



Open Session Meeting Minutes

Monday, June 23, 2025
10:34 am – 11:25 am

Cannabis Control Appeals Panel
400 R Street
Sacramento, CA 95811

Members present:

- Dr. Diandra Bremond, Chairperson (in Los Angeles County – Remote)
- Cathryn Rivera, J.D. (in Sacramento County – In Person)
- Jim Wood (in Sacramento County – In Person)
- Josh Newman (in Sacramento County – In Person)

Staff present:

- Anne Hawley, Executive Director, Cannabis Control Appeals Panel
- Christopher Phillips, Chief Counsel, Cannabis Control Appeals Panel
- Sarah M. Smith, Senior Staff Attorney, Cannabis Control Appeals Panel
- Brian Hwang, Senior Staff Attorney, Cannabis Control Appeals Panel
- Ruben Garza, Office Technician, Cannabis Control Appeals Panel

Summary:

1. Call to Order and Establishment of Quorum.

Chairperson Diandra Bremond called the teleconference meeting to order at 10:34 am.

Chief Counsel Chris Phillips took the roll call vote. Panel Members Diandra Bremond, Cathryn Rivera, Jim Wood, and Josh Newman were present. A quorum was established.

2. Approval of the Minutes.

Chairperson Bremond asked the Panel if there were any additions or corrections to the minutes of the January 24, 2025 meeting. There were no additions or corrections. No comments from the public.

Motion (Wood): Approve the minutes of the January 24, 2025 meeting as submitted. Seconded (Newman). Chris Phillips took a roll call vote on the motion. Motion passed 4-0.

3. Executive Management Report.

CCAP's Budget and Finances

Executive Director Anne Hawley reported on CCAP's financials following the third quarter. According to the Department of General Services (which tracks CCAP's spending and accounting), CCAP remains comfortably within its budgetary limits.

During the third quarter, there were some unexpected expenses. Hawley noted, however, that these overages will be covered or offset by savings in other areas.

Overall, Hawley explained CCAP's finances are in good shape. CCAP has a total budget of \$3,199,000 and is projected to spend \$2,985,317 by year end – leaving a positive balance of \$213,683. Hawley projects a surplus in each major spending category (Operating Expenses, Personal Services, Reimbursements). CCAP is on track to stay within its authorized budget.

CCAP's Budget Change Proposal

Due to the uncertain nature of the cannabis industry, the Legislature initially authorized only a three-year limited term funding for CCAP. While this funding has been renewed over the years, it is set to expire on July 1, 2026.

Without a funding extension, the Panel would not be able to operate. Therefore, CCAP staff will be working throughout summer and fall on a Budget Change Proposal for Fiscal Year 2026-27.

The Panel's Strategic Planning

Hawley recently reached out to the Department of Consumer Affairs' SOLID unit, which previously assisted the Panel on its 2021 Strategic Plan. Hawley laid out a timeline for the Panel's upcoming strategic planning.

- August to September 2025: SOLID will begin initial planning and gathering data from key stakeholders – such as Panel members, CCAP staff, etc.
- September to October: Workshops and goal-setting sessions will be held to figure out the direction of the strategic plan.
- November to December: A draft plan will be submitted for CCAP review and feedback.
- January 2026: Make necessary edits and finalize the strategic plan.
- February: Adopt final version of the plan and begin the implementation phase.

Legislative Update

SB-470, authored by Senator Laird, extends the current rules that allow state boards to hold meetings by teleconference. These rules have been extended to stay in effect until January 1, 2030. The bill passed the Senate on June 2, 2025, and was ordered to the Assembly. On June 9, it was referred to the Assembly Committee on Government Operations.

AB-564, introduced by Assemblymember Haney, would repeal a requirement increasing the Cannabis Excise Tax rate from 15% to 19%. On June 6, the bill passed the Assembly and was ordered to the Senate. It was then referred to the Senate Committee on Revenue and Taxation.

Data on DCC Final Decisions

Hawley then presented information regarding the Department of Cannabis Control's (DCC) final decisions. This information was gathered from DCC's website and covers 2021 to May 2025.

During this four-year period, licensees from Humboldt County received the most final decisions with seven. Los Angeles and Riverside counties received four decisions each. Sacramento, San Diego, and San Bernardino counties each received three decisions. Orange, San Francisco, and Alameda counties each received two decisions.

Out of 37 total decisions, 25 were stipulated settlements and two were stipulated revocations.

Hawley concluded her report. No comments from the Panel. No comments from the public.

4. Provisional Licensees and Administrative Stays.

Chief Counsel Chris Phillips presented his report on provisional licensees and whether the Panel should take formal action to address the potential abuse of the automatic stay granted to appellants after filing an appeal.

To limit the abuse of the automatic stay by provisional licensees, CCAP's legal staff presented three options:

- First option is to keep the status quo, which is to contact any appellant who only has a provisional license and request them to voluntarily withdraw the appeal.
- Second option is to start taking judicial notice of the appellant's license status as provided on DCC's website. Judicial notice is a mechanism by which a court unilaterally enters evidence into record because it is evidence of a type that is not up for debate.
- Third option is a full regulatory rulemaking process. CCAP would amend its regulations to either allow for the use of judicial notice or put the onus on appellant by requiring, for example, that they confirm their license type at the time of filing an appeal.

Legal staff recommends the first option – keeping the status quo. There will only be a miniscule number of provisional licensees moving forward and this will be the most cost-effective approach. Phillips then opened the floor for any questions from the Panel.

Panel member Newman asked Phillips whether the first two options are mutually exclusive. Newman wanted to know if they adopt the second option (judicial notice) whether that would become standard operating procedure and preclude the first option in dealing with appeals.

Phillips replied that adopting the second option would not preclude contacting each appellant to seek voluntary withdrawal. Legal staff's approach would still be to contact an appellant to request they voluntarily withdraw their appeal. The appellant would be informed if they do not do so, CCAP will take judicial notice of their license status and unilaterally dismiss the appeal.

Chairperson Bremond asked Phillips whether this would be an action item requiring a Panel vote. Phillips replied that if the Panel wants the first option (status quo), then no action item or vote is necessary. It would only be required for either the second or third option.

All Panel members – Wood, Bremond, Rivera, and Newman – supported the first option (keeping the status quo). Thus, no action item or vote was taken.

No other comments from the Panel. No comments from the public.

5. Training: Deference to Department's Findings.

Senior Staff Attorney Sarah Smith presented a training on deference to findings of fact on appeal.

When a DCC decision is appealed to CCAP, the Panel may only consider four questions. Smith's training focuses on just one of these questions: whether the DCC's findings are supported by substantial evidence. Specifically, what deference does the Panel owe the DCC when reviewing whether the DCC's decision was based on substantial evidence?

When the Panel was established, its statutes and regulations were modeled after those of the Alcoholic Beverage Control Appeals Board (the Board). Thus, the language governing the authority of these two entities are virtually indistinguishable. Accordingly, judicial opinions interpreting the Board's authority should be considered strong persuasive authority if a court reviews a Panel decision. Just as courts have deferred to the Department of Alcoholic Beverage Control's factfinding, the Panel should similarly defer to the DCC's factfinding.

Smith then overviewed caselaw interpreting the "substantial evidence" standard. Analyzing whether the findings are supported by substantial evidence involves asking if the determination reached by the Department is one which could have been made by a reasonable person.

The Panel may not interpose and substitute its own decision, even if it would be equally or more reasonable. This is the core of deference – there is a presumption that what the Department found is, in fact, based on substantial evidence. This includes findings on witness credibility. The Department may even accept and reject different parts of the same testimony.

With respect to the “reasonable person” language, it should be approached with caution. When applied incorrectly, this language may invite inappropriate reconsideration of factual findings. There are numerous instances where a court overturned the Board’s decision where it found the Board had interjected its own evaluation of reasonableness.

In practice, scrutiny of the underlying factfinding will be limited to cases where there is a mixed issue of law and fact. For example, there is a misunderstanding of the relevant law and, as a result, the factual findings are either insufficient or irrelevant to the legal analysis. A court may remand for further factfinding rather than rejecting the factual findings. Reversals solely due to a lack of substantial evidence are exceptionally rare.

After Smith concluded her presentation, Panel member Rivera asked why reversals due to a lack of substantial evidence are rare. Smith answered that such reversals are very rare because it involves circumstances such as an Administrative Law Judge (ALJ) being inattentive to a detail. Hypothetically, it would have to be a situation where the ALJ obviously missed or misstated a fact. Rivera also asked about witness credibility determinations. Smith clarified that they also fall under the substantial evidence analysis and is owed the same deference.

Lastly, Rivera asked about the types of cases the Panel may expect to encounter in comparison to the Board. Smith noted that prior to joining CCAP, she was counsel with the Board for six years. The overwhelming majority of cases with the Board were sales of alcohol to minors. Although the standards of review are comparable, cannabis is regulated quite differently than alcohol. Therefore, it is hard to anticipate what exact issues will appear before the Panel.

No other comments from the Panel. No comments from the public.

6. Public Comments on Items Not on the Agenda.

Chairperson Bremond warned any comment should not involve pending or future appeals, complaints, applications, or any disciplinary actions that may come before the Panel.

No comments from the public.

7. Future Agenda Items.

No comments from the Panel. No comments from the public.

8. Adjournment.

Motion (Wood). Adjourn the meeting. Seconded (Newman). Meeting adjourned at 11:25 am.