



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

Nicole Elliott
Director

December 23, 2025

VIA EMAIL AND CERTIFIED MAIL

Space Boyz LLC dba The Reefer Shop
Adham Rahman, Owner
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Re: Space Boyz LLC dba The Reefer Shop - Case No. DCC25-0000805-INV
OAH Case No. 2025101163
Notice of Proposed Decision from Office of Administrative Hearings
Order Adopting Proposed Decision as Final Decision

Dear Messrs. Rahman and Wasserman:

On December 22, 2025, the Office of Administrative Hearings issued a Proposed Decision in the above-referenced administrative matter. A true and correct copy of the Proposed Decision has been filed with the Department as a public record and is attached.

Furthermore, please find attached a copy of the Department of Cannabis Control's Order Adopting the Proposed Decision of Administrative Law Judge Traci C. Belmore in its entirety as the Final Decision in the above-referenced matter.

Pursuant to the Final Decision, Respondent Space Boyz LLC dba The Reefer Shop's Cannabis Retailer License No. C10-0001356-LIC is revoked. The Department's Order and Final Decision is effective immediately, December 23, 2025.

Sincerely,

Marc LeForestier
General Counsel

Enclosure



NOTICE OF PROPOSED DECISION

December 23, 2025

Re: Space Boyz LLC dba The Reefer Shop – OAH Case No. 2025101163
DCC Case No. DCC25-0000805-INV
NOTICE OF PROPOSED DECISION FROM
OFFICE OF ADMINISTRATIVE HEARINGS

On December 22, 2025, the Department of Cannabis Control received from the Office of Administrative Hearings a Proposed Decision in the above-referenced administrative matter. A true and correct copy of the Proposed Decision has been filed with the Department as a public record and is attached.

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

In the Matter of the Accusation Against:

SPACE BOYZ, L.L.C., d.b.a. THE REEFER SHOP;

ADHAM RAHMAN, Owner,

Cannabis Retailer License No. C10-0001356-LIC,

Respondent

Agency Case No. DCC25-0000805-INV

OAH No. 2025101163

PROPOSED DECISION

Administrative Law Judge Traci C. Belmore, Office of Administrative Hearings, State of California, heard this matter on November 20 and 21, 2025, by videoconference.

Deputy Attorney General Michael Duong represented complainant, Evelyn Schaeffer, Deputy Director, Compliance Division, Department of Cannabis Control.

Attorney Craig S. Wasserman represented respondent Space Boyz, L.L.C., doing business as The Reefer Shop, Adham Rahman, Owner.

The record was closed, and the matter was submitted for decision on November 21, 2025.

FACTUAL FINDINGS

Background and Procedural History

1. This matter arises under the Medicinal and Adult Use Cannabis Regulation and Safety Act (Act), Business and Professions Code section 26000 et seq.,¹ which governs the licensing and regulation of commercial cannabis.

2. The Act requires the Department of Cannabis Control (department) to establish a system to track and trace cannabis from “seed to sale.” The department established the California Cannabis Track and Trace (CCTT) system. The licensees and their designees are required to log into CCTT using unique log-in credentials and timely and accurately report the required data.

3. On June 28, 2023, the department issued Cannabis Retailer License No. C10-0001356-LIC to respondent Space Boyz, L.L.C., d.b.a. The Reefer Shop, Adham Rahman, Owner. The license was in full force and effect at all times relevant to this matter. The license will expire on June 27, 2026, unless renewed.

4. On September 5, 2025, complainant, in her official capacity, signed a petition for an Interim Suspension Order against respondent. The petition alleged that

¹ All statutory references are to the Business and Professions Code unless otherwise stated.

respondent's continued licensure endangers the public health and safety. The petition was accompanied by supporting documents, including the declarations of two special investigators with the department.

5. On October 3, 2025, a hearing on the petition was held. The petition was granted, and an interim suspension was ordered against respondent on October 9, 2025.

6. On October 23, 2025, complainant, in her official capacity, signed an accusation against respondent seeking to impose discipline upon respondent's license for the following reasons: 1) failing to accurately record all commercial cannabis activities and/or intentionally misrepresenting or falsifying information in respondent's CCTT account, 2) misbranding cannabis products, 3) failing to keep a minimum of 90 days of surveillance video, 4) failing to preserve and maintain accurate inventory records, 5) failing to ensure each employee had their own CCTT account and password information, 6) recording transactions outside of the permissible hours of sale and delivery, and 7) failing to display and provide copies of public health brochures.

7. Respondent timely filed a notice of defense, and this hearing ensued.

Stipulations

8. At the beginning of the hearing, the parties stipulated that respondent had committed the violations contained in causes for discipline numbers three, five, six, and seven, and that those violations did not constitute a public safety risk. The parties also stipulated that the cause for discipline number two did not constitute a public safety risk.

Inspections

9. On a date not established by the record, the department received an anonymous complaint regarding respondent. The complaint alleged that respondent was selling packages that were “short” and had “the wrong weed in different package [sic] than what it said it was.”

10. On April 14, 2025, Special Investigator (SI) Heather Asendorf was assigned to investigate the complaint. SI Asendorf has been employed as a special investigator for the department for just under two years. She prepared a written report and testified at hearing consistently with that report.

11. On May 7, 2025, SI Asendorf along with SI Cory Pisciuoneri, Dustin Martinez, and SI Ann Kuhn conducted an inspection of respondent’s premises. During her inspection, SI Asendorf observed that respondent’s QR code was not posted outside of the business, products were misbranded, i.e. lacking tags with full unique identifier (UID) tags; respondent retained only one month of video surveillance footage, products lacked public health brochures, cannabis clones lacked UID tags; and cannabis products were misbranded with the wrong UID tag.

12. On June 25, 2025, SI Asendorf reviewed the CCTT account assigned to respondent. She noted multiple sales transactions for trade samples and several transactions that occurred after 10:00 p.m., which is after the permissible hours of a cannabis retail operation.

13. On June 26, 2025, SI Asendorf along with SI Aaron Lew and other department staff conducted an unannounced inspection of respondent. SI Asendorf noted that respondent’s QR code was not posted outside of the premise. When she informed an employee, the employee posted the QR code. SI Asendorf performed an

audit of respondent's storage area. She verified that trade samples were being sold for cash value. SI Asendorf again discovered cannabis products that lacked the manufacturer's name and contact information on the package label. Several products could not be traced to a licensed source. The product that was misbranded or not traceable to a licensed source was seized.

When SI Asendorf asked an employee why the products were misbranded, the employee referred her to the inventory manager, Nicole Martinez, who was not on site. SI Asendorf called Nicole² and during that conversation Nicole admitted that she did not have her own CCTT account. Nicole stated she does a daily audit. When asked to provide those records, Nicole stated that she destroys them after finishing the audit.

SI Asendorf discovered that respondent had retained only 32 days of video surveillance.

14. SI Lew was included in the second inspection because of his expertise with CCTT. SI Lew has been employed with the department for approximately four years and has 80 hours of training specific to CCTT. SI Lew prepared a written report and testified at hearing consistently with that report. SI Lew explained that the quantity of a package in CCTT showed the balance of product that was available for sale. He further explained that finishing a package in CCTT meant that there was no more product available for sale. SI Lew further explained diversion and inversion of product. Diversion is the practice of zeroing out a package without destroying the

² Since there are two individuals with the last name Martinez employed by respondent, the individuals will be referred to by their first names for ease of reference.

product. The product is then sold outside of the system. Inversion means bringing product into the commercial sales stream without demonstrating the legitimate provenance of the product. In other words, selling product that was not provided by a licensed source.

15. During the June 26, 2025, inspection, SI Lew downloaded three reports from respondent's CCTT account. The reports included a list of respondent's active cannabis packages on the date of inspection, a history of respondent's package adjustment beginning from the date of the issuance of respondent's license, and respondent's sales transactions from June 30, 2023, to the date of the inspection.

16. SI Lew noted that respondent had made approximately 5,900 inventory adjustments in the two years respondent had been in business. He randomly selected inventory adjustments to audit. The audits are as follows:

- Firewalker – Respondent accepted 317 units of this product on August 22, 2023. Respondent's CCTT account shows the sale of four units of this product in October 2023, and no other transactions. SI Lew was unable to locate any of the 313 units of this product that should have been in the store. SI Lew opined that this product had been diverted.
- Woody OG – Respondent accepted 326 units of this product on February 23, 2024. Respondent's CCTT account shows the sale of all 326 units of this product by March 21, 2024. Respondent then made a positive package adjustment of 349 units with no accompanying manifest documenting where the product came from. Respondent made an additional positive package adjustment of 17 units on March 31, 2024, again with no accompanying manifest documenting where the product came from. Respondent then sold

an additional 364 units, netting a profit of \$5,316.98. SI Lew opined that this product had been inverted.

- Lemon Cherry Z – Respondent accepted 390 units of this product on October 1, 2024. Between October 5 and 15, 2024, respondent sold 36 units of this product. On October 16, 2024, respondent made a negative package adjustment of 354 units noting “undersold.” On October 24, 2024, respondent reported the package as finished. SI Lew was unable to locate any of the units and opined that this product had been diverted.
- Maui Waui-Jefferey Infused Joint Single – Respondent accepted 10 units of this product on August 4, 2023. Respondent sold all 10 units of this product by October 19, 2023. On October 27, 2023, respondent reported that the product was finished. On January 29, 2025, respondent unfinished this UID number and made two positive adjustments for 88 and 33 units, with no accompanying manifest documenting where the product came from. On March 23, 2025, respondent made a negative adjustment of 69 units, designating them as “trade samples.” On April 19, 2025, respondent made another positive adjustment for five units and then sold the remaining units. On April 27, 2025, respondent again marked the product as finished. An additional 57 units were sold, and 69 units were provided as trade samples. SI Lew opined that this product had been inverted.
- Khalifa Kush-Violet Sky – Respondent accepted 32 units of this product on August 22, 2024. Respondent sold 24 units of this product by April 17, 2025. On April 28, 2025, respondent made a package adjustment of four units of this product noted as “promo.” Respondent reported the package as finished on May 12, 2025. On June 24, 2025, respondent unfinished the

package and made a positive adjustment for 16 additional units. SI Lew was able to find nine units of the product on the retail sales floor. However, the units found on the floor had a different source UID and batch number. SI Lew opined that this product had been inverted.

- Captain Bolo – SI Lew found six units of this product on the retail floor. However, no corresponding entries were made in respondent's CCTT account with that name and UID. When SI Lew scanned the product using respondent's point of sale (POS) system Treez, it was categorized under the product name Captain Bolo Promo and showed only one unit in the Treez inventory. SI Lew used the UID number produced by the scan in Treez and searched for that UID in respondent's CCTT account. In respondent's CCTT account, that UID came up for a product named "Apples & Bananas." SI Lew opined that this product had been inverted.
- Cake Blueberry Dream – SI Lew found seven units of this product on respondent's retail sales floor. Respondent accepted 25 units of this product on March 21, 2025. Respondent's CCTT account shows 23 units of this product were sold. On June 21, 2025, a negative adjustment of two units was made in respondent's CCTT account. On June 29, 2025, the package was finished. SI Lew opined that this product had been inverted.

17. SI Lew noted that respondent had reported over 30,000 active packages with a zero quantity in respondent's CCTT account. SI Lew testified that although the regulations do require inventory reconciliation every 30 days, this number of active packages with zero balances was too high.

18. At the conclusion of the June 26, 2025, inspection, SI Asendorf placed an embargo on 129 products in respondent's store. The embargo prohibited respondent from removing, selling, or disposing of the embargoed product. The reason for the embargo was the products were either mislabeled or misbranded. The packaging did not have the manufacturer's name or required contact information on the primary label panel.

Respondent's Evidence

19. Nicole Martinez testified on behalf of respondent. Her testimony is summarized as follows: she has been with respondent since it opened as the inventory manager. She was trained to use Treez by Ophelia Martinez, the store manager. She does daily audits in Treez and then throws away the handwritten notes of the audits. She does not have her own log-in or account in CCTT. She was never asked to produce the audit logs from Treez.

20. Ophelia Martinez testified that she has been the manager of respondent's store since its opening. She was trained that any adjustment made in Treez would show up in respondent's CCTT account. She only learned after the Interim Suspension Order hearing that Treez does not always transfer adjustments to respondent's CCTT account.

21. Musa Ahmed testified that he is the retail floor manager. He was present for both inspections. He claimed that he was not informed about any "red flags" in respondent's CCTT account. He acknowledged that he had been trained to use the CCTT account. He does not have his own separate log-in account or credentials for CCTT. He claimed that he had never made any adjustments in CCTT and that it was Nicole Martinez who made all the adjustments in respondent's CCTT account.

22. Jennifer Veiyra, a consultant with JR Consulting Services, testified on behalf of respondent. Her testimony is summarized as follows: Her company was retained by respondent on September 10, 2025. She is trained on Treez and has used it since 2020. Treez is supposed to work with CCTT and at midnight the transactions for that day are supposed to be uploaded to respondent's CCTT account. In this case that did not happen. She believed this was a training failure and not deliberate circumvention of department regulations.

23. Adham Rahman testified that he did not instruct anyone to do anything fraudulently. He did not check his CCTT account every day, that was the manager's responsibility. Nicole Martinez is responsible for all inventory in both respondent's CCTT account and Treez. Musa Ahmed is the floor manager. Ahmed does not handle any inventory adjustments in CCTT.

24. On July 10, 2025, respondent submitted a written plan for the embargoed products. The plan was essentially to send most of the products back to "distro licenses" in order to begin with "the restickering of all products." For Captain Bolo, the plan was to "reach out to the brand." For Cake Blueberry Dream (the product that showed zero quantities in respondent's CCTT account, but inspectors found seven units on the retail floor), the plan was to "reach out to the brand and let them know about overstock issues and simply return them to the store."

25. Respondent did not provide a remediation plan to the department until November 3, 2025, almost two months after being served with the petition.

Costs

26. Complainant seeks \$9,090 in investigation costs and \$21,584.25 in prosecution costs, for a total of \$30,674.25 in costs.

27. The Department of Justice submitted a declaration establishing that it will or has billed the department \$21,584.25 for legal services provided. Attached to the declaration is a spreadsheet detailing the tasks performed and time spent by each identified legal professional of the Department of Justice. These prosecution costs are deemed to be reasonable.

28. The department submitted a certification of costs signed by Jacob Nichols, Supervising Special Investigator. The certification showed the total amounts separated by individual and the tasks performed. These costs are deemed reasonable.

29. The reasonable costs for the investigation and enforcement of this matter are \$30,674.25.

LEGAL CONCLUSIONS

1. Complainant has the burden of proof to establish cause for license discipline by a preponderance of the evidence. (Evid. Code §§ 115 & 500.)

2. The department may impose discipline upon a license if the licensee has committed any act or omission constituting grounds for disciplinary action (§ 26031, subd. (a).)

3. Section 26030 sets forth the grounds for discipline which include failure to comply with laws and regulations of the Act (subd. (a)), or any other grounds contained in regulations adopted by the department pursuant to the Act (subd. (c)).

4. Respondent admitted that he had committed the following violations as alleged in the accusation: 3) failing to keep a minimum of 90 days of surveillance video, 5) failing to ensure each employee had their own CCTT account and password

information, 6) recording transactions outside of the permissible hours of sale and delivery, and 7) failing to display and provide copies of public health brochures.

Remaining Causes for Discipline

5. Section 26160 requires a licensee to keep accurate records of all commercial cannabis activity for a minimum of seven years. A licensee is responsible for maintaining an account within CCTT and for the accuracy and completeness of all data and information entered into CCTT. (Cal. Code Regs., tit. 4, § 15047, subds. (a) & (c).) Respondent's positive package adjustments without an accompanying manifest in respondent's CCTT account were not accurate or complete. Cause exists to impose discipline upon respondent's license under these sections.

6. Section 26039.5 establishes that a cannabis product is misbranded if the package was cultivated, processed, manufactured, packed or held in allocation not duly licensed by the Act (subd. (a)(2)), its labeling is false or misleading (subd. (a)(3)), and its labeling or packaging does not conform to the requirements of the Act. Section 26120, subdivision (c)(7) requires that all cannabis product labels and inserts have information associated with the UID issued by the department. Respondent had product on the sales floor with incorrect UIDs, missing the manufacturer's contact information, and a different name than the UID number on the package. Cause exists to impose discipline upon respondent's license under these sections.

7. California Code of Regulations, title 4, section 15037, subdivision (a)(7) requires a licensee to keep and maintain records required by the Act. California Code of Regulations, title 4, section 15423, requires a licensee to maintain an accurate record of its inventory and to produce the record of inventory upon request. Respondent failed to keep and/or maintain the daily record of inventory and was

unable to produce the record when requested to do so by SI Asendorf. Cause exists to impose discipline upon respondent's license per these sections.

Discussion

8. The Department's highest priority is in protecting the public. (Bus. & Prof. Code, § 26011.5.) In keeping with that mandate, the Department currently uses the Disciplinary Guidelines for all Commercial Cannabis Licenses (Guidelines), amended July 2022. Factors to be considered include: the nature and severity of the offenses; actual or potential harm to the public or to any consumer; prior disciplinary record; and number and/or variety of current violations, and any mitigating evidence.

9. The Guidelines provide tiers for violations of the Act. For Tier 1 violations, which are violations that are potentially harmful, the minimum penalty is stayed revocation, a suspension, or a combination of suspension and fine. The maximum penalty is revocation. Failure to maintain records and failure to comply with packaging requirements are Tier 1 violations. Respondent made numerous package adjustments without supporting manifests and many products were labeled with incorrect UID and missing the manufacturer's contact information.

10. For Tier 2 violations, which are violations that have a serious potential for harm, the minimum penalty is stayed revocation, a 15–30-day suspension, or a combination of suspension and fine. The maximum penalty is revocation. Misbranding violations are Tier 2 violations. Respondent misbranded and/or mislabeled 129 products leading to them being placed under embargo.

11. For Tier 3 violations, which are knowingly and willfully violating the Act and/or fraudulent acts related to the licensee's commercial cannabis business, the minimum penalty is stayed revocation, 45-day suspension, or a combination of

suspension and fine. The maximum penalty is revocation. Respondent sold cannabis products for which there was no documentation of where the product originated. Respondent put into the commercial stream an unidentified cannabis product. This is potentially extremely harmful to the public and consumers. Respondent made negative and positive adjustments to products which either inverted product with no provenance into the commercial stream or diverted products to an unknown location. Those are Tier 3 violations.

12. Respondent did nothing to correct the deficiencies noted in the May 7, 2025, inspection. After the June 26, 2025, inspection, respondent waited two weeks to file a woefully inadequate plan for the embargoed product. Respondent did hire a compliance company but again, the company was not hired until after the petition was served. Even after hiring the compliance company, respondent did not submit a remediation plan until November 3, 2025, two weeks before the hearing on the Interim Suspension petition.

13. Respondent had no explanation for the apparent inversion and diversion of product established by SI Lew. Instead, respondent maintained that it was all just paperwork errors.

14. Respondent presented no credible mitigation or rehabilitation evidence. Respondent's testimony did not reflect any insight or remorse. Fully acknowledging the wrongfulness of one's actions is an essential step toward rehabilitation. (*Seide v. Committee of Bar Examiners* (1989) 49 Cal.3d 933, 940.) Respondent has not demonstrated a change in attitude, which of the many rehabilitation criteria is "arguably the most important in predicting future conduct." (*Singh v. Davi* (2012) 211 Cal.App.4th 141, 149.)

15. Given all of the circumstances above, public protection requires revocation of respondent's license.

Costs

16. Section 26031.1 provides that a licensee found to have committed a violation of the licensing act may be ordered to pay a sum not to exceed the reasonable costs of the investigation and enforcement of the case. Respondent violated provisions of the Act. The board incurred \$30,674.25 in reasonable costs for the enforcement of this matter.

17. In *Zuckerman v. State Board of Chiropractic Examiners* (2002) 29 Cal.4th 32, 45, the California Supreme Court set forth standards for determining whether costs should be assessed in the particular circumstances of each case, to ensure that licensees with potentially meritorious claims are not deterred from exercising their right to an administrative hearing. Those standards include whether the licensee has been successful at hearing in getting the charges dismissed or reduced, the licensee's good faith belief in the merits of his or her position, whether the licensee has raised a colorable challenge to the proposed discipline, the financial ability of the licensee to pay, and whether the scope of the investigation was appropriate to the alleged misconduct. None of these considerations support a reduction in cost recovery here.

ORDER

1. Cannabis Retailer License No. C10-0001356-LIC issued to Space Boyz, L.L.C., doing business as The Reefer Shop, Adham Rahman, Owner is revoked.

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2. As a condition of reinstatement of Cannabis Retailer License No. C10-0001356-LIC respondent shall pay the department the costs of enforcement in the amount of \$30,674.25.

DATE: December 22, 2025

A handwritten signature in cursive script that reads "Traci C. Belmore".

TRACI C. BELMORE

Administrative Law Judge

Office of Administrative Hearings

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

In the Matter of the Accusation Against:

SPACE BOYZ, L.L.C., d.b.a. THE REEFER SHOP;

ADHAM RAHMAN, Owner,

Cannabis Retailer License No. C10-0001356-LIC,

Respondent

Agency Case No. DCC25-0000805-INV

OAH No. 2025101163

FINAL DECISION

Pursuant to Government Code section 11517, the attached Proposed Decision of the Administrative Law Judge Traci C. Belmore is hereby adopted in its entirety by the Department of Cannabis Control as its Final Decision in the above-entitled matter.

Pursuant to Government Code section 11519, this Final Decision shall become effective immediately, December 23, 2025.

IT IS SO ORDERED this 23rd day of December 2025.



Marc LeForestier
General Counsel
FOR THE DEPARTMENT OF CANNABIS CONTROL

PROOF OF SERVICE

Case Name: In the Matter of the Accusation Against: Space Boyz LLC dba The Reefer Shop
DCC Case No. DCC25-0000805-INV
OAH Case No. 2025101163
License Number: C10-0001356-LIC, Retailer

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 23, 2025, I served the within documents:

NOTICE OF PROPOSED DECISION, PROPOSED DECISION, & ORDER ADOPTING PROPOSED DECISION AS FINAL DECISION

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

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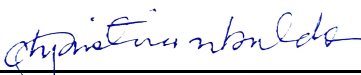
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I am familiar with the Department's business practices for collecting and transmitting mail through the United States Postal Service. In accordance with those practices, correspondence placed in the Department's internal mail collection system is, 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 23, 2025, at Rancho Cordova, California.



Christina C. Ubaldo