

Darryl Cotton's Steering Document for the Commission on Police Practices Hearing of
September 4, 2024

My name is Darryl Cotton and have been a resident and commercial property owner in San Diego since 1979. I am here today as a victim and to bring to this commission's attention the public safety threat that exists to our communities from the adult-use cannabis industry as a direct result of the city not enforcing state and city ordinances where it requires background checks of those with an ownership interest in these businesses.

The San Diego Police Department (SDPD), despite having been made aware of the fact ownership interests are not being provided to them have refused to publicly respond to our numerous queries; *"Can an owner of one of these businesses be properly vetted if their ownership interest is not provided?"*

We're requesting that written verification from SDPD that unless that ownership information has been provided to them, they have no way of doing that mandatory background check and the owner cannot engage in commercial cannabis activity. To date, no one in SDPD has been willing to provide us with that verification. We seek this Commissions assistance in seeing that statement be issued.

These businesses are all cash businesses. They don't accept credit cards, and many banks won't open accounts for them because they sell a federally illegal drug. Cannabis. An average monthly gross sales in one of these businesses would be \$1M. That is a lot of money especially for a cash business. The law requires and we need to know who has ownership interests and that they have passed their background check before being granted those interests.

The city and state laws that require these interests be known are long established. What I will be doing is handing out this document, which will direct you to one of our speakers today, Ms. Amy Sherlock's website, <https://www.justice4amy.org/> all of those presenting today, including the video of this hearing, will be found there for further review and action. (<https://www.justice4amy.org/posts/case/> at 12(b))

Since December 2023 there have been 21 San Diego County Grand Jury Complaints filed by multiple parties, including attorneys, who have found that the underlying issue in ALL of these complaints is that disclosure laws are being violated and police seem powerless or even unwilling to do anything about it. These complaints are being investigated as they have been held over to the July 2024 Grand Jury term. (<https://www.justice4amy.org/posts/case/> at 12(a))

In the recent case of Jesus and Andrea Cardenas guilty pleas were submitted that described their activities in illegally obtaining PPP and SBA loans on behalf of dispensary owners who misrepresented their type of business to the federal government and were not

disclosed during the application process. This is called the “strawman practice.” In this and other cases we know of, this is a form of influence peddling whereby even if the applicant were not eligible to acquire one of these highly coveted licenses, they simply put a strawman in to represent their interests and the SDPD is not able to determine if that person would have cleared the mandated background check. This is akin to voting in someone else’s name, buying a gun in someone else’s name, driving a car with a license in someone else’s name, buying liquor in someone else’s name, etc. (See the Andreas’ Criminal Complaint @ <https://151farmers.org/wp-content/uploads/2018/07/23-11-01-Cardenas-criminal-complaint.pdf> and the San Diego Union Tribuen(SDUT) Coverage @ <https://151farmers.org/wp-content/uploads/2018/07/24-08-07-SDUT-Article-re-Andrea-Cardenas.pdf>)

There are two long established City Ordinances that require state law be followed in the application and disclosure process of an adult-use cannabis license. They are;

On April 27, 2011, SDMC-O-20043 @ Division 13: Medical Marijuana Regulations it states in § 42.1301(d) which states “This Division shall be interpreted in a manner consistent with state law.” (<https://151farmers.org/wp-content/uploads/2018/07/11-04-27-2011-SDMC-O-20043.pdf>)

On March 25, 2014, SDMC-O-20356 “Whereas the City Council now desires to exercise its police powers solely to provide for the zoning of medical marijuana consumer cooperatives in such a manner as to limit the impact on the City generally, and the residential neighborhoods in particular;” (<https://151farmers.org/wp-content/uploads/2018/07/14-03-25-2014-SDMC-O-20356.pdf>)

State law requires that the ownership disclosure laws MUST be followed, and the City’s Ordinances follow State law. (<https://151farmers.org/wp-content/uploads/2018/07/2018-BCC-Final-Statement-of-Reasons.pdf>)

The strawman practice continues unabated to this day. This August 17, 2024, SDUT article shows how shell companies, with undisclosed ownership interests, are now taking advantage of the social equity (people of color) applicant to acquire those interests. (<https://151farmers.org/wp-content/uploads/2018/07/2024-08-17-SDUT-Article-re-Social-Equity-Strawman.pdf>)

With the City having to pay out over \$193M in judgments over the last 5 years, it’s only a matter of time before their failure to enforce these disclosure laws will result in damages that pale in comparison to what the City of Chula Vista now faces with former City Councilmember Andrea Cardenas actions. (<https://151farmers.org/wp-content/uploads/2018/07/24-08-11-SDUT-article-re-City-of-SD-193M-in-big-legal-payouts.pdf>)

When I began this statement I referred to myself as a victim. Please read my statement regarding an armed robbery at my 151 Farms business in which the SDPD had the getaway driver in handcuffs and let him go at the scene without ever filing charges. While no one was killed in that robbery the same can not be said for what happened to Amy Sherlock's husband, Michael "Biker" Sherlock. (<https://151farmers.org/wp-content/uploads/2024/09/17-06-10-Armed-Robbery.pdf>)

I can be reached by phone at 619.954.4447 or email at 151DarrylCotton@gmail.com.

I am happy to answer any questions you might have.

Thank you.