



## Oxnard Commercial Cannabis Application Phase 2 Evaluation Report

### CCB 2021-16 - California Erudite Ventures dba HerbNJoy

Tracking Number - Applicant Name/DBA

211 E. Fifth Street, Oxnard, CA 93030

Proposed Location

Retail (Store-front)

License Type

#### SCORE SUMMARY

1,185 Points Received

1,200 Points Available

**98.75% Score**

Pass CBA & Local Equity Program

Criteria	Scoring Basis	Points Available	Points Received	Evaluation
<b>1 Business Plan (500 pts)</b>		<b>500</b>	<b>487</b>	
1.1 A budget for construction, operation and maintenance, compensation of employees, equipment costs, utility cost, and other operation costs.	Percentage	85	85	Addressed criteria.
1.2 Proof of capitalization in the form of documentation of cash or other liquid assets on hand, Letters of Credit or other equivalent assets.	Percentage	90	90	Addressed criteria.
1.3 3-year pro forma for at least three years of operation.	Percentage	85	79	Inconsistencies in some pro forma amounts resulted in a point deduction. Examples below. Page numbers refer to PDF File #3. Capital Expenditures on the budget (pg 3) - \$1,105,400 Capital Expenditures on the cash flow statement (pg 11) - \$1,059,700 Total Operating Expenses on income statement (pg 10) Yr 1/Yr 2/Yr 3/Yr 4 - \$5,923,663/\$6,126,620/\$6,145,993/\$6,184,554 Total Operating Expenses on cash flow statement (pg 11) Yr 1/Yr 2/Yr 3/Yr 4 - \$5,799,345/\$6,122,807/\$6,158,542/\$6,184,505
1.4 Fully describe hours of operation and opening and closing procedures.	All or none	50	50	Addressed criteria.
1.5 Fully describe the day-to-day operations for each license type being sought.	Percentage	90	83	See 1.5.1d below.
1.5.1 Additional criteria for RETAIL applications only:				
a. Describe customer check-in procedures.				
b. Identify location and procedures for receiving deliveries during business hours.				
c. Identify number of Point-of-Sales location and estimated number of customers to be served per hour/day.				
d. Describe the proposed product line and estimate the percentage of sales of flower and manufactured products.				Some of the proposed product line and percentages of sales on pg 29 of PDF File #3 were inconsistent with the forecasted category sales on pg 7. (For example, vaporizing products were listed on pg 29 and not on pg 7, edibles & beverages were projected to be 9% of sales on pg 29 but 15% on pg 7, etc.)
e. Describe the product handling procedures.				
f. If proposed, describe delivery service procedures, number of vehicles and product security during transportation.				
1.6 Fully describe cash handling procedures.	All or none	50	50	Addressed criteria.
1.7 Fully describe inventory control procedures including identification of point-of-sales and track and trace software.	All or none	50	50	Addressed criteria.
<b>Summary</b>	Sixty-seven percent (67%) of the proposed business will be owned by CEO Rajan Dave, 19% by CTO Arjun Dave, 10% by COO Jeff Linden, and 1% each by Dir. of Neigh. Compat. and Community Relations Erick Nasser, Dir. of Local Diversity & Equity Shunna McFarland, Dir. of Women's Entrepreneurship Amanda Howard and Dir. of Employee Investment Conceicao Pires. Budget for construction is expected to be approx. \$1.1M + \$944k in costs for start-up inventory, marketing and five months operating expenses, for total capital needed of \$2.05M. Startup capital will be provided by majority owner and CEO Rajan Dave in the form of a loan of up to \$2.1M, who demonstrated \$10.9M in assets. The proposed business will have 8 POS stations and will use the TREEZ POS system. Proposed product line will include flower and pre-rolled flower (projected to be 64% of sales), vaporizing products (15%), edibles & beverages (9%), concentrates (6%), tinctures & topicals (4%), and non-cannabis items such as hats, t-shirts, bags (2%), and will include brands like Cali Kosher and Flow Kana. Annual revenue projections start at \$19.95M in Year 1 and grow to \$24.6M by Year 4, although HdL considers that such projections may not be achievable given the number of jurisdictions in the area that have licensed or will be licensing cannabis retailers.			



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<b>2 Labor and Employment Plan (300 pts)</b>				
2.1 Describe compensation to and opportunities for continuing education and employee training.	<i>Percentage</i>	105	105	Addressed criteria.
2.2 Describe the extent to which the CCB will be a locally managed enterprise whose owners and/or managers reside within the Ventura County area.	<i>All or none</i>	45	45	Addressed criteria.
2.3 Describe the number of employees, title/position and their respective responsibilities.	<i>Percentage</i>	105	105	Addressed criteria.
2.4 Thoroughly describe employee policies and procedures (complete manuals are not required to be submitted).	<i>All or none</i>	45	45	Addressed criteria.
<b>Summary</b> Proposed business will have 38 non-exempt and 5 exempt employees in Year 1. Applicant has a minimum hourly wage of \$19.50, with staff salaries projected to be \$21/hour and managers \$41.53/hour. Employee benefits include tuition assistance; PTO; vacation; paid medical, dental and vision; volunteer match; annual compensation increases; childcare assistance; life management support; and career opportunities and guidance. Minority owner Erick Nasser was born and raised in Oxnard; the remaining ownership team resides outside the Oxnard/Ventura County area, but Applicant has committed to 100% local hire of all staff and store managers. Applicant provided a signed Labor Peace Agreement.				

Criteria	Scoring Basis	Points Available	Points Received	Evaluation
<b>3 Safety Plan (200 pts)</b>				
3.1 The Safety Plan shall be prepared by a professional fire prevention and suppression consultant. An assessment of the facility's fire safety plan by a qualified licensed fire prevention and suppression consultant. An appropriate plan will consider all possible fire, hazardous material, and inhalation issues/threats and will have both written and physical mechanisms in place to deal with each specific situation. Identify all gases and/or chemicals to be used and their storage locations (testing).	<i>Percentage</i>	70	68	Safety plan addressed the minimum required topics and referenced additional safety situations, but provided less detail on those additional situations than applicants who received full points. For example, pg 79 of PDF File #3 said, "Emergencies that will be covered in the training and Plan include medical, fire, power failure, earthquake, workplace violence and active shooter." Pgs 83-84 provided detailed mechanisms to handle some situations (earthquake and robbery), but not others such as power failure, workplace violence and active shooter.
3.2 Identify fire alarm and monitoring system including the name and contact information for the alarm company	<i>All or none</i>	7	7	Addressed criteria.
3.3 Describe accident and incident reporting procedures	<i>All or none</i>	8	8	Addressed criteria.
3.4 Describe evacuation routes	<i>All or none</i>	8	8	Addressed criteria.
3.5 Location of fire extinguishers and other fire suppression equipment	<i>All or none</i>	8	8	Inconsistency in the number of fire extinguishers between the diagram in the Safety Plan on pg 89 and the diagram in the Security Plan on pg 95. However, no points were deducted as generally the criteria was met.
3.6 Describe procedures and training for all fire and medical emergencies	<i>All or none</i>	8	8	Addressed criteria.
3.7 Describe and identify the location of all gas monitoring equipment. A detailed diagram of the overall facility's safety features.	<i>All or none</i>	7	7	Addressed criteria.
3.8 Written description of safety features, including but not limited to fire prevention, suppression, HVAC and alarm systems.	<i>Percentage</i>	70	70	Addressed criteria.
3.9 Clarify if your building has sprinklers?	<i>All or none</i>	7	7	Addressed criteria.
3.10 What date was the subject building constructed?	<i>All or none</i>	7	7	Addressed criteria.
<b>Summary</b> Fire Safety Plan was prepared by Paul W. Gantt of Safety Compliance Management, Inc. The building was constructed in 1945 and the proposed space allotted for the cannabis retail facility is approx. 2,500 sq. ft. The Plan considered fire, medical and hazardous situations. The diagram showed the following safety features: fire extinguishers, emergency assembly area, evacuation exit routes, panic bars, and a knox box. The Applicant will use Protech Security for its alarm and monitoring system.				



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<b>4 Security Plan (200 pts)</b>		<b>200</b>	<b>200</b>	
4.1 The Security Plan shall be prepared by a professional security consultant. A thorough Security Plan should consider all access control, inventory control, cash handling procedures. Complete policy/procedures manuals are not required at this point of the application process. Please only provide a detailed description for each criteria.	<i>All or none</i>	30	30	Addressed criteria.
4.2 Premises (Security) Diagram. In addition to diagrams submitted for other sections of the application, applicants are expected to submit a premises diagram (floor plan, detail) which, focuses on the proposed security measures and how they relate to the overall business. (Pursuant to CCR Title 16, Division 42, §5006. Premises Diagram).	<i>Percentage</i>	70	70	Addressed criteria.
4.2.1 The diagram shall be accurate, dimensioned and to scale (minimum scale 1/8"). The scale may be smaller if the proposed location exceeds more than a 1/2 acre parcel but must not be printed on larger than an 11" x 17" sheet of paper. (Blueprints and engineering site plans are not required at this point of the application process).				
4.2.2 The diagram must be drawn to scale and clearly identify property boundaries, entrances, exits, interior partitions, walls, rooms, windows and doorways. The activity in each room and the location of all cameras must be identified on the diagram.				
4.2.3 Description of cannabis activity that will be conducted in each area of the premise. Commercial cannabis activities that must be identified on the diagram/floor plan may include but are not limited to the following if applicable to the business operations; storage areas, batch sampling areas, loading/unloading of shipment areas, packaging and labeling, customer sales areas, training areas, employee break room areas, and testing areas.				
4.2.4 Limited-access areas, defined as areas in which cannabis goods are stored or held and only accessible to a licensee, its employee or contractors, and areas used for video surveillance monitoring and storage devices (Pursuant to CCR Title 16, Division 42, §5000 (m) Limited-Access Area and §5042. Limited-Access Area).				
4.2.5 Number and location of all video surveillance cameras.				
4.3 Identify intrusion alarm and monitoring system including the name and contact information for the monitoring company.	<i>All or none</i>	30	30	Addressed criteria.
4.4 Discuss whether the CCB will utilize the services of on-site security guards. Include in the discussions:	<i>Percentage</i>	70	70	Criteria addressed.
4.4.1 Number of guards				
4.4.2 Hours guards will be on-site				
4.4.3 Locations they will be positioned				
4.4.4 Their roles and responsibilities				
<b>Summary Security Plan was assessed by Luis Alvarez of Veo Verde Technology. The Plan addressed facility security, cash security, access controls, employee safety and security, and inventory security. The business will utilize security cameras (indoor and outdoor), motion detectors, card swipe access, biometric access, a buzz entrance and panic buttons as part of its security plan. The facility will be monitored by 2 security guards during the day and 1 overnight, for a 24/7 security guard presence, and an alarm system from Protech Security.</b>				



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<b>5 Community Benefit Agreement and Local Equity Program (Pass/Fail)</b>				
5.1 Executed Cannabis Community Benefit Agreement and Local Equity Program	Pass/Fail	Required	Pass	Addressed criteria.
<b>Summary Applicant signed the Cannabis Community Benefit Agreement and Local Equity Program form.</b>				