



June 8, 2022

Mike Witzansky  
City Manager  
City of Redondo Beach  
415 Diamond Street  
Redondo Beach, CA 90277

**Re: Application Review Process**

Dear Mr. Witzansky,

As you are aware, HdL Companies was previously under contract with the City of Fairfield to review applications for retail cannabis businesses in the City. The City received 14 applications, all of which were to be reviewed and scored by HdL in accordance with the merit-based criteria approved by the City.

After the reviews and ranking had been provided to the City, HdL became aware of certain irregularities in the scores. HdL immediately notified the City and after further review, we determined that the scoring irregularities could not be rectified, and that the application process had been compromised as a result. As a gesture of good faith, we volunteered to terminate our agreement with the City and to fully refund all fees paid to HdL for the project.

We have determined that the scoring irregularities were the result of human error and that there was no intent to influence the outcome to the benefit or detriment of any of the applicants. HdL Companies works solely with public agencies and has no private-sector clients in the cannabis industry. All members of our cannabis team are required to sign confidentiality and non-disclosure agreements and must verify that they have no economic conflicts of interests.

We hope that this letter helps to explain the issues that occurred with the City of Fairfield. While we in no way wish to downplay or make excuses for this project, we want to assure you that we have taken steps to ensure that such issues will not occur again.

Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andy Nickerson".

Andy Nickerson  
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