

**CITY OF NORTHGLENN
MEDICAL MARIJUANA LICENSING AUTHORITY MINUTES
December 17, 2012**

CALL TO ORDER Mayor Downing called a meeting of the Northglenn Medical Marijuana Licensing Authority to order on Monday, December 17, 2012 at 8:38 p.m. in the City Hall Council Chambers, 11701 Community Center Drive, Northglenn.

ROLL CALL Present were: Mayor Downing, Mayor Pro Tem Clyne, Council members Snetzinger, W. Dodge, Brown, Whitman, Carrico, C. Dodge, and Wieneke.

ABSENT None.

STAFF PRESENT City Manager Simmons, City Attorney Hoffmann, and City Clerk Small.

**APPROVAL OF
MINUTES:**

November 26, 2012 The minutes of the November 26, 2012 meeting were approved as presented.

PUBLIC HEARINGS:

New License Application:
BotanaCare, LLC dba
BotanaCare

Mayor Downing opened the public hearing and read a statement regarding the jurisdiction and procedures of the hearing. There were no objections to the jurisdiction or form of proceedings.

Attorney Hoffmann provided a summary of the application submitted by BotanaCare, LLC dba BotanaCare for a new Medical Marijuana Center License.

All individuals intending to provide testimony were placed under oath by the City Clerk.

Ms. Robin Hackett, BotanaCare, LLC, provided testimony about the application for a new Medical Marijuana Center License. Ms. Hackett provided information about her work with and understanding of medical marijuana and how the business will be operated to provide medical marijuana to patients.

Ms. Cheri Hackett, BotanaCare, LLC, invited the Authority members to visit the medical marijuana business to increase their understanding of the business.

Attorney Hoffmann asked that the City's file and the preliminary findings be made part of the record of the hearing. Attorney Hoffmann stated the application is also an application for an Optional Premises License and asked that the location of the cultivation facility be redacted as necessary. Attorney Hoffmann addressed questions about requirements related to the cultivation of medical marijuana for the business.

Mayor Downing called for anyone wishing to speak either "for" or "against" the application to come forward. No one came forward and the public hearing was closed.

MOTION TO PASS

Council member Wieneke **MOVED** and it was **SECONDED** by Council member C. Dodge to direct the Authority's Attorney to prepare a draft resolution approving the Medical Marijuana Center License application filed by BotanaCare, LLC dba BotanaCare, and for the draft resolution to be presented to the Authority for action on January 14, 2013.

MOTION PASSED

There was no discussion and the motion **PASSED**.

IN FAVOR - Downing, Clyne, W. Dodge, Brown, Whitman, C. Dodge, Wieneke.

OPPOSED - Snetzinger, Carrico.

ABSENT - None.

Transfer of Ownership
Application: Green
Medicals, LLC dba
Emerald City Organics

Mayor Downing opened the public hearing and read an opening statement regarding the jurisdiction and procedure of the hearing. There were no objections to the jurisdiction or form of proceedings.

Attorney Hoffmann provided a summary of the transfer of ownership application filed by Green Medicals, LLC dba Emerald City Organics and stated that because the medical marijuana business is an existing business, a determination should be made based on the character and qualifications of the applicant.

All individuals intending to provide testimony were placed under oath by the City Clerk.

Mr. Clark Edwards, legal counsel for Laszlo and Wendy Bagi, submitted documents related to the purchase of the medical marijuana business between the purchasers, Laszlo and Wendy Bagi, and the sellers, Chuck and Patsin McGinness. Mr. Edwards presented information about the acquisition of the business by Laszlo and Wendy Bagi and stated they communicated with the City of Northglenn in good faith throughout the process. Mr. Edwards stated

Patsin McGinness consented to the transfer of the business and stated Patsin McGinness does not have possession of the premises. Mr. Edwards spoke about his client's background and their efforts to legally operate the medical marijuana business.

Mr. Laszlo Bagi, Green Medicals, LLC, provided testimony about his background and business experience. Mr. Bagi stated he currently operates 9 medical marijuana centers and 11 grow facilities in Colorado. Mr. Bagi spoke about the acquisition of Green Medicals from Patsin McGinness and stated he was provided inaccurate information by Patsin McGinness regarding the local requirements for the transfer of a medical marijuana business. Mr. Bagi provided information about his investments in the business and requested the Authority to approve the transfer of ownership application for the medical marijuana license.

Mayor Downing called for anyone wishing to speak in favor of the transfer of ownership application to come forward.

Mr. Mike Abrams spoke in support of Laszlo Bagi and stated he feels Mr. Bagi was misled by Patsin McGinness about the ability to transfer the medical marijuana license.

Mr. Bagi addressed questions from the Authority regarding his research of licensing requirements for Northglenn and the other medical marijuana businesses he operates.

Mr. Efrain Johnson spoke in support of the application. Mr. Johnson spoke about the character of Laszlo and Wendy Bagi and stated they would be a positive addition to the business community.

Mr. Francisco Rivera spoke in support of the application and expressed concern about Patsin and Chuck McGinness' operation of the former business.

Mr. Marco Lalaguna spoke in support of the application.

Ms. Adela Briones spoke in favor of the transfer of ownership application. Ms. Briones stated she is a current employee of the medical marijuana business and expressed concern about the treatment of employees when under the ownership of Patsin and Chuck McGinness.

Mayor Downing called for any other person wishing to speak in favor of the transfer of ownership application to come forward. There was no response.

Mayor Downing called for any person wishing to speak in opposition to the transfer of ownership application to come forward.

Mr. Chuck McGinness spoke against the transfer of ownership application and provided testimony about the business transactions between Patsin McGinness dba Green Medicals and Laszlo and Wendy Bagi. Mr. McGinness stated his wife, Patsin McGinness, and Laszlo Bagi were informed by the City Clerk's Office that, at that time, there was no process to transfer ownership of a license and that Patsin McGinness, as the licensee, must be involved with the business until a transfer could be approved. Mr. McGinness stated Patsin McGinness was forced out of the business by Laszlo and Wendy Bagi before a transfer was approved. Mr. McGinness presented documentation regarding the debts and purchase of the business, and stated Laszlo Bagi entered into the purchase agreement with the intent to cheat those who were owed money from the business.

Attorney Hoffmann asked Mr. McGinness when the last time Patsin McGinness was employed by the entity that is seeking the transfer of the license. Mr. McGinness stated Patsin McGinness has not been allowed in the store since mid March and was terminated in August.

The Authority asked what Mr. McGinness intended to do if the transfer was not approved. Mr. McGinness stated the purchase contract provides for three options if the transfer is not approved. Mr. McGinness responded to questions about the business' debt and stated Mr. Bagi was charged with operating a dispensary without a license because Patsin McGinness was no longer involved with the business.

Mayor Downing called for any other person wishing to speak in opposition to the transfer of ownership application to come forward. There was no response.

Mr. Bagi provided additional testimony regarding communications with the City about the transfer application and the funding available for the purchase of the business. Mr. Bagi stated he has paid 80% of the debt of the business and stated back wages would be paid after the transfer of the license is approved.

Ms. Vicky Cabada, Green Medicals, stated she is the business' bookkeeper and provided testimony about the payment of delinquent payroll and unemployment taxes by the new business owners.

Mr. Edwards asked Mr. McGinness if any police reports were included with the documentation provided to the Authority. Mr. McGinness stated no police reports were submitted.

Attorney Hoffmann distributed a certified copy of a record of proceedings in the Northglenn Municipal Court regarding a plea of guilty by Laszlo Bagi to operating without a permit and to a public nuisance violation. Attorney Hoffmann reported that prior to July 1, 2012 there was no ability under the City's Municipal Code to transfer a medical marijuana license. Attorney Hoffmann stated the evidence presented shows that the person operating the business is not licensed to operate, and stated licensing requires dual approval by the City and State. Attorney Hoffmann advised the Authority of their options in making a determination on the transfer application.

MOTION TO PASS

Council member W. Dodge **MOVED** and it was **SECONDED** by Mayor Pro Tem Clyne to direct the Authority's Attorney to draft a resolution denying the transfer of ownership application for a Medical Marijuana Business License filed by Green Medicals, LLC dba Emerald City Organics and to summarily suspend the license held by Patsin McGinness until further proceedings.

**FRIENDLY
AMENDMENT**

A friendly amendment was accepted to amend the motion to summarily suspend the license of Patsin McGinness until further proceedings.

MOTION PASSED

There was discussion and the motion as amended **PASSED**.
IN FAVOR - Downing, Clyne, Snetzinger, W. Dodge, Brown, Whitman, Carrico, C. Dodge, Wieneke.
OPPOSED - None.
ABSENT - None.

MOTION TO PASS

Council member W. Dodge **MOVED** and it was **SECONDED** by Mayor Downing to direct the Authority's Attorney to draft a resolution denying the transfer of ownership application for a Medical Marijuana Business License filed by Green Medicals, LLC dba Emerald City Organics.

Mr. Edwards stated that Laszlo and Wendy Bagi had authorized him to withdraw the transfer of ownership application. No further action was taken.

ADJOURNMENT

The meeting adjourned at 10:36 p.m.

JOHANNA SMALL, CMC
City Clerk

JOYCE DOWNING
Mayor