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From: Amanda Kilroe <amanda@vicentesederberg.com>
Sent: Tuesday, June 11, 2019 10:02 AM
To: marijuanaregulations
Cc: IntegralAssociatesllc@gmail.com; Cassia Furman
Subject: RE: Public Records Act Request for Application - City of Pasadena
Attachments: Request for Confidential Treatment - Integral Associates Dena 20190611c.pdf

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To Whom It May Concern:

I am sending this correspondence on behalf of Cassia Furman, partner at Vicente Sederberg LLP, respectfully requesting confidential treatment of the Integral Associates Dena LLC's Pasadena Screening Application, as further described in the attached correspondence.

Please feel free to contact us with any questions.

Sincerely,

Amanda

Amanda Kilroe

Associate Attorney

Vicente Sederberg LLP

5514 Wilshire Blvd., 7th Floor

Los Angeles, CA 90036

Main: 310-684-2016

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From: Integral Associates <integralassociatesllc@gmail.com>

Sent: Friday, June 7, 2019 2:09:23 PM

To: Jennifer Wilcox

Subject: Fwd: Public Records Act Request for Application - City of Pasadena

Begin forwarded message:

From: marijuanaregulations <marijuanaregulations@cityofpasadena.net>

Date: June 7, 2019 at 1:47:21 PM PDT

To: "'IntegralAssociatesllc@gmail.com'" <IntegralAssociatesllc@gmail.com>

Subject: Public Records Act Request for Application - City of Pasadena

Good afternoon Mr. Yemenidijian,

The City has received requests for copies of the six highest scoring Applications for Integral Associates Dena, LLC, Tony Fong, The Atrium Group, LLC, Harvest of Pasadena, LLC, SweetFlower Pasadena, LLC and MME Pasadena Retail, LLC under the California Public Records Act (Government Code Section 6250 et seq.).

The City is legally required to comply with the Public Records Act ("Act"). Your marking each page of your Application "Confidential" does not prevent disclosure if legally required. Please be advised that most of the information in the Application will have to be disclosed to the public except information that is exempt from disclosure under the Act. If you have reason to believe that there is information in your Application that does not legally have to be released, please advise us immediately. Otherwise, the City intends to respond to any Public Records Act requests received for this information early next week.

Respectfully,



VICENTE SEDERBERG

BOSTON | DENVER | JACKSONVILLE | LOS ANGELES

LLP

455 SHERMAN STREET, SUITE 390
DENVER, CO 80203
TEL: 303.860.4501

June 11, 2019

City of Pasadena
100 N. Garfield Ave.
Pasadena, CA 91101
Email: marijuanaregulations@cityofpasadena.net

RE: Confidential Treatment of Proprietary Information

To Whom It May Concern:

Integral Associates Dena LLC (the “Company”) hereby respectfully requests confidential treatment, pursuant to Cal. Gov’t Code § 6254(k) (incorporating Cal. Evid. Code § 1060), and Cal. Gov’t Code § 6254(n), of the following: a) Company’s trade secrets, including but not limited to i) Company’s confidential premises and security diagrams, and ii) detailed descriptions of operational procedures (the “Trade Secrets”); and b) Company’s confidential commercial and financial information (the “Financial Data”). The Financial Data and Trade Secrets shall be referred to collectively herein as the “Proprietary Information.”

We hereby request confidential treatment of the Trade Secrets included in all sections of the submitted Commercial Cannabis Retailer Permit Application pursuant to Gov’t Code § 6254(k) (incorporating Cal. Evid. Code § 1060), and of the Financial Data contained in Section 2a and the Proof of Funds exhibit on Page 83 of the Application pursuant to Cal. Gov’t Code § 6254(n). California law requires confidential treatment of this Proprietary Information pursuant to the following:

Cal. Gov't Code § 6254(k)

Pursuant to Cal. Gov’t Code § 6254(k) (incorporating Cal. Evid. Code § 1060), entities are not required to disclose records which are exempted or prohibited pursuant to federal or state law, including, but not limited to, provisions of the Evidence Code related to privilege. As described below, the records at issue here are **exempted** pursuant to both federal and state law because the records are trade secrets for which the allowance of the privilege will not tend to conceal fraud or otherwise work injustice.

Cal. Evid. Code § 1060

Pursuant to Cal. Evid. Code § 1060, trade secrets are exempted from the disclosure if the allowance of the privilege will not tend to conceal fraud or otherwise work injustice. Company satisfies the requirements of a *prima facie* showing that Company's Trade Secrets are in fact trade secrets for the following reasons. Company's Trade Secrets include technical and business information in the form of programs, techniques, formulas, processes, diagrams, security and operational layouts and methods, and standard operating procedures that derive independent economic value from not being generally known to the public.¹ Company's Trade Secrets provide a competitive advantage to Company, and because of the sensitivity of the information contained in the Trade Secrets, Company has not previously made Trade Secrets public. Company's Trade Secrets are of a good-faith confidential and proprietary business nature and do not conceal fraud or tend to work injustice. It is highly unlikely, therefore, that the Trade Secrets will become public knowledge unless they are required to be disclosed pursuant to a request under the California Public Records Act (the "Act").

The Company hereby affirms that Company has taken significant efforts and precautions to maintain the confidentiality of the Trade Secrets, and, to that end, the Company has restricted access to the Trade Secrets to only those who have a need to know of their existence and their contents and who are under a duty to keep the Trade Secrets confidential pursuant to non-disclosure agreements and employee guidelines. Further, Company has invested significant time and money in research and development, in licensing, acquisitions, and multiple other strategies to develop Trade Secrets which are of great value. Given the time, expertise and financial investments committed to the development of the Trade Secrets, it would be extremely difficult for a competitor to acquire or duplicate Company's Trade Secrets and other Proprietary Information. Additionally, if any of Company's Trade were to be revealed to a potential competitor, the Proprietary Information would provide an unfair competitive advantage to the competitor and would be damaging or prejudicial to Company. These factors, taken as a whole, satisfy a *prima facie* showing that Company's Trade Secrets are properly characterized as trade secrets and are therefore exempt from the disclosure requirements of the Act. For a more specific treatment of the nature of each trade secret claim, please see the attached Addendum 1.

Cal. Gov't Code § 6254(n)

Pursuant to Cal. Gov't Code § 6254(n), entities are not required to disclose statements of personal worth and financial data required by a licensing agency and filed by an applicant with the licensing agency to establish his or her personal qualification for the license certificate, or permit applied for. Company's Financial Data consists of information which is of a proprietary business nature and includes, but is not limited to, the applicant's financial interests in other licensees, funds held in accounts with financial institutions, and any information pertaining to investments in Company, loans and gifts provided to Company, or any other type of equity interest in Company, in addition to information received in confidence by the City of Pasadena.

¹ Cal. Civ. Code §3426.1(d)

Company has submitted all confidential Trade Secrets and Financial Data requested by the City of Pasadena in good-faith; however, if Company's Trade Secrets and Financial Data were to be revealed to a potential competitor the disclosure of such Proprietary Information would provide an unjust competitive advantage to the competitor and would be damaging or prejudicial to Company. Further, based on the information provided above, the public interest served by not disclosing Company Trade Secrets and Financial Data clearly outweighs the public interest served by disclosure of these records.²

As such, we request that, upon any request made under the Act to disclose any of the above Proprietary Information, that Cassia Furman, Esq., of Vicente Sederberg LLP, be promptly contacted prior to making any disclosure of the Proprietary Information, and further state that all such Proprietary Information be exempt from the disclosure requirements of the Act for the reasons set forth above.

Please do not hesitate to contact our office at any time for additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'CF', with a long horizontal line extending to the right.

Cassia Furman, Esq., Partner
Vicente Sederberg, LLP

² Cal. Gov't Code § 6255

Addendum 1

Submittal Item 1: Applicant Owner Information Form

This item contains detailed biographical information regarding all of the owners of the Company. The company derives independent economic value from the secrecy of this information in that its competitors are unable to deduce the strategies and tactics of the Company by inference from its owners. This is why the identities of all the Company's owners, as well as sensitive personal information such as their drivers' licenses and addresses, are protected from disclosure by nondisclosure agreements, and knowledge of this information is limited on a need-to-know basis. For these reasons, the information contained herein should be considered a trade secret and exempt from disclosure.

Submittal Item 2: Cover Letter

This cover letter identifies the principal of the Company as well as many items relating to the experience and intended business operations of the Company. The company derives economic value from the secrecy of this information in that its competitors are unaware of the Company's intended strategies and unable to deduce the same from knowledge of the Company's principals. For these reasons this cover letter is known only to select managerial personnel of the Company, and as such should be considered a trade secret and wholly exempt from disclosure.

Submittal Item 3: Business Plan

Section 1: Qualifications of Owners/Operators

Pages 1-9

The qualifications of the owners and operators of the Company are a trade secret, as are the very identities of such persons. This is largely due to the fact that the owners and operators of the Company are best-in-class: the Company derives actual independent economic value from the fact that its operators are not easily poached by competitors due to lack of knowledge of their identities and superior skill sets, and privacy of owners is of paramount importance in securing their continued participation in this enterprise rather than becoming an investor in a competitor of the Company. Furthermore, competitors of the Company could, if these identities and skill sets were publicly known, discern what operating plans and processes the Company is undertaking. For these reasons, the Company protects this information by nondisclosure agreements and limiting knowledge of such information on a need-to-know basis. As such, the entirety of this section constitutes a trade secret and should be exempt from disclosure.

Section 2: Business Plan

Section 2a: Operations

Pages 9-36

The operations of the Company are the essence of a trade secret, in that they are the primary element providing the Company with competitive advantage. Operational plans include

everything from supply chains to SOPs, and the efficiency and effectiveness of all operations is the primary determinant of success or failure in the marketplace. The company derives actual economic value from the fact that its competitors are not able to emulate its superior processes without investing the time, effort and financial resources expended by the Company in such respect. Furthermore, due to the experience of the Company's management team, the Company's operational plans are of high enough quality that most teams would be unable to replicate them regardless of their financial resources or time and effort expended. The operational plans of the Company as well as all SOPs are protected by nondisclosure agreements and limiting knowledge of such information on a need-to-know basis. As such, the entirety of this section constitutes a trade secret and should be exempt from disclosure.

Section 2b: Community Benefit

Pages 36-46

While the Company's plans for benefitting the community will obviously become known to the public eventually, these plans should be considered a trade secret on the basis that they have only been partially implemented. The company derives independent economic value from the secrecy of these plans, as its competitors will not be able to steal the ideas contained therein and then implement identical plans as rapidly as the Company, increasing public goodwill to the Company versus its competitors. These plans are shared with select members of the Company's management team and leaders of the public on a need-to-know basis, and are protected from early disclosure by nondisclosure agreements. As such, the entirety of this section should be considered a trade secret and exempt from disclosure.

Section 2c: Product Offerings: Product Procurement

Pages 46-48

This section contains information regarding the product offerings of the Company and its procurement procedures. This information's secrecy provides actual independent economic value to the Company: its competitors should not be able to guess with perfection the products the Company intends to offer, nor should they be able to interject themselves in the Company's procurement/supply chain, which required years of aggregate expertise to develop. The company's ability to procure products of superior quality at affordable costs, in particular, is a source of massive economic value to the Company in that it is a major economic efficiency. For these reasons, the Company shares this information with select individuals only and protects such information from disclosure with nondisclosure agreements. As such, the entirety of this section is a trade secret and exempt from disclosure.

Section 3: Neighborhood Compatibility and Enhancement

Pages 48-52

The company's plans for compatibility with and enhancement of its community are a source of independent actual economic value to the Company, because being a good neighbor and citizen is profitable. Companies who only comply with the law and make no effort to be a positive force in their community suffer in sales over time versus those who proactively make an effort to be a good

neighbor. The company's competitors should not be able to positively impact their sales without expending similar time and effort developing a plan for engagement with their communities. For these reasons the Company shares this information with select management personnel of the Company and community leaders on a need-to-know basis. Because it provides independent economic value to the Company and is the subject of reasonable efforts at secrecy, the entirety of this section is a trade secret and should be exempt from disclosure.

Section 4: Security Plan

Pages 52-75

The company's security plan is a source of independent economic value to the Company, because it is a well-designed and efficient plan which allows the Company to operate with less overhead than its competitors. It is also perhaps the most highly guarded trade secret of the Company due to the fact that many security features are detailed therein, but even if not for those reasons would be the subject of secrecy efforts due to the fact that it provides the Company with better security at a lower cost than its competitors. As such, the entirety of this section should be considered a trade secret and exempt from disclosure, as well as information related to security infrastructure which is likewise exempt from disclosure.

Essence Operational Overview, Page 76

This information provides independent economic value by virtue of its secrecy in that the Company's operations are well-designed and streamlined, and the competitors of the Company should not be allowed to replicate these processes without developing equivalent expertise to the Company. This information is also protected from disclosure by nondisclosure agreements, and knowledge is limited to those individuals who need to know the information. As such, the information contained in this section is a trade secret and wholly exempt from disclosure.

Timeline of Cannabis Industry Involvement, Page 77

This timeline is of substantial economic value to the Company by virtue of its secrecy: competitors of the Company should not be able to tell, first and foremost, what sorts of experience is required for success in these competitive applications. Furthermore, competitors could discern from that experience what sorts of products, procedures or other practices the Company might source or employ in its operations, the secrecy of which provides the Company with substantial economic advantage. This is why this information is protected from disclosure by nondisclosure agreements, and the history of the Company's involvement in the cannabis industry.

Third-Party Seed to Sale Tracking System, Page 78

The company's choice of seed-to-sale tracking system is of substantial economic value to the Company by virtue of its secrecy. The company's competitors are presently unaware of the tracking software systems used by the Company, which are best-in-class in the industry and unlikely to be met by the Company's competitors except by accident or by public disclosure. The company pays market rates for superior software, and this should not be a fact available to the Company's competitors easily. For these and security reasons, knowledge of the Company's seed-to-sale tracking system is limited to management and employees who need to know such

information, as well as protected from disclosure by nondisclosure agreements. For these reasons, the entirety of this section should be considered a trade secret and exempt from public disclosure.

Current Licenses Held, Page 79

The current licenses held by the Company and its personnel are of actual independent economic value to the Company by virtue of their secrecy. The company's network of licenses and personnel is also information which could be used by the Company's competitors to discern its strategy in business and operations, including but not limited to product selection and branding. It is for these reasons of competitive advantage that the Company keeps this information as a secret and limits its knowledge to those who need to know. As such, this information is a trade secret and exempt from disclosure.

SOPs, Pages 80-81

The SOPs of the Company are at the heart of its competitive advantage in the marketplace, and provide actual economic advantage to the Company by virtue of not being known to its competitors. The company's competitors could, if these SOPs were known, replicate the Company's processes with a remarkable degree of similarity without expending the effort, time or financial resources required of the Company to develop them. This is why the Company keeps knowledge of its SOPs confined to those who need to know them, and protects them from disclosure via nondisclosure agreements. For these reasons, the information contained in this section should be considered a trade secret and exempt from disclosure.

Exit Packaging Description, Page 82

The exit packaging of the Company provides independent economic value by virtue of its secrecy. While the exit packaging of the Company is of course readily available on the open market, knowledge of the plans of such exit packaging and deviation from such plans could allow competitors to discern details regarding the third party packaging providers utilized by the Company and their capabilities. As such, this information is known only to select managerial staff and others on a need-to-know basis. This is why knowledge of the Company's exit packaging description contained in the application should be considered a trade secret and exempt from disclosure.

Proof of Funds, Page 83

The company's proof of funds documentation provides independent economic value by virtue of its secrecy, in that competitors of the Company would be able to identify financial institutions open to banking with participants in the cannabis industry. The company benefits from the fact that its competitors have to expend time and effort to work hard to identify banking partners. The information therein is also personal financial information which is likewise exempt from disclosure. For these reasons, this information is limited only to select managerial persons in the Company and protected from disclosure by nondisclosure agreements. The information in this section, as such, should be wholly exempt from disclosure as a trade secret and confidential personal financial information.

Employee Training Materials, Pages 84-86

The employee training materials of the Company are largely of independent economic value to the Company by virtue of their secrecy in that they cost considerable time and effort to develop. These training materials should not be able to be stolen by the Company's competitors at no cost when the Company invested considerable resource to develop the same. For these reasons, these and all training materials of the Company are protected by nondisclosure agreements, and should be considered a trade secret and exempt from disclosure.

Customer Education and Educational Materials, Pages 87-90

The information contained in these pages provide independent economic value to the Company largely due to the fact that their secrecy prevents competitors of the Company from being able to replicate them with ease. While the branding is of course designed for public consumption, the ability to see deviations from the Company's plan would allow competitors of the Company to discern strengths and weaknesses of the Company's contractors in producing such materials. More to the point, these educational materials cost a great deal in terms of effort and financial resources to produce, and the competitors of the Company should not be able to replicate them without comparable expenditures. This is why the Company protects knowledge of these plans with nondisclosure agreements until such time as they are needed.

Sample Marketing Materials, Page 91

The company's marketing materials are a source of independent economic value to the Company by virtue of their secrecy. The company's competitors should not be able to anticipate the marketing strategies of the Company, as that would enable them to develop countervailing strategies against the Company. Furthermore, marketing in this industry is no simple task, and competitors should not be able to develop an effective marketing plan without expending time and effort and financial resources comparable to those expended by the Company. This is why this information is protected from disclosure by nondisclosure agreements and limited in knowledge to those who need to know such information. For these reasons, the information in this section should be considered a trade secret and exempt from disclosure.

Social Equity Hiring Process, Page 92

By virtue of its social equity hiring process, the Company is able to attract and hire diverse and qualified candidates in a way that other competitors are unable to replicate. This allows the Company to hire and keep a diverse and qualified pool of employees, giving it independent economic advantage. If disclosed, this plan would be available to the Company's competitors and they would have the ability to attract similarly talented and diverse candidates. This is why the Company's social equity hiring process is protected from disclosure by nondisclosure agreements and limited in its knowledge to hiring managers and others who need to know such information. For these reasons, the information in this section should be considered a trade secret and exempt from disclosure.

Services, Page 93

The services the Company will provide to the community provide economic value to the Company by virtue of their secrecy, in that competitors of the Company will not be able to provide equivalent services and will suffer in terms of community relations versus the Company. This is why these

services are only known to select managerial personnel of the Company until such time as they are required to be performed. For these reasons, the information in this section should be considered a trade secret and exempt from disclosure.

Community Outreach, Page 94

The company's plans for community outreach provide independent economic value to the Company by virtue of their secrecy: competitors of the Company would, if this plan were disclosed, be able to replicate the Company's plans and secure equivalent goodwill from their communities. The company benefits economically from the fact that this is not the case. This is why the community outreach plans of the Company are secrets protected by nondisclosure agreements. The information contained in this section should therefore be considered entirely a trade secret and exempt from disclosure.**Design Concepts, Pages 95-99**

The company's design concepts are a source of independent economic value to the Company by virtue of their secrecy. If disclosed, the Company's competitors could discern strengths and weaknesses of the Company's contractors and other service providers by analyzing deviations from design to implementation. This is why the Company's design concepts are protected from disclosure by limiting their knowledge to those who need to know. For these reasons, the information in this section should be considered entirely a trade secret and exempt from disclosure.

Integration of Security Measures, Page 100

This information is a trade secret due to the independent economic value the Company derives from the secrecy of this plan: knowledge would allow the Company's competitors to better the Company's loss prevention metrics, leading to their economic advantage. Additionally, all security infrastructure information regarding the Company is likewise exempt from disclosure. For these reasons, the Company keeps its integration of security measures with design concepts a closely held secret and limits disclosure with nondisclosure agreements. The information in this section should therefore be considered a trade secret and exempt from disclosure.