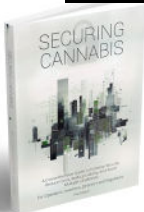


## Section 2, Chapter 5:

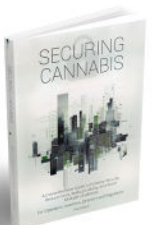
Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Work with a licensed architect to develop final floor plans for your design project.	X		
Work with a vetted, independent, third-party security professional to design your space (typically camera placement, access control, intrusion (alarm) etc.) in accordance with State and city/local requirements - in addition to your broader security objectives (See Chapter 6 section on <i>Regulatory Security Requirements Do Not = Security</i> )	X		
If specific hardware is required or recommended as a part of an ESSD, ask how and why those particular products were chosen	X		
Confirm the final ESSD work product is sufficiently detailed to obtain different proposals from third party vendor or integrators as you begin to think about the installation of the required hardware; if the vendors can't do that, your security consult needs to update their design at no charge	X		
Use the ESSD document as a framework to build out the rest of your security hardware (door fortifications, safes, vaults, etc.) and other fortifications.	X		
Ensure your Designated Security Representative or Security Manager is responsible for, maintains, and can readily produce the most up-to-date version for Regulators if requested; the current version also needs to be incorporated into the LCO's Corporate Records where it is readily available as needed.	X	X	



# SECURING CANNABIS

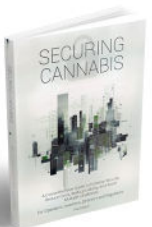
## Section 2, Chapter 6:

Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Confirm your Designated Security Representative actually has the experience, authority, budget and responsibility to implement Security Measures on behalf of the LCO	X	X	
Confirm your Designated Security Representative can easily find, reference, and understand the specifics of State and City/Local Regulations applicable to the LCO's license type and jurisdiction	X		X
Does your LCO have/need a documented corporate policy related to security with references to: the Regulations; security training; responsible parties inside the LCO for security issues and questions; a listing of regulatory bodies and functions regarding cannabis activities for the LCO's jurisdiction; security objectives and priorities generally; handling enforcement inquiries and issues; timely notification of applicable authorities (e.g, 24-72 hours generally, Regulations vary) in the event of a theft of product or other type of incident; record retention requirements; note any conflicts or contradictions between State and City/Local security requirements; etc.?	X	X	
What is / how does the LCO's Board of Directors, owners, majority investors, and/or executive leadership view the security requirements in Regulations generally (e.g., the maximum investment in security or a minimum bar for security with a commitment and budget to do more?	X	X	



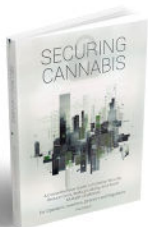
# SECURING CANNABIS

See <i>Chapter 7: Compliance</i> regarding meeting or exceeding State and City/Local security requirements in Regulations and other types of security related compliance	X	X	
Confirm Regulators understand the scope and role of their responsibilities, and are clear and effective communicators with LCOs and other stakeholders			X
Ensure confidential data is stored properly and access is restricted; do you have controls and a policy around the protection, storage, need to know access, destruction, etc. of confidential information?	X	X	X



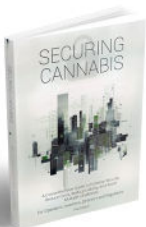
## Section 2, Chapter 7:

Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Prepare a documented matrix of applicable security requirements in the Regulations, insurance policies, and any applicable lease requirements, and confirm compliance with each; annotate why not if not; annotate future corrective actions if planned; etc. (a "Compliance Matrix")	X	X	
Ensure your Designated Security Representative certifies the Compliance Matrix (in writing), i.e., compliance with the Regulations and other security requirements	X	X	
Ensure copies of the Compliance Matrix and certification are noted/reviewed by the Board of Directors and memorialized in the LCO's corporate record / virtual data room	X	X	
Perform semi-annual or annual updates of the Compliance Matrix	X	X	
Consider an independent Security Assessment or Surveillance System Audit by an experienced cannabis security consultant to baseline compliance, gaps, vulnerabilities, etc. in the event the Designated Security Representative does not have significant cannabis security experience; alternatively, consider having an independent cannabis security consultant reviewing and confirming agreement with the LCO's Compliance Matrix prior to Board of Director review and approval	X	X	
Ensure any independent Security Assessment or Surveillance System Audit is conducted under a duly executed confidentiality agreement	X		



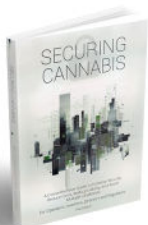
# SECURING CANNABIS

See Chapter 19: Risk Management for recommendations and discussion points regarding a Risk Management program and related security “compliance”	X	X	
If anyone is making changes to a part of your Security Program, please it is approved by the Designated Security Representative or check with an independent security professional if unsure (example: facility manager initiated the process to cancel proactive video and alarm monitoring services without knowing that Regulations and insurance security provisions required both)	X	X	
Incorporate copies of Insurance related loss control inspection reports with the Compliance Matrix to document any applicable security related recommendations, observations, corrective actions for follow up (see <i>Chapter 17: Insurance</i> )	X	X	
Ensure Regulators understand that compliance (e.g., local) with Regulations does not = “security”			X



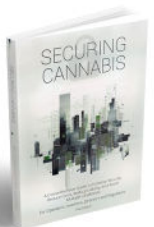
## Section 2, Chapter 8:

Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Include security related due diligence in advance of executing any lease, purchase or sale of a cannabis facility	X	X	
Create a checklist of applicable baseline security requirements for due diligence purposes: (1) per the Regulations; (2) per insurance requirements if/as applicable; (3) desired additional security requirements above and beyond the “minimum” requirements in the Regulations	X	X	
Consider a Security Assessment or Surveillance System Audit performed by an independent consultant experienced in cannabis security to help baseline needed investments, security vulnerabilities, etc.; these may also be able to be performed by the LCO’s Designated Security Representative if she/he has the requisite cannabis security experience	X		
Ensure any Security Assessment or Surveillance System Audit is conducted on a confidential basis under a duly executed confidentiality agreement	X	X	
Whether you conduct your own Security Assessment, or engage an independent third party, PLEASE make sure: (i) scope is defined/understood; (ii) references are checked; (iii) results are properly communicated; (iv) the Designated Security Representative is fully informed; (v) you share any concerns or questions on the front-end before the process begins			



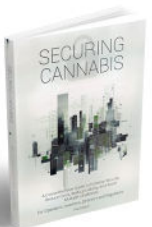
## Section 2, Chapter 9:

Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Consider assigning an individual to serve as a liaison to law enforcement (e.g., your Designated Security Representative or Security Manager)	X		X
Perform an internal or independent evaluation of creating a Public-Private Partnership - to achieve certain objectives and support certain use cases			X
See <i>Chapter 11: Drones as a Security Solution</i> for a list of considerations regarding working with a third party drone solution provider; see <i>Chapter 20: Moving Forward - LCOs</i> for a list of qualifications and capabilities to consider when working with a Security Solutions Provider in connection with a Public-Private Partnership			X
Consider the benefits of proactively addressing certain perceived obstacles such as privacy matters, responsible and ethical usage, data security and public trust in connection with a Public-Private Partnership			X
See <i>Chapter 22: Moving Forward - Regulators</i> for multiple additional considerations directly and indirectly related to the creation of a Public-Private Partnership			X



## Section 3, Chapter 10:

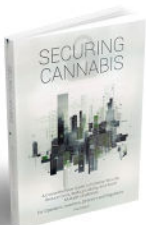
Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Consider an independent Surveillance System Audit to identify potential issues and corrective actions needed in your Video Surveillance System, including compliance with applicable Regulations, insurance and/or other security requirements	X	X	
Consider an internal or independent third-party cost/benefit analysis - and internal risk assessment - of implementing Proactive Video Monitoring based upon existing security objectives, license type, guard requirements, size of facility, budget, and other elements of your Security Program	X	X	
Utilize the list (checklist) of experiences, qualifications, and capabilities to screen third party solutions providers provided in <i>Chapter 20: Moving Forward - LCOs</i> if you consider engaging with a third party to implement Proactive Video Monitoring	X		
Obtain a minimum of 2 alternative competitive proposals from different Proactive Video Monitoring Vendors	X		
Conduct reference checks for the Proactive Video Monitoring vendor finalists	X		
Ensure you request and obtain a copy of the Proactive Video Monitoring vendor's standard form of contract as a part of your review and evaluation process (see Chapter 15: Vendor Contract Pitfalls)	X		





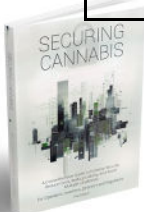
# SECURING CANNABIS

Evaluate whether a 99% uptime service level commitment is important to and for your security objectives and potential liability / risks; recommend LCOs re-review the Quality Matters   Landmines section of this Chapter for additional context	X	X	
Evaluate whether an 827B UL certification is important for to and for the reliability of your Proactive Video Monitoring service and vendor, and LCO liability / risks; recommend LCOs re-review the Quality Matters   Landmines section of this Chapter for additional context	X	X	
Understand and consider what video surveillance system integrations (and automations) are available with other security systems and solutions - that will reduce costs and reduce liability/risk, among other features and benefits	X	X	
Consider the amount of not only LCOs, but other businesses that can be positively affected when using technology solutions at scale - versus spending Grant dollars on Guards as a primary example (this applies to multiple municipalities)			X



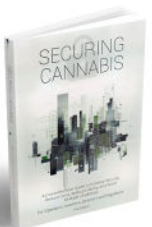
## Section 3, Chapter 11:

Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Consider an internal analysis, discovery process, or obtaining third party proposals regarding the features, benefits and cost savings associated with implementing drones based upon your specific objectives and use cases	X	X	X
Utilize the list (checklist) of experiences, qualifications and capabilities to screen third party solutions providers provided in <i>Chapter 20: Moving Forward - LCOs</i> if you consider engaging with a third party	X	X	X
Reference the list (checklist) of drone specific capabilities in this Chapter to screen third party solutions providers to help you achieve your drone solution objectives	X	X	X
Municipalities need to consider the added cost savings (and other features and benefits) of deploying cost-effective, cluster-based, drone security solutions in support of LCOs operating in high risk Green Zones			X
Municipalities also need to consider mandating the implementation, training and auditing of compliance with various Standard Operating Procedures (SOPs) associated with a drone security solution that includes local law enforcement; this will streamline public comment and approval processes; SOPs related to managing, operating and administering drones to also include mandated topics (e.g., ethical drone usage, privacy, data protection, other)			X



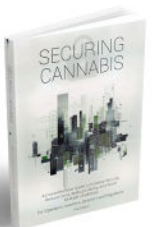
## Section 3, Chapter 12:

Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Are you required to have guard services for defined periods by Regulation or by choice?	X		
Define and understand the role, use cases, objectives, budget, coverages, cannabis industry experience, insurance, licensing, auditing, management and oversight, indemnification and other requirements associated with your engagement of a guard services vendor	X	X	
Obtain a minimum of 2-3 alternative competitive proposals from different vendors based upon your (preferably documented) requirements - written proposals need to be compared to all - not a subset - of the LCO's requirements	X		
Conduct reference checks for the guard vendor finalists	X		
Be realistic regarding guard pay/bill rates versus the individual guard vendor's scope and individual guard duties and capabilities onsite	X	X	
Ensure you request and obtain a copy of the guard vendors standard form of contract as a part of your review and evaluation process (see <i>Chapter 15: Vendor Contract Pitfalls</i> )	X		
Ensure and confirm each guard vendor candidate holds an active guard license and can produce at least a holder certificate of insurance - and that each individual guard at your facility can produce their own individual license	X		



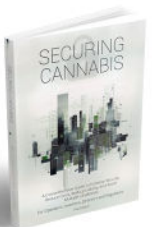
# SECURING CANNABIS

Maintain copies of vendor and individual guard licenses, renewals, certificate of insurance, and fully-executed contract into the LCO's corporate record	X		
Consider hybrid solutions and new technologies to reduce total security costs and reduce liability - to augment and replace - in part - security guards; see <i>Chapter 11: Drones as a Security Solution</i>	X	X	



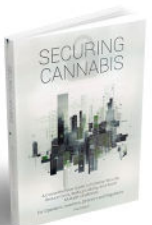
## Section 3, Chapter 13:

Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Understand actual or anticipated cash transaction frequency, amounts and associated risks at your facility; what are safe related needs and security objectives, including TL (or TRTL) deterrents/delays for law enforcement response - consider consulting with an independent security professional regarding questions and recommendations	X	X	
Confirm actual Regulations and insurance policy Security Measure requirements regarding safes to confirm compliance	X		
If you are procuring a new or upgrading an existing safe, consider contacting a security professional to see if they can potentially save you money through their network and/or purchasing power	X		



**Section 3, Chapter 14:**

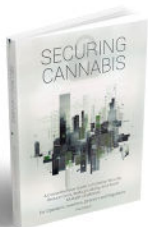
Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Evaluate internally your existing - or the need to implement new - employee safety and security protocols applicable to the unique needs of your cannabis facility and operations	<b>X</b>		
Consider consulting with an security professional for an independent assessment and/or proposal related to the employee safety and security needs at your facility	<b>X</b>		
Confirm with your human resources employee or third party human resources contact regarding applicable employment regulatory requirements, and whether a written employee acknowledgement related to such protocols is advisable	<b>X</b>		
Consider existing and new employee training needs related to employee safety and security as a part of your employee onboarding and development program	<b>X</b>		
Confirm LCO senior executive and Board of Director signoff of existing or new safety and security protocols, consistent with existing governance practices	<b>X</b>	<b>X</b>	



# SECURING CANNABIS

## Section 3, Chapter 15

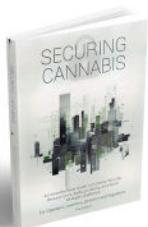
Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Reference above as needed for the key elements of a contract, contract review and negotiation general tips, and important questions to get answered for different types (e.g., guard, monitoring) of vendor contracts	<b>X</b>		
Designate the employee who owns security vendor relationships, including contract administration and responsibility for resolving issues and problems	<b>X</b>		
Confirm there is a company policy (and that such policy is followed), to review, understand and ensure vendor contracts contain minimal to no vendor contract pitfalls prior to executing any vendor contract	<b>X</b>	<b>X</b>	
Review the recommendations of Chapter 20: Moving Forward - LCOs regarding viewing security on a more integrated basis - including managing multi-vendor systems and fortifications	<b>X</b>	<b>X</b>	



# SECURING CANNABIS

## Section 3, Chapter 16:

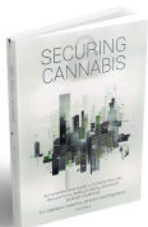
Fortification Category	Fortification Examples
Walls & Barriers	<ul style="list-style-type: none"> <li>● Fencing</li> <li>● Barbed Wire</li> <li>● Electric Fences</li> <li>● Bollards - Temporary</li> <li>● Bollards - Permanent</li> </ul>
Commercial Doors, Windows, Rooftop Access	<ul style="list-style-type: none"> <li>● Single versus Double Doors</li> <li>● Hollow Steel Doors</li> <li>● Steel Reinforced Doors</li> <li>● Steel Reinforced Door Jams</li> <li>● Welded versus Non-welded Door Jams</li> <li>● Door Solutions with Multipoint Locking Systems</li> <li>● Stand Alone Multipoint Door Locking Hardware</li> <li>● Secure Fire Doors (including matching door frames with the same fire rating as the doors)</li> <li>● Security Astragals</li> <li>● Roof Hatch Security Rigs</li> <li>● Security Gates</li> <li>● Roll Down Gates</li> <li>● Glass Security Glazing</li> <li>● Window Bar Types and Strengths</li> </ul>
Natural Barriers	<ul style="list-style-type: none"> <li>● Dense, thorny shrubs outside large windows (i.e., hostile vegetation)</li> </ul>
Lighting	<ul style="list-style-type: none"> <li>● Lighting Systems</li> </ul>
Redundant Systems	<ul style="list-style-type: none"> <li>● Backup Power Supplies</li> <li>● Backup Generators</li> </ul>





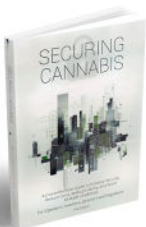
# SECURING CANNABIS

Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Request your Designated Security Manager complete an inventory and internal assessment of existing exterior and interior fortifications, integrations with security systems, and make recommendations (or not) regarding potential changes - including potential unique fortifications related to your building structure or past security incidents - and include confirming compliance with applicable requirements (Regulations, insurance, lease, ADA, other)	X	X	
Consider engaging a cannabis experienced, independent security professional to complete a confidential Security Assessment with a defined scope and focus on fortifications	X		
Subject to the LCO spending more than \$X,XXX - \$Y,YYY on fortifications (e.g., \$5,000-\$7,500), we recommend the LCO obtain a copy of the primary vendor standard form of agreement prior to engaging (see <i>Chapter 15: Vendor Contract Pitfalls</i> )	X		
Conduct reference checks for the primary fortification vendors based upon the LCOs budget, size and scope	X		
If you are going to update, implement new, overhaul, etc. fortifications, contact a few different security consultants or Security Solutions Providers to identify potential material LCO savings and access to their network of quality vendors and service providers	X		



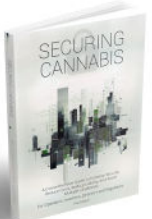
# SECURING CANNABIS

Utilize the list (checklist) of experiences, qualifications, and capabilities to screen third party solutions providers provided in <i>Chapter 20: Moving Forward - LCOs</i> if you consider engaging with a third party to act as a general contractor or one-throat-to-choke regarding fortification implementations, upgrades, integrations, etc.	X		
Multiple municipalities can benefit from implementing an LCO grant program focused on fortifications; PROVIDED the program include consideration of more defined processes related to security assessments, audits, LCO confidentiality, potential bulk purchases, and other matters; see <i>Chapter 22: Moving Forward - Regulators</i>			X



## Section 4, Chapter 17:

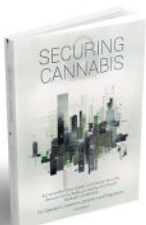
Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Interview 2-3 different insurance brokers specializing in cannabis insurance and conduct reasonable reference checks prior to committing	X		
Insist upon at least two different quotes for new or the annual renewal of insurance policies and copies of standard policy documentation	X	X	
Review your different insurance policies to identify and list of specialized cannabis security insurance requirements	X		
Add the cannabis security insurance requirements to your master list of state and city/local security requirements, and any security related business issues in the LCO lease	X		
Confirm with your designated internal Security Director or security consultant that your existing security infrastructure meets or exceeds the master list of security requirements - and address any gaps	X	X	
Subject to your policy documents, ensure you obtain copies of loss-control inspection reports for your files and in the case of insurance claims	X		
Subject to certain cannabis related facts and circumstances, and the size of the applicable LCOs insurance premium(s), explore captive insurance options	X	X	
Confirm applicable negligent security, premises, and potential personal liability risks for LCO Executives Board members are addressed to the maximum extent practicable, including in your D&O insurance policy; also see <i>Chapter 18: Corporate and Other Liability</i> recommendations and discussion points	X	X	



# SECURING CANNABIS

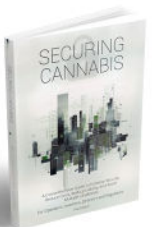
## Section 4, Chapter 18:

Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
See <i>Chapter 7: Compliance</i> , <i>Chapter 17: Insurance</i> , and <i>Chapter 19: Risk Management</i> recommendations / discussion points given their implications and applicability to Corporate and Other Liability	X	X	
Consider consulting and reviewing with counsel your compliance, risk management and/or insurance programs - any corrective actions or adjustments needed given the various types of corporate liability risks, etc. applicable (this especially applicable to negligent security and/or premises liability statutes in your jurisdiction)	X	X	
Ensure you conduct a post-mortem for any breach or security incident to confirm compliance with practices, processes, SOPs, industry standards, etc., and that any corrective actions needed or applicable are implemented and documented to avoid potential incremental liability risks	X	X	
If the LCO has guards or security officers, especially in the event of armed guards, confirm SOPs or Post Orders, properly prioritize the hierarchy of rules of engagement in the event of an incident/confrontation with intruder(s)	X	X	



## Section 4, Chapter 19:

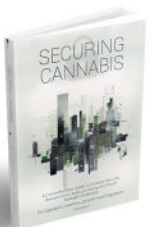
Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Confirm/discuss whether the LCO has or needs some form of a documented Risk Management program approved by the Board of Directors and incorporated into the LCO's corporate records	X	X	
Confirm / discuss who (e.g. Designated Security Representative, another employee, third party consultant) is responsible for your Risk Management program	X	X	
Ensure the LCO's Risk Management program is periodically reviewed and updated (e.g., every 6 months, annually) in accordance with its objectives	X	X	
Discuss with counsel whether the contents of any Risk Management program need to be treated or handled in a particular way to be deemed confidential information	X	X	
Consider an independent Security Assessment, by a third-party consultant experienced in cannabis security specifically, to properly baseline risks, vulnerabilities, recommendations, etc. for your Risk Management program	X	X	



# SECURING CANNABIS

## Section 5, Chapter 20:

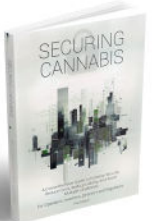
Recommended Actions   Discussion	LCOs	Investors / BoD	Municipalities
Confirm your Designated Security Representative fully “owns” and is truly responsible for your Security Program on an integrated basis	<b>X</b>	<b>X</b>	
Consider performing a Security Assessment or “gap analysis” to identify vulnerabilities or gaps in your Security Program on an integrated basis	<b>X</b>	<b>X</b>	
Utilize the list (checklist) of experiences, qualifications, and capabilities to screen Security Solutions Providers, Consultants, and/or a Vice President or Director of Security if you need or want help with your Security Program	<b>X</b>	<b>X</b>	



# SECURING CANNABIS

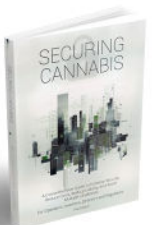
## Section 5, Chapter 21:

Key Considerations	LCO Owners & Investors	Property Owners & Investors	Directors	Reference(s)
LCOs face a broad range of very real cannabis security risks and realities on a daily basis at their cannabis facilities	X	X	X	The Cannabis Security Landscape Generally Cannabis Security Realities & Risks Case Studies: Security Pain Points & Challenges
The “Cannabis Security Status Quo” is very real; implementing security services, fortifications, etc. involves a number of pain points and challenges	X	X	X	Chapter 4: The Cannabis Security Status Quo
Designated “cannabis friendly” Green Zones are typically located in dangerous, higher crime areas where security needs are high and law enforcement presence is low	X	X	X	Cannabis Green Zones
LCOs need to have a Security Program, and measure and manage their progress towards achieving the objectives of that Security Program	X	X	X	Chapter 5: Comprehensive Security Design Chapter 17: Risk Management
Drone security solutions offer multiple features, benefits, and cost savings, based upon your specific objectives and use cases; they need to be considered, especially when compared to traditional security guards	X	X	X	- Chapter 11: Drones as a Security Solution



# SECURING CANNABIS

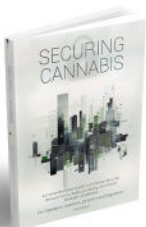
LCO insurance premiums are very expensive compared to other industries, and recoveries are very limited due to cannabis and cannabis security exclusions, limits and requirements	X		X	Cannabis Insurance Risk Generally Cannabis Insurance Premiums Cannabis Security Considerations
Property Owner insurance policies also have cannabis exclusions and limitations		X		Cannabis Security Considerations
Directors & Officers insurance premiums are very expensive, especially for plant-touching cannabis businesses rated as very high risk			X	The Cannabis Security Landscape Generally Chapter 16: Corporate and Other Liability
Owners and investors generally face higher, and in some cases materially higher, types of corporate risk for inadequate security measures, including the risk of potential personal liability	X	X	X	Chapter 16: Corporate and Other Liability
Compliance regarding cannabis security means not only State and Local security, but also security requirements in insurance policies and facility lease business issues leases	X	X	X	Chapter 7: Compliance
Cannabis security “done right” involves material commitments of time and expense	X	X	X	





# SECURING CANNABIS

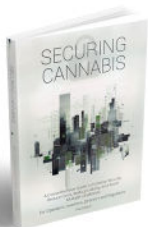
Cannabis property owners may incorporate security investment chargeback, specialized indemnity, limitation of liability, and other provisions into leases	<b>X</b>	<b>X</b>		Chapter 8: Real Estate Due Diligence
Security Measures established by State and City/Local Regulators are generally not sufficient to establish “security”, especially in a Green Zone; Regulations need to be considered as a minimum or baseline set of requirements			<b>X</b>	Chapter 6: Licensing & Regulatory Requirements Regulatory Security Requirements Do Not = Security



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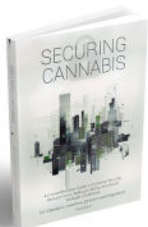
## Section 5, Chapter 22:

Security Reality	Reference(s)	Potential Recommendation(s)
<p>Designated “cannabis friendly” Green Zones are typically located in dangerous, higher crime areas where security needs are high and law enforcement presence and response times are low</p>	<p>Cannabis Green Zones - Chapter 17: Corporate and Other Liability</p>	<p>Allocate grant funds, linked to a true funding program of security assessments and compliance - to provide support for the added expense of operating in Green Zones - and reduce corporate and other forms of liability</p> <p>Establish an allocation of State cannabis tax collections for LCO security enhancement grants</p>
<p>The “Cannabis Security Status Quo” is very real; implementing security services, fortifications, etc. involves a number of pain points and challenges - and is very expensive</p>	<p>Chapter 4: The Cannabis Security Status Quo</p>	<p>See Green Zone recommendations above</p>
<p>LCO insurance premiums are very expensive compared to other industries; insurance claims recoveries are very (often extraordinarily) limited due to cannabis and cannabis security exclusions and requirements; limited data indicates many LCOs are underinsured or uninsured; one major security incident or breach with a very (or extraordinarily) limited recovery will likely result in a catastrophic loss and shut down operations, abandoning the facility, lost tax revenues, etc.</p>	<p>Cannabis Insurance Risk Generally Cannabis Insurance Premiums Cannabis Security Insurance Considerations</p>	<p>Regulators, including State insurance Regulators, likely need to better understand actual data on LCO coverages and recoveries - much more data and alternative solutions are needed - beginning with a confidential questionnaire/study</p> <p>Regulators may consider a pilot program, via a public-private partnership to provide low cost or subsidized insurance targeted for/at Social Equity Operators</p>



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<p>Limited data indicates insurance carriers are not transparent about releasing the results/reports of Loss Control Inspections</p>	<p>Cannabis Security Insurance Considerations</p>	<p>Regulators need to consider mandating the results of loss control inspections be provided to LCOs to enhance Security Measures and improve overall compliance</p>
<p>Limited data indicates certain insurance policies contain security provisions which are (arguably) significantly above and beyond regulatory requirement Security Measures</p>	<p>Cannabis Security Insurance Considerations</p>	<p>Are carriers allowed to have active cannabis insurance policies which contain (arguably) unreasonable Security Measures to minimize or avoid claims payouts?</p> <p>State insurance Regulators need to consider an audit and baseline review of security requirements versus practical realities</p>
<p>Drone Security Services are here/coming soon, representing multiple benefits to the municipality Green Zones in which they operate - as well as LCOs</p>	<p>Chapter 10: Drones as a Security Solution</p>	<p>Regulators can facilitate and support drone security services in their jurisdiction in different ways by beginning with a feasibility study or discovery process to understand the benefits, opportunities and challenges unique to their municipality</p>
<p>Due primarily to the Status Quo, many LCOs operate with broken, disconnected Security Programs and models, resulting in various forms of corporate and potential personal liability for LCO owners, investors, and directors</p>	<ul style="list-style-type: none"> <li>- Chapter 4: The Cannabis Security Status Quo</li> <li>- Chapter 17: Corporate and Other Liability</li> <li>- Chapter 20: Moving Forward - Owners, Investors and Directors</li> </ul>	<p>See Green Zone recommendations above</p>



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<p>Independent 3rd Party Security Assessments, not performed by Law Enforcement (respectfully), can lead to significant cost savings long term, improved compliance, a reduction in liability and a more clear path forward for Security Program goals</p>	<p>- Chapter 9: Law Enforcement</p>	<p>Regulators need to consider funding a grant program of independent, confidential, third party security assessments to better understand needed security investments versus existing fortifications and security operations costs, compliance, risks, etc.</p>
<p>Security Measures established by State and City/Local Regulators are generally not sufficient to establish “security”, especially in Green Zone</p>	<p>Chapter 6: Licensing &amp; Regulatory Requirements Regulatory Security Requirements Do Not = Security</p>	<p>Regulators need to consider more training and awareness around not only core compliance, but expanded Security Measures to truly safeguard personnel and assets</p>
<p>Limited data indicates many LCO security breaches go unreported to authorities for various reasons; Regulators need and want to understand and address the realities of all crimes, including (we hope) improving reporting around cannabis related crimes</p>	<p>- Chapter 9: Law Enforcement</p>	<p>See Green Zone recommendations above</p> <p>Regulators need to consider including mechanisms to improve reporting of crimes through the use of Public-Private Partnerships</p>
<p>Cannabis is not a priority for law enforcement; law enforcement support for cannabis is limited; training is limited; law enforcement is not able to cost-effectively or efficiently take advantage of new technologies to increase security; and so on; there are multiple consequences to all of this for municipalities</p>	<p>Chapter 9: Law Enforcement</p>	<p>Perform an internal or independent evaluation of creating a Public-Private Partnership - to achieve certain objectives and support certain use cases</p>

