

**AMENDMENT NUMBER FOUR  
TO PROFESSIONAL SERVICES AGREEMENT  
WITH  
HINDERLITER, DE LLAMAS & ASSOCIATES**

This Amendment Number Four (“Amendment”) is made and entered into this 3rd day of August, 2021 (“Effective Date”), by and between the CITY OF COSTA MESA, a municipal corporation (“City”), and HINDERLITER, DE LLAMAS & ASSOCIATES, a California corporation (“Consultant”).

WHEREAS, City and Consultant entered into an agreement on April 25, 2018 for Consultant to provide cannabis consulting services (the “Agreement”); and

WHEREAS, Section 4.1 of the Agreement provides for a term ending April 24, 2019, with the option to extend the Agreement for four (4) additional one (1) year periods; and

WHEREAS, on April 24, 2019, City and Consultant amended Section 4.1 of the Agreement and extended the term through June 30, 2020; and

WHEREAS, on June 30, 2020, City and Consultant extended the term through June 30, 2021; and

WHEREAS, on June 30, 2021, City and Consultant extended the term through June 30, 2022; and

WHEREAS, City and Consultant now desire to amend the Scope of Services as set forth in Exhibit “A,” attached hereto and incorporated herein; and

WHEREAS, City and Consultant further desire to amend Section 2.1 of the Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Exhibit A of the Agreement shall be deleted in its entirety and replaced with the attached Exhibit A.
2. The Scope of Services shall be amended as set forth in Exhibit A.
3. Section 2.1 of the Agreement shall be amended to read as follows:

2.1. Compensation. City shall pay Consultant in accordance with the following fee schedule, as further described in Exhibit A:

<b>Service</b>	<b>Cost</b>
Application reviews and selection process	\$3,500 per application
Conduct supplemental background checks	No cost to City
Pre-license site inspections	\$1,600 per inspection
Subject matter expertise and technical assistance as requested by City	At Consultant’s hourly rates as set forth in Exhibit A.
Travel	\$400 per day

- 4. All terms not defined herein shall have the same meaning and use as set forth in the Agreement.
- 5. All other terms, conditions, and provisions of the Agreement not in conflict with this Amendment shall remain in full force and effect.
- 6. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by and through their respective authorized officers, as of the date first written above.

CITY OF COSTA MESA

\_\_\_\_\_  
City Manager

Date: \_\_\_\_\_

CONSULTANT

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Name and Title

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

Date: \_\_\_\_\_

APPROVED AS TO INSURANCE:

\_\_\_\_\_  
Risk Management

Date: \_\_\_\_\_

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Project Manager

Date: \_\_\_\_\_

DEPARTMENTAL APPROVAL:

\_\_\_\_\_  
Economic and Development Services  
Director

Date: \_\_\_\_\_

APPROVED AS TO PURCHASING:

\_\_\_\_\_  
Finance Director

Date: \_\_\_\_\_

**EXHIBIT A**  
**AMENDED SCOPE OF SERVICES**

# City of Costa Mesa

Cannabis Management Services

July 28, 2021

**HdL**  Companies

SUBMITTED BY  
HdL Companies  
120 S. State College Blvd., Ste 200  
Brea, CA 92821  
[hdlcompanies.com](http://hdlcompanies.com)

CONTACT  
David McPherson  
T: 714.879.5000  
E: [dmcpherson@hdlcompanies.com](mailto:dmcpherson@hdlcompanies.com)

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I. LETTER OF TRANSMITTAL

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July 27, 2021

Jennifer Le  
Economic & Development Services Director  
City of Costa Mesa  
77 Fair Drive  
Costa Mesa, Calif. 92626

Re: Proposal for Cannabis Management Services

Dear Ms. Le,

Thank you for the opportunity to submit this proposal for cannabis management services for the City of Costa Mesa. The enclosed scope of services provides for review of a cannabis regulatory ordinance, development of application guidelines and procedures, evaluation of cannabis applications, development of cost recovery fees, background checks, pre-license site visits, and additional hours of subject matter expertise.

HdL was incorporated in 1983 and has over 30 years of experience providing revenue enhancement and consulting services to local governments in California. HdL is a consortium of three companies established to maximize local government revenues by providing audit, compliance, economic development, consulting services and software products. Its audit and consulting services include sales, use and transaction taxes, property taxes, transient occupancy taxes, and a Cannabis Management Program. HdL's systematic and coordinated approach to revenue management and economic data analysis is currently being utilized by over 500 agencies in six states. The firm currently serves 49 counties, 311 cities and 132 transactions tax districts in California.

Our knowledgeable team of professionals have more than 46 years' combined experience in the establishment and implementation of cannabis regulatory programs including establishing land-use regulations, registration processes, operation regulations for cannabis facilities, staffing plans, cost recovery, structuring cannabis business taxes and conducting compliance and financial audits.

We look forward to the opportunity to partner with the City of Costa Mesa in developing a strategy which meets your program needs. If you have any questions or require additional information, please feel free to contact me by email at [anickerson@hdlcompanies.com](mailto:anickerson@hdlcompanies.com) or David McPherson at [dmcpherson@hdlcompanies.com](mailto:dmcpherson@hdlcompanies.com) or by phone at 714.879.5000.

Sincerely,



Andy Nickerson  
President, HdL Companies

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## II. PROPOSED SCOPE OF SERVICES

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The City of Costa Mesa currently allows for commercial cannabis manufacturers, distributors, processors and testing laboratories. The City has so far issued 25 Conditional Use Permits for cannabis manufacturers and distributors, of which 9 are currently in operation.

The City's voters recently passed Measure Q, which was an advisory measure to allow for both storefront and non-storefront (delivery) cannabis retailers. The measure also authorized the City to impose a tax on cannabis retailers of between 4% and 7%.

Pursuant to Measure Q, the City is now seeking to develop a regulatory ordinance and a business license process for cannabis retailers, to be in place by April of 2021. To assist with this process, the City is requesting that HdL provide a proposal with a scope of services that includes the following objectives:

- Review and evaluate cannabis business applications
- Provide supplemental background checks of all owners, managers and employees associated with cannabis business applications
- Conduct pre-license site inspections prior to issuance of a certificate of occupancy
- Provide additional hours of general consulting in the form of technical assistance and subject matter expertise, including best practices for cash handling and attendance and presentation meetings of the City Council, Planning Commission or cannabis ad-hoc committee

These service objectives are each described in greater detail below.

### Objective 1: Application Reviews and Evaluation

HdL staff will conduct an initial screening of all applications for completeness based upon an objective checklist of required documentation. This initial screening shall allow for some limited discretion in determining whether submitted documents are substantively complete but shall not otherwise consider the quality of the submissions. If an application is deemed incomplete, the applicant shall be given an opportunity to submit supplemental information to address any deficiencies. HdL's cost for this objective includes one supplemental review per applicant. Review of any additional supplemental materials would be billed at HdL's hourly rate.

Applications which have been deemed complete will move forward for a full quality-assurance review. An applicant's evaluation shall be based on their demonstrated ability to meet or exceed minimum requirements in each of the following categories:

- Ownership verification and eligibility
- Business plan
- Neighborhood compatibility
- Labor and employment
- Security plan

Reviews shall include narrative comments that identify both strengths and weaknesses of



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each application as well as any deficiencies or areas of concern. Reviews shall be adequately detailed to inform the subsequent process but shall not contain any recommendations for approval or denial, other than a numerical score.

Proposed actions described in the applications shall be considered binding conditions of any resulting permit. Failure to meet or comply with any such requirements after a permit has been granted may subject the applicant to penalties and/or revocation proceedings.

### **Objective 2: Conduct Supplemental Background Checks**

HdL is qualified to provide background checks of all owners, principals, managers and employees of cannabis businesses. Our background checks supplement the State-required Live Scan fingerprint check, which will only disclose Department of Justice (DOJ) records regarding arrests or convictions. California's licensing agencies are only allowed to consider convictions for certain "red line" offenses such as serious or violent felonies, or certain felonies involving fraud, minors or drug trafficking, as automatic disqualifiers before granting or denying a license.

Our supplemental background checks expand upon the Live Scan information to identify other factors that local governments may wish to consider before granting discretionary business licenses or permits. These considerations may include other felony offenses, misdemeanor convictions, arrest records, civil judgements, restraining orders, the terrorist screening database, the national sex offender registry, delinquent child support payments, bankruptcies, employment and credit records, and more. Our search includes up to 5 variations on the subject's name and will alert if additional aliases are found which might warrant further investigation.

Our comprehensive background process checks the subject's name and social security number against over 200 million databases nationwide, including all of the following<sup>1</sup>:

- 7 yr. unlimited county courts and criminal records search
- Social Security, name and address comparison
- DMV search
- National Criminal Court report
- National Sex offender registry

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<sup>1</sup> Renewals and background checks for employees include a lesser level of investigation.

- Federal criminal history
- State Department of Public Safety
- State Department of Corrections
- Terror watch list
- Bankruptcy, lien and judgments
- Delinquent child support payments
- Employment credit report
  - Financial summary
  - Personal information comparison
  - Address comparison
  - Employment comparison
  - Credit bureau report / credit history
  - Public records search

Any felony convictions that would be automatic disqualifiers pursuant to B&P 26057 (Violent and Serious Felony Convictions) must be confirmed through the Live Scan process. The degree to which other records may be used to inform the approval or renewal of a local business license or permit is subject to local ordinance requirements.

HdL offers separate rates for owners, principals or managers of cannabis businesses and for regular employees or line staff. We also offer a lower rate for annual renewals after the initial background check has been completed. Our rates include an HdL-designed employee identification badge with the city or county logo which meets all State regulatory requirements.

Background Checks	Owner, principal or manager	Employee or line staff
Initial background check	\$300	\$100
Annual renewal	\$100	\$75
Reissue lost or stolen badge	\$10	\$10

Prices valid as of the date of this proposal and subject to change without notice.

HdL provides an online portal for applicants to submit their application and authorization for background checks and all necessary documentation. Applicants provide their payment directly to HdL through the portal, so there is no cost to the City.

**Objective 3: Pre-License Site Visits**

HdL shall review the premises diagram and conduct a site visit of each cannabis business prior to issuance of a certificate of occupancy. Our site visits complement the final building inspection by verifying all interior and exterior physical site security requirements have been addressed in accordance with the application and all State and local requirements.

Site visits shall examine all entrances and exits, limited access areas, locks and alarm systems, access control procedures, surveillance camera locations, safes and cash

management procedures, signage, operational protocols and administrative privileges associated with the license type(s) being sought, and other requirements as necessary. The HdL inspector may be accompanied on the site inspection by the City's building inspector or representatives from the Police Department and Fire Department, if desired by the City.

The cost for this service includes an initial premises diagram review and report, coordination and arrangements with the business and other agencies, site visit, post-inspection report, all travel costs and any follow up.

**Objective 4: Provide Subject Matter Expertise & Technical Support**

HdL shall provide general consulting in the form of subject matter expertise or technical assistance, to be utilized on an as-needed basis at the City's request. Such assistance may include attendance and presentation at meetings of the City Council, Planning Commission or the City's cannabis ad hoc committee. Such assistance may also include consultation regarding best practices for cash handling, monitoring of changes to State laws and regulations, participation in conference calls, responding to staff inquiries via phone and email, reviewing staff reports to the City Council, assisting with responses to inquiries from the public, or other issues yet to be determined as requested by the City. Any travel associated with meeting attendance shall incur an additional \$400 charge.

### III. COST

The proposed services are broken down into specific line items in the cost table below. Services quoted on a “per application” and “per inspection” basis will be billed at a flat rate, and will not be charged based upon hourly rates. Other cannabis consulting services, including subject matter expertise and technical assistance, will be billed at the hourly rates identified on the next page. Any additional services requested by the City that are not contemplated by this scope of services will be billed at HdL’s hourly rates.

Prices are valid for 30 days from the date of this proposal to allow time for consideration and negotiating a service agreement. Once under contract, prices shall be honored for the first full year, with successive years subject to an annual increase based upon the Consumer Price Index for the Los Angeles-Long Beach-Anaheim region.

Scope of Service Objectives	Estimated Cost
Objective 1: Application reviews and selection process	\$3,500 per application
Objective 2: Conduct supplemental background checks	No cost to City
Objective 3: Pre-license site inspections	\$1,600 per inspection
Objective 4: Subject matter expertise and technical assistance to be used as needed by the City	Hourly rate
Travel (if and as needed for meeting attendance or interviews)	\$400 per day
Estimate of Costs	
Costs per applicant (Objectives 1 and 3)	\$5,100
Subject matter expertise (Objective 4)	Dependent upon hours requested

### Hourly Rates for HdL Staff

The prices in this proposal are based on the hourly rates for HdL staff as shown in the chart below. Any additional services requested by the client that are not specifically described in this proposal would be billed at the standard rate for the assigned staff person.

HdL Staff Person	Title	Hourly Rate
David McPherson	Compliance Director	\$250
Matt Eaton	Deputy Compliance Director	\$250
Ajay Kolluri	Deputy Audit Director	\$250
Mark Lovelace	Senior Policy Advisor	\$250
Kami Miller	Senior Compliance Inspector	\$195
David Ross	Senior Compliance Inspector	\$195
Michelle Shaw	Compliance Inspector	\$195
Jeff Burris	Compliance Inspector	\$195
Elizabeth Eumurian	Senior Auditor	\$195
Odette Mikhail	Auditor	\$195
Tao Lu	Auditor	\$195
Valerie Carter	Auditor	\$195
Mark Brogan	Auditor	\$195
Eric Magana	Auditor	\$195
All rates current as of the date of this proposal		

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#### IV. EXPERIENCE AND RESOURCES

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##### Company Profile

Founded in 1983, HdL is a consortium of three companies established to maximize local government revenues by providing audit, compliance, economic development, consulting services and software products. Its audit and consulting services include sales, use and transaction taxes, property taxes, transient occupancy taxes, and a Cannabis Management Program. The firm also provides a variety of enterprise software processing tools for business licensing, code enforcement, animal control, building permits and tracking/billing of false alarms. HdL's systematic and coordinated approach to revenue management and economic data analysis is currently being utilized by over 500 agencies in six states. The firm currently serves 49 counties, 311 cities and 132 transactions tax districts in California.

HdL's key staff has extensive experience serving local government and many have previously held positions in city management, finance, planning, economic development or revenue collection. HdL is a Corporate Partner of the League of California Cities and California State Association of Counties and works extensively with the County Auditor's Association of California, California Society of Municipal Finance Officers (CSMFO) and California Municipal Revenue and Tax Association (CMRTA) on anticipation and planning of programs to strengthen local government revenues.

This close understanding of local government needs coupled with extensive databases and advanced methodology provides for the most relevant, productive and responsive revenue recovery; forecasting; and economic services available.

Our team of professionals has over 52 years of direct experience establishing and implementing cannabis regulatory and taxation programs, including establishing land-use regulations, permit processes, staffing plans, and cost recovery fees; structuring cannabis business tax fees; regulatory compliance; financial audits; and law enforcement training. Our team has conducted over 18,000 cannabis compliance inspections and investigations in California, Colorado and Nevada.

##### Key Personnel

###### **David McPherson, Compliance Director**

David McPherson works with local agencies to prepare them to mitigate regulatory issues surrounding Proposition 64 and SB 94. Prior to joining HdL, David served 28 years in local government for the County of Orange and the cities of Newport Beach, San Jose and Oakland. David's experience as a law enforcement officer, compliance auditor, and tax administrator has provided him a wealth of experience that makes him uniquely qualified to manage HdL's Cannabis Management Program. While working for the City of Oakland, he became the first Tax Administrator in the country to successfully tax, regulate and audit medical marijuana businesses. David has over 10 years of experience working with cannabis regulatory programs.

David is one of the state's most recognized experts in cannabis regulatory policies, compliance implementation and tax policies. His unique knowledge in horticulture, processing and dispensary operations while working for the City of Oakland has made him one of the pioneers in creating a Cannabis Management Program. He uses his experience to assist local and state agencies in developing cannabis policies for regulation, compliance, auditing and economic development. He worked closely with the League of Cities on the development of the Medical Cannabis Regulation and Safety Act (MCRSA) and helped shape SB 94, the Medicinal Adult-Use Cannabis Regulation and Safety Act (MAUCRSA).

David provides technical support on cannabis-related matters to the League of Cities, the Police Chief's Association, Rural County Representatives of California and the California State Association of Counties. In addition, David is working collaboratively with the Department of Consumers Affairs, Department of Food & Agriculture, Department of Health Services and the State Board of Equalization on the implementation of best practices for regulating the cannabis industry for local agencies.

David received his Bachelor's Degree in History from California State University, Fullerton and his Master's Degree in Public Administration from California State University, Long Beach. While at Long Beach, he was named "Future Urban Administrator of the Year".

#### **Matt Eaton, Deputy Compliance Director**

Matt Eaton is the Deputy Compliance Director at HdL and plays a critical role in implementing the Cannabis Compliance Program for local agencies. Prior to joining the firm, he was a progressive law enforcement professional with 30 years' experience conducting criminal/regulatory investigations, and corporate/individual background investigations.

While working as a Supervisory Investigator at the Colorado Department of Revenue in the Marijuana Enforcement Division (MED), Matt managed criminal investigators and civilian staff in the Denver Metro and Longmont field offices. During his six-year tenure at the MED, he conducted approximately 10,000 criminal investigations and compliance reviews, including regulatory and financial investigations. He is a subject matter expert on track and trace systems and understands the complexity of reviewing data to ensure businesses are in compliance with state and local regulations. Matt was responsible for planning, developing and implementing report and field inspection protocols for the agency. He also played an instrumental role in recommending changes to current regulations and identifying essential language for new legislation in Colorado. Matt is well known for his ability to maintain working relationships with cannabis industry leaders and external stakeholders in resolving issues.

Matt received his Bachelor of Science Degree from Biola University and maintained Police Officer Service Training (POST) certification for over 30 years in California and Colorado. He has also served as an adjunct instructor teaching law enforcement principle related to criminology, correctional processes, procedural law, interviews, interrogations and criminal evidence at AIMS Community College in Greeley, Colorado.

### Ajay Kolluri, Deputy Director of Policy and Audits

Ajay Kolluri is the Deputy Director of Audits and Operations for HdL's Cannabis Division. Ajay is responsible for overseeing the cannabis audit team and the daily operations of the division, which includes special projects such as community outreach, surveys, grant solicitation, revenue analysis, cost recovery fee studies, contracts, budgeting, and marketing. Ajay previously served as Program Manager for the Office of Cannabis Oversight (OCO) at City of Long Beach. Working within the City Manager's Office, Ajay was responsible for the licensing, regulation and enforcement of all commercial cannabis activity in the City, with one of the largest legal cannabis markets in the state. During his tenure with the OCO, Ajay oversaw the issuance over 200 cannabis business licenses, generating over \$10 million in annual revenue for the City. Ajay has experience in all aspects of cannabis oversight, including public health and education, planning and zoning, building inspections, enforcement, social equity, fee development, economic analysis and revenue projections.

Prior to overseeing the OCO, Ajay worked in public finance, serving as Budget Analyst for the Department of Financial Management in the City of Long Beach. Ajay holds a Bachelor's degree in business economics from the University of California, Santa Barbara, and a Master's degree in public policy from the University of Michigan.

### Mark Lovelace, Senior Policy Advisor

Mark Lovelace has 16 years of broad experience in public policy, community engagement and advocacy and is recognized as a leader in advancing the statewide discussion of medical and recreational cannabis as a policy issue in California.

Mark served on the Humboldt County Board of Supervisors from 2009 through 2016 where he was instrumental in developing a comprehensive approach to regulating cannabis, including a voter-approved tax on commercial cultivation and an innovative track and trace pilot program. Mark established and co-chaired the Medical Marijuana Working Group for the California State Association of Counties (CSAC) and helped draft CSAC's legislative platform for cannabis issues. Mark pioneered the first regional summit on cannabis issues in 2015 which helped guide the development of SB 643 and AB 243, two components of the Medical Cannabis Regulation and Safety Act (MCRSA).

Mark has worked extensively with public agencies and statewide associations on cannabis issues, including CSAC, Rural County Representatives of California, the Association of California Water Agencies, the North Coast Resource Partnership, California Department of Fish and Wildlife, the State Water Board, the North Coast Regional Water Board, the Bureau of Cannabis Control, State legislators, and others. He has led numerous presentations, workshops and panel discussions on cannabis issues and has been a sought-after speaker on the topic for government agencies, community organizations and industry groups.

Mark received his Bachelor of Science degree in Industrial Design from San Jose State University. Prior to his time on the Board, he worked for many years as a respected advocate on land use, planning, development and environmental issues.



### Kami Miller, Senior Compliance Inspector

Kami Miller is a Senior Compliance Inspector at HdL whose primary role is to ensure cannabis compliance and identify the risk assessment in the supply chain process of each permitted business. Prior to joining the firm, she served three years as a Marijuana Compliance Manager for the Department of Public Behavior and Health (DPBH) for the State of Nevada. During this time Kami played a key role in Nevada's implementation of its Medical Marijuana Program in which she was responsible for statewide monitoring of medical marijuana facilities that included cultivation, production, testing labs and retail stores.

During her tenure at the DPBH, Kami managed compliance auditors and support staff in the Las Vegas office. She conducted approximately 1,000 compliance and financial inspections for which she developed the inspection protocols documentation to create comprehensive reports. In addition, her experience with various cannabis track and trace systems allowed her to develop industry supply chain practices for the Department of Taxation.

Kami received her Bachelor of Business Administration in E-Commerce and Supply Chain Management from Tennessee State University.

### David Ross, Senior Compliance Inspector

David Ross is a Certified Fraud Examiner with 7 years of experience conducting gaming and non-gaming audits and investigations of tribal gaming facilities. David's experience includes conducting forensic accounting investigations into cash larceny, expense reimbursement fraud, check fraud, credit card fraud, payroll fraud, wire fraud, insider trading, construction fraud in addition to litigation support.

David previously worked as Surveillance Officer and Internal Auditor for the Shingle Springs Tribal Gaming Commission, where he was responsible for analyzing financial statements for a facility with revenues exceeding \$20 million per month. David also analyzed internal controls and established policies and procedures to ensure compliance with federal, state and local regulations. In addition, David conducted surveillance reviews and investigations into criminal activity including check and credit card fraud, skimming, money laundering, drug activity and other violations.

David holds a Bachelor's Degree in Business Administration from Vanguard University in Costa Mesa and a Master's Degree in Finance from California State University San Bernardino. He is a member of the Association of Certified Fraud Examiners.

### Michelle Shaw, Compliance Inspector

Michelle is a Cannabis Compliance Inspector at HdL and is tasked with conducting onsite inspections, examinations and other actions to monitor compliance with established standards for local licensed cannabis businesses. Prior to joining HdL, she was a Compliance Specialist Officer at a large, multinational bank where she managed, validated and oversaw the effectiveness and accuracy of numerous compliance issues within the consumer retail space. Throughout her eight years of experience at the bank, she performed

onsite assessments of affiliate businesses to determine compliance/non-compliance of their processes and procedures pursuant to bank standards and state regulations.

A graduate of Cypress College, Michelle holds a Foundations of Banking Risk certificate from the Global Association of Risk Professionals and a paralegal certificate from the Southern California College of Business and Law.

### **Jeff Burris, Background Investigator / Compliance Inspector**

Jeff Burris is a retired Law Enforcement Professional with over 28 years of experience. Jeff began his career with the Orange County Sheriff's Office before moving to the Ontario Police Department, where he advanced to Corporal, Police Detective and Sergeant before retiring as a Lieutenant.

Jeff worked various investigative assignments during his career, including both criminal and non-criminal investigations. While working as a Police Detective Jeff conducted personnel background investigations for sworn, non-sworn, administrative, and confidential employees. These investigations included criminal checks, credit checks, prior employment verification, personal reference verification, driving records, pre-polygraph questioning, neighborhood canvassing, and oral interviews. His assignments also included annual State audits for regulatory compliance.

Jeff received his Bachelor of Science degree in Occupational Management from the California State University in Long Beach. Throughout his career he has completed numerous specialized training courses in investigative techniques, including a course in background investigations by the California Commission on Peace Officer Standards and Training (CA POST), and is a former member of the California Background Investigators Association (CBIA).

### **Elizabeth Eumurian, Senior Auditor**

Elizabeth Eumurian is a Senior Auditor at HdL. Her primary role is to conduct financial audits, evaluate cannabis applications and conduct background checks. As part of the audit program, she will be conducting and preparing analytical information through the CATS™ program to prepare Tax Analytical Remittance Reports (TARR) summaries to evaluate under reporting or anomalies in the remittance of tax payments to local jurisdictions.

Elizabeth previously worked as a senior auditor in the entertainment industry. In this role, she executed testing procedures for targeted audit programs, analyzed findings and prepared audit and compliance reports. She also has experience working for a large financial institution analyzing data for reporting anomalies and performing internal audits. Elizabeth has recently done work for Blythe, California City, Coachella, Cotati, Desert Hot Springs, Long Beach, Mammoth Lakes, Moreno Valley, Perris, San Bernardino, and Vallejo.

Elizabeth earned her Bachelor of Arts degree in History from California State University and holds a certificate in CannaBusiness from Oaksterdam University.

### Odette Mikhail, Auditor

Odette Mikhail is an Auditor at HdL. Her primary role is to conduct financial audits. Odette previously worked as a senior auditor at public accounting firms. In this role, she executed testing procedures for audit and review engagements, identified accounting issues, reviewed internal controls, and prepared financial reports and statements. Odette earned her Bachelor of Science degree in Accounting and Business Administration from Ain Shams University in Cairo, Egypt.

### Tao Lu, Auditor

Tao Lu works as an Auditor for HdL's Cannabis Management Team. Tao has two and a half years' experience as an accountant with an emphasis in information technology and food manufacturing industries. He also has public audit work experience at RSM China. Tao was born and raised in China. He earned a Bachelor's Degree in Accounting and Finance from Syracuse University in New York before relocating to Southern California with his family.

### Mark Brogan, Auditor

Mark Brogan works as an Auditor for HdL's Cannabis Management Team. Mark previously worked for the City of San Jose as a Financial Analyst and later as a Supervisor in the Revenue Management Division of the City's Department of Finance. Mark also worked in the City's Housing Department prior to his time with the Department of Finance.

Mark holds a Bachelor's Degree in Business Administration from San Jose State University, with a minor in Economics. Mark is also an accomplished triathlete and has successfully completed numerous marathons and Iron Man competitions.

### Valerie Carter, Auditor

Valerie Carter works as an Auditor for HdL's Cannabis Management Team. Valerie has over 5 years of public sector work experience focusing on public policy, auditing and revenue tax implementation. She was a Tax Auditor II for the City of Oakland's Revenue Management Bureau and an Assistant Management Analyst for the City of Berkeley's Transportation division. Valerie earned a Bachelor's Degree in Business Administration from Cal Poly Pomona, with an emphasis on Finance, Real Estate, and Law.

### Eric Magana, Auditor

Eric Magana works as an Auditor for HdL's Cannabis Management Team, conducting revenue audits of licensed cannabis businesses to ensure they are accurately reporting their revenues and remitting the proper amount of fees or taxes. Prior to joining HdL, Eric worked as a Loan Specialist for the U.S. Small Business Administration, where he processed over 5,000 business loans and grant applications. Eric holds a Bachelor's Degree in Economics and Administrative Studies from University of California at Riverside.

### **Teresa Schneider, Background Investigator / Compliance Inspector**

Teresa Schneider served for 28 years with the Montclair Police Department, including 12 years in the Background Investigations Unit. In this capacity, Teresa was responsible for conducting background investigations of all City business license applicants, as well as all sworn and non-sworn positions within the police and fire departments and of civilians requesting access to police department records.

Theresa previously served 4 years in the U.S. Army's nursing program at Fort Campbell, Kentucky. During this time she attended college at the University of Kentucky and Austin Peay State University. After receiving an Honorable Discharge in 1990, Teresa was hired by the Montclair Police Department. During her 28-year career, she worked numerous assignments, including patrol, K9, detective bureau, court liaison, volunteer coordinator, and red-light automated enforcement. Teresa received many awards throughout her career, including Officer of the Year.

### **Cheryl Lee-Steele, Business Application Reviewer**

Cheryl Lee-Steele is a Business Application Reviewer at HdL whose primary role is to evaluate cannabis business applications for compliance with State law, local ordinance and industry best practices. A small business owner and bookkeeper for over 30 years, she has direct knowledge of best business practices and how to comply with regulatory requirements.

Cheryl attended Chaffee College for accounting and is a Certified Public Bookkeeper through the National Association of Certified Public Bookkeepers.

### **Lisa Davis, Business Application Reviewer**

Lisa Davis is a Business Application Reviewer at HdL whose primary role is to evaluate cannabis business applications for compliance with State law, local ordinance and industry best practices. A small business owner and operator for 20 years prior to joining the firm, she is familiar with operational best practices, inventory control measures and compliance with government and industry regulations and standards.

### **Kristi Lervold, Administrative Assistant**

Kristi is the Administrative Assistant for cannabis team. In this role she supports individual team members, coordinates internal processes, and assists with client requests, contracts, billing reconciliation and invoicing. Kristi's 18-year career includes ten years as the administrative assistant to HdL's CFO, handling various operational responsibilities and supporting financial functions, as well as experience in the occupational health industry, facilitating services for federal, state, and local government clients.

Kristi holds a Bachelor's of Science degree in Business Management with a minor in Business Administration.

## V. REFERENCES

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City of Irvine  
Lt. Dave Klug  
Irvine Police Department  
Phone: 949.724.7125  
Email: [dklug@cityofirvine.org](mailto:dklug@cityofirvine.org)

City of La Habra  
Carlos Jaramillo  
Deputy Director of Community Development  
Phone: 562-383-4100  
Email: [CJaramillo@lahabracaca.gov](mailto:CJaramillo@lahabracaca.gov)

City of Maywood  
Jennifer Vasquez  
City Manager  
Phone: 323.562.5721  
Email: [jennifer.vasquez@cityofmaywood.org](mailto:jennifer.vasquez@cityofmaywood.org)

City of Moreno Valley  
Marshall Eyerman  
Chief Financial Officer  
Phone: 951.413.3000  
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City of Port Hueneme  
Tony Stewart  
Director of Community Development  
Phone: 805.986.6520  
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