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Ninus Malan, San Diego United Holdings Group,  
7 Balboa Ave Cooperative, Flip Management,  
California Cannabis Group  
8

**ELECTRONICALLY FILED**  
Superior Court of California,  
County of San Diego  
**09/26/2018** at 10:54:00 AM  
Clerk of the Superior Court  
By Richard Day, Deputy Clerk

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
10 **COUNTY OF SAN DIEGO- CENTRAL DIVISION**

11  
12 SALAM RAZUKI, an individual,

13 Plaintiff,

14 vs.

15 NINUS MALAN, an individual; CHRIS  
16 HAKIM, an individual; MONARCH  
MANAGEMENT CONSULTING, INC., a  
17 California corporation; SAN DIEGO  
UNITED HOLDINGS GROUP, LLC, a  
18 California limited liability company; FLIP  
MANAGEMENT, LLC, a California  
19 limited liability company; ROSELLE  
PROPERTIES, LLC, a California limited  
20 liability company; BALBOA AVE  
COOPERATIVE, a California nonprofit  
21 mutual benefit corporation; CALIFORNIA  
CANNABIS GROUP, a California  
22 nonprofit mutual benefit corporation;  
DEVILISH DELIGHTS, INC. a California  
23 nonprofit mutual benefit corporation; and  
DOES 1-100, inclusive;

24 Defendants.  
25  
26  
27  
28

**CASE NO. 37-2018-00034229-CU-BC-CTL**

**DECLARATION OF GINA M. AUSTIN IN  
SUPPORT OF EX PARTE APPLICATION  
TO CLARIFY/MODIFY SEPTEMBER 7,  
2018 EX PARTE AND PROPOSED ORDER  
THEREON**

[Imaged File]

Judge: Hon. Eddie C. Sturgeon  
Dept: C-67  
Date: September 27, 2018  
Time: 8:30 a.m.

AUSTIN LEGAL GROUP, APC  
3990 Old Town Ave, Ste A-112  
San Diego, CA 92110

1 I, Gina M. Austin, declare:

2 1. I am attorney admitted to practice before this Court and all California courts and,  
3 along with Tamara M. Leetham, represent defendants Ninus Malan (“Malan”), San Diego United  
4 Holdings Group (“San Diego United”), Balboa Ave Cooperative (“Balboa”), California Cannabis  
5 Group (“CCG”), Devilish Delights, and Flip Management (“Flip”) (collectively “Malan  
6 Defendants”) in this matter. I make this declaration in support of the Malan Defendants ex parte  
7 application to clarify or modify the Court’s ruling on the September 7, 2018 hearing and to clarify  
8 or modify the proposed order thereon. Unless otherwise stated, all facts testified to are within my  
9 personal knowledge and, if called as a witness, I would and could competently testify to them.

10 2. As I’ve stated in prior declarations, I am an expert in cannabis licensing and  
11 entitlements at the state and local levels and regularly speak on the topic across the nation.

12 3. I have represented Ninus Malan, San Diego United Holdings Group, Balboa Ave  
13 Cooperative, and California Cannabis Group in multiple matters in San Diego County Superior  
14 Court and my firm also performs additional legal services for the Malan Defendants to include  
15 corporate transactions and structuring, land use entitlements and regulations related to cannabis,  
16 and state compliance related to cannabis.

17 4. I have appeared at all 5 hearings related to plaintiff Salam Razuki’s (“Plaintiff”)   
18 request for temporary restraining order and preliminary injunction:

- 19 a. July 17, 2018 hearing before Judge Medel in department 66;
- 20 b. July 31, 2018 hearing before Judge Strauss in department 75;
- 21 c. August 14, 2018 hearing before Judge Sturgeon;
- 22 d. August 20, 2018 hearing before Judge Sturgeon;
- 23 e. September 7, 2018 hearing before Judge Sturgeon.

24 5. On September 7, 2018, I appeared at the continued hearing on plaintiff Salam  
25 Razuki’s preliminary injunction. Attached as Exhibit A to my declaration is a true and correct  
26 copy of a partial rough transcript, e-mailed from Mr. Griswold to all counsel in response to  
27 questions regarding the proposed order.

28 6. On September 13, 2018, after some back and forth between counsel, Mr. Griswold

1 e-mailed all counsel a Proposed Order. A true and correct copy of his e-mail and the Proposed  
2 Order is attached as Exhibit B. Despite best efforts by Mr. Griswold, there continues to be a  
3 disagreement as to (a) whether the licensed entities should be placed into the receivership as they  
4 are not part of the settlement agreement; (b) the manner in which the current order has been  
5 implemented as it has stripped all ability my office has to directly contact and process the  
6 cannabis licenses; (c) the improper disclosure of confidential information to Mr. Lachant and  
7 other parties; and (d) the scope of the forensic accounting and who is responsible for payment.

8 7. During the hearing on September 7, 2018, we asked the Court to keep the licensed  
9 entities (California Cannabis Group and Balboa Ave Cooperative) out of the receivership, which  
10 the Court declined. I suggested the receiver become an owner and court received objection from  
11 the receiver and the receiver's counsel. Ironically, the state of California has since required the  
12 receiver to fill out and submit owner paperwork for the state licenses. In fact, Mr. Essary is  
13 currently listed as an owner for each of the licensed entities. The Court did allow me to continue  
14 to process the state applications.

15 Issues With City MGO Audit

16 8. To remind the Court, Balboa Ave Cooperative is undergoing an audit by the City  
17 of San Diego's MGO with respect to its local sales tax. The receiver has been responsible for  
18 managing this audit from July 17, 2018 – July 31, 2018 and from August 14, 2018 through the  
19 date of this declaration.

20 9. To remind the Court, the City came back with comments that the sales tax could  
21 not be reconciled with the amounts owed and there was a difference of approximately \$100,000.  
22 SoCal and non-party CPA John Yaeger were in exclusive control of the sales tax records during  
23 the time period of the audit, or calendar year 2018.

24 10. On September 11, 2018, John Yaeger e-mailed City MGO Grigor Gevorgyan on  
25 behalf of Mike Essary about the City Audit. John Yaeger informed the City that Ninus Malan  
26 was in possession of missing information. We were not copied on this e-mail. A true and correct  
27 copy of this e-mail chain is attached as Exhibit C and incorporated by reference.

28 11. On September 14, 2018, Mr. Gevorgyan responded to Mr. Yaeger's e-mail. Mr.

1 Gevorgyan asked Mr. Yaeger when Mr. Malan would gain access to the previous POS system and  
2 requested documents listed in an excel spreadsheet and request help in obtaining these files. We  
3 were not copied on this e-mail. See Exhibit C.

4 12. On September 14, 2018, Mike Essary forwarded the e-mail chain and asked for  
5 assistance in completing the local audit.

6 13. On September 17, 2018 at 10:26 a.m., John Yaeger e-mailed Mike Essary about an  
7 accounting system that would have records for the City MGO Audit. A true and correct copy of  
8 Mr. Yaeger's e-mail is attached as Exhibit G and incorporated by reference.

9 14. At 10:27 a.m., Mr. Essary e-mailed me, Mr. Malan, and accountant Justus Henkes  
10 about the information Mr. Yaeger said Mr. Malan would need to acquire. See Exhibit G.

11 15. At 10:49 a.m., Mr. Malan e-mailed Mr. Essary that he did not recall signing  
12 anything for the software, that he found nothing in his e-mails, and that SoCal should have the  
13 reports as Mr. Yaeger was doing the books but indicated he would continue to look. See Exhibit  
14 G.

15 16. At 10:53 a.m., Mr. Essary looped Mr. Yaeger into the e-mail chain to determine  
16 how to acquire the accounting information. See Exhibit G.

17 17. At 10:55 a.m., Mr. Yaeger e-mailed a link for the software. See Exhibit G.

18 18. At 3:13 p.m., Mr. Essary asked if anyone had an update and asked if someone  
19 would update City MGO Auditor Gevorgyan. See Exhibit G.

20 19. At 3:24, I responded with an indication that the response to the City MGO would  
21 require new corrected tax form and asked who was preparing them. See Exhibit G.

22 20. At 3:28, Mr. Essary replied that he intended John Yaeger to modify the  
23 information. See Exhibit G.

24 21. At 3:32, I responded as I was confused by the entire e-mail chain. Mr. Yaeger  
25 should have the information and should have completed the return, that Mr. Yaeger had already  
26 been paid to complete the work. I do not understand why Mr. Yaeger submitted an incorrect form  
27 to the City and my clients, the Malan Entities, do not have the information Mr. Yaeger says the  
28 City needs.

1           22.     As detailed in the concurrently filed declaration of Ninus Malan, Mr. Malan is not  
2 in possession of this information. It was properly in SoCal's possession.

3           23.     On September 25, 2018 I emailed Mr. Grigor and copied Mr. Essary to determine  
4 if the issue has been resolved. Mr. Grigor indicated that no additional information has been  
5 provided. A true and correct copy of this email chain is attached hereto as Exhibit L. Mr. Essary  
6 responded and added Mr. Lachant and Mr. Yaeger to the email requesting assistance from Mr.  
7 Girgor. This was an improper request of Mr. Grigor as MGO is the audit team. It was also  
8 improper to add Mr. Lachant to the email chain as he has no information or expertise with San  
9 Diego licensing. I have explained to Mr. Essary on many instances that this information is in the  
10 possession of SoCal and he has the authority to obtain it. None-the-less, Mr. Essary has been  
11 unable or unwilling to obtain the necessary information from SoCal and provide the same to  
12 MGO.

13           24.     The negative consequences of failure to provide the requisite information could  
14 include the City issuing additional fines or proceedings to revoke the conditional use permit.

15           Issues With Processing State License Applications

16           25.     After the September 7, 2018 hearing, I attempted to continue to process the state  
17 license applications for California Cannabis Group and Balboa Ave Cooperative.

18           26.     On September 12, 2018, a California Department of Public Health employee  
19 explained to Mr. Essary that he had been identified as an owner of the "business" and would be  
20 required to complete the individual profile. CDPH also indicated that Mr. Essary would be the  
21 "sole individual authorized to make changes in the application." A true and correct copy of this  
22 e-mail is attached as Exhibit H and incorporated by reference.

23           27.     On September 17, 2018, Mr. Essary notified the CDPH that he had completed the  
24 information. See Exhibit H.

25           28.     On September 12, 2018, Michaela Sweatt, compliance director at my law firm,  
26 contacted the Bureau of Cannabis Control regarding Mr. Essary's receivership and to ask for the  
27 timeframe within which Mr. Essary was required to submit the appropriate documentation. The  
28 Bureau of Cannabis Control responded a short time later and directed Ms. Sweatt to contact Mr.

1     Essary. I immediately thereafter asked Mr. Essary to send me all correspondence from the  
2     Bureau of Cannabis Control in order to complete the license applications. A true and correct copy  
3     of this e-mail chain is attached as Exhibit D and incorporated by reference. No information other  
4     than Mr. Essary's owner application has been received from Mr. Essary.

5             29.     In order to accurately and timely process the state applications, the client (in this  
6     case California Cannabis and Balboa Ave Cooperative) executes a power of attorney that appoints  
7     me as the primary contact for the license processing.

8             30.     On September 13, 2018 at 9:28 a.m., after learning the state agencies would not  
9     communicate directly with me, I e-mailed Mr. Essary the power of attorney documents and asked  
10    him to sign and return in an attempt to continue to process the applications. A true and correct  
11    copy of my e-mail is attached as Exhibit E and incorporated by reference.

12            31.     At 4:23 that same day, I e-mailed Mike Essary about completing the powers of  
13    attorney. See Exhibit E.

14            32.     At 4:34, Mike Essary e-mailed me back that "Red and "Aaron" would respond-  
15    hopefully that day. See Exhibit E.

16            33.     At 4:55, Mr. Griswold responded that he does not understand my request but that  
17    my firm would take the lead on work and responses. See Exhibit E.

18            34.     At 4:58, I responded to Mr. Griswold that Mr. Essary's failure to sign the power of  
19    attorneys precludes us from talking to the agency via phone, e-mail or otherwise, that the Court  
20    ordered us to process the applications and not give Mike information so he can process them. See  
21    Exhibit E.

22            35.     On September 14, 2018, Mr. Essary corresponded with the Bureau of Cannabis  
23    Control of his intent to continue operating Balboa Ave Cooperative during the receivership. A  
24    true and correct copy of Mr. Essary's e-mail and letter is attached as Exhibit F and incorporated  
25    by reference.

26            36.     On September 17, 2018, Mr. Griswold responded that "Mike" would remain the  
27    contact, that we would handle the work, and if this becomes a logistical issue, he would  
28    reconsider. See Exhibit E.

1           37.     On September 19, 2018, Mr. Essary e-mailed the Bureau of Cannabis Control his  
2 owner submittal and copied Aaron Lachant. A true and correct copy of this e-mail and letter is  
3 attached as Exhibit I and incorporated by reference.

4           38.     I have not received any further updates from Mr. Essary regarding the  
5 applications. I have no knowledge whether or not the Bureau or CDPH have sent requests for  
6 information.

7           Reasons Order Should Be Clarified/Modified

8           39.     We renew this request for several reasons: (a)the licensed entities are not subject to  
9 the Settlement Agreement and RM Property Holdings Operating Agreement and even if Plaintiff  
10 prevails, these entities have been improperly placed into receivership; (b)the manner in which the  
11 current order has been implemented has stripped all ability my office has to directly contact and  
12 process the cannabis licenses; (c) Mr. Essary continues to disclose confidential information to Mr.  
13 Lachant and other parties; (d) There is a disagreement as to the forensic accounting scope and  
14 who is responsible for payment.

15           a.     The Licensed Entities Have Been Improperly Placed Into The  
16 Receivership. Mr. Razuki has no claim of ownership in the settlement agreement or elsewhere  
17 that the moving party he has an interest in the licensed entities. The licensed entities are  
18 expressly not subject to the settlement agreement and RM Property Holdings. There is no  
19 practical purpose to put the licensed entities in the receivership as no money flows in or out of  
20 these entities. It would be irrational and senseless for Mr. Malan or this office to interfere with  
21 the prompt processing of the licensed entities and there has been no allegation by any party that  
22 such activity is occurring. The only effect of putting the licensed entities into the receivership has  
23 been to increase costs for all parties and delay the proper processing of the permits.

24           b.     Current Draft Order Precludes Direct Communication and Unreasonably  
25 Increases Expenses. Mr. Essary continues to consult with and copy Mr. Lachant on all issues  
26 related to the licensing at both the state and local level. This is an unreasonable additional  
27 expense being placed upon my clients. First, Mr. Lachant is not familiar with San Diego  
28 licensing and has no expertise with regard to the transactions for San Diego which are

1 substantially different than Los Angeles. None-the-less, Mr. Essary continues to copy Mr.  
2 Lachant on all communication with the only result being increased fees to my client. Second, our  
3 office has already charged a flat fee and have been paid for all work related to the state licensing.  
4 Because Mr. Essary has refused to sign the power of attorney to allow my office to communicate  
5 directly with the state agencies all communication must first go to Mr. Essary who in turn  
6 consults with Mr. Lachant and Mr. Griswold. To add increased fees of Mr. Essary, Mr. Griswold,  
7 and Mr. Lachant is extremely prejudicial to my clients.

8 c. The State Application Process Involves A High Degree Of Confidential  
9 Information That Needs Confidential Protection. On September 11, 2018 I requested that  
10 information I mark as “confidential” and provide to Mr. Essary not be shared with Mr. Lachant or  
11 other parties to this litigation. A true and correct copy of my e-mail is attached as Exhibit J and  
12 incorporated by reference. Mr. Griswold suggested that I seek a protective order as he is unable  
13 to determine what is confidential. Much of our internal work product and confidential proprietary  
14 information. Specifically, much of the operating procedures for Mira Este and Balboa are marked  
15 as confidential when submitted to the state agencies to avoid disclosure by any public records  
16 request. Mr. Essary and Mr. Griswold have refused to acknowledge such confidentiality without  
17 a modification to the court’s order.

18 d. The Forensic Accounting Must Include All Of Mr. Razuki’s Interests  
19 Identified In The Settlement Agreement. In order for a proper accounting to occur all entities  
20 subject to the receivership and all entities referenced in the settlement agreement (alleged by Mr.  
21 Razuki to be operative) must be included in the accounting. Counsel for Mr. Razuki disagrees  
22 that Mr. Razuki’s interest in “Sunrise” should be part of the forensic accounting. If Mr. Razuki is  
23 to prevail the only way to determine what, if any, his interests are is to have a forensic accounting  
24 of all parties interests in all assets identified in the settlement agreement. The court’s order  
25 should be clarified to specify that Mr. Razuki’s interests in any and all entities that could be  
26 subject to the settlement agreement must also be included in the forensic accounting.

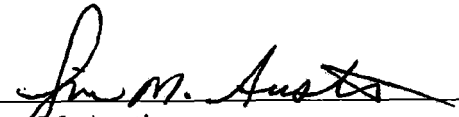
27 40. On September 27, 2018 at 8:35 am our office gave ex parte notice via email to  
28 plaintiff Salam Razuki and cross-complainant in intervention San Diego Building Ventures, LLC.



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I provided the basis for the ex parte application, the relief requested, and the time, place and date of hearing. As of the signing of this declaration, I have not heard whether they intend to oppose the application. A true and correct copy of the notice provided is attached hereto as Exhibit K.

I declare under penalty of perjury under California state law that the foregoing is true and correct. Executed in San Diego, California, on September 26, 2018.

  
Gina M. Austin

**EXHIBIT C**

## Austin, Gina

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**From:** calsur@aol.com  
**Sent:** Friday, September 14, 2018 4:59 PM  
**To:** rgriswold@griswoldlawsandiego.com; Austin, Gina; Leetham, Tamara; ninusmalan@yahoo.com  
**Subject:** Fwd: SD - Balboa Local Audit  
**Attachments:** Balboa - Document Request List.xlsx

Can you all please help us with this information so we can resolve and close this discrepancy? It appears to be necessary to access the POS system before Treez was implemented.

Thank you

Mike

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**From:** [ggevorgyan@mgocpa.com](mailto:ggevorgyan@mgocpa.com)  
**To:** [john@jhypartners.com](mailto:john@jhypartners.com)  
**Cc:** [calsur@aol.com](mailto:calsur@aol.com), [jcosta@mgocpa.com](mailto:jcosta@mgocpa.com)  
**Sent:** 9/14/2018 2:43:35 PM Pacific Standard Time  
**Subject:** RE: SD - Balboa Local Audit

Hi John,

When do you believe Ninus will gain access to the previous POS system?

Aside from the discrepancy noted in the sales detail, we would also need the documents listed in the attached excel workbook.

Could you help us obtain these files?

Thank you,

**GRIGOR GEVORGYAN, CPA**  
**SENIOR CONSULTANT**

+1 (213) 408-8671  
[ggevorgyan@mgocpa.com](mailto:ggevorgyan@mgocpa.com)  
[mgocpa.com](http://mgocpa.com)

**From:** John Yaeger [<mailto:john@jhypartners.com>]  
**Sent:** Tuesday, September 11, 2018 6:27 PM  
**To:** Grigor Gevorgyan <[ggevorgyan@mgocpa.com](mailto:ggevorgyan@mgocpa.com)>  
**Cc:** Mike <[calsur@aol.com](mailto:calsur@aol.com)>  
**Subject:** Balboa Local Audit

Hi Grigor,

Hope you're doing well. I am reaching out on behalf of Mike Essary – the receiver for Balboa Ave Cooperative. It sounds like there has been an open item regarding the information uploaded for January. I believe that missing information has to do with the other POS system that the operations used during the first half of January. Ninus Malan needs to gain access to that account in order for you to get the detailed information that you need. Please let me know if you have any questions.

Thanks

John

**John H. Yaeger, CPA | Partner**

**JHY Partners**

**Certified Public Accountants**

**O: 858-299-1289 | C: 760-207-9353 | F: 858-299-1291**

**[john@jhypartners.com](mailto:john@jhypartners.com)**

This message contains information that may be confidential and privileged. Unless you are the addressee (or authorized to receive for the addressee), you may not use, copy, print or disclose to anyone this message or any information contained in this message. If you have received this e-mail in error, please let me know and permanently delete this message.

The discussion above is as of this date, based solely on the limited information provided and is subject to change based on changes in accounting pronouncements, tax regulations and law. We assume no responsibility for providing updated advice at a later date.

Exhibit A - Initial Document Request List

Ref	Requested Document / Information	Comments	Status	Notes
1	Copy of Marijuana Outlet Permit - <i>In lieu of obtaining a copy from the outlet, we can request this from the City.</i>	RE: SDMC § 42.1504(a) - "It is unlawful for any person to operate any marijuana outlet without a Marijuana Outlet Conditional Use Permit or marijuana production facility without a Marijuana Production Facility Permit issued pursuant to this Division."	Not Obtained	
2	Copy of Conditional Use Permit - <i>In lieu of obtaining a copy from the outlet, we can request this from the City.</i>	RE: SDMC § 42.1504(a) - "It is unlawful for any person to operate any marijuana outlet without a Marijuana Outlet Conditional Use Permit or marijuana production facility without a Marijuana Production Facility Permit issued pursuant to this Division."	Not Obtained	
3	Copy of the collective's Business Tax Certificate (BTC) - <i>In lieu of obtaining a copy from the outlet, we can request this from the City.</i>	RE: SDMC § 34.0108 (c) - "Any person engaging in Cannabis Business taxed under this Article shall exhibit a valid business tax certificate upon request of the Tax Administrator or any peace officer."  To confirm that a current and valid BTC is maintained by the outlet.	Not Obtained	
4	Copy of the security guard company's State of California license - <i>Request renamed to copy of the security guard company's CA license. In lieu of obtaining a copy from the outlet in advance, we can request a copy/proof of compliance during our onsite visit.</i>	RE: SDMC § 141.0504(c) - "Security shall be provided at the marijuana outlet which shall include operable cameras, alarms, and a security guard. The security guard shall be licensed by the State of California and be present on the premises during business hours. The security guard shall only be engaged in activities related to providing security for the facility, except on an incidental basis."	Not Obtained	
5	Partnership Agreement / Articles of Incorporation	RE: SDMC § 34.0127 Records are necessary to determine entitlement to exemptions. See SDMC § 34.0103 (f) definition of gross receipts. To confirm that the owners of the outlet are the individuals listed on the Marijuana Outlet Conditional Use Permit.	Not Obtained	
6	Listing of all individuals acting as a responsible person for the outlet	RE: SDMC § 42.1508(a) - "Verification and Documentation - A marijuana outlet and marijuana production facility shall maintain and provide upon request by the City a current list of all responsible persons."	Not Obtained	
7	Copies of written policies or operating instructions (if any) stating that no person under the age of twenty-one is allowed at or in any marijuana outlet unless the person is a qualified patient or state identification card holder, and if under the age of eighteen, is accompanied by a parent, legal guardian, or a primary caregiver who is over the age of eighteen. - <i>In lieu of obtaining copies of policies and operating instructions, MGO can discuss this onsite and/or perform alternative procedures, while onsite, related to how the outlet ensures compliance with the age limitations cited in the ordinance.</i>	RE: SDMC § 42.1508(b)(1) - "Age Limitations - No person under the age of twenty-one is allowed at or in any marijuana outlet or marijuana production facility unless the person is a qualified patient or state identification card holder, and if under the age of eighteen, is accompanied by a parent, legal guardian, or a primary caregiver who is over the age of eighteen."  To assess the outlet's internal controls related to how the organization deploys control activities through policies that establish what is expected and procedures that put policies into action.	Not Obtained	
8	Copies of written policies or operating instructions (if any) related to the outlet's employment procedures and eligibility requirements. - <i>In lieu of obtaining copies of policies and operating instructions, MGO can discuss this onsite and/or perform alternative procedures, while onsite, related to how the outlet ensures compliance with the employment eligibility requirements cited in the ordinance.</i>	RE: SDMC § 42.1508(b)(2) - "Age Limitations - No person under the age of twenty-one may be employed by or act as a responsible person on behalf of a marijuana outlet or a marijuana production facility."  To assess the outlet's internal controls related to how the organization deploys control activities through policies that establish what is expected and procedures that put policies into action.	Not Obtained	
9	Copies of written policies or operating instructions (if any) related to the outlet's security procedures, including the use of operable cameras, alarms, and a security guard - <i>In lieu of obtaining copies of policies and operating instructions, MGO can discuss this onsite and/or perform alternative procedures, while onsite, related to how the outlet ensures compliance with the requirements cited in the ordinance.</i>	RE: SDMC § 141.0504(c) - "Security shall be provided at the marijuana outlet which shall include operable cameras, alarms, and a security guard. The security guard shall be licensed by the State of California and be present on the premises during business hours. The security guard shall only be engaged in activities related to providing security for the facility, except on an incidental basis."  To assess the outlet's internal controls related to how the organization deploys control activities through policies that establish what is expected and procedures that put policies into action.	Not Obtained	
10	Name of point-of-sale system	To be discussed during our entrance meeting to gather background information in understanding the accounting systems used to gather, record, summarize, and produce reports.	Not Obtained	
11	Name of accounting software	To be discussed during our entrance meeting to gather background information in understanding the accounting systems used to gather, record, summarize, and produce reports.	Not Obtained	
12	Name of Bookkeeper/CPA/Tax Preparer	To be discussed during our entrance meeting to be able to contact the individuals responsible for preparing the financial information and tax returns.	Not Obtained	
13	Organizational chart (including names and titles for all outlet owners/operators, managers, employees, and volunteers). - <i>In lieu of obtaining an org chart, MGO can discuss this onsite and/or perform alternative procedures, while onsite, related to how the outlet determines roles and responsibilities, separation of duties and other internal controls.</i>	Records are necessary to determine entitlement to exemptions. See SDMC § 34.0103 (f) definition of gross receipts.  To gain an understanding of the outlet's internal controls related to how management establishes structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives by considering all structures of the entity, establishing reporting lines, and defining, assigning, and limiting authorities and responsibilities.	Not Obtained	
14	Description of inventory software used (or does the point of sale system track inventory and sales?)	To be discussed during our entrance meeting to gather background information in understanding the accounting systems used to gather, record, summarize, and produce reports.	Not Obtained	
15	Do you allow clients to pay with credit cards?	To be discussed during our entrance meeting to determine the payment methods to be tested and to gather background information in understanding the merchant system used.	Not Obtained	
16	Are any taxes and/or discounts included in your sales price?	Records are necessary to determine entitlement to exemptions. See SDMC § 34.0103 (f) definition of gross receipts. To be discussed during our entrance meeting to assist in determining the true Gross Receipt amount for sales reported.	Not Obtained	
17	Do you have receipts/invoices of inventory purchases made? Do you issue 1099s to vendors from which you've made inventory purchases?	To be discussed during our entrance meeting to determine what information is available to support our procedures in verifying inventory purchases.	Not Obtained	
18	Written procedures on accounting and inventory tracking systems	To be discussed during our entrance meeting to understand how the Outlet records transactions and to determine the adequacy of controls. Also, to determine if the Outlet implemented and maintains written procedures.	Not Obtained	
19	Written procedures on cash handling procedures	To be discussed during our entrance meeting to understand the cash handling procedures and to determine the adequacy of controls. Also, to determine if the Outlet implemented and maintains written procedures.	Not Obtained	
20	Employee handbook or other written instructions provided to staff	To be discussed during our entrance meeting to gather understanding of the Outlet's policies and procedures and to determine the adequacy of controls. Also, to determine if the Outlet implemented and maintains a written handbook for all employees to follow all procedures and policies and laws and provisions of the City and State.	Not Obtained	
21	Extract of complete general ledger from the accounting system for the period under review (in .csv or .xls format) (please include account mapping e.g. 10000 = Sales Revenue)	To determine whether the accounting records agree to the taxes paid. Auditors use the general ledger to see the detailed explanation of income and expenses to ensure everything has been properly classified. Auditors also use the general ledger detail to select items for further review. Auditors review the total general ledger activity for income and expenses.	Not Obtained	
22	Extract of sales details (incl. Customer Names or Unique Customer IDs) from the POS system for the period under review (in .csv or .xls format)	To determine whether the accounting records agree to the taxes paid. Also, to determine whether adult use customers were properly classified as adult use rather than medical patients.	Semi Obtained	Inquired regarding discrepancy.
23	Extract of Customer Names (or Unique Customer IDs) defined separately as Medical and Adult Use (in .csv or .xls format)	To select a sample of customers to perform substantive procedures in determining whether adult use customers were properly classified as adult use rather than medical patients. Due to security concerns, this procedure is conducted on-site during our entrance meeting.	Not Obtained	

Exhibit A - Initial Document Request List

24	Extract of POS system inventory listing for the period under review (in .csv or .xls format)	To compare against other information obtained (i.e. General Ledger and Bank Statements).	Obtained	
25	Listing of Names and Business Addresses of all Vendors with which the outlet has made inventory purchases for the period under review	To reconcile inventory purchases per vendors to POS, inventory system, and/or General Ledger to determine taxable sales.	Not Obtained	
26	Number of customers (defined separately for Medical and Adult Use) per month for the period under review	To determine the average sale per customer in performing analytical procedures.	Not Obtained	
27	If applicable, copy of Federal income tax estimated payments made for the period under review	To reconcile sales reported to the IRS, in comparison to the sales reported to the City.	Not Obtained	
28	If applicable, copy of State income tax estimated payments made for the period under review	To reconcile sales reported to the State, in comparison to the sales reported to the City.	Not Obtained	
29	Copies of all remittances made to the Board of Equalization (BOE) for the period under review	To reconcile sales reported to the BOE, in comparison to the sales reported to the City.	Not Obtained	
30	Copies of Business License Tax Remittances made to the City	To determine if City records agree to Outlet records for reported sales and remittances.	Obtained	
31	If applicable, copies of bank statements and reconciliations performed for the period under review	To determine whether receipts and disbursements agree with the Outlet's accounting records.	Not Obtained	

EXHIBIT D

## Austin, Gina

---

**From:** Austin, Gina  
**Sent:** Wednesday, September 12, 2018 2:54 PM  
**To:** Mike (calsur@aol.com)  
**Cc:** Richardson Griswold (rgriswold@griswoldlawsandiego.com); Leetham, Tamara  
**Subject:** FW: A10-17-0000134-APP - Receiver Appointed

Hi Mike,

See below. Please send me all correspondence from the Bureau so that we can continue our work.

Thank you.

Gina

---

**From:** Daniel, Veronica@DCA [<mailto:Veronica.Daniel@dca.ca.gov>]  
**Sent:** Wednesday, September 12, 2018 2:32 PM  
**To:** [michaela@austinlegalgroup.com](mailto:michaela@austinlegalgroup.com)  
**Subject:** RE: A10-17-0000134-APP - Receiver Appointed

Hello Ms. Sweatt,

The Bureau has been in communication with Mr. Essary regarding this matter and the information needed at this time. I would recommend that you connect directly with him regarding your inquiry.

Thank you,



**Veronica Daniel**  
Staff Services Manager II, Licensing  
[www.bcc.ca.gov](http://www.bcc.ca.gov)  
<https://cannabis.ca.gov>



---

**From:** Michaela Sweatt [<mailto:michaela@austinlegalgroup.com>]  
**Sent:** Wednesday, September 12, 2018 10:14 AM  
**To:** Lee, Derek@DCA <[Derek.Lee@dca.ca.gov](mailto:Derek.Lee@dca.ca.gov)>  
**Cc:** Austin, Gina <[gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com)>; [tamara@austinlegalgroup.com](mailto:tamara@austinlegalgroup.com); Whelan, Paul@DCA <[Paul.Whelan@dca.ca.gov](mailto:Paul.Whelan@dca.ca.gov)>; Michael Essary <[calsur@aol.com](mailto:calsur@aol.com)>  
**Subject:** A10-17-0000134-APP - Receiver Appointed

Derek:

Mr. Essary had been appointed by the court as receiver to exercise control over California Cannabis Group's operations. See attached court order.



As the current Primary Contact for this temporary cannabis distribution license, I would like to know the timeframe in which Mr. Essary must complete an Owner Submittal and/or when he must complete a new application for conducting cannabis activities at the premises.

Thank you.

Michaela

**Michaela Sweatt**

**Compliance Director**

AUSTIN LEGAL GROUP, APC | 3990 Old Town Ave., Ste A112, San Diego, CA 92110 |

Ofc: 619-924-9600 | Cell 619-254-3852 | Fax 619-881-0045

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## Austin, Gina

---

**From:** Austin, Gina  
**Sent:** Wednesday, September 12, 2018 2:55 PM  
**To:** Mike (calsur@aol.com)  
**Cc:** Richardson Griswold (rgriswold@griswoldlawsandiego.com); Leetham, Tamara  
**Subject:** FW: A11-17-0000115-APP - Receiver Appointed

Mike,  
Again, please see below.  
Please send me all correspondence from the Bureau so that we can continue our work.

Thank you.

Gina

---

**From:** Daniel, Veronica@DCA [<mailto:Veronica.Daniel@dca.ca.gov>]  
**Sent:** Wednesday, September 12, 2018 2:31 PM  
**To:** [michaela@austinlegalgroup.com](mailto:michaela@austinlegalgroup.com)  
**Subject:** RE: A11-17-0000115-APP - Receiver Appointed

Hello Ms. Sweatt,

The Bureau has been in communication with Mr. Essary regarding this matter and the information needed at this time. I would recommend that you connect directly with him regarding your inquiry.

Thank you,



**Veronica Daniel**  
Staff Services Manager II, Licensing  
[www.bcc.ca.gov](http://www.bcc.ca.gov)  
<https://cannabis.ca.gov>



---

**From:** Michaela Sweatt <[michaela@austinlegalgroup.com](mailto:michaela@austinlegalgroup.com)>  
**Sent:** Wednesday, September 12, 2018 10:17 AM  
**To:** Davis, Heather@DCA <[Heather.Davis@dca.ca.gov](mailto:Heather.Davis@dca.ca.gov)>  
**Cc:** Austin, Gina <[gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com)>; [tamara@austinlegalgroup.com](mailto:tamara@austinlegalgroup.com); Whelan, Paul@DCA <[Paul.Whelan@dca.ca.gov](mailto:Paul.Whelan@dca.ca.gov)>; Michael Essary <[calsur@aol.com](mailto:calsur@aol.com)>  
**Subject:** A11-17-0000115-APP - Receiver Appointed

Heather:

Mr. Essary had been appointed by the court as receiver to exercise control over California Cannabis Group's operations. See attached court order.

As the current Primary Contact for this temporary cannabis distribution license, I would like to know the timeframe in which Mr. Essary must complete an Owner Submittal and/or when he must complete a new application for conducting cannabis activities at the premises.

Thank you.

Michaela

**Michaela Sweatt**

**Compliance Director**

AUSTIN LEGAL GROUP, APC | 3990 Old Town Ave., Ste A112, San Diego, CA 92110 |

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**EXHIBIT E**

## Austin, Gina

---

**From:** Richardson Griswold <rgriswold@griswoldlawsandiego.com>  
**Sent:** Monday, September 17, 2018 1:29 PM  
**To:** Austin, Gina  
**Cc:** calsur@aol.com; Leetham, Tamara  
**Subject:** Re: POAs Balboa and CCG

Gina,

For now, we would prefer that Mike be the main contact for the agency. Mike still agrees that it is best that you handle the actual work. If this becomes a logistical issue at a later date, we can reconsider.

Thanks,  
Red

Richardson C. Griswold, Esq.  
Griswold Law, APC  
444 S. Cedros Ave., Suite 250  
Solana Beach, CA 92075  
Tel: 858.481.1300  
Fax: 888.624.9177  
[rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com)  
[www.griswoldlawsandiego.com](http://www.griswoldlawsandiego.com)

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On Thu, Sep 13, 2018 at 4:58 PM, Austin, Gina <[gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com)> wrote:  
We cant even talk to the agency via phone email or otherwise without the POA. The court ordered us to process the applications. Not give Mike information so that he can process them. If fact, Mike specifically said he didn't want to do anything of the sort. He wanted to manage the people doing it. What is your concern?

Gina

Sent from my T-Mobile 4G LTE Device

----- Original message -----

From: Richardson Griswold <[rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com)>  
Date: 9/13/18 4:55 PM (GMT-08:00)  
To: "Austin, Gina" <[gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com)>  
Cc: [calsur@aol.com](mailto:calsur@aol.com), "Leetham, Tamara" <[tamara@austinlegalgroup.com](mailto:tamara@austinlegalgroup.com)>  
Subject: Re: POAs Balboa and CCG

Gina,

I don't understand the purpose of the request. Mike is the primary contact with the state agency as he is the person ultimately in control of the licenses. However, as confirmed, your office will take the lead on the necessary work/responses in relation to the licenses. Mike will promptly relay all communications received from the agency to you for discussion/consultation before proceeding on anything related to licensing issues.

Richardson C. Griswold, Esq.  
Griswold Law, APC  
444 S. Cedros Ave., Suite 250  
Solana Beach, CA 92075  
Tel: 858.481.1300  
Fax: 888.624.9177  
[rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com)  
[www.griswoldlawsandiego.com](http://www.griswoldlawsandiego.com)

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On Thu, Sep 13, 2018 at 4:44 PM, Austin, Gina <[gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com)> wrote:  
It needs your signature. They wont take anything except a form with the exact detail I have provided.

Gina

Sent from my T-Mobile 4G LTE Device

----- Original message -----

From: [calsur@aol.com](mailto:calsur@aol.com)

Date: 9/13/18 4:34 PM (GMT-08:00)

To: "Austin, Gina" <[gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com)>

Cc: [rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com), "Leetham, Tamara" <[tamara@austinlegalgroup.com](mailto:tamara@austinlegalgroup.com)>

Subject: Re: POAs Balboa and CCG

Gina,

Red and Aaron will respond - hopefully today.

Mike

In a message dated 9/13/2018 4:23:37 PM Pacific Standard Time, [gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com) writes:

I am heading out in 20 minutes. Any chance you are going to be able to get this to me today?

Gina

Sent from my T-Mobile 4G LTE Device

----- Original message -----

From: "Austin, Gina" <[gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com)>

Date: 9/13/18 9:28 AM (GMT-08:00)

To: "Mike ([calsur@aol.com](mailto:calsur@aol.com))" <[calsur@aol.com](mailto:calsur@aol.com)>

Cc: "Richardson Griswold ([rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com))" <[rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com)>, "Leetham, Tamara" <[tamara@austinlegalgroup.com](mailto:tamara@austinlegalgroup.com)>

Subject: FW: POAs Balboa and CCG

Good morning Mike.

Please sign and return the attached documents today so that we can attempt to get the agencies to allow us to continue to process the applications.

Also, please let me know when you anticipate filing your Owner documentation so that I can update the agencies.

Thank you!

Gina

---

**From:** Michaela Sweatt [<mailto:michaela@austinlegalgroup.com>]

**Sent:** Thursday, September 13, 2018 9:01 AM

**To:** Austin, Gina

**Subject:** POAs Balboa and CCG

Gina,

I've attached the POAs for Essary to appoint me as primary contact for Balboa and CCG licenses.

**Michaela Sweatt**

**Compliance Director**

AUSTIN LEGAL GROUP, APC | [3990 Old Town Ave., Ste A112, San Diego, CA 92110](#) |

[Ofc: 619-924-9600](#) | [Cell 619-254-3852](#) | [Fax 619-881-0045](#)

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**EXHIBIT F**

## Austin, Gina

---

**From:** calsur@aol.com  
**Sent:** Friday, September 14, 2018 12:56 PM  
**To:** veronica.daniel@dca.ca.gov; rgriswold@griswoldlawsandiego.com;  
alachant@mmlg.com; Austin, Gina  
**Subject:** California Cannabis Group License Number: M11-18-0000167-TEMP  
**Attachments:** Mira Este Daniel Letter 9-14-18.pdf

Ms. Daniel,

Attached is a response letter to your September 10, 2018 email to me.

Michael Essary  
Receiver

# Michael Essary, Receiver

8304 Clairemont Mesa Blvd. #207, San Diego, CA 92111  
(858) 560-1178 / (858) 560-6709 fax  
Toll Free (877) 581-1158

September 14, 2018

## VIA EMAIL TRANSMISSION

Veronica Daniel, Staff Services Manager II  
Bureau of Cannabis Control  
2920 Kilgore Road Rancho  
Cordova, CA 95670

**Re: California Cannabis Group  
License Number: M11-18-0000167-TEMP**

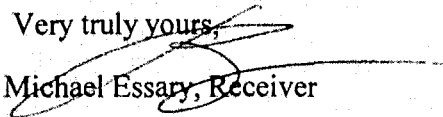
Dear Ms. Daniel:

I am writing in response to your e-mail dated September 10, 2018 in which you requested that I provide details regarding my future intent for the above referenced business prior to the temporary license expiration date of October 30, 2018. My intent as receiver is for the business to continue operating, pursuant to Title 16, California Code of Regulations, section 5024(c)(3), under its current temporary license and any subsequent extensions. In addition, I would like the Bureau to continue processing the application for annual license that the entity has submitted. The court has ordered that I keep the business in operation while the court proceeding is pending. I would like to avoid a cessation of business operations if possible.

My appointment as receiver over the licensed entity is temporary. The court is actively monitoring the ongoing need for a receivership. On November 16, 2018, the court is holding a hearing on whether to continue or terminate the receivership. I would appreciate if the Bureau preserves the status quo regarding the business and its license until such time as the Court makes a final judgment in this matter. In the meantime, I will inform the Bureau of any developments and court rulings in the case.

Please let me know if you have any questions. I am more than happy to provide any additional information that the Bureau needs in connection with this very important matter.

Very truly yours,

  
Michael Essary, Receiver

---

**EXHIBIT G**

## Austin, Gina

---

**From:** Austin, Gina  
**Sent:** Monday, September 17, 2018 3:32 PM  
**To:** 'calsur@aol.com'  
**Cc:** ninusmalan@yahoo.com; Leetham, Tamara; juddthetaxman@gmail.com  
**Subject:** RE: Fwd: SD - Balboa Local Audit

I am a little bit confused by this. John was supposed to have all the information and should have completed the return accurately. To now claim that he didn't have the information or that he just submitted something in error knowing the information was wrong is simply malpractice.

He has already be paid to complete this work and it is troublesome that you are now engaging him to complete work that has already been completed.

I don't have any information to notify Gregor with yet. I don't have the rest of the documents that only you or SoCal have, I don't know why John submitted an incorrect form, I don't have a timeframe for when we will receive the rest of the information. Bottom line, I don't have anything to update Gregor with.

Gina

**From:** calsur@aol.com [mailto:calsur@aol.com]  
**Sent:** Monday, September 17, 2018 3:28 PM  
**To:** Austin, Gina <gaustin@austinlegalgroup.com>; john@jhypartners.com; ninusmalan@yahoo.com; juddthetaxman@gmail.com; Leetham, Tamara <tamara@austinlegalgroup.com>  
**Cc:** rgriswold@griswoldlawsandiego.com  
**Subject:** Re: Fwd: SD - Balboa Local Audit

I intended for John to modify the filing when we have the information. You don't think we should update Grigor with status?

Mike

In a message dated 9/17/2018 3:24:58 PM Pacific Standard Time, [gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com) writes:

The response would need to include the new corrected tax forms. Who is preparing that?

Gina

**From:** [calsur@aol.com](mailto:calsur@aol.com) [mailto:calsur@aol.com]  
**Sent:** Monday, September 17, 2018 3:13 PM  
**To:** [john@jhypartners.com](mailto:john@jhypartners.com); [ninusmalan@yahoo.com](mailto:ninusmalan@yahoo.com); [juddthetaxman@gmail.com](mailto:juddthetaxman@gmail.com); Austin, Gina <[gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com)>; Leetham, Tamara <[tamara@austinlegalgroup.com](mailto:tamara@austinlegalgroup.com)>  
**Cc:** [rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com)  
**Subject:** Re: Fwd: SD - Balboa Local Audit

Engaged and waiting for response. Can someone send Grigor an update?

Thank you

Mike

In a message dated 9/17/2018 10:55:00 AM Pacific Standard Time, [john@jhypartners.com](mailto:john@jhypartners.com) writes:

Here is the link:

<https://www.biotrack.com/contact-us/>

They should be able to find the account based on the name of the dispensary.

Thanks

John

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The discussion above is as of this date, based solely on the limited information provided and is subject to change based on changes in accounting pronouncements, tax regulations and law. We assume no responsibility for providing updated advice at a later date.

**From:** [calsur@aol.com](mailto:calsur@aol.com) <[calsur@aol.com](mailto:calsur@aol.com)>

**Sent:** Monday, September 17, 2018 10:53 AM

**To:** [ninusmalan@yahoo.com](mailto:ninusmalan@yahoo.com); [juddthetaxman@gmail.com](mailto:juddthetaxman@gmail.com); [gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com);

[tamara@austinlegalgroup.com](mailto:tamara@austinlegalgroup.com); John Yaeger <[john@jhypartners.com](mailto:john@jhypartners.com)>

Cc: [rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com)

Subject: Re: Fwd: SD - Balboa Local Audit

Ok - we seem to be going back and forth here. I've got John in the chain so we can get this resolved. If somebody can tell me how to contact Biotrack and maybe an account number I will make demand on them for the reports via my receiver order.

Mike

In a message dated 9/17/2018 10:49:04 AM Pacific Standard Time, [ninusmalan@yahoo.com](mailto:ninusmalan@yahoo.com) writes:

Mike,

I do not recall signing anything for Biotrack. I looked through some of my emails and found nothing. As you may know SoCal took possession of Balboa in December of 2017. John, should have have these reports as he was the doing the books. I will continue to look in my emails.

Best regards,

Ninus Malan

---

From: "[calsur@aol.com](mailto:calsur@aol.com)" <[calsur@aol.com](mailto:calsur@aol.com)>

To: [ninusmalan@yahoo.com](mailto:ninusmalan@yahoo.com); [juddthetaxman@gmail.com](mailto:juddthetaxman@gmail.com); [gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com)

Sent: Monday, September 17, 2018 10:27 AM

Subject: Fwd: SD - Balboa Local Audit

Ninus,

Can you do as John suggests and see if you can get us that info?

Thank you

Mike

---

From: [john@jhypartners.com](mailto:john@jhypartners.com)  
To: [calsur@aol.com](mailto:calsur@aol.com)  
Sent: 9/17/2018 10:26:24 AM Pacific Standard Time  
Subject: RE: SD - Balboa Local Audit

Hi Mike,

After looking at the file it looks like they made the change on 1/24/2018. The account is under Ninus' name, so he had to sign something. He should have it in his emails. He needs to call BioTrackTHC and they should have all of this on file.

Thanks

John



**EXHIBIT H**

## Austin, Gina

---

**From:** calsur@aol.com  
**Sent:** Monday, September 17, 2018 4:11 PM  
**To:** Quyen.Pham@cdph.ca.gov; rgriswold@griswoldlawsandiego.com  
**Cc:** malanlicensing@gmail.com; ccgchrishakim@gmail.com; michaela@austinlegalgroup.com; Austin, Gina; alachant@mmlg.com  
**Subject:** Re: Appointed Receiver for California Cannabis Group

Mr. Pham,

Thank you for your patience. I have completed my Individual Profile on your website. Information you requested is:

MCLS Individual ID: 21012663

Full name: Michael William Essary

Please let me know if you need any additional information from me.

Michael Essary  
Receiver  
619-886-4116 cell

In a message dated 9/12/2018 9:00:47 AM Pacific Standard Time, [Quyen.Pham@cdph.ca.gov](mailto:Quyen.Pham@cdph.ca.gov) writes:

Good morning, Mr. Essary

As you shall exercise full control over the California Cannabis Group's operations, you are identified as an *owner* of the business pursuant to Section 40102 of the California Code of Regulations. Please complete your Individual profile in Manufactured Cannabis Licensing System (MCLS). For access to the system, please click on New User on our [Apply for a License](#) page. Once completed, please provide me the following information in order to be associated to California Cannabis Group's profile:

- MCLS Individual ID
- Full name

As the sole individual authorized to make changes in the application, the mailing address and primary contact shall be updated with your information.

Please let me know if you should have any questions.

Sincerely,

*Quyen D. Pham*

Licensing Unit

Manufactured Cannabis Safety Branch

California Department of Public Health

[www.cdph.ca.gov/mcsb](http://www.cdph.ca.gov/mcsb)

[www.cannabis.ca.gov](http://www.cannabis.ca.gov)



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**From:** [calsur@aol.com](mailto:calsur@aol.com) <[calsur@aol.com](mailto:calsur@aol.com)>

**Sent:** Wednesday, August 29, 2018 12:47 PM

**To:** CDPH Manufactured Cannabis Safety Branch <[MCSB@cdph.ca.gov](mailto:MCSB@cdph.ca.gov)>

**Subject:** Notification of Court Appointed Receiver for California Cannabis Group (License Number: CDPH-T00000229)

Dear Sir/Madam:

Please see attached documentation about my re-appointment as receiver for this entity.

Michael Essary

Receiver

**EXHIBIT I**

**Austin, Gina**

---

**From:** calsur@aol.com  
**Sent:** Wednesday, September 19, 2018 12:29 PM  
**To:** veronica.daniel@dca.ca.gov; alachant@mmlg.com;  
rgriswold@griswoldlawsandiego.com; Austin, Gina  
**Subject:** California Cannabis Group License Number: M11-18-0000167-TEMP  
**Attachments:** kyoScan-9.19.2018-12.26.31.pdf

Dear Ms. Daniel.

Please see attached letter and Owner Submittal form for this license.

I am at your service should you need any more additional information - or please feel free to call me if you have any questions.

Thank you.

Michael Essary  
619-886-4116 cell

# Michael Essary, Receiver

8304 Clairemont Mesa Blvd. #207, San Diego, CA 92111  
(858) 560-1178 / (858) 560-6709 fax  
Toll Free (877) 581-1158

September 19, 2018

## VIA EMAIL TRANSMISSION

Veronica Daniel, Staff Services Manager II  
Bureau of Cannabis Control  
2920 Kilgore Road Rancho  
Cordova, CA 95670

**Re: California Cannabis Group  
License Number: M11-18-0000167-TEMP**

Dear Ms. Daniel:

As you know, I am the court appointed receiver of California Cannabis Group. I am writing to submit to the Bureau the attached Owner Submittal (BCC-LIC-012) form in connection with my receivership of California Cannabis Group. Although you have not yet requested submission of this form, I am providing it to the Bureau in an abundance of caution. Please let me know if you would like me to take a LiveScan background check in connection with this business. I am more than happy to provide any additional information that the Bureau needs in connection with this very important matter.

Very truly yours,

  
Michael Essary

**OWNER SUBMITTAL**

**SECTION A - OWNER INFORMATION**

1. Full Name <b>Michael W. Essary</b>		Date of Birth <b>07/09/1959</b>	City, State, and Country of Birth <b>St. Louis</b>		
Mailing Address <b>8304 Clairmont Mesa Blvd. #207</b>		City <b>San Diego</b>	State <b>CA</b>	Zip Code <b>92111</b>	Phone Number <b>(858) 560-1178</b>
SSN or ITIN <b>555-33-5290</b>	Current Employer <b>Calsur Property Management</b>	Email Address <b>calsur@aol.com</b>		Ownership % <b>0</b>	Job Title <b>Receiver</b>

**SECTION B - DECLARATIONS**

2. Have you ever been sanctioned by a licensing authority or local agency for unauthorized commercial cannabis activities and/or had a license suspended or revoked in the three years immediately preceding the date of this application? If "Yes", please complete item 9	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
3. Have you been denied a license by the Bureau or any other state cannabis licensing authority? If "Yes", please complete item 10	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
4. Do you have an ownership or financial interest (as defined in Title 16 CCR 5003 and 5004) in a licensed cannabis business? If "Yes", please complete item(s) 7-8	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
5. Have you ever been convicted of a crime? If "Yes", please complete item(s) 11-12	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
6. Have you served as an active duty member of the Armed Forces of the United States and were honorably discharged? Response to this question is voluntary. If "Yes", you may qualify for priority processing of your application.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**OTHER CANNABIS LICENSE(S) (Attach additional sheets if needed)**

7. Agency <b>BCC</b>	License Number <b>A10-18-0000113</b>	Date Issued <b>2018</b>
8. Agency <b>CDPH</b>	License Number <b>CDPH-T00000229</b>	Date Issued <b>2018</b>

**CANNABIS LICENSE(S) SUSPENDED, REVOKED, OR DENIED (Attach additional sheets if needed)**

9. License Authority	License Type	Suspension/Revocation Date
Detailed Statement Regarding Suspension/Revocation		
10. License Authority	License Type	Denial Date

**CRIMINAL VIOLATION(S)** For each conviction, provide the information requested below and attach a detailed description of the offense for which you were convicted.

11. Date of Conviction	Code Section	Type of Conviction (Felony or Misdemeanor)	
Date(s) of Incarceration	Date(s) of Probation	Date(s) of Parole	
12. Date of Conviction	Code Section	Type of Conviction (Felony or Misdemeanor)	
Date(s) of Incarceration	Date(s) of Probation	Date(s) of Parole	

**SECTION C - REQUIRED DOCUMENTS**

Copy of Government-Issued Identification       Proof of Military Status (if applicable)

**SECTION D - AFFIRMATION AND CONSENT**

Under penalty of perjury, I hereby declare that the information contained within and submitted with the application is complete, true, and accurate. I understand that a misrepresentation of fact is cause for rejection of this application, denial of a license, or revocation of a license issued.

Signature 	Printed Name <b>Michael W. Essary</b>	Date Signed <b>09/18/2018</b>
--	--	----------------------------------

Office Use Only  
 CLEAR Application Record Number:

See Disclosures on the Next Page

## **DISCLOSURES**

### **Mandatory Submission**

Submission of the requested information is mandatory unless otherwise noted on the application. The Bureau of Cannabis Control (Bureau) will use the provided information to determine qualification for licensure, per section 26051.5 of the Business and Professions Code and the Information Practices Act. Failure to provide any of the requested information will result in the application being deemed incomplete by the Bureau. The Bureau will also use this information to enforce licensing standards set by law and regulation, update and maintain current licensee information, and for mailing purposes.

### **Social Security Number/Individual Taxpayer Identification Number**

Section 30 of the Business and Professions Code and Public Law 94-455 (42 U.S.C.A. 405 (c)(2)(C)) authorizes the collection of an owner's Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN). The disclosure of an owner's SSN or ITIN is mandatory. The information will be used exclusively for tax enforcement purposes and for purposes of compliance with section 17520 of the Family Code. If a SSN or ITIN is not provided, the Bureau will not process the application and you will be reported to the Franchise Tax Board, which may assess a \$100 penalty.

### **Detailed Description of the Owner's Convictions**

Section 26051.5 of the Business and Professions Code authorizes the Bureau to collect detailed information of an owner's convictions. A conviction means a plea or verdict of guilty or a conviction following a plea of nolo contendere. Owners should include convictions dismissed under Penal Code section 1203.4 or equivalent non-California law in their disclosures. Convictions dismissed under Health and Safety Code section 11361.8 or equivalent non-California law must also be disclosed. Juvenile adjudications and traffic infractions under \$300 that did not involve alcohol, dangerous drugs, or controlled substances do not need to be included.

### **State Tax Obligation**

Pursuant to Business and Professions Code section 31(e), the California Department of Tax and Fee Administration (formerly the Board of Equalization (BOE)), and the Franchise Tax Board may share taxpayer information with the Bureau. A licensee or applicant must pay its state tax obligation; an applicant's license may be suspended if the state tax obligation is not paid.

### **Owner(s) Mailing Address(es)**

The Bureau sends all official correspondence to an owner's mailing address. This mailing address may be the owner's primary place of employment, residence, post office box, or mail drop.

Mailing addresses are considered public information and are disclosable pursuant to the California Public Records Act (Government Code section 6250 et seq.). Owner names, mailing addresses, licensing statuses, as well as formal disciplinary actions may be accessed on the Bureau website through the License Lookup feature. Please consider this, especially when listing a mailing address.

### **Military Service**

Disclosure of military service is voluntary. An applicant that has served as an active duty member of the Armed Forces of the United States, was honorably discharged, and who can provide evidence of such honorable discharge shall have his or her application expedited pursuant to Business and Professions Code section 115.4.

### **Financial Information**

To ensure accountability and preserve the State's ability to adequately enforce against all responsible parties, the Bureau is authorized to collect detailed information regarding individuals with a "financial interest" in the commercial cannabis operation under section 26051.5 of the Business and Professions Code. "Persons with a financial interest" means an investment into a cannabis business, a loan provided to a cannabis business, or any other equity in a cannabis business that is not qualified as an owner. It does not include persons whose only interest in a licensee is an interest in a diversified mutual fund, blind trust, or similar instrument. The applicant must provide the following information for all non-owners with a financial interest: their name, date of birth, and type of government issued identification and identification number.

### **Premises Location**

Business and Professions Code section 26054(b) provides that a licensed premises "shall not be within a 600-foot radius of a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the license is issued, unless a licensing authority or a local jurisdiction specifies a different radius." The Bureau will determine as to whether the proposed premises is located in an area as described in the application and required documents.

### **Access to Personal Information**

You may review the records maintained by the Bureau that contain your personal information, as permitted by the Information Practices Act. To do so, please contact CJ Croys-Schooley by phone at (833)768-5880, by e-mail at [bcc@dca.ca.gov](mailto:bcc@dca.ca.gov) or by physical mail at Department of Consumer Affairs – Bureau of Cannabis Control, 1625 North Market Blvd, Suite S-202, Sacramento, CA 95834.





## Public Information

The Bureau makes every effort to protect the personal information provided by license applicants. Application information may be disclosed, however, as permitted in response to a California Public Records Act request (Government Code section 6250 et seq.), as permitted by the Information Practices Act (Civil Code section 1798 et seq.), to another government agency as required by state or federal law, in response to a court or administrative order, a subpoena, or a search warrant.

Pursuant to the California Public Records Act (Title 1, Division 7, Chapter 3.5, Government Code sections 6250-6277), on request, the Bureau discloses licensee information including, but not limited to:

- Name
- Mailing address
- License number
- License status
- Original license issue date
- Last license renewal date
- License expiration date
- Disciplinary action
- Copy of license renewal applications
- Copy of license application (excluding personal information such as birth date and social security number)

CALIFORNIA DRIVER LICENSE



DL N5478681  
EXP 07/09/2022 CLASS CM1  
LN ESSARY END NONE  
FN MICHAEL WILLIAM  
3628 MOCCASIN AVE  
SAN DIEGO, CA 92117  
DOB 07/09/1959 07091959  
RSTR NONE  
SEX M HAIR BLN EYES BLU  
HGT 5'10" WGT 210 lb  
DD 07/11/2007 8198B/CCFD/22 ISS 05/17/2017

**Austin, Gina**

---

**From:** calsur@aol.com  
**Sent:** Wednesday, September 19, 2018 12:01 PM  
**To:** veronica.daniel@dca.ca.gov; alachant@mmlg.com;  
rgriswold@griswoldlawsandiego.com; Austin, Gina  
**Subject:** Balboa Avenue Cooperative License Number: A10-18-0000113-TEMP  
**Attachments:** kyoScan-9.19.2018-11.59.58.pdf

Dear Ms. Daniel.

Please see attached letter and Owner Submittal form for this license.

I am at your service should you need any more additional information - or please feel free to call me if you have any questions.

Thank you.

Michael Essary  
619-886-4116 cell

# Michael Essary, Receiver

8304 Clairemont Mesa Blvd. #207, San Diego, CA 92111  
(858) 560-1178 / (858) 560-6709 fax  
Toll Free (877) 581-1158

September 19, 2018

## VIA EMAIL TRANSMISSION


Veronica Daniel, Staff Services Manager II  
Bureau of Cannabis Control  
2920 Kilgore Road  
Rancho Cordova, CA 95670

**Re: Balboa Avenue Cooperative License Number: A10-18-0000113-TEMP**

Dear Ms. Daniel:

As you know, I am the court appointed receiver of Balboa Avenue Cooperative. I am writing to submit to the Bureau the attached Owner Submittal (BCC-LIC-012) form in connection with my receivership of Balboa Avenue Cooperative. Although you have not yet requested submission of this form, I am providing it to the Bureau in an abundance of caution. Please let me know if you would like me to take a LiveScan background check in connection with this business. I am more than happy to provide any additional information that the Bureau needs in connection with this very important matter.

Very truly yours,



Michael Essary

**OWNER SUBMITTAL**

**SECTION A - OWNER INFORMATION**

1. Full Name Michael W. Essary		Date of Birth 07/09/1959	City, State, and Country of Birth St. Louis		
Mailing Address 8304 Clairmont Mesa Blvd. #207		City San Diego	State CA	Zip Code 92111	Phone Number (858) 560-1178
SSN or ITIN 555-33-5290	Current Employer Calsur Property Management	Email Address calsur@aol.com		Ownership % 0	Job Title Receiver

**SECTION B - DECLARATIONS**

2. Have you ever been sanctioned by a licensing authority or local agency for unauthorized commercial cannabis activities and/or had a license suspended or revoked in the three years immediately preceding the date of this application? If "Yes", please complete item 9	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
3. Have you been denied a license by the Bureau or any other state cannabis licensing authority? If "Yes", please complete item 10	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
4. Do you have an ownership or financial interest (as defined in Title 16 CCR 5003 and 5004) in a licensed cannabis business? If "Yes", please complete item(s) 7-8	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
5. Have you ever been convicted of a crime? If "Yes", please complete item(s) 11-12	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
6. Have you served as an active duty member of the Armed Forces of the United States and were honorably discharged? Response to this question is voluntary. If "Yes", you may qualify for priority processing of your application.	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**OTHER CANNABIS LICENSE(S) (Attach additional sheets if needed)**

7. Agency BCC	License Number M11-18-0000167-TEMP	Date Issued 2018
8. Agency CDPH	License Number CDPH-T00000229	Date Issued 2018

**CANNABIS LICENSE(S) SUSPENDED, REVOKED, OR DENIED (Attach additional sheets if needed)**

9. License Authority	License Type	Suspension/Revocation Date
Detailed Statement Regarding Suspension/Revocation		
10. License Authority	License Type	Denial Date

**CRIMINAL VIOLATION(S) For each conviction, provide the information requested below and attach a detailed description of the offense for which you were convicted.**

11. Date of Conviction	Code Section	Type of Conviction (Felony or Misdemeanor)
Date(s) of Incarceration	Date(s) of Probation	Date(s) of Parole
12. Date of Conviction	Code Section	Type of Conviction (Felony or Misdemeanor)
Date(s) of Incarceration	Date(s) of Probation	Date(s) of Parole

**SECTION C - REQUIRED DOCUMENTS**

Copy of Government-Issued Identification       Proof of Military Status (if applicable)

**SECTION D - AFFIRMATION AND CONSENT**

Under penalty of perjury, I hereby declare that the information contained within and submitted with the application is complete, true, and accurate. I understand that a misrepresentation of fact is cause for rejection of this application, denial of a license, or revocation of a license issued.

Signature 	Printed Name Michael W. Essary	Date Signed 09/18/2018
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Office Use Only

CLEaR Application Record Number:

See Disclosures on the Next Page

## **DISCLOSURES**

### **Mandatory Submission**

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### **Owner(s) Mailing Address(es)**

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### **Military Service**

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### **Financial Information**

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### **Premises Location**

Business and Professions Code section 26054(b) provides that a licensed premises "shall not be within a 600-foot radius of a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center that is in existence at the time the license is issued, unless a licensing authority or a local jurisdiction specifies a different radius." The Bureau will determine as to whether the proposed premises is located in an area as described in the application and required documents.

### **Access to Personal Information**

You may review the records maintained by the Bureau that contain your personal information, as permitted by the Information Practices Act. To do so, please contact CJ Croyts-Schooley by phone at (833)768-5880, by e-mail at [bcc@dca.ca.gov](mailto:bcc@dca.ca.gov) or by physical mail at Department of Consumer Affairs – Bureau of Cannabis Control, 1625 North Market Blvd, Suite S-202, Sacramento, CA 95834.

## Public Information

The Bureau makes every effort to protect the personal information provided by license applicants. Application information may be disclosed, however, as permitted in response to a California Public Records Act request (Government Code section 6250 et seq.), as permitted by the Information Practices Act (Civil Code section 1798 et seq.), to another government agency as required by state or federal law, in response to a court or administrative order, a subpoena, or a search warrant.

Pursuant to the California Public Records Act (Title 1, Division 7, Chapter 3.5, Government Code sections 6250-6277), on request, the Bureau discloses licensee information including, but not limited to:

- Name
- Mailing address
- License number
- License status
- Original license issue date
- Last license renewal date
- License expiration date
- Disciplinary action
- Copy of license renewal applications
- Copy of license application (excluding personal information such as birth date and social security number)

CALIFORNIA DRIVER LICENSE

DL N5478681

CLASS CM1  
END NONE

EXP 07/09/2022

LN: ESSARY  
FN: MICHAEL WILLIAM  
3528 MOCCASIN AVE  
SAN DIEGO, CA 92117

DOB 07/09/1959

RSTR NONE

07091959

SEX M HAIR BLN EYES BLU

HGT 5-10 WGT 210 lb

DD 07/11/2007 619RBKCCFD/22 ISS 09/17/2017



*[Signature]*



**EXHIBIT J**

## Austin, Gina

---

**From:** Richardson Griswold <rgriswold@griswoldlawsandiego.com>  
**Sent:** Tuesday, September 11, 2018 2:47 PM  
**To:** Austin, Gina  
**Cc:** calsur@aol.com; Leetham, Tamara; ninusmalan@yahoo.com  
**Subject:** Re: Entitlement Update

Gina,

The purpose of my email was to address your assertions about what you think we can and cannot provide to other parties/counsel in this matter. Is it your position that the "confidential" information within the submissions should not be provided to Plaintiff? Plaintiff's counsel? Counsel for SoCal? SoCal? Far West? Synergy? Or is this just about Mr. Lachant?

I want to clear this up now so we are clear. You obviously have substantial experience with this licensing process and know the types of docs/info that will be involved. Given your knowledge and your concerns about confidentiality, I would suggest you consider requesting a protective order, because as of now, I am unable to decipher who you think has a right to see these docs and who doesn't.

Red

Richardson C. Griswold, Esq.  
Griswold Law, APC  
444 S. Cedros Ave., Suite 250  
Solana Beach, CA 92075  
Tel: 858.481.1300  
Fax: 888.624.9177  
[rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com)  
[www.griswoldlawsandiego.com](http://www.griswoldlawsandiego.com)

This message is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify the sender immediately by e-mail and destroy all copies of the original message.

IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, unless we expressly state otherwise, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (I) avoiding penalties under the Internal Revenue Code or (II) promoting, marketing or recommending to another party any transaction or matter addressed herein. Griswold Law does not offer tax advice to its clients.

On Tue, Sep 11, 2018 at 2:34 PM, Austin, Gina <[gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com)> wrote:

| Red,

I am not sure what the point of your email is. I already stated that I would provide you with the materials we submit and information received. We have even done so today within 5 minutes of receiving the information.

I asked only that Mr. Lachant not be cc'd on emails that have communications unrelated to licensing as it is not relevant to him. The email Mike sent included requests for rent payments which is not relevant to Mr. Lachant.

With regard to your comment regarding confidentiality - the portions of the submissions related to owners and financially interested parties are confidential. Even by the agency standards they do not consider that public record. Similarly, manufacturing operations security details are confidential and are marked so on the submission. We will of course provide this information to Mike but the information should not be provided to Mr. Lachant. If Mike intends to provide such information to Mr. Lachant please advise in advance so that we can seek a protective order.

Gina

**From:** Richardson Griswold [mailto:[rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com)]  
**Sent:** Tuesday, September 11, 2018 2:28 PM  
**To:** Austin, Gina  
**Cc:** [calsur@aol.com](mailto:calsur@aol.com); Leetham, Tamara; [ninusmalan@yahoo.com](mailto:ninusmalan@yahoo.com); [michaela@austinlegalgroup.com](mailto:michaela@austinlegalgroup.com)  
**Subject:** Re: Entitlement Update

Gina,

We understand your position on Mr. Lachant. However, as discussed outside the courtroom after last Friday's hearing, Mike will continue to consult with Mr. Lachant on a limited basis. As we all discussed, a "team" effort all with the common goal of supporting and ensuring the ongoing successful operations is in everybody's interest. Mike's primary focus is to conduct his court-ordered duties, which include ensuring proper licensing and compliance. Mike is permitted to utilize vendors and consultants to cost-effectively carry out his duties.

We appreciate all of your efforts in that regard. We don't want any materials from you that you consider protected by the attorney-client privilege. However, Mike is the receiver and is in control of the entities seeking proper licensing. He needs full access to the materials and related communications/notices, etc. In general, I do not see why those materials need to be put in a specific category, whereby Mike has to attach some level of "confidentiality." Frankly, all parties, counsel and the Court have a right to information and updates regarding the licensing/permits for the Marijuana Operations.

Thanks,

Richardson C. Griswold, Esq.  
Griswold Law, APC  
444 S. Cedros Ave., Suite 250  
Solana Beach, CA 92075  
Tel: 858.481.1300  
Fax: 888.624.9177  
[rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com)  
[www.griswoldlawsandiego.com](http://www.griswoldlawsandiego.com)

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IRS Circular 230 disclosure: To ensure compliance with requirements imposed by the IRS, unless we expressly state otherwise, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (I) avoiding penalties under the Internal Revenue Code or (II) promoting, marketing or recommending to another party any transaction or matter addressed herein. Griswold Law does not offer tax advice to its clients.

On Mon, Sep 10, 2018 at 2:16 PM, Austin, Gina <[gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com)> wrote:

I will provide all communication we receive from the agencies. I don't believe the court requires me to provide you with "proposed" submissions. I am happy to provide you with the submissions at the same time we submit.

There are no new tenants at the new balboa location. I am not sure what you are referring to. If you mean the seller who is leasing back I do not know anything about that. You would need to discuss with Ninus. That is a non-cannabis related tenant until such time as a contract with an operator is secured.

Please do not cc Mr. Lachant on communication that is not related to licensing or provide him with our materials. As you know, we disagree with the use of Mr. Lachant. As he is under no obligation of confidentiality and works for a competing consulting/law firm I take issue with your disclosure of any of our materials to Mr. Lachant. The court was very clear that I was to handle the processing of the applications.

Gina

**From:** [calsur@aol.com](mailto:calsur@aol.com) [mailto:[calsur@aol.com](mailto:calsur@aol.com)]  
**Sent:** Monday, September 10, 2018 2:10 PM  
**To:** Austin, Gina; [rgriswold@griswoldlawsandiego.com](mailto:rgriswold@griswoldlawsandiego.com)  
**Cc:** Leetham, Tamara; [ninusmalan@yahoo.com](mailto:ninusmalan@yahoo.com); [michaela@austinlegalgroup.com](mailto:michaela@austinlegalgroup.com); [alachant@mmlg.com](mailto:alachant@mmlg.com)  
**Subject:** Re: Entitlement Update

Gina,

I do have the summary you sent.

I would like any and all communications from the regulatory bodies going forward from this point. Also any proposed submissions going forward. And of course any payments or fees that need to be paid.

What is the plan for the tenants at the new Balboa location? I will be meeting with Peter when I have the new order to collect rents. Are we going to be giving the tenants notice?

Mike

In a message dated 9/8/2018 5:48:45 PM Pacific Standard Time, [gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com) writes:

Mike,

I sent a summary last week of where we are in the entitlement processing of the applications to you and Red. Please let me know if you do not have it. There has been no change as of the writing of this email to the process.

I will be reaching out to Paul at the BCC on Monday to confirm that we can continue to operate with no interruption or further filings for the next 60 days.

On a going forward basis we will be sending you all of the correspondence that we receive from the state and city regarding the application processing. It would take a really long time to comb through historical documents to provide information. I have attached the temp licenses and the unsigned / unrecorded CUP for the new manufacturing location at Balboa. Nothing further is likely to occur here until a tenant is identified and that may be after this 60 days . However if it does I will let you know.

As far as the Mira Este CUP nothing will happen until October 3<sup>rd</sup>. The draft staff report will be out a few days before and I will send it to you when it is released.

Michaela (cc'd on this email) will forward you any correspondence we receive from the state agencies on next steps for annual licensing as it is received. There are no responses due or outstanding. Do you want us to go back and find the prior set of comments for each of these? Please respond all and let me know. Michaela can get to it but it will take a few days. Once we have responded it isn't kept electronically so we have to go find it.

Please let me know if you need any further information about the status (other than discussed above). Also, would you prefer the emails be sent separately regarding the information for Balboa vs Mira Este or are you ok with all licensing related information being sent in the same email?

Thank you

Gina

Gina M. Austin

AUSTIN LEGAL GROUP, APC | 3990 Old Town Ave., Ste A112, San Diego, CA 92110 |

Ofc: 619-924-9600 | Cell 619-368-4800 | Fax 619-881-0045

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**EXHIBIT K**

**Andrews, Richard**

---

**From:** Andrews, Richard  
**Sent:** Wednesday, September 26, 2018 8:01 AM  
**To:** 'steve@elialaw.com'; 'rfuller@nelsonhardiman.com'; dwatts@galuppolaw.com; 'rgriswold@griswoldlaw.com'; chasgoria@gmail.com  
**Cc:** Leetham, Tamara; Austin, Gina  
**Subject:** Ex Parte Notice for Sept. 27, 2018  
**Attachments:** 18-0926 Ex Parte Notice Letter 9-27-18.pdf

Counsel:

Please see the attached notice regarding our Ex Parte hearing and let us know if you will be opposing and/or appearing.

Best,

Richard L. Andrews Jr., Esq.

Austin Legal Group, APC  
3990 Old Town Ave, Suite A-112, San Diego, California 92110  
Office Phone: 619.924.9600 // Office Fax: 619.881.0045  
[richard@austinlegalgroup.com](mailto:richard@austinlegalgroup.com)

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**Austin Legal Group, APC**

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(619) 881-0045

Writer's Email:  
[richard@austinlegalgroup.com](mailto:richard@austinlegalgroup.com)

September 26, 2018

Via E-Mail Only

Steven Elia  
Law Offices of Steven Elia  
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San Diego, CA 92108  
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Daniel Watts  
Galuppo & Blake  
2792 Gateway Road, Suite 102  
Carlsbad, CA 92009  
[dwatts@galuppolaw.com](mailto:dwatts@galuppolaw.com)

**Re: Ex Parte Notice- September 27, 2018  
Case No. 37-2018-00034229-CU-BC-CTL  
Razuki v. Malan**

To All Counsel:

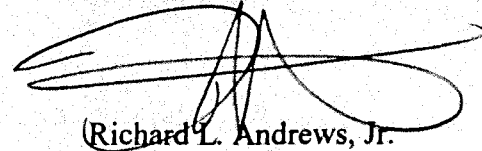
This letter constitutes notice that defendants Ninus Malan, San Diego United Holdings Group, Flip Management, Balboa Ave Cooperative, California Cannabis Group and Devilish Delights will be appearing ex parte to dissolve, clarify and/or modify the August 28, 2018 order or the proposed order from the September 7, 2018 hearing.

The ex parte will be heard September 27, 2018 at 8:30 a.m. in Department C-67 of the San Diego County Superior Court – Central Division located at 330 W. Broadway, San Diego, California 92101 before the Honorable Eddie C. Sturgeon.

Unless you notify us otherwise, we will presume you will appear at the ex parte hearing. Please do not hesitate to contact us should you have any questions.

Sincerely,

AUSTIN LEGAL GROUP, APC

A handwritten signature in black ink, appearing to read "Richard L. Andrews, Jr.", is written over the typed name. The signature is stylized with a large, sweeping horizontal stroke.

Richard L. Andrews, Jr.

**EXHIBIT L**

## Austin, Gina

---

**From:** calsur@aol.com  
**Sent:** Wednesday, September 26, 2018 12:53 AM  
**To:** ggevorgyan@mgocpa.com; Austin, Gina; rgriswold@griswoldlawsandiego.com  
**Cc:** jcosta@mgocpa.com; alachant@mmlg.com; john@jhypartners.com  
**Subject:** Re: SD - Balboa Coop.

Grigor,

We have tried several methods to acquire the missing data from the previous POS server with no success. I have asked both Mr. Malan and Mr. Yaeger but we cannot locate the data needed to reconcile the discrepancy.

What other methods can we use to attempt to finalize the report and get it off your desk?

Team - any new ideas on how to locate the server/data?

Michael Essary  
Receiver

In a message dated 9/25/2018 7:26:53 PM Pacific Standard Time, ggevorgyan@mgocpa.com writes:

Hi Gina,

To confirm, we have not received any additional documentation as of date.

Thank you,

**GRIGOR GEVORGYAN, CPA**  
SENIOR CONSULTANT

+1 (213) 408-8671  
[ggevorgyan@mgocpa.com](mailto:ggevorgyan@mgocpa.com)  
mgocpa.com

---

**From:** Austin, Gina [<mailto:gaustin@austinlegalgroup.com>]  
**Sent:** Tuesday, September 25, 2018 3:33 PM  
**To:** Grigor Gevorgyan <[ggevorgyan@mgocpa.com](mailto:ggevorgyan@mgocpa.com)>; [calsur@aol.com](mailto:calsur@aol.com)  
**Cc:** Jasmine Costa <[jcosta@mgocpa.com](mailto:jcosta@mgocpa.com)>  
**Subject:** RE: SD - Balboa Coop.

Good afternoon Grigor,

We haven't received any further information from the receiver or the prior accountant. We have another hearing on Thursday. Can you confirm whether or not you have received any further documents since your email on the 7th below?

Gina

Gina M. Austin

AUSTIN LEGAL GROUP, APC | 3990 Old Town Ave., Ste A112, San Diego, CA 92110 |

Ofc: 619-924-9600 | Cell 619-368-4800 | Fax 619-881-0045

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----- Original message -----

From: Grigor Gevorgyan <[ggevorgyan@mgocpa.com](mailto:ggevorgyan@mgocpa.com)>

Date: 9/7/18 11:34 AM (GMT-08:00)

To: "Austin, Gina" <[gaustin@austinlegalgroup.com](mailto:gaustin@austinlegalgroup.com)>

Cc: Jasmine Costa <[jcosta@mgocpa.com](mailto:jcosta@mgocpa.com)>

Subject: RE: SD - Balboa Coop.

Hi Gina,

We have only received the sales detail you previously emailed to us and no information was received regarding the discrepancy noted within. All other documents are still pending.

Thanks,

**GRIGOR GEVORGYAN, CPA**  
SENIOR CONSULTANT

+1 (213) 408-8671  
[ggevorgyan@mgocpa.com](mailto:ggevorgyan@mgocpa.com)  
mgocpa.com

**From:** Austin, Gina [<mailto:gaustin@austinlegalgroup.com>]  
**Sent:** Friday, September 7, 2018 11:27 AM  
**To:** Grigor Gevorgyan <[ggevorgyan@mgocpa.com](mailto:ggevorgyan@mgocpa.com)>; Jasmine Costa <[jcosta@mgocpa.com](mailto:jcosta@mgocpa.com)>  
**Subject:** RE: SD - Balboa Coop.  
**Importance:** High

Good afternoon,

We have a hearing today at 1:30 regarding the receivership. Can you please let me know if you have received any information regarding the sales discrepancy for Q1 from anyone as of today? Also, can you confirm whether or not any information remains outstanding?

Thank you

Gina

Gina M. Austin

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