shares the corporation is authorized to issue. **Do not** leave blank or enter zero (0).)

This corporation is authorized to issue only one class of shares of stock.

The total number of shares which this corporation is authorized to issue is 1,000.

5. Purpose Statement (Do not alter the Purpose Statement.)

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

6. Read and Sign Below (This form must be signed by each incorporator. See Instructions for signature requirements.)

Richard Jones
Signature

Richard Jones
Type or Print Name

Exhibit V

ARTS-GS

Articles of Incorporation of a
General Stock Corporation

To form a **general stock corporation** in California, you can fill out this form or prepare your own document, and submit for filing along with:

- A \$100 filing fee.
- A separate, non-refundable \$15 service fee also must be included, if you **drop off** the completed form or document.

Important! Corporations in California may have to pay a minimum \$800 yearly tax to the California Franchise Tax Board. For more information, go to <https://www.ftb.ca.gov>.

Note: *Before submitting the completed form, you should consult with a private attorney for advice about your specific business needs.*

FILED

Secretary of State
State of California

OCT 17 2016

ICC

This Space For Office Use Only

For questions about this form, go to www.sos.ca.gov/business/be/filing-tips.htm.

Corporate Name (List the proposed corporate name. Go to www.sos.ca.gov/business/be/name-availability.htm for general corporate name requirements and restrictions.)

- ① The name of the corporation is FAST RESPONSE SECURITY, INC

Corporate Purpose

- ② The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

Service of Process (List a California resident or a California registered corporate agent that agrees to be your initial agent to accept service of process in case your corporation is sued. You may list any adult who lives in California. You may not list your own corporation as the agent. Do not list an address if the agent is a California registered corporate agent as the address for service of process is already on file.)

- ③ a. AL WEST Esq
Agent's Name
- b. 700 N PACIFIC COAST HWY #201 REDONDO BEACH CA 90277
Agent's Street Address (if agent is not a corporation) - Do not list a P.O. Box City (no abbreviations) State Zip

Corporate Addresses

- ④ a. 32287 CASTAIC RD CASTAIC CA 91384
Initial Street Address of Corporation - Do not list a P.O. Box City (no abbreviations) State Zip
- b. _____
Initial Mailing Address of Corporation, if different from 4a City (no abbreviations) State Zip

Shares (List the number of shares the corporation is authorized to issue. Note: Before shares of stock are sold or issued, the corporation must comply with the Corporate Securities Law of 1968 administered by the California Department of Business Oversight. For more information, go to www.dbo.ca.gov or call the California Department of Business Oversight at (866) 275-2677.)

- ⑤ This corporation is authorized to issue only one class of shares of stock.
- The total number of shares which this corporation is authorized to issue is 1000000

This form must be signed by each incorporator. If you need more space, attach extra pages that are 1-sided and on standard letter-sized paper (8 1/2" x 11"). All attachments are made part of these articles of incorporation.

AL WEST
Incorporator - Sign here

AL WEST
Print your name here

Make check/money order payable to: **Secretary of State**

Upon filing, we will return one (1) uncertified copy of your filed document for free, and will certify the copy upon request and payment of a \$5 certification fee.

By Mail

Secretary of State
Business Entities, P.O. Box 944260
Sacramento, CA 94244-2600

Drop-Off

Secretary of State
1500 11th Street, 3rd Floor
Sacramento, CA 95814

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address):

AL WEST **SB#134456**
 700 N PACIFIC COAST HWY #201
 REDONDO BEACH, CA 90277

Exhibit W

TELEPHONE NO: 310.374.4141

FAX NO. (Optional): 310.372.4137

E-MAIL ADDRESS (Optional): westandassociates1@gmail.com

ATTORNEY FOR (Name): West, Allen "In Pro Per"

FOR COURT USE ONLY

FILED

Superior Court of California
 County of Los Angeles

OCT 15 2018

Sherri R. Carter, Executive Officer/Clerk

By T. Rhodes Deputy
 T. Rhodes

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

STREET ADDRESS: 825 MAPLE AVE.

MAILING ADDRESS: SAME

CITY AND ZIP CODE: TORRANCE, CA 90503

BRANCH NAME: SOUTHWEST BRANCH DISTRICT

PLAINTIFF: WEST, ALLEN

DEFENDANT: JONES, RICHARD; PREFERRED TOWING SERVICE, LLC

☒ DOES 1 TO 10

CONTRACT

☒ COMPLAINT☐ AMENDED COMPLAINT (Number):☐ CROSS-COMPLAINT☐ AMENDED CROSS-COMPLAINT (Number):

Jurisdiction (check all that apply):

☐ ACTION IS A LIMITED CIVIL CASEAmount demanded ☐ does not exceed \$10,000☐ exceeds \$10,000 but does not exceed \$25,000☒ ACTION IS AN UNLIMITED CIVIL CASE (exceeds \$25,000)☐ ACTION IS RECLASSIFIED by this amended complaint or cross-complaint☐ from limited to unlimited☐ from unlimited to limited

CASE NUMBER:

18TRCV00014

1. Plaintiff* (name or names):

WEST, ALLEN

alleges causes of action against defendant* (name or names):

JONES, RICHARD; PREFERRED TOWING SERVICE, LLC

2. This pleading, including attachments and exhibits, consists of the following number of pages: 13

3. a. Each plaintiff named above is a competent adult

☐ except plaintiff (name):(1) ☐ a corporation qualified to do business in California(2) ☐ an unincorporated entity (describe):(3) ☐ other (specify):b. ☐ Plaintiff (name):a. ☐ has complied with the fictitious business name laws and is doing business under the fictitious name (specify):b. ☐ has complied with all licensing requirements as a licensed (specify):c. ☐ Information about additional plaintiffs who are not competent adults is shown in Attachment 3c.

4. a. Each defendant named above is a natural person

☒ except defendant (name): Preferred Towing Srv ☐ except defendant (name):(1) ☒ a business organization, form unknown(2) ☐ a corporation(3) ☐ an unincorporated entity (describe):(4) ☐ a public entity (describe):(5) ☐ other (specify):(1) ☐ a business organization, form unknown(2) ☐ a corporation(3) ☐ an unincorporated entity (describe):(4) ☐ a public entity (describe):(5) ☐ other (specify):

* If this form is used as a cross-complaint, plaintiff means cross-complainant and defendant means cross-defendant.

Page 1 of 2

SHORT TITLE: WEST, ALLEN vs. JONES, RICHARD, et al.	CASE NUMBER:
--	--------------

4. (Continued)

b. The true names of defendants sued as Does are unknown to plaintiff.

- (1) ☒ Doe defendants (specify Doe numbers): 1 - 10 were the agents or employees of the named defendants and acted within the scope of that agency or employment.
- (2) ☒ Doe defendants (specify Doe numbers): 1 - 10 are persons whose capacities are unknown to plaintiff.

c. ☐ Information about additional defendants who are not natural persons is contained in Attachment 4c.d. ☐ Defendants who are joined under Code of Civil Procedure section 382 are (names):5. ☐ Plaintiff is required to comply with a claims statute, and

- a. ☐ has complied with applicable claims statutes, or
- b. ☐ is excused from complying because (specify):

6. ☐ This action is subject to ☐ Civil Code section 1812.10 ☐ Civil Code section 2984.4.

7. This court is the proper court because

- a. ☒ a defendant entered into the contract here.
- b. ☐ a defendant lived here when the contract was entered into.
- c. ☐ a defendant lives here now.
- d. ☒ the contract was to be performed here.
- e. ☐ a defendant is a corporation or unincorporated association and its principal place of business is here.
- f. ☐ real property that is the subject of this action is located here.
- g. ☒ other (specify):

Defendant committed "Fraud" here

8. The following causes of action are attached and the statements above apply to each (each complaint must have one or more causes of action attached):

- ☒ Breach of Contract
- ☒ Common Counts
- ☒ Other (specify):
Fraud

9. ☐ Other allegations:

10. Plaintiff prays for judgment for costs of suit; for such relief as is fair, just, and equitable; and for

- a. ☒ damages of: \$ 150,000.00
- b. ☐ interest on the damages
- (1) ☐ according to proof
- (2) ☐ at the rate of (specify): _____ percent per year from (date): _____
- c. ☐ attorney's fees
- (1) ☐ of: \$ _____
- (2) ☐ according to proof.
- d. ☒ other (specify):
Punitive Damages

11. ☒ The paragraphs of this pleading alleged on information and belief are as follows (specify paragraph numbers):

BC-1 through BC-4; CC-1 through CC-2; FR-1 through FR-6

Date:

OCT 12 2018

AL West
ATTORNEY AT LAW

(TYPE OR PRINT NAME)

(SIGNATURE OF PLAINTIFF OR ATTORNEY)

(If you wish to verify this pleading, affix a verification.)

SHORT TITLE:

WEST, ALLEN vs. JONES, RICHARD, et al.

CASE NUMBER:

FIRST

(number)

CAUSE OF ACTION—Breach of ContractATTACHMENT TO ☒ Complaint ☐ Cross - Complaint

(Use a separate cause of action form for each cause of action.)

BC-1. Plaintiff (name): WEST, ALLEN

alleges that on or about (date): 20 March, 2016

a ☐ written ☐ oral ☐ other (specify):

agreement was made between (name parties to agreement):

WEST, ALLEN and JONES, RICHARD; and PREFERRED TOWING SERVICE, LLC

☐ A copy of the agreement is attached as Exhibit A, or☒ The essential terms of the agreement ☒ are stated in Attachment BC-1 ☐ are as follows (specify):

See attachment BC-1.

BC-2. On or about (dates): 7 May, 2018

defendant breached the agreement by ☐ the acts specified in Attachment BC-2 ☒ the following acts (specify):

Failing to repay the \$150,000.00 loan as promised.

BC-3. Plaintiff has performed all obligations to defendant except those obligations plaintiff was prevented or excused from performing.

BC-4. Plaintiff suffered damages legally (proximately) caused by defendant's breach of the agreement

☐ as stated in Attachment BC-4 ☒ as follows (specify):

Has lost \$150,000.00.

BC-5. ☐ Plaintiff is entitled to attorney fees by an agreement or a statute☐ of \$☐ according to proof.BC-6. ☐ Other:

SHORT TITLE:

CASE NUMBER:

WEST, ALLEN vs. JONES, RICHARD, et al.

ATTACHMENT (Number): BC-1

(This Attachment may be used with any Judicial Council form.)

Plaintiff herein, based upon information, belief and misrepresentations made by named Defendant "Richard Jones" individually and for and on behalf of "Preferred Towing Service, LLC", that prior to 20 May, 2016 the date of entering into an oral loan agreement in the amount of \$150,000.00, Plaintiff and Defendant "Richard Jones" were very close friends.

For the few prior years the friendship between the two grew and escalated to a level of gainful trust, respect and comradre.

In fact, Plaintiff is a duly licensed attorney, who represented Defendants, in a number of significant lawsuits without charging Defendants one red cent, as their relationship had reached that level.

Plaintiff further alleges that "Richard Jones" is the owner and operator of "Preferred Towing Service, LLC" an entity who secured contracts with the California Highway Patrol and Bakersfield Sheriffs to conduct towing and law enforcement impound services for these respective agencies.

The location or area serviced by Defendants for these law enforcement agencies were the "Santa Clarita" and "Bakersfield" jurisdiction respectfully.

On or about 20 May, 2016 Plaintiff "Richard Jones" individually and for, and on behalf of "Preferred Towing Service, LLC", represented, stated and declared that he had just obtained, secured and signed an additional or extended contract with the California Highway Patrol to service an additional jurisdictional location known as the "Grapevine" and or "Gorman" area of the I-5 Fwy. This was an area not previously covered or serviced under the prior contracts held or otherwise serviced by "Preferred Towing Service, LLC".

Not having the towing trucks, equipment, apparatuses or materials, Defendant "Richard Jones" individually and for, and on behalf of "Preferred Towing Service, LLC" requested a loan or asked to borrow \$150,000.00 from Plaintiff.

Having this longstanding relationship with Defendant Plaintiff agreed an extended such a loan, interest free. (See Ex. A-1 & Ex. A-2)

On the above stated date Plaintiff and Defendants entered into said loan agreement under the following terms: 1) that Plaintiff would loan "Richard Jones" individually for, and on behalf of "Preferred Towing Service, LLC" \$150,000.00 interest free for the purchase of trucks, equipment apparatuses and materials to be used within the business of "Preferred Towing Service, LLC" to service this newly extended, expanded and additional location.

Defendants agreed to repay the loan of \$150,000.00 out of the first two (2) years of revenue or income generated by this new or additional service area contract. However if the revenue fell short within this two (2) year perior, no later than two (2) years from the date of the loan Defendant would repay the loan in full from any and all other means possible.

(If the item that this Attachment concerns is made under penalty of perjury, all statements in this Attachment are made under penalty of perjury.)

Page 4 of 9

(Add pages as required)

0000340

11-24

CASHIER'S CHECK

SERIAL #: 0034001156

Office AU # 1210(8)

ACCOUNT#: 4861-511483

Remitter: AL WEST
Purchaser: AL WEST
Purchaser Account: 6375660591
Operator I.D.: cu009222 cu005932
Funding Source: Paper Items(s)

March 25, 2016

PAY TO THE ORDER OF ***RICK JONES***

One hundred thousand dollars and no cents

\$100,000.00

Payee Address:
Memo:

WELLS FARGO BANK, N.A.
301 S PACIFIC COAST HWY
REDONDO BEACH, CA 90277
FOR INQUIRIES CALL (480) 394-3122

NOTICE TO PURCHASER - IF THIS INSTRUMENT IS LOST,
STOLEN OR DESTROYED, YOU MAY REQUEST CANCELLATION
AND REISSUANCE. AS A CONDITION TO CANCELLATION AND
REISSUANCE, WELLS FARGO BANK MAY IMPOSE A FEE AND
REQUIRE AN INDEMNITY AGREEMENT AND BOND.

VOID IF OVER US \$ 100,000.00

NON-NEGOTIABLE

Purchaser Copy



Law Offices, West & Associates
Client Trust Account
700 N Pacific Coast Hwy # 201
Redondo Beach, CA 90277

1049

16-24/1220 4627
7986107733

MAR 25 2016

Date

PAY to the
Order of

RICK JONES

\$ 50,000.00

FIFTY THOUSAND -----.00¢

Dollars



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Wells Fargo Bank, N.A.
California
wellsfargo.com

For **PREF. TOW**

⑆ 122000247⑆ 7986107733⑆ 01049

Exhibit X

PRE-ISSUE

California City		Check Register - City Council Meeting						Page: 1	
		Check Issue Dates: 4/24/2020 - 5/7/2020						May 06, 2020 12:08PM	
Check Date	Check #	Payee	Description	Invoice Date	Invoice #	Invoice \$	Check \$	GL Account	GL Account Name
04/30/2020	107672	Frontier	4/13-5/12/20	04/13/2020	040709-5 0413	31.67	31.67	184217284	Telephone - Land
04/30/2020	107672	Frontier	4/13-5/12/20	04/13/2020	070174-5 0413	314.60	314.60	184215284	Telephone - Land
04/30/2020	107672	Frontier	04/19-05/18/20	04/19/2020	081503-5 0419	2,316.95	2,316.95	545410284	Telephone - Land
Total 107672:							2,663.22		
04/30/2020	107673	Law Offices: Al West	Bench Settlement	04/28/2020	BENCH SETTLE	150,000.00	150,000.00	184212680	Legal Settlement
Total 107673:							150,000.00		
04/30/2020	107674	Regional Water Quality C	Mendiburn Rd Improvement WDID 6B15	04/17/2020	WDID 6B15200	3,263.00	3,263.00	515115610	Licenses & Permits
Total 107674:							3,263.00		
04/30/2020	107675	Sparkletts	Drinking Water Apr20	04/24/2020	19620204 0424	10.00	10.00	555117241	Office Supplies
04/30/2020	107675	Sparkletts	Drinking Water Jan20	01/24/2020	4687417 01242	27.90	27.90	555117241	Office Supplies
04/30/2020	107675	Sparkletts	Water WWTP	02/21/2020	4687417 02212	17.90	17.90	525213241	Office Supplies
04/30/2020	107675	Sparkletts	Drinking Water Mar20	03/20/2020	4687417 03202	27.90	27.90	555117241	Office Supplies
04/30/2020	107675	Sparkletts	Drinking Water Apr20	04/17/2020	4687417 04172	33.78	33.78	525213241	Office Supplies
04/30/2020	107675	Sparkletts	Drinking Water Nov19	11/29/2019	4687417 11291	27.90	27.90	555117241	Office Supplies
Total 107675:							145.38		
05/06/2020	107676	Home Depot Credit Servi	Hand Tools Water	04/15/2020	2513735	544.43	544.43	515115257	Hand Tools
05/06/2020	107676	Home Depot Credit Servi	Hand Tools Water	04/15/2020	2513736	424.86	424.86	515115257	Hand Tools
05/06/2020	107676	Home Depot Credit Servi	PVC Pipe & Supplies	04/13/2020	4380897	389.08	389.08	404566408	Grounds
05/06/2020	107676	Home Depot Credit Servi	Hand Tools Water	04/03/2020	4622890	95.90	95.90	515115257	Hand Tools
05/06/2020	107676	Home Depot Credit Servi	Hand Tools Water	04/09/2020	8012809	269.06	269.06	515115257	Hand Tools
Total 107676:							1,723.33		
05/06/2020	107677	Petty Cash - Police Dept	Replenish Petty Cash	04/23/2020	042320	191.72	191.72	184215235	Entertainment/Special E
Total 107677:							191.72		
05/06/2020	107678	Staples Advantage	Janitorial Supplies	04/25/2020	1628784752	93.68	93.68	104161270	Bldg Operation/Maint
Total 107678:							93.68		
05/06/2020	107679	Stroh MD, John Jay	Medical Director Compensation 03/15-0	04/05/2020	040520	2,000.00	2,000.00	184212630	Other Contracts
05/06/2020	107679	Stroh MD, John Jay	Medical Director Compensation 04/15-0	05/02/2020	050220	2,000.00	2,000.00	184212630	Other Contracts

CC 1.

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3 **EXHIBIT “H”**

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86
ORIGINAL

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FILED
LOS ANGELES SUPERIOR COURT

MAY 19 2008

FILING WINDOW

MAY 28 2008

JOHN A. CLARKE, CLERK

Berta Jauregui
BY BERTA JAUREGUI, DEPUTY

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15 COUNTY OF LOS ANGELES

16 AMANDA ADOLF, dba Preferred Towing

17 Plaintiff,

18 v.

19 CALIFORNIA DEPARTMENT OF HIGHWAY
PATROL, S.V. BERNARD, Commander, Newhall
Area, C.S. Klein, Assistant Chief, Southern Division,
and DOES 1 through 20, inclusive,

20 Defendants.

CASE NO. BS 110199

**DEFENDANTS' BRIEF IN
OPPOSITION TO PETITION
FOR WRIT OF MANDATE**

Date: June 10, 2008

Time: 9:30 a.m.

Dept: 86

Judge: Hon. David Yaffee

Action Filed: July 30, 2007

Trial Date: June 10, 2008

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12 COUNTY OF LOS ANGELES

14
15 **AMANDA ADOLF, dba Preferred Towing**

16 Plaintiff,

17 v.

18 **CALIFORNIA DEPARTMENT OF HIGHWAY**
PATROL, S.V. BERNARD, Commander, Newhall
19 **Area, C.S. Klein, Assistant Chief, Southern Division,**
20 **and DOES 1 through 20, inclusive,**

21 Defendants.

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22
23 **I.**

24 **INTRODUCTION**

25 Plaintiff, AMANDA ADOLF ("Adolf") operates a tow company, Preferred Towing, in
26 California. Following an investigation prompted by a citizen complaint, Defendant,
27 CALIFORNIA HIGHWAY PATROL ("CHP") determined that Adolf exhibited a pattern of
28 irregularities concerning record keeping and overcharges to customers on CHP rotation tows. In

1 January 2006, the CHP issued a verbal warning to Adolf to cease overcharging customers and to
2 properly fill out paperwork relating to said tows. (Lodgment Ex. 8)

3 In February 2007, an audit by the CHP of Adolf's invoices revealed Adolf's ongoing
4 irregularities and violations of the Tow Service Agreement, including overcharges, improper
5 impounds, paying gratuities to officers and accepting tows outside of the rotation by receiving
6 cell phone calls from CHP officers Adolf befriended and paid gratuities. (Lodgment Ex. 8) As a
7 result of the gross violations of the Tow Service Agreement, Adolf was separated from the
8 rotation. (Adolf Lodgment Ex. J)

9 Adolf appealed to the CHP claiming that her practice of undercharging some customers
10 served to 'offset' the overcharges to the innocent victims. She further claimed that if anyone was
11 paying gratuities it was not her but her partner, and besides, everyone does it, or words to that
12 effect. (Adolf Lodgment Ex. E) Given the mountain of evidence refuting Adolf's denials,
13 including the admission of the CHP officers that they had received the gratuities and directed
14 unauthorized tows to Preferred Towing via cell phone calls to Adolf, the CHP upheld Adolf's
15 separation from the tow rotation. (Adolf Lodgment Ex. J)

16 This petition follows. Without supporting authority, Adolf claims that the CHP abused its
17 discretion in upholding its decision to separate Adolf from the tow rotation in that Captain
18 Bernard failed to list the specific factual basis for his finding that Adolf had failed to present
19 evidence at her hearing which was sufficient to disrupt the investigative findings by Officer
20 Haggard. Adolf is wrong as, these findings established more than 70 separate incidents of
21 overcharges. Additionally, during the investigation, the CHP officers involved admitted
22 receiving the gratuities and bypassing the rotation by making cell phone calls directly to
23 Preferred Towing rather than by going through CHP dispatch. (Lodgment Exs. 4-11)

24 Both administrative levels of review by the CHP confirmed that the evidence produced by
25 Adolf at her administrative hearing in June 2007 failed to mitigate the findings of the CHP
26 investigation. Because these findings incorporate by reference the detailed findings of the
27 underlying investigation, they are sufficient as a matter of law. This petition is frivolous.

28 ///

1 II.

2 **FACTS**

3 **A. Citizen Complaint Prompts CHP Investigation of Preferred Towing**

4 On May 22, 2006, a citizen contacted the Los Angeles Sheriff's Department and filed a
5 complaint against Preferred Towing alleging they were working in concert with law enforcement
6 to steal her car from her. Shortly thereafter, the LASD contacted the CHP to advise of the
7 complaint and the CHP began an investigation of Preferred Towing. This investigation revealed
8 that Preferred Towing had obtained the tow in question, outside of the rotation. (Lodgment Exhs.
9 4-11)

10 In February 2007, the CHP conducted an audit of Preferred Towing's records. During this
11 investigation the CHP discovered several violations of the Department's Tow Service Agreement
12 (TSA) specifically pertaining to response to calls and providing gratuities to CHP officers.
13 Specifically, on February 7, 2007, at approximately 1000 hours, the CHP responded to Preferred
14 Towing's place of business to conduct an audit of their business records. During the audit, the
15 CHP found numerous violations of the TSA including, but not limited to, improper lien charges,
16 tow overcharges, storage overcharges, and missing required information on invoices. There were
17 approximately 221 violations/inaccuracies found which covered June 2005, to July 2006.
18 (Lodgment Exs. 8-9)

19 **B. Summary of Audit:**

20 While conducting their investigation, the CHP uncovered numerous violations of the TSA
21 perpetrated by Preferred Towing. The following violations were uncovered by the CHP during
22 the investigation:

- 23 • Preferred Towing provided several officers with cell phones for personal use. The
24 officers would occasionally call Preferred Towing, on the cell phones provided by
25 Preferred Towing, and request them to respond to an impound out of the rotation. By
26 responding to the phone calls, and bypassing the rotation on numerous occasions,
27 Preferred Towing was affecting the fair and equitable distribution of calls for all of the
28 rotation tows. (Lodgment Ex. 8)

- Preferred Towing purchased several gift baskets around Christmas time which they handed out to several officers along with other gifts, including cash. (Lodgment Exh. 8)

The invoices which were reviewed were broken down into three separate sections: Section One was for all violations prior to a verbal warning on 01-10-06, for failure to put a start and end time on their invoices; Section Two follows the warning on 01-10-06; and Section Three has nine invoices used by Sgt. Miler during his investigation which date prior to, and after the warning for, start and end time violations. (Lodgment Ex. 9)

Section One had approximately 50 violations/inaccuracies including, but not limited to, lien overcharges, storage overcharges, charging full rates for two vehicles on the same call towed with the same tow truck, consistently charging 1.5 hours for vehicles without any significant damage within 10 miles from their yard, missing information on the invoice, charging for an extra man for no apparent reason (impound or abandoned vehicle), additional charge for a recovery when recoveries are part of the hourly rate, charged private tows to similar locations and distances for two to three times less than CHP calls, inaccurate total on service times, and two hour charge for a service call that should be just over 30 minutes. (Lodgment Ex. 9)

Section Two had approximately 162 violations/inaccuracies including, but not limited to, missing information on invoices (including start and stop times), inaccurate total on service times, storage overcharges, lien overcharges, addition of 2nd tow without an explanation, charging full rates for two separate vehicles on the same call with the same tow truck, overcharges on hourly rates, excessive amount of time for locations within 5-10 miles of their yard and no damage noted on impounded vehicles, charging for two tow trucks when one could have probably handled the call, one hour for a service call (gas) within seven miles from the tow yard, charging for using dry sweep to soak up fluids when this is part of the hourly rate, and taking one hour to tow truck and trailer and charged each one hour. (Lodgment Ex. 9)

Section Three had nine violations /inaccuracies including, lien overcharges, missing information on the invoice, and improper total of service time. (Lodgment Ex. 9)

///

1 **C. Investigative Findings**

2 The CHP's investigation concluded that Preferred Towing provided gratuities, conspired to
3 bypass the rotation, overcharged for services, storage and liens, and failed to properly complete
4 invoices. Based on the above information the CHP made the following determinations:

5 **1. TSA Element 6 (A)** - A violation of this element was discovered. Element 6 (A) states:

6 *Fees charged for calls originating from the CHP shall be reasonable and not in excess*
7 *of those rates charged for similar services provided in response to requests initiated by*
8 *any other public agency or private person. (Lodgment Ex.9)*

9 **2. TSA Element 6 (B)** - A violation of this element was discovered. Element 6 (B) states:

10 *The rate for towing shall be computed from portal to portal. Time expended shall be*
11 *charged at a rate not to exceed the hourly rate. Time expended in excess of the*
12 *minimums shall also be at the hourly rate in no more than one minute increments.*

13 *There shall be no additional charges (or mileage. labor. etc.) (Lodgment Ex. 9)*

14 **3. TSA Element 6 (B)(3)**- A violation of this element was discovered. Element 6 (B)(3)

15 states: *The operator shall base towing charges upon the class of vehicle being towed,*
16 *regardless of the class of truck used, except when vehicle recovery operations require a*
17 *larger class truck. (Lodgment Ex. 9)*

18 **4. TSA Element 6 (C)**- A violation of this element was discovered. Element 6 (C) states:

19 *Rates for a service call (out of gas, lockouts, tire changes, etc.) shall be from portal to*
20 *end of service, and may be at the hourly rate with a thirty-minute minimum. Charges*
21 *in excess of thirty minutes may be charged in no more than one-minute increments. (Lodgment*
22 *Ex. 9)*

23 **5. TSA Element 6 (F) 3**- A violation of this element was discovered. Element 6 (F) 3

24 states: *Vehicles stored 24 hours or less shall be charged no more than one day storage.*
25 *(Lodgment Ex. 9)*

26 **6. TSA Element 8 (C)**- A violation of this element was discovered. Element 8 (C) states:

27 *Only tow truck personnel and equipment requested shall respond to a CHP call. An*
28 *operator shall not respond to a CHP call assigned to another operator unless requested*

1 to do so by the CHP. (1) This shall not preclude the operator from responding to an
2 incident to as certain if additional assistance or equipment is required. There shall be
3 no additional charge for any personnel or equipment that is not necessary to perform
4 the required service. (Lodgment Ex. 9)

5 **7. TSA Element 12 (A)**- A violation of this element was discovered. Element 12 (A) states:
6 *The operator shall maintain records of all tow services furnished. The records will be*
7 *maintained at the operator's place of business. Invoices shall at a minimum include a*
8 *description of each vehicle, nature of service, start time, end time, location of call,*
9 *itemized costs of towing and storage, the tow truck driver's name, and truck used.* (Lodgment Ex.
10 9)

11 **8. TSA Element 16 (A)** - A violation of this element was discovered. Element 16 (A)
12 states: *The tow operator and employees shall, at all times, comply with federal state,*
13 *and local laws and ordinances.* (Lodgment Ex. 9)

14 **9. TSA Element 18 (G)** - A violation of this element was discovered. Element 19 (G)
15 states: *CHP personnel shall not be offered gratuities and requests for gratuities shall*
16 *not be honored by tow company operators, employees, or associates of the company. A*
17 *violation of this section shall be cause for suspension or termination.* (Lodgment Ex. 9)

18 On numerous occasions, after being warned on 01-10-06 for failure to complete invoices
19 properly, Preferred Towing omitted the minimum required information on invoices, thereby
20 violating Element 12 of the TSA. (Lodgment Exs. 8, 9) Element 8 was violated when Preferred
21 Towing accepted calls from personal cell phones thereby bypassing the rotation. (Lodgment Exs.
22 8, 9) Numerous violations of Element 6 were discovered while reviewing Preferred Towing's
23 invoices, such as, overcharging on the hourly rate, charging for mileage on one invoice,
24 overcharging on liens, overcharging for storage, and overcharging for service calls. Preferred
25 Towing's overcharging on lien sales violates Element 16. (Lodgment Exs.8, 9) Preferred
26 Towing gave several officers gift baskets and other gifts violating Element 18 of the TSA.
27 (Lodgment Exs. 8,9)

28 ///

1 **D. Preferred Towing is Separated from Tow Rotation**

2 The CHP determined the incidents described above constituted gross violations of the
3 2005/2006 Tow Service Agreement. Simply stated, an operator, consistently failing to fill out
4 invoices properly, bypassing the tow rotation, overcharging for hourly rates, overcharging for
5 service calls, overcharging for storage, overcharging for liens, overcharging for mileage,
6 providing gratuities, and conspiring with others to bypass the tow rotation is unacceptable and
7 will not be tolerated by the CHP. (Lodgment Ex. 8) Adolf's behavior, the CHP determined, was
8 unprofessional and in gross violation of the Tow Service Agreement. (Lodgment Ex. 8) The
9 investigative officer recommended that Preferred Towing be suspended until they show proof of
10 reimbursement to all parties they have overcharged on the invoices reviewed.¹ Preferred Towing
11 must provide a receipt with the following information upon completion of reimbursement: Name,
12 address, phone number, date of reimbursement, signature of person reimbursed, and original
13 invoice number. (Id) Furthermore, Officer Haggard recommended that Preferred Towing be
14 terminated from the CHP tow rotation permanently due to the serious violation of providing
15 gratuities to the officers. (Id.)

16 **E. Adolf Is Afforded Two Levels of Administrative Review**

17 Adolf challenged her separation from the rotation tow. First, on June 8, 2007, a hearing was
18 held whereby Adolf was afforded an opportunity to plead her case. A transcript of the hearing is
19 included in the administrative record lodged herewith. (Lodgment Ex. 10)

20 At the hearing, Adolf admitted to the overcharges, but she sought to rationalize her
21 culpability by suggesting that other invoices reflected undercharges to some customers. She
22 suggested that an undercharge should be counted as an offset to confirmed overcharges - **this**
23 **position was properly rejected by the CHP.** (Lodgment Ex. 10)

24 At the hearing, the CHP advised Adolf that it considered the TSA violations to be serious,
25 that two CHP officers had lost their jobs due to accepting gratuities and then bypassing the
26 rotation to favor Adolf's company, and the fact of the overcharges as unacceptable and would not
27 be tolerated. (Lodgment Ex. 10, pp. 11-12) Following the hearing, the CHP notified Adolf

28

1. To date, Adolf has not repaid all citizens whom she overcharged.

1 that no evidence presented by her at the hearing had disrupted the earlier findings confirming the
2 overcharges and other violations of the TSA. (Adolf Lodgment Ex. J)

3 Adolf appealed again. Thereafter, the matter was reviewed and upheld by C.S. Klein of the
4 CHP. (Lodgment Ex. L) In short, there is no evidence that Adolf could have produced which
5 would sufficiently mitigate the fact that the audit revealed 73 separate episodes of overcharges by
6 Adolf to the public. Additionally, the CHP officers admitted receiving the gratuities from Adolf
7 and that they had improperly bypassed the tow rotation and steered business to Preferred Towing
8 via personal cell phone calls. (Lodgment Exs. 18, 19) No denial by Adolf would be honest or
9 persuasive in light of the mountain of evidence against her.

10 **ARGUMENT**

11 **I.**

12 **UNDER THE INDEPENDENT JUDGMENT TEST THERE IS A STRONG** 13 **PRESUMPTION THAT THE HEARING OFFICER'S FINDINGS ARE CORRECT**

14 In ruling on a petition for a writ of mandate following an order of suspension, the trial court is
15 required to determine, based on its independent judgment, whether the weight of the evidence
16 supports the administrative decision. (*Lake v. Reed* (1997) 16 Cal.4th 448, 456.) In exercising its
17 independent judgment, the trial court "must afford a strong presumption of correctness concerning
18 the administrative findings, and the party challenging the administrative decision bears the burden
19 of convincing the court that the administrative findings are contrary to the weight of the evidence."
20 (*Fukada v. City of Angels* (1999) 20 Cal.4th 805, 817; *Valiye v. Department of Motor Vehicles*
21 (1999) 74 Cal.App.4th 1026, 1031.)

22 **II.**

23 **THE WEIGHT OF THE EVIDENCE SUPPORTS THE CHP'S DECISION**

24 **A. Preferred Towing Overcharged the Public**

25 The weight of the evidence established Preferred Towing overcharged 73 customers in gross
26 violation of the TSA. (Lodgment Exs. 8-9). Adolf admits the overcharges but self-servingly
27 suggests the fact that she undercharged others offsets these violations. She is wrong.

28 ///

1 **B. Adolf, or her Confederate, Provided Gratuities to CHP officers**

2 The weight of the evidence, particularly the CHP officers' admission to receiving the money
3 and gifts and bypassing the tow rotation via cell phone calls to Preferred Towing, established that
4 Adolf violated the TSA by her actions. (Lodgment Exs. 18-19) Adolf suggests in this Petition,
5 just as she had at the administrative hearing, that the giving of gratuities is commonplace. She
6 offered no proof of her allegation - rather citing to rumors. The CHP rejected this 'explanation' -
7 which was appropriate in this case because the officers admitted receiving the gratuities from
8 Preferred Towing and then bypassing the rotation for their benefit.

9 **C. Adolf accepted Tows from the CHP officers' via Private Cell Phone Calls in Gross**
10 **Violation of the TSA**

11 The weight of the evidence, particularly the CHP officer's admission to receiving the money
12 and gifts and bypassing the tow rotation via cell phone calls to Preferred Towing, established that
13 Adolf violated the TSA by her actions.

14 As shown herein, the CHP conducted an investigation which revealed Adolf's gross
15 violations of the TSA. Adolf was afforded an administrative appeal whereby she presented her
16 defense to the charges. Following the hearing, the CHP upheld the findings as set forth in
17 Officer Haggard's investigative report. Petitioner cites nothing substantive to the contrary, she
18 merely is dissatisfied with the outcome of the appeal.

19 In short, Adolf admits the overcharges but suggests her undercharging others serves as an
20 offset. Additionally, she admits the gratuities but suggests that others do it to and that she's been
21 singled out. This is not a defense and given the facts and circumstances of this case it does not
22 establish that the CHP abused its discretion in this case or that there is an absence of substantial
23 evidence of Adolf's and the officers' admitted acts.

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III.

THE FINDINGS ARE SUFFICIENT BECAUSE THEY UPHOLD THE
INVESTIGATIVE FINDINGS BELOW

Although administrative findings must conform to the statutes governing the particular agency, it is well settled they need not be stated with the formality required in judicial proceedings. (*Swars v. Council of City of Vallejo* (1949) 33 Cal.2d 867, 872; see also, *Meeker & Co. v. Lehigh Valley R. Co.* (1915) 236 U.S. 412; *Cantrell v. Board of Supervisors* (1948) 87 Cal.App.2d 471. In connection with the action of an administrative board, the fact that certain action is taken or recommendation made may raise a presumption that the existence of the necessary facts was ascertained and found (*Lindell Co. v. Board of Permit Appeals* (1943) 23 Cal.2d 303, 323; *Cantrell v. Board of Supervisors*, *supra* 87 Cal.App.2d at 479; *North Side etc. Assn. v. County of Los Angeles* (1945) 70 Cal.App.2d 598, 608; *Bartholomae Oil Corp. v. Seager* (1939) 35 Cal.App.2d 77, 80).

In *Swars* the Civil Service Commission concluded its hearing with action dismissing Swars. The fact that the commission discharged him after a hearing raises a presumption that the existence of the necessary facts was ascertained and found. (*Swars*, *supra*, at p. 872) However, the court in *Swars* determined it is not necessary to rely upon this rule if the commission's unanimous decision incorporated by reference the more detailed findings of the city council. (*Id.*) A court, in making findings may, and commonly does, incorporate by reference. (*See*, *McEwen v. Johnson* (1857) 7 Cal. 258; *Petersen v. Murphy* (1936) 59 Cal.App.2d 528.)

In this case, Petitioner's argument ignores that the investigative findings relative to Ms. Adolf were adopted by the reviewing authority, Captain Bernard and Chief Klein of the CHP. Petitioner cites *Bam, Inc. v. Board of Police Comrs.* (1992) 7 Cal.App.4th 1343. However, *Bam* can be distinguished from the situation at issue here because the reviewing Board in *Bam* went against the administrative findings below and accordingly a detailed statement of findings was required. (See *Bam, Inc. v. Board of Police Comrs.* (1992) 7 Cal.App.4th 1343, 1346) In this case, a detailed statement of the findings after Adolf's administrative appeal is unnecessary

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1 because the CHP adopted the detailed findings which were already set forth. (*Swars, supra*, 33
2 Cal.2d at p. 872.)

3 IV.

4 THE ADMINISTRATIVE RECORD CAN BE EXPANSIVE

5 Petitioner criticizes the Defendants' initial attempt to designate the administrative record.
6 However, such criticism ignores that the documents which confirm Adolf's admitted bad acts
7 exist (and comprise thousands of pages.) Moreover, the designation of the condensed record set
8 forth in this case provides sufficient summary information for this court to find that the CHP
9 acted with a reasoned basis. There is a strong presumption that the underlying administrative
10 decision was appropriate. (See *Fukada v. City of Angels, supra*, 20 Cal.4th at p. 817.) Finally,
11 this court should deny this petition because it is wholly devoid of merit.

12 Adolf's proposed submissions to the record do not refute the findings of the CHP.
13 Because, the CHP was aware of the officers admissions and the thousands of pages of supporting
14 documents of Adolf's overcharges and other gross violations of the TSA, they appropriately
15 determined that Adolf's 'evidence' did not refute the investigative findings.

16 However, if this court determines that it needs to review all of the detailed records^{2/} which
17 comprise the CHP's investigation discussed herein to resolve this petition, Defendants
18 respectfully request leave to produce same.

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5/16/08

26
27 2. Extra-record evidence may be admissible if facts are in dispute and the administrative
28 record is not adequate for judicial review without admitting extra-record evidence. (See
Western States Petroleum Ass'n v. Superior Court (1995) 9 C4th 559, 575, *See also*, Los
Angeles Ct. R 9.5(g).)

V.

CONCLUSION

The CHP separated Preferred Towing from the tow rotation after it confirmed more than 70 violations of the TSA involving overcharges to the public and paying gratuities to CHP officers, who in return bypassed the tow rotation and steered business Adolf's way with personal cell phone calls directed to her company.^{3/}

Petitioner suggests that she has been improperly treated by the CHP by its action of denying her request to be returned to the tow rotation following an administrative appeal. As shown herein, substantial evidence supports the CHP's actions in this regard and there is a strong legal presumption that the underlying decision is correct. (*See Fukada v. City of Angels, supra*, 20 Cal.4th at p. 817.)

Based on the foregoing, Defendants respectfully requests that Adolf's Petition be denied in its entirety.

Dated: May 16, 2008

Respectfully submitted,

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3. Again, the CHP officers admitted this conduct under oath, notwithstanding Petitioner's false denials.

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DECLARATION OF SERVICE BY U.S. MAIL

Case Name: **Adolf, Amanda, dba Preferred Towing, v. Department of California Highway Patrol**

Case No.: **BS 110199**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service that same day in the ordinary course of business.

On May 16, 2008, I served the attached **DEFENDANTS' BRIEF IN OPPOSITION TO PETITION FOR WRIT OF MANDATE** by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the internal mail collection system at the Office of the Attorney General at 110 West A Street, Suite 1100, P.O. Box 85266, San Diego, CA 92186-5266, addressed as follows:

Russell G. Petti, Esq.
466 Foothill Blvd. #389
La Canada, CA 91011
Attorney for Plaintiff

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on May 16, 2008, at San Diego, California.

C. Valdivia

Declarant



Signature



ORIGINAL



86

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FILED
 LOS ANGELES SUPERIOR COURT

JUL 02 2008

JOHN A. CLARKE, CLERK

Berta Jauregui
 BY BERTA JAUREGUI, DEPUTY

9 Attorneys for Defendant
 CALIFORNIA HIGHWAY PATROL

SUPERIOR COURT OF CALIFORNIA

COUNTY OF LOS ANGELES

AMANDA ADOLF, dba Preferred Towing

Plaintiff,

v.

CALIFORNIA DEPARTMENT OF HIGHWAY
 PATROL, S.V. BERNARD, Commander, Newhall
 Area, C.S. Klein, Assistant Chief, Southern Division,
 and DOES 1 through 20, inclusive,

Defendants.

CASE NO. BS 110199

ACCUSATION

Date: December 10, 2007

Time: 9:30 a.m.

Dept: 86

Judge: Hon. David Yaffe

Action Filed: July 30, 2007

Trial Date: None Set

I.

INTRODUCTION

The Tow Service Agreement ("TSA"), at Paragraph 18 (G) provides for immediate
 termination from the tow rotation of a company who offers gratuities to CHP personnel.
 Preferred Towing engaged in a scheme with two CHP officers to bypass the tow service rotation
 and otherwise favor Preferred Towing to the expense of the public and other companies on the
 Tow Rotation and in gross violation of the TSA.

2025 RELEASE UNDER E.O. 14176

1 II.

2 FACTS

3 A. Citizen Complaint Prompts CHP Investigation of Preferred Towing

4 On May 22, 2006, a citizen contacted the Los Angeles Sheriff's Department and filed a
5 complaint against Preferred Towing alleging they were working in concert with law enforcement
6 to steal her car from her. Shortly thereafter, the LASD contacted the CHP to advise of the
7 complaint and the CHP began an investigation of Preferred Towing. This investigation revealed
8 that Preferred Towing had obtained the tow in question, outside of the rotation.

9 B. Preferred Towing Violates TSA by Providing Gratuities to CHP Personnel and
10 Accepting Tows Outside of the Rotation

11 Preferred Towing was engaged in unauthorized practices with two CHP officers
12 (Coregudo and Jacobs). These unauthorized practices include allowing CHP personnel to have
13 personal cell phones on Preferred Towing's cell phone plan and then accepting tows initiated by
14 these CHP officers (as opposed to proper CHP dispatch) on that, or other cell phones, in
15 violation of the TSA. On numerous occasions the CHP officers, in furtherance of their favoring
16 Preferred Towing, either mischaracterized the nature of the need for the tow, to allow Preferred
17 Towing to have a more lucrative tow/storage, canceled appropriately dispatched rotation tows in
18 favor of Preferred Towing under dubious circumstances.

19 C. Incidents Involving CHP Officer Jacobs Evidencing Violation of TSA

20 Officer Jacobs failed to properly utilize the Los Angeles Communications Center
21 (LACC) dispatch, hereafter known as dispatch, when requesting tow trucks. Officer Jacobs
22 repeatedly violated California Highway Patrol (CHP) rotation tow policy by using his personal
23 cellular telephone to contact Preferred Towing (one of four Area rotation tow companies within
24 the affected tow district) directly out of rotation. Officer Jacobs stored vehicles without proper
25 legal authority and without making proper notification to dispatch. Officer Jacobs fostered an
26 inappropriate relationship with the Rick Jones, the manager of Preferred Towing. Officer Jacobs
27 accepted cash gratuities from the same company in direct conflict with departmental policy and
28 his duties as an officer with the Department. Officer Jacobs' relationship with Rick Jones and

1 Preferred Towing personnel influenced Officer Jacobs to provide preferential treatment under the
2 color of authority.

3 Between June 2005 and June 2006 Officer Jacobs stored or impounded 89
4 vehicles. A total of 65 vehicles were stored and 24 vehicles were impounded pursuant to
5 California Vehicle Code (CVC) §14602.6, unlicensed driver or driver with a suspended license
6 with good service, also commonly referred to as a 30-day impound. Approximately half (49.4
7 percent) of all of the storages and impounds went to Preferred Towing. Of the 65 vehicles
8 Officer Jacobs stored, a total of 44 vehicles were towed by Preferred Towing, which amounted to
9 41.5 percent of all the vehicles Officer Jacobs stored in the audit period. Of the 24 vehicles
10 impounded for a 30-day impound, a total of 17 of the vehicles were impounded by Preferred
11 Towing, which amounted to 70.8 percent of all of the vehicles Officer Jacobs impounded for a
12 30-day impound in the audit period. Each of these 17 storages/impounds involved discrepancies
13 and/or improprieties inconsistent with CHP policy and procedure and the governing Tow Service
14 Agreement (TSA) and revealed Officer Jacobs' preferential usage of Preferred Towing.

15 During the same time frame, the other tows on the same rotation as Preferred
16 Towing received the following disproportionate percentage of 30-day impounds: 'Al Furman's
17 Towing-12.5 percent; Golden State Towing-8.3 percent; and Castaic Towing-8.3 percent; and
18 the following percentage of storages: Al Furman's Towing-24.6 percent; Golden State
19 Towing-9.2 percent; and Castaic Towing-12.3 percent. An appropriate distribution of the calls
20 would have been approximately 25 percent per tow company on the rotation for the above listed
21 statistics. Approximately 30 of the 89 vehicles Officer Jacobs impounded were inappropriately
22 stored or impounded or had some sort of misconduct associated with their disposition.

23 On or about June 10, 2005, at approximately 1435 hours, Officer Jacobs was on
24 duty and on patrol in the vicinity of southbound Interstate 5 (Old Golden State Highway) north of
25 Hasley Canyon Road when Officer Jacobs requested a tow truck for a 30-day impound pursuant
26 to CVC §14602.6. When advised Castaic Towing was the next rotation tow for the call with an
27 estimated response time of 20 minutes, Officer Jacobs immediately cancelled them and broke the
28 tow rotation without authorization and without providing just cause for so doing. However, 3

1 hours and 50 minutes later, Officer Jacobs called the Area watch officer with Officer Jacobs'
2 personal cell phone and advised them he had called Preferred Towing and they had impounded
3 the vehicle. This information was then passed on to dispatch.

4 On or about June 18, 2005, at approximately 0745 hours, Officer Jacobs was on
5 duty and on patrol in the vicinity of southbound Interstate 5 south of Templin Highway. Officer
6 Jacobs requested a tow truck for an impound pursuant to CVC §22651(p), driver cited for driving
7 while suspended or while driving out of class. The call was originally given to Al Furman's
8 Towing; however, they were unable to respond due to an extended response time. Consequently,
9 Preferred Towing was given the call as the next available rotation tow. However, on the
10 CHP 180, Officer Jacobs wrote that the driver was cited for CVC §12500(a), driving while
11 unlicensed. Inspection of the CHP 180 clearly indicates that the storage authority was amended
12 from CVC §22651(p) to CVC §14602.6. The incident log does not indicate any notification
13 from Officer Jacobs advising of the change or requesting such a change be made. As a result of
14 this, the vehicle was inappropriately entered into the Stolen Vehicle System (SVS) as a CVC
15 §22651(p) impound. Officer Jacobs amended the storage authority of this vehicle allowing
16 Preferred Towing to have the vehicle for a 30-day period of time, thus giving Preferred Towing
17 preferential treatment.

18 On or about June 27, 2005, at approximately 1615 hours, Officer Jacobs was on
19 duty and on patrol in the vicinity of southbound Interstate 5 south of Valencia when Officer
20 Jacobs conducted an enforcement stop on a 1998 Honda Accord for a violation of CVC
21 §4000(a)(1), expired registration. Officer Jacobs indicated that the vehicle registration displayed
22 February 2002 registration. Two minutes after the request for a tow truck, Officer Jacobs was
23 advised that Santa Clarita City Towing was the next rotation tow available for the impound with
24 an estimated response time of 20 minutes. For this tow district, the applicable response time was
25 20 minutes, as established as in the Area TSA Addendum (4/2003 revision). Approximately 22
26 minutes later, Officer Jacobs advised dispatch that he was canceling Santa Clarita City Towing
27 without any explanation for the cancellation. Officer Jacobs then requested the next available
28 rotation tow. Officer Jacobs made no good faith efforts to ascertain if Santa Clarita City Tow

1 was close enough to reasonably await their arrival or to determine if their delay was related to
2 traffic congestion or other uncontrollable factors. Subsequently, Officer Jacobs' actions resulted
3 in financial loss to Santa Clarita City Towing while Officer Jacobs unnecessarily exposed the
4 Department to the potential of financial liability for an unexplained tow company cancellation.
5 Through this action, Officer Jacobs demonstrated knowledge and understanding of the rotation
6 tow concept, canceling tow companies, and basic tow processes. The next available tow
7 company for this call was Golden State Towing, who advised they had no trucks available when
8 contacted by dispatch. Ultimately, Preferred Towing was given the call for the 30-day impound,
9 with an estimated response time of 25 minutes, 27 minutes after Officer Jacobs' original request
10 for a tow. Despite the fact that Officer Jacobs cancelled Santa Clarita City Tow approximately
11 two (2) minutes after the established response time for that tow district, Officer Jacobs willingly
12 accepted the additional time estimate provided by Preferred, which itself was in excess of the
13 maximum response time for that tow district. As a result of canceling the original tow company
14 without just cause, Officer Jacobs intentionally prolonged the impound from an approximate 20
15 minute time frame to 52 minutes overall, misusing Officer Jacobs' position and without
16 justification or clearance to break the rotation tow. This elongated stop benefitted Preferred
17 Towing as they were inappropriately given the call out of rotation and Officer Jacobs was
18 needlessly unavailable for calls for nearly one hour to facilitate a vehicle impound. Officer
19 Jacobs' actions demonstrated disregard for the motoring public as Officer Jacobs was needlessly
20 unavailable for an additional 27 minutes while he awaited the arrival of Preferred Towing.
21 During this time, Officer Jacobs carelessly exposed the occupants of the vehicle to the potential
22 for injury while stopped on the side of the freeway. Furthermore, at no time following this
23 incident did Officer Jacobs file a tow complaint with the Area tow officer addressing the reasons
24 for the cancellation of Santa Clarita City Tow.

25 On or about July 12, 2005, at approximately 1000 hours, Officer Jacobs was on
26 duty and on patrol in the vicinity of eastbound Smokey Bear Drive at Interstate 5 when he located
27 a vehicle allegedly abandoned for over two (2) days. Despite the fact the vehicle was located on
28 Smokey Bear Road, a county road, Officer Jacobs requested a tow truck for CVC §22651(f),

1 vehicle abandoned on a freeway over four (4) hours. Officer Jacobs elected to utilize a section
2 that does not apply to a county road rather than the appropriate section, CVC §22669(a),
3 abandoned vehicle on highway or public property. This distinction was clearly in the benefit of
4 Preferred Towing as a vehicle stored for CVC §22651(f) generally has a value between \$301-
5 \$4000 in value. In contrast, a CVC §22669(a) storage usually carries a value of \$0-\$300. In
6 addition to an improper storage authority, Officer Jacobs failed to utilize a rotation tow request
7 for the vehicle storage and advised dispatch directly that Officer Jacobs were "using Preferred
8 Towing" for the call. Regardless of storage authority, the call was originated on Officer Jacobs'
9 own accord and Preferred Towing was notified using direct cellular telephone communication,
10 rather than standard protocol via dispatch. This breach of the rotation tow directly benefitted
11 Preferred Towing as they received a call out of rotation.

12 On or about July 17, 2005, at approximately 1320 hours, Officer Jacobs was on
13 duty and on patrol in the vicinity of southbound Interstate 5 north of Valencia when a citizen
14 reported a possible drunk driver. The driver is subsequently stopped and arrested pursuant to
15 CVC §23152(a), driving while under the influence of alcohol and/or drugs. Subsequent to the
16 driver's arrest, Officer Jacobs requested a tow truck without advising of a storage authority.
17 Despite previously canceling a tow company approximately 20 days earlier (June 27, 2005) for
18 failing to arrive within a 20 minute estimated response time, Officer Jacobs failed to conduct a
19 similar cancellation of Preferred Towing, who required a 90 minute response time. An
20 appropriate response time for this tow district would have been within 20 minutes. Despite the
21 fact they originally provided an estimated response time of 20 to 25 minutes, which was in
22 excess of the established maximum response time, Officer Jacobs allowed the extended response
23 time without any complaint. This extended response time was contrary to the information
24 provided by Preferred Towing and required Officer Jacobs to be unavailable for calls for nearly
25 two hours as a result. Officer Jacobs' inconsistent treatment of Preferred Towing on this date
26 was contrary to his previous cancellations of other tow trucks for extended response times and
27 was unequivocally beneficial to Preferred Towing as a result.

28

1 On or about August 8, 2005, at approximately 1300 hours, Officer Jacobs was on
2 duty and on patrol in the vicinity of northbound Interstate 5 south of Vista Del Lago Road when
3 he encountered a grass fire on incident log 1148. Eight minutes after Officer Jacobs advised
4 dispatch he would have the #4 traffic lane closed for approximately one and one half (1½) to two
5 (2) hours for fire-related traffic control, Officer Jacobs requested two tow trucks for abandoned
6 vehicles. Officer Jacobs requested a tow truck from the Automobile Association of Southern
7 California (commonly referred to as AAA) for a white Toyota and a beat rotation tow for a CVC
8 §22651(f) storage. An appropriate response time within this tow district would have been
9 approximately 20 minutes. By making the above requests, Officer Jacobs demonstrated a
10 working knowledge of the difference between an AAA rotation call and a beat rotation call as
11 well as the procedures specific to both types of rotations. Officer Jacobs was provided with a 20
12 minute response estimate from Golden State Towing for the CVC §22651(f) storage. After
13 waiting 32 minutes, Officer Jacobs canceled Golden State Towing without consideration for
14 traffic delays due to the lane closure, the visible deterrent created by the grass fire, response of
15 fire department personnel, vehicles, and equipment, the fact that Officer Jacobs was providing
16 traffic control within the closure, and the fact that Officer Jacobs had no other calls pending.
17 Consequently, Officer Jacobs unnecessarily canceled Golden State Towing from a call to which
18 they were rightly entitled. Four (4) minutes later, Officer Jacobs were advised that Al Furman's
19 Towing was responding to the scene with an estimated 30-minute response time. Officer Jacobs
20 deceptively contacted Preferred Towing directly using his cellular telephone and coordinated the
21 storage of a 1986 Toyota Astrovan without notifying dispatch.

22 On or about September 11, 2005, at approximately 1015 hours, Officer Jacobs
23 was on duty and on patrol in the vicinity of State Route 138 west of 300th Street West when he
24 requested a tow company for a 30-day impound. The call originally went to Al Furman's
25 Towing; however, they were unable to handle the call and refused to roll. Preferred Towing was
26 the next rotation tow in line. Although they provided a 30-minute response estimate, Officer
27 Jacobs did not clear the impound until approximately two (2) hours and 43 minutes later. Officer
28 Jacobs advised dispatch that he had also stored a vehicle pursuant to CVC §22651(b). This

1 additional vehicle was also given to Preferred Towing, despite the fact they were not the next
2 rotation tow in line. In doing so, Officer Jacobs provided preferential treatment to Preferred
3 Towing by providing two vehicles out of one call and broke Area rotation tow policy without
4 authorization.

5 On or about September 18, 2005, at approximately 1200 hours, Officer Jacobs
6 was on duty and on patrol in the vicinity of The Old Road south of Rye Canyon Road when he
7 stored a vehicle pursuant to CVC §22651(b). Preferred Towing was the rotation tow next in line
8 for the storage. Prior to clearing the log 37 minutes later, Officer Jacobs stored an additional
9 vehicle pursuant to CVC §22669(a) without requesting an additional rotation tow. In so doing,
10 Officer Jacobs circumvented the rotation tow list again and provided preferential treatment to
11 Preferred Towing. By doing so, Officer Jacobs prevented the next appropriate tow in the rotation
12 from receiving their tow and exposed the Department to the potential for liability.

13 On or about September 19, 2005, at approximately 1220 hours, Officer Jacobs
14 was on duty and on patrol in the vicinity of northbound Interstate 5 north of Templin Highway
15 when he requested a rotation tow for CVC §22651(f). The storage took approximately 27
16 minutes, despite a 15-20 minute estimated response time. In spite of their failure to respond
17 within the time estimate provided, Officer Jacobs allowed Preferred Towing to respond to his
18 location. This was contrary to several previous instances, including June 27, 2005, and
19 July 17, 2005, in which Officer Jacobs canceled tow companies due their inability to respond
20 within their estimated times. In so doing, Officer Jacobs demonstrated partial treatment to
21 Preferred Towing not demonstrated to other tow companies.

22 On or about September 24, 2005, at approximately 0845 hours, Officer Jacobs
23 was on duty and on patrol in the vicinity of State Route 138 west of 300th Street West when he
24 specifically requested Preferred Towing for a 30-day impound, without asking for an impound
25 tow from the rotation. Preferred Towing provided a 30-minute response for the
26 30-day impound pursuant to CVC §14602.6. Officer Jacobs specifically requested Preferred
27 Towing and failed to utilize the established rotation tow procedure. Officer Jacobs' preferential
28 treatment of Preferred Towing allowed them to profit unfairly as they received an impound and

1 two storages in less than two (2) hours.

2 On or about October 9, 2005, at approximately 0805 hours, Officer Jacobs was on
3 duty as the Area A-watch Officer-in-Charge (OIC) and on patrol in the vicinity of southbound
4 Interstate 5 at Upper Crossover when he requested a tow truck for a 30-day impound pursuant to
5 CVC §14602.6. Dispatch advised that Al Furman's Towing and Preferred Towing were
6 unavailable. Castaic Towing was the next available rotation tow and assigned to the call with a
7 20 minute response time. An appropriate response time in accordance with the TSA and the
8 Area Addendum for this tow district was 20 minutes. Approximately 23 minutes later, Officer
9 Jacobs canceled Castaic Towing without just cause and without requesting an updated response
10 time and asked dispatch to roll the next rotation tow. Officer Jacobs also canceled Castaic
11 Towing with the knowledge that two of the other three tows on that rotation were unavailable. In
12 so doing, Officer Jacobs again demonstrated knowledge of the Area rotation tow policy and
13 procedure. Approximately five (5) minutes after Officer Jacobs canceled Castaic Towing,
14 Officer Jacobs was advised that Al Furman's Towing and Preferred Towing were contacted for a
15 second time and were still unavailable. Notwithstanding the knowledge there were no other tow
16 trucks on the rotation available; Officer Jacobs chose to personally cancel Castaic Towing when
17 they arrived on scene only four (4) minutes later. Furthermore, in spite of the fact dispatch
18 proceeded to call Preferred Towing and Al Furman's Towing twice and was advised both times
19 that neither company had a truck available, Officer Jacobs initiated contact with Preferred
20 Towing directly with his personal cell phone. As a direct result of Officer Jacobsr call to
21 Preferred Towing, they were instantly available for the impound when called for a third time by
22 dispatch. As a result of his actions, Officer Jacobs provided preferential treatment to Preferred
23 Towing, broke Area rotation tow procedure without authorization, and unnecessarily elongated
24 the time necessary for the vehicle impound in violation of the TSA, as Castaic Towing should
25 have been granted the call. Officer Jacobs failed to follow appropriate procedure addressing tow
26 company response time by completion of a tow complaint. Officer Jacobs' unexplained
27 cancellation of Castaic Towing and the excess time Officer Jacobs spent waiting for Preferred
28 Towing unnecessarily exposed him to the potential for injury and violated the TSA.

1 On or about October 9, 2005, at approximately 1225 hours, Officer Jacobs was on
2 duty as the Area A-watch OIC and on patrol in the vicinity of Templin Highway at Golden State
3 Highway, Officer Jacobs stored two (2) vehicles pursuant to CVC §22651(f). Officer Jacobs
4 failed to properly contact dispatch to request the next available rotation tows for these storages.
5 Instead, Officer Jacobs chose to use his personal cellular telephone to advise dispatch that
6 Preferred Towing had stored both vehicles after Officer Jacobs had completed the storages.
7 Furthermore, for one of the vehicles, Officer Jacobs utilized a storage authority that is applicable
8 only to vehicles that were stopped, parked, or left standing for more than four hours upon the
9 right-of-way of any freeway that has full control of access and no crossings at grade. The
10 location from which this vehicle was towed was a highway with crossings at grade and no control
11 of access. As a direct result of Officer Jacobs' actions, Preferred Towing received preferential
12 treatment as they received two storages outside the purview of the rotation tow procedure.

13 On or about November 9, 2005, at approximately 0720 hours, Officer Jacobs was
14 on duty and on patrol in the vicinity of southbound Interstate 5 south of Vista Del Lago. Officer
15 Jacobs requested a tow truck for a vehicle in the center divide on incident log 0536, pursuant to
16 CVC §22651(b), vehicle obstructing traffic or creating a hazard on a roadway. When Officer
17 Jacobs was advised Al Furman's Towing was en route with a 30 to 35 minute estimated response
18 time, Officer Jacobs immediately canceled them without stating a reason. An appropriate
19 response time for this tow district would have been 20 minutes. Although Officer Jacobs had
20 cause pursuant to the TSA to cancel Al Furman's Towing due to excessive response time, Officer
21 Jacobs did not advise the reason for the cancellation. Preferred Towing was then given the call
22 as the next available rotation tow with a 20 to 25 minute estimated response time.
23 Approximately 17 minutes later, Officer Jacobs had completed the storage and cleared the call.
24 As a result of this breach of Area rotation tow procedure, Officer Jacobs allowed Preferred
25 Towing to receive preferential treatment and directly caused Al Furman's Towing to lose a call to
26 which they were entitled, in violation of the TSA.

1 On or about November 19, 2005, at approximately 0933 hours, Officer Jacobs
2 was on duty and on patrol in the vicinity of westbound State Route 138 near 300th Street when he
3 requested a tow truck for a CVC §14602.6 impound. Officer Jacobs was advised Preferred
4 Towing would be en route with an estimated 30 minute response time. An appropriate response
5 time for this tow district would have been 30 minutes. Officer Jacobs was still on scene waiting
6 for Preferred Towing over 45 minutes later. Unlike multiple previous occasions in which Officer
7 Jacobs canceled a tow company for such an extended response time, Officer Jacobs allowed
8 Preferred Towing to continue their response to the call. In so doing, Officer Jacobs demonstrated
9 partiality towards Preferred Towing that Officer Jacobs had not shown to any other rotation tow
10 company. Additionally, as a result of Preferred Towing's extended response time, this impound
11 expended one (1) hour and 16 minutes of Officer Jacobs' shift. During this unnecessarily
12 extended period of time, Officer Jacobs were unavailable for calls on Officer Jacobs' beat and
13 was unavailable to assist the motoring public.

14 On or about November 24, 2005, at approximately 1212 hours, Officer Jacobs
15 was on duty and on patrol in the vicinity of Vista Del Lago Road west of Interstate 5 when he
16 requested a tow truck for three separate CVC §22651(f) storages. Once again, Officer Jacobs
17 utilized a storage authority that is applicable only to vehicles that were stopped, parked, or left
18 standing for more than four hours upon the right-of-way of any freeway that has full control of
19 access and no crossings at grade. The location from which these vehicles were towed was a
20 highway with crossings at grade and no control of access. As a direct result of Officer Jacobs'
21 request for one tow that could handle both vehicles, Preferred Towing received preferential
22 treatment as they received three storages outside the purview of the rotation tow procedure and in
23 violation of the TSA.

24 On or about February 5, 2006, at approximately 0922 hours, Officer Jacobs was
25 on duty and on patrol in the vicinity of southbound Interstate 5 north of Templin Highway when
26 he requested a tow truck for a CVC §22651(p) impound. Officer Jacobs was advised that Castaic
27 Towing was en route with a 20 minute estimated response time, which was an appropriate
28 response time for this tow district. Approximately 22 minutes later, Officer Jacobs canceled

1 Castaic Towing and requested the next available rotation tow without requesting an updated
2 estimated response time or taking any other proactive steps to expedite the completion of the
3 impound. Preferred Towing was the next tow in the rotation and they provided a 15 to 20 minute
4 response estimate. Approximately one (1) minute later, Castaic Towing arrived on scene and
5 Officer Jacobs indicated that they were late on arrival and therefore had been canceled on the
6 call. This caused Castaic Towing to be faulted on their response time of 23 minutes after
7 providing a 15 to 20 minute estimate. Preferred Towing eventually arrived on scene in excess of
8 their estimated response time; however, they were able to impound the vehicle without on-scene
9 cancellation for late arrival. At the conclusion of this incident, Officer Jacobs made no effort to
10 file a tow complaint at the Area office to voice any apparent violation by Castaic Towing.
11 Officer Jacobs' preferential treatment of Preferred Towing afforded them financial gain while
12 Castaic Towing lost a call that was unquestionably theirs. This unreasonable treatment of
13 Castaic Tow clearly created the probability of liability against the Department for violations of
14 TSA provisions.

15 On or about February 14, 2006, at approximately 1143 hours, Officer Jacobs was
16 on duty and on patrol in the vicinity of northbound Interstate 5 north of Magic Mountain
17 Parkway when he requested a tow truck for a CVC §22651(p) impound. Officer Jacobs was
18 advised that Preferred Towing was responding for the impound. Approximately 20 minutes later,
19 Officer Jacobs advised that the vehicle would be impounded for CVC §14602.6, rather than the
20 previous section. This change in storage authority allowed Preferred Towing to impound the
21 vehicle for a longer period of time and exposed them to substantial financial gain as a result.
22 Despite previously canceling other tow companies for extended response times, Officer Jacobs
23 made no effort to roll a new tow truck when Preferred Towing took longer to respond than
24 originally estimated. Officer Jacobs was active on this log for 34 minutes after Preferred Towing
25 was given the call. Officer Jacobs' actions on this date clearly demonstrated partial treatment
26 towards Preferred Towing not provided to other tow companies in a similar fashion.

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1 On or about March 28, 2006, at approximately 0727 hours, Officer Jacobs was on
2 duty and on patrol when he responded to the vicinity of southbound Interstate 5 south of Rye
3 Canyon Road for an 11-83, an accident with no details. When Officer Jacobs arrived at the scene
4 of the collision, he located an abandoned blue 2003 Mazda Protégé that appeared to have been
5 recently involved in a collision. Officer Jacobs advised dispatch that the vehicle appeared to be
6 abandoned; yet, Officer Jacobs made no request for a tow truck. Approximately 1 hour and 59
7 minutes later, Officer Jacobs advised dispatch that he had stored the Mazda pursuant to CVC
8 §22651(b). Additionally, Officer Jacobs advised that he also stored a 1995 Ford Probe pursuant
9 to CVC §22651(f) from the same location, but, Officer Jacobs had not requested a tow truck.
10 However, approximately two (2) hours later, Officer Jacobs advised dispatch that Preferred
11 Towing had already stored both vehicles and he was clearing the call. As a result of Officer
12 Jacobs' direct contact with Preferred Towing with his cellular telephone, Officer Jacobs
13 demonstrated preferential treatment, which unnecessarily circumvented the rotation tow
14 procedure and exposed the Department to potential liability for TSA violations.

15 On or about March 29, 2006, at approximately 0730 hours, Officer Jacobs was on
16 duty and on patrol in the vicinity of northbound Interstate 5 north of the City of Valencia when
17 he made a traffic stop on a 1992 Ford Thunderbird. The driver was operating the vehicle with a
18 suspended driver license and a previous misdemeanor conviction for driving while suspended
19 pursuant to CVC §14601.1(a). At the conclusion of the traffic stop, Officer Jacobs had the
20 vehicle impounded pursuant to CVC §22651(p). Preferred Towing was given the call despite the
21 fact the vehicle was eligible for a vehicle forfeiture under the provisions of CVC §14607.6.
22 After the vehicle's release, at approximately 1202 hours that same date, Officer Jacobs was on
23 duty and on patrol in the vicinity of northbound Interstate 5 north of Templin Highway when he
24 observed the Ford for a second time in the same shift. Officer Jacobs proceeded to stop the
25 vehicle a second time and contacted the registered owner, who was again driving the vehicle
26 while suspended, despite previously having her vehicle impounded. At this time, Officer Jacobs
27 requested a tow truck for a 30-day impound for a 1992 Ford Thunderbird pursuant to CVC
28 §14602.6, rather than the more appropriate impound authority of CVC §14607.6. Dispatch

1 advised Officer Jacobs that Preferred Towing would be responding for this impound and Officer
2 Jacobs advised that he would be impounding the vehicle pursuant to CVC §14602.6. This Ford
3 had been impounded earlier in the same shift. This second incident accounted for 1 hour and 5
4 minutes of Officer Jacobs' shift to impound a vehicle he had already impounded earlier the same
5 day and was already familiar with. Officer Jacobs' actions involving this impound demonstrated
6 poor judgment and suggested unacceptable activity on Officer Jacobs' part as Preferred Towing
7 received the same vehicle twice in the same shift for two separate impounds, both of which
8 allowed Preferred Towing to profit financially. Furthermore, if the vehicle had been impounded
9 appropriately, it would have remained in impound without the possibility for release.

10 On or about May 7, 2006, at approximately 0735 hours, Officer Jacobs was on
11 duty and on patrol in the vicinity of Interstate 5 northbound at Peppertree. At this time, Officer
12 Jacobs "flagged down" Preferred Towing, who allegedly was passing through the area at the
13 time, for a 30-day impound pursuant to CVC §14602.6. Officer Jacobs made no attempt to
14 properly request a tow truck through the rotation tow list and inappropriately perpetuated his
15 preferential usage of Preferred Towing through a misinterpretation of his ability to flag a tow
16 truck down for a vehicle impound. Officer Jacobs' poor judgment afforded Preferred Towing
17 financial gain while depriving the appropriate rotation tow of a service call. This departure from
18 established TSA policy and Area procedures demonstrated poor judgment and continued Officer
19 Jacobs' pattern of demonstrated preferential treatment to Preferred Towing. As the impound did
20 not involve an immediate threat of injury or a potential collision, Officer Jacobs had no
21 justifiable reason to break rotation tow procedures to "flag down" a passing tow truck.

22 On or about May 21, 2006, at approximately 1055 hours, Officer Jacobs was on
23 duty and on patrol on Interstate 5 north of Templin Highway. Officer Jacobs requested CHP
24 dispatch to send him tow trucks for three vehicles abandoned in separate locations on the freeway
25 in excess of four hours, in violation of CVC § 22651(f). Officer Jacobs telephoned Preferred
26 Towing directly on his personal cellular phone and directed them to his location to tow a 1997
27 Plymouth. Officer Jacobs failed to contact CHP dispatch to advise them of his actions or of the
28 involvement of Preferred Towing.

1 On or about May 28, 2006, at approximately 0900 hours, Officer Jacobs was on
2 duty and on patrol on southbound Interstate 5 in the vicinity of Templin Highway. Officer
3 Jacobs made an enforcement stop on a 2005 Dodge Caravan, owned by Budget Rental Company,
4 for traveling 95 miles per hour (mph) in a 65 mph zone, a violation of CVC §22349(a), speed in
5 excess of the 65 mph maximum. The vehicle was occupied by multiple individuals, including a
6 two-year-old girl who was not properly restrained into the van, in violation of CVC §27360(a),
7 child passenger restraint system requirements. After the vehicle was moved from the freeway to
8 a Denny's parking lot located in the vicinity of the intersection of Castaic Road and Lake Hughes
9 Road in Castaic, Officer Jacobs chose to issue a verbal warning to the driver for the speeding and
10 restraint violations in direct violation of established departmental policy and procedure. Officer
11 Jacobs determined the driver was not listed on the rental agreement. Although he had a valid
12 driver license, Officer Jacobs utilized his cellular telephone to initiate contact with Budget Rental
13 Company to advise them the driver was not listed on the rental agreement. Officer Jacobs
14 suggested the concept of storing the vehicle on Budget's behalf for safekeeping purposes.
15 Budget agreed to Officer Jacobs' suggestion and Officer Jacobs acted as their agent to store the
16 vehicle on their behalf. Officer Jacobs proceeded to initiate direct contact with Preferred Towing
17 using his personal cellular phone and requested them to respond to his location. Without legal
18 storage authority or an appropriate request through CHP dispatch, Officer Jacobs intentionally
19 bypassed the rotation tow. Preferred Towing towed the vehicle from the scene at his direction.
20 In the presence of Captain Bernard and Sergeant Hall who had arrived at the scene, Officer
21 Jacobs called Preferred Towing using his cellular telephone to advise them to return the vehicle
22 to the scene. Subsequently, the vehicle was returned to the scene and released back to the driver.

23 During 2005 and 2006, you fostered a personal relationship with Mr. Rick Jones,
24 the manager of Preferred Towing, an Area contract rotation and evidence tow. Officer Jacobs
25 continually fostered the relationship during work time, which resulted in preferential treatment
26 and a loss of the essential trait of objectivity. Officer Jacobs regularly spent breaks and/or lunch
27 periods at Preferred Towing and used state time to foster an inappropriate relationship with a
28

1 contracted CHP towing company. Additionally, as a result of this personal relationship, Officer
2 Jacobs willingly accepted a cash gratuity of \$200.00 from Preferred Towing.

3 **D. Incidents Involving CHP Officer Corugedo Evidencing Violation of TSA**

4 Officer Corugedo failed to adhere to the Area rotation tow policy and broke the
5 rotation tow list without authorization. Officer Corugedo utilized the Los Angeles
6 Communications Center (LACC), hereafter known as dispatch, to request Preferred Towing
7 respond to various locations while consistently working the same beat on the same shift.
8 Additionally, Officer Corugedo violated California Highway Patrol (CHP) rotation tow policy by
9 using his personal cellular telephone to contact Preferred Towing directly out of rotation on
10 multiple occasions. Moreover, Officer Corugedo unlawfully stored a rental vehicle without
11 justification despite having legal authority for an impound. Officer Corugedo fostered an
12 inappropriate relationship with the manager of Preferred Towing and willingly accepted cash
13 gratuities from the same company, in conflict with departmental policy and Officer Corugedo's
14 duties as an officer with the Department. Officer Corugedo's relationship with the manager of
15 the towing company influenced Officer Corugedo to provide preferential treatment under the
16 color of authority.

17 Between June 2005 and June 2006 Officer Corugedo stored or impounded 42
18 vehicles. A total of 28 vehicles were stored and 14 vehicles were impounded pursuant to CVC
19 §14602.6, also known as a 30-day impound, with nearly half (40.5 percent) of all of the storages
20 and impounds going to Preferred Towing. Of the 28 vehicles Officer Corugedo stored, a total of
21 11 vehicles were towed by Preferred Towing, which amounted to 39.3 percent of all the vehicles
22 Officer Corugedo stored in the period. All 11 vehicles stored or impounded through Preferred
23 Towing indicated Officer Corugedo utilized inappropriate methods to obtain the tow. Of the 14
24 vehicles impounded for a 30-day impound, a total of 6 of the vehicles were impounded by
25 Preferred Towing, which amounted to 42.9 percent of all of the vehicles Officer Corugedo
26 impounded for a 30-day impound in the audit period.

1 Officer Corugedo's preferential usage of Preferred Towing resulted in a
2 disproportionate number of calls to the other three tows on the same rotation with Preferred
3 Towing. During the same time frame, the other rotation tows received the following percentage
4 of 30-day impounds: Al Furman's Towing-14.3 percent; Golden State Towing-7.1 percent; and
5 Castaic Towing-21.4 percent; and the following percentage of storages: Al Furman's
6 Towing-7.1 percent; Golden State Towing-17.9 percent; and Castaic Towing-32.1 percent. An
7 appropriate call distribution would have allocated approximately 25 percent of the calls to each
8 tow company on the rotation for the above listed statistics. Officer Corugedo's preferential
9 treatment was tailored towards benefiting Preferred Towing and afforded them financial gain.

10 On or about September 13, 2005, at approximately 0810 hours, Officer Corugedo
11 was on duty and on patrol in the vicinity of Ridge Route east of Castaic when he requested a tow
12 truck for a California Vehicle Code (CVC)§22651(k), vehicle abandoned in excess of 72 hours
13 on a county road. Officer Corugedo was advised Ross Baker Tow would be en route to tow the
14 vehicle; however, they were not given the call upon arrival on scene. Once on scene, Officer
15 Corugedo canceled them without notifying dispatch. Officer Corugedo then contacted Preferred
16 Towing directly using his cellular telephone and gave the tow to Preferred Towing. In so doing,
17 Officer Corugedo circumvented the rotation tow and provided unexplained preferential treatment
18 to Preferred Towing which allowed them to prosper financially as a result. Additionally, as the
19 log indicated Ross Baker Towing had been given the call, they were impacted financially by
20 Officer Corugedo's action.

21 On or about December 15, 2005, at approximately 0950 hours, Officer Corugedo
22 was on duty and on patrol in the vicinity of southbound Interstate 5 and Templin Highway when
23 he was involved with an enforcement stop on a 2003 Chevrolet Silverado for a violation of CVC
24 §4000(a)(1), vehicle registration expired. Officer Corugedo requested a tow company for an
25 impound pursuant to CVC §22651(o), expired registration. Officer Corugedo was advised that
26 Castaic Unocal Towing would be en route to Officer Corugedo's location for the impound. One
27 minute later, Officer Corugedo advised dispatch to cancel Castaic Unocal Towing without
28 providing a reason and without requesting permission to break the rotation tow. Officer

1 Corugedo requested that dispatch "10-22 Castaic - they are back on top." In so doing, Officer
2 Corugedo demonstrated knowledge and understanding of the rotation tow process. Two minutes
3 after canceling Castaic Towing and five minutes after the start of the incident log, Officer
4 Corugedo advised dispatch Officer Corugedo "flagged down" Preferred Towing and that Officer
5 Corugedo would be using them for the impound providing Preferred Towing preferential
6 treatment.

7 On or about December 19, 2005, at approximately 0950 hours, Officer Corugedo
8 was on duty and on patrol in the vicinity of The Old Road south of Parker Road when he
9 requested a tow for an impound. Officer Corugedo immediately requested Preferred Towing
10 respond to the scene without requesting the next rotation on the list and he broke the rotation tow
11 without cause and without authorization. Officer Corugedo was advised that Castaic Unocal
12 Towing was en route to his location with an estimated 15 to 20 minute response time. Officer
13 Corugedo chose to use his cellular telephone to contact dispatch to ascertain who the next tow
14 was on the CHP rotation tow list. When Officer Corugedo was advised the tow would be
15 Preferred Towing, Officer Corugedo elected to have them respond to his location. Seven
16 minutes later Officer Corugedo then advised dispatch that a second vehicle was to be towed.
17 Twenty-seven minutes later, Officer Corugedo advised dispatch via radio that a third vehicle was
18 to be towed in association with the same incident. Eventually, thirty-eight minutes into the log,
19 Officer Corugedo advised of a fourth vehicle to be towed on the same incident log. The first two
20 vehicles in question, a 1990 Aljo trailer and a 1990 Chevrolet pick-up, had allegedly been
21 abandoned in the same general vicinity on a county road in excess of seventy-two hours, in
22 violation of CVC § 22651(k). Officer Corugedor failed to define the local ordinance prohibiting
23 vehicles from being abandoned in that area, in accordance with the requirements of CVC §
24 22651(k). Officer Corugedo changed locations to Ridge Route east of Castaic where Officer
25 Corugedo located a 1986 Cadillac Cimmaron and a 1990 Honda Civic Officer Corugedo
26 intended to store under the same authority. Officer Corugedo again contacted CHP dispatch
27 directly using Officer Corugedor cellular phone and were advised by CHP dispatch Castaic
28 Towing had not yet been contacted. Officer Corugedo elected to combine all four storages onto

1 the same incident log, and allowed Preferred Towing to store all four vehicles. Officer
2 Corugedo knowingly requested only one tow company for all four storages, failing to properly
3 utilize the tow rotation list for other tow companies in accordance with Area policies and
4 procedures, the Tow Service Agreement (TSA), and departmental policies and procedures
5 allowing Preferred Towing to profit financially as a result. Furthermore, as a result of the four
6 above-referenced vehicle storages/impounds, Officer Corugedo were unavailable for calls on
7 Officer Corugedor beat for 1 hour and 6 minutes. This display of disregard for Officer
8 Corugedor fellow workers further exemplified his indifference to ethical standards and the need
9 for appropriate actions as a peace officer within this state.

10 On or about December 30, 2005, at approximately 0850 hours, Officer Corugedo
11 was on duty and on patrol in the vicinity of Hasley Canyon Road and Commerce Center Drive
12 when he requested a tow truck for an impound pursuant to CVC §22651(p), expired or suspended
13 driver. Officer Corugedo was advised that Preferred Towing would be handling the impound and
14 subsequently amended the storage authority to CVC §14602.6, 30-day impound. Officer
15 Corugedo indicated no reference to support amending the storage authority to a 30-day impound
16 and simply referenced that the "driver borrowed car from friend, aware." Officer Corugedo
17 demonstrated preferential treatment towards Preferred Towing and allowed them to profit
18 financially as a result of the change from a CVC §22651(p) impound to a CVC §14602.6
19 impound.

20 On or about December 30, 2005, at approximately 1245 hours, Officer Corugedo
21 was on duty and on patrol in the vicinity of Castaic north of Lower Crossover. Officer Corugedo
22 requested two tow trucks respond to his location for four separate vehicles. Officer Corugedo
23 advised dispatch of four separate vehicles to be towed pursuant to CVC §22651(k). Officer
24 Corugedo allowed Preferred Towing to tow the two newer, more valuable vehicles (2000 Nissan
25 Frontier and 2001 Chrysler Sebring) and Golden State Towing the older, less valuable vehicles
26 (1993 Nissan Altima and a 1994 Mazda MX3). This created a preferential situation for Preferred
27 Towing and set them up to stand financial gain in excess of that afforded to Golden State
28 Towing. Additionally, Officer Corugedo failed to properly utilize the rotation tow process to

1 appropriately distribute the calls to four separate tows or to distribute them into four separate
2 logs. As a result Officer Corugedo again catered the situation to benefit Preferred Towing and
3 created a situation in which the Department was exposed to potential liability as a result of
4 Officer Corugedo's unethical practices.

5 On or about April 13, 2006, at approximately 0900 hours, Officer Corugedo was
6 on duty and on patrol in the vicinity of northbound Interstate 5 in the vicinity of Hasley Canyon
7 Road. Officer Corugedo made an enforcement stop on a 2006 Chevrolet HHR, owned by Ace
8 Rental Company, for traveling 81 miles per hour (mph) in a 65 mph zone, a violation of CVC
9 §22349(a), exceed 65 mph maximum. Officer Corugedo determined the unlicensed driver, was
10 not listed on the rental agreement. Officer Corugedo utilized his personal cellular telephone to
11 initiate direct contact with Ace Rental Company. Officer Corugedo advised them the driver was
12 unlicensed and was not listed on the rental agreement. Officer Corugedo suggested the concept
13 of storing the vehicle for safekeeping purposes and Ace agreed to his suggestion. Subsequently,
14 Officer Corugedo elected to act as their agent to store the vehicle on their behalf, suggesting
15 Preferred Towing for the storage. Then, Officer Corugedo proceeded to initiate direct contact
16 with Preferred Towing using his personal cellular telephone and requested them to respond to his
17 location. Although he could have legally impounded the vehicle pursuant to CVC §14602.6,
18 Officer Corugedo bypassed the rotation tow, proper storage and impound procedures, and
19 appropriate request procedures through CHP dispatch and facilitated a storage without legal
20 authority.

21 Between June 2005 and June 2006, Officer Corugedo cultivated a personal
22 relationship with Mr. Rick Jones, the manager of Preferred Towing, an Area contract rotation and
23 evidence tow. Officer Corugedo fostered the relationship within work time and provided
24 preferential treatment to the company. Officer Corugedo regularly spent his breaks and/or lunch
25 periods at Preferred Towing as a result of this relationship. On multiple occasions, Officer
26 Corugedo used state time to foster this inappropriate relationship using Preferred Towing's
27 computers and facilities to conduct state business. Additionally, as a result of this personal
28 relationship, Officer Corugedo willingly accepted a cash gratuity from Preferred Towing, at a

1 value between \$80 and \$100. Officer Corugedo allowed his relationship with Mr. Jones to
2 influence Officer Corugedo's professional judgment and opinion of other contracted CHP
3 rotation tow companies. With this altered opinion, Officer Corugedo chose to provide
4 preferential treatment to Preferred Towing. Officer Corugedo utilized his personal cellular
5 telephone to bypass the CHP rotation and CHP dispatch to call Preferred Towing directly to
6 request their services, causing a loss of services to the other rotation tows as well as violations to
7 Area policies and procedures. Officer Corugedo used a cell phone on Preferred Towing's
8 corporate account for personal cellular service and he paid Preferred personnel for his monthly
9 service.

10 Additionally, Officer Corugedo and Preferred Towing's actions as described in
11 the aforementioned were inconsistent and contrary to the 2005-2006 Tow Service Agreement
12 (TSA) as it pertains to establishing conditions that would bring about unfair conditions which
13 would be prejudicial to the CHP, the motoring public, or other tow operators; allowing and
14 propagating selective tow service; and accepting gratuities offered by a tow operator on a CHP
15 rotation tow. Officer Corugedo's criminal actions under color of authority exposed Preferred
16 Towing and the Department to unnecessary liability due to repeated violations and breaches of
17 the TSA contract.

18 **E. Preferred Towing's Pattern of Overcharges to the Public In Violation of TSA**

19 In February 2007, the CHP conducted an audit of Preferred Towing's records. During
20 this investigation the CHP discovered several violations of the Department's Tow Service
21 Agreement (TSA) specifically pertaining to response to calls and providing gratuities to CHP
22 officers. Specifically, on February 7, 2007, at approximately 1000 hours, the CHP responded to
23 Preferred Towing's place of business to conduct an audit of their business records. During the
24 audit, the CHP found numerous violations of the TSA including, but not limited to, improper lien
25 charges, tow overcharges, storage overcharges, and missing required information on invoices.
26 There were approximately 221 apparent violations / inaccuracies found which covered June
27 2005, to July 2006.
28

1 While conducting their investigation, the CHP uncovered numerous violations of the
2 TSA perpetrated by Preferred Towing. The following violations were uncovered by the CHP
3 during the investigation:

4 The invoices which were reviewed were broken down into three separate sections:
5 Section One was for all violations prior to a verbal warning on 01-10-06, for failure to put a start
6 and end time on their invoices; Section Two follows the warning on 01-10-06; and Section Three
7 has nine invoices used by Sgt. Miler during his investigation which date prior to, and after the
8 warning for, start and end time violations.

9 Section One had approximately 50 violations / inaccuracies including, but not limited to,
10 lien overcharges, storage overcharges, charging full rates for two vehicles on the same call towed
11 with the same tow truck, consistently charging 1.5 hours for vehicles without any significant
12 damage within 10 miles from their yard, missing information on the invoice, charging for an
13 extra man for no apparent reason (impound or abandoned vehicle), additional charge for a
14 recovery when recoveries are part of the hourly rate, charged private tows to similar locations and
15 distances for two to three times less than CHP calls, inaccurate total on service times, and two
16 hour charge for a service call that should be just over 30 minutes.

17 Section Two had approximately 162 violations / inaccuracies including, but not limited
18 to, missing information on invoices (including start and stop times), inaccurate total on service
19 times, storage overcharges, lien overcharges, addition of 2nd tow without an explanation,
20 charging full rates for two separate vehicles on the same call with the same tow truck,
21 overcharges on hourly rates, excessive amount of time for locations within 5-10 miles of their
22 yard and no damage noted on impounded vehicles, charging for two tow trucks when one could
23 have probably handled the call, one hour for a service call (gas) within seven miles from the tow
24 yard, charging for using dry sweep to soak up fluids when this is part of the hourly rate, and
25 taking one hour to tow truck and trailer and charged each one hour.

26 Section Three had nine violations / inaccuracies including, lien overcharges, missing
27 information on the invoice, and improper total of service time.
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III.

CONCLUSION

The CHP's investigation concluded that Preferred Towing provided gratuities, conspired to bypass the rotation, overcharged for services, storage and liens, and failed to properly complete invoices. Based on the above information the CHP made the following determinations:

1. **TSA Element 6 (A)** - A violation of this element was discovered. Element 6 (A) states:

Fees charged for calls originating from the CHP shall be reasonable and not in excess of those rates charged for similar services provided in response to requests initiated by any other public agency or private person.

2. **TSA Element 6 (B)** - A violation of this element was discovered. Element 6 (B) states:

The rate for towing shall be computed from portal to portal. Time expended shall be charged at a rate not to exceed the hourly rate. Time expended in excess of the minimums shall also be at the hourly rate in no more than one minute increments.

There shall be no additional charges (or mileage. labor. etc.)

3. **TSA Element 6 (B)(3)** - A violation of this element was discovered. Element 6 (B)(3)

states: The operator shall base towing charges upon the class of vehicle being towed, regardless of the class of truck used, except when vehicle recovery operations require a larger class truck.

4. **TSA Element 6 (C)** - A violation of this element was discovered. Element 6 (C) states:

Rates for a service call (out of gas, lockouts, tire changes, etc.) shall be from portal to end of service, and may be at the hourly rate with a thirty-minute minimum. Charges in excess of thirty minutes may be charged in no more than one-minute increments.

5. **TSA Element 6 (F) 3** - A violation of this element was discovered. Element 6 (F) 3

states: Vehicles stored 24 hours or less shall be charged no more than one day storage.

6. **TSA Element 8 (C)** - A violation of this element was discovered. Element 8 (C) states:

Only tow truck personnel and equipment requested shall respond to a CHP call. An operator shall not respond to a CHP call assigned to another operator unless requested to do so by the CHP. (1) This shall not preclude the operator from responding to an

1 incident to as certain if additional assistance or equipment is required. There shall be
2 no additional charge for any personnel or equipment that is not necessary to perform
3 the required service.

4 **7. TSA Element 12 (A)**- A violation of this element was discovered. Element 12 (A) states:

5 *The operator shall maintain records of all tow services furnished. The records will be*
6 *maintained at the operator's place of business. Invoices shall at a minimum include a*
7 *description of each vehicle, nature of service, start time, end time, location of call,*
8 *itemized costs of towing and storage, the tow truck driver's name, and truck used.*

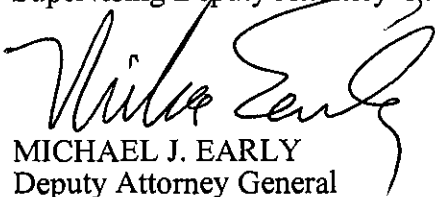
9 **8. TSA Element 16 (A)** - A violation of this element was discovered. Element 16 (A)
10 states: *The tow operator and employees shall, at all times, comply with federal state,*
11 *and local laws and ordinances.*

12 **9. TSA Element 18 (G)** - A violation of this element was discovered. Element 19 (G)
13 states: *CHP personnel shall not be offered gratuities and requests for gratuities shall*
14 *not be honored by tow company operators, employees, or associates of the company. A*
15 *violation of this section shall be cause for suspension or termination.*

16
17 Dated: 6/30/08

Respectfully submitted,

18
19 EDMUND G. BROWN JR.
Attorney General of the State of California
20 ALICIA M.B. FOWLER
Senior Assistant Attorney General
21 CHRIS A. KNUDSEN
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DECLARATION OF SERVICE BY FACSIMILE AND MAIL

Case Name: **Adolf, Amanda, dba Preferred Towing, v. Department of California Highway Patrol**

Case No.: **BS 110199**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar at which member's direction this service is made. I am 18 years of age or older and not a party to this matter; my business address is 110 West A Street, Suite 1100, P.O. Box 85266, San Diego, CA 92186-5266. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service that same day in the ordinary course of business. My facsimile machine telephone number is (619) 645-2581.

On June 30, 2008 at approximately 4:36 PM., I served the attached **ACCUSATION** by transmitting a true copy by facsimile machine, pursuant to California Rules of Court, rule 2.306. The facsimile machine I used complied with Rule 2.306, and no error was reported by the machine. Pursuant to rule 2.306(g)(4), I caused the machine to print a record of the transmission, a copy of which is attached to this declaration. In addition, I placed a true copy thereof enclosed in a sealed envelope with postage thereof fully prepaid, in the internal mail system of the Office of the Attorney General, addressed as follows:

Russell G. Petti, Esq.
466 Foothill Blvd. #389
La Canada, CA 91011
(818) 952-2186
Attorney for Plaintiff

I declare under penalty of perjury under the laws of the State of California the foregoing is true and correct and that this declaration was executed on June 30, 2008.

C. Valdivia

Declarant



Signature

TRANSACTION REPORT

P. 01

JUN-30-2008 MON 04:54 PM

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EDMUND G. BROWN JR.
Attorney General

State of California
DEPARTMENT OF JUSTICE



FAX TRANSMISSION COVER SHEET

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DATE: June 30, 2008

TIME: 4:40 PM

NO. OF PAGES: 26
(Including Fax Cover Sheet)

TO:

NAME: Russell G. Petti, Esq.,

OFFICE:

LOCATION: La Canada

FAX NO.: (818) 952-2186

PHONE NO.: (818) 952-2188

FROM:

NAME: Celia Valdivia, Legal Secretary to Michael J. Early, DAG

OFFICE: Attorney General's Office

LOCATION: San Diego

FAX NO.: (619) 645-2581

PHONE NO.: (619) 645-2624

MESSAGE/INSTRUCTIONS

Re: Adolf, Amanda, dba Preferred Towing, v. Department of California Highway Patrol

Transmitted herewith is the Accusation and we will serve a copy to you via U.S. Regular Mail.

70128949.wpd

PLEASE DELIVER AS SOON AS POSSIBLE
FOR ASSISTANCE WITH THIS FAX, PLEASE CALL THE SENDER

EXHIBIT “I”

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PENAL CODE - PEN**PART 1. OF CRIMES AND PUNISHMENTS [25 - 680.4]** (*Part 1 enacted 1872.*)**TITLE 5. OF CRIMES BY AND AGAINST THE EXECUTIVE POWER OF THE STATE [67 - 77]** (*Title 5 enacted 1872.*)

67. Every person who gives or offers any bribe to any executive officer in this state, with intent to influence him in respect to any act, decision, vote, opinion, or other proceeding as such officer, is punishable by imprisonment in the state prison for two, three or four years, and is disqualified from holding any office in this state.

(Amended by Stats. 1976, Ch. 1139.)

67.5. (a) Every person who gives or offers as a bribe to any ministerial officer, employee, or appointee of the State of California, county or city therein, or political subdivision thereof, any thing the theft of which would be petty theft is guilty of a misdemeanor.

(b) If the theft of the thing given or offered would be grand theft the offense is a felony punishable by imprisonment pursuant to subdivision (h) of Section 1170.

(Amended by Stats. 2011, Ch. 15, Sec. 234. (AB 109) Effective April 4, 2011. Operative October 1, 2011, by Sec. 636 of Ch. 15, as amended by Stats. 2011, Ch. 39, Sec. 68.)

68. (a) Every executive or ministerial officer, employee, or appointee of the State of California, a county or city therein, or a political subdivision thereof, who asks, receives, or agrees to receive, any bribe, upon any agreement or understanding that his or her vote, opinion, or action upon any matter then pending, or that may be brought before him or her in his or her official capacity, shall be influenced thereby, is punishable by imprisonment in the state prison for two, three, or four years and, in cases in which no bribe has been actually received, by a restitution fine of not less than two thousand dollars (\$2,000) or not more than ten thousand dollars (\$10,000) or, in cases in which a bribe was actually received, by a restitution fine of at least the actual amount of the bribe received or two thousand dollars (\$2,000), whichever is greater, or any larger amount of not more than double the amount of any bribe received or ten thousand dollars (\$10,000), whichever is greater, and, in addition thereto, forfeits his or her office, employment, or appointment, and is forever disqualified from holding any office, employment, or appointment, in this state.

(b) In imposing a restitution fine pursuant to this section, the court shall consider the defendant's ability to pay the fine.

(Amended by Stats. 2002, Ch. 664, Sec. 169. Effective January 1, 2003.)

EXHIBIT “J”

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STATEMENT OF ECONOMIC INTERESTS

COVER PAGE

A PUBLIC DOCUMENT

Please type or print in ink.

NAME OF FILER (LAST)

(FIRST)

SMITH

WILLIAM

ROBERT



1. Office, Agency, or Court

Agency Name (Do not use acronyms)

City of California City

Division, Board, Department, District, if applicable

City Council

Your Position

City Council Member

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency: _____

Position: _____

2. Jurisdiction of Office (Check at least one box)

☐ State

☐ Judge, Retired Judge, Pro Tem Judge, or Court Commissioner
(Statewide Jurisdiction)

☐ Multi-County _____

☐ County of _____

☒ City of California City

☐ Other _____

3. Type of Statement (Check at least one box)

☐ Annual: The period covered is January 1, 2019, through
December 31, 2019.

-or-

The period covered is ____/____/____, through
December 31, 2019.

☐ Leaving Office: Date Left ____/____/____
(Check one circle.)

☐ The period covered is January 1, 2019, through the date of
leaving office.

-or-

☐ The period covered is ____/____/____, through
the date of leaving office.

☒ Assuming Office: Date assumed 03 / 06 / 2020

☐ Candidate: Date of Election _____ and office sought, if different than Part 1: _____

4. Schedule Summary (must complete)

► Total number of pages including this cover page: 5

Schedules attached

☒ Schedule A-1 - Investments - schedule attached

☐ Schedule C - Income, Loans, & Business Positions - schedule attached

☐ Schedule A-2 - Investments - schedule attached

☐ Schedule D - Income - Gifts - schedule attached

☒ Schedule B - Real Property - schedule attached

☐ Schedule E - Income - Gifts - Travel Payments - schedule attached

-or- ☐ None - No reportable interests on any schedule

5. Verification

MAILING ADDRESS

STREET

CITY

STATE

ZIP CODE

P.O. BOX 2364

CALIFORNIA CITY

CA

93504

DAYTIME TELEPHONE NUMBER

(760) 784-1298

EMAIL ADDRESS

billsmith.47@hotmail.com

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed 03/27/2020

(month, day, year)

Signature

(File the originally signed paper statement with your filing official.)

SCHEDULE A-1**Investments****Stocks, Bonds, and Other Interests**

(Ownership Interest is Less Than 10%)

Investments must be itemized.

Do not attach brokerage or financial statements.

CALIFORNIA FORM 700

FAIR POLITICAL PRACTICES COMMISSION

Name

WILLIAM ROBERT SMITH

▶ NAME OF BUSINESS ENTITY
CITY HARDWARE, INC.

GENERAL DESCRIPTION OF THIS BUSINESS
Hardware Retail Store

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☒ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock ☐ Other _____ (Describe)
☐ Partnership ☐ Income Received of \$0 - \$499
 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/19 10/22/19
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock ☐ Other _____ (Describe)
☐ Partnership ☐ Income Received of \$0 - \$499
 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/19 ____/____/19
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock ☐ Other _____ (Describe)
☐ Partnership ☐ Income Received of \$0 - \$499
 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/19 ____/____/19
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock ☐ Other _____ (Describe)
☐ Partnership ☐ Income Received of \$0 - \$499
 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/19 ____/____/19
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock ☐ Other _____ (Describe)
☐ Partnership ☐ Income Received of \$0 - \$499
 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/19 ____/____/19
ACQUIRED DISPOSED

▶ NAME OF BUSINESS ENTITY

GENERAL DESCRIPTION OF THIS BUSINESS

FAIR MARKET VALUE
☐ \$2,000 - \$10,000 ☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000 ☐ Over \$1,000,000

NATURE OF INVESTMENT
☐ Stock ☐ Other _____ (Describe)
☐ Partnership ☐ Income Received of \$0 - \$499
 ☐ Income Received of \$500 or More (Report on Schedule C)

IF APPLICABLE, LIST DATE:
____/____/19 ____/____/19
ACQUIRED DISPOSED

Comments: _____

SCHEDULE B
Interests in Real Property
(Including Rental Income)

CALIFORNIA FORM **700**
FAIR POLITICAL PRACTICES COMMISSION

Name

WILLIAM R. SMITH

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

213-033-16-00-9

CITY

CALIFORNIA CITY

FAIR MARKET VALUE

- ☒ \$2,000 - \$10,000
☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000
☐ Over \$1,000,000

IF APPLICABLE, LIST DATE:

____/____/19 ____/____/19
ACQUIRED DISPOSED

NATURE OF INTEREST

- ☒ Ownership/Deed of Trust ☐ Easement
☐ Leasehold _____
Yrs. remaining Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

- ☐ \$0 - \$499 ☐ \$500 - \$1,000 ☐ \$1,001 - \$10,000
☐ \$10,001 - \$100,000 ☐ OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☒ None

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

207-191-02-00-6

CITY

CALIFORNIA CITY

FAIR MARKET VALUE

- ☒ \$2,000 - \$10,000
☐ \$10,001 - \$100,000
☐ \$100,001 - \$1,000,000
☐ Over \$1,000,000

IF APPLICABLE, LIST DATE:

____/____/19 ____/____/19
ACQUIRED DISPOSED

NATURE OF INTEREST

- ☒ Ownership/Deed of Trust ☐ Easement
☐ Leasehold _____
Yrs. remaining Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

- ☐ \$0 - \$499 ☐ \$500 - \$1,000 ☐ \$1,001 - \$10,000
☐ \$10,001 - \$100,000 ☐ OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☒ None

* You are not required to report loans from a commercial lending institution made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE

TERM (Months/Years)

_____% ☐ None

HIGHEST BALANCE DURING REPORTING PERIOD

- ☐ \$500 - \$1,000 ☐ \$1,001 - \$10,000
☐ \$10,001 - \$100,000 ☐ OVER \$100,000
☐ Guarantor, if applicable

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE

TERM (Months/Years)

_____% ☐ None

HIGHEST BALANCE DURING REPORTING PERIOD

- ☐ \$500 - \$1,000 ☐ \$1,001 - \$10,000
☐ \$10,001 - \$100,000 ☐ OVER \$100,000
☐ Guarantor, if applicable

Comments: _____

SCHEDULE B
Interests in Real Property
(Including Rental Income)

CALIFORNIA FORM 700
FAIR POLITICAL PRACTICES COMMISSION

Name

WILLIAM R. SMITH

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

207-191-03-00-9

CITY

CALIFORNIA CITY

FAIR MARKET VALUE

☒ \$2,000 - \$10,000

☐ \$10,001 - \$100,000

☐ \$100,001 - \$1,000,000

☐ Over \$1,000,000

IF APPLICABLE, LIST DATE:

____/____/19
ACQUIRED

____/____/19
DISPOSED

NATURE OF INTEREST

☒ Ownership/Deed of Trust

☐ Easement

☐ Leasehold

Yrs. remaining

☐

Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

☐ \$0 - \$499

☐ \$500 - \$1,000

☐ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☐ None

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

CITY

FAIR MARKET VALUE

☐ \$2,000 - \$10,000

☐ \$10,001 - \$100,000

☐ \$100,001 - \$1,000,000

☐ Over \$1,000,000

IF APPLICABLE, LIST DATE:

____/____/19
ACQUIRED

____/____/19
DISPOSED

NATURE OF INTEREST

☐ Ownership/Deed of Trust

☐ Easement

☐ Leasehold

Yrs. remaining

☐

Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

☐ \$0 - \$499

☐ \$500 - \$1,000

☐ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☐ None

* You are not required to report loans from a commercial lending institution made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE

TERM (Months/Years)

____% ☐ None

HIGHEST BALANCE DURING REPORTING PERIOD

☐ \$500 - \$1,000

☐ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

☐ Guarantor, if applicable

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE

TERM (Months/Years)

____% ☐ None

HIGHEST BALANCE DURING REPORTING PERIOD

☐ \$500 - \$1,000

☐ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

☐ Guarantor, if applicable

Comments:

SCHEDULE B
Interests in Real Property
(Including Rental Income)

CALIFORNIA FORM 700
FAIR POLITICAL PRACTICES COMMISSION

Name

WILLIAM R. SMITH

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

204-121-04-00-0

CITY

CALIFORNIA CITY

FAIR MARKET VALUE

☐ \$2,000 - \$10,000

☒ \$10,001 - \$100,000

☐ \$100,001 - \$1,000,000

☐ Over \$1,000,000

IF APPLICABLE, LIST DATE:

____/____/19 ____/____/19
ACQUIRED DISPOSED

NATURE OF INTEREST

☒ Ownership/Deed of Trust

☐ Easement

☐ Leasehold

Yrs. remaining

☐

Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

☐ \$0 - \$499

☐ \$500 - \$1,000

☒ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☐ None

Melinda Reese

▶ ASSESSOR'S PARCEL NUMBER OR STREET ADDRESS

207-022-23-00-4

CITY

CALIFORNIA CITY

FAIR MARKET VALUE

☐ \$2,000 - \$10,000

☐ \$10,001 - \$100,000

☒ \$100,001 - \$1,000,000

☐ Over \$1,000,000

IF APPLICABLE, LIST DATE:

____/____/19 ____/____/19
ACQUIRED DISPOSED

NATURE OF INTEREST

☒ Ownership/Deed of Trust

☐ Easement

☐ Leasehold

Yrs. remaining

☐

Other

IF RENTAL PROPERTY, GROSS INCOME RECEIVED

☐ \$0 - \$499

☐ \$500 - \$1,000

☒ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

SOURCES OF RENTAL INCOME: If you own a 10% or greater interest, list the name of each tenant that is a single source of income of \$10,000 or more.

☐ None

Lisa Heck

* You are not required to report loans from a commercial lending institution made in the lender's regular course of business on terms available to members of the public without regard to your official status. Personal loans and loans received not in a lender's regular course of business must be disclosed as follows:

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE

TERM (Months/Years)

_____% ☐ None

HIGHEST BALANCE DURING REPORTING PERIOD

☐ \$500 - \$1,000

☐ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

☐ Guarantor, if applicable

NAME OF LENDER*

ADDRESS (Business Address Acceptable)

BUSINESS ACTIVITY, IF ANY, OF LENDER

INTEREST RATE

TERM (Months/Years)

_____% ☐ None

HIGHEST BALANCE DURING REPORTING PERIOD

☐ \$500 - \$1,000

☐ \$1,001 - \$10,000

☐ \$10,001 - \$100,000

☐ OVER \$100,000

☐ Guarantor, if applicable

Comments:

EXHIBIT “K”

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STATEMENT OF ECONOMIC INTERESTS

Date Initial Filing Received

COVER PAGE

A PUBLIC DOCUMENT

Please type or print in ink.

NAME OF FILER (LAST)

(FIRST)

Smith

Ronald



1. Office, Agency, or Court

Agency Name (Do not use acronyms)

City of California City

Division, Board, Department, District, if applicable

City Council

Your Position

Councilmember

► If filing for multiple positions, list below or on an attachment. (Do not use acronyms)

Agency:

Position:

2. Jurisdiction of Office (Check at least one box)

☐ State

☐ Judge, Retired Judge, Pro Tem Judge, or Court Commissioner
(Statewide Jurisdiction)

☐ Multi-County

☐ County of

☒ City of California City

☐ Other

3. Type of Statement (Check at least one box)

☒ **Annual:** The period covered is January 1, 2019, through December 31, 2019.

-or-

The period covered is 07 / 21 / 2019, through December 31, 2019.

☐ **Leaving Office:** Date Left ____/____/____
(Check one circle.)

☐ The period covered is January 1, 2019, through the date of leaving office.

-or-

☐ The period covered is ____/____/____, through the date of leaving office.

☐ **Assuming Office:** Date assumed ____/____/____

☐ **Candidate:** Date of Election ____ and office sought, if different than Part 1: ____

4. Schedule Summary (must complete)

► Total number of pages including this cover page: 1

Schedules attached

☐ **Schedule A-1 - Investments** - schedule attached

☐ **Schedule C - Income, Loans, & Business Positions** - schedule attached

☐ **Schedule A-2 - Investments** - schedule attached

☐ **Schedule D - Income - Gifts** - schedule attached

☐ **Schedule B - Real Property** - schedule attached

☐ **Schedule E - Income - Gifts - Travel Payments** - schedule attached

-or- ☒ **None** - No reportable interests on any schedule

5. Verification

MAILING ADDRESS

STREET

CITY

STATE

ZIP CODE

(Business or Agency Address Recommended - Public Document)

21000 Hacienda Blvd.

California City

CA

93505

DAYTIME TELEPHONE NUMBER

(760) 272-1350

EMAIL ADDRESS

rsmith@californiacity-ca.gov

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attached schedules is true and complete. I acknowledge this is a public document.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date Signed

3/17/20

(month, day, year)

Signature

Ronald V. Smith Jr.

(File the originally signed paper statement with your filing official.)

EXHIBIT “L”

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Leadership



Pastor Ron & Mrs. Kim Smith

Both Ron and Kim were raised in pastors' homes and came to a

HOME ABOUT MEDIA CAREERS REGULATIONS RESOURCES PROGRAMS CONTACT

Click on the Organization Name for details about the registration or report record. The maximum number of records shown per page is 50. If there are multiple pages of the search results, the clickable page numbers will be displayed at the bottom. If you get too many results or do not find the organization for which you are searching, click the '**Search Again**' button and change the search criteria. It is best to search by something that is as unique to the organization as possible such as State Charity Registration Number, FEIN, SOS Corporate Number, or an unusual portion of their name. To see all registration and report records associated with an organization, avoid searching by State Charity Registration Number as that is record-specific.

Search Again

ORGANIZATION NAME	RECORD TYPE	REGISTRY STATUS	RCT NUMBER	FEIN	CITY	ST
VICTORY BAPTIST CHURCH	Charity Registration	Exempt - Religious			RIDGECREST	CA
VICTORY BAPTIST CHURCH LAKESIDE, INC.	Charity Registration	Exempt - Religious		272453926		
VICTORY BAPTIST CHURCH OF ALAMEDA COUNTY	Charity Registration	Exempt - Religious			UNION CITY	CA
VICTORY BAPTIST CHURCH OF ATWATER	Charity Registration	Exempt - Religious			ATWATER	CA
VICTORY BAPTIST CHURCH OF CHICO, CALIFORNIA	Charity Registration	Exempt - Religious			CHICO	CA
VICTORY BAPTIST CHURCH OF CHINO, CALIFORNIA, INC.	Charity Registration	Exempt - Religious		568863425	CHINO	CA
VICTORY BAPTIST CHURCH OF EL CAJON CORPORATION	Charity Registration	Exempt - Religious			EL CAJON	CA
VICTORY BAPTIST CHURCH OF FRESNO, CALIFORNIA, INC.	Charity Registration	Exempt - Religious		800665997		
VICTORY BAPTIST CHURCH OF LOS ANGELES, CALIFORNIA	Charity Registration	Exempt - Religious		951831093	LOS ANGELES	CA
VICTORY BAPTIST CHURCH OF MIDWAY CITY	Charity Registration	Exempt - Dissolved	EX582446		MIDWAY CITY	CA
VICTORY BAPTIST CHURCH OF OAKLAND, INC.	Charity Registration	Exempt - Religious		943017150	OAKLAND	CA
VICTORY BAPTIST CHURCH OF RANCHO CUCAMONGA, CALIFORNIA	Charity Registration	Exempt - Dissolved	EX572614	952480385	RANCHO CUCAMONGA	CA
VICTORY BAPTIST CHURCH OF SACRAMENTO	Charity Registration	Dissolved	EX592063	680331166	SACRAMENTO	CA
VICTORY BAPTIST CHURCH OF SACRAMENTO, INC.	Charity Registration	Exempt - Religious		454776252		
VICTORY BAPTIST CHURCH OF SAN DIEGO COUNTY	Charity Registration	Exempt - Religious			LEMON GROVE	CA

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EXHIBIT “M”

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First American

myFirstAm® Property Profile

9307 Karen Ave, California City, CA 93505

Property Information			
Owner(s):	Smith , Ronald V / Smith , Kimberly A	Mailing Address:	Po Box 2462, California City, CA 93504
Owner Phone:	Unknown	Property Address:	9307 Karen Ave, California City, CA 93505
Vesting Type:		Alt. APN:	
County:	Kern	APN:	208-311-02-00
Map Coord:	2615-J1	Census Tract:	005507
Lot#:	168	Block:	168
Subdivision:		Tract:	2791
Legal:	Map 2791 , Block , Lot 168		

Property Characteristics			
Use:	Sfr	Year Built / Eff. :	1991 / 1991
		Sq. Ft. :	1711
Zoning:	R1	Lot Size Ac / Sq Ft:	0.18 / 7840
		# of Units:	1
Bedrooms:	3	Bathrooms:	2
		Fireplace:	Y
# Rooms:		Quality:	Average
		Heating:	Wall
Pool:		Air:	
		Style:	
Stories:	1	Improvements:	
		Parking / #:	Attached / 2
Gross Area:	1711	Garage Area :	540
		Basement Area:	

Sale and Loan Information			
Sale / Rec Date:	07/24/1993 / 07/30/1993	*\$/Sq. Ft.:	\$52.31
		2nd Mtg.:	
Sale Price:	\$89,500	1st Loan:	\$84,950
		Prior Sale Amt:	
Doc No.:	0068852307	Loan Type:	Conventional
		Prior Sale Date:	
Doc Type:		Transfer Date:	07/30/1993
		Prior Doc No.:	
Seller:	Majestic Enterpr	Lender:	America's Wholesale Lender
		Prior Doc Type:	

*\$/Sq.Ft. is a calculation of Sale Price divided by Sq.Feet.

Tax Information			
Imp Value:	\$130,774	Exemption Type:	
Land Value:	\$12,417	Tax Year / Area:	2019 / 11-019
Total Value:	\$143,191	Tax Value:	
Total Tax Amt:	\$1,925.25	Improved:	91%



First American

myFirstAm® Property Profile

9517 Evelyn Ave, California City, CA 93505

Property Information

Owner(s):	Smith , Ronald V / Smith , Kimberly A	Mailing Address:	Po Box 2462, California City, CA 93504
Owner Phone:	Unknown	Property Address:	9517 Evelyn Ave, California City, CA 93505
Vesting Type:		Alt. APN:	
County:	Kern	APN:	208-142-15-00
Map Coord:	2585-J7	Census Tract:	005507
Lot#:	210	Block:	210
Subdivision:		Tract:	2228
Legal:	Map 2228 , Block , Lot 210		

Property Characteristics

Use:	Sfr	Year Built / Eff. :	1990 / 1990	Sq. Ft. :	1497
Zoning:	RM1/RM2	Lot Size Ac / Sq Ft:	0.23 / 10018	# of Units:	1
Bedrooms:	3	Bathrooms:	2	Fireplace:	Y
# Rooms:		Quality:	Average	Heating:	Floor/Wall Furnace
Pool:		Air:	Y	Style:	
Stories:	1	Improvements:		Parking / #:	Attached / 2
Gross Area:	1497	Garage Area :	552	Basement Area:	

Sale and Loan Information

Sale / Rec Date:	05/24/2001 / 05/31/2001	*\$/Sq. Ft.:	\$59.45	2nd Mtg.:	
Sale Price:	\$89,000	1st Loan:	\$89,594	Prior Sale Amt:	\$84,000
Doc No.:	74738	Loan Type:	Federal Housing	Prior Sale Date:	04/25/1991
Doc Type:	Deed	Transfer Date:	05/31/2001	Prior Doc No.:	0065151791
Seller:	Bobb,Monroe F & Marie A	Lender:	North American Mortgage	Prior Doc Type:	

*\$/Sq.Ft. is a calculation of Sale Price divided by Sq.Feet.

Tax Information

Imp Value:	\$35,319	Exemption Type:	
Land Value:	\$11,770	Tax Year / Area:	2019 / 11-019
Total Value:	\$47,089	Tax Value:	
Total Tax Amt:	\$804.54	Improved:	75%



First American

myFirstAm® Property Profile

20631 94th St, California City, CA 93505

Property Information

Owner(s):	Smith , Ronald V / Smith , Kimberly A	Mailing Address:	Po Box 2462, California City, CA 93504
Owner Phone:	Unknown	Property Address:	20631 94th St, California City, CA 93505
Vesting Type:		Alt. APN:	
County:	Kern	APN:	205-101-02-00
Map Coord:	2615-J3	Census Tract:	005507
Lot#:	267	Block:	267
Subdivision:		Tract:	2069
Legal:	Map 2069 , Block , Lot 267		

Property Characteristics

Use:	Sfr	Year Built / Eff. :	1990 / 1990	Sq. Ft. :	1418
Zoning:	R1	Lot Size Ac / Sq Ft:	0.24 / 10454	# of Units:	1
Bedrooms:	3	Bathrooms:	2	Fireplace:	Y
# Rooms:		Quality:	Average	Heating:	Central
Pool:		Air:	Y	Style:	
Stories:	1	Improvements:		Parking / #:	Attached / 2
Gross Area:	1418	Garage Area :	495	Basement Area:	

Sale and Loan Information

Sale / Rec Date:	10/10/1998 / 10/16/1998	*\$/Sq. Ft.:	\$37.38	2nd Mtg.:	
Sale Price:	\$53,000	1st Loan:	\$54,090	Prior Sale Amt:	\$86,500
Doc No.:	0000141939	Loan Type:	Federal Housing	Prior Sale Date:	09/21/1990
Doc Type:		Transfer Date:	10/16/1998	Prior Doc No.:	0000043689
Seller:	Hud	Lender:	Norwest Mortgage Inc	Prior Doc Type:	

*\$/Sq.Ft. is a calculation of Sale Price divided by Sq.Feet.

Tax Information

Imp Value:	\$29,621	Exemption Type:	
Land Value:	\$11,798	Tax Year / Area:	2019 / 11-019
Total Value:	\$41,419	Tax Value:	
Total Tax Amt:	\$738.41	Improved:	72%

EXHIBIT “N”

Property Profile

Property Data

Site Address:	Primary Owner:	ELLISON, MICHAEL; THE MICHAEL ELLISON LIVING TRUST,
California City, CA 93505	Secondary Owner:	APN: 205-022-02-00-9
Mail Address:	Census Tract:	0055.07
9951 Mendiburu Rd	Housing Tract	2069
California City, CA 93505	Number:	
	Legal Description:	LOT:18 BLK:18 TR#:2069 TRACT 2069, BLOCK, LOT 18
	Subdivision:	
	Property County:	Kern County

Property Characteristics

Bedrooms: 0	Year Built:	Square Feet: 0
Bathrooms: 0	Use Code: Commercial-Vacant Land	Lot Size: 9583 Sqft
Total Rooms:	Number of Units: 0	Garage:
Zoning: C-3	Amenities:	
Number of Stories:	Building Style:	Coords: 35.125481,-117.96478

Sale & Loan Information

Transfer Date: 02/07/2020	Seller: PARRIS, DONALD L; PARRIS, CYNTHIA	Document: 220017634
Transfer Value: \$20,000.00	Cost/Sq Feet: Infinity	Title Company: Orange Coast Title Company
First Loan Amt: \$0.00	Lender:	

Assessed & Tax Information

Assessed Value: \$7,959.00	Percent Improvement: 0	Homeowner Exemption:
Land Value: \$7,959.00	Tax Amount: \$290.03	Tax Rate Area: 11-019
Improvement Value: \$0.00	Tax Status: Current	

This informational product is being furnished free of charge as a customer service by Orange Coast Title Company (OCT) in conformance with the rules established by the California Department of Insurance. The information contained herein as well as any accompanying documents is not a full representation of the status of title to the property in question. The issuance of this information does not constitute a contract to issue a policy of title insurance on these same terms, neither express or implied. While the information contained herein is believed to be accurate, no liability is assumed by OCT either in contract, tort or otherwise for any error or omission contained herein and this information may not be relied upon in the acquisition or in any loan made on property by the recipient of this information without the issuance of a policy of title insurance.

RECORDING REQUESTED BY:
Orange Coast Title Company
Order No. 210-2040408-10
Escrow No. 241799-AM
Parcel No. 205-022-02-00-9

Recorded Electronically by:
728 Orange Coast Title Co NorthCal

DOC#: 220017634



220017634

Stat Types: 1	Pages: 3
FEES	19.00
TAXES	22.00
OTHER	.00
PAID	41.00

AND WHEN RECORDED MAIL TO:

THE MICHAEL ELLISON LIVING
TRUST DATED JUNE 10, 2017
9951 MENDIBURU ROAD
CALIFORNIA CITY, CA 93505

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) THAT DOCUMENTARY TRANSFER TAX IS \$22.00 and CITY \$0

- ☒ computed on full value of property conveyed, or
☐ computed on full value less liens or encumbrances remaining at the time of sale.
☒ unincorporated area: ☒ California City, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Donald L. Parris and Cynthia Parris, Husband and Wife as Joint Tenants**

hereby GRANT(S) to **Michael Ellison, Trustee of The Michael Ellison Living Trust dated June 10, 2017**

the following described real property in the County of **Kern**, State of California: SEE "EXHIBIT A" ATTACHED

Date of This Legal Document: October 18, 2019

Donald L. Parris
Donald L. Parris

Cynthia Parris
Cynthia Parris

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF Kern

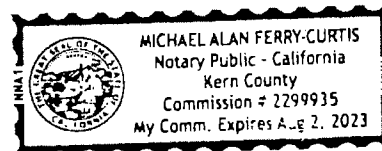
} S.S.

On 11/19/19, before me Michael Alan Ferry-Curtis, Notary Public, personally appeared **Donald L. Parris and Cynthia Parris**, who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature MA Ferry-Curtis (Seal)



Mail Tax Statement to: SAME AS ABOVE or Address Noted Below

RECORDING REQUESTED BY:
Orange Coast Title Company
Order No. 210-2040408-10
Escrow No. 241799-AM
Parcel No. 205-022-02-00-9

AND WHEN RECORDED MAIL TO:

THE MICHAEL ELLISON LIVING
TRUST DATED JUNE 10, 2017
9951 MENDIBURU ROAD
CALIFORNIA CITY, CA 93505

CERTIFICATION

Under the provisions of Government Code 27361.7 I
certify under the penalty that the following is a
true copy of illegible wording found in the attached
document:

Date:

2/7/20

Signature:

Print Name:

Jasmin Carpizo
Jasmin Carpizo

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

THE UNDERSIGNED GRANTOR(S) DECLARE(S) THAT DOCUMENTARY TRANSFER TAX IS \$22.00 and CITY \$0

- ☒ computed on full value of property conveyed, or
☐ computed on full value less liens or encumbrances remaining at the time of sale.
☒ unincorporated area: ☒ California City, and

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Donald L. Parris and Cynthia Parris,
Husband and Wife as Joint Tenants

hereby GRANT(S) to Michael Ellison, Trustee of The Michael Ellison Living Trust dated June 10, 2017

the following described real property in the County of Kern, State of California: SEE "EXHIBIT A" ATTACHED

Date of This Legal Document: October 18, 2019

Donald L. Parris
Donald L. Parris

Cynthia Parris
Cynthia Parris

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to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

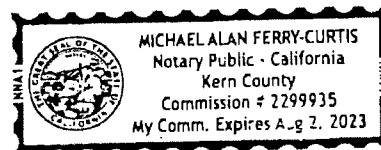
COUNTY OF Kern } s.s.

On 11/19/19, before me Michael Alan Ferry-Curtis, Notary Public,
personally appeared Donald L. Parris and Cynthia Parris, who proved to me on the basis of satisfactory evidence to be the
persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their
authorized capacities and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons
acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and
correct.

WITNESS my hand and official seal.

Signature MA Ferry-Curtis (Seal)



Mail Tax Statement to: SAME AS ABOVE or Address Noted Below

Exhibit "A"

Lot(s) 18 of Tract 2069, in the City of California City, County of Kern, State of California, as per map recorded in Book 10, Page(s) 88 inclusive of Maps, in the office of the County Recorder of said County.

EXHIBIT “O”

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MLS #	Status	Address	Price	Status	Change Date	DOM
1 19009661	Closed	Yucaipa Street	\$2,800		01/10/2020	41
2 19008797	Closed	Yucaipa Street	\$6,000		10/22/2019	18
3 19009534	Closed	0 Xavier Avenue	\$6,000		01/21/2020	16
4 18002419	Closed	Wonder	\$5,000		04/14/2020	237
5 18011283	Closed	Walpole Avenue	\$3,000		02/28/2020	466
6 18009957	Closed	Walpole Avenue	\$3,000		02/28/2020	500
7 19012046	Closed	Vic. Randsburg Mojave Road	\$2,750		06/07/2020	172
8 20000995	Closed	Tawney Street	\$3,000		05/08/2020	81
9 19009303	Closed	Tackett Drive	\$3,000		06/10/2020	215
10 19005674	Closed	9143 Tabor Court	\$5,900		10/12/2019	136
11 19003594	Closed	Sycamore	\$8,000		08/17/2019	124
12 19003092	Closed	Susan Ave	\$5,000		08/13/2019	98
13 18000908	Closed	Stewart	\$4,000		05/08/2020	806
14 19007269	Closed	Stewart Court	\$3,900		05/13/2020	247
15 19000767	Closed	S South Loop Boulevard	\$3,500		11/23/2019	262
16 19001990	Closed	Sally Avenue	\$8,000		08/10/2019	119
17 19003071	Closed	Russel Drive	\$2,500		11/13/2019	195
18 18009674	Closed	Redwood Blvd. Avenue	\$3,000		05/29/2020	542
19 19006675	Closed	Redwood Blvd Boulevard	\$4,000		05/30/2020	303
20 18012489	Closed	Redwood Boulevard	\$7,500		10/21/2019	325
21 19005188	Closed	Quezon Ave	\$2,500		12/17/2019	214
22 19012295	Closed	Quezon Avenue	\$3,000		02/04/2020	45
23 18012190	Closed	Poppy Boulevard	\$3,000		05/29/2020	475
24 18009209	Closed	Peach Avenue	\$3,800		10/04/2019	332
25 19006302	Closed	Orchid Drive	\$1,300		11/27/2019	147
26 20002098	Closed	Margery Avenue & 93rd Street	\$6,000		05/05/2020	24
27 19004558	Closed	Oleander Avenue	\$2,500		12/11/2019	188
28 19004562	Closed	Oleander Avenue	\$2,500		12/11/2019	188
29 19004563	Closed	Oleander Avenue	\$2,500		12/11/2019	188

EXHIBIT “P”

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**SUBMISSION OF GOVERNMENT CLAIM TO CITY OF CALIFORNIA CITY FOR
WRONGFUL REVOCATION OF CANNABIS LICENSE**

TO: Denise Hilliker, as City Clerk, City of California City:

Grandmas Stash, LLC hereby makes claim against City of California City for amount in excess of the jurisdictional limits of the California Limited Courts and within the jurisdiction limits

1. Claimant's post office address is 3400 Cottage Way, Suite G2 #486, Sacramento California 95825.

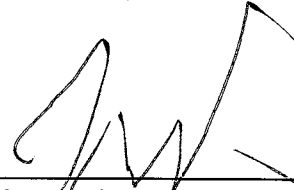
2. Notices concerning the claim should be sent to Horwitz + Armstrong, a professional law corporation, Attention: John Armstrong, 14 Orchard, Suite 200, Lake Forest, CA 92630.

3. The date and place of the June 23, City of California City, City Council Meeting denying appeal

4. The circumstances giving rise to this claim are as follows: The City of California City issued claimant, Grandmas Stash, LLC ("Claimant"), a cannabis delivery permit, and confirmed that this permit was valid to the California Bureau of Cannabis Control, which, as a result, Claimant put substantial monies into entering into a length lease, raised investor capital, and entered into contracts with third parties on reliance that it had a valid cannabis delivery license with the City of California City to enable Claimant conduct a licensed cannabis business. The City of California City, however, wrongfully and unlawfully revoked Claimant's license based on alleged internal, procedural error that was not the fault or responsibility of Claimant, thereby violating Claimant's protected right to petition and in violation of Claimant's due process rights under City of California City Municipal Code, sections Sec. 5-6.805, as Claimant complied with all provisions regarding this section, but had its cannabis delivery permit wrongfully revoked under Municipal Code, section 5-6.503, which provides that, "Cannabis Business permits may be revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to this Chapter," which provision applies to cannabis license application who violate laws, rules, regulations, or standards. Claimant violated none of the laws, rules, regulations, or standards in the City of California City's Municipal Code: The City of California City claims *it* failed to follow proper procedures in issuing the subject cannabis license, and so now is estopped from revoking it based on Claimant's substantial expenditures and substantial and reasonable change of position based on Claimant's good faith reliance on the City of California City's repeated representations and confirmation that it had issued Claimant a valid, cannabis delivery license.

5. Claimant's injuries are economic due to loss of Cannabis license and injunctive relief for the City of California City's wrongful revocation of Claimant's license.
6. The names of the public employees causing the claimant's injuries are the City of California City Mayor and City of Council.
7. My claim as of the date of this claim is in an amount that would place it within the jurisdiction of the superior court. The claim is based on an amount to be proved later at trial or hearing, plus injunctive relief to reinstate the Claimant's cannabis delivery license.

Dated: July 13, 2020



John R. Armstrong, as attorneys
For Claimant, Grandmas Stash, LLC
Horwitz + Armstrong,
A Professional Law Corporation
14 Orchard, Suite 200
Lake Forest, CA 92630
www.horwitzarmstrong.com
jarmstrong@horwitzarmstrong.com

- Mayor & City Council
- City Treasurer
- Successor Agency Oversight Board
- Planning Commission
- Parks & Rec. Commission
- Housing Corporation
- City Manager
- City Clerk
- City Directory
- Special Election
- City Treasurer

Welcome to the Desk of the City Clerk

The City Clerk’s Office provides a wide range of assistance, information, and services to the public as well as city staff. These services include:

- Providing support to the City Council
- Preparing and distributing City Council agendas and minutes
- Maintaining official records of the city such as:
 - Agendas
 - Agreements
 - Minutes
 - Ordinances
 - Resolutions
- Updating and maintaining the California City Municipal Code
- Records Request Form
- Administering general municipal elections
- Assisting with contract processing
- Supplying legal notices
- Submitting conflict of interest and campaign disclosure filings

Additional Helpful Resources

- Brown Act
- A Note on Votes - Institute for Local Government
- Voting Requirements - League of California Cities
- Municipal Code - California City Municipal Code

Denise Hilliker
City Clerk
EMAIL

21000 Hacienda Blvd.
California City, CA 93505

Ph: 760-373-7140

Office Hours
Monday - Friday 8:00 a.m. - 5:00 p.m.

Closed every other Friday

City of California City
City

Agendas & Minutes

Sub Categories

City Council

Planning Commission

HORWITZ + ARMSTRONG

A Professional Law Corporation

14 Orchard, Suite 200
Lake Forest, California 92630

CERTIFIED MAIL®



7019 2970 0000 9677 6774



Denise Hilliker
City Clerk
City of California City
21000Hacienda Blvd.
California City, CA 93505

VIA CERTIFIED MAIL/RETURN RECEIPT REQUESTED

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Denise Hilliker
City Clerk-City of CA City
21000 Hacienda Blvd.
California City, CA
93505

COMPLETE THIS SECTION ON DELIVERY

- A. Signature ☒ X ☐ Agent
- B. Received by (Printed Name) ☐ Addressee
- C. Date of Delivery
- D. Is delivery address different from item 1? ☐ Yes
if YES, enter delivery address below: ☐ No

3. Service Type

- ☒ Certified Mail® ☐ Priority Mail Express™
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ Collect on Delivery

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number
(Transfer from service label)

70J9 2970 0000 9677 6774

PS Form 3811, July 2013

Domestic Return Receipt

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
<ul style="list-style-type: none">■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.■ Print your name and address on the reverse so that we can return the card to you.■ Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature <input checked="" type="checkbox"/> <i>[Signature]</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Denise Hilliker City Clerk-City of CA City 21000 Hacienda Blvd. California City, CA 93505		B. Received by (Printed Name) <i>Kari Lee</i>	C. Date of Delivery <i>7/20/20</i>
2. Article Number (Transfer from service label)		D. Is delivery address different from item 1? If Yes, enter delivery address below	
7019 2970 0000 9677 6774		<input type="checkbox"/> Yes <input type="checkbox"/> No	
PS Form 3811, July 2013		BY JUL 22 2020	
Domestic Return Receipt		3. Service Type <input checked="" type="checkbox"/> Certified Mail® <input type="checkbox"/> Priority Mail Express™ <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> Collect on Delivery	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

U.S. Postal Service™ CERTIFIED MAIL® RECEIPT Domestic Mail Only	
For delivery information, visit our website at www.usps.com ®.	
OFFICIAL USE	
Certified Mail Fee \$	Postmark Here
Extra Services & Fees (check box, add fee as appropriate)	
<input type="checkbox"/> Return Receipt (hardcopy) \$	
<input type="checkbox"/> Return Receipt (electronic) \$	
<input type="checkbox"/> Certified Mail Restricted Delivery \$	
<input type="checkbox"/> Adult Signature Required \$	
<input type="checkbox"/> Adult Signature Restricted Delivery \$	
Postage \$	
Total Postage and Fees \$	
Sent To	
Street and Apt. No., or PO Box No.	
City, State, ZIP+4®	
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions	

EXHIBIT “Q”

(Meeting Video)

[https://www.dropbox.com/s/hfam4qwofr7nl7x/200831
Council%20Video.MOV?dl=0](https://www.dropbox.com/s/hfam4qwofr7nl7x/200831Council%20Video.MOV?dl=0)

EXHIBIT “R”

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CHAPTER 6. - REGULATION OF CANNABIS RELATED BUSINESSES AND ACTIVITY.

Footnotes:

--- (4) ---

Editor's note— Ord. No. 18-766, § 2, adopted August 28, 2018, repealed the former Ch. 6, §§ 5-6.101—5-6.104, 5-6.201, 5-6.301, 5-6.302, 5-6.401, 5-6.402, 5-6.501—5-6.505, 5-6.601—5-6.603, 5-6.701—5-6.704, 5-6.801—5-6.805, 5-6.901—5-6.907, 5-6.1001, 5-6.1101, 5-6.1201, 5-6.1301, 5-6.1302, 5-6.1401—5-6.1406, 5-6.1501—5-6.1504, and enacted a new Ch. 6 as set out herein. The former Ch. 6 pertained to similar subject matter and derived from Ord. No. 16-742, § 3, 9-13-2016; Ord. No. 16-743, § 1, 11-8-2016; Ord. No. 17-745, §§ 1—5, 3-28-2017; Ord. No. 17-757, §§ 1—4, 7, 11-28-2017.

ARTICLE 1. - GENERAL PROVISIONS

Sec. 5-6.101. - Purpose and Intent.

Cannabis Businesses and Cannabis Dispensaries shall be permitted, in accordance with the criteria and procedures set forth in this code, upon application and approval of a regulatory permit pertaining to the operation of the facility. It is the purpose and intent of this Chapter to provide opportunities for cannabis businesses to operate in the City, while imposing regulations on the use of land to protect the City's neighborhoods, residents, and businesses from negative impacts. It is a further purpose and intent of this Chapter to regulate the cultivation, manufacturing, processing, testing, transporting, delivery, dispensing, and distribution of cannabis and cannabis-related products in a manner which is responsible, which protects the health, safety, and welfare of the residents of California City, and to enforce rules and regulations consistent with state law. In part to meet these objectives, an annual permit shall be required in order to own and/or to operate a cannabis business within California City. Nothing in this Chapter is intended to authorize the possession, use, or provision of cannabis for purposes which violate state or federal law. The provisions of this Chapter are in addition to any other permits, licenses and approvals which may be required to conduct business in the City, and are in addition to any permits, licenses and approval required under state, county or other law.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.102. - Legal Authority; Application of this Chapter to Cannabis Dispensaries.

- (a) Pursuant to Sections 5 and 7 of Article XI of the California Constitution, and the provisions of the "Medicinal and Adult-Use Cannabis Regulation and Safety Act" ("MAUCRSA") (and as the same may be amended from time to time), the City of California City is authorized to adopt ordinances that establish standards, requirements and regulations for local licenses and permits for cannabis and cannabis-related activity. Any standards, requirements, and regulations regarding health and safety, security, and worker protections established by the State of California, or any of its departments or divisions, shall be the minimum standards applicable in the City of California City to cannabis, and/or cannabis-related activity.
- (b) All provisions of this Chapter shall apply to both Cannabis Businesses and Cannabis Dispensaries, except for the provisions specifically addressing Cannabis Dispensaries set forth in this Chapter, in which case the specific provisions related to Cannabis Dispensaries will control.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.103. - Cannabis Cultivation and Cannabis Business Activities Prohibited Unless Specifically Authorized by This

Chapter.

Except as specifically authorized in this Chapter, the cultivation, possession, manufacture, processing, storing, laboratory testing, labeling, transporting, dispensing, distribution, delivery, or sale of cannabis or a cannabis product is expressly prohibited in the City of California City.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.104. - Compliance with Laws.

It is the responsibility of the owners and operators of the cannabis business to ensure that it is, at all times, operating in a manner compliant with all applicable state and local laws, and any regulations promulgated thereunder, and any specific additional operating procedures or requirements which may be imposed as conditions of approval of the cannabis business permit. Nothing in this Chapter shall be construed as authorizing any actions which violate federal, state law or local law with respect to the operation of a cannabis business.

(Ord. No. 18-766, § 2, 8-28-2018)

ARTICLE 2. - DEFINITIONS

Sec. 5-6.201. - Words and Terms Defined.

When used in this Chapter, the following words shall have the meanings ascribed to them as set forth herein. Any reference to California statutes includes any regulations promulgated thereunder and is deemed to include any successor or amended version of the referenced statute or regulatory provision.

- (a) "Cannabis" means all parts of the Cannabis sativa Linnaeus, Cannabis indica, or Cannabis ruderalis, whether growing or not; the seeds thereof; the resin, whether crude or purified, extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin. "Cannabis" also means the separated resin, whether crude or purified, obtained from marijuana. "Cannabis" also means marijuana as defined by Section 11018 of the California Health and Safety Code as enacted by Chapter 14017 of the Statutes of 1972. "Cannabis" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination. For the purpose of this Chapter, "cannabis" does not mean industrial hemp as that term is defined by Section 81000 of the California Food and Agricultural Code or Section 11018.5 of the California Health and Safety Code.
- (b) "Cannabis business activity" includes cultivation, manufacture, processing, laboratory testing, transporting, delivery, distribution, or sale of cannabis or a cannabis product, within the meaning of California Business and Professions Code 19300 et seq.
- (c) "Cannabis concentrate" means manufactured cannabis that has undergone a process to concentrate the cannabinoid active ingredient, thereby increasing the product's potency. An edible cannabis product is not considered food, as defined by Section 109935 of the California Health and

Safety Code, or a drug, as defined by Section 109925 of the California Health and Safety Code.

- (d) "Cannabis Business" means the businesses of commercial cannabis cultivation, cannabis manufacturer, cannabis testing laboratory, and cannabis distributor.
- (e) "Cannabis business permit" means a regulatory permit issued by the City of California City pursuant to this Chapter to a cannabis business and is required before any cannabis activity may be conducted in the City. The initial permit and annual renewal of a cannabis business permit is made expressly contingent upon the business' ongoing compliance with all of the requirements of this Chapter, any regulations adopted by the City governing the cannabis activity at issue, compliance with any conditions of approval placed on the use of the Cannabis Business site, and payment of all fees, taxes and any other amounts owed to the City related to the Cannabis Business Activity.
- (f) "Cannabis Dispensary Permit" means a regulatory permit issued by the City of California City pursuant to this Chapter to a cannabis dispensary and is required before any cannabis dispensing activity may be conducted in the City. The initial permit and annual renewal of a cannabis dispensary permit is made expressly contingent upon the business' ongoing compliance with all of the requirements of this Chapter, any regulations adopted by the City governing the cannabis activity at issue, compliance with any conditions of approval placed on the use of the Cannabis Dispensary site, and payment of all fees, taxes and any other amounts owed to the City related to the Cannabis dispensary activity. All provisions of this Chapter shall apply to both Cannabis Businesses permits and Cannabis Dispensary permits, except provisions for Cannabis Dispensary permits specifically set forth in this Chapter, in which case the specific provisions related to Cannabis Dispensary permits will control.
- (g) "Cannabis Distributor" means a Cannabis Operator permitted pursuant to this Chapter to operate a location or a facility where a Person conducts the business of procuring Cannabis from permitted Cannabis Cultivation Sites or Cannabis Manufacturers for sale to permitted Cannabis Dispensaries, and the inspection, quality assurance, batch testing by a Type 8 licensee, storage, labeling, packaging and other processes prior to transport to permitted Cannabis Dispensaries.
- (h) "Cannabis License" means a State license issued pursuant to MAUCRSA, as may be amended from time to time.
- (i) "Cannabis Licensee" means a person issued a Cannabis License under MAUCRSA to engage in commercial Cannabis activity.
- (j) "Cannabis Nursery" means a location operating as a nursery solely for purposes of supplying immature plants to cannabis cultivation facilities.
- (k) "Cannabis Operator" or "Operator" means the person or entity that is engaged in the conduct of any commercial Cannabis use.
- (l) "Cannabis Testing Laboratory" means a facility, entity, or site in the State that offers or performs tests of Cannabis or Cannabis Products and is both of the following:
 - 1. Accredited by an accrediting body that is independent from all other Persons involved in the Cannabis Testing Laboratory.
 - 2. Registered with the California Department of Public Health.
- (m) "City" or "City of California City" means the City of California City, a California general law city.
- (n) "Cultivation" means any activity, whether occurring indoors or outdoors, involving the propagation,

planting, growing, harvesting, drying, curing, grading, and/or trimming of cannabis plants or any part thereof for any purpose, including cannabis.

- (o) "Cultivation site" means a facility where cannabis is cultivated, propagated, planted, grown, harvested, dried, cured, graded, or trimmed, or that does all or any combination of those activities, and where the operator holds a valid cannabis business permit for cultivation from the City of California City and, a valid state license for cultivation pursuant to the MAUCRSA (as the same may be amended from time to time).
- (p) "Delivery" means the commercial transfer of medical cannabis or medical cannabis products from a dispensary, up to an amount determined to be authorized by the State of California, or any of its departments or divisions, to anyone for any purpose. "Delivery" also includes the use by a dispensary of any technology platform owned, controlled, and/or licensed by the dispensary, or independently licensed by the State of California under the MAUCRSA (as the same may be amended from time-to-time), that enables anyone to arrange for or facilitate the commercial transfer by a licensed dispensary of cannabis or cannabis products.
- (q) "Dispensary" means a cannabis business facility where cannabis, medical cannabis products, or devices for the use of medical cannabis or medical cannabis products are offered, either individually or in any combination, for retail sale, including an establishment (whether fixed or mobile) that delivers, pursuant to express authorization, medical cannabis and medical cannabis products as part of a retail sale, and where the operator holds a valid cannabis business permit from the City of California City authorizing the operation of a dispensary, and a valid state license as required by state law to operate a dispensary.
- (r) "Dispensing" means any activity involving the retail sale of cannabis or cannabis products from a dispensary.
- (s) "Distribution" means the procurement, sale, and transport of medical cannabis or cannabis products between cannabis businesses.
- (t) "Distributor" means a person holding a valid cannabis business permit for distribution issued by the City of California City, and a valid state license for distribution, pursuant to the MAUCRSA (as the same may be amended from time to time).
- (u) "Dried flower" means all dead cannabis that has been harvested, dried, cured, or otherwise processed, excluding leaves and stems.
- (v) "Edible cannabis product" means manufactured cannabis that is intended to be used, in whole or in part, for human consumption. An edible medical cannabis product is not considered food as defined by Section 109935 of the California Health and Safety Code or a drug as defined by Section 109925 of the California Health and Safety Code.
- (w) "Indoor structure" means a fully enclosed and secured structure, a space within a building, greenhouse or other structure which has a complete roof enclosure supported by connecting walls extending from the ground to the roof, which is secure against unauthorized entry, provides complete visual screening, complies with all odor control and other design standards required by this chapter, and which is accessible only through one or more lockable doors and is inaccessible to minors.
- (x) "Indoors" means within a fully enclosed and secure structure. The term indoors includes any indoor

structures.

- (y) "Live plants" means living cannabis flowers and plants, including seeds, sprouts, immature plants (including unrooted clones), and vegetative stage plants.
- (z) "Manufacturer" means a person that conducts the production, preparation, propagation, or compounding of manufactured cannabis, as defined in this section, or cannabis products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis at a fixed location that packages or repackages cannabis or cannabis products or labels or relabels its container, where the operator holds a valid cannabis business permit for manufacturing from the City of California City and a valid state license for manufacturing pursuant to the MAUCRSA (as the same may be amended from time to time).
- (aa) "Manufactured cannabis" means raw cannabis that has undergone a process whereby the raw agricultural product has been transformed into a concentrate or manufactured product intended for internal consumption or topical application.
- (bb) "Manufacturing site" means a location that produces, prepares, propagates, or compounds cannabis or cannabis products, directly or indirectly, by extraction methods, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, and is owned and operated by a person issued a valid Cannabis business permit for manufacturing from the City of California City, and a valid state license for manufacturing pursuant to the MAUCRSA (as the same may be amended from time to time).
- (cc) "Marijuana" means "cannabis," as that term is defined in this Chapter.
- (dd) "Outdoors" means any location within the City that is not within a fully enclosed and secure structure.
- (ee) "Person" means an individual, firm, partnership, joint venture, association, corporation, limited liability company, estate, trust, business trust, receiver, syndicate, or any other group or combination acting as a unit and includes the plural as well as the singular number.
- (ff) "State license" means a permit or license issued by the State of California, or one of its departments or divisions, pursuant to Sections 5 and 7 of Article XI of the California Constitution, and the provisions of the "Medicinal and Adult-Use Cannabis Regulation and Safety Act" ("MAUCRSA") (as the same may be amended from time to time) to engage in cannabis activity.
- (gg) "Topical cannabis" means a product intended for external use. A topical cannabis product is not considered a drug as defined by Section 109925 of the California Health and Safety Code.
- (hh) "Transport" means the transfer of cannabis or cannabis products from the permitted business location of one licensee to the permitted business location of another licensee, for the purposes of conducting cannabis activity authorized by the MAUCRSA (as the same may be amended from time to time).
- (ii) "Transporter" means a person issued a state license, and a cannabis business permit by the City of California City, authorizing the transport of cannabis or cannabis products in amounts authorized by the State of California, or by one of its departments or divisions under the MCRSA.

ARTICLE 3. - CANNABIS BUSINESS PERMITS REQUIRED FOR OWNER/OPERATOR; CANNABIS WORK PERMIT REQUIRED FOR EMPLOYEES

Sec. 5-6.301. - Cannabis business Permit Required to Engage in Cannabis business.

No person may engage in any cannabis business or operate a cannabis dispensary within the City of California City including cultivation, manufacture, processing, laboratory testing, transporting, dispensing, distribution, or sale of cannabis or a cannabis product unless the person (1) has a valid cannabis business permit or cannabis dispensary permit from the City of California City and (2) is currently in compliance with all applicable state and local laws and regulations pertaining to the cannabis business and the cannabis business activities, including the duty to obtain any required state licenses.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.302. - Cannabis Business Employee Permit Required.

- (a) Any person who is an employee or who otherwise works or volunteers within a cannabis business must be legally authorized to do so under applicable state law.
- (b) Any person who is an employee or who otherwise works or volunteers within a cannabis business shall wear a name badge issued by the cannabis business management for identification purposes.

(Ord. No. 18-766, § 2, 8-28-2018)

ARTICLE 4. - NUMBER AND TYPE OF AUTHORIZED CANNABIS DISPENSARIES PERMITTED

Sec. 5-6.401. - Maximum Number of Cannabis Dispensaries Permitted to Operate within the City.

- (a) The maximum number of each type of cannabis dispensary that shall be permitted to operate in the City at any one (1) given time will be a maximum of two (2) retail storefront operations and ten (10) delivery only dispensaries with no retail storefront. Retail storefront dispensaries are also authorized, with the required state license, to make off-site deliveries.
- (b) Section 5-6.401 is only intended to create a maximum number of cannabis dispensaries that may be issued permits to operate in the City under each category. Nothing in this Chapter creates a mandate that the City Council must issue any or all of the cannabis business dispensary permits potentially available.

(Ord. No. 18-766, § 2, 8-28-2018 ; Ord. No. 19-771, § 2, 1-8-2019)

ARTICLE 5. - APPLICATION FOR CANNABIS BUSINESS PERMIT: RENEWAL APPLICATIONS; AND EFFECT OF REVOCATION OR SUSPENSION OF STATE LICENSE

Sec. 5-6.501. - Initial Application Procedure.

- (a) The City Council shall adopt by resolution the procedures which will govern the application process, and

the manner in which the decision will ultimately be made regarding the issuance of any cannabis business permit(s). The City Manager will prepare the necessary forms, adopt any necessary rules, regulations and processes, solicit applications, and conduct evaluations of the applicants.

- (b) At the time of filing, each applicant shall pay an application fee established by resolution of the City Council, to cover all costs incurred by the City in the application process. An application shall not be deemed complete, and will not be processed, until the designated application fees have been paid. Once submitted, all fees shall be non-refundable.
- (c) After the initial review the City Manager will issue permits for all cannabis businesses except for dispensaries. For cannabis dispensary permits, the City Manager will make a recommendation to the City Council, and the City Council shall make a final determination in accordance with Article 7.
- (d) The City's Reservation of Rights: The City reserves the right to reject any or all applications. The City may also modify, postpone, or cancel any request for applications, or the entire program under this Chapter, at any time without liability, obligation, or commitment to any party, firm, or organization. Persons submitting applications assume the risk that all or any part of the program, or any particular category of permit potentially authorized under this Chapter, may be cancelled at any time prior to permit issuance. The City further reserves the right to request and obtain additional information from any candidate submitting an application. In addition to any other appropriate reasons for rejection, including but not limited to a failure to comply with any requirement of any State or local law, rule or regulation, an application RISKS BEING REJECTED for any of the following reasons:
 - (1) Proposal not containing the required elements, exhibits, nor organized in the required format.
 - (2) Proposal considered not fully responsive to this request for permit application.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.502. - Expiration of Cannabis Business Permits.

Each cannabis business permit issued pursuant to this Chapter shall expire twelve (12) months after the date of its issuance. Cannabis Business permits may be renewed as provided in Section 5-6.504.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.503. - Revocation of Permits.

Cannabis Business permits may be revoked for any violation of any law and/or any rule, regulation and/or standard adopted pursuant to this Chapter.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.504. - Renewal Applications.

- (a) An application for renewal of a cannabis business permit shall be filed at least sixty (60) calendar days prior to the expiration date of the current permit.
- (b) The applicant shall pay a fee in an amount to be set by the City Council to cover the costs of processing the renewal permit application, together with any costs incurred by the City to administer the program created under this Chapter. Once submitted to the City all fees shall be non-refundable.

- (c) An application for renewal of a cannabis business permit shall be rejected if any of the following exists:
- (1) The application is filed less than sixty (60) days before its expiration, unless good cause is shown for failure to timely apply as approved in the sole discretion of the City Manager.
 - (2) The cannabis business permit is suspended or revoked at the time of the application.
 - (3) The cannabis business has not been in regular and continuous operation in the four (4) months prior to the renewal application.
 - (4) The cannabis business has failed to conform to the requirements of this Chapter, or of any regulations adopted pursuant to this Chapter.
 - (5) The permittee fails or is unable to renew its State of California license.
 - (6) If the City or state has determined, based on substantial evidence, that the permittee or applicant is in violation of the requirements of this Chapter, of the City's Municipal Code, or of the state rules and regulations, or of any term or condition of the permit, and the City or state has determined that the violation is grounds for termination or revocation of the cannabis business permit.
- (d) The City Manager or his designee is authorized to make all decisions concerning the issuance of a renewal permit. In making the decision, the City Manager or his designee is authorized to impose additional conditions to a renewal permit, if it is determined to be necessary to ensure compliance with newly adopted, repealed, or amended state or local laws and regulations, preserve the public health, safety or welfare. Appeals from the decision of the City Manager or his designee shall be handled pursuant to Article 6 of this Chapter.
- (e) If a renewal application is rejected, a person may file a new application pursuant to this Chapter no sooner than one (1) year from the date of the rejection.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.505. - Effect of State License Suspension, Revocation, or Termination.

Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a cannabis business to operate within the City, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a cannabis business, such revocation or termination shall also revoke or terminate the ability of a cannabis business to operate within the City of California City.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.506. - Prohibition on Transfer of Cannabis Business Permits.

- (a) No person shall operate a cannabis business at any location other than the location specifically authorized and identified on the City issued cannabis business permit. A permittee may request that the specifically authorized location identified on the City issued cannabis business permit be changed to another specifically authorized location that meets all zoning requirements, including but not limited to distances, for identified uses without the need to reapply for a new permit. The City Manager is authorized to make the final decision concerning the issuance of a change in location and reissue of the cannabis business permit for the new location.
- (b) Cannabis business permits issued through the grant of a transfer shall be valid for a period of one (1)

year beginning on the day the City Manager approves the transfer of the permit. Before the transferee's permit expires, the transferee shall apply for a renewal permit in the manner required by this chapter.

- (c) Changes in ownership of a permittee's business structure or a substantial change in the ownership of a permittee business entity (changes that result in a change of more than 75% of the original ownership), must be approved by the City Council and executed by the City Manager through the transfer process set forth in this section. Failure to comply with this provision is grounds for permit revocation.
- (d) A permittee may change the form of business entity without applying to the City Manager for a transfer of permit, provided that either:
 - 1. The membership of the new business entity is substantially similar to original permit holder business entity (at least 75% of the membership is identical), or
 - 2. If the original permittee is a cooperative or collective and then transitions to a new business entity to comply with Section 5-6.301, subdivision (b), provided that the original operator(s) of the original permittee business are the same, and the only change is removing collective/cooperative members from the ownership of the new business entity.

Although a transfer is not required in these two circumstances, the permit holder is required to notify the City Manager in writing of the change within ten (10) days of the change. Failure to comply with this provision is grounds for permit revocation.

- (e) No cannabis business permit may be transferred when the City Manager or Police Chief has notified the permittee that the permit has been or may be suspended or revoked.
- (f) Any attempt to transfer a cannabis business permit either directly or indirectly in violation of this section is hereby declared void, and such a purported transfer shall be deemed a ground for revocation of the permit.

(Ord. No. 18-766, § 2, 8-28-2018)

ARTICLE 6. - APPEALS

Sec. 5-6.601. - Appeals from Decisions of the City Manager or his Designee under this Chapter.

Unless specifically provided elsewhere to the contrary, whenever an appeal is provided for in this Chapter from a decision of the City Manager or his or her designee, the appeal shall be conducted as prescribed in this Chapter.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.602. - Written request for Appeal.

- (a) Within ten (10) calendar days after the date of a decision of the City Manager or his designee(s) to revoke, suspend or deny a permit, or to add conditions to a permit, an aggrieved party may appeal such action by filing a written appeal with the City Clerk setting forth the reasons why the decision was not proper.
- (b) At the time of filing the appellant shall pay the designated appeal fee, established by resolution of the City Council from time to time.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.603. - Appeal Hearing.

- (a) Upon receipt of the written appeal, the City Clerk shall set the matter for a hearing before the City Council. The City Council shall hear the matter de novo and shall conduct the hearing pursuant to the procedures set forth by the City.
- (b) The appeal shall be held within a reasonable time after the filing of the appeal, but in no event later than ninety (90) days from the date of such filing. The City shall notify the appellant of the time and location at least ten (10) days prior to the date of the hearing.
- (c) At the hearing the appellant may present any information they deem relevant to the decision appealed. The formal rules of evidence and procedure applicable in a court of law shall not apply to the hearing.
- (d) At the conclusion of the hearing the City Council may affirm, reverse or modify the decision appealed. The decision of the City Council shall be final.

(Ord. No. 18-766, § 2, 8-28-2018)

ARTICLE 7. - CANNABIS DISPENSARY PERMITTEE SELECTION PROCESS

Sec. 5-6.701. - Selection and Review of Finalists.

- (a) The City Council shall adopt by resolution a procedure by which the applicants in each category of cannabis dispensary will be presented to the City Council for a final determination at a public meeting.
- (b) The top applicants in each category of cannabis dispensary that are selected for final consideration may be invited to attend the City Council meeting, where they will be expected to make a public presentation introducing their teams and providing an overview of their proposals. In order to provide adequate time, presentations may be divided over more than one meeting over multiple days as determined to be necessary.
- (c) At least ten (10) days prior to the hearing, notice of the hearing shall be sent to all property owners located within three hundred (300) feet of the proposed dispensary locations of each of the finalists to be considered by the City Council.
- (d) The City Council shall rank the final candidates and shall select the top candidate in each category of cannabis dispensary, which candidate shall become the prevailing candidate. The City Council's decision as to the selection of the prevailing candidates shall be final.
- (e) Official issuance of the cannabis dispensary permit, however, is conditioned upon the prevailing candidate obtaining all required land use approvals. Following the Council's selection, the prevailing candidate shall apply to the City to obtain any required land use approvals or entitlements for the permittee's location, if any. Land use approvals shall comply with all applicable provisions of CEQA. The City Manager shall formally issue the cannabis dispensary permit once the City Manager and Building Department have both affirmed that all of the required land use approvals have been obtained.
- (f) Issuance of a cannabis dispensary permit does not create a land use entitlement. The cannabis dispensary permit will be for a term of twelve (12) months and shall expire at the end of the twelve (12) month period unless it is renewed as provided herein. Furthermore, no permittee may begin operations,

notwithstanding the issuance of a permit, unless all of the state and local laws and regulations, including but not limited to the requirements of this Chapter and of the permit, have been complied with.

- (g) Notwithstanding anything in this Chapter to the contrary, the City Council reserves the right to reject any or all applications if it determines it would be in the best interest of the City, taking into account any health, safety and welfare impacts on the community. Applicants shall have no right to a cannabis dispensary permit until a permit is actually issued, and then only for the duration of the permit's term. Each applicant assumes the risk that, at any time prior to the issuance of a permit, the City Council may terminate or delay the program created under this Chapter.
- (h) If an application is denied, a new application may not be filed for one (1) year from the date of the denial.
- (i) Each person granted a cannabis dispensary permit shall be required to pay the permit fee established by resolution of the City Council, to cover the costs of administering the cannabis business permit program created in this Chapter.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.702. - Permits Issued to Back-up Applicants.

The City Council reserves the right at any time, in its sole discretion, to simply restart the selection process over.

Alternatively, within eighteen (18) months following the issuance of any cannabis dispensary permit, if any of the candidates chosen by the City Council to be permitted withdraws from the process or its application is terminated for any reason, the City Council may direct staff to determine whether the runner-up applicant (ranked next highest after those chosen for permitting in the same category) in that category, based on the final ranking of the finalist, still desires a permit. If the applicant still desires a permit, city staff shall proceed to hold a public hearing, which will include notice to surrounding property owners, to evaluate the runner-up candidate's application for potential issuance of a permit. The City will utilize the same process which was used for the applicants chosen to receive permits. Prior to the hearing, the runner-up applicant shall be required to complete any additional requirements, and to update any information from its original application, which the City Manager or his/her designee may determine is reasonably required to verify that the applicant still appropriately qualified and has met all requirements. The City Council shall then hold the public hearing and make a determination whether a permit should be issued to the runner-up applicant or be denied. If the Council determines a permit should be issued, the applicant shall be required to follow the same process for land use and zoning approvals, before a permit will officially be issued.

Notwithstanding the foregoing, the City shall have no obligation to offer the permit to the runner-up applicant if an applicant has withdrawn its application, or if the Council finds, based on substantial evidence that the applicant no longer qualifies, is in violation of state or local laws or regulations, or that it would not be in the community's best interest to grant the permit as a result of impacts on the community's health, safety or welfare.

(Ord. No. 18-766, § 2, 8-28-2018)

ARTICLE 8. - REQUIREMENTS BEFORE PERMITTEE MAY COMMENCE OPERATIONS

Sec. 5-6.801. - City Business License.

Prior to commencement of operations a cannabis business shall obtain a City of California City business license.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.802. - Building Permits and Inspection.

Prior to commencement of operations a cannabis business shall be subject to a mandatory building inspection and must obtain all required permits and approvals which would otherwise be required for any business of the same size and intensity operating in that zone. This includes but is not limited to obtaining any required building permit(s), fire department approvals, Health Department approvals and other zoning and land use permit(s) and approvals.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.803. - Certification from Building Department.

Prior to commencing operations, a cannabis business must obtain a certification from the City Manager certifying that the business is located on a site that meets all of the requirements of the City's Zoning and Municipal Code, including Title 9, Chapter 2, Article 29 (Cannabis businesses).

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.804. - Right to Occupy and to Use Property.

As a condition precedent to the City's issuance of a cannabis business permit pursuant to this Chapter, any person intending to open and to operate a cannabis business shall provide sufficient evidence of the legal right to occupy and to use the proposed location. In the event the proposed location will be leased from another person, the applicant shall be required to provide a signed and notarized statement from the owner of the property, acknowledging that the property owner has read this Chapter and consents to the operation of the cannabis business on the owner's property.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.805. - Limitations on City's Liability.

To the fullest extent permitted by law, the City of California City shall not assume any liability whatsoever with respect to having issued a cannabis business permit pursuant to this Chapter or otherwise approving the operation of any cannabis business. As a condition to the approval of any cannabis business permit, the applicant shall be required to meet all of the following conditions before they can receive the cannabis business permit:

- (a) They must execute an agreement, in a form approved by the City Attorney, agreeing to indemnify, defend (at applicant's sole cost and expense), and hold the City of California City, and its officers, officials, employees, representatives, and agents, harmless, from any and all claims, losses, damages, injuries, liabilities or losses which arise out of, or which are in any way related to, the City's issuance of the cannabis business permit, the City's decision to approve the operation of the cannabis business or activity, the process used by the City in making its decision, the alleged violation of any federal, state or local laws by the cannabis business or any of its officers, employees or agents.

- (b) Maintain insurance at coverage limits, and with conditions thereon determined necessary and appropriate to time by the City Attorney.
- (c) Reimburse the City of California City for all costs and expenses, including but not limited to attorney fees and costs and court costs, which the City of California City may be required to pay as a result of any legal challenge related to the City's approval of the applicant's cannabis business permit, or related to the City's approval of a cannabis activity. The City of California City may, at its sole discretion, participate at its own expense in the defense of any such action, but such participation shall not relieve any of the obligations imposed hereunder.

(Ord. No. 18-766, § 2, 8-28-2018)

ARTICLE 9. - OPERATING REQUIREMENTS FOR ALL CANNABIS BUSINESSES PERMITTED UNDER THIS CHAPTER

Sec. 5-6.901. - Records and Recordkeeping.

- (a) Each owner and operator of a cannabis business shall maintain accurate books and records, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis (at or before the time of the renewal of a cannabis business permit issued pursuant to this Chapter), or at any time upon reasonable request of the City, each cannabis business shall file a sworn statement detailing the number of sales by the cannabis business during the previous twelve-month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes paid or due to be paid.
- (b) Each owner and operator of a cannabis business shall maintain a current register of the names and the contact information (including the name, address, telephone number, and percentage of ownership) of anyone owning or holding an interest in the cannabis business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this paragraph shall be provided to the City Manager or his/her designee(s) upon a reasonable request. If at any time a corporation, LLC, company, trust or other entity holds an interest in a cannabis business, the register required by this paragraph shall also include the name and contact information of a person designated as being able to answer all questions on behalf of that entity, together with the name of every person holding an interest in that cannabis business. The designated representative shall provide whatever additional information the City Manager or his/her designee or the Police Department may reasonably request concerning the owners of that entity.
- (c) All cannabis businesses shall maintain an inventory control and reporting system as required by state law.
- (d) Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPAA) regulations, each cannabis business shall allow City of California City officials to have access to the business's books, records, accounts, together with any other data or documents relevant to its permitted cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than two (2) business days after receipt of the City's request, unless otherwise stipulated by the City.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.902. - Security Measures.

- (a) A permitted cannabis business shall implement sufficient security measures to deter and prevent the unauthorized entrance into areas containing cannabis or cannabis products, and to deter and prevent the theft of cannabis or cannabis products at the cannabis business. Except as may otherwise be determined by the City, these security measures shall include compliance with all State security regulations required under the Cannabis Licensee's State cannabis license, as those regulations may be amended from time to time
- (b) Every cannabis business and cannabis dispensary shall provide adequate security on the premises, including lighting and alarms, to insure the safety of persons and to protect the premises from theft. As part of an application for a cannabis use, each applicant shall prepare and submit a security plan for review and approval by the Chief of Police, which approval or denial will be based upon the security standards stated above and in compliance with any security measures agreed upon between the City Manager and Chief of Police. Said plans shall remain updated and secured on file in the protective custody of the Building Department. The information provided for purposes of this section shall be maintained by the Building Department as confidential information and shall not be disclosed as public records unless pursuant to subpoena issued by a court of competent jurisdiction.
- (c) The City Council may impose further security requirements above and beyond the minimum-security requirements imposed by State regulations, upon the recommendation of the City Manager in consultation with the Chief of Police based on the unique circumstances associated with a particular cannabis business. Except as may otherwise be determined by the City Council, these security measures shall include compliance with all State security regulations required under the Cannabis Licensee's State cannabis license, as those regulations may be amended from time to time.
- (d) A cannabis business shall identify a designated security representative/liaison to the City of California City, who shall be reasonably available to meet with the City Manager, the City's Police Chief, the City Fire Chief, or their designees, regarding any security related measures or and operational issues.
- (e) The cannabis business shall cooperate with the City whenever the City Manager or his designee makes a request, upon reasonable notice to the cannabis business, to inspect or audit the effectiveness of any security plan or of any other requirement of this Chapter.
- (f) A cannabis business shall notify the Chief of Police and the City Manager or his/her designee within twenty-four (24) hours after discovering any of the following:
 - (1) Significant discrepancies identified during inventory. The level of significance shall be determined by the regulations promulgated by the City Manager working in consultation with the Chief of Police.
 - (2) Diversion, theft, loss, or any criminal activity involving the cannabis business or any agent or employee of the cannabis business.
 - (3) The loss or unauthorized alteration of records related to cannabis, registering qualifying patients, primary caregivers, or employees or agents of the cannabis business.
- (g) When more than one cannabis businesses or dispensary is located adjacent to, or in close proximity to another cannabis business or dispensary, the businesses or dispensaries may present a joint security plan to the Chief of Police for review and approval to avoid redundant activity and excess costs, provided

the required level of security and effectiveness are not compromised, as determined by the Chief of Police.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.903. - Restriction on Alcohol Sales.

No person shall cause or permit the sale, dispensing, or consumption of alcoholic beverages on the premises of the cannabis business. Alcoholic beverages may be consumed on the premise incident to a properly permitted event such as a grand opening or grand-opening or community event.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.904. - Reserved.

Sec. 5-6.905. - Fees and charges.

- (a) No person may commence or continue any cannabis activity in the City, without timely paying in full all fees, taxes and charges required for the operation of a cannabis activity. Fees and charges associated with the operation of a cannabis activity shall be established by resolution of the City Council which may be amended from time to time.
- (b) All cannabis businesses authorized to operate under this Chapter shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees required under federal, state and local law. Each cannabis businesses shall be required to cooperate with City with respect to any request to audit the cannabis business' books and records for the purpose of verifying compliance with this section, including but not limited to a verification of the amount of taxes required to be paid during any period.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.906. - Miscellaneous Operating Requirements.

- (a) Hours of Operation. Cannabis businesses operating as retail storefront dispensaries may be open for access to the public only between the hours of 8:00 A.M. and 9:00 P.M.
- (b) Other cannabis businesses may operate only during the hours specified in the cannabis business permits issued by the City.
- (c) Restriction on Consumption. Cannabis shall not be smoked, ingested, used, or otherwise consumed on the premises of a cannabis businesses or elsewhere in the City of California City, other than within private residences.
- (d) No cannabis or cannabis products or graphics depicting cannabis or cannabis products shall be visible from the exterior of any property issued a cannabis business permit, or on any of the vehicles owned or used as part of the cannabis business. No outdoor storage of cannabis or cannabis products is permitted at any time.
- (e) Emergency Contact. Each cannabis business shall provide the City Manager or his/her designee(s), the City's Chief of Police, and the City's Fire Chief with the name, telephone number (including mobile number) of one or more on-site employee(s) or owner(s), to whom emergency notice can be provided at any hour of the day.

(f) Signage and Notices.

- (1) In addition to the requirements otherwise set forth in this section, business identification signage for a cannabis business shall conform to the requirements of the California City Municipal Code, including, but not limited to, seeking the issuance of a City sign permit.
- (2) No signs placed on the premises of a cannabis business shall obstruct any entrance or exit to the building or any window.
- (3) Each entrance to a cannabis business shall be visibly posted with a clear and legible notice indicating that smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the cannabis business is prohibited.
- (4) Business identification signage shall be limited to that needed for identification only and shall not contain any logos or information that identifies, advertises, or lists the services or the products offered. No cannabis business shall advertise by having a person holding a sign and advertising the business to passersby, whether such person is on the premises of the cannabis business or elsewhere including, but not limited to, the public right-of-way.
- (5) Signage shall not be directly illuminated, internally or externally, except that the name and address of the business may be illuminated at night. No banners, flags, billboards or other prohibited signs may be used at any time.

(g) Minors.

- (1) Persons under the age of eighteen (18) years shall not be allowed on the premises of a cannabis business and shall not be allowed to serve as a driver for a mobile delivery service. It shall be unlawful and a violation of this Chapter for any person to employ any person at a cannabis business who is not at least eighteen (18) years of age.
- (2) The entrance to the cannabis business shall be clearly and legibly posted with a notice that no person under the age of eighteen (18) years of age is permitted to enter upon the premises of the cannabis business.

(h) Odor Control. Odor control devices and techniques shall be incorporated in all cannabis businesses to ensure that odors from cannabis are not detectable off-site. Cannabis businesses shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the cannabis business that is distinctive to its operation is not detected outside of the facility, anywhere on adjacent property or public rights-of-way, on or about the exterior or interior common area walkways, hallways, breezeways, foyers, lobby areas, or any other areas available for use by common tenants or the visiting public, or within any other unit located inside the same building as the cannabis business. As such, cannabis businesses must install and maintain the following equipment, or any other equipment which the City Manager or his/her designee(s) determine is a more effective method or technology:

- (1) An exhaust air filtration system with odor control that prevents internal odors from being emitted externally;
- (2) An air system that creates negative air pressure between the cannabis business's interior and exterior, so that the odors generated inside the cannabis business are not detectable on the outside of the cannabis business.

(i) Display of Permit and City Business License. The original copy of the cannabis business permit issued by the City pursuant to this Chapter and the City issued business license shall be posted inside the cannabis

business in a location readily-visible to the public.

- (j) Background Check. Pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which authorizes city authorities to access state and local summary criminal history information for employment, licensing, or certification purposes; and authorizes access to federal level criminal history information by transmitting fingerprint images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation, every person listed as an owner, manager, or supervisor of the cannabis business must submit fingerprints and other information deemed necessary by the City Manager or his/her designee(s) for a background check. The City Manager shall contract with a qualified third party to conduct the required background check and report back to the City the results. The City shall not disseminate the information reported to it as a result of the background check to any private party. Also pursuant to California Penal Code Sections 11105(b)(11) and 13300(b)(11), which requires that there be a requirement or exclusion from employment, licensing, or certification based on specific criminal conduct on the part of the subject of record, no person shall be issued a permit to operate a cannabis business or related work permit unless they have first cleared the background check. A fee for the cost of the background investigation as it deems necessary and appropriate, shall be paid at the time the application for a cannabis business permit is submitted. If this amount is not sufficient, the applicant shall provide additional amounts that are necessary and if the applicant is unable to provide the additional amounts necessary to complete the investigation, the investigation shall cease and shall not continue until such additional amounts are paid. Upon completion of the investigation or if the applicant withdraws their application, any fees paid for this process will be deemed non-refundable.
- (k) Permits and other Approvals. Prior to the establishment of any cannabis business or the operation of any such business, the person intending to establish a cannabis business must first obtain all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such cannabis business intends to establish and to operate.

(Ord. No. 18-766, § 2, 8-28-2018)

ARTICLE 10. - ADDITIONAL REQUIREMENTS FOR DISPENSARIES

Sec. 5-6.1001. - Operating Requirements.

- (a) Owners and Operators are required to verify the age and the necessary documentation of each customer to ensure the customer is not under the age of eighteen (18) years.
- (b) Dispensaries may have on-site, in the retail sales area of the dispensary, only that quantity of cannabis and cannabis products reasonably anticipated to meet the daily demand readily available for sale.
- (c) At no time shall cannabis or cannabis products be donated or given away, unless it is for a valid purpose and pursuant to a program authorized in writing in advance by the City.
- (d) All restroom facilities shall remain locked and under the control of management.

(Ord. No. 18-766, § 2, 8-28-2018)

ARTICLE 11. - ADDITIONAL REQUIREMENTS FOR CULTIVATION FACILITIES

Sec. 5-6.1101. - Operating Requirements.

- (a) Outdoor Cultivation Prohibited. The cultivation of all cannabis must occur indoors, and only in a facility holding a valid cannabis business permit from the City under this Chapter. All outdoor cultivation is prohibited.

The above restriction against outdoor cultivation specifically includes, but is not limited to, a prohibition on the outdoor cultivation of any plants which an individual may be growing for his/her personal use, if the growth of plants for personal use is authorized under State law.

- (b) In no case shall cannabis plants be visible from a public or private road, sidewalk, park or any common public viewing area.
- (c) Cannabis cultivation shall be conducted in accordance with state and local laws related to land conversion, grading, electricity, water usage, water quality, woodland and riparian habitat protection, agricultural discharges, and similar matters.
- (d) Pesticides and fertilizers shall be properly labeled and stored to avoid contamination through erosion, leakage or inadvertent damage from pests, rodents or other wildlife.
- (e) The cultivation of cannabis shall at all times be operated in such a way as to ensure the health, safety, and welfare of the public, the employees working at the cannabis business, visitors to the area, neighboring properties, and the end users of the cannabis being cultivated, to protect the environment from harm to streams, fish, and wildlife; to ensure the security of the cannabis being cultivated; and to safeguard against the diversion of cannabis.
- (f) All applicants for a cannabis cultivation permit shall submit the following in addition to the information generally otherwise required for a cannabis business:
 - (1) A cultivation and operations plan that meets or exceeds minimum legal standards for water usage, conservation and use; drainage, runoff, and erosion control; watershed and habitat protection; and proper storage of fertilizers, pesticides, and other regulated products to be used on the parcel, and a description of the cultivation activities (indoor, mixed-light) and schedule of activities during each month of growing and harvesting, or explanation of growth cycles and anticipated harvesting schedules for all-season harvesting (indoor, mixed-light).
 - (2) A description of a legal water source, irrigation plan, and projected water use.
 - (3) Identification of the source of electrical power and plan for compliance with applicable Building Codes and related codes.
 - (4) Plan for addressing odor and other public nuisances which may derive from the cultivation site.

(Ord. No. 18-766, § 2, 8-28-2018)

ARTICLE 12. - ADDITIONAL REQUIREMENTS FOR DELIVERY DISPENSING SERVICES

Sec. 5-6.1201. - Permitted; Association with Dispensaries.

Mobile delivery of cannabis from dispensaries shall be permitted pursuant to this Chapter. Delivery of cannabis from a dispensary permitted pursuant to this Chapter can only be made in a city or county that does not expressly prohibit it by ordinance.

(Ord. No. 18-766, § 2, 8-28-2018)

ARTICLE 13. - ADDITIONAL REQUIREMENTS FOR MANUFACTURED CANNABIS

Sec. 5-6.1301. - Cannabis Manufacturing: Edibles and Other Cannabis Products; Sale or Distribution of Edible and Other Cannabis Products.

The manufacturing of food or other products infused with or which otherwise contain cannabis may be manufactured within the appropriate manufacturing zoning districts as described in Title 9, Chapter 2, Article 29, subject to the regulations set forth in this Chapter, and subject to whatever additional regulations may be promulgated hereunder by an ordinance or resolution of the City Council.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.1302. - Packaging and Labeling.

- (a) Before a cannabis manufacturer delivers any edible cannabis or edible cannabis product to a dispensary, the same shall be labeled and placed in tamper-evident packaging which at least meets the requirements of California Business and Professions Code Section 19347, as the same may be amended from time-to-time or superseded or replaced by subsequent State legislation or by any department or division of the State of California.
- (b) All items to be sold or distributed shall be individually wrapped at the original point of preparation by the business permitted as a cannabis manufacturer.
- (c) Labeling must include a warning if nuts or other known allergens are used and must include the total weight (in ounces or grams) of cannabis in the package.
- (d) The package must have a label warning that the product is to be kept away from children.
- (e) The label must also state that the product contains cannabis and must specify the date of manufacture.
- (f) Any edible cannabis product that is made to resemble a typical food product must be in a properly labeled opaque (non-see-through) package before it leaves the cannabis manufacturing business.
- (g) Deliveries must be in a properly labeled opaque package when delivered.
- (h) The City Council may impose additional packaging and labeling requirements on cannabis or cannabis products by resolution, as permitted by law.

(Ord. No. 18-766, § 2, 8-28-2018)

ARTICLE 14. - APPLICATION OF CHAPTER; OTHER LEGAL DUTIES

Sec. 5-6.1401. - Promulgation of Regulations and Standards.

- (a) In addition to any regulations adopted by the City Council, the City Manager or his/her designee is authorized to establish any additional rules, regulations and standards governing the issuance, denial or renewal of cannabis business permits, the ongoing operation of cannabis businesses and the City's oversight, or concerning any other subject determined to be necessary to carry out the purposes of this Chapter, provided such regulations are approved by the City Council before they are implemented.
- (b) Regulations shall be published on the City's website.
- (c) Regulations promulgated by the City Manager shall become effective upon date of publication. Cannabis businesses shall be required to comply with all state and local laws and regulations, including but not limited to any rules, regulations or standards adopted by the City Manager or his designee.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.1402. - Community Relations.

Cannabis Businesses are encouraged to establish a local association of Cannabis Businesses to at a minimum (1) communicate with the community in general and residents and other businesses closely adjacent to active Cannabis Businesses, (2) represent the Cannabis Businesses before the City Council and city staff, (4) seek for opportunities to support worthy individual and community needs, (5) create opportunities for the public to better understand the operations and contributions of the industry. The City Manager shall make city staff available to assist in establishing a Cannabis Business Association.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.1403. - Fees Deemed Debt to City of California City.

The amount of any fee, cost or charge imposed pursuant to this Chapter shall be deemed a debt to the City of California City that is recoverable via an authorized administrative process as set forth in the Municipal Code, or in any court of competent jurisdiction.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.1404. - Permit Holder Responsible for Violations.

The person to whom a permit is issued pursuant to this Chapter shall be responsible for all violations of the laws of the State of California or of the regulations and/or the ordinances of the City of California City, whether committed by the permittee or any employee or agent of the permittee, which violations occur in or about the premises of the cannabis business whether or not said violations occur within the permit holder's presence.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.1405. - Inspection and Enforcement.

- (a) The City's Police Department, Fire Department, Code Enforcement and Building Department, and Finance Department are charged with enforcing the provisions of the California City Municipal Code, or any provision thereof, may enter the location of a cannabis business at any time during the hours of

operation without notice, and inspect the location of any cannabis business as well as any recordings and records required to be maintained pursuant to this Chapter or under applicable provisions of State law.

- (b) It is unlawful for any person having responsibility over the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis business under this Chapter or under state or local law. It is also unlawful for a person to conceal, destroy, deface, damage, or falsify any records, recordings or other documents required to be maintained by a cannabis business under this Chapter or under State or local law.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.1406. - Concurrent Regulation with State.

It is the stated intent of this Chapter to regulate cannabis activity in the City of California City concurrently with the State of California.

(Ord. No. 18-766, § 2, 8-28-2018)

ARTICLE 15. - VIOLATIONS AND ENFORCEMENT

Sec. 5-6.1501. - Violations declared a public nuisance.

Each and every violation of the provisions of this Chapter is hereby deemed unlawful and a public nuisance.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.1502. - Each Violation a Separate Offense.

Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the California City Municipal Code. Additionally, as a nuisance per se, any violation of this Chapter shall be subject to injunctive relief, any permit issued pursuant to this Chapter being deemed null and void, disgorgement and payment to the City of any monies unlawfully obtained, costs of abatement, costs of investigation, attorney fees, and any other relief or remedy available at law or in equity. The City of California City may also pursue any and all remedies and actions available and applicable under State and local laws for any violations committed by the cannabis business or persons related to, or associated with, the cannabis activity. Additionally, when there is determined to be an imminent threat to public health, safety or welfare, the City Manager, his/her designee, or the Chief of Police, may take immediate action to temporarily suspend a cannabis business permit issued by the City, pending a hearing before the City Council.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.1503. - Criminal Penalties.

Each and every violation of the provisions of this Chapter may be prosecuted as a misdemeanor and upon conviction be subject to a fine not to exceed one thousand dollars (\$1,000.00) or imprisonment in the county jail for a period of not more than twelve (12) months, or by both such fine and imprisonment. Each day a violation is committed

or permitted to continue shall constitute a separate offense.

(Ord. No. 18-766, § 2, 8-28-2018)

Sec. 5-6.1504. - Remedies Cumulative and Not Exclusive.

The remedies provided herein are not to be construed as exclusive remedies. The City is authorized to pursue any proceedings or remedies provided by law.

(Ord. No. 18-766, § 2, 8-28-2018)