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13 UL CHULA TWO LLC

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

15 **COUNTY OF SAN DIEGO – CENTRAL DIVISION**

16 UL CHULA TWO LLC,

17 Petitioner/Plaintiff,

18 vs.

19 CITY OF CHULA VISTA, a California public
20 entity; CHULA VISTA CITY MANAGER,
21 and DOES 1-20,

22 Respondents/Defendants,

23 MARCH AND ASH CHULA VISTA, INC.;
24 TD ENTERPRISE LLC; and DOES 23
25 through 50,

26 Real Parties In Interest.

ELECTRONICALLY FILED

Superior Court of California,
County of San Diego

01/19/2021 at 02:44:00 PM

Clerk of the Superior Court
By Gen Dieu, Deputy Clerk

Case No. 37-2020-00041554-CU-WM-CTL
[Related To Case Nos. 2020-00041802-CU-
MC-CTL; 37-2020-00033446-CU-MC-CTL]

**DECLARATION OF WILLIE SENN IN
SUPPORT OF
PETITIONER/PLAINTIFF'S MOTION
FOR PRELIMINARY INJUNCTION AND
STAY OF DECISION**

Judge: Hon. Richard E.L. Strauss
Dept.: C-75
Action Filed: November 13, 2021
Trial Date: None Set

1 I, Willie Senn, declare as follows:

2 1. I am the President of UL Holdings Inc. ("UL Holdings"), which is the majority
3 member and manager of petitioner/plaintiff UL Chula Two LLC ("Petitioner"). I have personal
4 knowledge of the facts set forth herein, and if called as a witness to testify thereto, I could
5 competently and truthfully do so.

6 2. UL Holdings currently operates five retail cannabis businesses across California,
7 which operate under the brand name Urbn Leaf. UL Holdings' flagship Urbn Leaf store is in Bay
8 Park, San Diego. It is amongst the most successful cannabis businesses in both the City of San
9 Diego and State of California in large part because of the diversity and breadth of UL Holdings'
10 experience in the industry. Indeed, in 2019, Urbn Leaf Bay Park generated record revenue and
11 paid \$2,662,164 in sales taxes to the City of San Diego. Urbn Leaf's 2020 numbers exceeded
12 what it was able to accomplish in 2019.

13 3. After many years in the retail cannabis industry, I am familiar with the shopping
14 habits of cannabis customers. Cannabis customers choose to shop at a particular location based on
15 custom and habit. When a cannabis customer begins shopping at a particular location, the
16 customer often establishes loyalty with that location and, out of custom and habit, may not change
17 shopping locations. The development of this type of goodwill is invaluable to a new business.


18 4. It is for this reason that there is a stark "first-to-market" advantage for the first
19 retail cannabis business to be established and develop goodwill in a particular geographic location.
20 When a cannabis retailer is third, fourth, fifth, or later in a location, it is very difficult to establish
21 a market share comparable to the first or second retailers in the area, even with superior products
22 and customer service, and lower prices.

23 5. In January 2019, Petitioner applied for a retail storefront cannabis business license
24 (Application ID 57074) with Respondent City of Chula Vista (the "City"). Because of the depth
25 and breadth of experience among Petitioner's leadership, Petitioner was able to put forward a
26 strong application and score the highest of any retail storefront applicant in the City's District
27 One. When the application was denied, Petitioner appealed the denial to Respondent Chula Vista
28 City Manager. To date, Petitioner has invested \$56,900 toward its application for a retail

1 storefront license and its administrative appeal of the application's denial. Petitioner expects to
2 invest substantially more toward this license as this matter has resulted in this litigation.

3 6. Even if Petitioner prevails in this litigation and is eventually granted a retail
4 storefront license in the City's District One, being denied the opportunity to establish Petitioner as
5 the first or second in the market would deprive Petitioner of its "first-to-market" goodwill
6 advantage and, thus, result in irreparable harm to Petitioner's business.

7 I declare under penalty of perjury under the laws of the State of California that the
8 foregoing is true and correct and that this declaration was executed on this 15th day of January
9 2021, at San Diego, California.

10
11 
12 Willie Senn