



SOCIAL EQUITY

OWNERS & WORKERS

ASSOCIATION

2020 TRADE MARK

SOCIAL EQUITY OWNERS
ALWAYS FIGHTING FOR EQUITY

SEOWA

TRADE MARK
2020

WORKERS ASSOCIATION



MISSION STATEMENT

SOCIAL EQUITY OWNERS AND WORKERS ASSOCIATION INC. is a California 501(c)(3) non-profit corporation **solely operated by social equity applicants.**

Our commitment is to **fairness, justice, and equality** in the formulation of public policy, oversight of institutions serving disadvantaged communities, education and community reinvestment.

HERE'S THE PROBLEM

AFRICAN AMERICANS WERE ARRESTED FOR CANNABIS RELATED CRIMES AT **SEVEN TIMES THE RATE** OF CAUCASIANS, DESPITE ONLY BEING **LESS THAN 10% OF THE POPULATION**.

LOS ANGELES POPULATION DEMOGRAPHIC

[1 HAND PER 10 RESIDENTS]



DEMOGRAPHIC OF LOS ANGELES ARREST

[1 HAND PER 10 RESIDENTS]



ISSUE:

Without taking the time to comprehensively evaluate metrics associated with the negative consequences of cannabis enforcement in different local jurisdictions throughout the state, it will be impossible for government programs to properly identify the class of people who should be recipients of social equity benefits.

-There is currently no independent state-wide social equity definition that is detached from a specific subsidy program.

SOLUTION:

We recommend that the DCC resource the collection of data related to historic law enforcement activity and outcomes in both urban and rural areas throughout the state. State regulatory criteria used to qualify social equity applicants should comprehensively consider specific geographic indicators of cannabis enforcement activity. At the same time, overall eligibility criteria should be appropriately narrow to ensure that limited resources are being prioritized for those individuals most disproportionately impacted.

-Have DCC collect and analyze data in order to create a statewide assessment of the impacts of cannabis prohibition and enforcement.

- State funds should be designated to counties and cities based on the impact of cannabis prohibition at the height of the drug war, i.e. residents with cannabis convictions and residents who have lived in police beats with the DISPROPORTIONATE cannabis enforcement.

ISSUE: STATEWIDE SOCIAL EQUITY DEFINITION



JOURNEY TO SOCIAL EQUITY RETAIL LICENSURE

1340 DAYS



1,340 DAYS:

kika keith's

JOURNEY TO LICENSURE

2017

Announcement of LA Recreational Cannabis Licensing and local Social Equity policy.

March 2017

Kika puts her successful beverage company on hold to focus on entering cannabis.

March 2018

Kika signs lease on commercial property on Crenshaw Blvd.

December 2018

Still no date of processing offered for Social Equity applicants.

April 2020

Kika and her team at the Social Equity Owners and Workers Association file a lawsuit against the Los Angeles Department of Cannabis over corrupted licensing processing.

November 2020

Kika applies for a name change on her licensing application

August 2021

Gorilla Rx Opens on Crenshaw Boulevard.

January 2018

Nothing for Equity Applicants. LA Department of Cannabis announces that pre-ICO cannabis dispensaries will be first to enter the regulated recreational market.

September 2018

LA Department of Cannabis still has not processed the first two rounds of pre-ICO licenses.

January 2019

Kika loses her first investors because of licensing holdup.

June 2020

Kika's storefront is still not open.

June 2021

212 days later the name change is granted.

ISSUE: STREAMLINE DISTRIBUTION OF CA EQUITY GRANT DUE TO BUREAUCRATIC DELAYS

CITY OF LOS ANGELES

700+ DAYS

To issue 1st Grant Funds June 2021

\$1,834,156

JULY 2019

\$6,042,014

AUG 2020

\$7.8 MILLION

PROPOSED SOLUTION:

- Disperse a significant portion of funds DIRECTLY to equity operators from the state level so that all equity operators receive the same high standard of customer service
- Obtain data to understand what jurisdictions were most impacted by the drug war and prioritize those jurisdictions for funding.

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DCR Awarded \$6M from California Cannabis Equity Grant Program

by DCR Staff on [April 21, 2020](#)

[READ NOW]

On April 21, 2020, the Governor's Office of Business and Economic Development (GO-Biz) announced that the City of Los Angeles' Department of Cannabis Regulation has been awarded \$6,042,014.23 in grant funding from the California Cannabis Equity Grant Program for Local Jurisdictions. The California Cannabis Equity Grant Program was created under the [California Cannabis Equity Act of 2018](#) to aid local equity programs to support equity applicants and equity licensees. Over a dozen jurisdictions across the state were awarded grants to help fund their local social equity programs.

The City of Los Angeles will be utilizing this funding to provide verified Social Equity Program Applicants various resources including [Workforce Development and Business Development Services](#) as well as a loan/and or grant program.

The Department is currently working to complete various administrative responsibilities associated with formally accepting this new award as well as [last year's award of \\$1,834,156.38](#) from the California Cannabis Equity Grant Program.

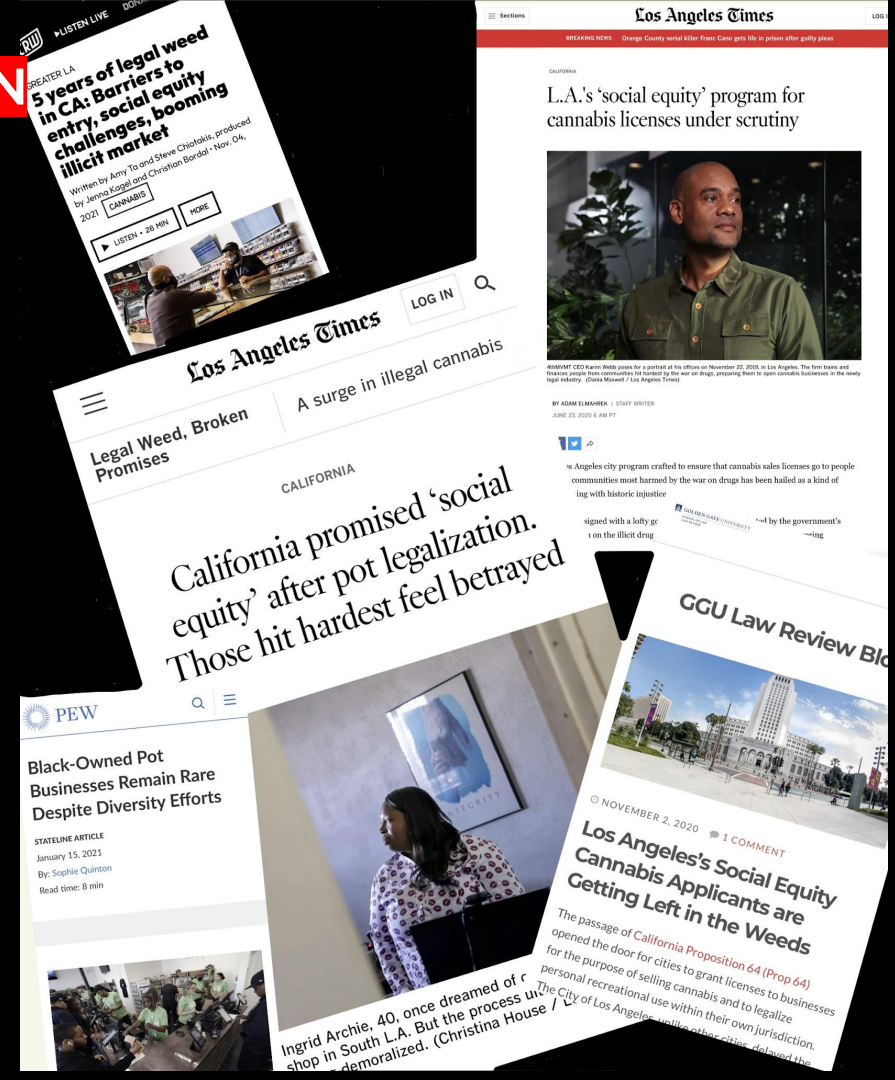
Specific information on how the City of Los Angeles will utilize funds awarded through both grant programs will be available at the beginning of the next Fiscal Year, July 1, 2020.

ISSUE: PROVISIONAL LICENSE EXTENSION

On December 5, 2022, Senator Steven Bradford introduced SB51 as a response to the Equity communities cries for HELP.

The upcoming **March 2023 deadline** will be impossible for new social equity applicants to meet, because of the many time consuming challenges associated with local approval:

- Processing delays
- Access to Capital /Predatory business agreements
- Struggles maintaining an eligible premise
- Complying with The California Environmental Quality Act
- Complying with the local Health Department Requirements and inspection delays



ISSUE: EQUITY BUSINESSES STRUGGLE UNDER A HIGH TAX BURDEN

Issue:

-Taxes combined with Fixed Operating Costs, including compliance costs, quickly whittle down the profit margin for social equity operators

-Operating margin: More slender than that of non-social equity businesses

Proposed Solution:

-Significantly lower the state excise tax for Social Equity Retailers on a permanent basis

-Adopt significant tax credits similar to the City of Oakland for Social Equity Retailers

Gross Receipts (GR)	\$2,030,325.39
Taxes	\$531,331.61
COGS (Cost of Goods Sold)	\$1,314,299
Rent	\$126,600
Utilities	\$20,098
Payroll	\$180,459
Security	\$185,612
Liability Insurance	\$14,100.08
Workers Compensation	\$36,405.88
Point-of-Sale System	\$8,250
Total OPEX	\$1,885,824
Total OPEX + Tax	\$2,417,155



OUR ACADEMY



WWW.SEOWA.ORG

For More Information: Kika@SEOWA.org or Sheila @ 347. 901.8744