20NWCV00592

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9	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
10	COUNTY OF	F LOS ANGELES
11	JOSE MENDOZA, an individual;	Case No.:
12	LA LABS, Inc., a corporation;	COMPLAINT
13	Plaintiffs,	1. Civil Conspiracy
14	V.	<ol> <li>Civil RICO</li> <li>Attempted Civil Extortion</li> </ol>
15	CITY OF MAYWOOD; EDDIE DE LA RIVA, an individual;	4. Fraudulent Misrepresentation
16	REYNA MENDEZ, an individual; and CARMEN PEREZ, an individual.	<ol> <li>5. Intentional Misrepresentation</li> <li>6. Breach of Covenant of Good Faith</li> </ol>
17	Defendants.	and Fair Dealing 7. Equitable Estoppel
18		8. Defamation, Slander Per Se
19		9. False, Misleading Statements 10. Intentional Interference with
20		<b>Prospective Economic Relations</b>
21		11. Negligent Interference with Prospective Economic Relations
22		12. Intentional Interference with Contractual Relations
23		13. Intentional Infliction of Emotional
24		Distress 14. Negligent Infliction of Emotional
25		Distress 15. Negligence
26		15. 19030100
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28		JURY TRIAL DEMANDED

Plaintiffs, Jose Mendoza and LA Labs, Inc. ("Plaintiff(s)"), by and through their attorneys of record, bring this Complaint against the above-named Defendants, and in support alleges as follows:

## PARTIES

1. Plaintiffs are an individual and a corporation and are now, and at all times mentioned in this complaint were, residents/corporation located within Los Angeles County, California.

2. Defendant, CITY OF MAYWOOD (hereinafter "Maywood") is an incorporated city organized and existing under the laws of the State of California, located within Los Angeles County, California.

3. Defendant, EDDIE DE LA RIVA (hereinafter "De La Riva") the current mayor of the city of Maywood existing under the laws of the State of California, located within Los Angeles County, California.

4. Plaintiffs are unaware of the true names or capacities, whether they are individuals or business entities, of Defendant DOES 1 through 189, and therefore sues them by such fictitious names and will seek leave of this Court to insert true names and capacities once they have been ascertained.

5. At all times mentioned herein, Defendants, and each of them, inclusive of DOES 1 through 189, were authorized and empowered by each other to act, and did so act, as agents of each other, and all of the things herein alleged to have been done by them were done in the capacity of such agency. Upon information and belief, all Defendants are responsible in some manner for the events described herein and are liable to Plaintiffs for the damages they have incurred.

6. Plaintiffs are informed and believe, and on the basis of that information and belief allege that each of the defendants sued herein are the agents, servants, employees, licensees, guarantees, invitees, or assignees of each other, and in doing the things herein alleged acted within the course and scope of such agency, employment guaranty, assignment, license, invitation and/or relationship and with the full knowledge and consent of the other. At all relevant times mentioned herein, defendants aided and abetted the acts and omissions of the other defendants in proximately causing the damages alleged herein.

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#### JURISDICTION AND VENUE

7. Jurisdiction and venue are proper in this Court pursuant to Section 410.10 of the Code of Civil Procedure and Section 395(a) of the Code of Civil Procedure because all of the claims alleged herein arose in Los Angeles County.

8. The amount in controversy in this matter exceeds the sum of \$25,000, exclusive of interest and costs.

## **FACTUAL ALLEGATIONS**

9. On or around September 3, 2018 Plaintiff, Jose Mendoza (hereinafter "Mendoza") visited the Maywood city hall to speak with the Building and Planning Department to determine the zoning on 4000 East Slauson Avenue property (hereinafter "property") for the proposed use of a Cannabis Testing Laboratory for his business LA Labs, Inc.

10. The Cannabis Testing Laboratory, LA Labs, Inc., only would consist of a testing laboratory and was not intended, nor would provide retail for customers.

11. The Maywood code officer, Arturo Ramirez, indicated the property did qualify for the proposed use.

12. On or around September 10, 2018, Mendoza again spoke to Arturo Ramirez and confirmed the property would qualify for the proposed use. Mendoza additionally spoke to the City of Maywood Building and Planning Director, David Mango, who confirmed the same.

13. Since the City application process requires an applicant to have a location prior to submitting the application, Mendoza signed the lease for 4000 East Slauson Avenue property on September 21, 2018 whereby Mendoza paid \$34,155.50 for a five-year lease. Mendoza then began compiling the information for the application. Mendoza is currently still paying the lease as of this writing.

14.In early January 2019 Mendoza began attending city council meetings to understandMaywood's process and become acquainted with the Maywood officials and the other staff.

15. Between January 2019 and March 6, 2019 Mendoza met Mayor, Eddie De La Riva
(hereinafter "De La Riva") and Mayor Pro Tem, Ricardo Lara (hereinafter "Lara"). Mendoza, De La
Riva and Lara agreed to meet in person on a future date to discuss the project and business plan.

16. On March 6, 2019 Mendoza had a lunch meeting with De La Riva. At that meeting De La Riva stated the testing laboratory project, LA Labs, Inc., was great for the community and encouraged Mendoza to continue the application process for his business proposal.

17. On or about March 16, 2019 Mendoza met council member Heber Marques (hereinafter "Marques") at a family party. Mendoza discussed his business plans with Marques who demonstrated excitement in a testing laboratory but cautioned Mendoza that if Marques knew about the project, Marques would not be able to participate in the council meeting due to conflicts. Marques indicated he would demonstrate ignorance concerning the plans so he would not be precluded from participation. Marques stated he would support Mendoza's plans.

18. On or around April 2, 2019 Mendoza submitted an application to obtain the Cannabis Testing Laboratory License for the 4000 East Slauson Avenue location. Mendoza paid the fees associated with phases one and two of the licensure process. (*see Exhibit "1"*).

19. On or around April 3, 2019 Mendoza received a zoning verification from the Director of Building and Planning, David Mango, stating Mendoza's plan and proposed purpose for the 4000 East Slauson Avenue property was eligible for a Commercial Cannabis License according to the applicable City of Maywood Ordinance 18-12. (*see Exhibit "2"*).

20. On or around May 14, 2019 upon the City of Maywood's request Mendoza applied for a seller's permit. The California Department of Tax and Fees and Administration replied a seller's permit is not required for a cannabis testing laboratory which does not provide retail. (*see Exhibit "3"*).

21. On June 18, 2019 Mendoza received an email from David Mango stating Mendoza's application received a passing score and his plans would be moving forward to phase 3 which was an interview with the city officials.

22. In June or July 2019 Mendoza met Carmen Perez (hereinafter "Perez") and Veronica Guardado (hereinafter "Guardado"). Perez told Mendoza she was chair for the planning commission. Since Mendoza had heard rumors the city was becoming less friendly to marijuana dispensaries he inquired to her understanding. Perez assured Mendoza the city's concern was with the number of cannabis dispensaries, not the testing laboratories. Perez told Mendoza not to worry and to follow the process.

23. On August 7, 2019 Mendoza attended an interview with the city manager, the building and planning director, and DHL, a company hired by Maywood to ensure Mendoza's plans were in compliance.

24. On August 19, 2019 Mendoza received the phase 2 and phase 3 interview committee composite score. The minimum score to pass is eighty percent. Mendoza received a score of eighty-eight percent. City staff members remarked Mendoza's cannabis business plan score was one of the highest scores ever received. (*see Exhibit "4"*).

25. On August 20, 2019 Mendoza was scheduled to meet with the planning commission. The city cancelled the meeting and rescheduled it for September 3, 2019 at 7:00 p.m.

26. On September 3, 2019, at or about 7:00 p.m., vice chair of the planning commission, Reyna Mendez (hereinafter "Mendez"), came to the business, "Chavelitas," a party supply store adjacent to the proposed location for LA Labs, Inc., and spoke to the business owner, Blanca. Mendez told Blanca that Mendoza planned to operate a dispensary, grow marijuana, and be open to the public whereby dispensary customers would overwhelm the available parking. Everything that Mendez stated to Blanca was untrue and since Mendez had known the specifics about LA Labs, Inc. at that time, Mendez knew her own statements to Blanca were false.

27. Blanca described to Mendoza that Mendez tried to get her to attend the planning commission meeting at 7:00 p.m. that evening and vote in the negative to Mendoza's proposed plans.Blanca declined to go stating she planned to attend church instead.

28. On September 3, 2019 at 7:00 p.m. the city staff recommended the planning commission to adopt and allow the cannabis facility to conduct business from the proposed property location since the plans were in compliance with ordinance 18-12. The Maywood staff additionally agreed to all twenty conditions. Reyna Mendez indicated she had spoken to the neighboring businesses and they did not approve of LA Labs, Inc. The Planning Commission decided to continue the hearing to September 17, 2019 so they could obtain more information. The commission specified four requests they would like Mendoza to address on that future date. Those four items were: 1) a business plan; 2) explanation of the chemicals used in the testing laboratory and filtration of the water; 3) photographs of the equipment and documentation of similar laboratories; and 4) mock-ups of sample sizes received for testing.

29. On September 3, 2019 at approximately 9:00 p.m. and while Mendoza was still in the Planning Commission meeting, he received a text message from De La Riva. The text message advised Mendoza to mention what the lab had in place to mitigate odor from cannabis.

30. In an effort to make neighboring businesses aware of Mendoza's anticipated venture, between September 5th and September 12, 2019, Mendoza visited neighboring businesses to hand out educational pamphlets and address any questions the business owners had. Mendoza gathered signatures of the owners who gave their approval to the LA Labs, Inc. (see Exhibit "5").

31. Between September 8th and September 15, 2019 Mendoza was cleaning the front yard at his mother-in-law's home. Mendoza had been living at this location at the time. While in the front yard, to Mendoza's astonishment, a Latino man between twenty-nine and thirty-four years old, wearing a white t-shirt, black hat and pants, and white shoes approached Mendoza and stated, "We need three hundred and fifty thousand dollars to move your project forward." The man indicated by pointing toward a black Honda Accord without plates across the street. The tinted window of the car rolled down and Mendoza recognized the face of Mayor Eddie De La Riva. Mendoza waived at Mayor De La Riva, but De La Riva did not waive back. At that moment, Mendoza knew the request for money serious and he had just been given a demand for money.

32. After this occurrence Mendoza became confused, worried and stressed at the situation. Due to Mendoza's interaction with De La Riva and his unidentified messenger, Mendoza felt that his project would not go forward if he did not provide De La Riva with the money which had been demanded of him.

33 On September 10, 2019 the attorney for LA Labs, Inc. contacted De La Riva concerning the Planning Commission's demonstrated general lack of knowledge in the business. The attorney inquired about the factors for which the final decision would be based. Additionally, the future September 25, 2019 city council meeting was set to address a proposed ordinance which could affect LA Labs, Inc. Mendoza's attorney requested Mendoza be added to the agenda.

34. On September 11, 2019 the Maywood city attorney, Roxanne Diaz, sent an email granting the September 25, 2019 requested addition to the agenda. Diaz included a document for

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signature and Mendoza signed the document so his matter could be added to the agenda. (*see Exhibit* "6").

35. On September 16, 2019 Mayor De La Riva sent Mendoza a text message confronting Mendoza about obtaining signatures of the neighboring business owners. The text message conversation stated Mendoza had put De La Riva and Maywood in an uncomfortable position by obtaining those signatures from the business owners. (*see Exhibit "7"*).

36. On September 17, 2019 Director of Building and Planning, David Mango, provided an agenda report which requested the conditional use permit for the LA Labs, Inc. cannabis testing facility be approved. (*see Exhibit "8"*).

37. On September 17, 2019 sometime before 7:00 p.m. Mendez returned to the business "Chavelitas," the party supply store owned by Blanca. Mendez tried to convince Blanca to demonstrate non-support for LA Labs, Inc.; however, Blanca stated she supported the business. Blanca did not mention this encounter with Mendez to Mendoza until days after this incident.

38. On September 17, 2019 around 3:40 p.m. Mendoza received an email from Maywood city clerk, Guillermo Padilla. The email included the resolution of denial. (*see Exhibit "9"*). Mendoza was immediately concerned and confused because he was supposed to have the opportunity, but did not, to address the four items which were specifically requested when the Planning Commission decided to continue the previous meeting. Those four items included Mendoza's business plan, an explanation concerning the laboratory chemicals and filtration of water, photographs of the laboratory equipment and photographs of similar laboratories, and mock-ups of the sample sizes of cannabis the laboratory would receive for testing.

39. Although Mendoza had already received his denial via email earlier that same day, on September 17, 2019 Mendoza attended the meeting and presented the four items for which the commission had stated their concerns.

40. Mendoza had previously arranged for representatives of Shimadzu instrument manufacturing to address questions concerning the equipment which would be used in Mendoza's laboratory, and the equipment used in similar laboratories. The representatives of Shimadzu instrument manufacturing were present at the meeting.

41. The meeting concluded with Mendoza still receiving a denial. The reasons given for the denial were different than the four factors which the parties had discussed previously. The Maywood officials had asked Mendoza to be ready to address specific factors on this evening but had issued the denial prior to him addressing those factors. After presenting the information on the factors requested, the denial was still issued but for other factors. The denial stated Mendoza failed to show the facility would not be materially detrimental to the property of other persons in the vicinity; or a menace to public health, safety, or general welfare. These factors had not been mentioned any time previous to this meeting, and especially had not been scheduled to be addressed as were the four factors which Mendoza had prepared.

42. The Maywood commission gave the following reasons for the finding LA Labs, Inc. failed to demonstrate its presence was not materially detrimental to the property of other persons in the vicinity; or a menace to public health, safety, and general welfare: 1) due to the lack of parking, the site provided unsafe ingress and egres, noise and safety impacts to the vicinity; 2) since a carrier could not park, the cannabis sample would have to be carried on public streets which is unsafe to those living in the neighborhood; 3) the wrought-iron gate opening and closing created noise; and 4) the proposed uniform security personnel would raise awareness the subject site is utilized for cannabis activity.

43. Mendoza insisted there was support for his business and presented the signatures of the other business owners who were supporting him. For his effort, Mendoza was accused by the commission of intimidating the business owners to obtain the signatures.

44. The commission members additionally questioned the veracity of the signatures presented by Mendoza indicating they may not be signatures from the actual business owners.

45. Reyna Mendez put Mendoza's meeting on a Facebook Live stream and threatened Mendoza the mayor, De La Riva, was watching.

46. Mendez also stated she had gone to the business and received different statements from the owners. Carmen Perez also spoke to neighboring businesses and stated Mendoza had been aggressive with neighboring business owners.

47. Mendoza began to question if he had received a pre-planned denial for different reasons.

48. On September 17, 2019 right after the meeting, Mendoza sent a text message to De La Riva stating he had presented all the items and still got denied for other reasons. De La Riva responded Mendoza had put De La Riva and Maywood in an uncomfortable position by acquiring those signatures.

49. On September 25, 2019 Mendoza attended the city council meeting where council member Marquez stated he was not satisfied with the off-site parking condition. Mendoza found this odd because Mendoza's venture did not require parking—it was not meant to be a retail store; there would be no customers that required parking. The property had previously been retail, therefore there would be a decreased demand of parking from before. Mendoza's laboratory and parking for staff had been addressed with off-site parking and other conditions which had previously been addressed.

50. Marquez asserted LA Labs, Inc. would not follow the parking condition because it was a condition he would not follow if he were in the same position. Although LA Labs, Inc. had entered into an agreement with nearby business, "Chirss Burgers," for off-site parking, and David Mango asserted LA Labs, Inc.'s proposed use would not intensify the current or previous use, Marques still did not approve. Council member Lara likewise was eager to vote "no" and end discussion. Mayor De La Riva expressed no concerns but voted "no," on the LA Labs, Inc. plans.

51. Due to defendant's pre-textual denial, Mendoza has lost a considerable amount of money and time. Mendoza suffered extreme financial harm due to the illegal acts of the defendants. Not only did Mendoza suffered extreme financial harm due to the acts of the defendants, Mendoza's name was tarnished throughout the City of Maywood due to the false representation made by defendants about Mendoza, his character, and his business.

## FIRST CAUSE OF ACTION CIVIL CONSPIRACY (Against All Defendants)

Reyna Mendez and Carmen Perez: Intentional Interference with Economic Relations

52. Plaintiffs repeat, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

53. Plaintiff asserts he was harmed by Reyna Mendez and Carmen Perez's intentional interference with economic relations and Eddie De La Riva is responsible for the harm because he was part of a conspiracy to interfere with plaintiff's economic relations with neighboring businesses, customers and the community at large.

54. To recover damages from defendant for civil conspiracy, plaintiff must prove (1) defendant was aware Mendez and Perez planned to intentionally interfere with the economic relations; and (2) defendant agreed with Mendez and Perez and intended the interference with prospective economic relations be committed.

55. When two or more individuals agree to commit a wrongful act, all are civilly liable for the resulting damages regardless of whether they actually commit the tort themselves. (*Wyatt v. Union Mortgage Co.* (1979) 24 Cal.3d 773, 784 [157 Cal.Rptr. 392, 598].).

56. In the September 3, 2019 meeting Mendez stated she spoke to neighboring businesses to which the owners indicated concern about parking and safety. The same evening De La Riva sent a text message indicating plaintiff should state his plans to mitigate odor. Plaintiff took the suggestions in good faith and obtained informational pamphlets in English and Spanish languages and visited the neighboring businesses so plaintiff could explain the difference between a dispensary, which sells marijuana products to customers, and the laboratory which tests products, including cannabis, which is not open to the public and requires only small samples of a cannabis product to perform testing. Plaintiff believed all of the neighboring business' supposed concerns could be legitimately addressed with more information. (*see Exhibit "10"*).

57. At the time of the September 17, 2019 meeting Mendez and Perez had been visiting LA Labs, Inc. neighbors to convince the business owners the presence of LA Labs, Inc. would be a detriment to their own businesses.

58. At the same meeting when plaintiff showed he had signatures of the business owners showing support for LA Labs, Inc. Mendez and Perez accused plaintiff of intimidating business owners, they questioned the veracity of the signatures and made accusations of plaintiff's integrity after having visited at least one of the same businesses themselves the same day as plaintiff's scheduled meeting.

59. Although Mendoza's meeting was opened to the public, Mendez indicated she was recording the events on Facebook Live and particularly stated Mayor De La Riva was watching. This fact demonstrates Mendez knew De La Riva had particular interest in these events and also knew the threat that De La Riva was watching would be effective on plaintiff.

60. Mayor Eddie De La Riva sent a text message later in the evening that plaintiff put De La Riva and Maywood in an uncomfortable position by acquiring those business owner's signatures. The signatures De La Riva had referenced were of course the signatures of support by the other neighboring businesses.

61. The facts demonstrate circumstantial evidence that when De La Riva learned plaintiff had been talking to business owners to earn their support that De La Riva formed an agreement with Mendez and Perez to undermine that support by feeding false concern to the business owners and falsely accusing Mendoza of forging the signatures, or by gaining the signatures through false pretense or intimidation. "Conspiracies are typically proved by circumstantial evidence. Since such participation, cooperation or unity of action is difficult to prove by direct evidence, it can be inferred from the nature of the act done, the relation of the parties, the interests of the alleged conspirators, and other circumstances." (*Rickley v. Goodfriend* (2013) 212 Cal.App.4<sup>th</sup> 1136, 1166 [151 Cal.Rptr.3d 683].)

## Reyna Mendez and Unknown co-conspirator: Extortion

62. Plaintiffs repeat, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

63. Plaintiff asserts he was harmed by Mendez and an unknown co-conspirator through extortion and De La Riva is responsible for the harm because he was part of a conspiracy to extort Mendoza for personal monetary gain.

64. To recover damages from defendant for civil conspiracy, plaintiff must prove (1) defendant was aware Mendez and the unknown co-conspirator planned the extortion; and (2) defendant agreed with Mendez and the unknown individual and intended the extortion be committed. "The basis of a civil conspiracy is the formation of a group of two or more persons who have agreed to a common

plan or design to commit a tortious act." (*Kidron v. Movie Acquisition Corp.* (1995) 40 Cal.App.4th 1571, 1582 [47 Cal.Rptr.2d 752].).

65. In between the dates of September 8th and September 16, 2019 Mendoza was in his inlaw's front lawn doing yard work when an unknown individual approached him and asked for \$350,000 to move plaintiff's project forward. When the unknown male indicated toward the black Honda Accord which was parked across the street, Mayor Eddie De La Riva rolled down the Honda's tinted window. Mendoza could see De La Riva's face and plaintiff waived. De La Riva did not waive back. At this moment plaintiff knew this was a serious demand for money. He became nervous, stressed and confused about what he saw. The unknown male got back into the Honda and drove away with Mayor De La Riva still inside the vehicle.

66. The unknown male made an overt act toward communicating the demand for money and Mayor De La Riva acknowledged the demand with his adoptive admission of rolling down the tinted window so plaintiff could see De La Riva's face. A plaintiff must show each member of the conspiracy acted in concert and came to a mutual understanding to accomplish a common and unlawful plan, and that one or more them committed an over act to further it. (*Choate v. County of Orange* (2000) 86 Cal.App.4th 312, 333 [103 Cal.Rptr.2d 339].).

67. Defendant's unlawful purpose and their consciousness of the same is manifest: the unknown male quickly leaves by driving Mayor De La Riva away from the scene in which the monetary demand was made. Mendez adds to the threat by stating Mayor De La Riva was watching Mendoza's meeting which was also being streamed on Facebook Live.

68. As a direct and proximate result of defendant and his co-conspirator's actions and inactions, plaintiff has suffered extreme financial losses in the form of fees associated with licensing, application, and blueprints. Additionally, plaintiff has suffered the loss of fees associated with rent of the property for which he is still paying, profits, future profits, and costs. Plaintiff has also suffered emotional damages brought on by the threats and stress associated with the city official's actions.

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## Carmen Perez: Fraudulent Misrepresentation

69. Plaintiff repeats, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

70. Plaintiff asserts he was harmed by Perez through her false statements which she knew to be false concerning plaintiff's likelihood of succeeding through the application process and De La Riva is responsible for the harm because he was part of a conspiracy to fraudulently mislead Mendoza.

71. Plaintiff initially came into contact with Perez in June or July 2019. Perez, as Chair of the Planning Commission stated to plaintiff, he would not encounter problems with the application process for a laboratory. Perez continued to inform Mendoza the problems in Maywood arose with dispensaries and the other businesses which sell cannabis and marijuana to customers as retail. Perez indicated to plaintiff not to worry and to follow the process and he would achieve his approval for LA Labs, Inc.

72. The facts however show no matter how compliant Mendoza was with the process set forth by Perez and other Maywood officials, Mendoza would have never received the approval for which the process was suggested to earn. By continuing through the process which would never arrive at approval, Mendoza continued to incur substantial damages.

## Herber Marques: Fraudulent Misrepresentation

73. Plaintiff repeats, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

74. Plaintiff asserts he was harmed by Herber Marquez through his false statements which he knew to be false concerning plaintiff's likelihood of succeeding through the application process and De La Riva is responsible for the harm because he was part of a conspiracy to fraudulently mislead plaintiff.

75. Plaintiff met Marquez on March 16, 2019. Upon learning about plaintiff's business plans through their initial conversation, Marquez expressed excitement and showed he was impressed with the project. Marquez advised plaintiff to pursue the plans. In the same conversation Marquez stated his knowledge concerning this project would preclude him from participating in the council meetings. Marquez stated he would feign ignorance about the project so he could participate and support the LA Labs, Inc. project. 76. Later, on September 25, 2019 Marquez used the pretextual number of parking spaces issue to justify his denial of the LA Labs, Inc. project. While the property at 4000 Slauson had served as a retail location for the previous twenty-five years and plaintiff's proposed use would not intensify the current parking use, Marquez would not be satisfied. Additionally, plaintiff had a signed agreement with the nearby business, "Chirss Burgers" for off-site parking which would completely address the pretextual parking space issue, again Marquez would not be satisfied. Finally, Marquez stated plaintiff would not follow the conditions set forth by Maywood reasoning that Marquez himself would not follow the condition. While it seems reasonable to conclude Marquez would not follow a condition set forth by Maywood since he was unable to preclude himself from participation in the meetings surrounding this matter based on his own statement, using Marquez's own poor character to impute plaintiff demonstrates Marquez's knowledge plaintiff's plans would have never earned acceptance through the process he and others set forth.

## <u>Reyna Mendez and Carmen Perez: Defamation, Slander Per Se</u>

77. Plaintiff repeats, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

78. Plaintiff asserts he was harmed by Mendez and Perez's slander, per se, and De La Riva is responsible for the harm because he was part of a conspiracy to defame plaintiff's reputation and economic relations with neighboring businesses, customers, and the community at large.

79. Mayor De La Riva and the officials of Maywood never intended on approving plaintiff's business plans for the property located at 4000 East Slauson Avenue. To justify defendant's denial of plaintiff's application, De La Riva, Mendez and Perez set out to besmirch plaintiff's favorable reputation by telling other business owners' plaintiff had deceived them about the nature of his business. Mendez and Perez began falsely informing other business owners plaintiff's business plan was akin to a dispensary whereby customers could buy marijuana, and therefore the parking would become more scarce, the foot traffic would include those seeking marijuana products, and the location would emit odor due to the large quantities of marijuana being held and stored. They represented to Mendoza's

neighbors and fellow business owners that Mendoza had lied to them and is therefore of poor and untrustworthy character.

80. On September 16, 2019 De La Riva sent plaintiff a text message indicating he knew plaintiff had been collecting signatures in support of LA Labs, Inc. occupying the desired property location. (*see Exhibit "11"*).

81. On September 17, 2019 and at the planning commission meeting, Mendez and Perez confronted plaintiff concerning the signatures and made accusations plaintiff had acquired the signatures fraudulently, questioned the veracity of the signatures, and stated plaintiff had used bulling and intimidation tactics to falsely obtain the signatures.

82. On September 17, 2019 after the planning commission meeting had ended, De La Riva sent plaintiff a text message indicating that plaintiff had put he and the city in an uncomfortable position by acquiring those signatures.

83. As a proximate result thereof, plaintiffs sustained general and economic damages in an amount not ascertainable at this time, to be proven at trial.

WHEREFORE, plaintiffs pray for relief as set forth below.

### SECOND CAUSE OF ACTION

#### **CIVIL RICO**

#### (Against All Defendants)

84. Plaintiff repeats, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

85. The elements of a civil RICO cause of action are as follows: (1) conduct; (2) of an enterprise; (3) through a pattern; (4) of racketerring activity; (5) resulting in injury.

86. The conduct here is from individuals who have a substantial part in directing the affairs of Maywood. These individuals include the Mayor, Planning Commission members and City Council members. The conduct of these individuals, and through their staff members, satisfies the conduct which is related to the operation or management of Maywood.

87. The individuals named above, and their staff, are all connected by their employment, elected title, or appointed position within the enterprise of Maywood.

88. The requisite pattern is demonstrated by showing the racketeering acts are related and amount to, or pose the threat of continued criminal activity. Those related acts are those which have the same or similar purposes, results, participants, victims, or methods and are not isolated events. In this case, the participants involved include De La Riva, Mendez and Perez, among others. The victims include the City of Maywood business owners, including Mr. Mendoza and LA Labs, Inc.

89. Through the demonstrated agreement of the named individuals the facts point to conspiratorial agreement of similar purposes between De La Riva, Mendez and Perez, and their staff to achieve the unlawful pattern of intimidation of business owners to achieve their own financial gain.

90. As a proximate result thereof, plaintiffs sustained general and economic damages in an amount not ascertainable at this time, to be proven at trial.

WHEREFORE, plaintiffs pray for relief as set forth below.

## THIRD CAUSE OF ACTION

## ATTEMPTED CIVIL EXTORTION

## (Against All Defendants)

91. Plaintiffs repeat, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

92. Defendant attempted to obtain property from Mendoza in the form of a specified sum payment which would allow for Mendoza's proposed business plans to receive approval from Maywood.

93. Defendant caused an unidentified individual to approach Mendoza with the demand for money. The unidentified individual stated, "We need three-hundred fifty thousand dollars for your plans to go through."

94. Initially, Mendoza believed this unidentified man was being facetious. The unidentified man indicated toward the Honda Accord parked on the street and the window of the Honda rolled down so Mendoza could recognize the face of defendant De La Riva seated in the vehicle. Mendoza waived to

De La Riva but De La Riva did not waive back. At that moment Mendoza knew the demand for money was serious. Mendoza became stressed, nervous and fearful concerning the demand.

95. As a result of making a monetary demand to an applicant currently in the process of approval with the city, defendant unlawfully committed attempted civil extortion by intentionally and unlawfully using fear (the threat to plaintiff's business approval by a city official) to induce plaintiff to make a cash payment to defendant.

96. Defendant took a direct ineffectual step toward committing extortion by attempting to put Mendoza in fear that if he did not make the three-hundred fifty thousand dollar payment, De La Riva would use his influence and vote within the city to effect the approval of Mendoza's business plans.

97. As a direct and proximate result of defendants' unlawful act, Mendoza has suffered continuing stress, endured unnecessary inconveniences and hardships and incurred out-of-pocket expenses. Furthermore, due to defendant's deliberate act, Mendoza suffered the loss of business assets and profits, goodwill, and severe emotional distress and mental anguish.

98. Defendant's actions were so outrageous, willful, wanton and in reckless disregard to plaintiff as to entitle plaintiff to punitive damages in an amount to be proven at trial.

WHEREFORE, plaintiffs pray for relief as set forth below.

## FOURTH CAUSE OF ACTION

## **DECEIT AND FRADULENT MISREPRESENTATION**

## (Against all Defendants)

99. Plaintiffs repeat, reallege and incorporate all prior paragraphs by this reference as though set forth in full herein.

100. "The elements of fraud that will give rise to a tort action for deceit are: '(a) misrepresentation (false representation, concealment, or nondisclosure); (b) knowledge of falsity (or 'scienter'); (c) intent to defraud, i.e., to induce reliance; (d) justifiable reliance; and (e) resulting damage." (*Engalla v. Permanente Medical Group, Inc.* (1997) 15 Cal.4th 951, 974 [64 Cal.Rptr.2d 843].)

101. Defendants have fraudulently and deceptively encouraged and informed Mendoza he could eventually open his business if he continued to follow the process which defendant controlled. Defendant knew that by following the process plaintiff would gradually become increasingly financially dependent on the outcome of defendant's decision and would therefore more easily succumb to defendant's extortion demands. When it became clear to defendant that Mendoza would not succumb to the extortion demands, defendants carried out the plan they had knowledge of all along: to deny plaintiff's application on made-up grounds and then publicly blame plaintiff by imputing his character thereby ruining his business, and his goodwill.

102. Beginning in March 2019 Mendoza had been encouraged to proceed with the application process by De La Riva and Mendez. Defendant's unlawful purpose and consciousness of the same is also manifest, by among other things, defendant's continued statements for plaintiff to continue to follow the process, and yet, by following the process, Mendoza received Maywood's denial before the meeting in which the items Maywood specifically requested to be addressed were able to be presented by Mendoza.

103. After being told by De La Riva, Mendez and Perez, among other Maywood officials, that he should continue following the process and he has nothing to worry about, Mendoza, in good faith, set out to follow the process under the assumption the requests for additional information by Maywood were also in good faith. By continuing the process in which his application would never be approved by Maywood, and by compiling all additional requests made by Maywood to demonstrate plaintiff's compliance, plaintiff suffered even greater damage.

104. Significantly, the denial issued by Maywood was on factors unrelated to the specific four items in which led to the continuance of the meeting where the decision was to be rendered. Upon defendant's request Mendoza had arranged to have the representatives from Shimadzu to deliver a presentation which would address some of the Maywood official's concerns. The decision of denial was rendered prior to those items being addressed in the meeting and therefore plaintiff knows the four items specifically mentioned by defendant were a pretext to continue the meeting without rendering a decision so that plaintiff incurred even more costs and damages which would allow the leverage gained through

the extortion demand for money to place even greater stress on plaintiff to comply with the extortion demand.

105. As a proximate result thereof, plaintiffs have sustained general and economic damages in an amount not ascertainable at this time, to be proven at trial.

WHEREFORE, plaintiffs pray for relief as set forth below.

## FIFTH CAUSE OF ACTION INTENTIONAL MISREPRESENTATION

## (Against All Defendants)

106. Plaintiffs repeat, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

107. California's Civil Code §1710, et seq. specifies four kinds of fraud: intentional misrepresentation, concealment, false promise, and negligent misrepresentation.

108. Fraud generally requires a misrepresentation, knowledge of falsity, intent to defraud, justifiable reliance by the victim, and resulting damage. (*Engalla v. Permanente Medical Group, Inc.* (1997) 15 Cal. 4th 951, 974).

109. An intentional misrepresentation is a statement, whether orally, in writing, or implied by conduct, that the defendant knows to be false when it is made, but that the defendant still makes recklessly and without regard for its truth. (*Id*).

110. Concealment of a fact can also constitute a fraud, if the parties are in a confidential or fiduciary relationship, or the defendant otherwise owes a duty to the plaintiffs, such as a business owner seeking the approval of his business plans from a city government as is the case here.

111. A false promise involves a promise made without any actual intention to perform. An example of promissory fraud is when a defendant fraudulently induces the plaintiffs to enter into a application process by promising to perform certain actions (such as providing a fair process by which a business will make progress toward an articulable and achievable end of compliance with set standards put forth by a city government). However, the defendant does not have any real intention of following through.

112. Additionally, Civil Code §1710 provides for negligent misrepresentation. If a defendant represented that an important fact was true – even if he or she honestly believed that the representation was true, but did not have a reasonable basis for that belief – and the defendant intended for the plaintiffs to rely on the representation, which the plaintiffs did to his or her detriment and that reliance was a substantial factor in the harm suffered, then the courts may find that a fraud was indeed committed.

113. Defendants consistently stated to Mendoza that he would be able to open his business at his desired location so long as he engaged in the process. In good faith, Mendoza pursued his plans and followed the recommendations by Maywood. Instead of seeking out a different location in a different municipality, Mendoza pursued his plans in Maywood because was told Maywood was excited about the project and welcomed it. Maywood officials stated their enthusiasm at the prospect of a cannabis testing laboratory, particularly since the laboratory's primary function is to ensure safety.

114. Plaintiff relied to his detriment on defendant's misrepresentations and fraudulent omissions. Had plaintiff been adequately informed and not intentionally deceived by defendants, plaintiff would have acted differently by, without limitation: (i) seeking out a different property in a different municipality; (ii) waiting to sign a lease agreement for a property whereinby the business would be likely to open; (iii) waiting or avoiding the cost to apply for the Cannabis Testing Laboratory License; (iv) waiting, or avoiding the cost to have his blueprints stamped by the fire department; (v) avoiding using the time handing out and explaining the educational pamphlets to neighboring businesses; (vi) avoiding bringing representatives from Shimadzu to speak with Maywood; (vii) avoiding signing an agreement with Chirss Burgers for off-site parking; and (viii) plaintiff would have not sought out and attended all the numerous meetings, interviews, and continued through the application process with the City of Maywood and incurring additional costs and stress.

115. Defendants continued to refer to the process of application as one in which plaintiff could demonstrate compliance and gain approval so long as he continued to listen to the advice the Maywood officials presented. Plaintiff likewise believed the advice of each Maywood official was given in good faith and to accomplish the end of accepting and approving plaintiff's plans.

116. Defendants had no reasonable grounds to believe that these misrepresentations to plaintiff were true. Plaintiff received his denial prior to presenting the four items which defendant characterized as being contingent on moving forward in the process defendant's designed and oversaw.

117. Defendants did and intended to induce Mendoza to rely on its misrepresentations.
 Defendants knew that because of its misrepresentations, Mendoza would continue to incur additional costs to comply with the demands made by the Maywood officials themselves.

118. Plaintiff was justified in relying upon defendants' representations because these representations came directly from defendant through numerous contacts and meetings of which defendant's called and held.

119. Plaintiff has been substantially harmed by defendant's misrepresentations because he has suffered emotional distress and incurred significant cost to begin his business. However, in reality, Mendoza was not engaged in a fair process where he could start his business, he was instead being encouraged to continue to incur costs so that he became more vulnerable to the Maywood official who aspired to take advantage of Mendoza. Had Mendoza not relied on defendant's representations, Mendoza could have sought a more affordable, more transparent, and less predatory city in which to open his laboratory business.

120. The above representations by officials within Maywood amount to intentional misrepresentation, false promise and concealment of a pre-determined process seeking to take advantage of citizens and business owners within Maywood.

121. As a proximate result thereof, plaintiff's sustained general and economic damages in an amount not ascertainable at this time, to be proven at trial.

WHEREFORE, plaintiffs pray for relief as set forth below.

## SIXTH CAUSE OF ACTION

# BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING

## (Against City of Maywood)

122. Plaintiffs repeat, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

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123. In every contract or agreement there is an implied promise of good faith and fair dealing. This means each party will not do anything to unfairly interfere with the right of any other party to receive the benefits of the contract.

124. Plaintiff claims defendat violated the duty to act fairly and in good faith. To establish this claim, plaintiff must prove (1) plaintiff and defendant entered into a contract, (2) plaintiff did all, or substantially all of the significant things that the contract required him to do or was excused from having to do those things, (3) all conditions required for defendant's performance have occurred or been excused, (4) defendant unfairly interfered with plaintiff's right to receive the benefits of the contract, and (5) plaintiff was harmed by defendant's conduct. (*CACI* No. 325).

125. Plaintiff has been paying rent and continues to pay rent within Maywood. Maywood is solely capable of approving the plans which would allow plaintiff to occupy the location at 4000 East Slauson Avenue. Plaintiff entered into the lease agreement with a third party for the 4000 East Slauson Avenue parcel knowing he had also entered into a verbal agreement with defendant concerning the approval of plaintiff's business plans. At all times defendant stated to plaintiff his business plans would be reviewed with the intention of bringing plaintiff in compliance with defendant's advice. All of the actions which Maywood has advised plaintiff to take have been acted upon by plaintiff. All conditions for defendant's performance have occurred.

126. Defendants knew or had reason to know Maywood did not have the intention of approving plaintiff's business plans. The denial was issued before Mendoza was able to present his response to the factors which Maywood brought forth as needing to be addressed for Mendoza's business to be closer to compliance. Maywood never intended to review the factors which they asked to review because they denial came prior to the presentation and the denial was justified by entirely separate factors.

127. Defendants breached the covenant of good faith and fair dealing governing every contract by receiving the benefit of a paying tenant in the property without allowing the business to operate, from the fees paid to Maywood to continue the application process. This non-transparent, dishonest and rigged process caused plaintiff substantial out of pocket expense to conform to the standards which would never gain the business' approval. All factors set forth seem to be a pretext to denial.

128. As a proximate result thereof, plaintiff's sustained general and economic damages in an amount not ascertainable at this time, to be proven at trial.

WHEREFORE, plaintiffs pray for relief as set forth below.

## SEVENTH CAUSE OF ACTION EQUITABLE ESTOPPEL

## (Against All Defendants)

129. Plaintiffs repeats, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

130. "[F]our elements must be present in order to apply the doctrine of equitable estoppel: (1) the party to be estopped must be apprised of the facts; (2) he must intend that his conduct shall be acted upon, or must so act that the party asserting the estoppel had a right to believe it was so intended; (3) the other party must be ignorant of the true state of facts; and (4) he must rely upon the conduct to his injury." (*City of Long Beach v. Mansell* (1970) 3 Cal.3d 462, 489 [91 Cal.Rptr. 23].)

131. "The government may be bound by an equitable estoppel in the same manner as a private party when the elements requisite to such an estoppel against a private party are present and, in the considered view of a court of equity, the injustice which would result from a failure to uphold an estoppel is of sufficient dimension to justify any effect upon public interest or policy which would result from the raising of an estoppel." (*Id* at p. 496-497).

132. Defendant's statements and conduct showed Mendoza his plans would be approved contingent upon his compliance with Maywood's process by way of meetings, interviews, phase completions and plaintiff's action on Maywood's recommendations. At no point was this true from defendant's perspective. However, plaintiff continued to pursue the business plans in a good faith belief in defendant's statements and conduct. After having seen the process and after having addressed factors which had no bearing on the final decision, Mendoza learned his approval was determined on his non-willingness to pay the extortion demand. The meetings, interviews, and conditions expressed therein were merely pretextual to the denial defendant knew would be issued, and indeed defendant did issue the denial before the final meeting took place which was when plaintiff was to again demonstrate

compliance with the process by addressing the Maywood official's concerns on four specific points to which plaintiff prepared a response.

133. Defendant's conduct rises to an injustice of substantial dimension it would be an injustice if estoppel was to be withheld because of the continuing course of conduct by which defendant had induced reliance. The conduct is likewise of extreme relevance is assessing the effect on public policy as there is evidence of substantial corruption and predatory practices on the citizens and business owners in Maywood.

134. As a proximate result thereof, plaintiff's sustained general and economic damages in an amount not ascertainable at this time, to be proven at trial.

WHEREFORE, plaintiffs pray for relief as set forth below.

## **EIGHTH CAUSE OF ACTION**

#### **SLANDER, PER SE – CIVIL CODE §46**

#### (Against all Defendants)

135. Plaintiff repeats, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

136. Plaintiff is informed and believes on September 3, 2019, through defendant's agent, Mendez, Maywood stated that plaintiff's business was selling marijuana, brings people seeking to purchase marijuana to the neighborhood, grows marijuana or carries sufficient quantities of marijuana so that odor would be noticeable and create problems for the neighboring business, and that LA Labs, Inc. is a customer based business thereby exacerbating the existing parking conditions. Mendez made said statements in person to the business owners where plaintiff planned to open his new business. The other business owners understood the statements made by Mendez and reasonably understood them to mean plaintiff was planning to open a business with characteristics other than what plaintiff had stated to them or planned to open.

137. Plaintiff is informed and believes on September 17, 2019, through defendant's agent,
 Mendez, Maywood stated plaintiff had been intimidating business owners in order to obtain false
 signatures. Mendez went on to impute plaintiff's character and integrity. Defendant made these

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statements in person at the planning and commission meeting and so made the statement to all attendees.
Since Mendez elected to live stream the meeting on Facebook Live in order to slander plaintiff, anyone who joined the Facebook Live stream, or anyone who saw a recording of the stream. The attendees and viewers of the live stream knew the statements referred to plaintiff and understood the statements to mean plaintiff had lied about the nature of his business, had forged signatures of support for his business, and bullied other business owners in the process of doing so.

138. Plaintiff is informed and believes on September 17, 2019, through defendant's agent, Perez, Maywood stated plaintiff had been intimidating and acted aggressively toward business owners. Defendant made these statements in person at the planning and commission meeting and so made the statement to all attendees. Since Mendez elected to live stream the meeting on Facebook Live in order to slander plaintiff, anyone who joined the Facebook Live stream, or anyone who saw a recording of the stream. The attendees and viewers of the live stream knew the statements referred to plaintiff and understood the statements to mean plaintiff intimidated and bullied other business owners.

139. As a proximate result thereof, plaintiff's sustained general and economic damages in an amount not ascertainable at this time, to be proven at trial.

WHEREFORE, plaintiffs pray for relief as set forth below.

## NINETH CAUSE OF ACTION

## FALSE OR MISLEADING STATEMENTS

### (Against All Defendants)

140. Plaintiffs repeat, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

141. California's Business and Professions Code, § 17500 provides that it is unlawful for any person, firm, corporation or association, [...] to make or disseminate or cause to be made or disseminated before the public in this state, [...] in any newspaper or other publication, or any advertising device, [...] including over the Internet, any statement, concerning that real or personal property [...] or concerning any circumstance or matter of fact connected with the proposed

performance or disposition thereof, which is untrue or misleading, and which is known, or which by the exercise of reasonable care should be known, to be untrue or misleading."

142. Plaintiff reasonably placed his trust and reliance in defendant's representations the process by which plans are approved by Maywood are fair, transparent and for the purpose of the applicant business coming into compliance with the various city codes. Indeed, the City of Maywood website advertises, "The City of Maywood offers a business-friendly environment and welcomes business development. City staff is dedicated to ensuring your success in Maywood." <sup>1</sup>

143. Because of the relationship between plaintiff and defendant, defendant owned a duty to use reasonable care to impart correct and reliable disclosures concerning the true nature of the application process.

144. Defendant breached its duty to plaintiff by providing false, misleading, partial disclosures and/or deceptive information regarding the true nature of the factors being considered in granting approval to plaintiff's business project. Indeed, the criteria and specific requests made by defendant were not factors in defendant's final denial of plaintiff's proposed plan.

145. Plaintiff reasonably and justifiably relied upon the information supplied to him by defendant. As a result, plaintiff invested his time, money and goodwill into his business location in Maywood and the Maywood applicant approval process.

146. Defendant failed to use reasonable care in its communications and representations to plaintiff.

147. As a proximate result thereof, plaintiff's sustained general and economic damages in an amount not ascertainable at this time, to be proven at trial

WHEREFORE, plaintiffs pray for relief as set forth below.

<sup>1</sup> City of Maywood website: https://www.cityofmaywood.com/news-businesses

## TENTH CAUSE OF ACTION INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC RELATIONS (Against All Defendants)

148. Plaintiffs repeat, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

To support an intentional interference with prospective economic relations cause of 149 action plaintiff must show: (1) Plaintiff and a third party were in an economic relationship that probably would have resulted in an economic benefit to plaintiff; (2) Defendant knew of the relationship; (3) Defendant engaged in wrongful conduct; (4) By engaging in this conduct, defendant knew that disruption of the relationship was certain or substantially certain to occur; (5) The relationship was disrupted; (6) Plaintiff was harmed; and (7) Defendant's conduct was a substantial factor in causing plaintiff's harm. (CACI No. 2202).

150. During the application process with the City, plaintiff participated in numerous interviews whereby the City discussed plaintiff's prospective business. Plaintiff revealed to the City his numerous prospective economic relations. Not only did defendant know about plaintiff's potential economic relationships, this factor was a basis of defendant's own inquiry. (see Exhibit "12").

151. Defendant engaged in tortious conduct as alleged in this Complaint. The type of wrongful conduct of which defendant engaged was intentionally meant to prevent plaintiff from occupying the 4000 East Slauson Avenue property and thereby would necessarily disrupt the economic relationships which plaintiff had discussed at the interviews and meetings. Indeed, with the absence of testing facilities, the economic relationships plaintiff had formed were disrupted since the basis of those relationships were for the testing of the third party's product(s). As a result of defendant's interference, plaintiff was not able to provide services to the various third parties and was directly harmed as a result.

152. As a proximate result thereof, plaintiff's sustained general and economic damages in an amount not ascertainable at this time, to be proven at trial.

WHEREFORE, plaintiffs pray for relief as set forth below.

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## **ELEVENTH CAUSE OF ACTION NEGLIGENT INTERFERENCE WITH PROSPECTIVE ECONOMIC RELATIONS** (Against all Defendants)

153. Plaintiffs repeat, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

To support a negligent interference with prospective economic relations cause of action 154. plaintiff must show: (1) Plaintiff and a third party were in an economic relationship that probably would have resulted in a future economic benefit to plaintiff; (2) Defendant knew or should have known of this relationship; (3) Defendant knew or should have known this relationship would be disrupted if defendant failed to act with reasonable care; (4) Defendant failed to act with reasonable care; (5) Defendant engaged in wrongful conduct; (6) The relationship was disrupted; (7) Plaintiff was harmed; and (8) Defendant's wrongful conduct was a substantial factor in causing Plaintiff's harm. (CACI No. 2204).

155. Through the application approval process Mendoza continued to build his potential economic relationships. These relationships were based upon a mutual benefit to both plaintiff and the third party. Defendant knew plaintiff had made numerous contacts to promote his business since plaintiff stated he had been working from lists to grow his business prior to approval. (see Exhibit *"13"*).

156. Defendant knew plaintiff's ability to engage in the business relationships he had formed was contingent upon their approval of plaintiff's plans. Defendant further knew plaintiff relied upon defendant's representation of how plaintiff could satisfy defendant's requests to demonstrate compliance with the requests. Instead of engaging in a transparent process whereby plaintiff could demonstrate compliance with Maywood's requests, defendant misled, threatened and attempted to extort plaintiff.

Plaintiff is only permitted to conduct laboratory testing of cannabis, and other products, 157. at an approved testing site. By defendant's acts of ensuring plaintiff's plans would not be approved by Maywood, plaintiff would not be permitted to conduct any licensed testing.

158. By defendant's wrongful actions, defendant prevented plaintiff from opening LA Labs, Inc. which directly resulted in plaintiff's harm.

WHEREFORE, plaintiffs pray for relief as set forth below.

## **TWELFTH CAUSE OF ACTION**

## INTENTIONAL INTERFERENCE WITH CONTRACTUAL RELATIONS (Against all Defendants)

160. Plaintiffs repeat, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

161. To support an intentional interference with contractual relations cause of action plaintiff must show: (1) There was a contract between plaintiff and a third party; (2) defendant knew of the contract; (3) Defendant's conduct prevented performance or made performance more expensive; (4) Defendant knew disruption of performance was certain or substantially certain to occur; (5) Plaintiff was harmed; and (6) Defendant's conduct was a substantial factor in causing plaintiff's harm. (*CACI* No. 2201).

162. Throughout the approval process plaintiff continually increased his entrenchment with respect to his vendors, permitting, construction and other necessities to open the laboratory, LA Labs, Inc. Since defendants conducted numerous interviews and meetings with plaintiff as part of the process for approval, Maywood knew by its interference and by denying approval with the contractual relations which were discussed during those meetings would prevent performance on those contracts and that plaintiff would be harmed because of Maywood's actions.

163. As a proximate result thereof, plaintiff's sustained general and economic damages in an amount not ascertainable at this time, to be proven at trial.

WHEREFORE, plaintiffs pray for relief as set forth below.

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## <u>THIRTEENTH CAUSE OF ACTION</u> INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS (Against All Defendants)

164. Plaintiffs repeat, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

165. The conduct of defendants toward plaintiff, as described herein, was outrageous and extreme. The elements of the tort are: (1) outrageous conduct by the defendant; (2) intent to cause emotional distress or reckless disregard of the probability of causing emotional distress; (3) severe emotional suffering; and (4) actual and proximate causation.

166. Defendant made statements to plaintiff which caused him to rely upon the process which was entirely controlled by defendant. As plaintiff continued in the process, he took defendant's representations in good faith and believed the representations were intended to help plaintiff arrive at the final approval from Maywood granting plaintiff the ability of opening his business and performing laboratory testing. Instead, defendant's statements to plaintiff were made to induce reliance and also confuse plaintiff so he would continue further into Maywood's process thereby rendering plaintiff increasingly vulnerable as he continued pursuing defendant's misleading advice. Defendant's wrongful intent is manifest by requesting Mendoza to address four specific factors in his business and giving Mendoza time to hire experts and otherwise prepare to address those factors. Instead of evaluating plaintiff's compliance with those factors, defendant rendered a denial before the meeting wherein which the specific factors were to be addressed.

167. Defendant and defendant's co-conspirators never intended on approving plaintiff's business plans. Defendant and defendant's co-conspirators instead sought a monetary gain from plaintiff - a business owner who was growing increasingly dependent upon his business plans earning Maywood's approval. When plaintiff did not comply with defendant's extortion demand, his business plan application was denied. The factors which were presented to cause plaintiff to comply with the extortion demand were shown to be pretextual as they were never addressed within the meeting which was scheduled to address these factors. The denial was pre-planned by defendants and issued prior to the meeting in which the factors were to be addressed. 168. A reasonable person would not expect or tolerate city officials and city workers giving false information to potential business owners seeking to conduct business within the city limits. A reasonable person would expect the city officials to have articulable and transparent criteria for business owners to adapt for their business to open and succeed within the city.

169. A reasonable person would not expect or tolerate city officials and city workers seeking monetary gain by holding a business approval away from a business owner under false pretext.

170. Defendant knowingly and purposefully caused plaintiff's emotional distress given plaintiff's lack of control in his situation of paying for and adapting to all criteria for a business he would never be able to open. Defendant and defendant's co-conspirators used their apparent authority to intimidate and slander plaintiff after he did not comply with their extortion demand.

171. As a result of the above-described contact, plaintiff was put at unnecessary risk of financial vulnerability, shock, emotional distress, physical manifestations of emotional distress including depression, anxiety, nervousness, loss of sleep and humiliation. Plaintiff has suffered and continues to suffer by being prevented from performing daily activities and obtaining the full enjoyment of life. Plaintiff may sustain loss of earnings and earning capacity and may incur expenses for medical and psychological treatment, therapy and counseling.

172. The actual and proximate cause of plaintiff's emotional distress was Maywood's outrageous conduct. Plaintiff, having suffered damages, both general and special damages, in an amount presently unknown.

173. The wrongful acts of defendants were done maliciously, oppressively, fraudulently, and in conscious disregard of the safety and health of the plaintiff.

WHEREFORE, plaintiffs pray for relief as set forth below.

## FOURTEENTH CAUSE OF ACTION

## **NEGLIGENT INFLICTION OF EMOTIONAL DISTRESS**

## (Against all Defendants)

174. Plaintiffs repeat, realleges and incorporates all prior paragraphs by this reference as though set forth in full herein.

175. To prove a claim for negligent emotional distress, plaintiff must show: (1) defendant was negligent; (2) plaintiff suffered serious emotional distress; and (3) the negligence caused the emotional distress. (*CACI* No.1620).

176. Defendants, and each of them, had a legal duty to Mendoza and LA Labs, Inc. In determining the existence of a duty of care in a given case, pertinent factors to consider include: "foreseeability of harm to the plaintiff, the degree of certainly that the plaintiff suffered injury, the closeness of the connection between the defendant's conduct and the injury suffered, the moral blame attached to the defendant's conduct, the policy of preventing future harm, the extent of the burden to the defendant and consequences to the community of imposing a duty to exercise care with resulting liability for breach, and the availability, cost and prevalence of insurance for the risk involved." (*Rowland v. Christian* (1986) 69 Cal.2d 108, 113 [70 Cal.Rptr. 97].)

177. The harm to plaintiff was foreseeable to the defendant because defendant held meetings where in which plaintiff would disclose his personal and financial information for the purpose of gaining approval of the plans. Defendant therefore had intimate knowledge of plaintiff and of plaintiff's business. Since defendant was informed continuously throughout the process, defendant was aware of plaintiff's exposure and that he would suffer financial and emotional injury if the process with which plaintiff was involved was unfair, non-transparent, or was meant to harm plaintiff for gain to Maywood officials. Defendant had control over the entire approval process and therefore defendant's conduct is directly connected to the injury suffered. Finally, defendant's egregious conduct from defendant's position of authority over plaintiff and over business owners attempting to open a business within the municipality cannot be understated. Trust in government institutions is eroded through a lack of transparency. City officials, especially those who put forth criteria for which business owners make expenditures to fulfil, must be held to standards of fairness. To hold defendant accountable to the basic standards of fairness and transparency are strongly in the public and this community's interest.

178. Plaintiff experienced severe emotional distress from the level of care rendered by
defendants. Serious emotional distress exists if an ordinary, reasonable person would be unable to cope
with it. Defendant knew plaintiff's investment. Defendant also knew plaintiff had lost his mother during
the period in which he was seeking the approval of his plans. Defendant additionally knew plaintiff was

expecting his first child. The combination of all these factors while plaintiff was attempting to gain approval in a rigged process is a level of emotional distress of which an ordinary, reasonable person would be unable to cope.

179. Because of the conduct of Maywood, as a direct and proximate result thereof, Mendoza has sustained emotional distress, shock and injury to his nervous system, all of which was caused, continue to cause, and will cause physical and mental pain and suffering, all to plaintiffs' general damage in a sum to be determined at the time of trial. Plaintiff suffers and continues to suffer severe emotional distress as a result of the illicit activity, including, but not limited to, anxiety, fear, nervousness, shock and worry.

WHEREFORE, plaintiff pray for relief as set forth below.

## **FIFTEENTH CAUSE OF ACTION**

### NEGLIGENCE

## (Against all Defendants)

180. Plaintiffs repeat, reallege and incorporate all prior paragraphs by this reference as though set forth in full herein.

181. The elements of a cause of action for negligence are historically established. The plaintiff must establish (1) defendant was negligent; (2) plaintiff was harmed; and (3) defendant's negligence was a substantial factor in causing plaintiff's harm. (*CACI* No. 400).

182. For direct tort liability of public entities must be based on a specific statute declaring them to be liable, or at least creating some specific duty of care must be identified. (*Eastburn v. Regional Fire Protection Authority* (2003) 31 Cal.4th 1175, 1183 [7 Cal.Rptr. 3d 552].)

183. A "public entity is liable for injury proximately caused by an act or omission of an employee of the public entity within the scope of his employment if the act or omission would…have given rise to a cause of action against that employee or his personal representative." (*Cal. Gov't Code* § 815.2(a)).

184. At all times mentioned herein, defendants, and each of them, had a special relationship with plaintiff. Maywood maintained control over the process by which plaintiff was told to comply so

that he could gain the approval from Maywood to open LA Labs, Inc. Defendants, through their actions and statements, caused plaintiff to rely upon Maywood's representations.

185. Defendants, and each of them, had a duty to take reasonable steps to inform plaintiff concerning the risks in applying for approval which may not be granted. Defendant additionally had the duty to take reasonable steps of informing plaintiff there may be factors which defendant would not communicate to come to their final decision of whether to grant approval or not to plaintiff's proposed plans. Defendants, and each of them, owed a duty to plaintiff to avoid requesting additional information and pre-conditions which contributed to plaintiff's damages when those factors would not be considered, nor relevant in any way to the final rendering of the decision.

186. Defendants failed to exercise ordinary care in informing plaintiff of the risks associated with approval process. Defendant failed to warn plaintiff he would be entering into a process which regarded neither fairness nor transparency.

187. Defendants breached their duty to Mendoza by negligently and carelessly misinforming Mendoza concerning material facts for which approval was granted or denied while negligently and carelessly informing and encouraging Mendoza to incur additional damages so that he may be found by defendant to be in compliance with their demands and requests.

188. It was reasonably foreseeable that by failing to perform any or all duties set forth herein, plaintiff would incur substantial damages.

189. As a proximate result of the negligence of defendants and each of them, plaintiff has sustained general and economic damages, including severe emotional distress, lost sleep, a constant feeling of insecurity and danger, exposure to criminal activity and deaths, burglaries, among others. WHEREFORE, plaintiffs pray for relief as set forth below.

## **PRAYER**

**WHEREFORE**, plaintiff prays for relief as set forth below:

A. Actual damages, statutory damages, punitive or treble damages, and such other relief as provided by the statutes cited herein;

B. Retroactive rent abatement for the lease of 4000 East Slauson Avenue;

1	C.	Pre-judgment and post-judgement interest on such monetary relief;
2	D.	Equitable relief;
3	E.	The costs of bringing this suit, including reasonable attorneys' fees; and
4	F.	All other relief to which Plaintiffs may be entitled at law or equity.
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6	Dated: October 23, 2	2020 <b>DRE, A.P.C.</b>
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8		
9		By:
10		Darren Richie Kathleen Gadalla
11		Kristen J. Mason
12		Attorneys for Plaintiffs
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# **EXHIBIT 1**

				1. As 2	÷
COMMERCIAL CANNABIS LI	CENSING FEES: LA LABS	1.0		PAID	APR 0 2 2011
DATE	4/2/2019				K
ADDRESS	4000 SLAUSON AVE	4			
BACKGROUND CHECKS	1			\$ 424.15	
ZONING VERIFICATION	Y			\$ 305.44	÷
Phase 1	L (\$3524) Phase 2 (\$863)	Phase 3 (\$1400)	Phase 4 (\$1200)		
					4
DISPENSARY					
DISTRIBUTION					
MANUFACTURING					
TESTING	1 1			\$ 4,387.00	
RESUBMIT					
TOTAL	- A			\$ 5,116.59	

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### City Of Maywood

4319 SLAUSON AVE MAYWOOD, CA 90270 (323) 562-5700

Cashier: Karla B.	Apr 2, 2019
Receipt: 7U1J	4:26 PM

#### Item(s)

1.11

Commercial Cannabi Applications	\$3,524.00 -\$863.00 \$305.44		
Commercial Cannabi Initial Ranking			
Commercial Cannabi Verification Letter			
Commercial Cannabi	is Backgro	ound \$424.15	
Subtotal		\$5,116.59	
Тах		\$0.00	
Total		\$5,116.59	
Cash			
Amount Paid		\$5,116.59	
Change Due		\$0.00	
04/02/2019 16:29:5	0		

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### COMMERCIAL CANNABIS LICENSING FEES

DATE	LA LAB 6/19/2				
ADDRESS	4000 Sla	auson Ave			
BACKGROUND CHEC			30		
ZONING VERIFICATIO	DN <u>Y/N</u>		X.		
	Phase 1 (\$3524)	Phase 2 (\$863)	Phase 3 (\$1400)	Phase 4 (\$1200)	
CULTIVATION					5
DISPENSARY			1		
DISTRIBUTION					·
MANUFACTURING					
TESTING			1		\$ 1,400.00
RESUBMIT			7		·
TOTAL					\$ 1,400.00

:

#### City Of Maywood 4319 SLAUSON AVE MAYWOOD, CA 90270 (323) 562-5700

Cashier: Karla B.	Jun 19, 2019
Receipt: HY5W	10:02 AM

#### Item(s)

A

Commercial Cannabis Second Ranking	\$1,400.00
Subtotal	\$1,400.00
Тах	\$0.00

\$0.00
\$1,400.00

Amount Charged	\$1,400.00
VISA Credit - CHIP	
Card #: ***********3418	
Auth Code: 004271	

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#### Approved

SIGNATURE REQUIRED

YOUR RECORDS

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10.00

#### **Customer** Copy

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### Land Use Permit

City of Maywood- Building and Planning Department

#### PAID JUL 222019 CHSH 729

### Fee Schedule

4000 SIAUSON AUS

### **Environmental Filing Fees**

#### Application/Service Fees:

b Conditional Use Permit \$411.00	1.1
Extend Non-conforming use	
a Intensify Non-conforming use \$411.00	
u Variance\$411.00	
□ Lot Merger\$206.00	
PLUS ENGINEERING CONSULTANT'S COST	1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 - 1997 -
	1.11
(Min. deposit of \$250.00)	
a Lot Line Adjustment \$206.00	
PLUS ENGINEERING CONSULTANT'S COST	
(Min. deposit of \$250.00)	
a Administrative Permit for Recycling Facility	\$154.00
General Plan Amendment	\$1,644.00
Planned Unit Development     Density Bonus Application	\$1,510.00
Density Bonus Application	\$79.00
n Zone Change	\$598.00
Tentative Tract/Parcel Map	\$2.012.00
PLUS ENGINEERING CONSULTANT'S COST	15 ma
(Min. deposit of \$250.00)	120-
D Site Plan/Plot Plan Review-Administrative Ap	00 553 Isvord
Discretionary App Site Plan/Plot Plan Review-Discretionary App	00.co.d. \$100.00
	1 1 -

#### TOTAL APPLICATION/SERVICE FEE(S): \$

2. // Noticing Fee (mailing and/or publishing notices) \$ 804.00

3. Environmental Review Fees (CEQA Compliance):

Preliminary Environmental Review \$224.00

a Categorical/Statutory CEQA Exempt; or

PLUS ENVIRONMENTAL CONSULTANT'S COST ..... (Min. deposit of \$1,500.00)

TOTAL FEES: (APPLICATION/SERVICE + NOTICING + ENVIRONMENTAL REVIEW):

(Continued next page)

4319 E. Slauson Ave. Maywood, CA 90270 Phone (323)562-5723 Fax (323)773-2806

#### City Of Maywood 4319 SLAUSON AVE MAYWOOD, CA 90270 (323) 562-5700 Cashier: Norma F. Jul 22, 2019 Receipt: XXL7 10:02 AM

#### item(s)

Conditional/Land Use Permit - 4000 Slauson Ave	\$411.00
Engineering Consulting	\$1,500.00
Preliminary Environmental Revie	w \$224.00
Noticing Fee	\$804.00
Subtotal	\$2,939.00
Tax	\$0.00
Total	\$2,939.00
Cash	12
Amount Paid	\$2,950.00
Change Due	(\$11.00)
07/22/2019 10:04:20	

#### **Customer Copy**

4



City of Maywood

4319 East Slauson Avenue • Maywood, California 90270 Tel: (323) 562-5700 • Fax (323) 773-2806

April 3, 2019

Jose Mendoza 6606 San Carlos Street Paramount, CA 90723

Subject: Property Address: APN: Lot Area: Zoning Designation: Zoning Verification (Commercial Cannabis Licensing) 4000 Slauson Avenue 6312-028-005 10,165 square feet (0.23 ac.) CM (General Commercial/Manufacturing)

Dear Mr. Mendoza,

The following information pertains to all classifications of commercial cannabis uses permitted by the City, pursuant to Maywood ordinance 18-12 which was adopted on August 22, 2018.

#### Background

Per the Los Angeles County Assessor records, the Subject property is currently developed with a single story 7,030 square foot building, constructed in 1946. An area of approximately 3,100 square feet behind the building can be utilized for onsite parking, but the parking deficiency is a legal nonconforming condition. This parking area can be accessed from Corona Avenue to the west.

#### **Zoning and Location**

4000 Slauson Avenue is in the CM (General Commercial/Manufacturing) zoning district of the City which allows for commercial services and sales of goods and some manufacturing and wholesaling uses. Maywood Zoning Ordinance (MZO) section 4030.20(B) states:

"Uses permitted in the CM district include the complete range of commercial uses. The CM district also permits limited and restricted manufacturing and wholesaling uses. CM uses shall be restricted to enclosed buildings unless otherwise specified."

Specifically, commercial cannabis uses must be located as follows per Maywood ordinance 18-12:

"A licensed premises for commercial cannabis activity shall only be located within the Mixed-Use General Plan land use designation with a corresponding zoning of Commercial Manufacturing [CM] and the Industrial land use designation with a corresponding zoning of Industrial [M] and Commercial [C], excluding the area divided by 58th Street on the north, 60<sup>th</sup> Street on the south, King Avenue on the east and Pine Avenue on the west. Permitted uses are presented in Appendix A of the Maywood Zoning Ordinance." Further, sensitive use buffers exist from schools:

"A licensed premises for commercial cannabis activity shall not be located within 600 feet of a public or private State-accredited K-12 school. The 600 feet shall be measured as the closest distance between property lines without regard to intervening structures."

and a buffer must be maintained between brick-and-mortar dispensaries and all other cannabis uses:

"A licensed premises for cannabis cultivation, manufacture, vehicle dispensing, distribution or testing shall not be located within 100 feet of a brick-and-mortar dispensary. The 100 feet shall be measured as the closest distance between property lines without regard to intervening structures."

#### Determination

The subject parcel currently meets all location criteria for zoning classification, is approximately 790 feet from the nearest K-12 school (Huntington Park Elementary School), and is not located within 100 feet of a brick-and-mortar (Storefront) dispensary. The building located at 4000 Slauson Avenue is thus **eligible** for a commercial cannabis license per Maywood ordinance 18-12.

If you have any questions, I can be reached at (323)562-5721.

Sincerely,

David Mango Director of Building and Planning

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION 450 N STREET, SACRAMENTO, CA 95814 PO BOX 942879, SACRAMENTO, CA 94279-0044 1-916-324-2883 • FAX 1-916-322-0187 www.cdtfa.ca.gov



GAVIN NEWSOM Governor

MARYBEL BATJER Secretary, Government Operations Agency

> NICOLAS MADUROS Director

May 14, 2019

Jose Mendoza L.A. Labs 6606 San Carlos St Paramount, CA 90723

#### CERTIFICATION: SELLER'S PERMIT NOT REQUIRED

Every person intending to engage in or conduct business as a seller within this state is required to register with the California Department of Tax and Fee Administration (CDTFA) and obtain a permit for each place of business. During the registration process, the applicant declares they will actively engage in or conduct business as a seller of tangible personal property. This is required under California Revenue and Taxation Code (R&TC) section 6066. Any person who, for the purpose of evading the payment of taxes, knowingly fails to obtain a valid permit while engaged in business in this state as a seller, is subject to a penalty of 50 percent of any taxes determined to be due (R&TC 7155).

L.A. 'Labs has represented to the CDTFA that it does not sell tangible personal property and is only testing cannabis. Accordingly, L.A. Labs is not actively engaged in or conducting business as a seller of tangible personal property. As such, this letter certifies that L.A. Labs does not require a seller's permit. This certification may be provided to the appropriate licensing agency.

This certification letter is valid as long as L.A. Labs is not actively engaged in or conducting business as a seller of tangible personal property. If L.A. Labs is actively engaged in or conducting business as a seller, L.A. Labs is required and will need to register for a seller's permit with the CDTFA. You can register for a seller's permit online at www.cdtfa.ca.gov by clicking the Register button.

Any questions regarding this certification letter may be directed to the CDTFA's Audit and Information Section at 1-916-324-2883.

Jason Parker, Supervisor Audit and Information Section

Date Issued: May 14, 2019

Log ID: 19-001

#### COMMERCIAL CANNABIS BUSINESS PERMIT APPLICATION REVIEW

Review Date	June 25, 2019	
Reviewer Name	HdL Companies	
Business Name	L.A. Labs, Inc.	
DBA	L.A. Labs	
Permit Type	Commercial Cannabis Testing Laboratory	
Proposed Location	4000 Slauson Ave Maywood, CA 90270	
Business Contact Information	Jose Mendoza 6606 San Carlos Street Paramount, CA 90723 (562) 719-3404 Iosangeleslabs.inc@gmail.com 24 Hour Contact: (562) 719-3404	

#### SUPPLEMENTAL INFORMATION

On June 20, 2019, the applicant submitted the following supplemental packet designed to address the following HdL recommendations:

I Safety and Security Plan

#### **Recommendations:**

- Though the applicant provided an updated floor plan to identify the requested items; it failed to
  display full camera coverage in all limited-access areas (everywhere except the restroom and
  reception area).
  - <u>Comment:</u> The applicant met the requirements of this section. The applicant should ensure the camera within the "Cannabis Storage Products" room provides full camera visibility of all cannabis products.

#### SUPPLEMENTAL SCORE

Application and Documentation (Section not Scored) Proposed Location (Points Awarded: 190 of 200) Business Plan (Points Awarded: 340 of 400) Neighborhood Compatibility Plan (Points Awarded 270 of 300) Safety and Security Plan (Points Awarded: 260 of 300) Air Quality Plan (Points Awarded: 100 of 100) Labor and Employment (Points Awarded: 170 of 200)

that's 89°%

Total Points Awarded 1330 of 1500

Estas firmas provienen de negocios cercanos de LA Labs Inc. en 4000 E. Slauson Ave. Maywood CA 90270. Las firmas que se proporcionan a continuación son de apoyo y de acuerdo con el negocio de LA Labs a Cannabis Testing Laboratory en la ciudad de Maywood. Nosotros, los abajo firmantes, somos ciudadanos preocupados que residen en la ciudad de Maywood e instamos a nuestros líderes a permitir que LA Labs administre sus negocios en la dirección mencionada anteriormente. El laboratorio es un laboratorio de pruebas independiente que no está afiliado a los fabricantes de cultivadores, consumidores o una marca y no tiene ningún interés en el resultado de las pruebas. Nuestro objetivo es simple de probar usando métodos conocidos para ofrecer transparencia, control de calidad y confianza, al mismo tiempo que cumplimos con las Regulaciones del Estado de California y cumplimos con la Oficina de Control de Cannabis (BCC).

1. Mal Flores Design The 2. Chavelita's party supply 4028 E. Slaugon Ava. 4004 E. Slawson Arec 3. Eric Contreras AtA E 4. Diane Rivera 3959 Blauson AVE 5. Maria qui Za Mandos 3951 E Slauson Ave 4013. E. Slauson JESSICES FLORES CONFORMENTS 6. 7. Sources Emplos Land LICOS Slanser Ace. 3947 00 SLAUSON AVE MAY wood 8. Emilios CArpier 3947 ESLAUSON que insuerod 9. High Fashion Boutique vancis Ochog 3947 E Slauson Ave Maywood, ch 10. Andrea Deluna Center for Enched Education 4020 slawon Ave Maywood, ch 11. Grow Hair Bourger Mortha Savickez. 4003 Slanson Arce Suite A 12. Chris's Handristis - Michael and Harry S 2950 slauson Arce Suite A 13. Sovathorna Heng-New Donats & Water Self 2 4001 Slauson ave, Magurod CA9027 3911 slavson ave 14. Rosa Duoite 15. . 16. . 17. . 18. . 19. . 20. . 21. . 22. . 23. . 24. . 25.



Roxanne M. Diaz

213.626.8484 213.626.0078 rdiaz@rwglaw.com 355 South Grand Avenue 40th Floor Los Angeles, CA 90071-3101 rwglaw.com

September 11, 2019

VIA ELECTRONIC MAIL

Claudia C. Osuna, Esq. (claudiaosuna16@gmail.com) LA Labs, Inc.

Re: LA Labs, Inc.'s Request for Scheduling of City Council Appeal Hearing Prior to Planning Commission Decision

Dear Ms. Osuna:

Our client, the City of Maywood ("City") is in receipt of your request, on behalf of your client, LA Labs, Inc. ("LA Labs"), to have an appeal of its conditional use permit ("CUP") application placed on the City Council's September 25, 2019 meeting agenda. As you know, the Planning Commission has not yet made a final decision on LA Labs' CUP application; the continued hearing is scheduled for September 17, 2019. Therefore, there is no decision to appeal.

Nonetheless, the City understands the timing concerns that you have raised in connection with the City's new ordinance governing cannabis matters, which will become effective on September 28, 2019. The City is willing to "pre-notice" an appeal of a Planning Commission decision that has not yet occurred provided that your client agrees that it will not raise any objections or claims regarding this action. Specifically, your client must agree that it will not object, either to the City Council or in any subsequent proceedings, that the City failed to comply with any statutory or legal obligation, that the Planning Commission pre-committed to any outcome by virtue of the notice of appeal, or that your clients were denied any due process rights in connection with this action. In short, the City's willingness to agendize and publish early notice of an appeal is an accommodation in response to your client's request and should not in any way be used against the City.

If LA Labs understands these terms and is agreeable, please sign below and return this letter to me right away. We will need a response not later than 11:00 a.m. on Thursday, September 12, 2019, as the publication deadline for the appeal hearing is also on September 12, 2019.

Claudia C. Osuna, Esq. (claudiaosuna16@gmail.com) LA Labs, Inc. September 11, 2019

Page | 2

Please contact me should you have any questions.

Very truly yours,

Roxanne M. Diaz City Attorney

cc: Jennifer Vasquez, City Manager (by e-mail)

#### ACKNOWLEDGEMENT AND AGREEMENT

On behalf of LA Labs, Inc. ("LA Labs") I agree that the City of Maywood ("City") is publishing notice of and placing an appeal of LA Labs' conditional use permit ("CUP") application on the City Council's September 25, 2019 meeting agenda despite the fact that the Planning Commission has not yet made a final decision on the CUP application. LA Labs agrees that it will not object, either to the City Council or in any subsequent proceedings, that the City failed to comply with any statutory or legal obligation, that the Planning Commission pre-committed to any outcome by virtue of the notice of appeal, or that LA Labs was denied any due process rights in connection with this action.

Dated: September \_\_\_\_\_ 2019

Claudia C. Osuna, Esq. Counsel to LA Labs, Inc.

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Tue, Sep 17, 9:23 PM

I took everything the planning commission ask for bro and some all facts. I told you from the beginning to oversee this planning commission. There saying I'm using your name that's some b/ s bro

That move you made with the businesses was a bad move on your part. I told you be patient and let the process take its course. You put the city, the council and especially me in a very difficult position

Bro, I only went to get signatures because your

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iMessage

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Bro, I only went to get signatures because your commission went around telling the neighboring business we were a dispensary like the one across the street so how else was I to clarify my business other than by educating them on what entitles a lab.

I never meant to put anyone in a difficult position, I never used anyone's name in reference to my business. I legitimately went to introduce myself and educate them on my business while asking if they had any questions or concerns. It was an open discussion where I



iMessage



AGENDA 5.A ITEM NO.

Agenda Report CITY OF MAYWOOD PLANNING COMMISSION

DATE: SEPTEMBER 17, 2019

TO: HONORABLE CHAIR AND MEMBERS OF THE PLANNING COMMISSION

FROM: AVID MANGO, DIRECTOR OF BUILDING AND PLANNING

SUBJECT: CONDITIONAL USE PERMIT NO. PC19-04

APPLICANT: MR. JOSE MENDOZA (L.A. LABS INC.)

REQUEST: A CONDITIONAL USE PERMIT TO ALLOW A CANNABIS TESTING FACILITY IN AN EXISTING BUILDING LOCATED AT 4000 SLAUSON AVENUE IN THE CM ZONE (ITEM CONTINUED FROM THE SEPTEMBER 3, 2019 MEETING)

PROPERTY: 4000 SLAUSON AVENUE (APN 6312-028-005)

#### PROPOSAL

L.A. Labs Inc. ("Applicant") proposes the establishment of a cannabis testing facility in a 3,560 square foot tenant space within an existing 7,030 square foot building. The approximately 10,165 square foot (0.23-acre) project site is located at 4000 Slauson Avenue, at the southeast corner of Slauson Avenue and Corona Avenue ("Project Site"). The proposed facility will consist of a reception area and various testing stations and storage areas.

Seven (7) on-site parking spaces are on the site including one handicapped parking space, however, these parking spaces are for all three tenant spaces. Per the Maywood Municipal Code (Section 4100.60), a total of 14 parking spaces are required (1/250 square feet of gross floor area for an office use). This is an office use replacing a former retail use, therefore the number of parking spaces is considered legal nonconforming. However, Applicant states that up to eleven (11) employees may work at the facility and staff has provided a condition requiring that all employees will be required to park their

vehicles off-site (see condition #13). Vehicular access to the Project Site includes a twoway driveway along Corona Avenue.

Hours of operation will be in two shifts, from 6:30 am to 3:00 pm and 3:30 pm to midnight. The business will operate Monday through Friday. Up to eleven employees will work at the facility. The first shift will have five employees, and the second shift will have six employees.

The Project Site is zoned CM (Commercial/Manufacturing) with a General Plan designation of Mixed Use. Surrounding land uses include residential uses to the south and commercial uses to the north, east and west.

#### BACKGROUND

The application for a Conditional Use Permit No. CUP19-04 to establish a cannabis testing facility was filed with the City of Maywood, Building and Planning Department by Mr. Jose Mendoza of L.A. Labs, Inc. on July 18, 2019. The 0.23-acre Project Site is flat and is currently developed with a 7,030 square-foot commercial building. The cannabis testing facility will occupy 3,560 square feet of the building. Retail or office uses typically occupy the remainder of the building.

Ordinance No. 18-12 provides that "Cannabis Testing" means commercial cannabis activity involving the performance of tests on cannabis or marijuana pursuant to a valid certificate of accreditation. Cannabis Testing facilities are not open to members of the general public, customers must pre-arrange sample drop-offs.

On September 3, 2019, a duly noticed public hearing was held to consider this CUP. After receiving a report from staff and testimony from the Applicant and his associates, and from the public; additional information was requested from the Applicant by the Commission. The Applicant was directed to provide:

- 1. LA Labs business plan.
- 2. Explanation of chemicals used in the testing laboratory and filtration of water.
- Photos of the equipment and of similar laboratories and provide documentation.
- 4. Mock-ups of the sample sizes received for testing.

The Planning Commission then voted to continue the public hearing to September 17, 2019 and request the Applicant provide the information listed above. The motion was approved on a 4-1 vote.

#### ANALYSIS

The Applicant is requesting Conditional Use Permit approval to allow the establishment of a cannabis testing facility. Per Section 5100.40 of the Maywood Zoning Ordinance, the following criteria must be met in order to approve the Conditional Use Permit:

#### 1. The proposed conditional use is consistent with the General Plan.

The Project Site is located along the commercial corridor of Slauson Avenue. The cannabis testing facility will be consistent with other commercial uses in the vicinity and will be for testing only with no members of the public accessing the facility. Only known clients with an appointment will be permitted access.

The approval of the Conditional Use Permit, subject to the conditions of approval contained herein, will not adversely affect or be materially detrimental to adjacent uses, buildings or structures.

The proposed use is consistent with the City's General Plan designation of Mixed Use. Uses in this land use designation are characterized by a mix of retail, residential, office and dining establishments. Located along Slauson Avenue, this Commercial corridor provides a mix of commercial services that accommodates both higher intensity levels of development as well as more neighborhood serving commercial uses. As such, the City's General Plan Land Use Element has established the following Goals and Policies:

**Goal 2.0:** Promote new commercial development and maintenance of existing commercial uses to enhance the quality of Maywood's commercial districts along Slauson Avenue and Atlantic Boulevard.

**Policy 2.13:** Require high-quality commercial development that contributes to the identity of the community.

The proposed use will not alter the existing site and conforms or is legal nonconforming to all zoning development standards of the CM zone

 The nature, condition and development of adjacent uses, buildings and structures have been considered, and the proposed conditional use will not adversely affect or be materially detrimental to the adjacent uses, buildings, or structures.

The table below presents the surrounding existing uses, general plan land uses and zoning. The surrounding uses to the north, east, and west of the Project Site are compatible to the use proposed on the Project Site. The existing residential uses to the south of the Project Site are separated by the solid wall of the building located on the property line with no openings (MZO Section 4040.150).

	Existing Use	General Plan LU	Zoning
North	Commercial	Mixed Use	Commercial Manufacturing
South	Residential	Huntington Park – High Density Residential	Huntington Park - High Density Residential
East	Commercial	Mixed Use	Commercial Manufacturing
West	Commercial	Mixed Use	Commercial Manufacturing

#### Existing General Plan and Zoning

Furthermore, Appendix C of the MZO, as amended by Ordinance 18-12, includes requirements to ensure that commercial cannabis activity does not adversely affect adjacent uses, especially residential uses. These include requiring security and safety measures, such as alarms and close circuit televisions, security windows and roofs, lighting, fire suppression systems, and security personnel to reduce potential crime and fire hazards. Also, the Ordinance states that commercial cannabis activity shall not adversely affect the health or safety of the nearby residents by creating dust, glare, heat, noise, smoke, traffic, vibration, or other impacts, and shall not be hazardous due to use or storage of materials, processes, products, or wastes. Storage and use of compressed gases in compressed gas containers, cylinders, tanks, and systems must comply with the Chapter 53 of the California Fire Code. Members of the public will not have access to the facility.

Finally, Ordinance 18-12 restricts the location of commercial cannabis activity within 600 feet of a public or private State-accredited K-12 school. This proposed Project Site is not located within 600 feet of a State-accredited school. The nearest school to the project site is Fishburn Avenue Elementary School located approximately 700 feet to the northeast on Fishburn Avenue.

3. The site for a proposed conditional use is adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping, and other development features prescribed in this Ordinance and required by the Commission or Council in order to integrate the use with uses in the neighborhood.

This commercial development was built in 1946 and as such, certain features are legal non-conforming. However, the proposed use as conditioned, will not impact the neighborhood more significantly than by-right uses that are typically located in the CM zone.

#### CONDITIONS OF APPROVAL

Staff recommends conditions of approval for this project as follows:

- 1. The use and improvements authorized by this CUP shall conform to the Conditions of Approval contained herein and to the improvement plans and specifications approved by the City. Any appreciable modification of the authorized use and/or approved plans and specifications as well of the existing use as described above, as determined by the Director of Building and Planning, shall require prior approval of the Planning Commission pursuant to an amendment of this Application.
- This Conditional Use Permit which, if not used within one year, will expire and become null and void and of no effect, except if an extension is applied for prior to the expiration date and the extension is granted by the Planning Commission.
- The Applicant agrees to allow the City inspector access to the subject premises to reasonably inspect the same at all times to assure compliance with the Conditions of Approval. Failure to provide reasonable access will constitute cause for a Revocation of the CUP.
- The Applicant shall operate the proposed use and maintain the Project Site in full compliance with Maywood Ordinance No. 18-12 and any superseding ordinance, and all other City, County, State and Federal regulations applicable to this project.
- From a public right-of-way, there shall be no exterior evidence of cannabis testing except for any signage authorized by this CUP.
- The Applicant shall adopt a standard operating procedure using methods consistent with general requirements established by the International Organization for Standardization, specifically ISO/IEC 17025, to test cannabis or marijuana.

- Prior to the issuance of an occupancy permit for the authorized use, all applicable Conditions of Approval shall be completed to the reasonable satisfaction of the City.
- 8. Odor control devices and techniques shall be incorporated in all licensed premises to ensure that odors from cannabis or marijuana are not detectable offsite. Licensees shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the licensed premises that is distinctive to its operation is not detected outside of the premises, 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 licensed premises.
- 9. The Applicant shall defend, indemnify and hold harmless the City of Maywood (City) and its officials, officers, employees, and agents from and against any claim, action, or proceeding against the City, its officials, officers, employees or agents to attack, set aside, void or annul any approval or condition of approval of the City concerning this project, including but not limited to any approval or mitigation measure imposed by the City Council, Planning Commission, or Director of Building and Planning. The City shall promptly notify the Applicant of any claim, action, or proceeding concerning the project and City shall cooperate fully in the defense of the matter. The City reserves the right, at its own option, to choose its own attorney to represent the City, its officials, officers, employees and agents in the defense of the matter.
- Any and all equipment used to conduct business will comply with Chapter 23 of the Maywood Municipal Code (Noise Control). Failure to comply with noise regulations may result in revocation of the CUP.
- Applicant agrees to reimburse the City for all consultant costs incurred for thirdparty facility inspections, financial audits, or any other activity required to verify compliance with these conditions and all other City, County, State and Federal regulations applicable to this project.
- All proposed signage, permanent and temporary, must be approved by the Director of Building and Planning and shall conform to Section 4110 of the Maywood Zoning Ordinance and Maywood Ordinance 18-12.
- 13. No employees of the testing facility shall park vehicles on-site. The Applicant shall provide parking offsite, shuttle-in or employ a similar strategy for all employees. Applicant agrees to submit a written employee parking proposal to be approved and accepted by the Building and Planning Department and the City Attorney prior to occupancy.

- 14. The parking area shall be repaved, parking stalls restriped, concrete wheel stops and all required signage installed to the satisfaction of the City.
  - 15. The Building and Planning Department shall approve all site and construction plans and appropriate permits, including sign permits, shall be secured by the Applicant before any work is to begin.
  - No lab samples shall be received from client drop-offs at the facility after 5 PM on any day.
  - 17. All owners, principals, managers, employees, contractors or volunteers of the testing facility shall complete a criminal background check and shall not have been convicted of or plead guilty or no-contest to a felony or misdemeanor involving the illegal possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance within the past four (4) years.
  - The property shall remain at all times free of litter and all graffiti shall be removed within 24 hours.
  - 19. This CUP and shall be subject to revocation for any violation of or noncompliance with any of these Conditions of Approval and/or other codes, regulations, or standards enforced by or beneficial to the City of Maywood. The Applicant acknowledges that failure to meet any of the Conditions of Approval contained herein will be cause for a Revocation of the CUP.
  - 20. This conditional use permit will not be effective until ten (10) days after the date upon which it is granted by the Planning Commission. Also, within ten (10) days from the adoption of the Resolution approving this application, the Applicant and/or Owner of the subject property shall execute a notarized affidavit agreeing to comply with the aforementioned conditions.

#### ALTERNATIVE DIRECTION

Alternatively, the Planning Commission could make a determination that the Application should be denied. Section 5100.40(C) of the Maywood Zoning Ordinance provides that the Planning Commission shall deny a requested conditional use permit where the findings indicate that the applicant has failed to show: (i) that the requested use will not be materially detrimental to the property of other persons located in the vicinity, or a menace to the public health, safety, or general welfare; and (ii) that reasonable restrictions or conditions to permit the establishment of the proposed use would prevent [the] detriment, or menace as indicated. A proposed Resolution of Denial is provided as Attachment B.

#### ENVIRONMENTAL ASSESSMENT

**Categorical Exemption:** The proposed project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Section 15301 (Class 1: Existing Facilities) because the project would make interior improvements to an existing building.

#### POSSIBLE COMMISSION ACTIONS

- Approve the request for a Conditional Use Permit Application and adopt the Resolution with the required positive findings and adopt the Resolution approving the; or
- Deny the Conditional Use Permit Application and adopt the Resolution with the required findings.

#### RECOMMENDATION

Staff respectfully recommends that the Planning Commission take either action below:

(1) **ADOPT** attached Resolution No. PC19-0450 making the findings contained therein and **APPROVE** Conditional Use Permit No. PC19-04 subject to the conditions listed in Exhibit "A" of the attached Planning Commission Resolution.

(2) ADOPT attached Resolution No. PC19-0458 making the findings contained therein and DENY Conditional Use Permit PC19-04.

#### Attachments:

Exhibit A: Draft Resolution No. PC19-0450 and Conditions of Approval

- Exhibit B: Draft Resolution No. PC19-0458 to Deny the Project
- Exhibit C: Photos
- Exhibit D: Aerial Site Photo
- Exhibit E: Site Plan, Floor Plan and Elevations

Exhibit F: Proof of Publication

### EXHIBIT A

#### CITY OF MAYWOOD PLANNING COMMISSION

#### **RESOLUTION NO.PC19-0450**

#### A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MAYWOOD, CALIFORNIA, APPROVING CONDITIONAL USE PERMIT NO. 19-03 TO ALLOW ESTABLISHMENT OF A CANNABIS TESTING FACILITY AT 4000 SLAUSON AVENUE IN THE COMMERCIAL MANUFACTURING (CM) ZONE

#### THE PLANNING COMMISSION OF THE CITY OF MAYWOOD, CALIFORNIA HEREBY FINDS, DETERMINES AND RESOLVES AS FOLLOWS:

WHEREAS, Mr. Jose Mendoza (L.A. Labs, Inc.) filed Application No. PC19-04 for a Conditional Use Permit ("CUP") pursuant to the provisions of Appendix C of the Maywood Zoning Ordinance, as amended per Ordinance No. 18-12, to allow for the establishment of a cannabis testing facility ("Application") for property located at 4000 Slauson Avenue (APN 6312-028-005), Maywood CA 90270, ("Project Site"); and

WHEREAS, the Project Site consists of a 10,165 square-foot (0.23 acres) lot developed with a 7,030 square-foot commercial building in the Commercial Manufacturing (CM) zoning district; and

WHEREAS, The Applicant requests approval of CUP No. 19-04 to allow the establishment of a cannabis testing laboratory; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, THE PLANNING COMMISSION OF THE CITY OF MAYWOOD RESOLVES AS FOLLOWS:

SECTION 1 Based on the entire record before the Planning Commission and all written and oral evidence presented to the Commission, including the staff report, and pursuant to the provisions of Section 5100.40 of the Maywood Zoning Ordinance, the Commission finds as follows:

#### 1. The proposed conditional use is consistent with the General Plan.

The Project Site is located along the commercial corridor of Slauson Avenue. The cannabis vehicle dispensing facility will be consistent with other commercial uses in the vicinity and will be for vehicle dispensing only with no members of the public accessing the facility. The approval of the Conditional Use Permit, subject to the conditions of approval contained herein, will not adversely affect or be materially detrimental to adjacent uses, buildings or structures.

The proposed use is consistent with the City's General Plan designation of Mixed Use. Uses in this land use designation are characterized by a mix of retail, residential, office and dining establishments. Located along Slauson Avenue, this commercial corridor provides a mix of commercial services that accommodates both higher intensity levels of development as well as more neighborhood serving commercial uses. As such, the City's General Plan Land Use Element has established the following Goals and Policies:

Goal 2.0: Promote new commercial development and maintenance of existing commercial uses to enhance the quality of Maywood's commercial districts along Slauson Avenue and Atlantic Boulevard and within the citywide Redevelopment Project Area

Policy 2.13: Require high-quality commercial development that contributes to the identity of the community.

The proposed use will not alter the existing site and conforms to all zoning development standards of the CM zone

2. The nature, condition and development of adjacent uses, buildings and structures have been considered, and the proposed conditional use will not adversely affect or be materially detrimental to the adjacent uses, buildings, or structures.

The table below presents the surrounding existing uses, general plan land uses and zoning. The surrounding uses to the north, east, and west of the Project Site are compatible to the use proposed on the Project Site. The existing residential uses to the south of the Project Site are separated by the solid wall of the building located on the property line with no openings (MZO Section 4040.150).

	Existing Use	General Plan LU	Zoning
North	Commercial	Mixed Use	Commercial Manufacturing (CM)
East	Residential	Huntington Park – High Density Residential	Huntington Park - High Density Residential
South	Commercial	Mixed Use	Commercial Manufacturing (CM)
West	Commercial	Mixed Use	Commercial Manufacturing (CM)

#### Existing General Plan and Zoning

Furthermore, Appendix C of the MZO, as amended by Ordinance 18-12, includes requirements to ensure that commercial cannabis activity does not adversely affect adjacent uses, especially residential uses. These include requiring security and safety measures, such as alarms and close circuit televisions, security windows and roofs, lighting, fire suppression systems, and security personnel to reduce potential crime and fire hazards. Also, the Ordinance states that commercial cannabis activity shall not adversely affect the health or safety of the nearby residents by creating dust, glare, heat, noise, smoke, traffic, vibration, or other impacts, and shall not be hazardous due to use or storage of materials, processes, products, or wastes. In addition, specifically for cannabis manufacturing activity, no toxic chemicals or volatile liquids or material may be used in the manufacturing process, and storage and use of compressed gases in compressed gas containers, cylinders, tanks, and systems must comply with the Chapter 53 of the California Fire Code. Members of the public will not have access to the facility.

Finally, the Ordinance 18-12 restricts the location of commercial cannabis activity within 600 feet of a public or private State-accredited K-12 school. This proposed Project Site is not located within 600 feet of a State-accredited school. The nearest school to the project site is Fishburn Avenue Elementary School located approximately 671 feet to the northeast on Fishburn Avenue.

2. The site for a proposed conditional use is adequate in size and shape to accommodate the yards, walls, fences, parking and loading facilities, landscaping, and other development features prescribed in this Ordinance and required by the Commission or Council in order to integrate the use with uses in the neighborhood.

The Project Site is of adequate size to accommodate the commercial cannabis non-storefront vehicle dispensing activity. The proposed use and new building will conform to all zoning development standards of the CM zone.

SECTION 2 Based on the entire record before the Planning Commission and all written and oral evidence presented, the Planning Commission finds that the Application complies with CEQA for the following reasons:

Pursuant to the provisions of the California Environmental Quality Act (CEQA), as amended, the City, as the Lead Agency, has analyzed the proposal and has concluded that it is appropriate in this case to grant a Class 1 Categorical Exemption under CEQA Guidelines Section 15301(a) because the project would involve only interior improvements to an existing building.

Staff has prepared the required Notice of Exemption, which is available for public review in the Building and Planning Department.

SECTION 3 Based on the entire record before the Commission, all written and oral evidence presented to the Commission, and the findings set forth in this Resolution, the Commission approves Conditional Use Permit Application No. PC 19-04 to allow the establishment of a non-storefront vehicle dispensing facility on the Subject Site, subject to the conditions listed on Exhibit 1.

SECTION 4 The location and custodian of the documents and any other material which constitute the record of proceedings upon which the Planning Commission based its decision is as follows: David Mango, City of Maywood Building and Planning Department, 4319 E. Slauson Avenue, Maywood, CA 90270 (323) 562-5721.

SECTION 5 Effective Date. This Resolution shall become effective upon its adoption.

PASSED, APPROVED AND ADOPTED this 17<sup>TH</sup> day of September, 2019.

Carmen Perez Planning Commission Chairperson

ATTEST:

Guillermo Padilla Planning Commission Secretary

EXHIBIT A PC Resolution No. PC19-0450 CUP No. PC19-04

#### Planning Commission Resolution No. PC19-0450 CUP Application No. PC19-04 (4000 Slauson Avenue)

#### Exhibit 1

#### Conditions of Approval

1. The use and improvements authorized by this CUP shall conform to the Conditions of Approval contained herein and to the improvement plans and specifications approved by the City. Any appreciable modification of the authorized use and/or approved plans and specifications as well of the existing use as described above, as determined by the Director of Building and Planning, shall require prior approval of the Planning Commission pursuant to an amendment of this Application.

2. This Conditional Use Permit which, if not used within one year, will expire and become null and void and of no effect, except if an extension is applied for prior to the expiration date and an extension is granted by the Planning Commission.

 The Applicant agrees to allow the City inspector access to the subject premises to reasonably inspect the same at all times to assure compliance with these Conditions of Approval. Failure to provide reasonable access will constitute cause for a Revocation of the CUP.

4. The Applicant shall operate the proposed use and maintain the Project Site in full compliance with Maywood Ordinance No. 18-12 and any subsequent ordinance concerning regulations for the testing of cannabis as a conditional use in certain specific zones, and all other City, County, State and Federal regulations applicable to this project.

 From a public right-of-way, there should be no exterior evidence of cannabis testing except for any signage authorized by this CUP.

6. The Applicant shall adopt a standard operating procedure using methods consistent with general requirements established by the International Organization for Standardization, specifically ISO/IEC 17025, to test cannabis or marijuana.

 Prior to the issuance of an occupancy permit for the authorized use, all applicable Conditions of Approval shall be completed to the reasonable satisfaction of the City.

8. Odor control devices and techniques shall be incorporated in all licensed premises to ensure that odors from cannabis or marijuana are not detectable offsite. Licensees shall provide a sufficient odor absorbing ventilation and exhaust system so that odor generated inside the licensed premises that is distinctive to its operation is not detected outside of the premises, anywhere on adjacent property or public rights-ofway, on or about the exterior or interior common area walkways, hallways, breezeways,

EXHIBIT A PC Resolution No. PC19-0450 CUP No. PC19-04 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 licensed premises.

9. The Applicant shall defend, indemnify and hold harmless the City of Maywood (City) and its officials, officers, employees, and agents from and against any claim, action, or proceeding against the City, its officials, officers, employees or agents to attack, set aside, void or annul any approval or condition of approval of the City concerning this project, including but not limited to any approval or mitigation measure imposed by the City Council, Planning Commission, or Director of Building and Planning. The City shall promptly notify the Applicant of any claim, action, or proceeding concerning the project and City shall cooperate fully in the defense of the matter. The City reserves the right, at its own option, to choose its own attorney to represent the City, its officials, officers, employees and agents in the defense of the matter.

10. Any and all equipment used to conduct business will comply with Chapter 23 of the Maywood Municipal Code (Noise Control). Failure to comply with noise regulations may result in revocation of the CUP.

11. Applicant agrees to reimburse the City all consultant costs incurred for third-party facility inspections, financial audits, or any other activity required to verify compliance with these conditions and all other City, County, State and Federal regulations applicable to this project.

12. All proposed signage, permanent and temporary, must be approved by the Director of Building and Planning and shall conform to Section 4110 of the Maywood Zoning Ordinance and Maywood Ordinance 18-12.

13. No employees of the testing facility shall park vehicles on-site. The Applicant shall provide parking offsite, shuttle in or provide similar strategy for all employees to be approved and accepted by the Building and Planning Department and the City Attorney.

14. The parking area shall be repaved, and parking stalls restriped and signed to the satisfaction of the City.

15. The Building and Planning Department shall approve all site and construction plans and appropriate permits, including sign permits, shall be secured by the Applicant before any work is to begin.

 No lab samples shall be received from client drop-offs at the facility after 5 PM on any day.

17. All owners, principals, managers, employees, contractors or volunteers of the testing facility shall complete a criminal background check and shall not have been convicted of or plead guilty or no-contest to a felony or misdemeanor involving the

illegal possession for sale, sale, manufacture, transportation, or cultivation of a controlled substance within the past four (4) years.

18. The property shall remain at all times free of litter and all graffiti shall be removed within 24 hours.

19. This CUP and shall be subject to revocation for any violation of or noncompliance with any of these Conditions of Approval and/or other codes, regulations, or standards enforced by or beneficial to the City of Maywood. The Applicant acknowledges that failure to meet any of the Conditions of Approval contained herein will be cause for a Revocation of the CUP.

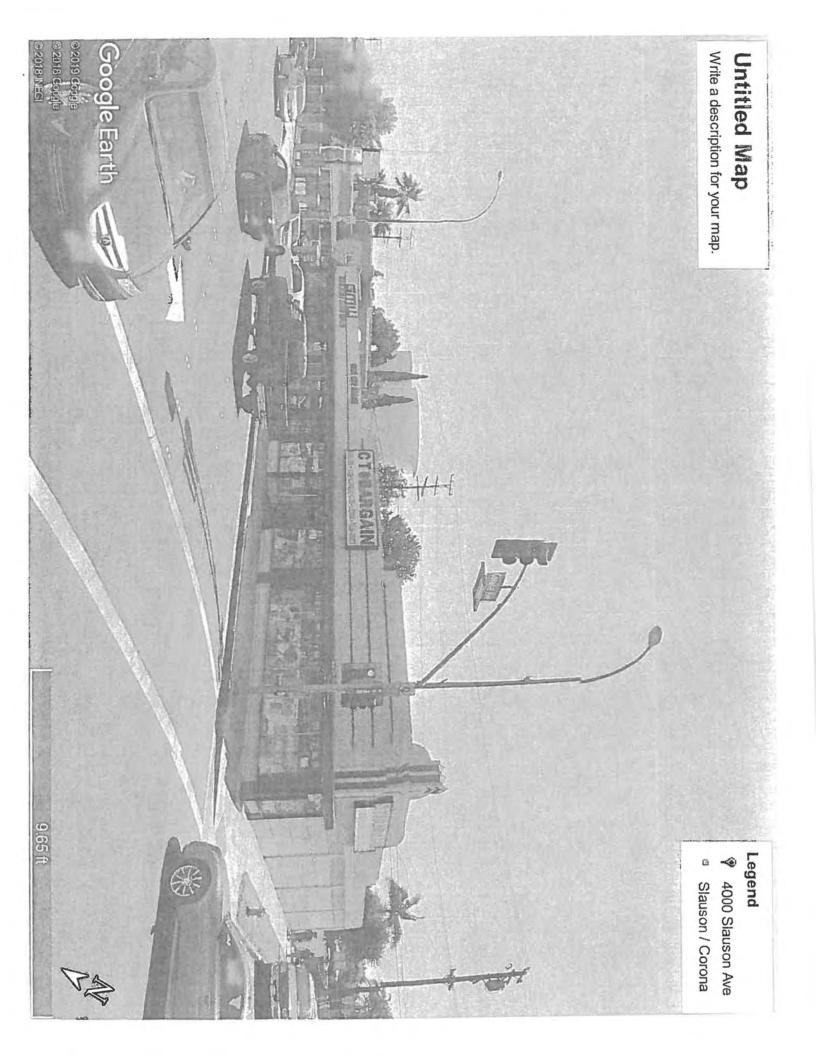
20. This conditional use permit will not be effective until ten (10) days after the date upon which it is granted by the Planning Commission and within ten (10) days from the adoption of the Resolution approving this Application, the Applicant and/or Owner of the subject property shall execute a notarized affidavit agreeing to comply with the aforementioned conditions.

## EXHIBIT B

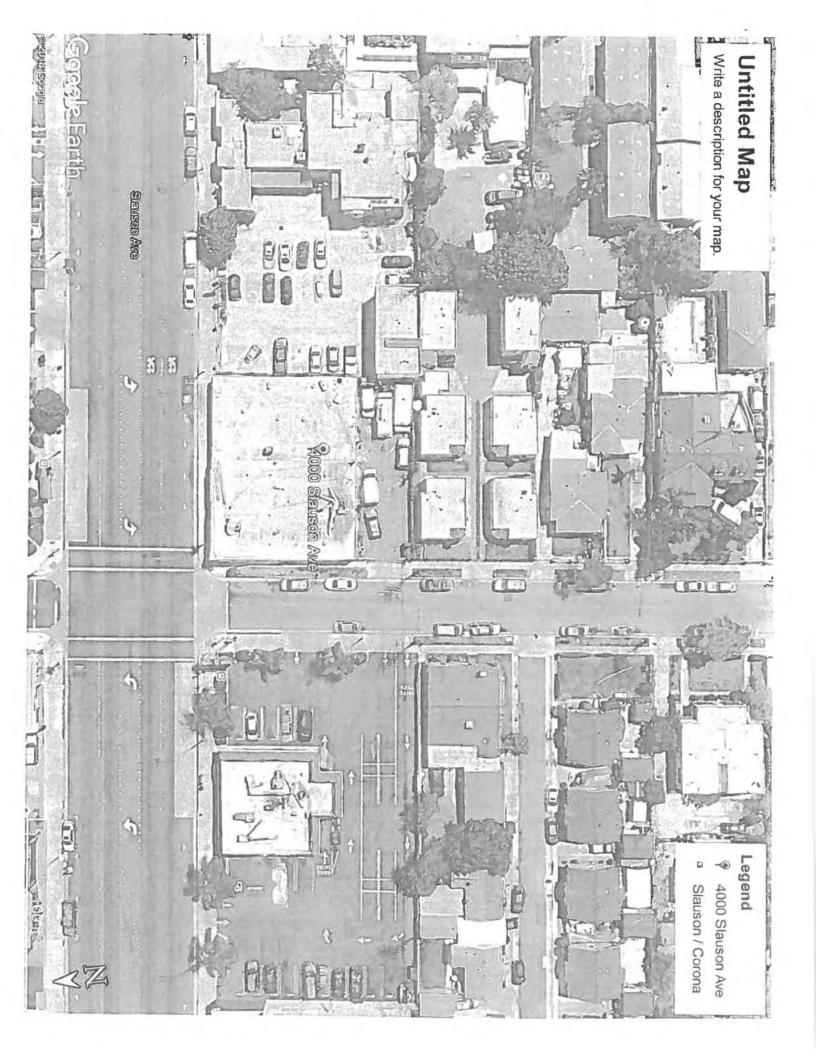
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## EXHIBIT C



## EXHIBIT D



## EXHIBIT E

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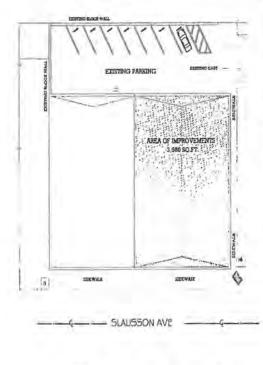
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#### ENTRANCES / EXITS NOTES:

- ALL BUILDING ENTRANCES THAT ARE ACCESSIBLE TO AND USABLE BY PERSONS WITH DISABILITIES AND AT EVERY MAJOR JUNCTION ALONG OR LEADING TO AN ACCESSIBLE ROUT! OF TRAVEL SHALL BE IDENTIFIED WITH A SIGN DISPLAYING THE INTERNATIONAL SYMBOL OF ACCESSIBILITY AND WITH ADDITIONAL DIRECTIONAL SIGNS, AS REQUIRED, TO BE VISIBLE TO PERSONS ALONG (111785A121112783) APPROACHING PEDESTRIAN WAYS.
- 2. THE CENTER OF JUNCTION BOX FOR ELECTRICAL AND COMMUNICATION SYSTEM RECEPTACLE OUTLETS SHALL BE INSTALLED AT AN ACCESSIBLE LOCATION MEETING THE CLEARANCES AND REACH RANGE REQUIREMENTS OF SECTION 11138 AND NOT LESS THAN IS' ABOVE THE FLOOR OR WORKING PLATFORMS
- x. SIGNAGE : AFTIX AN INTERNATIONAL ACCESSIBILITY SYMBOL ON ALL ENTRANCES. CBC 118-216.6
- B. LANDING | PROVIDE A LEVEL LANDING ON EACH SIDE OF DOOR DATENDING 60' ON DIRECTION OF DOOR SWING AND 48' IN OPPOSITE DIRECTION OF DOOR SWING, MEASURED WITH DOOR CLOSED, CBC 118-404 2 4
- C. STRIKE EDGE TATALINE AT DOORWAY

I PROVIDE AN 18" STRIKE EDGE CLEARANCE ON THE PUHL SIDE OF EXTERIOR 0007.

- 2. PROVIDE & 24" STRIKE EDGE CLEARANCE ON THE PULL SIDE OF THE EXTERIOR DOOR. 3. PROVIDE A 12" STRIKE EDGE CLEARANCE ON THE PUSH SIDE OF ALL DOORS WHICH HAVE BOTH A LATCH AND A CLOSER, CBC TABLE 118-404 2 4 1
- TACTILE SIGNAGE (TACTLE DOT SIGNAGE, CBF SECTION 10/ 1 4 AND SECTION D. 116-705
  - TACTILE ENT SIGNS SHALL REQUIRED AT TIGHE FOLLOWING LOCATIONS. I. A TACTILE EXIT SIGN WITH THE WORD, "EXIT" SHALL IDENTIFY EACH GRADE LEVEL EXTERIOR ENT DOOR. 2. PROVIDE A DETAIL OF EACH TYPE OF SIGN AND REFERENCE THEIR.
  - LOCATIONS ON THE FLOOR PLAN



SITE PLAN SCALE .= 1.07

#### DOOR FOOT NOTES:

- 1. ALL DOORS TO BE WARRANTED BY GENERAL CONTRACTOR FOR INDUSTRY STANDARD PERFORMANCE GENERAL CONTRACTOR RESPONSIBLE FOR WATERPROOFING DETAILS
- 2. INSTALLATION OF DOORS PER MANUIFACTURERS INSTRUCTIONSY RECURPTINENTS.
- 3 COORDINATE ALL HARDWARE PRODUCTS WITH DESIGN CONTRACTOR FOR APPROVAL PROR TO INSTALLATION AND PURCHASE FOOR HANDLES, PULLS, LATCHES, LOCKS AND OTHER OPERATING DEVICES ON DOORS SHALL BE ADA COMPUNIT
- 4 THRESHOLDS AT DOORWAYS SHALL NOT EXCEED 0.25" IN HEIGHT ( 0.5' IN HEIGHT AT 1.2 SLOPE).
- 5. DOOR HANDLES, LOCK AND OTHER OPERATING DEVICES SHALL BE INSTALLED AT A NIN. 34" AND MAX. 40" ABOVE THE FINISHED FLOOR.
- 6. REFER TO SHEET ADA, "DOORS" SECTION FOR ADDITIONAL ACCESSIBLE REQUIREMENTS PROVIDE' SAFETY GLAZING' WHERE APPLICABLE PER CBC SECTION 2406
- 7 EGRESS DOOR SHALL BE READILY OPENABLE FROM THE EGRESS SIDE WITHOUT THE USE OF A KEY OR SPECIAL KNOWLEDGE OR EFFORT. THIS DOOR IS TO PEMAIN UNLOCKED WHEN BUILDING IS OCCUPIED PROVIDE DATI SIGN PER MEANS OF EGRESS'
- 6 SMINGING DOORS I GATES SHALL HAVE MANEUVERING CLEARANCES COMPLYING WITH TABLE 118-404.2.4 1.
- 9 DOOR MUST COMPLY TO 1008.1.4.2 TO BHMAVANSI A156.10 FOR SAFETY QUDELINES

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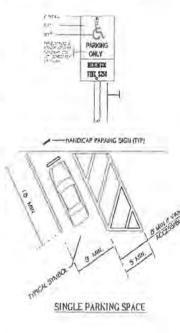
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NOTE: THE USE OF FLAMMABLE AND COMBUSTIBLE LIQUIDS IS BOILED, DESTRILED, OR EVAPORATED SHALL OCCUR UNDER A HAZARDOUS EXHAUST FUME HOOD, RATED FOR EXHAUSTING VAPORS, ELECTRICAL EQUIPMENT USED WITHIN THE HAZARDOUS EXHAUST FUME HOOD SHALL BE RATED FOR USE IN FLAMMABLE ATMOSPHERES, HEATING OF FLAMMABLE OR COMBUSTILEE MOUIDS OVER AN OPEN PLAME IS PROHIBITED. FIRE CODE MAR B

NOTE: FLAMMARLE STORAGE CARINET SHALL COMPLY WITH MOULD STORAGE CABINETS : SECTIONS \$704.3.2 CFC



#### FIRE DEPARTMENT NOTES

1. APPROVED BUILDING ADDRESS NUMBERS, BUILDING NUMBERS OR APPROVED REPLACED AND ADDRESS OF A STALL BE PROVIDED AND MAINTARIED SO AS TO BE PLADILY VISIBLE AND LEGIBLE FROM THE STREET FRONTING THE PROPERTY. THE NUMBERS SHALL CONTRAST WITH THEIR BACKGROURID. BE ARABIC NUMERALS OR ALPHABET LETTERS AND BE A MINIMUM OF 4 INCHES HIGH WITH A MINIMUM STROKE WIDTH OF 9.5 INCH. FRE CODE 505.1

- 3. AN APPROVED REY BOX, LISTED IN ACCORDANCE WITH UL 1037 SHALL BE PROVIDED AS REQUIRED BY FIRE CODE 505. THE LOCATION OF EACH XEY BOX SHALL BE DETERMINED BY FIRE INSPECTOR.
- 3. THE MEANS OF EGRESS AND EXIT DISCHARCE, SHALL BE ILLIMINATED AT ANY TIME THE BUILDING IS OCCUPIED WITH A LIGHT INTENSITY OF NOT LESS THAN 1-POOT CANDLE AT THE WALKING SURFACE LEVEL BUILDING CODE 1006.2
- 4. EGRESS DOORS SHALL BE READILY OPENABLE FROM EGRESS SIDE WITHOUT THE USE OF A KEY OR ANY SPECIAL KNOWLEDGE OF EFFORT. SULDING CODE 1068.1.9
- 5. PORTABLE FIRE EXTINGUISHERS SHALL SE INSTALLED IN LOCATIONS AS REQUIRED BY FIRE CODE 905
- 8. MAGNETIC DOORS AS SHOWN ON DOOR SCHEDULE AND FLOOR PLAN SHALL COMPLY WITH SECTION 1010.1.9.8 CBC.

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UROP-OFF AREA 238 SQ.FT. / 300 = 1 PERSON STORAGE AREA = 300 GROSS	TOTAL BUILD N
OFFICE (COMPUTER AREA) 51 SQ.FT. / 100 = 1 PERSON BUSSINES AREA - 100 GROSS	11 PEOPLE

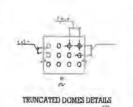
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1. LIST AND TYPE OF CHEMICALS THAT WILL BE USED AND STORED. MaOH, ACN IPA Formic And Acadie And Nitrie And

- 2. QUANTITIES OF CHEMICALS THAT WILL BE USED AND STORES. Per month volume MeOH (4L), CAN (4L), IPA (4L), Formic Acid (10mL).
- 3. LIST OF COMPRESSED GASES THAT WILL BE USED AND STORED: (i.e. hydrogen, COZ, etc.) Argon, Nitrogen, Helium
- 4. QUANTITIES OF COMPRESSED CASES THAT WILL BE USED AND STORED (i.e. hydrogen, CO2, etc.) Argon 100,000 L/month. In-house Nitrogen generator Hellum 300 L/month.

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- 5. LIST OF ANY HAZARDOUS MATERIALS USED AND STORED? Hazardous material will be stored in biosafety cabinet or tune. hood. There will be a GHS pictogram posted on the wall as guide. Methanol, CAN, IPA will be stored in bloradety cabinet. Formic and Nitric acid will be stord in fume hood.
- 6. TYPE OF VENTILATION SYSTEM (hood system)? Ductless fume hood.



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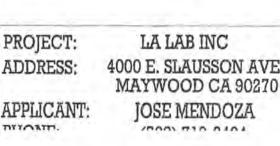
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INDEX

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#### GOVERNING CODES

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#### A.D.A. NOTES:

AT TWE OF PERMIT ISSUANCE CONTRACTOR SHALL SHOW THER VAND. WORKERS COMPENSATION INSURANCE CERTIFICATE.

ALL WORK SHALL CONFORM TO ALL REQUIREMENTS OF STATE OF CALIFORNIA TITLE 24 REGARDLESS OF THE BIFORMATION INDICATED ON THE PLANS. IT IS THE RESPONSIBILITY OF THE INDIVIDUAL SUPERVISING THE CONSTRUCTION TO ENSURE THAT THE WORK IS DONE III ACCORDANCE WITH CODE REQUIREMENTS PRIOR TO REQUESTING INSPECTION.

EXCESS OR WASTE CORCRETE MAY NOT BE WASHED INTO THE PUBLIC WAY OR NIN OTHER ORAHIAGE SYSTEM, PROVISIONS SHALL BE WADE TO RETAIN CONCRETE WASTES ON SITE UNITIL THEY CAN BE DISPOSED AS SOUD WASTE.

SOUTH COAST AIR OUALITY MANAGEMENT DISTRUCT (SCADA/D) SHALL BY NOTIFIED DUACCORDANCE WITH CALIFORNIA STATE LAW PRICE. TO STAPT OF ANY DEMONSTORY ADDITION AND/OP PENDOPI WORD THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT OFFICE IS IDCATED AT 21865 COPLEY DRIVE I/I DIAMONO BAR, PHONE IIC. (909) 395-2000 INE ADVISED, SCAOMD MAY REQUIR & 10 DAY WAIT PRIOR TO START WORK

SEDIMENTS AND OTHER MATERIALS MAY NOT BE TRACKED FROM THE SITE BY VEHICLE TRAFFIC. THE CONSTRUCTION ENTRAFICE ROADWAYS MUST IN STAINLIZED SO AS TO UNIBIT SEDIMENTS FROM BEING DEPOSITED INTO THE PUBLIC WAY, ACCIDENTAL DEPOSITIONS MUST BE SWEPT UP IUMEDIATELY AND MAY LICIT BE WASHED ODVAL BY PAULOR OTHER MEANS

STOCTFILLS OF EARTH AND OTHER CONSTRUCTION RELATED MATERIALS MUST BE PROTECTED FROM BEING TRANSPORTED FROM THE SITE BY THE FORCES OF WIND AND WATER.

TRASH AND CONSTRUCTION RELATED SCHO WASTES MUST BE DEPOSITED. INTO A COVERED RECEPTACIE TO PREVENT CONTAMINATION OF PAIL WATER AND DISPERSAL BY WILLD.

FUELS OUS, SOLVENTS AND OTHER TOXIC MATERIALS MUST BE STORED. IN ACCORDANCE WITH THEIR USTING AND ARE NOT TO CONTAMINATE THE SOR AND SURFACE WATERS. ALL APPROVD STORAG CONTAINERS ARE TO BE PROTECTED FROM WEATHER, SPILLS MUST BE CLEAVED UF IMMEDIATELY AND DISPOSED OF IT A PROPER MAINTER. SPILLS MAY NOT BE WASHED NITO THE DRAILAGE SYSTEM

THE ISSUALCE OF A PERMIT SHALL NOT PREVENT THE BUILDING OFFICIAL FROM REQUIRING THE CORRECTION OF ERRORS ON THESE PLANS OF FROM PREVENTING AID VIOLATION OF THE CODES ADOPTED BY THE CITY. RELEVANT LAWS, ORDINALICES, PULES AND/OR REGULATIONS.

#### HANDICAP ACCESSIBLE RESTROOM NOTES:

- A CLEAR SPACE MENSURED FROM THE FLOOP TO A REIGHT OF 27 INCHES ABOVE THE FLOOR, WITHIN THE SAVITARY FACILITY ROOM. OF SUFFICIENT SIZE TO INSCRIBE A CIRCLE WITH A DIAMETER NOT LESS THAN GO INCRES. IL SEC. OTHER THAY THE DOOR TO THE ACCESSIBLE WATER CLOSET COMPARTMENT, A DOOP, IN ANY POSITION, MAY SUCROACE INTO THIS SPACE OF NOPE THAL 12 MORES CHE 1 15-603.2
- 5. DOOPS SHALL NOT SWING INTO THE CLEAR, MOOP SPACE REQUIRED FOR ANY FRETURE EXCEPT AS PERMITED BY FIG ... D.GO4.3... NOT 110-603.2.5. EXCEPTION 2 IN SINGLY ACCOULDIATION REELROOMS.
- 5. PROVIDE DUE ACCESSIBLE LAVATORY III COLUPLALICE VITH CHULL III 635
- D. THE CONTER LINE OF ACCESSIBLE WATER CLOSET SHALL BE IT LCHES MILLISUM AND 15 MICHEE MANIMUN FROM THE SIDE WALL FAPTITION CIN 116-634 :
- E A MUNILIAN GO MEMES WIDE AND 46 UIDIES DEER CLEAN ALCOP SPACE SHALL BE PROMIDED (1) FROMI OF THE WATER CLOSE
- F. THE HEIGHT OF ACCESSIBLE WATEP CLOSETS SHALL SE & MULTINEW OF THIS A MAXIMUM OF 19 WORES MEASURED TO THE TOP OF A MAXIMUM I JUCH HIGH "O'LET SEA" CUC HIB KHAS
- G. GRAB BARS SHALL BE ETTOID 241 I'LEPOID OF MATER CLOSET, CHU LILLAWAN
- PL JAVATOPY TALP TE AND HOT WATER . LES SHALL BE HIS JLATED OF COVERED PER CUC + 15-606 5

WHERE A WATER CLOSET IS NOT WITHIN A WATER CLOSET COMPARY/UP, CLEAR "LOOR SPACE APOUND THE WATEP CLOSET SHALL BE SO INCRESS MILLIALR LATASJEED PERPENDICULAE FROM THE ADE WALL CLOSEST TO THE WATER CLOSET M.D S& WORES SPITALLY MEASURED PERFENDICULAR PROM THE REAP WALL CBC B GO- 3.

#### PLAN CHECK NOTES:

EXIT SIGHS SHALL BE INTERNALLY OR EXTERNALLY ILLIMINATED.

- 2. DOT SIGHS ILLUMINATED BY AN EXTERIAL SOURCE SHALL HAVE AN INFUNSITY OF NOT LESS THAN 5 FOOT CANDLES (SALLAR).
- 3. INTERMALLY ILLIAMINATED SIGHS SMALL BEE USTED AND LABELED AND SMALL BE MATALLED III ACCORDANCE WITH THE MANUFACTURERS DISTRUCTIONS
- 4 EXIT SIGNS SHALL BE ILLUMINATED AT ALL TIMES
- 5 DAT SIGIS SHALL BE CONNECTED TO AN EMERGENCY POWER SYSTEM THAT WILL PROVIDE ILLUMIDATION OF NOT LESS THINK SO MINUTES IN CASE OF PRIMARY POWER LOSS
- 6. EGRESS DOORS SHALL BE READELY OPPLIABLE FROM TH EGRESS SIDE WITHOUT TH USE OF A KEY OR SPECIAL KNOWLEDGE OF EFFORT.
- 7 DOOP HANDLES, LOCK AND OTHER OPERATING DEVICES SHALL BE HISTALLED AT A MILL 34" AND MAY, 48" ABOVE THE FLOOR FINSH.
- O. ALL LIGRESS UDURS SHALL HAVE FULL COMPURANCE.
- 9 STICKER NOT ON ENIT DOORS THIS OCOR TO REMAIL UNLOCKED WHEN BUILDING IS OCCUPIED
- 10. THE MEANS OF LORESS, INCLUDING THE EXIT DISCHARGE, SHALL BE ILLUMINATED AT ALL TIMES THE BUILDING SPACE SERVED BY THE MEANS OF EGRESS IS OCCUPED.
- 11 THE MEANS OF GRESS ILLUKINATION LEVEL SHALL NOT BE LESS THAN I FOOT CANDLE AT THE WALKING SURFACE.
- 12. THE POWER SUPPLY FOR ALL MEANS OF EGRESS ILLUM/HADOU SHALL HORMALLY BE PROVIDED BY THE MAIL ELECTRICAL SUPPLY III THE EVENT OF POWER SUPPLY FAILURE SPARE EMERGENCY ELECTRICAL SYSTEM SHALL AUTOMATICALLY ILLIDARDATE THE WARKING AREAS
- 13 AISLES AND UNEXCLOSED LORDS STAIRWAYS IN ROOMS AND SPACES THAT REQUIRE TWO OR MORE MEANS OF EGRESS.
- 14. INTERIOR EXIT DISCHARGE ELEMENTS . AS PERMITTO IN SECTION 1027 IN BUILDING REQUIRED TO NAV TWO OR MORE ENTS:
- 15. EXTERIOR LANDINGS YOP EXIT DISCHARGE DOORSLAYS IN BUILDING REQUIRED TO HAVE TWO OF MORE EXITS
- S THE EMERGENCY POWER SYSTEM SHAL PROVIDE POWER FOR A DURATION OF NOT LESS THAT SO MITUTS AND SHALL COLSEST OF STORAGE DATTERIES, USIT YOUPMENT OF AN ON-SITE GENERATOR.
- T ENERGENCI LIGHTING PACILITIES SHALL BE ARRANGED TO PEIDVIDE IUITIAL ILLUMUATION THAT IS AT LEFAST AN AVERAGE OF I FOOT CALIDLE (1) JUNU AND A MIRIMUM AT AIM POWER OF C. I. FOOT CAUGUE I LUXI MEASURED ALONG THE PATH OF EGRESS AT FLOOP LEVEL ILUMPIATION LEVELS SHALL BE PERMITED TO DECLINE TO DE POOT-CAREAS IGUIN AVERAGE AND A DIREAUN AT ALLY PORT OF 0.05 DOT-CALID'S IGLUY) AT THE SHO OF TH ENERGEISO' UGHTING THE DUPATION A MAXIMUM TO MISIMUM ILLUMPHATION US/FORMITY PATIO OF 10 TO 1 SHALL NOT EXCLEDED

NOTE TOLE FOOM FLOOPS SHAL, "A" & SMOOTH, HAPD HOT ABSORBERT SUPPACE SUCH AS POPTLALD CELERT, CERAMIC THE OF OTHER APPROVED MATERIAL THAT EXTENDE UPWARD OLDO THE WALLS AT LEAST 1 WORKER ( 27mm) (80". 1



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## EXHIBIT F

#### CALIFORNIA NEWSPAPER SERVICE BUREAU

#### DAILY JOURNAL CORPORATION

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DAVID MANGO MAYWOOD CITY CLERK 4319 E SLAUSON AVE MAYWOOD, CA 90270

12.5

#### COPY OF NOTICE

Notice Type: HRG NOTICE OF HEARING

Ad Description CONDITIONAL USE PERMIT NO. PC19-04

To the right is a copy of the notice you sent to us for publication in the BELL/MAYWOOD INDUSTRIAL POST. Please read this notice carefully and call us with any corrections. The Proof of Publication will be filed with the County Clark, if required, and mailed to you after the last date below. Publication date(s) for this notice is (are):

08/22/2019

The charge(s) for this order is as follows. An invoice will be sent after the last date of publication. If you prepaid this order in full, you will not receive an invoice.

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\$205.80 \$205.80

### CITY OF MAYWOOD NOTICE OF PUBLIC REARING DEPARTMENT OF BUILDING AND PLANNING

CONDITIONAL USE PERMIT NO. PC19-04

Planning Commission of the City wood will conduct a Public Hearing, at w you may be present and heart, conce above stated case. The Public Hearing eld on Taesday, September 9, 2019, at In the Council(Strambers Jocata at 43 and Avanue, Misywood, CA 90270 Gity at wi ,of

CONDITIONAL USE PERMIT REQUESTS control by Jose Mendoze of LA Labe Inc., who is requestory permission to estab-list a commercial control stating texture ry

LOGATION OF SUBJECT PROPERTY: The subject property is located at 4000 Sisuaton Avenue, Manyrood, 94 90270, and is zoned CM (Companyial Manufacturing) with a General Pein Land Use Designation of Mored Use. The parcel is located on the south side of Sisuary Avenue Avenue and Coror

ASSESSMENT: ENVIRONMENTAL Planning d project semigred that the propo sty exemption the provi ny compensation the provi ny compensation the provi Quidelines 15301 (Class

notice nant to el ce has been 300, test of the subject intervaled residents may address the on at this neeting. Writer comments sent to the Maywood Building and formation may be ob Director of Building o at (323) 562-5721 and Planning

It you challenge the Application in sourt, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this Notce, or Writted oprespon-dence distversed to the City, at or gridt to the Public Hearing.

Dated: This 220d day of Augura 2019

David Mango, Director Building and Planning, Department 8/22/19 PRE-325677.54 BELLINAYWOOD INDUSTRUAL ROST



## EXHIBIT 9



#### Reso of denial

Guillermo Padilla <Guillermo.Padilla@cityofmaywood.org> To: Joe Mendoza <losangeleslabs.inc@gmail.com> Cc: David Mango <David.Mango@cityofmaywood.org> Tue, Sep 17, 2019 at 3:49 PM

Good Afternoon,

Per our City Attorneys request, I have attached the resolution of denial to this email. Should you have any questions, please feel free to contact me.

#### **Guillermo Padilla**

Planning Secretary/Deputy City Clerk

City of Maywood

4319 E. Slauson Ave.

Maywood, CA. 90270

Tel: 323-562-5723



-) Reso 19-0458.pdf 193K

Joe Mendoza <losangeleslabs.inc@gmail.com> Tue, Sep 17, 2019 at 4:02 PM To: Claudia Osuna <claudiaosuna16@gmail.com>, Juan Dotson <juan@osunadotsonlaw.com>

[Quoted text hidden]

-

Joe Mendoza Founder I CEO E: losangeleslabs.inc@gmail.com, joe@lalabssolutions.com

# **EXHIBIT 10**

### What Do Cannabis Testing Laboratories Do?



#### Our Vision

1

L.A Labs Inc empowers people to take action to improve health outcomes by testing cannabis products from all spectrums. The company's mission is to improve health and lives by delivering world-class testing. Testing by an independent laboratory is essential in the emerging cannabis market to arm Market Dynamics

Increasing awareness programs such as conferences, and workshops will educate people regarding medical use of cannabis which will boost the industry growth as well.

There is a short list of established laboratories and very few looking to enter this lane of Cannabis Business. Satisfying the demand of test panels will lead to more laboratories, and room for growth in current labs.

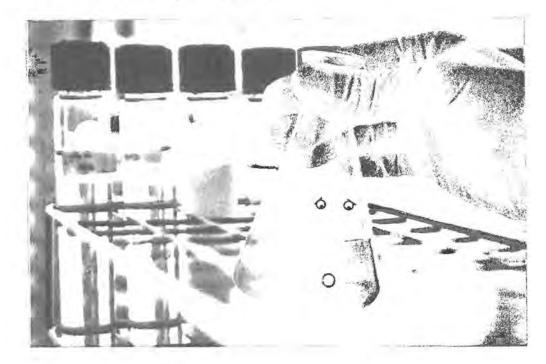
Cannabis Testing Market revenue is set to rise from \$1 billion in 2018 to \$2 billion by 2025.

3

L.A LABS INC.

AUGUST 20, 2019

consumers with specific knowledge of products and to help meet regulations. L.A Labs Inc. role as an independent testing laboratory means that we are not affiliated with the cultivator, manufacturer, the consumer, or the brand, and have no vested interest in the outcome of the testing. Our goal is simple; to test using known methods in order to offer transparency, quality control, and trust; all while meeting California State Regulations.



Assuring the quality and safety of products is definitely a top priority. Manufacturers, dispensaries and cultivators now also face a legal obligation with the passage of Prop 64, which is also known as the Adult Use of Marijuana Act. The state also created a new regulatory body, the California Bureau of Cannabis Control(BCC), and enacted a new set of regulations. Under these regulations, cannabis products purchased from any state licensed dispensary must undergo testing by a state-accredited lab. Testing Facilities are overlooked completely due to a lack of knowledge in the business. In the current often blurry version of the legal cannabis industry in the State of California, nothing is more clearly in focus than the need for more testing labs as part of the supply chain. California has already established 1,150 retail storefronts and 2,000 delivery services to create a substantial launchpad for growth and product access, inhibiting market growth. L.A Labs Inc. will be in compliance with the Bureau of Cannabis Control as well as ISO/IEC 17025:2005 Accredited. Below is a chart of the mandated test that need to be done to ensure California regulations.



BUREAU OF ALL CANNABIS PRO CONTROL ACC SEC

ALL CANNABIS HARVESTED ON OR AFTER 1/1/2018 AND ALL CANNABIS PRODUCTS MANUFACTURED ON OR AFTER 1/1/2018, SHALL BE TESTED ACCORDING TO TITLE 16 OF THE CALIFORNIA CODE OF REGULATIONS. SECTION 5715, AND THE REGULATIONS THAT FOLLOW.

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#### PROTECTING . CALIFORNIA . CONSUMERS

## **EXHIBIT 11**

LTE 🗉	





Mon, Sep 16, 7:09 PM

Please tell me you aren't going around to the surrounding businesses getting them to sign some type of notice in support of your lab and telling them that I gave you the ok and that I already said yes and that you've talked to the council and they also said yes

If you are doing this, you're lying to the business owners. At no point have I ever said yes nor have I approved your business.

No Eddie, I will never do that, that's not the way I

iMessage

7:09 PM

7:11 PM

# EXHIBIT 12

1	Page 85 because it was in the city, so they don't have to
2	drive all the way to Santa Anna or Los Angeles,
3	stuff like that. They were also very pleased with
4	our turnaround time because right now the problem
5	that they're having is when they take something so
6	they could test, it's taking about ten days, 11
7	days, and we're us is looking more, like, four
8	or five days. So that's cutting the competition in
9	half due to the professional team that we hire and
10	we have that are pretty much gonna be part of our
11	project. Puloma Hornandez or Alonghan Olmas
12	FEMALE SPEAKER: Could you mention which ones
13	did you reach out to?
14	MALE SPEAKER: To (inaudible), (inaudible),
15	OG, Maywood and the ones that are pretty much
16	around and Atlantic, then Right Green and stuff
17	like that. I don't think that's gonna be the most
18	hard part. That's actually gonna be pretty easy
19	because we'll see how many I believe there were /
20	33 licenses. So, I mean, we get the list. They
21	(inaudible) public records. We know who to target.
22	We have addresses (inaudible) we can see that's
23	just in Maywood. There's there's there's a
24	lot of good opportunities for testing laboratories.
25	So I think we should definitely take advantage of

Page 86 the situation and get this going and, you know, 1 2 help the city out. You know, we need the help. з FEMALE SPEAKER: Have you obtained then the 4 provisional license from the state? 5 MALE SPEAKER: You can't to get a provisional 6 license from a state if you don't have a CUP. 7 FEMALE SPEAKER: So they don't give it to you 8 until you --9 MALE SPEAKER: It don't work like that. You 10 will have to first get a CUP. Then after you sign the CUP the city will give us a license. Then with 11 that license we could file for a state license. 12 13 FEMALE SPEAKER: Okay. 14 MALE SPEAKER: But it's a process. 15 16 FEMALE SPEAKER: So on the building I notice it have very big windows. 17 18 MALE SPEAKER: Yes. FEMALE SPEAKER: What's the plan that you have 19 for that? 20 MALE SPEAKER: Whatever you guys feel 21 comfortable with. I don't really see too much of 22 an issue. You know, Right Greens is right across 23 the street. They have regular windows. But if you 24 guys want --25

170