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**REPORT NO.** \_\_\_\_\_

**REPORT RE:**

**APPEAL AND RESPONSE ON BEHALF OF THE LOS ANGELES CANNABIS REGULATION  
COMMISSION FOR THE DENIAL OF A TYPE 10 STOREFRONT RETAIL COMMERCIAL  
CANNABIS LICENSE**

The Honorable City Council  
of the City of Los Angeles  
Room 395, City Hall  
200 North Spring Street  
Los Angeles, California 90012

September 11, 2025

Council File No.

Honorable Members:

This report is being submitted to the Los Angeles City Council (Council) on behalf of the Los Angeles Cannabis Regulation Commission (CRC) under Los Angeles Municipal Code (LAMC) section 104.14(a)(2). On February 20, 2025, the CRC denied an Annual License to L&E Retail, LLC (Appellant) to conduct Type 10 Storefront Retail Commercial Cannabis Activity at 4369 S. Van Ness Avenue, Los Angeles, CA 90062 (Business Premises). On April 5, 2025, Appellant timely appealed the CRC's denial.

This report responds to the allegations made by Appellant in their appeal brief. This report also includes the complete administrative file of the matter, which has been Bates-stamped DCR00001-DCR00925.

Sincerely,

Michelle Garakian  
Executive Director Department of Cannabis Regulation

## I. Recommended Actions:

1. Deny the Appeal; and,
2. Sustain the Denial by the Cannabis Regulation Commission

## II. Issues Presented

A. Whether the CRC may deny the Appellant's Annual License Application for L&E Retail, LLC based on the oral and written evidence from residents from the building, the surrounding neighborhood, the City Council Office, and the Los Angeles Police Department (LAPD) officer presented at the CRC hearings on December 5, 2024, and February 20, 2025?

B. Whether there is sufficient evidence to demonstrate that Appellant made a material misrepresentation and knowingly failed to disclose a material fact to the CRC by failing to disclose ownership of a related non-storefront retail delivery license located at an adjacent address?

C. Whether there is sufficient evidence to demonstrate that Appellant violated the Department of Cannabis Regulation's Rules and Regulations by failing to address odor, graffiti, trash, noise and security complaints from residents in the apartments above the commercial premises?<sup>1</sup>

## III. Procedural Background

The CRC is responsible for determining whether to issue Annual Licenses for Storefront Retailer Commercial Cannabis Activity, among other activities.

Pursuant to LAMC section 104.06, the DCR transmits a recommendation to the CRC in support of an issuance of an Annual License for each eligible Application for Type 10 Storefront Retailer Commercial Cannabis Activity.<sup>2</sup> Prior to transmitting a recommendation to the CRC, DCR must provide notice to the owners and occupants of all property within 700 feet of the property line of the Business Premises and hold a community meeting to solicit input from the public concerning each proposed Storefront Retailer business.<sup>3</sup> In the instant case, the CRC considered the recommendation by DCR to approve L&E Retail LLC's Application for a Type 10 Storefront Retailer License on two occasions: the first on December 5, 2024, and the second on February 20, 2025. The CRC considered the written and oral testimony presented to it at each meeting, the written submissions timely submitted before each meeting, and oral and written

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<sup>1</sup> A preponderance of the evidence is the evidentiary standard applied to civil proceedings. A preponderance of the evidence has been described as "evidence on one side outweighs, preponderates over, is more than, the evidence on the other side, not necessarily in number of witnesses or quantity, but in its effect on those to whom it is addressed." *People v. Miller*, 171 Cal. 649, 652 (1916).

<sup>2</sup> Los Angeles Los Angeles Municipal Code, Chapter X, Article 4, Section 104.06(b).

<sup>3</sup> LAMC § 104.06(b)(1)(ii).

testimony summarized by DCR from a community meeting. After lengthy deliberations, the CRC ultimately denied the Annual License on February 20, 2025.

#### IV. Factual Background

On October 10, 2023, Appellant submitted an application to DCR for a license to conduct Storefront Retail Commercial Cannabis Activity.<sup>4</sup> The application proposed a Storefront Retail Commercial Cannabis business at the Business Premises of 4369 S. Van Ness Avenue, Los Angeles, CA 90062. The proposed location is a mixed use building with commercial units on the ground floor and residential units on the second floor. The application listed owners Leonid Okhman and Diane Popok.

On or about October 17, 2024, DCR provided notice of the community meeting and CRC meeting by mail to the owners and occupants of all property within 700 feet of the property line of the Business Premises. Notice was also provided to the nearest Neighborhood Council, Business Improvement District, and Council Office. Community meetings were virtually held on November 14 and November 18, 2024. During the community meetings, 38 members of the public submitted comments against the Application. According to DCR's written report to the CRC, "Commenters expressed the beliefs that allowing this business to operate poses significant safety risks, will negatively impact the community's positive trajectory, and could harm property values. Residents voiced numerous concerns about odor, lack of cleanliness, crime, neighborhood quality of life, property upkeep, and the owner's lack of familiarity with the neighborhood and a lack of proactive responsibility with respect to mitigating crime. Finally, several speakers were offended due to the business owner's alleged comment that the neighborhood does not deserve the same level of concern/care as Beverly Hills."<sup>5</sup>

##### A. December 5, 2024 CRC Hearing

Appellant was first scheduled for CRC consideration on December 5, 2024. At the meeting, DCR recommended approval of the license in an oral and written report to the CRC.<sup>6</sup> During public comment, seven members of the public provided comments, expressing disapproval of the Application. Their complaints focused on the consistent odor coming from the Business Premises and the disrespectful interactions neighbors had with Appellant. For example, Daniel Odomyan stated in his public comment that in a meeting with Appellant's owners, there was a refusal to address issues with "existing cannabis odor" and comments "stigma[tizing] the area of South Los Angeles."<sup>7</sup> Harry Frishberg spoke on behalf of a tenant living above the Business Premises who has a child with asthma and other health concerns that had not been addressed by the Appellant.<sup>8</sup> The Gramercy Block Club, a neighborhood group associated with the Vermont Square area, also submitted a letter in opposition claiming it represented the views of over 150 residents. The letter reiterated concerns from tenants living

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<sup>4</sup> DCR00001.

<sup>5</sup> DCR00373- DCR00374.

<sup>6</sup> DCR00377.

<sup>7</sup> DCR00050-DCR00051.

<sup>8</sup> DCR00053.

inside the building of the proposed location about the strong odor of marijuana, lack of ventilation, adverse health effects on a child resident, as well as disrespectful conversations with the Appellant.<sup>9</sup> Finally, Fernando Montes Rodriguez, a representative from Council District 8, requested that the item be continued to verify residents' complaints and conduct an investigation to determine whether the business was in compliance with the requirements of LAMC section 104.<sup>10</sup>

During the CRC hearing on December 5, 2024, the attorney for Appellant, Mr. Narek Balagozyan, and Appellant's owner, Mr. Eugene Popok, provided testimony. Both spoke in defense of Appellant highlighting its commitment to the community and plans for upgrading the Business Premises after the issuance of a license. In response to public comment complaints about odor, they repeatedly stated no odor should be present given that the business was non-operational. Specifically, Attorney Balagozyan stated "that there shouldn't be any smell, I don't know where the smell is coming from, and if there is a smell it's not from us."<sup>11</sup> One Commissioner posed the following to the Appellant: "I have never seen that many folks [give] negative comments while at the same time I know that you are not open. But there is something I feel that is missing here."<sup>12</sup> Mr. Balagozyan replied that he represents many cannabis businesses and that he had never seen the "backlash at a non-operational business before. And I think to answer your question I'm a little bit confused as to why that is."<sup>13</sup> Attorney Balagozyan further stated that he believed it to be the result of a "clash of personalities" but that "whatever the misunderstanding is we can clear that out and make sure everything is above board."<sup>14</sup> Attorney Mr. Balagozyan also went on to state that the "operator is being grilled about cannabis smell and drug use and all of that, meaning like that's unsafe around your buildings. Like, well, I'm not open. I don't know who's doing that."<sup>15</sup> Finally, another Commissioner asked how long the Appellant had control of the Business Premises, to which Mr. Balagozyan replied five years.<sup>16</sup>

The CRC ultimately voted to continue the application to a CRC meeting on February 20, 2025, so that DCR could perform a compliance inspection, the parties could address whether LAPD had been called to the Business Premises, and to allow Appellant and the community further time to meet.

#### B. February 20, 2025 CRC Hearing

On February 20, 2025, the CRC heard the continued application. Once again, DCR recommended the issuance of an Annual License to Appellant in an oral and written report to the CRC. During the meeting, 18 members of the public spoke against Appellant citing concerns

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<sup>9</sup> DCR00370.

<sup>10</sup> DCR00173-DCR00176.

<sup>11</sup> DCR00197.

<sup>12</sup> DCR00219-DCR00220.

<sup>13</sup> DCR00220.

<sup>14</sup> DCR00220-DCR00221.

<sup>15</sup> DCR00221.

<sup>16</sup> DCR00223.

over odor, noise, unlicensed operations, and public consumption. Members of the Gramercy Block Club and the Empowerment Congress Central Area Neighborhood Council (“ECCA”) submitted letters in opposition. During public comment, Gabriel Diaz stated that “beginning in 2022 neighbors started noticing lots of noisy cars, loud late night parties, and an overwhelming smell of marijuana.”<sup>17</sup> Larry Hughes stated that “neighbors and witnesses told us that delivery drivers and sometimes customers all use cannabis both inside and outside the storefronts while loudly partying and frequently engaging with sex workers.”<sup>18</sup> Lisa (no last name provided) stated that while Appellant had previously referenced a conversation with her mother, a resident of the building, as proof of a connection to the community, the residents of the building “do not trust them. . . . we have complained about the noises, the smoke and the parties for years now.”<sup>19</sup> Henry Garcia spoke on behalf of anonymous residents in the building who feared retaliation from the business owners, “One resident who requested to remain anonymous submitted this statement to the DCR complaint portal. I live in the building that they are planning to open the dispensary in. I have witnessed them firsthand since they moved back in 2022, the operators have been aggressive and rude to tenants of the building and shady in their business dealings. I have personally witnessed trucks pulling up to the store with uncovered marijuana.”<sup>20</sup>

ECCA opposed the application in a presentation to the CRC.<sup>21</sup> The presentation opened with photos of the Business Premises, showing trash on the sidewalk in front of the Business Premises, graffiti on the building, and an exterior door shared with the adjoining property at 4367 South Van Ness Avenue. ECCA claimed Appellant controlled the Business Premises and 4367 South Van Ness Avenue, where Appellant also operated a delivery cannabis business for several years under the name LEO Group LLC. To that end, ECCA shared photos of alleged online reviews for the delivery business. ECCA also shared photos of alleged online and print ads showing Appellant being recently listed as for sale as a turn-key, operational, and revenue-generating business in order to contradict earlier claims by Appellant at the CRC meeting on December 5, 2024, that its business was non-operational.<sup>22</sup> ECCA alleged that this information provided proof of an illicit operation.

LAPD Senior Lead Officer Paul Elveth, of the Southwest Community Police Station, and James Ingram, area representative from Council District 8 (CD8), gave a joint presentation to the CRC to oppose the Application. Officer Elveth spoke about recent crime activity at or near the Business Premises and community complaints about Appellant (e.g., graffiti, lack of parking, noise, and cannabis odor). Officer Elveth also stated that he believed a cannabis business was already operating at 4371 South Van Ness Avenue or the Business Premises based on his personal observations from about a year ago when he was invited to view inventory by Appellant. Questions from the Commission focused on understanding Officer Elveth’s statements regarding crime in the area and his experience viewing the delivery operation.

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<sup>17</sup> DCR00503-DCR00504.

<sup>18</sup> DCR00512-DCR00513.

<sup>19</sup> DCR00516.

<sup>20</sup> DCR00519-DCR00520.

<sup>21</sup> DCR00810.

<sup>22</sup> DCR00816.

Appellant gave a presentation to the CRC through Attorney Balagozyan and a two-page handout<sup>23</sup> that detailed Appellant's efforts to address public safety concerns and perform community outreach. Attorney Balagozyan opened by referencing the ECCA presentation and stating:

"There is an entity named LEO Group LLC which had a delivery license at 4367 Van Ness. The two units are next to each other. . . . they've received their license, all above board, they were operating there. No community complaints. . . . Keep in mind the important thing is to distinguish between these two properties. There was LEO Group LLC that was fully licensed and operational at 4367 Van Ness and then this Application for 4369 Van Ness."<sup>24</sup>

Attorney Balagozyan then clarified how the activities alleged by the community related to the licensed delivery operation. He reiterated that he wanted "the Commission to understand that these are separate businesses."<sup>25</sup>

A Commissioner questioned Attorney Balagozyan, "Are you in any way affiliated with Leo Group?" Attorney Balagozyan finally admitted that Appellant and Leo Group LLC share the same Social Equity Individual Applicant and, moreover, he legally represented both businesses.<sup>26</sup> After confirming with DCR that the delivery business was a licensed business, the Commission President sought to further clarify the relationship between Appellant and Leo Group, LLC. She asked, "I want to be sure I understood that one of the current partners of L&E was also involved in Leo," to which the Appellant replied "Same social equity applicant."<sup>27</sup>

The Commissioners deliberated for thirty minutes. One Commissioner began by stating that while there were public safety concerns, there was insufficient evidence to deny under LAMC section 104.04(a)(5). Another Commissioner then stated that while they may not meet the public safety standard, the number and range of people complaining, as well as the photographic evidence of trash, graffiti and odor has to "matter."<sup>28</sup> The Commission President then went on to describe "questions of transparency" and having to "dig" over the course of two Commission hearings to determine that Appellant also held a separate delivery license on the premises for five years, yet did not know of the community's complaints. She concluded by saying Appellant had an opportunity to be forthcoming in answering those questions but chose not to do so.<sup>29</sup> After consulting the City Attorney, the Commission voted to deny the Application on a four-to-one vote for the following reasons:

- Applicant made a material misrepresentation, false statement, or knowingly failed to disclose a material fact to the CRC by not disclosing its relation to a prior

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<sup>23</sup> DCR00822-DCR00823.

<sup>24</sup> DCR00674.

<sup>25</sup> DCR00680-DCR00681.

<sup>26</sup> DCR00686.

<sup>27</sup> DCR00687.

<sup>28</sup> DCR00713-DCR00714.

<sup>29</sup> DCR00722-DCR00723

cannabis delivery business, LEO Group LLC, at 4367 South Van Ness Avenue (LAMC § 104.04(a)(3)); and

- Applicant failed to adhere to the requirements of Article 4 of Chapter X of the Los Angeles Municipal Code or DCR's Rules and Regulations concerning odor, trash, and graffiti. (LAMC § 104.04(a)(6)).<sup>30</sup>

## V. Legal Standard

LAMC section 104.10(d)(1) provides that “[a] request for an appeal to the City Council may be filed by the Appellant for the Commission’s denial of an Annual License application for Storefront Retailer or Microbusiness Commercial Cannabis Activity with on-site sales pursuant to Section 104.06(b)(2)(v).” An appeal must be filed within 15 days of the date of the Commission’s decision.<sup>31</sup> Any active Temporary Approval belonging to an Appellant shall be terminated once a final decision is made after the exhaustion of all administrative appeals.<sup>32</sup>

The general procedure for an administrative appeal is set forth in LAMC section 104.10. The appellant must identify the specific basis upon which an error or abuse of discretion occurred.<sup>33</sup> In addition:

The appellate body [City Council] may consider the decision and record before the lower level decision maker [CRC] and any new written information and oral testimony timely provided to the appellate body. The appellate body shall rule on the record and evidence de novo, substituting its own judgment for that of the lower level decision maker without deferring to the lower level decision maker’s findings and determinations. The appellate body may reverse or modify, in whole or in part, any decision of the lower level decision maker, including any penalties or fines assessed by the lower level decision maker. The appellate body shall make written findings supported by evidence in the record.<sup>34</sup>

Finally, while the appellate body shall mail a decision on the appeal within 30 days of the close of hearings, the failure to do so shall constitute a denial of the appeal by operation of law.<sup>35</sup>

## VI. Appeal Points and Staff Responses

A. City Council should uphold the CRC’s decision because it was properly based on evidence on the record.

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<sup>30</sup> DCR00740.

<sup>31</sup> LAMC § 104.06(b)(2)(v).

<sup>32</sup> *Id.*

<sup>33</sup> LAMC § 104.10(a)(2).

<sup>34</sup> LAMC § 104.10(a)(4).

<sup>35</sup> LAMC § 104.10(a)(5).

## 1. Misrepresentation

Under Los Angeles Municipal Code Section 104.04(a)(2), a license for commercial cannabis activity may be denied if “[t]he Applicant or Licensee procured the License by fraud or deceit, made a material misrepresentation, false statement, or knowingly failed to disclose a material fact.” Appellant made both a material misrepresentation to the Commission by attributing cannabis odor, unsafe parking, noise and other quality of life issues to an unknown and unrelated entity. Appellant further failed to disclose a material fact by repeatedly avoiding opportunities to mention the related cannabis delivery business located directly adjacent to the proposed business premises. Appellant controlled that delivery property for 5 years, as was established in the December 5, 2025, meeting through questioning by one Commissioner. It is disingenuous to have control over a property, subsequently operate a cannabis delivery activity and then deny having any knowledge as to why odor, traffic or other elements may be present. In fact, despite being asked directly by a Commissioner as to why there was a discrepancy between allegations by the community and Appellant’s operational status, Appellant claimed not to know. However, the Appellant did in fact know that these entities were related because they had the same Social Equity Individual Applicant, the same attorney, and were owned by family members, Mr. Eugene Popok and Ms. Diana Popok.<sup>36</sup> However, Appellant only revealed that the entities shared a Social Equity Individual Applicant when pressed by the Commissioners at the *second* Commission hearing. Mr. Eugene Popok repeatedly denied knowing why there could possibly be smell, cannabis use, or issues with parking.

Appellant did not have a duty to disclose the relationship between the Appellant and the delivery business when submitting an Application for an Annual License. However, the testimony provided and line of questioning directed at the Appellant very clearly required an answer and created a material question of fact as to why the aforementioned elements were present. The fact is material because whether or not the Appellant violated the LAMC or DCR’s Rules and Regulations forms the basis for a denial under the LAMC. Actively concealing the relationship between the entities, the relationship between the owners, and denying knowledge of cannabis activity licensed to those same owners constitutes both a misrepresentation and failure to disclose a material fact. Therefore, the Commission correctly denied Appellant’s application for violating LAMC section 104.04(a)(2).

## 2. Failure to adhere to DCR’s Rules and Regulations

The CRC correctly determined that Appellant did not follow DCR’s Rules and Regulations while maintaining control of the proposed retail business premises and conducting the delivery operation. Under Regulation 2(A), “Applicants shall follow the requirements of these Rules and Regulations, all relevant LAMC provisions, and all applicable County of Los Angeles and State of California rules when applying for a License.”<sup>37</sup> For a Type 10 Storefront Retail commercial cannabis activity, Regulation No. 5 governs the “responsible management of the

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<sup>36</sup> DCR00001.

<sup>37</sup> DCR Rules and Regulations Regulation No. 2 Subsection A.



Business Premises” which includes tasks such as graffiti removal, debris and trash pickup.<sup>38</sup> Retail locations are also expected to maintain a proper ventilation system that removes odor from the exterior of the business premises and specifically “direct exhaust away from residential areas.”<sup>39</sup> Finally, when operating a delivery business, the conduct of delivery activity “shall not adversely affect or detract from the quality of life for nearby residents, property owners, and businesses.”<sup>40</sup>

The testimony of the residents who live in the building above the proposed premises and the neighbors of the surrounding area clearly indicate that there was overwhelming odor, noise, trash and graffiti on or around the building. Residents spoke about noise, parking and people consuming cannabis at the proposed location. LAPD Officer Elveth also provided testimony to the same effect, noting complaints about odor, unsafe parking practices in the alley, trash and graffiti. The ECCA presentation provided photographic evidence of the trash and graffiti in front of the proposed location. Appellant asserts that an inspection should have taken place to confirm the existence of these conditions. However, that is not necessary. Taken together, this eyewitness testimony demonstrates the Appellant did not appropriately maintain the premises as required by DCR’s Rules and Regulations.

### 3. Safety

Appellant asserts that the CRC improperly denied Appellant’s Application based on public safety concern. The Commission discussed denial on the basis of public safety but came to the conclusion that the evidence presented did not sufficiently meet the higher threshold requirements under LAMC section 104.04(a)(5). This section stipulates that a license may be denied if the “[i]ssuance of a License would create a significant public safety problem as documented by a law enforcement agency.”<sup>41</sup> The Commission correctly determined that they lacked documentation by a law enforcement agency regarding this specific location and application. Therefore despite Appellant’s assertions, the Commission appropriately disregarded this reason for denial.

#### B. The CRC Did Not Abuse Its Discretion.

The CRC properly used its authority as an independent decisionmaking body to deny Appellant’s Application. The CRC is granted specific and separate authority to implement the “laws and regulations adopted by City Council” and “hold[ing] hearings related to issuing licenses.”<sup>42</sup> The grounds to deny an Annual License are articulated in the LAMC, a law “adopted by City Council.”<sup>43</sup> Furthermore, its duties with respect to granting or denying an Annual License are clearly articulated: “The Commission shall consider the decision by DCR to recommend approval of the Application, the written summary of the community meeting prepared by DCR,

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<sup>38</sup> DCR Rules and Regulations Regulation No. 5 Subsection A(2)(v) and (vi).

<sup>39</sup> DCR Rules and Regulations Regulation No. 5 Subsection A(5)(i).

<sup>40</sup> DCR Rules and Regulations Regulation No. 5(D)(15)(v).

<sup>41</sup> LAMC § 104.04(a)(5).

<sup>42</sup> Los Angeles Charter and Administrative Code, Division 22, Chapter 31, Article 1, Section 22.1120.

<sup>43</sup> LACCAC § 22.1120.

the record before DCR, and any written information and oral testimony timely provided to the Commission.”<sup>44</sup> Therefore, the CRC may make its own findings based on the record presented and any additional information provided at the CRC hearings. It is not simply beholden to the recommendation of DCR in deciding whether or not to grant an annual license.

CRC heard oral testimony from 18 individuals during public comment and read letters from the Gramercy Block Club, local churches, and ECCA representing more than 200 local residents. They also heard presentations from Council District 8 representatives, and an LAPD Officer assigned to the area with specific knowledge of the business and its premises. Receiving and evaluating this testimony, in addition to the report provided by DCR, is proceeding “in the manner required by law.” Furthermore, the CRC’s decision was supported by the weight of the evidence based on the sheer number of individuals with knowledge of the Business Premises and the history of the Appellant’s delivery business there.

### 1. Misrepresentation

Statements provided by 18 community members during the CRC’s public comment periods, and confirmed by Officer Elveth, demonstrates the existence of a delivery business at the same location, notwithstanding Appellant’s denial or omission that this delivery business belonged to it. The CRC properly weighed this evidence against Appellant’s own statements. Appellant’s consistent refusal to acknowledge the related delivery business was appropriately overcome by the number of eyewitnesses, photographic evidence, and confirmation by DCR. Therefore, the Commission could reasonably conclude that Appellant had willingly withheld that information despite evidence to the contrary.

### 2. Failure to adhere to DCR’s Rules and Regulations

Once again, oral testimony provided by 18 individuals in addition to photographic evidence submitted by ECCA made clear that Appellant did not comply with DCR’s Rules and Regulations. Residents living directly above the Business Premises and former delivery location of LEO Group consistently complained about the overwhelming cannabis odor, graffiti, trash adjacent to the premises and the behavior of the delivery customers and employees. ECCA provided photographic evidence to that effect in their presentation in the form of a photo dated February 7, 2025 showing piles of trash on the sidewalk.<sup>45</sup> Appellant claims that the photographic evidence is insufficient to make a determination as to their compliance with the Rules and Regulations, yet supplied their own undated photographs show a clean and graffiti-free premises.<sup>46</sup> Their criticisms of ECCA’s evidence should apply equally to their submission. The photographs alone do not form a sufficient basis for the finding. However, the CRC did not merely rely on this single photograph. Instead, they combined it with eyewitness testimony from residents who spend every day above the location. The weight of this evidence clearly

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<sup>44</sup> LAMC § 104.06(b)(2)(iv).

<sup>45</sup> DCR00810.

<sup>46</sup> DCR00871.

establishes the likelihood of Appellants' failure to maintain their business premises in accordance with DCR's Rules and Regulations.

#### VI. Conclusion and Recommended Findings

The CRC properly denied L&E Retail, LLC's Application for an Annual License to conduct Type 10 Storefront Retail Commercial Cannabis Activity. The CRC held two hearings in which it heard wide ranging testimony of the Appellant's previous delivery business at the same proposed Business Premises location and their conduct at the building over the five years it had occupied the premises. Witnesses all described the same complaints: overwhelming odor, the buildup of trash in front of the location, graffiti on the building, unsafe parking and noise. These consistent complaints occurring over many years clearly indicate that Appellant failed to abide by DCR's Rules and Regulations.

Furthermore, Appellant had ample opportunity to disclose its relationship to the delivery business, yet repeatedly denied knowing why cannabis odor existed, or why activity was occurring at the location. They further failed to disclose that the delivery business operated in the same building and was under the same ownership as Appellant. Instead, Appellant pointed at some unknown separate entity to explain residents' complaints. The failure to disclose this activity constituted a material misrepresentation and failure to disclose a material fact.

Accordingly, the CRC properly denied their Application for an Annual License. Council should dismiss this Appeal and affirm the CRC's decision with the following findings:

- The CRC appropriately weighed oral and written evidence from residents from the building, surrounding neighborhood groups, representatives from Council District 8, and LAPD in making their decision to deny Appellant's Application for an Annual License.
- Based on the evidence presented at two Commission hearings, the CRC properly denied the Appellant's Application under LAMC section 104.04(a)(2) for misrepresentations to the CRC and/or knowingly failing to disclose a material fact.
- Based on the evidence presented at two Commission hearings, the CRC properly denied the Appellant's Application under LAMC section 104.04(a)(6) for failure to abide by the requirements of the LAMC and DCR's Rules and Regulations.