

**State of California  
Office of Administrative Law**

**In re:**

**Department of Justice**

**Regulatory Action:**

**Title 11, California Code of Regulations**

**Adopt sections: 118.1**

**Amend sections:**

**Repeal sections:**

**NOTICE OF FILING AND PRINTING ONLY**

**Government Code Section 11343.8**

**OAL Matter Number: 2018-0406-03**

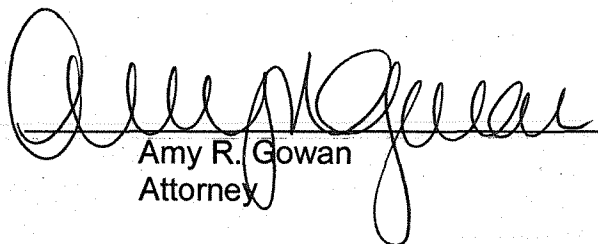
**OAL Matter Type: File and Print Only (FP)**

---

This action, submitted by the Department of Justice pursuant to Government Code section 11343.8, is a request to file with the Secretary of State the bond form of the Bureau of Cannabis Control titled, "Commercial Cannabis Licensee Bond," and to print the title of the adopted bond form at new article 56, section 118.1.

OAL filed this regulation(s) or order(s) of repeal with the Secretary of State, and will publish the regulation(s) or order(s) of repeal in the California Code of Regulations.

Date: April 11, 2018



Amy R. Gowan  
Attorney

For: Debra M. Cornez  
Director

Original: Xavier Becerra, Attorney  
General

Copy: Cara M. Porter

# FILE PRINT

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER <b>Z-</b>	REGULATORY ACTION NUMBER <b>2018-0406-03FP</b>	EMERGENCY NUMBER
------------------	---------------------------------	---	------------------

For use by Office of Administrative Law (OAL) only

<p><b>2018 APR -6 P 4: 10</b></p> <p>OFFICE OF ADMINISTRATIVE LAW</p>	<p><b>2018 APR -6 P 4: 10</b></p> <p>OFFICE OF ADMINISTRATIVE LAW</p>
NOTICE	REGULATIONS

**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of California

**APR 11 2018**

1:35 pm

AGENCY WITH RULEMAKING AUTHORITY Department of Justice, for the Bureau of Cannabis Control	AGENCY FILE NUMBER (if any)
---	-----------------------------

**A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)**

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
<b>OAL USE ONLY</b>	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

**B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)**

1a. SUBJECT OF REGULATION(S) Bureau of Cannabis Control bond form	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
--	--

2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT Article 56, section 118.1 Commercial Cannabis Licensee Bond
	AMEND
	REPEAL
TITLE(S) 11, Div. 1, Chapter 2	

3. TYPE OF FILING			
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input checked="" type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input checked="" type="checkbox"/> Other (Specify) <u>Adoption of surety bond form</u>	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)
--

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input checked="" type="checkbox"/> Effective on filing with Secretary of State	<input type="checkbox"/> \$100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify)

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY			
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal	
<input type="checkbox"/> Other (Specify)			

7. CONTACT PERSON Cara M. Porter	TELEPHONE NUMBER (415) 510-3508	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
-------------------------------------	------------------------------------	-----------------------	---------------------------

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>CM Porter</i>	DATE April 4, 2018
TYPED NAME AND TITLE OF SIGNATORY Cara M. Porter, Deputy Attorney General	

For use by Office of Administrative Law (OAL) only  
**AUTHORIZED FOR FILING AND PRINTING**

**APR 11 2018**

Office of Administrative Law

**COMMERCIAL CANNABIS LICENSEE BOND**  
**Business and Professions Code Sections 26051.5 and 26070**  
**California Code of Regulations, Title 16, Section 5008**

**Bond No:** \_\_\_\_\_

*The premium on this bond is \$* \_\_\_\_\_

**KNOW ALL PERSONS BY THESE PRESENTS:**

That \_\_\_\_\_

whose address for service of process is -

\_\_\_\_\_

as Principal, and \_\_\_\_\_

a corporate insurer organized under the laws of the State

of \_\_\_\_\_, whose address for service of process is

\_\_\_\_\_ and

who is admitted to transact a surety insurance in the State of California, as Surety, are held

firmly bound unto the State of California in the penal sum of \_\_\_\_\_

Dollars (\$ \_\_\_\_\_) for the payment of which will be well and truly be made we bind

ourselves, our heirs, administrators, successors and assigns, jointly and severally, firmly by these presents.

The conditions of the above obligation are such that:

**WHEREAS**, the provisions of the California Business and Professions Code sections 26051.5 and 26070 and California Code of Regulations, title 16, section 5008, require that the Principal post a Bond to cover the costs of destruction of cannabis or cannabis products if necessitated by a violation of licensing requirements in statute or regulations adopted thereunder.

**NOW THEREFORE**, the Principal, and any and all agents and employees representing the Principal shall faithfully comply with the license provisions of the Medicinal and Adult-Use Cannabis Regulations and Safety Act (MAUCRSA), contained in Division 10 of the California Business and Professions Code (§ 26000 *et seq.*) and properly and legally destroy all cannabis and cannabis products if necessitated by a violation of the requirements of said license.

**PROVIDED HOWEVER**, this bond is issued subject to the following express provisions:

1. This bond shall be deemed continuous in form and shall remain in full force and effect and shall run concurrently with the license period for which the license is granted and each and every succeeding renewal period or periods, or until the bond is canceled by the surety.
2. By executing this bond, Principal and Surety agree any action on this bond shall be instituted and prosecuted in the counties of the State of California, with service by U.S. mail as prescribed in California Code of Civil Procedure sections 417.10 and 417.20 and this bond shall be governed by the laws of the State of California.
3. This bond is executed by the Surety to comply with the provisions of MAUCRSA, contained in Division 10 of the California Business and Professions Code (§§ 26000 *et seq.*) and said bond shall be subject to all of the terms and provisions thereof.
4. The aggregate liability of the Surety hereunder on all claims whatsoever shall not exceed the penal sum of the bond in any event.
5. This bond shall be subject to the provisions of Chapter 2 (commencing with section 995.010) of Title 14 of Part 2 of the California Code of Civil Procedure.
6. The Surety may cancel this bond at any time by delivering thirty (30) days written notice of its desire to do so to Bureau of Cannabis Control and to the Principal herein. The surety shall

not be liable for any loss or claim based upon transactions occurring subsequent to the effective date of such cancellation, but such cancellation shall not affect the liability of the Surety as to any matters occurring prior to the effective date thereof.

7. This bond shall be effective \_\_\_\_\_ but not prior to its execution. If no date is written, it shall take effect on the later of the two dates of execution set forth below.

DATE: \_\_\_\_\_

\_\_\_\_\_  
NAME OF SURETY

\_\_\_\_\_  
By Name

\_\_\_\_\_  
Title

*I certify under penalty of perjury, under the laws of the State of California, that I have executed the foregoing bond under an unrevoked power of attorney.*

Executed in \_\_\_\_\_ on \_\_\_\_\_

\_\_\_\_\_  
Signature of Attorney-in-Fact for Surety

\_\_\_\_\_  
Printed or Typed Name of Attorney-in Fact

DATE: \_\_\_\_\_

\_\_\_\_\_  
NAME OF PRINCIPAL

\_\_\_\_\_  
By Name

\_\_\_\_\_  
Title