



**Department of
Cannabis Control**
CALIFORNIA

Gavin Newsom
Governor

Nicole Elliott
Director

December 10, 2025

VIA EMAIL AND CERTIFIED MAIL

The Oakland M Company LLC
Frank Chang, Owner
Hsu Cheng Chang, Owner
Hsu Ming Chang, Owner
2433 Poplar Street
Oakland, CA 94607
oaklandmcompany@yahoo.com

Re: The Oakland M Company LLC - Case No. DCC24-0001996-INV
Default Decision and Order

Dear Messrs. Chang:

Pursuant to the Department of Cannabis Control's authority under Government Code section 11520, the Department finds Respondent The Oakland M Company LLC, in default and therefore will proceed as described in the attached Default Decision and Order.

Be advised that Government Code section 11520, subdivision (c), provides that Respondent may serve a written motion requesting that the Decision be vacated upon stating the ground relied on within seven (7) days after service of the Decision. Respondent may address any written motion to the Department via email at DCCDecisions@cannabis.ca.gov, or by post or courier to:

Department of Cannabis Control
Office of the General Counsel
2920 Kilgore Road
Rancho Cordova, CA 95670

The Department in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

Barring such a timely motion, the attached Default Decision and Order involving The Oakland M Company LLC, will become effective on January 9, 2026.

Sincerely,

Douglas Smurr
Assistant General Counsel

Enclosure

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

In the Matter of the Accusation Against:

Case No. DCC24-0001996-INV

**THE OAKLAND M COMPANY LLC;
FRANK CHANG, OWNER
2433 Poplar Street
Oakland, CA 94607**

DEFAULT DECISION AND ORDER

[Gov. Code, §11520]

Cannabis Distributor License No. C11-0000105-LIC

Respondent.

FINDINGS OF FACT

1. On or about May 5, 2025, Complainant Evelyn Schaeffer, in her official capacity as the Deputy Director of the Compliance Division of the Department of Cannabis Control, filed Accusation No. DCC24-0001996-INV against The Oakland M Company LLC (Respondent) with Frank Chang as Owner (Owner) before the Department of Cannabis Control. (Accusation is attached as Exhibit A.)

2. On or about May 17, 2019, the Department of Cannabis Control (Department) issued Cannabis Distributor License No. C11-0000105-LIC to Respondent. The Cannabis Distributor License was in full force and effect at all times relevant to the charges brought in Accusation No. DCC24-0001996-INV and expired on May 17, 2025. This lapse in licensure, however, pursuant

1 to Business and Professions Code section 26031, subdivision (d), does not deprive the
2 Department of its authority to institute or continue this disciplinary proceeding.

3 3. On or about May 27, 2025, Respondent was served by Certified and First Class Mail
4 copies of the Accusation No. DCC24-0001996-INV, Statement to Respondent, Notice of
5 Defense, Request for Discovery and Discovery Statutes (Government Code sections 11507.5,
6 11507.6, and 11507.7) at Respondent's address of record which, pursuant to California Code of
7 Regulations, title 4, section 15002, is required to be reported and maintained with the
8 Department. Respondent's address of record was and is: 2433 Poplar Street, Oakland, CA 94607.

9 4. Service of the Accusation was effective as a matter of law under the provisions of
10 Government Code section 11505(c) and/or Business and Professions Code section 124.

11 5. Government Code section 11506(c) states, in pertinent part:

12 (c) The respondent shall be entitled to a hearing on the merits if the respondent
13 files a notice of defense . . . and the notice shall be deemed a specific denial of all
14 parts of the accusation . . . not expressly admitted. Failure to file a notice of defense
 . . . shall constitute a waiver of respondent's right to a hearing, but the agency in its
discretion may nevertheless grant a hearing.

15 6. The Department takes official notice of its records and the fact that Respondent failed
16 to file a Notice of Defense within 15 days after service upon them of the Accusation, and
17 therefore waived its right to a hearing on the merits of Accusation No. DCC24-0001996-INV.

18 7. California Government Code section 11520(a) states, in pertinent part:

19 (a) If the respondent either fails to file a notice of defense . . . or to appear at
20 the hearing, the agency may take action based upon the respondent's express
admissions or upon other evidence and affidavits may be used as evidence without
any notice to respondent

22 8. Pursuant to its authority under Government Code section 11520, the Department finds
23 Respondent is in default. The Department will take action without further hearing and, based on
24 the relevant evidence contained in the Default Decision Investigatory Evidence Packet in this
25 matter, finds that the charges and allegations in Accusation No. DCC24-0001996-INV, are
26 separately and severally, found to be true and correct by clear and convincing evidence.

27 9. The Department finds that the actual costs for Investigation and Enforcement are
28 \$11,690.10 as of November 12, 2025.

DETERMINATION OF ISSUES

1. Based on the foregoing findings of fact, Respondent The Oakland M Company LLC with Frank Chang, Owner has subjected its Cannabis Distributor License No. C11-0000105-LIC to discipline.

2. The agency has jurisdiction to adjudicate this case by default.

3. The Department of Cannabis Control is authorized to revoke Respondent's Cannabis Distributor License based upon the following violations alleged in the Accusation which are supported by the evidence contained in the Default Decision Investigatory Evidence Packet in this case:

- a. Violation of Business and Professions Code sections 26030, subdivisions (a) and (c), and Title 4 of the California Code of Regulations, sections 15049.2; [Failure to accurately record transfers of cannabis and cannabis products.]
- b. Violation of Business and Professions Code sections 26030, subdivisions (a) and (c) and 26160, and Title 4 of the California Code of Regulations, section 15051, subdivisions (a)(1) and (b); [Failure to perform track and trace system reconciliation.]
- c. Violation of Business and Professions Code sections 26030, subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15047.2, subdivision (b); [Failure to accurately record all commercial cannabis activity in the CCTT system.]
- d. Violation of Business and Professions Code sections 26030, subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15044, subdivision (h); [Failure to keep video surveillance recordings for 90 calendar days.]
- e. Violation of Business and Professions Code sections 26030, subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15044, subdivision (i); [Failure to provide video surveillance recordings to the Department.]

f. Violation of Business and Professions Code sections 26030, subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15023, subdivision (c); [Failure to adhere to business modification requirements.]

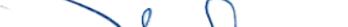
ORDER

IT IS SO ORDERED that Cannabis Distributor License No. C11-0000105-LIC, issued to Respondent The Oakland M Company LLC with Frank Chang, Owner, is revoked.

Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent. The agency in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

This Decision shall become effective on January 9, 2026.

IT IS SO ORDERED, December 10, 2025.


Douglas Smurr
Assistant General Counsel
FOR THE DEPARTMENT OF CANNABIS CONTROL

Default Decision and Order - LIC.docx
DOJ Matter ID:SA2025800434

Attachment:
Exhibit A: Accusation

Exhibit A

Accusation

1 ROB BONTA
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3 GREGORY M. CRIBBS
4 Supervising Deputy Attorney General
5 ROB WHITE
6 Deputy Attorney General
7 State Bar No. 222504
8 600 West Broadway, Suite 1800
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11 San Diego, CA 92186-5266
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15 *Attorneys for Complainant*

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

In the Matter of the Accusation Against:
**THE OAKLAND M COMPANY, LLC;
FRANK CHANG, OWNER.
2433 Poplar Street
Oakland, CA 94607**
**Cannabis - Distributor License No. C11-
0000105-LIC**

Case No. DCC24-0001996-INV
OAH No.
ACCUSATION

Respondent.

PARTIES

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

2. On or about May 17, 2019, the Department issued Cannabis - Distributor License
3 Number C11-0000105-LIC to The Oakland M Company, LLC (Respondent) with Frank Chang as
4 Owner (Owner Chang). The Cannabis - Distributor License was in full force and effect at all
5 times relevant to the charges brought herein and will expire on May 16, 2025, unless renewed.

6 ///

7 ///

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 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....

7. 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....

8. 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....

1 9. Section 26034 of the Code states:

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

10 STATUTORY PROVISIONS

11 10. Business and Professions Code Section 26030 of the Code states:

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

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

16 ...

17 (c) Any other grounds contained in regulations adopted by a licensing authority
18 pursuant to this division.

19 11. Business and Professions Code Section 26160 of the Code states:

20 (a) A licensee shall keep accurate records of commercial cannabis activity.

21 (b) All records related to commercial cannabis activity as defined by
22 the department shall be maintained for a minimum of seven years.

23 (c) The department may examine the records of a licensee and inspect the
24 premises of a licensee as the department, or a state or local agency, deems necessary
25 to perform its duties under this division. All inspections and examinations of records
26 shall be conducted during standard business hours of the licensed facility or at any
27 other reasonable time. Licensees shall provide and deliver records to
28 the department upon request.

29 (d) Licensees shall keep records identified by the department on the premises
30 of the location licensed. The department may make any examination of the records of
31 any licensee. Licensees shall also provide and deliver copies of documents to
32 the department upon request.

33 (e) A licensee, or its agent or employee, that refuses, impedes, obstructs, or
34 interferes with an inspection of the premises or records of the licensee pursuant to
35 this section, has engaged in a violation of this division.

36 (f) If a licensee, or an agent or employee of a licensee, fails to maintain or
37 provide the records required pursuant to this section, the licensee shall be subject to a
38 citation and fine of up to thirty thousand dollars (\$30,000) per individual violation.

REGULATORY PROVISIONS

12. Title 4 of the California Code of Regulations, section 15047.2 states:

(a) A licensee shall create and maintain an account within the track and trace system prior to engaging in any commercial cannabis activity.

(b) All commercial cannabis activity shall be accurately recorded in the track and trace system.

(c) A licensee is responsible for the accuracy and completeness of all data and information entered into the track and trace system. The licensee is responsible for all actions taken by the designated account manager or other account users while performing track and trace activities.

(d) A person shall not intentionally misrepresent or falsify information entered into the track and trace system.

13. Title 4 of the California Code of Regulations, section 15023 states:

Business modifications shall be made in accordance with the following:

• • •

(c) Licenses are not transferrable or assignable to another person or owner. In the event of the sale or other transfer of the business or operations covered by the licensee, changes in ownership shall be made in accordance with the following:

(1) If one or more of the owners change, the new owners shall submit the information required under section 15002(c)(16) for each new owner to the Department within 14 calendar days of the effective date of the ownership change. The business may continue to operate under the active license while the Department reviews the qualifications of the new owner(s) in accordance with the Act and these regulations to determine whether the change would constitute grounds for denial of the license, if at least one existing owner is not transferring their ownership interest and will remain as an owner under the new ownership structure. If all owners will be transferring their ownership interest, the business shall not operate under the new ownership structure until a new license application has been submitted to and approved by the Department, and all application and license fees for the new application have been paid. The former owner's inventory shall be transferred to the new owner's track and trace account upon issuance of the license.

(A) A change in ownership occurs when a new person meets the definition of owner in section 15003.

(B) A change in ownership does not occur when one or more owners leave the business by transferring their ownership interest to the other existing owner(s).

(2) In cases where one or more owners leave the business by transferring their ownership interest to the other existing owner(s), the owner or owners that are transferring their interest shall provide a signed statement to the Department confirming that they have transferred their interest within 14 calendar days of the change.

3

14. Title 4 of the California Code of Regulations, section 15044 states:

2 (a) Each licensed premises shall have a digital video surveillance system with a
3 minimum camera resolution of 1280 x 720 pixels on the licensed premises. This
4 requirement does not apply to a licensed premises authorized exclusively for cultivation
activities or the cultivation area of a licensed microbusiness premises.

5 (b) The video surveillance system shall at all times be able to effectively and clearly
6 record images of the area under surveillance.

7 (c) Each camera shall be permanently mounted and in a fixed location. Each camera
8 shall be placed in a location that allows the camera to clearly record activity occurring
9 within 20 feet of all points of entry and exit on the licensed premises, and allows for the
10 clear and certain identification of any person and activities in all areas required to be
11 filmed under subsection (d).

12 (d) Areas that shall be recorded on the video surveillance system include the
13 following:

14 (1) Areas where cannabis or cannabis products are weighed, packed, stored, loaded,
15 and unloaded for transportation, prepared, or moved within the licensed premises;

16 (2) Limited-access areas;

17 (3) Security rooms;

18 (4) Areas storing a surveillance-system storage device with at least one camera
19 recording the access points to the secured surveillance recording area; and

20 (5) Entrances and exits to the licensed premises, which shall be recorded from both
21 indoor and outdoor vantage points.

22 (e) Licensed retailers and licensed microbusinesses authorized to engage in retail
23 sales shall also record point-of-sale areas and areas where cannabis goods are displayed
24 for sale on the video surveillance system. At each point-of-sale location, camera
25 placement must allow for the recording of the facial features of any person purchasing or
26 selling cannabis goods, or any person in the retail area, with sufficient clarity to determine
27 identity.

28 (f) Cameras shall record continuously 24 hours per day and at a minimum of 15
frames per second (FPS).

(g) The physical media or storage device on which surveillance recordings are stored
shall be secured in a manner to protect the recording from tampering or theft.

(h) Surveillance recordings shall be kept for a minimum of 90 calendar days.

(i) Surveillance recordings are subject to inspection by the Department and shall be
kept in a manner that allows the Department to view and obtain copies of the recordings at
the licensed premises immediately upon request. The licensee shall also send or otherwise
provide copies of the recordings to the Department upon request within the time specified
by the Department.

(j) Recorded images shall clearly and accurately display the time and date. Time is to

1 be measured in accordance with the standards issued by the United States National
2 Institute of Standards and Technology. The displayed date and time shall not cover the
3 view of recorded images in a manner that prevents the ready identification of any person
4 or activity in the captured image.

5 (k) The video surveillance system shall be equipped with a failure notification system
6 that provides notification to the licensee of any interruption or failure of the video
7 surveillance system or video surveillance-system storage device.

8 (l) If multiple licensed premises are contained within the same building or on the
9 same parcel of land, a single video surveillance system covering the entire building or
10 parcel of land may be used by all of the licensees if all licensees have immediate access to
11 the surveillance recordings to produce them pursuant to subsection (i). All licensees
12 sharing a video surveillance system shall be held responsible and subject to discipline for
13 any violations of the video surveillance requirements.

14 (m) Notwithstanding subsection (a), a licensed distributor transport only licensee
15 engaged in self-distribution whose premises is on the same parcel of land as their licensed
16 cultivation premises shall not be required to comply with the provisions of this section.

17 15. Title 4 of the California Code of Regulations, section 15049.2 states::

18 (a) A licensee shall prepare a shipping manifest through the track and trace system
19 prior to transferring cannabis and cannabis products off of a licensed premises. The
20 following information shall be recorded on the shipping manifest by the licensee initiating
21 the transfer:

22 (1) The name, license number, and premises address of the originating licensee;

23 (2) The name and license number of the distributor transporting the cannabis and
24 cannabis products;

25 (3) The name, license number, and premises address of the licensee receiving the
26 cannabis or cannabis products into inventory of storage;

27 (4) The UID numbers for all items being transferred;

28 (5) The item name, item category and weight or count of cannabis or cannabis
29 products associated with each package tag;

30 (6) The estimated date and time of departure from the licensed premises;

31 (7) The estimated date and time of arrival at each licensed premises; and

32 (8) The driver's license number of the personnel transporting the cannabis and
33 cannabis products, and the make, model, and license plate number of the vehicle used for
34 transport.

35 (b) The distributor who transports the cannabis or cannabis product shall record the
36 following additional information of the shipping manifest:

37 (1) The actual date and time of departure from the licensed premises; and

38 (2) The actual date and time of arrival at each licensed premises.

(c) Upon pick-up or receipt of cannabis and cannabis products for transport, storage, or inventory, a licensee shall ensure that the cannabis or cannabis products received are as described in the shipping manifest. The licensee shall record acceptance or receipt, and acknowledgment of the cannabis or cannabis products in the track and trace system.

(d) If there are any discrepancies between type or quantity of cannabis or cannabis products specified in the shipping manifest and the type or quantity received by the licensee, the licensee shall reject the shipment.

16. Title 4 of the California Code of Regulations, section 15051 states:

(a) The license shall review the information recorded in the track and trace system at least once every 30 calendar days to ensure its accuracy, including, at a minimum:

(1) Reconciling on-hand inventory of cannabis and cannabis product with the records in the track and trace system;

(2) Reviewing the licensee's authorized users and removing any users who are no longer authorized to enter information into the track and trace system.

(b) If a licensee finds a discrepancy between the on-hand inventory and the track and trace system, the licensee shall conduct an audit and notify the Department in writing if the discrepancy is significant as defined in section 15034.

COST RECOVERY

17. Section 26031.1 of the Code states that:

(a) Except as otherwise provided by law, in an order issued in resolution of a 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.

(b) A certified copy of the actual costs, or a good faith estimate of costs where actual costs are not available, signed by the department or its designated representative shall be *prima facie* evidence of reasonable costs of investigation and 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 imposed by the Attorney General.

(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 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 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 to subdivision (a).

(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 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.

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

(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 under this section.

(2) Notwithstanding paragraph (1), the department may, in its discretion, conditionally renew or reinstate for a maximum of one year the license of any 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.

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

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

FACTUAL ALLEGATIONS

18. On August 15, 2024, Department Special Investigator (SI) Matthew McLean (McLean) reviewed Respondent's California Cannabis Track and Trace (CCTT) account, through the Marijuana Enforcement Tracking Reporting Compliance (METRC) system, license number C11-0000105-LIC, which is a licensed distribution premises. SI McLean discovered that after Respondent created transfer manifests for seven transfers from October 1, 2019, through April 25, 2024, the Respondent then created 38 transfer manifests for transfers from April 26, 2024, through August 15, 2024. From his training and experience, SI McLean believed that a sudden increase in cannabis transfers can be indicative of a licensee becoming involved in the diversion of cannabis from the licensed market to the unlicensed market.

19. On August 16, 2024, at approximately 10:50 a.m., SI McLean, along with Department SI Kevin Johnson (Johnson), arrived at Respondent's premises located at 2433 Poplar Street, Oakland, CA 94607. SI McLean knocked on the gate of the licensed premises and was greeted by Tommy Kwok (Kwok). SIs McLean and Johnson identified themselves using Department issued credentials and Kwok provided immediate access to the licensed premises. Kwok identified himself as a new licensee of "The Oakland M Company." Kwok explained that he had taken ownership of the license several months prior. SI McLean asked Kwok whether a

1 notice of change of ownership had been submitted to the Department. Kwok said that a notice had
2 not been submitted. SI McLean explained to Kwok that the Department requires notification of
3 any change in ownership. Kwok told SI McLean that he would submit a request for change of
4 ownership.

5 20. SI McLean inspected the Respondent's licensed premises and discovered that it
6 contained a small amount of cannabis consistent with the cannabis inventory recorded in the
7 CCTT account. SI McLean asked Kwok whether he had been transferring cannabis and cannabis
8 products out of the licensed premises over the last several months. Kwok said that he had not
9 transferred out any cannabis products, nor had Respondent received any cannabis products in the
10 licensed premises. SI McLean asked Kwok about three transfers that were recorded as leaving
11 "The Oakland M Company" on the day that SIs McLean and Johnson were present at the licensed
12 premises, as well as the previous day. The transfers were numbered 0007470165, 0007470324,
13 and 0007476724. Kwok said that he had been at the premises the previous day, as well as earlier
14 that same day, and that no transfer of cannabis products had occurred. Additionally, Kwok told SI
15 McLean that the cannabis and cannabis products detailed in the transfer manifests had never been
16 physically present in the licensed premises.

17 21. SI McLean requested that Kwok provide access to the licensed premises video
18 surveillance system. Kwok said that he did not have access to the video surveillance system. SI
19 McLean again reviewed the information regarding the transfer manifests, and discovered that they
20 had been created with the CCTT account for "The Oakland M Company," with Frank Chang
21 (Chang) as owner. When SI McLean asked Kwok whether Chang was responsible for creating the
22 transfers, Kwok explained that Chang was elderly, and it was likely someone else was using
23 Chang's CCTT credentials. Kwok explained that Chang worked next door to the licensed
24 premises and Kwok subsequently took SIs McLean and Johnson to the building to speak with
25 Chang.

26 22. Once next door, SIs McLean and Johnson identified themselves to Chang using
27 their Department issued credentials. SIs McLean and Johnson attempted to ask Chang about the
28 transfers of cannabis, but Chang spoke very little English and communication with him was not

1 possible. At approximately 11:30 a.m., SIs McLean and Johnson departed Respondent's
2 premises.

3 23. To date, no notification of change in ownership had been received by the
4 Department.

5 24. On October 1, 2024, SI McLean reviewed the CCTT METRC¹ account and
6 employee status and history for "The Oakland M Company." SI McLean discovered that "The
7 Oakland M Company" has not created any outbound manifests or received any inbound manifests
8 since McLean and Johnson's inspection on August 15, 2024. However, the password for CCTT
9 METRC user Frank Chang has not changed. The CCTT METRC login for Frank Chang showed
10 10 logins since McLean and Johnson's inspection.

11 25. To date, the Department has not received a copy of the requested video
12 surveillance.

13 **FIRST CAUSE FOR DISCIPLINE**

14 (Failure to Accurately Record Transfers of Cannabis and Cannabis Products)

15 26. Respondent is subject to disciplinary action under Code section 26030, subdivisions
16 (a) and (c), and Title 4 of the California Code of Regulations, section 15049.2, in that Respondent
17 failed to properly prepare shipping manifests through the track and trace system prior to
18 transferring cannabis and cannabis products off of the licensed premises, and to record the date
19 and time of departure from the licensed premises and/or arrival at each other licensed premises, as
20 more particularly alleged in paragraphs 18 through 25, above, which are incorporated by
21 reference and realleged as if fully set forth herein.

22 **SECOND CAUSE FOR DISCIPLINE**

23 (Failure to Perform Track and Trace System Reconciliation)

24 27. Respondent is further subject to disciplinary action under Code sections 26030,
25 subdivisions (a) and (c), 26160, and Title 4 of the California Code of Regulations, section 15051,
26 subdivisions (a)(1) and (b), in that Respondent failed to review the information recorded in the

27 28 ¹ "METRC" is a Florida company with whom the State of California has partnered to
"track-and-trace" regulated cannabis in California "from seed to sale."
(<https://www.METRC.com/partner/california/>)

1 CCTT system at least once every 30 calendar days, including the reconciliation of on-hand
2 inventory of cannabis with the CCTT records, and conducting an audit and notifying the
3 Department in writing if a significant discrepancy is found as more particularly alleged in
4 paragraphs 18 through 25, above, which are hereby incorporated by reference and realleged as if
5 fully set forth herein.

6 **THIRD CAUSE FOR DISCIPLINE**

7 (Failure to Accurately Record All Commercial Cannabis Activity in the CCTT System)

8 28. Respondent is further subject to disciplinary action under Code section 26030,
9 subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15047.2,
10 subdivision (b), in that Respondent failed to accurately record all commercial cannabis activity in
11 the CCTT system, as more particularly alleged in paragraphs 18 through 25, above, which are
12 hereby incorporated by reference and realleged as if fully set forth herein.

13 **FOURTH CAUSE FOR DISCIPLINE**

14 (Failure to Keep Video Surveillance Recordings for 90 Calendar Days)

15 29. Respondent is further subject to disciplinary action under Code section 26030,
16 subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15044,
17 subdivision (h), in that Respondent failed to keep surveillance records for a minimum of 90
18 calendar days, as more particularly alleged in paragraphs 18 through 25, above, which are hereby
19 incorporated by reference and realleged as if fully set forth herein.

20 **FIFTH CAUSE FOR DISCIPLINE**

21 (Failure to Provide Video Surveillance Recordings to the Department)

22 30. Respondent is further subject to disciplinary action under Code sections 26030,
23 subdivisions (a) and (c), 26160, subdivision (e) and Title 4 of the California Code of Regulations,
24 section 15044, subdivision (i), in that Respondent failed to provide the Department with copies of
25 surveillance recordings with the time specified by the Department, as more particularly alleged in
26 paragraphs 18 through 25, above, which are hereby incorporated by reference and realleged as if
27 fully set forth herein.

28 ///

SIXTH CAUSE FOR DISCIPLINE

(Failure To Adhere To Business Modification Requirements)

31. Respondent is further subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15023, subdivision (c), in that licenses are not transferrable or assignable and in the event of the sale or transfer of the business operations covered by the license, a change of ownership request must be made, as more particularly alleged in paragraphs 18 through 25, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

PRAYER

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

1. Revoking outright or with terms and conditions or fining or any combination thereof, the Cannabis - Distributor License Number C11-0000105-LIC issued to The Oakland M Company, LLC (Respondent) with Frank Chang as Owner;

2. Ordering the destruction of cannabis and cannabis goods in the possession of Respondent The Oakland M Company, LLC (Respondent) with Frank Chang as Owner, at Respondent's expense if revocation of Cannabis – Distributor License Number C11-0000105-LIC is ordered, pursuant to Code of Regulations, title 4, section 15024.1, subdivision (a); and

3. Taking such other and further action as deemed necessary and proper.

DATED: May 5, 2025

Evelyn Schaeffer

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

LA2025800434

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

In the Matter of the Accusation Against:

**THE OAKLAND M COMPANY LLC;
FRANK CHANG, OWNER
2433 Poplar Street
Oakland, CA 94607**

**Cannabis Distributor License
No. C11-0000105-LIC**

Respondent.

Case No. DCC24-0001996-INV

**DEFAULT DECISION INVESTIGATORY
EVIDENCE PACKET**

[Gov. Code §11520]

The Default Decision Investigatory Evidence Packet in support of the Default Decision and Order in the above-entitled matter consists of the following.

Exhibit 1: Pleadings offered for jurisdictional purposes: Accusation No. DCC24-0001996-INV, statement to respondent, notice of defense (two blank copies), request for discovery; discovery statutes (government code sections 11507.5, 11507.6 and 11507.7), proofs of service;

Exhibit 2: License History Certification for The Oakland M Company LLC with Frank Chang, Owner Cannabis Distributor License No. C11-0000105-LIC;

Exhibit 3: Certification of Costs by Department for Investigation in Case No. DCC24-0001996-INV dated August 6, 2025;

Exhibit 4: Certification of Costs by Department for Enforcement in Case No. DCC24-0001996-INV dated November 12, 2025;

Exhibit 5: Investigative Report (without attachments) [DCC24-0001996-INV].

Dated: November 26, 2025

Respectfully submitted,

ROB BONTA
Attorney General of California

Harinder Kapur

HARINDER K. KAPUR
Senior Assistant Attorney General
Attorneys for Complainant

Exhibit 1

Accusation No. DCC24-0001996-INV
Statement to Respondent
Notice of Defense
Request for Discovery
Discovery Statutes, Proofs of Service

ROB BONTA
Attorney General of California
GREGORY M. CRIBBS
Supervising Deputy Attorney General
ROB WHITE
Deputy Attorney General
State Bar No. 222504
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San Diego, CA 92101
Telephone: (619) 807-8381
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E-mail: RobertT.White@doj.ca.gov
Attorneys for Complainant

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

In the Matter of the Accusation Against:
**THE OAKLAND M COMPANY LLC;
FRANK CHANG, OWNER.
The Oakland M Company, LLC
2433 Poplar Street, Oakland, CA 94607
Distributor License No. C11-0000105-LIC**

Case No. DCC24-0001996-INV
OAH No.
STATEMENT TO RESPONDENT
[Gov. Code §§ 11504, 11505(b)]

Respondent.

TO RESPONDENT:

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

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

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 **Rob White**
5 **Deputy Attorney General**
6 **600 West Broadway, Suite 1800**
7 **San Diego, CA 92101**

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

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

13 **All communications from the Department will be sent to your address of record as**
14 **shown in the caption page one of this document. It is your responsibility to advise the**
15 **Department of any changes to your address of record.**

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

18 The hearing may be postponed for good cause. If you have good cause, you are obliged to
19 notify the Office of Administrative Hearings, Attn: General Jurisdiction, 1515 Clay St #206,
20 Oakland, CA 94612, within ten (10) working days after you discover the good cause. Failure to
21 notify the Office of Administrative Hearings within ten (10) days will deprive you of a
22 postponement.

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

24 If you desire the names and addresses of witnesses or an opportunity to inspect and copy
25 the items mentioned in section 11507.6 of the Government Code in the possession, custody or
26 control of the Department of Cannabis Control you may send a Request for Discovery to the
27 above designated Deputy attorney general.

NOTICE REGARDING STIPULATED SETTLEMENTS

It may be possible to avoid the time, expense and uncertainties involved in an 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 charged and the discipline to be imposed. Such a stipulation would have to be approved by the Department of Cannabis Control but, once approved, it would be incorporated into a final order.

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

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

Dated: May 27, 2025

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

ROB WHITE
Deputy Attorney General
Attorneys for Complainant

RTW: ht
SA2025800434
85131041

1 ROB BONTA
2 Attorney General of California
3 GREGORY M. CRIBBS
4 Supervising Deputy Attorney General
5 ROB WHITE
6 Deputy Attorney General
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9 San Diego, CA 92101
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11 San Diego, CA 92186-5266
12 Telephone: (619) 807-8381
13 Facsimile: (619) 645-2061
14 E-mail: RobertT.White@doj.ca.gov
15 *Attorneys for Complainant*

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

In the Matter of the Accusation Against:
**THE OAKLAND M COMPANY, LLC;
FRANK CHANG, OWNER.
2433 Poplar Street
Oakland, CA 94607**
**Cannabis - Distributor License No. C11-
0000105-LIC**

Case No. DCC24-0001996-INV
OAH No.
ACCUSATION

Respondent.

PARTIES

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

2. On or about May 17, 2019, the Department issued Cannabis - Distributor License
3 Number C11-0000105-LIC to The Oakland M Company, LLC (Respondent) with Frank Chang as
4 Owner (Owner Chang). The Cannabis - Distributor License was in full force and effect at all
5 times relevant to the charges brought herein and will expire on May 16, 2025, unless renewed.

6 ///

7 ///

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 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....

7. 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....

8. 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....

1 9. Section 26034 of the Code states:

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

10 STATUTORY PROVISIONS

11 10. Business and Professions Code Section 26030 of the Code states:

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

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

16 ...

17 (c) Any other grounds contained in regulations adopted by a licensing authority
18 pursuant to this division.

19 11. Business and Professions Code Section 26160 of the Code states:

20 (a) A licensee shall keep accurate records of commercial cannabis activity.

21 (b) All records related to commercial cannabis activity as defined by
22 the department shall be maintained for a minimum of seven years.

23 (c) The department may examine the records of a licensee and inspect the
24 premises of a licensee as the department, or a state or local agency, deems necessary
25 to perform its duties under this division. All inspections and examinations of records
26 shall be conducted during standard business hours of the licensed facility or at any
27 other reasonable time. Licensees shall provide and deliver records to
28 the department upon request.

29 (d) Licensees shall keep records identified by the department on the premises
30 of the location licensed. The department may make any examination of the records of
31 any licensee. Licensees shall also provide and deliver copies of documents to
32 the department upon request.

33 (e) A licensee, or its agent or employee, that refuses, impedes, obstructs, or
34 interferes with an inspection of the premises or records of the licensee pursuant to
35 this section, has engaged in a violation of this division.

36 (f) If a licensee, or an agent or employee of a licensee, fails to maintain or
37 provide the records required pursuant to this section, the licensee shall be subject to a
38 citation and fine of up to thirty thousand dollars (\$30,000) per individual violation.

REGULATORY PROVISIONS

12. Title 4 of the California Code of Regulations, section 15047.2 states:

(a) A licensee shall create and maintain an account within the track and trace system prior to engaging in any commercial cannabis activity.

(b) All commercial cannabis activity shall be accurately recorded in the track and trace system.

(c) A licensee is responsible for the accuracy and completeness of all data and information entered into the track and trace system. The licensee is responsible for all actions taken by the designated account manager or other account users while performing track and trace activities.

(d) A person shall not intentionally misrepresent or falsify information entered into the track and trace system.

13. Title 4 of the California Code of Regulations, section 15023 states:

Business modifications shall be made in accordance with the following:

• • •

(c) Licenses are not transferrable or assignable to another person or owner. In the event of the sale or other transfer of the business or operations covered by the licensee, changes in ownership shall be made in accordance with the following:

(1) If one or more of the owners change, the new owners shall submit the information required under section 15002(c)(16) for each new owner to the Department within 14 calendar days of the effective date of the ownership change. The business may continue to operate under the active license while the Department reviews the qualifications of the new owner(s) in accordance with the Act and these regulations to determine whether the change would constitute grounds for denial of the license, if at least one existing owner is not transferring their ownership interest and will remain as an owner under the new ownership structure. If all owners will be transferring their ownership interest, the business shall not operate under the new ownership structure until a new license application has been submitted to and approved by the Department, and all application and license fees for the new application have been paid. The former owner's inventory shall be transferred to the new owner's track and trace account upon issuance of the license.

(A) A change in ownership occurs when a new person meets the definition of owner in section 15003.

(B) A change in ownership does not occur when one or more owners leave the business by transferring their ownership interest to the other existing owner(s).

(2) In cases where one or more owners leave the business by transferring their ownership interest to the other existing owner(s), the owner or owners that are transferring their interest shall provide a signed statement to the Department confirming that they have transferred their interest within 14 calendar days of the change.

3

14. Title 4 of the California Code of Regulations, section 15044 states:

2 (a) Each licensed premises shall have a digital video surveillance system with a
3 minimum camera resolution of 1280 x 720 pixels on the licensed premises. This
4 requirement does not apply to a licensed premises authorized exclusively for cultivation
activities or the cultivation area of a licensed microbusiness premises.

5 (b) The video surveillance system shall at all times be able to effectively and clearly
6 record images of the area under surveillance.

7 (c) Each camera shall be permanently mounted and in a fixed location. Each camera
8 shall be placed in a location that allows the camera to clearly record activity occurring
9 within 20 feet of all points of entry and exit on the licensed premises, and allows for the
10 clear and certain identification of any person and activities in all areas required to be
11 filmed under subsection (d).

12 (d) Areas that shall be recorded on the video surveillance system include the
13 following:

14 (1) Areas where cannabis or cannabis products are weighed, packed, stored, loaded,
15 and unloaded for transportation, prepared, or moved within the licensed premises;

16 (2) Limited-access areas;

17 (3) Security rooms;

18 (4) Areas storing a surveillance-system storage device with at least one camera
19 recording the access points to the secured surveillance recording area; and

20 (5) Entrances and exits to the licensed premises, which shall be recorded from both
21 indoor and outdoor vantage points.

22 (e) Licensed retailers and licensed microbusinesses authorized to engage in retail
23 sales shall also record point-of-sale areas and areas where cannabis goods are displayed
24 for sale on the video surveillance system. At each point-of-sale location, camera
25 placement must allow for the recording of the facial features of any person purchasing or
26 selling cannabis goods, or any person in the retail area, with sufficient clarity to determine
27 identity.

28 (f) Cameras shall record continuously 24 hours per day and at a minimum of 15
frames per second (FPS).

(g) The physical media or storage device on which surveillance recordings are stored
shall be secured in a manner to protect the recording from tampering or theft.

(h) Surveillance recordings shall be kept for a minimum of 90 calendar days.

(i) Surveillance recordings are subject to inspection by the Department and shall be
kept in a manner that allows the Department to view and obtain copies of the recordings at
the licensed premises immediately upon request. The licensee shall also send or otherwise
provide copies of the recordings to the Department upon request within the time specified
by the Department.

(j) Recorded images shall clearly and accurately display the time and date. Time is to

1 be measured in accordance with the standards issued by the United States National
2 Institute of Standards and Technology. The displayed date and time shall not cover the
3 view of recorded images in a manner that prevents the ready identification of any person
4 or activity in the captured image.

5 (k) The video surveillance system shall be equipped with a failure notification system
6 that provides notification to the licensee of any interruption or failure of the video
7 surveillance system or video surveillance-system storage device.

8 (l) If multiple licensed premises are contained within the same building or on the
9 same parcel of land, a single video surveillance system covering the entire building or
10 parcel of land may be used by all of the licensees if all licensees have immediate access to
11 the surveillance recordings to produce them pursuant to subsection (i). All licensees
12 sharing a video surveillance system shall be held responsible and subject to discipline for
13 any violations of the video surveillance requirements.

14 (m) Notwithstanding subsection (a), a licensed distributor transport only licensee
15 engaged in self-distribution whose premises is on the same parcel of land as their licensed
16 cultivation premises shall not be required to comply with the provisions of this section.

17 15. Title 4 of the California Code of Regulations, section 15049.2 states::

18 (a) A licensee shall prepare a shipping manifest through the track and trace system
19 prior to transferring cannabis and cannabis products off of a licensed premises. The
20 following information shall be recorded on the shipping manifest by the licensee initiating
21 the transfer:

22 (1) The name, license number, and premises address of the originating licensee;

23 (2) The name and license number of the distributor transporting the cannabis and
24 cannabis products;

25 (3) The name, license number, and premises address of the licensee receiving the
26 cannabis or cannabis products into inventory of storage;

27 (4) The UID numbers for all items being transferred;

28 (5) The item name, item category and weight or count of cannabis or cannabis
29 products associated with each package tag;

30 (6) The estimated date and time of departure from the licensed premises;

31 (7) The estimated date and time of arrival at each licensed premises; and

32 (8) The driver's license number of the personnel transporting the cannabis and
33 cannabis products, and the make, model, and license plate number of the vehicle used for
34 transport.

35 (b) The distributor who transports the cannabis or cannabis product shall record the
36 following additional information of the shipping manifest:

37 (1) The actual date and time of departure from the licensed premises; and

38 (2) The actual date and time of arrival at each licensed premises.

(c) Upon pick-up or receipt of cannabis and cannabis products for transport, storage, or inventory, a licensee shall ensure that the cannabis or cannabis products received are as described in the shipping manifest. The licensee shall record acceptance or receipt, and acknowledgment of the cannabis or cannabis products in the track and trace system.

(d) If there are any discrepancies between type or quantity of cannabis or cannabis products specified in the shipping manifest and the type or quantity received by the licensee, the licensee shall reject the shipment.

16. Title 4 of the California Code of Regulations, section 15051 states:

(a) The license shall review the information recorded in the track and trace system at least once every 30 calendar days to ensure its accuracy, including, at a minimum:

(1) Reconciling on-hand inventory of cannabis and cannabis product with the records in the track and trace system;

(2) Reviewing the licensee's authorized users and removing any users who are no longer authorized to enter information into the track and trace system.

(b) If a licensee finds a discrepancy between the on-hand inventory and the track and trace system, the licensee shall conduct an audit and notify the Department in writing if the discrepancy is significant as defined in section 15034.

COST RECOVERY

17. Section 26031.1 of the Code states that:

(a) Except as otherwise provided by law, in an order issued in resolution of a 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.

(b) A certified copy of the actual costs, or a good faith estimate of costs where actual costs are not available, signed by the department or its designated representative shall be *prima facie* evidence of reasonable costs of investigation and 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 imposed by the Attorney General.

(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 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 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 to subdivision (a).

(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 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.

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

(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 under this section.

(2) Notwithstanding paragraph (1), the department may, in its discretion, conditionally renew or reinstate for a maximum of one year the license of any 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.

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

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

FACTUAL ALLEGATIONS

18. On August 15, 2024, Department Special Investigator (SI) Matthew McLean (McLean) reviewed Respondent's California Cannabis Track and Trace (CCTT) account, through the Marijuana Enforcement Tracking Reporting Compliance (METRC) system, license number C11-0000105-LIC, which is a licensed distribution premises. SI McLean discovered that after Respondent created transfer manifests for seven transfers from October 1, 2019, through April 25, 2024, the Respondent then created 38 transfer manifests for transfers from April 26, 2024, through August 15, 2024. From his training and experience, SI McLean believed that a sudden increase in cannabis transfers can be indicative of a licensee becoming involved in the diversion of cannabis from the licensed market to the unlicensed market.

19. On August 16, 2024, at approximately 10:50 a.m., SI McLean, along with Department SI Kevin Johnson (Johnson), arrived at Respondent's premises located at 2433 Poplar Street, Oakland, CA 94607. SI McLean knocked on the gate of the licensed premises and was greeted by Tommy Kwok (Kwok). SIs McLean and Johnson identified themselves using Department issued credentials and Kwok provided immediate access to the licensed premises. Kwok identified himself as a new licensee of "The Oakland M Company." Kwok explained that he had taken ownership of the license several months prior. SI McLean asked Kwok whether a

1 notice of change of ownership had been submitted to the Department. Kwok said that a notice had
2 not been submitted. SI McLean explained to Kwok that the Department requires notification of
3 any change in ownership. Kwok told SI McLean that he would submit a request for change of
4 ownership.

5 20. SI McLean inspected the Respondent's licensed premises and discovered that it
6 contained a small amount of cannabis consistent with the cannabis inventory recorded in the
7 CCTT account. SI McLean asked Kwok whether he had been transferring cannabis and cannabis
8 products out of the licensed premises over the last several months. Kwok said that he had not
9 transferred out any cannabis products, nor had Respondent received any cannabis products in the
10 licensed premises. SI McLean asked Kwok about three transfers that were recorded as leaving
11 "The Oakland M Company" on the day that SIs McLean and Johnson were present at the licensed
12 premises, as well as the previous day. The transfers were numbered 0007470165, 0007470324,
13 and 0007476724. Kwok said that he had been at the premises the previous day, as well as earlier
14 that same day, and that no transfer of cannabis products had occurred. Additionally, Kwok told SI
15 McLean that the cannabis and cannabis products detailed in the transfer manifests had never been
16 physically present in the licensed premises.

17 21. SI McLean requested that Kwok provide access to the licensed premises video
18 surveillance system. Kwok said that he did not have access to the video surveillance system. SI
19 McLean again reviewed the information regarding the transfer manifests, and discovered that they
20 had been created with the CCTT account for "The Oakland M Company," with Frank Chang
21 (Chang) as owner. When SI McLean asked Kwok whether Chang was responsible for creating the
22 transfers, Kwok explained that Chang was elderly, and it was likely someone else was using
23 Chang's CCTT credentials. Kwok explained that Chang worked next door to the licensed
24 premises and Kwok subsequently took SIs McLean and Johnson to the building to speak with
25 Chang.

26 22. Once next door, SIs McLean and Johnson identified themselves to Chang using
27 their Department issued credentials. SIs McLean and Johnson attempted to ask Chang about the
28 transfers of cannabis, but Chang spoke very little English and communication with him was not

1 possible. At approximately 11:30 a.m., SIs McLean and Johnson departed Respondent's
2 premises.

3 23. To date, no notification of change in ownership had been received by the
4 Department.

5 24. On October 1, 2024, SI McLean reviewed the CCTT METRC¹ account and
6 employee status and history for "The Oakland M Company." SI McLean discovered that "The
7 Oakland M Company" has not created any outbound manifests or received any inbound manifests
8 since McLean and Johnson's inspection on August 15, 2024. However, the password for CCTT
9 METRC user Frank Chang has not changed. The CCTT METRC login for Frank Chang showed
10 10 logins since McLean and Johnson's inspection.

11 25. To date, the Department has not received a copy of the requested video
12 surveillance.

13 **FIRST CAUSE FOR DISCIPLINE**

14 (Failure to Accurately Record Transfers of Cannabis and Cannabis Products)

15 26. Respondent is subject to disciplinary action under Code section 26030, subdivisions
16 (a) and (c), and Title 4 of the California Code of Regulations, section 15049.2, in that Respondent
17 failed to properly prepare shipping manifests through the track and trace system prior to
18 transferring cannabis and cannabis products off of the licensed premises, and to record the date
19 and time of departure from the licensed premises and/or arrival at each other licensed premises, as
20 more particularly alleged in paragraphs 18 through 25, above, which are incorporated by
21 reference and realleged as if fully set forth herein.

22 **SECOND CAUSE FOR DISCIPLINE**

23 (Failure to Perform Track and Trace System Reconciliation)

24 27. Respondent is further subject to disciplinary action under Code sections 26030,
25 subdivisions (a) and (c), 26160, and Title 4 of the California Code of Regulations, section 15051,
26 subdivisions (a)(1) and (b), in that Respondent failed to review the information recorded in the

27 28 ¹ "METRC" is a Florida company with whom the State of California has partnered to
"track-and-trace" regulated cannabis in California "from seed to sale."
(<https://www.METRC.com/partner/california/>)

1 CCTT system at least once every 30 calendar days, including the reconciliation of on-hand
2 inventory of cannabis with the CCTT records, and conducting an audit and notifying the
3 Department in writing if a significant discrepancy is found as more particularly alleged in
4 paragraphs 18 through 25, above, which are hereby incorporated by reference and realleged as if
5 fully set forth herein.

6 **THIRD CAUSE FOR DISCIPLINE**

7 (Failure to Accurately Record All Commercial Cannabis Activity in the CCTT System)

8 28. Respondent is further subject to disciplinary action under Code section 26030,
9 subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15047.2,
10 subdivision (b), in that Respondent failed to accurately record all commercial cannabis activity in
11 the CCTT system, as more particularly alleged in paragraphs 18 through 25, above, which are
12 hereby incorporated by reference and realleged as if fully set forth herein.

13 **FOURTH CAUSE FOR DISCIPLINE**

14 (Failure to Keep Video Surveillance Recordings for 90 Calendar Days)

15 29. Respondent is further subject to disciplinary action under Code section 26030,
16 subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15044,
17 subdivision (h), in that Respondent failed to keep surveillance records for a minimum of 90
18 calendar days, as more particularly alleged in paragraphs 18 through 25, above, which are hereby
19 incorporated by reference and realleged as if fully set forth herein.

20 **FIFTH CAUSE FOR DISCIPLINE**

21 (Failure to Provide Video Surveillance Recordings to the Department)

22 30. Respondent is further subject to disciplinary action under Code sections 26030,
23 subdivisions (a) and (c), 26160, subdivision (e) and Title 4 of the California Code of Regulations,
24 section 15044, subdivision (i), in that Respondent failed to provide the Department with copies of
25 surveillance recordings with the time specified by the Department, as more particularly alleged in
26 paragraphs 18 through 25, above, which are hereby incorporated by reference and realleged as if
27 fully set forth herein.

28 ///

SIXTH CAUSE FOR DISCIPLINE

(Failure To Adhere To Business Modification Requirements)

31. Respondent is further subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15023, subdivision (c), in that licenses are not transferrable or assignable and in the event of the sale or transfer of the business operations covered by the license, a change of ownership request must be made, as more particularly alleged in paragraphs 18 through 25, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

PRAYER

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

1. Revoking outright or with terms and conditions or fining or any combination thereof, the Cannabis - Distributor License Number C11-0000105-LIC issued to The Oakland M Company, LLC (Respondent) with Frank Chang as Owner;

2. Ordering the destruction of cannabis and cannabis goods in the possession of Respondent The Oakland M Company, LLC (Respondent) with Frank Chang as Owner, at Respondent's expense if revocation of Cannabis – Distributor License Number C11-0000105-LIC is ordered, pursuant to Code of Regulations, title 4, section 15024.1, subdivision (a); and

3. Taking such other and further action as deemed necessary and proper.

DATED: May 5, 2025

Evelyn Schaeffer

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

LA2025800434

1 ROB BONTA
2 Attorney General of California
3 GREGORY M. CRIBBS
4 Supervising Deputy Attorney General
5 ROB WHITE
6 Deputy Attorney General
7 State Bar No. 222504
8 600 West Broadway, Suite 1800
9 San Diego, CA 92101
10 Telephone: (619) 807-8381
11 Facsimile: (916) 732-7920
12 E-mail: RobertT.White@doj.ca.gov
13 *Attorneys for Complainant*

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

In the Matter of the Accusation Against:
**THE OAKLAND M COMPANY LLC;
FRANK CHANG, OWNER.**

Case No. DCC24-0001996-INV

REQUEST FOR DISCOVERY

Respondent.

TO RESPONDENT:

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

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

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

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

1 the act or omission of the Respondent as to this person is the basis for the
2 administrative proceeding;

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

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

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

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

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

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

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

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

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

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

12 Dated: May 27, 2025

13 ROB BONTA
14 Attorney General of California
15 GREGORY M. CRIBBS
16 Supervising Deputy Attorney General



17 ROB WHITE
18 Deputy Attorney General
19 *Attorneys for Complainant*

20 RTW: ht
21 SA2025800434
22 85131041

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

In the Matter of the Accusation Against:

**THE OAKLAND M COMPANY LLC;
FRANK CHANG, OWNER.,**

Respondent.

Case No. DCC24-0001996-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/>.

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85131041

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

In the Matter of the Accusation Against:

**THE OAKLAND M COMPANY LLC;
FRANK CHANG, OWNER.,**

Respondent.

Case No. DCC24-0001996-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://www.dca.ca.gov/about_us/entities.shtml.

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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.

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DECLARATION OF SERVICE BY E-MAIL, CERTIFIED MAIL
AND FIRST CLASS MAIL
(Separate Mailings)

Case Name: **In the Matter of the Accusation against The Oakland M Company LLC; Frank Chang, Owner.**

Case No.: **DCC24-0001996-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 and the process for electronic mailing. 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 27, 2025, I served the attached **STATEMENT TO RESPONDENT; ACCUSATION; REQUEST FOR DISCOVERY; NOTICE OF DEFENSE (2 Copies); and GOVERNMENT CODE SECTION 11507.5, 11507.6, 11507.7** by placing a true copy thereof enclosed in a sealed envelope as certified mail with return receipt requested, and another true copy of the **STATEMENT TO RESPONDENT; ACCUSATION; REQUEST FOR DISCOVERY; NOTICE OF DEFENSE (2 Copies); and GOVERNMENT CODE SECTION 11507.5, 11507.6, 11507.7** 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 600 West Broadway, Suite 1800, San Diego, CA 92101, addressed as follows:

Frank Chang, Owner

2433 Poplar Street Oakland CA 94607-2413

Email: oaklandmcompany@gmail.com; oaklandmcompany@yahoo.com

Certified Article Number

9414 7266 9904 2232 2822 42

SENDER'S RECORD

Lupe Schoenberger, Primary Contact and Consultant

PO Box 364

Alamo, CA 94507

Email: lupe528@msn.com

Certified Article Number

9414 7266 9904 2232 2822 35

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 27, 2025, at San Diego, California.

H. Tesfagiorgis

Declarant

H. Tesfagiorgis

Signature

Exhibit 2

License History Certification for Respondent



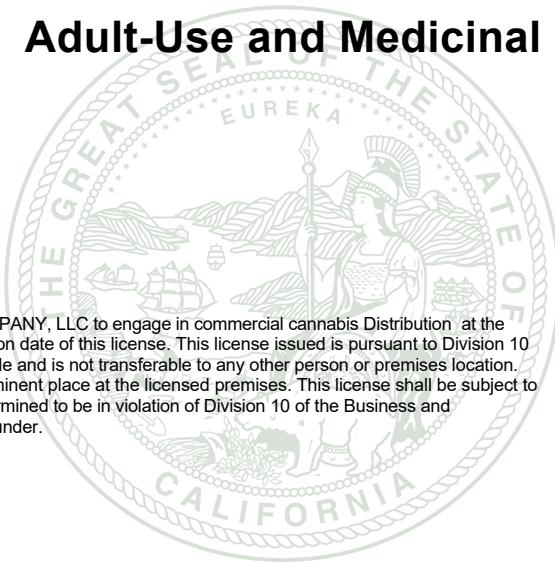
Cannabis Distributor License Adult-Use and Medicinal

Business Name:
THE OAKLAND M COMPANY, LLC

THE OAKLAND M COMPANY, LLC

License Number: C11-0000105-LIC
License Type: Distributor

The license authorizes THE OAKLAND M COMPANY, LLC to engage in commercial cannabis Distribution at the premises address listed above until the expiration date of this license. This license issued is pursuant to Division 10 of the California Business and Professional Code and is not transferable to any other person or premises location. This license shall always be displayed in a prominent place at the licensed premises. This license shall be subject to suspension or revocation if the licensee is determined to be in violation of Division 10 of the Business and Professions Code or regulations adopted thereunder.



Premises Address:
2433 POPLAR ST
OAKLAND, CA 94607-2413

Valid: 5/17/2019
Expires: 5/16/2026

Scan to verify this
license.



Non-Transferable

Post in Public View

Scan to verify this license.



Valid:
5/17/2019

Expires:
5/16/2026

License No:
C11-0000105-LIC

Legal Business Name:
THE OAKLAND M COMPANY, LLC
THE OAKLAND M COMPANY, LLC

Premises Address:
2433 POPLAR ST
OAKLAND, CA 94607-2413

1. Use your smartphone camera to scan the QR code for licensing information.
2. If your camera doesn't have scanning functionality, you can look up a location at search.cannabis.ca.gov using license number C11-0000105-LIC.

Exhibit 3

Certification of Costs by Department for Investigation in
Case No. DCC24-0001996-INV dated August 6, 2025

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

In the Matter of the Accusation Against:

Case No. DCC24-0001996-INV

**THE OAKLAND M COMPANY, LLC;
FRANK CHANG, OWNER
2433 Poplar Street Oakland, CA 94607**

**DECLARATION OF TRAVIS WHITE
REGARDING INVESTIGATIVE
ACTIVITY**

Cannabis - Distributor License No. C11-0000105-LIC

Respondent.

I, Travis White, declare and certify as follows:

1. I am employed as a Supervising Special Investigator (SSI) I within the Investigative Services Branch (ISB) of the Compliance Division of the Department of Cannabis Control (Department).

2. I have been designated as the Department representative to certify the costs of investigation in this case pursuant to Business and Professions Code section 26031.1. I make this certification in my official capacity as an SSI I and as a public employee pursuant to Evidence Code section 664.

3. The following list of Supervising and or Special Investigators (SI) were assigned to the investigation of this case, which was initially opened by the Department's Compliance Division on or about August 16, 2024: Matthew McLean, Lead SI; Kevin Johnson, Assisting SI; and Travis White, SSI I.

4. In my official capacity as an SSI I, I review the costs incurred by the Department's ISB in the enforcement of the laws and regulations under its jurisdiction and certify that these costs were incurred by the Department. I am familiar with the time reporting system of the

1 Department's Compliance Division for the reasonable and necessary investigative work
2 performed on a particular case. It is the duty of supervising special investigators to keep track of
3 the time spent and to report that time in the Department's case management system at or near the
4 time of the tasks performed.

5. The investigative activity summary entitled The Oakland M Company, LLC
6 Certification of Cost Recovery was obtained from the Department's case management system and
7 includes the details of tasks performed by Supervising and or Special Investigators as maintained
8 in the Department's case management system. The costs related to investigative activity include
9 field time, research and report writing, meetings, and use of state vehicles. I hereby certify that
10 the Oakland M Company, LLC Certification of Cost Recovery, attached hereto and herein
11 incorporated by reference is a true and correct copy of the investigative activity for this case. The
12 investigative activity summary encompasses the total hours spent by the Department's ISB
13 through January 30, 2025. The investigative activity summary does not include tasks performed
14 after this date.

6. I certify pursuant to the provisions of Business and Professions Code section
26031.1 that to the best of my knowledge the costs of investigative services set forth in this
declaration are correct and were necessarily incurred in this case. The total hours of investigative
activity and rates applicable to the above-entitled case are as follows:

a) Special Investigator Field Time:

Rate per hour: \$101.00 multiplied by 12 hours = \$1,212.00

b) Research and Report Writing:

Rate per hour: \$101.00 multiplied by 12 hours = \$1,212.00

c) Meetings:

Rate per hour: \$101.00 multiplied by 6 hours = \$606.00

d) Use of State Vehicles:

1 vehicle @ .58 per mile multiplied by 195 miles = \$113.10

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1 I declare under penalty of perjury under the laws of the State of California that the
2 foregoing is true and correct and that this declaration was executed in Los Angeles County on
3 August 6, 2025.

4 *Travis White*
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Travis White
7 Declarant
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Last Name	First Name	Hourly Rate	Field Time	Research and Report	Meetings	Total Hours	Total Expense
Lead SI, McLean	Matthew	\$101.00		6	10	2	18 \$1,818.00
Supervising Special Investigator I, White	Travis	\$101.00		0	2	2	4 \$404.00
SI Johnson	Kevin	\$101.00		6	0	2	8 \$808.00
					0	0	\$0.00
					0	0	\$0.00
Total Personnel Services							\$3,030.00
Total Personnel Services and Operating Expense							\$3,143.10

Operating Expense	Count	Miles	@.58 per mile
State Vehicles	1	195	\$113.10
U-Haul Rental			\$0.00
U-Haul Gas			\$0.00
Total Operating Expense			\$113.10

Exhibit 4

Certification of Costs by Department for Enforcement in
Case No. DCC24-0001996-INV dated November 12, 2025

1 ROB BONTA
2 Attorney General of California
3 HARINDER K. KAPUR
4 Senior Assistant Attorney General
5 State Bar No. 198769
6 600 West Broadway, Suite 1800
7 San Diego, CA 92101
8 Telephone: (619) 738-9407
9 Facsimile: (916) 732-7920
10 E-mail: Harinder.Kapur@doj.ca.gov
11 *Attorneys for Complainant*

12 **BEFORE THE**
13 **DEPARTMENT OF CANNABIS CONTROL**
14 **STATE OF CALIFORNIA**

15 In the Matter of the Accusation Against:

16 **THE OAKLAND M COMPANY LLC;**
17 **FRANK CHANG, OWNER**

18 Case No. DCC24-0001996-INV

19 OAH No.

20 **CERTIFICATION OF**
21 **PROSECUTION COSTS:**
22 **DECLARATION OF HARINDER K. KAPUR**

23 Respondent.

24 Business and Professions Code section 26031.1]

25 I, HARINDER K. KAPUR, hereby declare and certify as follows:

26 1. I am a Senior Assistant Attorney General employed by the California Department of
27 Justice (DOJ), Office of the Attorney General (Office). I am assigned to the Cannabis Control
28 Section in the Civil Division of the Office. I have been designated as the representative to certify
29 the costs of prosecution by DOJ and incurred by the Department of Cannabis Control in this case.
30 I make this certification in my official capacity and as an officer of the court and as a public
31 employee pursuant to Evidence Code section 664.

32 2. I represent the Complainant, Evelyn Schaeffer, Deputy Director of the Compliance
33 Division of the Department of Cannabis Control, in this action. I was assigned to handle this case
34 on or about October 28, 2025.

35 3. Our Office's computerized case management system reflects that the following
36 persons have also performed tasks related to this matter: Harinder K. Kapur, Senior Assistant
37 Attorney General of California.

1 Attorney General; Robert T. White, Deputy Attorney General; Gregory M. Cribbs, Supervising
2 Deputy Attorney General; Helen Koh, Senior Legal Analyst.

3 4. I am familiar with the time recording and billing practices of DOJ and the procedure
4 for charging the client agency for the reasonable and necessary work performed on a particular
5 case. It is the duty of the time keeping employees to keep track of the time spent and to report
6 that time in DOJ's computerized case management system at or near the time of the tasks
7 performed.

8 5. On November 12, 2025, I requested a billing summary for this case from the
9 Accounting Department of the DOJ. In response, on November 12, 2025, I received a document
10 entitled "Matter Time Activity by Professional Type." I hereby certify that the Matter Time
11 Activity by Professional Type, attached hereto as Exhibit A, and herein incorporated by
12 reference, is a true and correct copy of the billing summary for this matter that I received from the
13 Accounting Department. The summary includes the billing costs incurred by me, as well as other
14 professionals of the DOJ who worked on the matter; and sets forth the tasks undertaken, the
15 amount of time billed for the activity, and the billing rate by professional type. The billing
16 summary is comprehensive of the charges by the Office to the Department of Cannabis Control
17 through November 12, 2025. It does not include billing for tasks performed after November 12,
18 2025, up to the date of hearing.

19 6. Based upon the time reported through November 12, 2025, as set forth in Exhibit A,
20 DOJ has billed the Department of Cannabis Control \$8,547.00 for the time spent working on the
21 above-entitled case.

22 7. To the best of my knowledge the items of cost set forth in this certification are correct
23 and were necessarily incurred in this case.

24 I certify under penalty of perjury under the laws of the State of California that the foregoing
25 is true and correct.

26 ///

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28 ///

1 Executed on 11/26/2025, in the City of San Diego, California.
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3 
4 HARINDER K. KAPUR
5 Senior Assistant Attorney General
6 Declarant
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SA2025800434
85438317.docx

Exhibit A



Matter Time Activity By Professional Type

As of Nov 12, 2025

Matter ID: SA2025800434

Date Opened: 02/10/2025

Description: The Oakland M Company LLC (ACC)

Professional Type: Attorney

Fiscal Year: 2025

Professional: Robert Tomlin White

Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date
803262045	8/7/25	CV-CCS:290	02668	Client Communication	1.00	\$228.00	\$228.00		8/31/25
				Robert Tomlin White Totals:	1.00		\$228.00		
				2025 Totals:	1.00		\$228.00		

Fiscal Year: 2024

Professional: Gregory M. Cribbs

605489790	3/13/25	CV-CCS:290	02668	Supervisory Review	0.50	\$228.00	\$114.00		3/31/25
605489793	3/14/25	CV-CCS:290	02668	Supervisory Review	0.50	\$228.00	\$114.00		3/31/25
605514639	3/28/25	CV-CCS:290	02668	Supervisory Review	1.00	\$228.00	\$228.00		3/31/25
605541707	4/14/25	CV-CCS:290	02668	Supervisory Review	1.75	\$228.00	\$399.00		4/30/25
605542976	4/15/25	CV-CCS:290	02668	Supervisory Review	1.50	\$228.00	\$342.00		4/30/25
				Gregory M. Cribbs Totals:	5.25		\$1,197.00		

Professional: Robert Tomlin White

803061565	2/28/25	CV-CCS:290	02668	Case Evaluation/Assessment	2.00	\$228.00	\$456.00		2/28/25
803091969	3/27/25	CV-CCS:290	02668	Pleading Preparation	3.00	\$228.00	\$684.00		3/31/25
803091991	3/28/25	CV-CCS:290	02668	Pleading Preparation	2.50	\$228.00	\$570.00		3/31/25
803104575	4/4/25	CV-CCS:290	02668	Pleading Preparation	3.00	\$228.00	\$684.00		4/30/25
803104623	4/9/25	CV-CCS:290	02668	Pleading Preparation	3.50	\$228.00	\$798.00		4/30/25
803119157	4/15/25	CV-CCS:290	02668	Pleading Preparation	3.00	\$228.00	\$684.00		4/30/25
803119315	4/25/25	CV-CCS:290	02668	Pleading Preparation	2.00	\$228.00	\$456.00		4/30/25
803152794	5/2/25	CV-CCS:290	02668	Pleading Preparation	0.50	\$228.00	\$114.00		5/31/25
803156765	5/5/25	CV-CCS:290	02668	Client Communication	0.50	\$228.00	\$114.00		5/31/25
803158855	5/19/25	CV-CCS:290	02668	Pleading Preparation	1.00	\$228.00	\$228.00		5/31/25
803158859	5/20/25	CV-CCS:290	02668	Pleading Preparation	2.00	\$228.00	\$456.00		5/31/25
803158863	5/21/25	CV-CCS:290	02668	Client Communication	0.25	\$228.00	\$57.00		5/31/25
803158867	5/22/25	CV-CCS:290	02668	Pleading Preparation	1.00	\$228.00	\$228.00		5/31/25



Matter Time Activity By Professional Type

As of Nov 12, 2025

Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date
803171664	6/5/25	CV-CCS:290	02668	Document Analysis	1.00	\$228.00	\$228.00		6/30/25
803179880	6/9/25	CV-CCS:290	02668	Investigation	0.25	\$228.00	\$57.00		6/30/25
803184006	6/18/25	CV-CCS:290	02668	Pleading Preparation	1.50	\$228.00	\$342.00		6/30/25
803185459	6/25/25	CV-CCS:290	02668	Case Management	0.50	\$228.00	\$114.00		6/30/25
Robert Tomlin White Totals:					27.50		\$6,270.00		
2024 Totals:					32.75		\$7,467.00		
Attorney Totals:					33.75		\$7,695.00		



Matter Time Activity By Professional Type

As of Nov 12, 2025

Matter ID: SA2025800434

Date Opened: 02/10/2025

Description: The Oakland M Company LLC (ACC)

Professional Type: Paralegal

Fiscal Year: 2025

Professional: Helen Koh

Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date
803345211	11/12/25	CV-CCS:290	02668	Contract/Document Preparation	1.75	\$213.00	\$372.75		
				Helen Koh Totals:	1.75		\$372.75		
				2025 Totals:	1.75		\$372.75		

Fiscal Year: 2024

Professional: Helen Koh

803038392	2/10/25	CV-CCS:290	02668	Case Management	1.25	\$213.00	\$266.25		2/28/25
803052822	2/25/25	CV-CCS:290	02668	Case Management	0.25	\$213.00	\$53.25		2/28/25
803055390	2/27/25	CV-CCS:290	02668	Case Management	0.25	\$213.00	\$53.25		2/28/25
803096618	4/7/25	CV-CCS:290	02668	Case Management	0.25	\$213.00	\$53.25		4/30/25
803137135	5/14/25	CV-CCS:290	02668	Case Management	0.25	\$213.00	\$53.25		5/31/25
				Helen Koh Totals:	2.25		\$479.25		
				2024 Totals:	2.25		\$479.25		
				Paralegal Totals:	4.00		\$852.00		
				SA2025800434 Totals:	37.75		\$8,547.00		



Cost of Suit Summary

As of Nov 12, 2025

MatterID: SA2025800434	Date Opened: Feb 10, 2025	Total Legal Costs: \$8,547.00
Description: The Oakland M Company LLC (ACC)		Cost of Suit: \$0.00
		Grand Total: \$8,547.00

Totals include WIP time.

Rate	Hrs Wrkd	Amount
Matter Time Activity Summary		
Attorney		
2025-2026		
\$228.00	1.00	\$228.00
	Total For:	2025-2026 \$228.00
2024-2025		
\$228.00	32.75	\$7,467.00
	Total For:	2024-2025 \$7,467.00
	Total for:	Attorney \$7,695.00
Paralegal		
2025-2026		
\$213.00	1.75	\$372.75
	Total For:	2025-2026 \$372.75
2024-2025		
\$213.00	2.25	\$479.25
	Total For:	2024-2025 \$479.25
	Total for:	Paralegal \$852.00
Total Legal Costs		\$8,547.00

Entry No	Journal Date	Vendor #	Vendor	Schedule	Reference	Amount
Cost of Suit						
* Denotes soft costs which are not included in totals.						

Exhibit 5

Investigative Report (without attachments)
DCC Case No. DCC24-0001996-INV

**INVESTIGATION REPORT****Department of
Cannabis Control
CALIFORNIA****CASE INFORMATION**

Case Number DCC24-0001996-INV	Date Received August 16, 2024
License Number C11-0000105-LIC	Legal Business Name of Licensee or Unlicensed Party The Oakland M Company, LLC
DBA The Oakland M Company, LLC	Premises Address 2433 Poplar Street, Oakland, CA 94607
Business Phone Number (510) 835-3537	Author's Name Matthew McLean
Date of Incident August 16, 2024	Location of Incident 2433 Poplar Street, Oakland, CA 94607

DESIGNATED RESPONSIBLE PARTY (OWNER) OR UNLICENSED PERSON(S)

Name (First, Middle, Last) Frank Chang	Title Chief Executive Officer
Address (include street, city, state, and zip code) 2433 Poplar Street, Oakland, CA 94607	
E-mail Address oaklandmcompany@yahoo.com	Phone Number (510) 835-3537

Miscellaneous Information

Lupe Schoenberger – Consultant – PO Box 364, Alamo, CA 94507 – lupe1528@msn.com – (925) 837-5827 – (925) 324-0722

SUMMARY

On August 16, 2024, I, Department of Cannabis Control (Department) Special Investigator (SI) Matthew McLean along with Department SI Kevin Johnson conducted an inspection of The Oakland M Company, LLC, C11-0000105-LIC, a licensed distribution premises located at 2433 Poplar Street, Oakland, CA 94607. During the inspection I discovered that cannabis and cannabis products were recorded as having been received at the licensed premises and subsequently transferred out but were never physically present in the licensed premises. The Oakland M Company licensee was not able to provide any records or video surveillance for the cananbis and cannabis products of my inquiry.



BACKGROUND

None

CASE NARRATIVE

On August 15, 2024, I, Department of Cannabis Control (Department) Special Investigator (SI) Matthew McLean reviewed the California Cannabis Track and Trace (CCTT) account for The Oakland M Company, LLC, C11-0000105-LIC, a licensed distribution premises. I discovered that after only creating transfer manifests for seven transfers from October 1, 2019, until April 25, 2024, the license had created 38 transfer manifests for transfers from April 26, 2024, until August 15, 2024 (**Attachment 1**). I know from my training and experience that a sudden increase in cannabis transfers can be indicative of a license becoming involved in the diversion of cannabis from the licensed to the unlicensed market.

On August 16, 2024, at approximately 1050 hours, I, along with Department SI Kevin Johnson, arrived at The Oakland M Company, LLC licensed premises located at 2433 Poplar Street, Oakland, CA 94607. I knocked on the gate of the licensed premises and was greeted by Tommy Kwok (**Attachment 2**). SI Johnson and I identified ourselves using our Department issued credentials and Kwok provided immediate access to the licensed premises. Kwok identified himself as a new licensee of The Oakland M Company. Kwok explained that he had taken ownership of the license several months prior. I asked Kwok whether a notice of change of ownership had been submitted to the Department. Kwok said that a notice had not been submitted. I explained to Kwok that the Department requires notification of any change in ownership. Kwok told me he would have the notification submitted.

I inspected the licensed premises and discovered that it contained a small amount of cannabis consistent with the cannabis inventory recorded in the CCTT account.

I asked Kwok whether he had been transferring cannabis and cannabis products out of the license over the last several months. Kwok said that he had not transferred out any cannabis products and had also not received any cannabis products in the licensed premises. I asked Kwok about three transfers that were recorded as



INVESTIGATION REPORT

leaving The Oakland M Company while we were present at the licensed premises and the previous day. The transfers were numbered 0007470165, 0007470324, and 0007476724 (**Attachment 3**). Kwok said that he had been in the premises the previous day and earlier that same day and no transfer of cannabis products had occurred. Additionally, Kwok told me that the cannabis and cannabis products detailed in the transfer manifests had never been physically present in the licensed premises.

I requested that Kwok provide access to the licensed premises video surveillance system. Kwok said that he did not have access to the video surveillance system.

I further reviewed the information regarding the transfer manifests and discovered that they had been created with the CCTT account for The Oakland M Company owner Frank Chang. When I asked Kwok whether Chang was responsible for creating the transfers Kwok explained that Chang was elderly and it was likely someone using his CCTT credentials. Kwok explained that Chang worked next door to the licensed premises and Kwok took us to the building to speak with Chang.

SI Johnson and I identified ourselves to Chang using our Department issued credentials. I attempted to ask Chang about the transfers of cannabis, but Chang spoke very little English and communication with him was not possible.

At approximately 1130 hours we departed the licensed premises.

As of September 26, 2024, no notification of change in ownership has been received by the Department.

On October 1, 2024, I reviewed the CCTT METRC account and employee status and history for The Oakland M Company, LLC. I discovered that The Oakland M Company, LLC has not created any outbound manifests or received any inbound manifests since my inspection on August 15, 2024. However, the password for CCTT METRC user Frank Chang has not changed (**Attachment 4**). The CCTT METRC login for Frank Chang shows 10 logins since my inspection (**Attachment 5**).

As of the date of submission of this report, I have not received a copy of the requested video surveillance.



INVESTIGATION REPORT

WITNESS LIST

Witness #1

- Name: Matthew McLean
- Title/Position: Special Investigator
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 223-7121
- E-mail: matthew.mclean@cannabis.ca.gov
- Miscellaneous information: Lead investigator

Witness #2

- Name: Kevin Johnson
- Title/Position: Special Investigator
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 622-7758
- E-mail: kevin.johnson@cannabis.ca.gov
- Miscellaneous information: Assisted with investigation

Witness #3

- Name: Tommy Kwok
- Title/Position: Claimed new license owner
- Address: 2616 Miramar Avenue, Castro Valley, CA 94546
- Phone:
- E-mail:
- Miscellaneous information: Provided access to licensed premises

Witness #4

- Name: Frank Chang
- Title/Position: The Oakland M Company Chief Executive Officer
- Address: 2433 Poplar Street, Oakland, CA 94607
- Phone: (510) 835-3537
- E-mail: oaklandmcompany@yahoo.com
- Miscellaneous information: Attempted to interview during investigation

PREPARER

Name	Title
Matthew McLean	Special Investigator
Signature	Date

REVIEWER

Name	Title
Travis White	Supervising Special Investigator I
Signature	Date

LIST OF ATTACHMENTS

- Attachment 1 - List of Transfer Manifests
- Attachment 2 - California ID for Tommy Kwok
- Attachment 3 - Transfer Manifests 0007470165, 0007470324, and 0007476724
- Attachment 4 – CCTT Frank Chang Password screen
- Attachment 5 – Frank Chang CCTT login attempts

PROOF OF SERVICE

Case Name: In the Matter of the Accusation Against: The Oakland M Company LLC
DCC Case No. DCC24-0001996-INV
License Number: C11-0000105-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 December 10, 2025, I served the within documents:

NOTICE OF DEFAULT DECISION AND ORDER

- 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.

The Oakland M Company LLC
Frank Chang, Owner
Hsu Cheng Chang, Owner
Hsu Ming Chang, Owner
2433 Poplar Street
Oakland, CA 94607
Certified Mail No. 7022 1670 0001 3411 8566
oaklandmcompany@yahoo.com

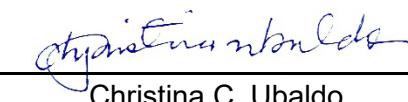
Evelyn Schaeffer (email only)
Deputy Director
Compliance Division
Department of Cannabis Control
Evelyn.Schaeffer@cannabis.ca.gov

Rob White (email only)
Deputy Attorney General
Cannabis Control Section
Office of Attorney General
RobertT.White@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 December 10, 2025, at Rancho Cordova, California.


Christina C. Ubaldo