



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

Nicole Elliott
Director

November 26, 2025

VIA EMAIL ONLY

BTC Ventures LLC
David Montoya, Owner
Martin Reed, Owner
James Tooma, Owner
slondon@saugatuckbrands.com

Ilya Ross, Esq.
Eric Landau, Esq.
Ellenoff Grossman & Schole LLP
iross@egslp.com
elandau@egslp.com

Re: BTC Ventures LLC - Case No. DCC24-00025949-INV
Order Adopting Stipulated Settlement and Order as Final Decision

Dear Messrs. Montoya, Reed, Tooma, Ross, and Landau:

Pursuant to section 11415.60 of the Government Code, attached please find a copy of the Department of Cannabis Control's Order Adopting Stipulated Settlement and Order as the Final Decision in the above-referenced matter involving BTC Ventures LLC.

The Department's Order and Final Decision will be effective November 26, 2025. Pursuant to this Final Decision and its stipulated settlement, BTC Ventures LLC has waived any right to reconsideration or appeal in this matter and to receive a copy of the Decision and Order via certified, registered, or first-class mail.

Sincerely,

Douglas Smurr
Assistant General Counsel

Enclosure

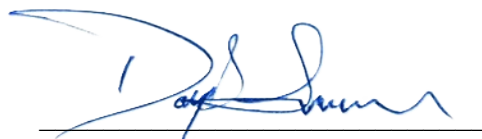
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8 **BEFORE THE**
9 **DEPARTMENT OF CANNABIS CONTROL**
10 **OF THE STATE OF CALIFORNIA**

11 In the Matter of Accusation Against:) CASE NO. DCC24-0002549-INV
12)
13 **BTC VENTURES LLC DBA BTC**)
14 **VENTURES; DAVID MONTOYA,**) **ORDER ADOPTING STIPULATED**
15 **MARTIN REED, AND JAMES TOOMA,**) **SETTLEMENT AND ORDER AS FINAL**
16 **OWNERS**) **DECISION**
17)
18 **7755 Arjons Drive**)
19 **San Diego, CA 921226**)
20)
21 **Cannabis - Distributor License**)
22 **No. C11-0000782-LIC**)
23)
24 Respondent.)

25
26 Pursuant to Government Code section 11415.60, the Department of Cannabis Control
27 hereby adopts the attached Stipulated Settlement and Order as its Final Decision in this matter.

28 This Order and Final Decision shall become effective on November 26, 2025.

IT IS SO ORDERED, November 26, 2025.

24
25
26 

27 Douglas Smurr
28 Assistant General Counsel
FOR THE DEPARTMENT OF CANNABIS CONTROL

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 MICHAEL DUONG
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7 E-mail: Michael.Duong@doj.ca.gov
Attorneys for Complainant

8
9 **BEFORE THE**
DEPARTMENT OF CANNABIS CONTROL
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. DCC24-0002549-INV

12 **BTC VENTURES LLC DBA BTC**
13 **VENTURES; DAVID MONTOYA,**
14 **MARTIN REED, AND JAMES TOOMA,**
15 **OWNERS**
16 **7755 Arjons Drive**
San Diego, CA 92126

**STIPULATED SETTLEMENT FOR
REVOCATION OF LICENSE AND
ORDER**

17 **Cannabis - Distributor License**
18 **No. C11-0000782-LIC**

19 Respondent.

20
21 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
22 entitled proceedings that the following matters are true:

23 **PARTIES**

24 1. Evelyn Schaeffer (Complainant) is the Deputy Director of the Compliance Division
25 of the Department of Cannabis Control (Department). She brought this action solely in her
26 official capacity and is represented in this matter by Rob Bonta, Attorney General of the State of
27 California, by Michael Duong, Deputy Attorney General.
28

2. Respondent BTC Ventures LLC dba BTC Ventures (Respondent) and David Montoya (Owner Montoya), Respondent's Owner are represented in this proceeding by attorney Ilya Ross, with Ellenoff, Grossman, & Schole LLP, located at 949 South Coast Drive, Suite 200, Costa Mesa, California 92626. Respondent is acting in this proceeding through Owner Montoya who has been designated and authorized by BTC Ventures LLC dba BTC Ventures to enter into this agreement on behalf of Respondent.

3. On or about July 12, 2019, the Department issued Cannabis Distributor License No. C11-0000782-LIC to Respondent. The Cannabis Distributor License was in full force and effect at all times relevant to the charges brought in Accusation No. DCC24-0002549-INV, and expired on July 11, 2025, and has not been renewed.

JURISDICTION

4. Accusation No. DCC24-0002549-INV was filed before the Department and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on May 28, 2025. Respondent timely filed its Notice of Defense contesting the Accusation.

5. A true and correct copy of Accusation No. DCC24-0002549-INV is attached as Exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

6. Respondent and its current owners of record and members have carefully read and fully discussed with counsel, and understand the charges and allegations in Accusation No. DCC24-0002549-INV. Respondent, its owners, members, and Owner Montoya have also carefully read and fully discussed with counsel and understand the effects of this Stipulated Settlement for Revocation of License and Order.

7. Respondent and its current owners of record and members are fully aware of their legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and

1 court review of an adverse decision; and all other rights accorded by the California
2 Administrative Procedure Act and other applicable laws.

3 8. Respondent and its current owners of record and members are fully aware of the legal
4 right to receive a copy of the Decision and Order via certified, registered, or first-class mail.
5 Respondent and its current owners of record and members agree to receive a copy of the Decision
6 and Order in this matter via email at the following email addresses: elandau@egsllp.com and
7 iross@egsllp.com

8 9. Respondent and its current owners of record and members voluntarily, knowingly,
9 and intelligently waive and give up each and every right set forth above.

10 CULPABILITY

11 10. Respondent understands and agrees that the charges and allegations in the Accusation
12 Case No. DCC24-0002549-INV, if proven at a hearing, constitute cause for discipline upon its
13 Cannabis – Distributor License No. C11-0000782-LIC.

14 11. For the purpose of resolving the Accusation without the expense and uncertainty of
15 further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual
16 basis for the charges in the Accusation, and that Respondent hereby gives up its right to contest
17 those charges.

18 12. Respondent understands that by signing this stipulation Respondent enables the
19 Department to issue a Decision and Order revoking Respondent’s Cannabis – Distributor License
20 No. C11-0000782-LIC, without further notice to, or opportunity to be heard by, Respondent.

21 CONTINGENCY

22 13. This stipulation shall be subject to approval by the Department. Respondent
23 understands and agrees that counsel for Complainant and the staff of the Department may
24 communicate directly with the Department regarding this stipulation and settlement, without
25 notice to or participation by Respondent or its counsel. By signing the stipulation, Respondent
26 understands and agrees that it may not withdraw its agreement or seek to rescind the stipulation
27 prior to the time the Department considers and acts upon it. If the Department fails to adopt this
28 stipulation as its Decision and Order, the Stipulated Settlement for Revocation of License and

Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Department shall not be disqualified from further action by having considered this matter.

14. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Stipulated Settlement for Revocation of License and Order, including PDF and facsimile signatures thereto, shall have the same force and effect as the originals.

15. This Stipulated Settlement for Revocation of License and Order may be signed in any number of counterparts, each of which is an original and all of which taken together form one single document.

16. This Stipulated Settlement for Revocation of License and Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Stipulated Settlement for Revocation of License and Order may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.

17. In consideration of the foregoing admissions and stipulations, the parties agree that the Department may, without further notice or formal proceeding, issue and enter the following Order:

DISCIPLINARY ORDER

1. **WITHDRAWAL OF APPEAL.** Respondent's appeal of Accusation No. DCC24-0002549-INV and request for administrative hearing is deemed withdrawn and any further appeal is waived.

2. **LICENSE REVOCATION.** Respondent's Cannabis Distributor License No. C11-0000782-LIC is revoked as of the effective date of the Decision and Order. The revocation of Respondent's Cannabis Distributor License shall constitute the imposition of discipline against Respondent. This stipulation constitutes a record of the discipline and shall become a part of Respondent's license history with the Department. Respondent shall lose all rights and privileges

as a Cannabis Distributor in California as of the effective date of the Department's Decision and Order.

3. **REINSTATEMENT OF LICENSE.** If Respondent ever applies for licensure or petitions for reinstatement in the State of California, the Department shall treat it as a new application for licensure. Respondent must comply with all the laws, regulations and procedures for licensure in effect at the time the application or petition is filed, and all of the charges and allegations contained in Accusation No. DCC24-0002549-INV shall be deemed to be true, correct and admitted by Respondent when the Department determines whether to grant or deny the application or petition.

ACCEPTANCE

I have carefully read the above Stipulated Settlement for Revocation of License and Order and have fully discussed it with my attorney, Ilya Ross. I understand the stipulation and the effect it will have on my Cannabis Distributor License C11-0000782-LIC. I enter into this Stipulated Settlement for Revocation of License and Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Department of Cannabis Control.

DATED: 11/7/2025

David Montoya

BTC VENTURES LLC DBA BTC VENTURES;
DAVID MONTOYA, OWNER
Respondent

I have read and fully discussed with Respondent BTC Ventures LLC dba BTC Ventures; David Montoya, Owner the terms and conditions and other matters contained in the above Stipulated Revocation and Order. I approve its form and content.

DATED: 11/7/2025

Ilya Ross

Ilya Ross
Attorney for Respondent

ENDORSEMENT

The foregoing Stipulated Settlement for Revocation of License and Order is hereby respectfully submitted for consideration by the Department of Cannabis Control.

DATED: 11/7/2025

Respectfully submitted,

ROB BONTA
Attorney General of California
GREGORY M. CRIBBS
Supervising Deputy Attorney General

Michael Duong

MICHAEL DUONG
Deputy Attorney General
Attorneys for Complainant

SD2025800835/CCS Stipulated Revocation and Order.docx

Exhibit A

Accusation No. DCC24-0002549-INV

1 ROB BONTA
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Attorneys for Complainant

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10 **BEFORE THE**
DEPARTMENT OF CANNABIS CONTROL
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. DCC24-0002549-INV

13 **BTC VENTURES LLC DBA BTC**
VENTURES; MARTIN REED, DAVID
14 **MONTOYA, AND JAMES TOOMA,**
OWNERS
15 **7755 Arjons Drive**
San Diego, CA 92126

ACCUSATION

16 **Cannabis - Distributor License**
17 **No. C11-0000782-LIC**

18 Respondent.

19
20 **PARTIES**

21 1. Evelyn Schaeffer (Complainant) brings this Accusation solely in her official capacity
22 as the Deputy Director of the Compliance Division of the Department of Cannabis Control
23 (Department).

24 2. On or about July 12, 2019, the Department issued Cannabis - Distributor License
25 No. C11-0000782-LIC to BTC Ventures LLC dba BTC Ventures (Respondent), with Martin
26 Reed, David Montoya, and James Tooma as Owners (Owners). The Cannabis - Distributor
27 License was in full force and effect at all times relevant to the charges brought herein and will
28 expire on July 11, 2025, unless renewed.

JURISDICTION

3. This Accusation is brought before the Director (Director) for the Department, under the authority of the following laws. All section references are to the Business and Professions Code (Code) unless otherwise indicated.

4. Section 26010 of the Code states:

There is in the Business, Consumer Services, and Housing Agency, the Department of Cannabis Control under the supervision and control of a director. The director shall administer and enforce the provisions of this division related to the department.

5. Section 26010.5, subdivision (d), of the Code states:

The department has the power, duty, purpose, responsibility, and jurisdiction to regulate commercial cannabis activity as provided in this division.

6. Section 26011.5 of the Code states:

The protection of the public shall be the highest priority for all licensing authorities in exercising licensing, regulatory, and disciplinary functions under this division. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

7. Section 26012, subdivision (a), of the Code states:

It being a matter of statewide concern, except as otherwise authorized in this division, the department shall have the sole authority to create, issue, deny, renew, discipline, condition, suspend, or revoke licenses for commercial cannabis activity.

8. Section 26013, subdivision (a), of the Code states:

The department shall make and prescribe reasonable rules and regulations as may be necessary to implement, administer, and enforce its duties under this division in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code....

9. Section 26015, subdivision (a), of the Code states:

The department may make or cause to be made such investigation as it deems necessary to carry out its duties under this division.

10. Section 26031 of the Code states, in part:

(a) The department may suspend, revoke, place on probation with terms and conditions, or otherwise discipline licenses issued by the department and fine a licensee, after proper notice and hearing to the licensee, except as provided in Section 26031.01, if the licensee is found to have committed any of the acts or omissions constituting grounds for disciplinary action. The disciplinary proceedings under this chapter shall be conducted in accordance with Chapter 5 (commencing with Section

11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director shall have all the powers granted therein.

...

(c) The department may take disciplinary action against a licensee for any violation of this division when the violation was committed by the licensee's officers, directors, owners, agents, or employees while acting on behalf of the licensee or engaged in commercial cannabis activity

...

11. Section 26034 of the Code states:

All accusations against licensees shall be filed by the department within five years after the performance of the act or omission alleged as the ground for disciplinary action; provided, however, that the foregoing provision shall not constitute a defense to an accusation alleging fraud or misrepresentation as a ground for disciplinary action. The cause for disciplinary action in that case shall not be deemed to have accrued until discovery, by the department, of the facts constituting the fraud or misrepresentation, and, in that case, the accusation shall be filed within five years after that discovery.

STATUTORY PROVISIONS

12. Section 26030 of the Code states:

Grounds for disciplinary action include, but are not limited to, all of the following:

(a) Failure to comply with the provisions of this division or any rule or regulation adopted pursuant to this division.

...

(c) Any other grounds contained in regulations adopted by a licensing authority

pursuant to this division.

...

(f) Failure to comply with the requirement of a local ordinance regulating commercial cannabis activity....

13. Section 26055 of the Code states:

...

(g)(1) The department shall deny an application for a license under this division for a commercial cannabis activity that the local jurisdiction has notified the department is prohibited in accordance with subdivision (f). The department shall

1 notify the contact person for the local jurisdiction of each application denied due to
2 the local jurisdiction's indication that the commercial cannabis activity for which a
3 license is sought is prohibited by a local ordinance or regulation.

4 (2) Prior to issuing a state license under this division for any commercial
5 cannabis activity, if an applicant has not provided adequate proof of compliance with
6 local laws pursuant to subdivision (e):

7 ...

8 (E) At any time after expiration of the 60-business-day period set forth in
9 subparagraph (D), the local jurisdiction may provide written notification to the
10 department that the applicant or licensee is not in compliance with a local ordinance
11 or regulation adopted in accordance with Section 26200. Upon receiving this
12 notification, the department shall not presume that the applicant or licensee has
13 complied with all local ordinances and regulations adopted in accordance with
14 Section 26200, and may commence disciplinary action in accordance with Chapter 3
15 (commencing with Section 26030). If the department does not take action against the
16 licensee before the time of the renewal of the license, the license shall not be renewed
17 until and unless the local jurisdiction notifies the department that the licensee is once
18 again in compliance with local ordinances.

19 14. Section 26200 of the Code states in part:

20 ...

21 (c) A local jurisdiction shall notify the department upon revocation of any local
22 license, permit, or authorization for a license to engage in commercial cannabis activity
23 within the local jurisdiction. Within 60 days of being so informed, the department shall
24 begin the process to determine whether a license issued to the licensee should be
25 suspended or revoked pursuant to Chapter 3 (commencing with Section 26030).

26 **REGULATORY PROVISIONS**

27 15. Title 4 of the California Code of Regulations, section 15000.1, subdivision (c), states:

28 (c) The licensee shall only conduct commercial cannabis activities authorized
by the license and on the premises licensed for the activity.

16. Title 4 of the California Code of Regulations, section 15007, subdivision (a), states:

(a) If the commercial cannabis business is not the landowner of the real
property upon which the premises is located, the commercial cannabis business shall
provide to the Department a document from the landowner or the landowner's agent
that states that the commercial cannabis business has the right to occupy the property
and acknowledges that the commercial cannabis business may use the property for the
commercial cannabis activity for which the commercial cannabis business is applying
for licensure. An applicant shall also provide a copy of the rental agreement, as
applicable.

26 **COST RECOVERY**

17. Section 26031.1 of the Code states that:

1 (a) Except as otherwise provided by law, in an order issued in resolution of a
2 disciplinary proceeding before the department, the administrative law judge, upon
request, may direct a licensee found to have committed a violation to pay a sum not to
exceed the reasonable costs of the investigation and enforcement of the case.

3 (b) A certified copy of the actual costs, or a good faith estimate of costs where
4 actual costs are not available, signed by the department or its designated
representative shall be prima facie evidence of reasonable costs of investigation and
5 prosecution of the case. The costs shall include the amount of investigative and
enforcement costs up to the date of the hearing, including, but not limited to, charges
6 imposed by the Attorney General.

7 (c) The administrative law judge shall make a proposed finding of the amount
of reasonable costs of investigation and prosecution of the case when requested
8 pursuant to subdivision (a). The finding of the administrative law judge with regard to
costs shall not be reviewable by the department to increase the cost award. The
9 department may reduce or eliminate the cost award, or remand to the administrative
law judge if the proposed decision fails to make a finding on costs requested pursuant
10 to subdivision (a).

11 (d) If an order for recovery of costs is made and timely payment is not made as
directed in the department's decision, the department may enforce the order for
12 repayment in any appropriate court. This right of enforcement shall be in addition to
any other rights the department may have as to any licensee to pay costs.

13 (e) In any action for recovery of costs, proof of the department's decision shall
14 be conclusive proof of the validity of the order of payment and the terms for payment.

15 (f)(1) Except as provided in paragraph (2), the department shall not renew or
reinstate the license of any licensee who has failed to pay all of the costs ordered
16 under this section.

17 (2) Notwithstanding paragraph (1), the department may, in its discretion,
conditionally renew or reinstate for a maximum of one year the license of any
18 licensee who demonstrates financial hardship and who enters into a formal agreement
with the department to reimburse the department within that one-year period for the
unpaid costs.

19 (g) All costs recovered under this section shall be considered a reimbursement
20 for costs incurred and shall be deposited into the Cannabis Control Fund to be
available upon appropriation by the Legislature.

21 (h) Nothing in this section shall preclude the department from including the
22 recovery of the costs of investigation and enforcement of a case in any stipulated
settlement.

23 **FACTUAL ALLEGATIONS**

24
25 18. On or about September 5, 2018, the City of San Diego (City) granted Conditional Use
26 Permit (Permit) Number 2058967 to Martin Reed and the owners of real property located at 7755
27 Arjons Drive, San Diego, CA 92126 (licensed premises), authorizing commercial cannabis
28 distribution activities at the property. The Permit expired on September 20, 2023.

19. On June 11, 2024, the Department received notification from the City that Respondent was operating at the licensed premises without a valid City Permit, and that eviction proceedings for the licensed premises were pending against Respondent.

20. On September 12, 2024, a representative of the City contacted the Department and advised that Respondent was evicted from its licensed premises and cannabis product was found inside. On September 24, 2024, the Department received information Respondent was reporting commercial cannabis activity in the California Cannabis Track and Trace (CCTT) system even after its eviction from the licensed premises on September 12, 2024. A subsequent review of Respondent's CCTT account activity showed transactions reported at the licensed premises from September 13, 2024, through November 26, 2024.

21. On October 3, 2024, the Department emailed Respondent advising that it had information regarding Respondent's loss of local authorization and eviction from the licensed premises. In its email, the Department offered to assist Respondent with surrender of its Cannabis - Distributor License and requested a response from Respondent regarding its future intentions with its license. To date, Respondent has not replied to the Department's inquiries.

22. On December 11, 2024, the Department received signed judgments ordering Respondent to vacate the licensed premises and return possession to its owners.

FIRST CAUSE FOR DISCIPLINE

(Non-Compliance with Local Jurisdiction Requirements)

23. Respondent is subject to disciplinary action under Code sections 26030, subdivision (f), and 26055, subdivision (g)(2)(E), in that it failed to comply with local jurisdiction requirements, as more particularly alleged in paragraphs 18 through 22, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

SECOND CAUSE FOR DISCIPLINE

(Failure to Adhere to Premises Requirements)

24. Respondent is subject to disciplinary action under Code section 26030, subdivisions (a) and (c), in that it failed to comply with Title 4 of the California Code of Regulations, sections 15000.1, subdivision (c), and 15007, subdivision (a), requiring a licensee to provide written

1 approval from the landowner or its agent to occupy and use the property for the commercial
2 cannabis activity for which it is licensed to conduct, and requiring that a licensee only conduct
3 commercial cannabis activities authorized by the license and on the premises licensed for the
4 activity, as more particularly alleged in paragraphs 18 through 22, above, which are hereby
5 incorporated by reference and realleged as if fully set forth herein.

6 **PRAYER**

7 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
8 and that following the hearing, the Director of the Department issue a decision:

9 1. Revoking or fining, or any combination thereof, the Cannabis - Distributor License
10 Number C11-0000782-LIC, issued to BTC Ventures LLC dba BTC Ventures;

11 2. Ordering Respondent BTC Ventures LLC dba BTC Ventures with Martin Reed,
12 David Montoya, and James Tooma as Owners, to pay the Department the reasonable costs of the
13 investigation and enforcement of this case, pursuant to Business and Professions Code section
14 26031.1;

15 3. Ordering the destruction of cannabis and cannabis goods in the possession of
16 Respondent BTC Ventures LLC dba BTC Ventures, at Respondent's expense, if revocation of
17 Cannabis – Distributor License Number C11-0000782-LIC is ordered, pursuant to California
18 Code of Regulations, title 4, section 15024.1, subdivision (a); and

19 4. Taking such other and further action as deemed necessary and proper.

20
21 DATED: May 20, 2025

Evelyn Schaeffer

EVELYN SCHAEFFER
Deputy Director, Compliance Division
Department of Cannabis Control
State of California
Complainant

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1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 MICHAEL DUONG
Deputy Attorney General
4 State Bar No. 327666
1300 I Street, Suite 125
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Sacramento, CA 94244-2550
6 Telephone: (916) 210-6807
Facsimile: (916) 327-8643
7 E-mail: Michael.Duong@doj.ca.gov
Attorneys for Complainant

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9 **BEFORE THE**
DEPARTMENT OF CANNABIS CONTROL
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

12 **BTC VENTURES LLC DBA BTC**
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14 **MONTOYA, AND JAMES TOOMA,**
15 **OWNERS**
16 **7755 Arjons Drive**
17 **San Diego, CA 92126**

Cannabis - Distributor License
No. C11-0000782-LIC

Respondent.

Case No. DCC24-0002549-INV

STATEMENT TO RESPONDENT

[Gov. Code §§ 11504, 11505(b)]

18
19 **TO RESPONDENT:**

20 Enclosed is a copy of the Accusation that has been filed with the Department of Cannabis
21 Control (Department), and which is hereby served on you.

22 Unless a written request for a hearing signed by you or on your behalf is delivered or
23 mailed to the Department, represented by Deputy Attorney General Michael Duong, within
24 fifteen (15) days after a copy of the Accusation was personally served on you or mailed to you,
25 you will be deemed to have waived your right to a hearing in this matter and the Department may
26 proceed upon the Accusation without a hearing and may take action thereon as provided by law.

27 ///

28 ///

1 The request for hearing may be made by delivering or mailing one of the enclosed forms
2 entitled "Notice of Defense," or by delivering or mailing a Notice of Defense as provided in
3 section 11506 of the Government Code, to

4 **Michael Duong**
5 **Deputy Attorney General**
6 **1300 I Street, Suite 125**
7 **P.O. Box 944255**
8 **Sacramento, CA 94244-2550**

9 You may, but need not, be represented by counsel at any or all stages of these proceedings.

10 The enclosed Notice of Defense, if signed and filed with the Department, shall be deemed a
11 specific denial of all parts of the Accusation, but you will not be permitted to raise any objection
12 to the form of the Accusation unless you file a further Notice of Defense as provided in section
13 11506 of the Government Code within fifteen (15) days after service of the Accusation on you.

14 If you file any Notice of Defense within the time permitted, a hearing will be held on the
15 charges made in the Accusation.

16 The hearing may be postponed for good cause. If you have good cause, you are obliged to
17 notify the Office of Administrative Hearings, 2349 Gateway Oak Drive, Suite 200, Sacramento,
18 CA 95833-4231, within ten (10) working days after you discover the good cause. Failure to
19 notify the Office of Administrative Hearings within ten (10) days will deprive you of a
20 postponement.

21 Copies of sections 11507.5, 11507.6, and 11507.7 of the Government Code are enclosed.

22 If you desire the names and addresses of witnesses or an opportunity to inspect and copy
23 the items mentioned in section 11507.6 of the Government Code in the possession, custody or
24 control of the Department you may send a Request for Discovery to the above designated Deputy
25 Attorney General .

26 **NOTICE REGARDING STIPULATED SETTLEMENTS**

27 It may be possible to avoid the time, expense and uncertainties involved in an
28 administrative hearing by disposing of this matter through a stipulated settlement. A stipulated
settlement is a binding written agreement between you and the government regarding the matters

1 charged and the discipline to be imposed. Such a stipulation would have to be approved by the
2 Department of Cannabis Control but, once approved, it would be incorporated into a final order.

3 Any stipulation must be consistent with the Department's established disciplinary
4 guidelines; however, all matters in mitigation or aggravation will be considered A copy of the
5 Department's Disciplinary Guidelines will be provided to you on your written request to the state
6 agency bringing this action.

7 If you are interested in pursuing this alternative to a formal administrative hearing, or if you
8 have any questions, you or your attorney should contact Deputy Attorney General Michael
9 Duong at the earliest opportunity.

10 Dated: May 28, 2025

ROB BONTA
Attorney General of California
GREGORY M. CRIBBS
Supervising Deputy Attorney General

Michael Duong

MICHAEL DUONG
Deputy Attorney General
Attorneys for Complainant

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1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 MICHAEL DUONG
Deputy Attorney General
4 State Bar No. 327666
1300 I Street, Suite 125
5 P.O. Box 944255
Sacramento, CA 94244-2550
6 Telephone: (916) 210-6807
Facsimile: (916) 327-8643
7 E-mail: Michael.Duong@doj.ca.gov
Attorneys for Complainant

8
9 **BEFORE THE**
DEPARTMENT OF CANNABIS CONTROL
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. DCC24-0002549-INV

12 **BTC VENTURES LLC DBA BTC**
VENTURES; MARTIN REED, DAVID
13 **MONTOYA, AND JAMES TOOMA,**
OWNERS
14 **7755 Arjons Drive**
San Diego, CA 92126

REQUEST FOR DISCOVERY

15 **Cannabis - Distributor License**
16 **No. C11-0000782-LIC**

17 Respondent.

18
19 TO RESPONDENT:

20 Under section 11507.6 of the Government Code of the State of California, parties to an
21 administrative hearing, including the Complainant, are entitled to certain information concerning
22 the opposing party's case. A copy of the provisions of section 11507.6 of the Government Code
23 concerning such rights is included among the papers served.

24 PURSUANT TO SECTION 11507.6 OF THE GOVERNMENT CODE, YOU ARE
25 HEREBY REQUESTED TO:

26 1. Provide the names and addresses of witnesses to the extent known to the Respondent,
27 including, but not limited to, those intended to be called to testify at the hearing, and
28

2. Provide an opportunity for the Complainant to inspect and make a copy of any of the following in the possession or custody or under control of the Respondent:

a. A statement of a person, other than the Respondent, named in the initial administrative pleading, or in any additional pleading, when it is claimed that the act or omission of the Respondent as to this person is the basis for the administrative proceeding;

b. A statement pertaining to the subject matter of the proceeding made by any party to another party or persons;

c. Statements of witnesses then proposed to be called by the Respondent and of other persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, not included in (a) or (b) above;

d. All writings, including but not limited to reports of mental, physical and blood examinations and things which the Respondent now proposes to offer in evidence;

e. Any other writing or thing which is relevant and which would be admissible in evidence, including but not limited to, any patient or hospital records pertaining to the persons named in the pleading;

f. Investigative reports made by or on behalf of the Respondent pertaining to the subject matter of the proceeding, to the extent that these reports (1) contain the names and addresses of witnesses or of persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, or (2) reflect matters perceived by the investigator in the course of his or her investigation, or (3) contain or include by attachment any statement or writing described in (a) to (e), inclusive, or summary thereof.

IN ADDITION, if cost recovery is requested in the pleading prayer, provide all writings which will support any objection which may be made by the Respondent, to Respondent's payment of investigation and enforcement costs to the Board.

///

1 For the purpose of this Request for Discovery, "statements" include written statements by
2 the person, signed, or otherwise authenticated by him or her, stenographic, mechanical, electrical
3 or other recordings, or transcripts thereof, of oral statements by the person, and written reports or
4 summaries of these oral statements.

5 YOU ARE HEREBY FURTHER NOTIFIED that nothing in this Request for Discovery
6 should be deemed to authorize the inspection or copying of any writing or thing which is
7 privileged from disclosure by law or otherwise made confidential or protected as attorney's work
8 product.

9 Your response to this Request for Discovery should be directed to the undersigned attorney
10 for the Complainant at the address on the first page of this Request for Discovery within 30 days
11 after service of the Accusation.

12 Failure without substantial justification to comply with this Request for Discovery may
13 subject the Respondent to sanctions pursuant to sections 11507.7 and 11455.10 to 11455.30 of the
14 Government Code.

15 Dated: May 28, 2025

ROB BONTA
Attorney General of California
GREGORY M. CRIBBS
Supervising Deputy Attorney General

18 *Michael Duong*

19 MICHAEL DUONG
20 Deputy Attorney General
Attorneys for Complainant

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**BEFORE THE
DEPARTMENT OF CANNABIS CONTROL
STATE OF CALIFORNIA**

In the Matter of the Accusation Against:

**BTC VENTURES LLC DBA BTC
VENTURES; MARTIN REED, DAVID
MONTROYA, AND JAMES TOOMA,
OWNERS
7755 Arjons Drive
San Diego, CA 92126**

**Cannabis - Distributor License
No. C11-0000782-LIC**

Respondent.

Case No. DCC24-0002549-INV

NOTICE OF DEFENSE

(Gov. Code §§ 11505 and 11506)

I hereby acknowledge receipt of a copy of the Accusation in the above-entitled proceeding, as well as the Statement to Respondent, Government Code sections 11507.5, 11507.6 and 11507.7, Complainant's Request for Discovery, and two copies of a Notice of Defense.

I further acknowledge that by filing this Notice of Defense, the Respondent is entitled to a hearing on the merits of the Accusation, and that under Government Code section 11506, the Respondent has a right to file a further Notice of Defense within the time specified in that section.

This Notice of Defense is filed on my own behalf as the Respondent or in my capacity as an authorized representative of an entity named as the Respondent in the Accusation.

Date:

Print Your Name:

Your Signature:

Respondent's Mailing Address:

Phone:

E-mail

Check one box:

☐ I am represented by counsel, whose name, address and telephone number appear below:

Counsel's Name

Counsel's Mailing Address

Phone:

E-mail:

- ☐ I am not now represented by counsel. If and when counsel is retained, immediate notification of the attorney's name, address and telephone number will be filed with the Office of Administrative Hearings and a copy sent to the Deputy Attorney General who represents Complainant so that Respondent's counsel will be on record to receive legal notices, pleadings and other papers.

Check box if applicable:

- ☐ I wish to avoid a hearing if possible and be considered for a stipulated settlement or stipulated surrender of license.

The agency taking the action described in the Accusation may have formulated disciplinary guidelines. You may obtain a copy of the guidelines by requesting them in writing from the agency. A link to the agency's website can be found on-line at <https://cannabis.ca.gov>.at https://www.dca.ca.gov/about_us/entities.shtml.

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Date:

Print Your Name:

Your Signature:

Respondent's Mailing Address:

Phone:

E-mail

Check one box:

☐ I am represented by counsel, whose name, address and telephone number appear below:

Counsel's Name

Counsel's Mailing Address

Phone:

E-mail:

- ☐ I am not now represented by counsel. If and when counsel is retained, immediate notification of the attorney's name, address and telephone number will be filed with the Office of Administrative Hearings and a copy sent to the Deputy Attorney General who represents Complainant so that Respondent's counsel will be on record to receive legal notices, pleadings and other papers.

Check box if applicable:

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COPY OF GOVERNMENT CODE SECTIONS 11507.5, 11507.6 AND 11507.7
PROVIDED PURSUANT TO GOVERNMENT CODE SECTIONS 11504 AND 11505

SECTION 11507.5: Exclusivity of discovery provisions

The provisions of Section 11507.6 provide the exclusive right to and method of discovery as to any proceeding governed by this chapter.

SECTION 11507.6: Request for discovery

After initiation of a proceeding in which a respondent or other party is entitled to a hearing on the merits, a party, upon written request made to another party, prior to the hearing and within 30 days after service by the agency of the initial pleading or within 15 days after the service of an additional pleading, is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party, including, but not limited to, those intended to be called to testify at the hearing, and (2) inspect and make a copy of any of the following in the possession or custody or under the control of the other party:

(a) A statement of a person, other than the respondent, named in the initial administrative pleading, or in any additional pleading, when it is claimed that the act or omission of the respondent as to this person is the basis for the administrative proceeding;

(b) A statement pertaining to the subject matter of the proceeding made by any party to another party or person;

(c) Statements of witnesses then proposed to be called by the party and of other persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, not included in (a) or (b) above;

(d) All writings, including, but not limited to, reports of mental, physical and blood examinations and things which the party then proposes to offer in evidence;

(e) Any other writing or thing which is relevant and which would be admissible in evidence;

(f) Investigative reports made by or on behalf of the agency or other party pertaining to the subject matter of the proceeding, to the extent that these reports (1) contain the names and addresses of witnesses or of persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, or (2) reflect matters perceived by the investigator in the course of his or her investigation, or (3) contain or include by attachment any statement or writing described in (a) to (e), inclusive, or summary thereof.

For the purpose of this section, "statements" include written statements by the person signed or otherwise authenticated by him or her, stenographic, mechanical, electrical or other recordings, or transcripts thereof, of oral statements by the person, and written reports or summaries of these oral statements.

Nothing in this section shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product.

SECTION 11507.7: Petition to compel discovery; Order; Sanctions

(a) Any party claiming the party's request for discovery pursuant to Section 11507.6 has not been complied with may serve and file with the administrative law judge a motion to compel discovery, naming as respondent the party refusing or failing to comply with Section 11507.6. The motion shall state facts showing the respondent party failed or refused to comply with Section 11507.6, a description of the matters sought to be discovered, the reason or reasons why the matter is discoverable under that section, that a reasonable and good faith attempt to contact the respondent for an informal resolution of the issue has been made, and the ground or grounds of respondent's refusal so far as known to the moving party.

(b) The motion shall be served upon respondent party and filed within 15 days after the respondent party first evidenced failure or refusal to comply with Section 11507.6 or within 30 days after request was made and the party has failed to reply to the request, or within another time provided by stipulation, whichever period is longer.

(c) The hearing on the motion to compel discovery shall be held within 15 days after the motion is made, or a later time that the administrative law judge may on the judge's own motion for good cause determine. The respondent party shall have the right to serve and file a written answer or other response to the motion before or at the time of the hearing.

(d) Where the matter sought to be discovered is under the custody or control of the respondent party and the respondent party asserts that the matter is not a discoverable matter under the provisions of Section 11507.6, or is privileged against disclosure under those provisions, the administrative law judge may order lodged with it matters provided in subdivision (b) of Section 915 of the Evidence Code and examine the matters in accordance with its provisions.

(e) The administrative law judge shall decide the case on the matters examined in camera, the papers filed by the parties, and such oral argument and additional evidence as the administrative law judge may allow.

(f) Unless otherwise stipulated by the parties, the administrative law judge shall no later than 15 days after the hearing make its order denying or granting the motion. The order shall be in writing setting forth the matters the moving party is entitled to discover under Section 11507.6. A copy of the order shall forthwith be served by mail by the administrative law judge upon the parties. Where the order grants the motion in whole or in part, the order shall not become effective until 10 days after the date the order is served. Where the order denies relief to the moving party, the order shall be effective on the date it is served.

DECLARATION OF SERVICE BY CERTIFIED MAIL AND FIRST CLASS MAIL

(Separate Mailings & Courtesy via Electronic Mail)

Case Name: ***In the Matter of the Accusation against BTC Ventures LLC***

Case No.: **DCC24-0002549-INV**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On May 28, 2025, I served the attached **ACCUSATION; STATEMENT TO RESPONDENT; REQUEST FOR DISCOVERY; NOTICE OF DEFENSE [two copies] & COPY OF GOVERNMENT CODE SECTIONS** by placing a true copy thereof enclosed in a sealed envelope as certified mail with return receipt requested, and another true copy was enclosed in a second sealed envelope as first class mail in the internal mail collection system at the Office of the Attorney General at 1300 I Street, Suite 125, P.O. Box 944255, Sacramento, CA 94244-2550, addressed as follows:

Martin Reed
7755 Arjons Drive
San Diego, CA 92126
Courtesy via Electronic Mail
marty@emreed.com
Via First Class & Certified Mail No:

Certified Article Number

9414 7266 9904 2238 7130 47

SENDER'S RECORD

James Tooma
9923 Campo Road
Spring Valley, CA 91977
Jamestooma1@gmail.com
Via First Class & Certified Mail No:

Certified Article Number

9414 7266 9904 2238 7130 61

SENDER'S RECORD

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on May 28, 2025, at Sacramento, California.

Bryn Barton

Declarant

David Montoya
7755 Arjons Drive
San Diego, CA 92126
Courtesy via Electronic Mail
dmontoya@saugatuckbrands.com
Via First Class & Certified Mail No:

Certified Article Number

9414 7266 9904 2238 7130 54

SENDER'S RECORD

Steven London
7755 Arjons Drive
San Diego, CA 92126
slondon@saugatuckbrands.com
Via First Class & Certified Mail No:

Certified Article Number

9414 7266 9904 2238 7130 16

SENDER'S RECORD



Signature

PROOF OF SERVICE

Case Name: In the Matter of Accusation Against: BTC Ventures LLC
DCC Case No. DCC24-0002549-INV
License Number: C11-0000782-LIC, Commercial Distributor

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is Department of Cannabis Control, 2920 Kilgore Road, Rancho Cordova, CA 95670. On November 26, 2025, I served the within documents:

ORDER ADOPTING STIPULATED SETTLEMENT AND ORDER AS FINAL DECISION

- ☒ VIA ELECTRONIC TRANSMISSION. Pursuant to CCP § 1010.6, I caused the document(s) to be sent to the person(s) at the Email address(es) listed below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.
- ☐ VIA CERTIFIED MAIL by placing the envelope for collection and mailing following our ordinary business practices for collecting and transmitting mail through the United States Postal Service to the individual(s) or entity(ies) listed below.
- ☐ Service via certified mail to be completed upon the following business day.

BTC Ventures LLC
Martin Reed, Owner
David Montoya, Owner
James Tooma, Owner
slondon@saugatuckbrands.com

Ilya Ross, Esq.
Eric Landau, Esq.
Ellenoff Grossman & Schole LLP
iross@egsllp.com
elandau@egsllp.com

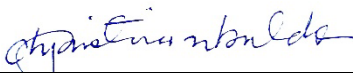
Evelyn Schaeffer (email only)
Deputy Director
Compliance Division
Department of Cannabis Control
Evelyn.Schaeffer@cannabis.ca.gov

Michael Duong (email only)
Deputy Attorney General
Cannabis Control Section
Office of Attorney General
Michael.Duong@doj.ca.gov

I am familiar with the Department's business practices for collecting and transmitting mail through the United States Postal Service. In accordance with those practices, correspondence placed in the Department's internal mail collection system is, in the ordinary course of business, deposited in the United States Postal Service, with postage paid, on the same day.

I declare under penalty of perjury under the laws of the State of California, and the United States of America, that the above is true and correct.

Executed on November 26, 2025, at Rancho Cordova, California.



Christina C. Ubaldo