



**Department of
Cannabis Control**
CALIFORNIA

Gavin Newsom

Governor

Nicole Elliott

Director

January 7, 2026

VIA EMAIL ONLY

Red Moon, Inc.
Serob Papazyan, Owner
jan9346@gmail.com

Lisa Selan, Esq.
Selan Law Firm
lisa@selanlaw.com

Re: Red Moon, Inc. - Case No. DCC25-00007-CON
Order Adopting Stipulated Settlement and Condemnation Order
as Final Decision

Dear Mr. Papazyan:

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

The Department's Order and Final Decision will be effective today, January 7, 2026. As per the Condemnation Order, the three (3) dates available within the fifteen (15) period for the Department's Designee to observe the destruction and disposal of Respondent's cannabis and cannabis products are: January 14, 15, or 16, 2026. Please contact the Department's Designee to schedule the date and time.

Contact: Special Investigator Mason Sperakos
Compliance Division
Email: Mason.Sperakos@cannabis.ca.gov
Work Cell: (916) 956-8217
Desk Phone: (916) 251-4630

Pursuant to this Final Decision and its stipulated settlement, Red Moon, Inc. has waived any right to reconsideration or appeal in this matter and to receive a copy of the Decision and Order via certified, registered, or first-class mail.

Sincerely,

Douglas Smurr
Assistant General Counsel

Enclosure

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

11 In the Matter of the Proceeding for) CASE NO. DCC25-00007-CON
12 Condemnation of Embargoed Cannabis)
13 Product(s) Against:)
14 **RED MOON, INC.;**) **ORDER ADOPTING STIPULATED**
15 **SEROB PAPAZYAN, OWNER**) **SETTLEMENT AND ORDER AS FINAL**
16) **DECISION**
17)
18 14350 W Oxnard St.)
Van Nuys, CA 91401)
Cannabis Microbusiness License)
No. C12-0000223-LIC)
Respondent.)

19 Pursuant to Government Code section 11415.60, the Department of Cannabis Control
20 hereby adopts the attached Stipulated Settlement and Condemnation Order as its Final
21 Decision in this matter.

22 This Order and Final Decision shall become effective on January 7, 2026.

23 IT IS SO ORDERED, January 7, 2026.

18 June

Douglas Smurr
Assistant General Counsel
FOR THE DEPARTMENT OF CANNABIS CONTROL

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*

**BEFORE THE
OFFICE OF ADMINISTRATIVE HEARINGS
STATE OF CALIFORNIA**

In the Matter of the Proceeding for
Condemnation of Embargoed Cannabis
Product(s) Against:

Case No. DCC25-00007-CON

**RED MOON, INC.
SEROB PAPAZYAN, OWNER
14350 W Oxnard St
Van Nuys, CA 91401**

STIPULATED SETTLEMENT AND CONDEMNATION ORDER

**Cannabis Microbusiness License
No. C12-0000223-LIC**

Respondent.

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

PARTIES

1. Evelyn Schaeffer (Complainant) is the Deputy Director of the Compliance Division of the Department of Cannabis Control (Department). She brought this Condemnation Action solely in her official capacity and is represented in this matter by Rob Bonta, Attorney General of the State of California, by Harinder K. Kapur, Senior Assistant Attorney General.

2. Respondent Red Moon, Inc.; Serob Papazyan, Owner (Respondent) is represented in this proceeding by attorney Lisa Selan, Esq., Selan Law Firm, whose address is: 23679 Calabasas Rd # 386, Calabasas, CA 91302-1502. Respondent is acting in this proceeding through Serob

Papazyan, Owner, who has been designated and authorized by Red Moon, Inc. to enter into this agreement on behalf of Respondent (hereafter Authorized Representative).

3. On or about July 24, 2019, the Department issued Cannabis Microbusiness License No. C12-0000223-LIC to Respondent. The Cannabis Microbusiness License was in full force and effect at all times relevant to the charges brought in Condemnation Action No. DCC25-00007-CON, and will expire on July 23, 2026, unless renewed.

JURISDICTION

4. Condemnation Action No. DCC25-00007-CON was filed before the Office of Administrative Hearings, and is currently pending against Respondent. The Condemnation Action and all other statutorily required documents were properly served on Respondent on December 9, 2025. Respondent timely filed its Notice of Defense contesting the Condemnation Action.

5. A true and correct copy of Condemnation Action No. DCC25-00007-CON is attached as Exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

6. Respondent through its Authorized Representative has carefully read, fully discussed with counsel, and understands the charges and allegations in Condemnation Action No. DCC25-00007-CON. Respondent through its Authorized Representative has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Condemnation Order.

7. Respondent through its Authorized Representative is fully aware of its legal rights in this matter, including the right to a hearing on the charges and allegations in the Condemnation Action; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

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8. Respondent through its Authorized Representative is fully aware of its legal rights to receive a copy of the Decision and Order via certified, registered, or first-class mail. Respondent agrees to receive a copy of the Decision and Order in this matter via email at the following email addresses: lisa@selanlaw.com.

9. Respondent through its Authorized Representative voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

10. Respondent understands and agrees that the findings in Condemnation Action No. DCC24-00001-CON, if proven at a hearing, constitute cause for this action against Respondent.

11. For the purpose of resolving the Condemnation Action without the expense and uncertainty of further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual basis for the Condemnation Action, and that Respondent hereby gives up its right to contest those facts.

12. Respondent agrees that the cannabis identified in the Condemnation Action is subject to condemnation and agrees to be bound by the Department's determination and requirement to destroy the cannabis as set forth in the Order below.

CONTINGENCY

13. This stipulation shall be subject to approval by the Department. Respondent through its Authorized Representative understands and agrees that counsel for Complainant and the staff of the Department may communicate directly with the Department regarding this stipulation and settlement, without notice to or participation by Respondent or its counsel. By signing the stipulation, Respondent through its Authorized Representative understands and agrees that it may not withdraw its agreement or seek to rescind the stipulation prior to the time the Department considers and acts upon it. If the Department fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Department shall not be disqualified from further action by having considered this matter.

OTHER MATTERS

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

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

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

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

CONDEMNATION ORDER

1. **WITHDRAWAL OF APPEAL:** Respondent's appeal of Condemnation No. DCC25-0007-CON and request for administrative hearing is deemed withdrawn and any further appeal is waived.

2. DESTRUCTION AND DISPOSAL OF EMBARGOED CANNABIS:

Within fifteen (15) days of the effective date of the Decision and Order, Respondent shall destroy and dispose of the listed cannabis and cannabis products detailed below in a manner, time and location mutually agreed upon between the Respondent and the Department. The Department will provide Respondent with three (3) dates within the fifteen (15) day period upon which the Department's Designee will be available to observe and document the destruction and disposal of the following cannabis and cannabis products:

ITEM #	Cannabis and Cannabis Product Name and Description	Quantity/Unit	Unit/Batch #
1	Lemon Cherry Gelato Flower in turkey/trash bag	23.57 lbs	N/A
2	Black Berry Flower turkey/trash bag	4.84 lbs	N/A
3	RMP Flower turkey/trash bag	10.20 lbs	N/A
4	Marathon P Flower turkey/trash bag	7.36 lbs	N/A
5	Blue Dream Flower turkey/trash bag	7.8 lbs	N/A
6	Red Moon Flower in trash bags	50.24 lbs	N/A
7	3 turkey bags	3.10 lbs	N/A
8	1 turkey bag "AB p"	1.06 lbs	N/A
9	1 turkey bag "POP"	0.58 lbs	N/A
10	1 turkey bag "Guava"	0.32 lbs	N/A
11	Oak OG Flower in turkey/trash bags	9.06 lbs	N/A
12	Master Kush Flower in turkey/trash bags	7.22 lbs	N/A
13	Oil Tanker	10.14 lbs	N/A
14	Northern Lights Flower in turkey bags and in 2 trash bags	25.04	N/A
15	Blueberry Yam Yam in turkey/trash bags	19.46 lbs	N/A
16	LCG Flower in 2 turkey bags	2.74 lbs	N/A
	TOTAL CANNABIS FLOWER	182.73 lbs	
17	Shake in turkey/trash bags	50.24 lbs	N/A
18	Oil Tanker Shake	45.58 lbs	N/A
19	Unmarked Shake	45.12 lbs	N/A
20	LCG Shake in 4 bags	21.02 lbs	N/A
	TOTAL SHAKE	161.96 lbs	
21	Blue Dream 3.5g	96 each	N/A
22	Blackberry 3.5g	199 each	N/A

23	Unmarked Pink 3.5g in box	202 each	N/A
24	Unmarked Red 3.5g in box	243 each	N/A
25	Unmarked Black 3.5g in box	200 each	N/A
26	Unmarked Orange 3.5g in box "Marathon OG"	400 each	N/A
27	Unmarked Pink 3.5g in box "Oak OG"	204 each	N/A
28	Unmarked Green 3.5g in box "LCG"	268 each	N/A
	TOTAL FLOWER 3.5g IN JARS	1,812 EACH	N/A
29	RM Sativa Shake 14g	50 each	0063
30	RM Indica Shake 14g	50 each	276
31	RM Hybrid Shake 14g	50 each	0337
32	Black & Silver 14g pouches shake	400 each	N/A
33	Silver 14g pouches shake	277 each	N/A
	TOTAL SHAKE POUCHES	827 EACH	
34	Bag of unmarked pre-rolls in jars	268 each	N/A
	TOTAL PRE-ROLLS	268 EACH	

3. PAYMENT OF COSTS: Respondent shall pay costs in the amount of Four Thousand Nine Hundred and Sixteen Dollars and Seventy-Five Cents (\$4,916.75). The payment of costs shall be made within thirty (30) days of the effective date of the Decision and Condemnation Order.

4. The above referenced payment, in the form of cashier's check, money order, personal or business check, shall be remitted by either of the following methods: (1) the Department of Cannabis Control's cash payment procedures; or, (2) mailed to:

By U.S. Postal Service:
Department of Cannabis Control
Attn: Cashiers
P.O. Box 419106
Ranch Cordova, CA 95741-9106

OR

By FedEx or UPS:
Department of Cannabis Control
Attn: Cashiers
2920 Kilgore Road
Rancho Cordova, CA 95670-9106

4 5. Failure to complete the payment or comply with the terms of this Order shall result in
5 disciplinary action or non-renewal of Respondent's Cannabis Microbusiness License
6 No. C12-0000223-LIC and denial of any other license sought, as the Department deems
7 appropriate. Additionally, failure to complete the payment shall result in Respondent's
8 immediate obligation and responsibility to pay the full amount of the Department's costs of
9 investigation and enforcement pursuant to Business and Professions Code section 26039.3, in the
10 amount of Four Thousand Nine Hundred and Sixteen Dollars and Seventy-Five Cents
11 (\$4,916.75), less any partial payments received prior to the failure to complete payments or
12 comply with the terms of this Order and will result in enforcement of the Order in the Superior
13 Court.

ACCEPTANCE

15 I have carefully read the above Stipulated Settlement and Condemnation Order and have
16 fully discussed it with my attorney, Lisa Selan, Esq. I understand the stipulation and the effect it
17 will have on my Cannabis Microbusiness License. I enter into this Stipulated Settlement and
18 Condemnation Order voluntarily, knowingly, and intelligently, and agree to be bound by the
19 Decision and Order of the Department of Cannabis Control.

20 DATED: 12/29/2025

DocuSigned by:

Serob Papazyan
RED MOON, INC.
SEROB PAPAZYAN, OWNER
Respondent

23 I have read and fully discussed with Respondent Red Moon, Inc., and Serob Papazyan,
24 Owner, the terms and conditions and other matters contained in the above Stipulated Settlement
and Condemnation Order. I approve its form and content.

DATED: 12/29/2025

DocuSigned by:

Lisa Selan
A3051B1BFA1NA
LISA SELAN, ESQ.
Selan Law
Attorney for Respondent

ENDORSEMENT

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

DATED: December 30, 2025

Respectfully submitted,

ROB BONTA
Attorney General of California

Harinder Kapur

HARINDER K. KAPUR
Senior Assistant Attorney General
Attorneys for Complainant

SA2025803835
CCS Stipulated Settlement and Disciplinary Order.docx

Exhibit A

Condemnation Action No. DCC25-00007-CON

ROB BONTA
Attorney General of California
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Senior Assistant Attorney General
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Attorneys for Complainant

**BEFORE THE
OFFICE OF ADMINISTRATIVE HEARINGS
STATE OF CALIFORNIA**

In the Matter of the Proceeding for
Condemnation of Embargoed Cannabis
Against:

Case No. DCC25-00007-CON

**RED MOON, INC
SEROB PAPAZYAN, OWNER
14350 W Oxnard St
Van Nuys, CA 91401**

CONDEMNATION OF EMBARGOED CANNABIS

Cannabis Microbusiness License No. C12-0000223-LIC

Respondent.

Complainant alleges:

PARTIES

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

2. On or about July 24, 2019, the Department issued Cannabis Microbusiness License C12-0000223-LIC to Red Moon, Inc. (Respondent) with Serob Papazyan, Owner (Owner). The Cannabis Microbusiness License was in full force and effect at all times relevant to the charges brought herein and will expire on July 23, 2026, unless renewed.

JURISDICTION

3. This Proceeding for Condemnation is brought before the Office of Administrative Hearings, 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 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. Those rules and regulations shall be consistent with the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.

7. Section 26039.3, subdivision (f), of the Code states:

The department may condemn cannabis or a cannabis product under the provisions of this section. A proceeding for condemnation shall be subject to appropriate notice to, and the opportunity for a hearing with regard to, the person or licensee affected in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(1) Upon a finding by the administrative law judge that the cannabis or cannabis product is adulterated or misbranded, or that its sale is otherwise in violation of this division, the administrative law judge may direct the cannabis or cannabis product to be destroyed at the expense of the licensee or product owner and under the supervision of the department. The licensee or owner of the affected cannabis or cannabis product shall pay fees and reasonable costs, including the costs of storage, testing, and supervision, incurred by the department in investigating and prosecuting the action taken pursuant to this section.

(2) Upon a finding by the administrative law judge that the adulteration or misbranding can be corrected by proper labeling or additional processing of the cannabis or cannabis product and that all provisions of this division can be complied with, the administrative law judge may direct the cannabis or cannabis products to be brought into compliance under the department's supervision. . .

STATUTORY PROVISIONS

8. Section 26039.1 of the Code states:

(a) When the department has evidence that cannabis or a cannabis product is adulterated or misbranded, the department shall notify the licensee. The licensee may conduct a voluntary recall of the affected cannabis or cannabis product and may remediate the cannabis or cannabis product, if approved by the department, or shall destroy the affected cannabis or cannabis product under the supervision of the department.

(b) The department may issue a mandatory recall order and require the licensee to immediately cease distribution of cannabis or a cannabis product and recall the cannabis or cannabis product if the department determines both of the following:

(1) The cultivation, manufacture, distribution, or sale of the cannabis or cannabis product creates or poses an immediate and serious threat to human life or health.

(2) Other procedures available to the department to remedy or prevent the occurrence of the situation would result in an unreasonable delay.

(c) The department shall provide the licensee an opportunity for an informal proceeding on the matter, as determined by the department, within five days, on the actions required by the order and on why the cannabis or cannabis product should not be recalled. Following the proceeding, the order shall be affirmed, modified, or set aside as determined appropriate by the department.

(d) The department's powers set forth in this section expressly include the power to order movement, segregation, isolation, or destruction of cannabis or cannabis products, as well as the power to hold cannabis or cannabis products in place.

(e) If the department determines it is necessary, it may issue the mandatory recall order, may conduct the recall, and may use all appropriate measures to obtain reimbursement from the licensee for any and all costs associated with these orders. All funds obtained by the department from these efforts shall be deposited in the Cannabis Control Fund, and shall be available for use by the department upon appropriation by the Legislature.

(f) It is unlawful to move or allow to be moved cannabis or a cannabis product subject to an order issued pursuant to this section unless that person has first obtained written authorization from the department.

9. Section 26039.3 of the Code states:

(a) If the department finds or has probable cause to believe that cannabis or a cannabis product is adulterated or misbranded within the meaning of this division, or the sale of the cannabis or cannabis product would be in violation of this division, the department shall affix to the cannabis or cannabis product, or component thereof, a tag or other appropriate marking. The department shall give notice that the cannabis or cannabis product is, or is suspected of being, adulterated or misbranded, or the sale of the cannabis or cannabis product would be in violation of this division and has been embargoed and that the cannabis or cannabis product shall not be removed or disposed of by sale or otherwise until permission for removal or disposal is given by the department or a court.

(b)(1) It is unlawful to remove, sell, or dispose of embargoed cannabis or an embargoed cannabis product without written permission of the department or a court. The removal, sale, or disposal of each item of embargoed cannabis or cannabis product without written permission of the department constitutes a violation of this subdivision. A violation of this subdivision is subject to a citation and fine of not more than ten thousand dollars (\$10,000).

(2) Notwithstanding paragraph (1), a licensed cultivator may request permission for the continued cultivation or harvesting of the cannabis subject to embargo. The department may authorize, and may impose conditions on, the continued cultivation or harvesting of the cannabis subject to embargo.

(c) If the adulteration or misbranding can be corrected by proper labeling or additional processing of the cannabis or cannabis product and all of the provisions of this division can be complied with, the licensee may request that the department remove the tag or other marking to permit correction. If, under the supervision of the department, the adulteration or misbranding has been corrected, the department may remove the tag or other marking. Cannabis and cannabis products found at an unlicensed location, or cultivated, processed, produced, or manufactured at an unlicensed location, or derived from an unlicensed source, cannot be corrected and shall be destroyed.

(d) If the department finds that cannabis or a cannabis product that is embargoed is not adulterated or misbranded, or that its sale is not otherwise in violation of this division, the department may remove the tag or other marking.

10. Section 26039.5 of the Code states:

(a) Cannabis or a cannabis product is misbranded if it is any of the following:

(1) Cultivated, processed, manufactured, packed, or held in a location not duly licensed as provided in this division.

(2) Consists of cannabis or cannabis product that was cultivated, processed, manufactured, packed, or held in a location not duly licensed as provided in this division.

(3) Its labeling is false or misleading in any particular.

(4) Its labeling or packaging does not conform to the requirements of Section 26120 or any other labeling or packaging requirement established pursuant to this division.

(b) It is unlawful to cultivate, process, manufacture, sell, deliver, hold, or offer for sale cannabis or a cannabis product that is misbranded.

(c) It is unlawful to misbrand cannabis or a cannabis product.

(d) It is unlawful to receive in commerce cannabis or a cannabis product that is misbranded or to distribute, deliver, or offer for delivery any such cannabis or cannabis product.

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REGULATORY PROVISIONS

11. California Code of Regulations, title 4, section 17398, in part, states:

... .

(c) Packages of bulk cannabis or cannabis products shall be labeled with the following:

...

(2) The UID assigned to the cannabis or cannabis products;

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12. California Code of Regulations, title 4, section 17801.5 states:

(a) The Department may embargo cannabis or cannabis products to prevent their sale, disposal, or removal from the location when the Department has probable cause to believe the cannabis or cannabis products are adulterated or misbranded or the sale would otherwise be in violation of the Act or this division.

(b) To embargo cannabis or cannabis products, the Department shall:

(1) Provide initial notice to the licensee or product owner that the cannabis or cannabis products are subject to embargo and the reason for the embargo. Initial notice may be oral or written and may be provided in person or by telephone, mail, facsimile transmission, email, or other electronic means;

(2) Affix a tag or marking to the cannabis or cannabis products, or component thereof, subject to embargo; and

(3) Provide an inventory of the embargoed items to the licensee or product owner.

(c) The Department shall provide a supplemental written notice to the licensee or product owner of the embargoed items that includes the following:

(1) The factual and legal bases for the embargo;

(2) A description of the cannabis or cannabis products under embargo;

(3) A request for a written plan to address the items under embargo and the issues(s) that resulted in the embargo;

(4) A summary of the proceedings for condemnation in accordance with chapter 5 (commencing with section 11500) of part 1 of division 3 of title 2 of the Government Code;

(5) Notification that the embargoed items cannot be removed from embargo, sold, or disposed of without authorization of the Department or a court; and

(6) The penalty for violation of the embargo.

(d) The licensee or product owner may submit a written plan to the Department that describes how the licensee or product owner will address the items under embargo and the issue(s) that resulted in the embargo.

(1) If the Department determines that the plan will resolve the issue(s) that resulted in the embargo, and that all of the provisions of the Act and this division can be complied with, the Department will approve the plan and supervise the completion of the plan.

(2) If the Department cannot approve the plan, or the Department does not receive a response from the licensee within seven (7) calendar days after providing the notice described in subsection (c), the Department may initiate condemnation proceedings in accordance with Business and Professions Code section 26039.3(f).

(e) A licensee or product owner or their authorized representative may agree in writing to the voluntary condemnation and destruction of the cannabis and cannabis products subject to embargo. Destruction and disposal of the cannabis or cannabis products shall be at the licensee or product owner's expense and shall be conducted with the approval of and under the supervision of the Department.

(f) A licensee or product owner shall not remove the tag or marking from cannabis or cannabis products under embargo. A licensee or product owner shall not undertake corrective action or destruction of the items under embargo unless the Department has provided written approval and removed the embargo tag.

(g) A licensee or product owner shall not remove from embargo, sell, or dispose of any cannabis or cannabis products under embargo without written permission of the Department or a court. Each item removed, sold, or disposed of without written permission of the Department or a court constitutes a separate violation of the Act.

(h) A licensed cultivator or a microbusiness authorized to engage in cultivation may request permission to continue cultivation or harvesting of cannabis under embargo. The request shall be made to the Department in writing at compliance@cannabis.ca.gov and shall specify the cultivation or harvesting activities in which the licensee requests to engage. The Department may, in its sole discretion, authorize and impose conditions on the continued cultivation or harvesting of the cannabis under embargo.

(i) Cannabis and cannabis products found, cultivated, processed, produced, or manufactured at an unlicensed location, or derived from an unlicensed source, cannot be corrected and shall be destroyed.

COST RECOVERY

13. Section 26039.3, subdivision (f)(2), of the Code states in pertinent part that the licensee shall pay fees and reasonable costs, including the costs of storage, testing, and supervision, incurred by the department in investigating and prosecuting the action.

FACTUAL ALLEGATIONS

14. On September 18, 2025, Department staff performed a regulatory compliance inspection of Respondent's premises. Within the distribution area of the premises, Department

1 staff located cannabis and cannabis products that did not have unique identifier (UID) package
2 tags. The cannabis and cannabis products consisted of 182.73 pounds of cannabis flower, 161.96
3 pounds of cannabis shake, 1,812 individual 3.5-gram jars of cannabis flower, 827 individual 14-
4 gram pouches of cannabis shake and 268 individual cannabis pre-rolls in jars. Department staff
5 checked Respondent's California Cannabis Track and Trace (CCTT) account and did not locate
6 the cannabis and/or cannabis products.

7 15. Department staff also located 150 individual 14-gram bags of cannabis shake that had
8 UID tags with numbers that were illegible and incomplete and could not be located in
9 Respondent's CCTT account. These were 50 "RM Sativa Shake 14g", 50 "RM Indica Shake
10 14g", and 50 "RM Hybrid Shake 14g".

11 16. When asked about the lack of the required UID package tags, Respondent's Manager,
12 K.C.J., was unable to provide an explanation or documentary support in the form of receipts,
13 manifests, or other records confirming that the cannabis products originated from a licensed
14 source. Neither was K.C.J. able to explain why the cannabis and cannabis products were not in
15 Respondent's CCTT account.

16 17. The following cannabis and cannabis products could not be traced to a licensed
17 source and were embargoed:

ITEM #	Cannabis and Cannabis Product Name and Description	Quantity/Unit	Unit/Batch #
1	Lemon Cherry Gelato Flower in turkey/trash bag	23.57 lbs	N/A
2	Black Berry Flower turkey/trash bag	4.84 lbs	N/A
3	RMP Flower turkey/trash bag	10.20 lbs	N/A
4	Marathon P Flower turkey/trash bag	7.36 lbs	N/A
5	Blue Dream Flower turkey/trash bag	7.8 lbs	N/A
6	Red Moon Flower in trash bags	50.24 lbs	N/A
7	3 turkey bags	3.10 lbs	N/A
8	1 turkey bag "AB p"	1.06 lbs	N/A

1	9	1 turkey bag "POP"	0.58 lbs	N/A
2	10	1 turkey bag "Guava"	0.32 lbs	N/A
3	11	Oak OG Flower in turkey/trash bags	9.06 lbs	N/A
4	12	Master Kush Flower in turkey/trash bags	7.22 lbs	N/A
5	13	Oil Tanker	10.14 lbs	N/A
6	14	Northern Lights Flower in turkey bags and in 2 trash bags	25.04	N/A
7	15	Blueberry Yam Yam in turkey/trash bags	19.46 lbs	N/A
8	16	LCG Flower in 2 turkey bags	2.74 lbs	N/A
9		TOTAL CANNABIS FLOWER	182.73 lbs	
10	17	Shake in turkey/trash bags	50.24 lbs	N/A
11	18	Oil Tanker Shake	45.58 lbs	N/A
12	19	Unmarked Shake	45.12 lbs	N/A
13	20	LCG Shake in 4 bags	21.02 lbs	N/A
14		TOTAL SHAKE	161.96 lbs	
15	21	Blue Dream 3.5g	96 each	N/A
16	22	Blackberry 3.5g	199 each	N/A
17	23	Unmarked Pink 3.5g in box	202 each	N/A
18	24	Unmarked Red 3.5g in box	243 each	N/A
19	25	Unmarked Black 3.5g in box	200 each	N/A
20	26	Unmarked Orange 3.5g in box "Marathon OG"	400 each	N/A
21	27	Unmarked Pink 3.5g in box "Oak OG"	204 each	N/A
22	28	Unmarked Green 3.5g in box "LCG"	268 each	N/A
23		TOTAL FLOWER 3.5g IN JARS	1,812 EACH	N/A
24	29	RM Sativa Shake 14g	50 each	0063
25	30	RM Indica Shake 14g	50 each	276

31	RM Hybrid Shake 14g	50 each	0337
32	Black & Silver 14g pouches shake	400 each	N/A
33	Silver 14g pouches shake	277 each	N/A
	TOTAL SHAKE POUCHES	827 EACH	
34	Bag of unmarked pre-rolls in jars	268 each	N/A
	TOTAL PRE-ROLLS	268 EACH	

18. On or about October 1, 2025, Department staff issued a Supplemental Notice of Embargo to Respondent and requested that Respondent provide a written plan to address the items under embargo and the issues that resulted in the embargo. The Supplemental Notice of Embargo requested that Respondent provide the written plan by October 8, 2025. To date, Respondent has not provided a response to the Supplemental Notice of Embargo.

CAUSE FOR CONDEMNATION

(Misbranded Cannabis Subject to Condemnation)

19. Respondent failed to provide documentation establishing the origins of the cannabis in its possession or a written plan for release of the embargoed cannabis pursuant to California Code of Regulation, title 4, section 17801.5, as described more fully in paragraphs 14 through 18, above, therefore the cannabis is misbranded as defined by Code section 26039.5, and subject to condemnation pursuant to Code section 26039.3.

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Office of Administrative Hearings issue a decision:

1. Ordering the condemnation and destruction of the cannabis that is subject to embargo by Respondent Red Moon Inc with Serob Papazyan, Owner, under the supervision of the Department;

2. Ordering Respondent Red Moon Inc with Serob Papazyan, Owner, to pay the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 26039.3; and

1 3. Taking such other and further action as deemed necessary and proper.
2

3 DATED: November 25, 2025

Evelyn Schaeffer

4 EVELYN SCHAEFFER
5 Deputy Director of the Compliance
6 Division
7 Department of Cannabis Control
8 State of California
9 *Complainant*

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11 CCS Accusation.docx

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PROOF OF SERVICE

Case Name: In the Matter of the Proceeding for Condemnation of Embargoed Cannabis Product(s)
Against: Red Moon, Inc.
DCC Case No. DCC25-00007-CON
License Number: C12-0000223-LIC, Microbusiness

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 January 7, 2026, I served the within documents:

ORDER ADOPTING STIPULATED SETTLEMENT AND CONDEMNATION ORDER AS FINAL DECISION

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

Red Moon, Inc.
Serob Papazyan, Owner
jan9346@gmail.com

Lisa Selan, Esq.
Selan Law Firm
lisa@selanlaw.com

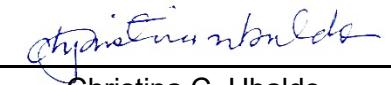
Evelyn Schaeffer
Deputy Director
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Evelyn.Schaeffer@cannabis.ca.gov

Harinder K. Kapur
Senior Assistant Attorney General
Cannabis Control Section
Office of Attorney General
Harinder.Kapur@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 January 7, 2026, at Rancho Cordova, California.


Christina C. Ubaldo