



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

Nicole Elliott
Director

January 9, 2026

VIA EMAIL ONLY

California Paradise
Aharin Coke, Owner
blakenaharin@gmail.com

Omar Figueroa, Esq.
Law Offices of Omar Figueroa
omar@omarfigueroa.com

Re: California Paradise - Case No. DCC25-0001055-INV
Order Adopting Stipulated Settlement and Order as Final Decision

Dear Messrs. Coke and Figueroa:

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

The Department's Order and Final Decision will be effective today, January 9, 2026. Pursuant to this Final Decision and its stipulated settlement, California Paradise 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

1
2
3
4
5
6
7
8 **BEFORE THE**
9 **DEPARTMENT OF CANNABIS CONTROL**
10 **OF THE STATE OF CALIFORNIA**

11 In the Matter of the First Amended Accusation)
12 Against:)

CASE NO. DCC25-0001055-INV

13 **CALIFORNIA PARADISE;**
14 **AHARIN COKE, OWNER**

**ORDER ADOPTING STIPULATED
SETTLEMENT AND ORDER AS FINAL
DECISION**

15 25 W. 3rd Street, Unit 5
16 Eureka, CA 95501

17 Cannabis Distributor License
18 No. C11-0000945-LIC

Respondent.

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

21 This Order and Final Decision shall become effective on January 9, 2026.

22 IT IS SO ORDERED, January 9, 2026.

23
24 

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

1 ROB BONTA
Attorney General of California
2 HARINDER KAPUR
Senior Assistant Attorney General
3 GREGORY M. CRIBBS
Supervising Deputy Attorney General
4 State Bar No. 175642
300 So. Spring Street, Suite 1702
5 Los Angeles, CA 90013
Telephone: (213) 269-6259
6 E-mail: Gregory.Cribbs@doj.ca.gov
Attorneys for Complainant
7
8

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

11 In the Matter of the First Amended Accusation
12 Against:

13 **CALIFORNIA PARADISE, a California**
Corporation
14 **AHARIN COKE, OWNER**
25 W. 3rd Street, Unit 5
15 **Eureka, CA 95501**

16 **Cannabis Distributor License**
17 **No. C11-0000945-LIC**

18 Respondent.

DCC Case No. DCC25-0001055-INV

OAH No. 2025120512

STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER

19
20 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
21 entitled proceedings that the following matters are true:

22 **PARTIES**

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

27 2. Respondent California Paradise, a California Corporation (Respondent), and Aharin
28 Coke, Respondent's Owner, are represented in this proceeding by attorney Omar Figueroa, whose

1 address is: 7770 Healdsburg Avenue, Sebastopol, CA 95472-3352. Respondent is acting in this
2 proceeding through Aharin Coke, Owner, and he has been designated and authorized by
3 California Paradise, a California Corporation, to enter into this agreement on behalf of
4 Respondent (Owner and Authorized Representative).

5 3. On or about August 1, 2019, the Department issued Cannabis Distributor License
6 No. C11-0000945-LIC to Respondent, with Aharin Coke, Owner. The Cannabis Distributor
7 License was in full force and effect at all times relevant to the charges brought herein and will
8 expire on July 31, 2026.

9 **JURISDICTION**

10 4. Accusation No. DCC25-0001055-INV was filed before the Department. The
11 Accusation and all other statutorily required documents were properly served on Respondent on
12 December 2, 2025. Respondent timely filed a Notice of Defense contesting the Accusation. A
13 true and correct copy of Accusation
14 No. DCC25-0001055-INV is attached as Exhibit A and incorporated by reference.

15 5. On December 24, 2025, First Amended Accusation DCC25-0001055-INV was filed
16 before the Department and is currently pending against Respondent. The First Amended
17 Accusation was properly served on Respondent. A true and correct copy of First Amended
18 Accusation DCC25-0001055-INV is attached as Exhibit B and incorporated by reference.

19 **ADVISEMENT AND WAIVERS**

20 6. Respondent through its Owner and Authorized Representative has carefully read,
21 fully discussed with counsel, and understands the charges and allegations in Accusation
22 No. DCC25-0001055-INV. Respondent through its Owner and Authorized Representative also
23 has carefully read, fully discussed with counsel, and understands the effects of this Stipulated
24 Settlement and Order.

25 7. Respondent through its Owner and Authorized Representative is fully aware of its
26 legal rights in this matter, including the right to a hearing on the charges and allegations in the
27 Accusation; the right to confront and cross-examine the witnesses against it; the right to present
28 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.

8. Respondent through its Owner and 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: blakenaharin@gmail.com and omar@omarfigueroa.com.

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

CULPABILITY

10. Respondent through its Owner and Authorized Representative understands and agrees that the factual allegations in Accusation No. DCC25-0001055-INV, if proven at hearing, constitute cause for discipline of its annual cannabis distributor license.

11. For the purpose of resolving this action without the expense and uncertainty of further proceedings, Respondent through its Owner and Authorized Representative agrees that, at a hearing, Complainant could establish a factual basis for the factual allegations in Accusation No. DCC25-0001055-INV, and that Respondent through its Owner and Authorized Representative hereby gives up its right to contest those factual allegations and causes for discipline.

12. Respondent through its Owner and Authorized Representative agrees that Cannabis Distributor License No. C11-0000945-LIC is subject to discipline and agrees to be bound by the Order below.

CONTINGENCY

13. This stipulation shall be subject to approval by the Department. Respondent through its Owner and 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 Owner and Authorized Representative understands

1 and agrees that it may not withdraw its agreement or seek to rescind the stipulation prior to the
2 time the Department considers and acts upon it. If the Department fails to adopt this stipulation
3 as its Decision and Order, the Stipulated Settlement and Order shall be of no force or effect,
4 except for this paragraph, it shall be inadmissible in any legal action between the parties, and the
5 Department shall not be disqualified from further action by having considered this matter.

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

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

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

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

20 **DISCIPLINARY ORDER**

21 1. **WITHDRAWAL OF APPEAL.** Respondent's appeal of First Amended Accusation
22 No. DCC25-0001055-INV, and request for administrative hearing is deemed withdrawn and any
23 further appeal is waived.

24 2. **CONTINUED SUSPENSION.** Respondent agrees to the continued suspension of
25 its license until Respondent voluntarily destroys embargoed cannabis and comes into full
26 compliance with California Code of Regulations, title 4, section 15044, as more fully described in
27 paragraphs 3 and 4, below. The suspension shall be lifted upon completion of paragraphs 3 and 4.
28

1 3. **DESTRUCTION OF EMBARGOED CANNABIS PRODUCTS.** Respondent
2 agrees to the immediate voluntary destruction, at Respondent's expense, of all cannabis which is
3 identified in the Department's Supplemental Embargo Notice dated May 23, 2025, which has not
4 previously been released.

5 4. **VIDEO SURVEILLANCE REQUIREMENTS.** Respondent agrees to attain full
6 compliance with California Code of Regulations, title 4, section 15044, including but not limited
7 to, (a) cameras must have a minimum camera resolution of 1280 × 720 pixels; (b) cameras must
8 clearly record activity occurring within 20 feet of all points of entry and exit to the premises, from
9 both indoor and outdoor vantage points; (c) cameras must allow for the clear and certain
10 identification of any person and activities in all areas required to be filmed; (d) Respondent must
11 record the area storing the surveillance-system storage device with at least one camera recording
12 all the access points to that area; (e) Respondent must ensure all cannabis is under surveillance in
13 areas where it is weighed, packed, stored, loaded, and unloaded for transportation, prepared, or
14 moved within the licensed premises; (f) cameras must record continuously 24 hours a day; (g)
15 Respondent must secure the storage device on which the surveillance recordings are stored in a
16 manner to protect from tampering or theft; (h) Respondent must ensure all camera recordings are
17 kept for a minimum of 90-days; (i) Respondent must ensure the date and time on the recordings is
18 accurate; and (j) the surveillance system shall be equipped with a failure notification system that
19 provides notification if any interruption or failure occurs.

20 5. **UPDATED PREMISES DIAGRAM.** Respondent must provide the Department
21 with an updated premises diagram incorporating all modifications to the licensed premises and
22 camera placement, in compliance with regulatory requirements within thirty (30) days of the
23 effective date of the Decision and Order.

24 6. **PROBATION TERMS AND CONDITIONS.** Respondent agrees to a revocation of
25 its Cannabis Distributor License No. C11-0000945-LIC, but the revocation is stayed and
26 Respondent is placed on probation for three (3) years upon lifting of the current suspension, based
27 on the following terms and conditions:

28 A. OBEY LAWS: Respondent shall obey all state and local laws. A full and detailed

1 account of any and all violations of law shall be reported by Respondent to the Department in
2 writing within seventy-two (72) hours of occurrence. To permit monitoring of compliance with
3 this condition, Respondent shall submit completed fingerprint forms and fingerprint fees within
4 45 days of the effective date of the Decision and Disciplinary Order, unless previously submitted
5 as part of the licensure application process. CRIMINAL COURT ORDERS: If Respondent, or an
6 owner of the Respondent, is under criminal court orders, including probation or parole, and the
7 order is violated, this shall be deemed a violation of these probation conditions, and may result in
8 the filing of an accusation and/or petition to revoke probation.

9 B. SUBMIT WRITTEN REPORTS: Respondent, during the period of probation, shall
10 submit or cause to be submitted such written reports/declarations and verification of actions under
11 penalty of perjury, as required by the Department, but no more frequently than once each calendar
12 quarter. These reports/declarations shall contain statements relative to Respondent's
13 compliance with all the conditions of the Department's Probation Program. Respondent shall
14 immediately execute all release of information forms as may be required by the Department or its
15 representatives.

16 C. REPORT IN PERSON: Respondent, during the period of probation, through its
17 designated owner or owners, shall appear in person at interviews/meetings as directed by the
18 Department or its representatives.

19 D. COMPLY WITH CONDITIONS OF PROBATION: Respondent shall fully comply
20 with the conditions of probation established by the Department and cooperate with
21 representatives of the Department in its monitoring and investigation of the Respondent's
22 compliance with the Department's Probation Program. Respondent shall inform the Department
23 in writing within no more than 14 calendar days of any address change. Upon successful
24 completion of probation, Respondent's license shall be fully restored.

25 E. MAINTAIN VALID LICENSE: Respondent shall, at all times while on probation,
26 maintain a current and valid license with the Department, including any period during which
27 suspension or probation is tolled.

28 ///

1 F. COST RECOVERY: Respondent shall pay to the Department costs associated with its
2 investigation and enforcement pursuant to Business and Professions Code Section 26031 in the
3 amount of \$14,088.83. The cost payment shall be made in fourteen monthly payments, with an
4 initial payment of one thousand eighty-eight dollars and eighty-three cents (\$1,088.83), due
5 within 30 days after Respondent's current suspension is lifted, and subsequent payments of one
6 thousand dollars (\$1,000) due of the first day of each month thereafter. If Respondent has not
7 complied with this condition during the probationary term, and Respondent has presented
8 sufficient documentation of good faith efforts to comply with this condition, and if no other
9 conditions have been violated, the Department, in its discretion, may grant an extension of
10 Respondent's probation period up to one year without further hearing in order to comply with this
11 condition. During the one-year extension, all original conditions of probation will apply.

12 G. LICENSE SURRENDER: During Respondent's term of probation, if it ceases business
13 or is otherwise unable to satisfy the conditions of probation, Respondent may surrender its license
14 to the Department. The Department reserves the right to evaluate Respondent's request and to
15 exercise its discretion whether to grant the request, or to take any other action deemed appropriate
16 and reasonable under the circumstances, without further hearing. Upon formal acceptance of the
17 tendered license, Respondent will no longer be subject to the conditions of probation. Surrender
18 of Respondent's license shall be considered a disciplinary action and shall become a part of
19 respondent's license history with the Department.

20 H. VIOLATION OF PROBATION: If a Respondent violates the conditions of probation,
21 the Department, after giving Respondent notice and an opportunity to be heard, may set aside the
22 stay order and impose the stayed discipline (revocation/suspension) of Respondent's license. If
23 during the period of probation, an accusation or petition to revoke probation is filed against
24 Respondent's license, or the Department has served Respondent a notice of intent to set aside the
25 stay, the Department shall have continuing jurisdiction, and the probationary period shall
26 automatically be extended and shall not expire until final resolution of the matter.

27 ///

28 ///

1 I. VIDEO SURVEILLANCE: Respondent shall maintain full compliance with
2 California Code of Regulations, title 4, section 15044, specifically ensuring the surveillance
3 capture of all commercial cannabis activity.

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

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

12 By FedEx or UPS:
13 Department of Cannabis Control
14 Attn: Cashiers
15 2920 Kilgore Road
16 Rancho Cordova, CA 95670-9106

17 8. Failure to complete the payments or comply with the above terms of this Order
18 shall constitute a separate violation pursuant to Business and Professions Code section 26031.5,
19 subdivision (f) and California Code of Regulations, title 4, section 17804, subdivision (c), and
20 subject the Respondent to further administrative action by the Department, including revocation,
21 suspension or non-renewal of Respondent's Cannabis Distributor License No. C11-0000945-LIC,
22 as well as denial of any other license sought.

23 9. **SEVERABILITY**. Each condition of probation contained herein is a separate and
24 distinct condition. If any condition of this Order, or any application thereof, is declared
25 unenforceable in whole, in part, or to any extent, the remainder of this Order, and all other
26 applications thereof, shall not be affected. Each condition of this Order shall separately be valid
27 and enforceable to the fullest extent permitted by law.

28 10. **DECISION BY SETTLEMENT**. This Stipulated Settlement and Disciplinary
Order is a decision by settlement per Government Code section 11415.60.

///

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully discussed it with my attorney, Omar Figueroa. I understand the stipulation and the effect it will have on my Cannabis Distributor License No. C11-0000945-LIC. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Department of Cannabis Control.

DATED: 12/25/2025



ID mJRFVWjqozZSHmbJBh7Bva23

CALIFORNIA PARADISE, a California Corporation
By: AHARIN COKE,
OWNER AND AUTHORIZED REPRESENTATIVE
Respondent

I have read and fully discussed with Aharin Coke, Owner and Authorized Representative of California Paradise, a California Corporation, the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve its form and content.

DATED: December 24, 2025



OMAR FIGUEROA
Attorney for Respondent

///

///

///

///

///

///

///

///

///

ENDORSEMENT

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

DATED: December 26, 2025

Respectfully submitted,

ROB BONTA
Attorney General of California
HARINDER K. KAPUR
Senior Assistant Attorney General

Harinder Kapur for

GREGORY M. CRIBBS
Supervising Deputy Attorney General
Attorneys for Complainant

Exhibit A

Accusation No. DCC25-0001055-INV

1 ROB BONTA
Attorney General of California
2 HARINDER K. KAPUR
Supervising Deputy Attorney General
3 GREGORY M. CRIBBS
Supervising Deputy Attorney General
4 State Bar No. 175642
300 South Spring Street, Suite 1702
5 Los Angeles, CA 90013-1230
Telephone: (213) 269-6259
6 E-mail: Gregory.Cribbs@doj.ca.gov
Attorneys for Complainant
7 *Department of Cannabis Control*

8
9
10 **BEFORE THE**
OFFICE OF ADMINISTRATIVE HEARINGS
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

DCC Case No. DCC25-0001055-INV

13 **CALIFORNIA PARADISE**
14 **AHARIN COKE, OWNER**
25 3rd Street, Unit 5
Eureka, CA 95501

ACCUSATION

15 **Cannabis Distributor License**
16 **No. C11-0000945-LIC**

17
18 Respondent.
19

20
21 **PARTIES**

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

25 2. On or about August 1, 2019, the Department issued Provisional Cannabis Distributor
26 License No. C11-0000945-LIC to Respondent, with Aharin Coke, Owner (Owner Coke). The
27
28

1 Cannabis Distributor License was in full force and effect at all times relevant to the charges
2 brought herein and will expire on July 31, 2026.

3 **PROCEDURAL HISTORY**

4 3. On November 21, 2025, Administrative Law Judge Marcie Larson issued an Interim
5 Suspension Order suspending Respondent's Cannabis Distributor License No. C11-0000945-LIC
6 and ordered Respondent to cease all commercial cannabis activity. The Interim Suspension Order
7 will remain in effect, pending a full determination whether Respondent has violated the Medicinal
8 and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), or upon further order by the
9 Department in this matter.

10 **JURISDICTION**

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

14 5. Section 26010 of the Code states:

15 There is in the Business, Consumer Services, and Housing Agency, the Department
16 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.

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

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

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

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

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

24 The department shall make and prescribe reasonable rules and regulations as may be
25 necessary to implement, administer, and enforce its duties under this division in
26 accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division
27 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.

28 ///

1 9. Section 26031 of the Code states:

2 (a) The department may suspend, revoke, place on probation with terms and
3 conditions, or otherwise discipline licenses issued by the department and fine a
4 licensee, after proper notice and hearing to the licensee, except as provided in Section
5 26031.01, if the licensee is found to have committed any of the acts or omissions
6 constituting grounds for disciplinary action. The disciplinary proceedings under this
7 chapter shall be conducted in accordance with Chapter 5 (commencing with Section
8 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director
9 shall have all the powers granted therein.

10 (b) The department may suspend or revoke a license when a local agency has
11 notified the department that a licensee within its jurisdiction is in violation of state
12 rules and regulations relating to commercial cannabis activities, and the department,
13 through an investigation, has determined that the violation is grounds for suspension
14 or revocation of the license.

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

19 (d) The suspension or expiration of a license issued by the department, or its
20 suspension, forfeiture, or cancellation by order of the department or by order of a
21 court of law, or its surrender without the written consent of the department, shall not,
22 during any period in which it may be renewed, restored, reissued, or reinstated,
23 deprive the department of its authority to institute or continue a disciplinary
24 proceeding against the licensee upon any ground provided by law or to enter an order
25 suspending or revoking the license or otherwise taking disciplinary action against the
26 licensee on any such ground.

27 10. Section 26034 of the Code states:

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

STATUTORY PROVISIONS

36 11. Section 26030 of the Code, in part, states:

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

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

40 ...

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

3 . . .

4 12. Section 26039.3 of the Code, in part, states:

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

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

20 13. Section 26039.5 of the Code states:

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

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

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

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

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

(b) It is unlawful to cultivate, process, manufacture, sell, deliver, hold, or offer
for delivery any such cannabis or cannabis product.

. . .

REGULATORY PROVISIONS

14. Title 4 of the California Code of Regulations (CCR), section 15006, in part, states:

. . .

(b) The diagram shall show the boundaries of the property and the proposed

premises to be licensed, showing all boundaries, entrances and exits, interior partitions, walls, rooms, windows, and doorways, and shall include a brief statement or description of the principal activity to be conducted therein. The diagram shall also include the dimensions of the boundaries of the premises and structures, including interior and exterior dimensions, to clearly identify the bounds of the premises.

(c) The diagram shall show and identify commercial cannabis activities that will take place in each area of the premises, and identify limited-access areas. Commercial cannabis activities that shall be identified on the diagram include the following, if applicable to the business operations: storage, batch sampling, loading or unloading of shipments, packaging and labeling, customer sales, loading for deliveries, extraction, infusion, cultivation, and processing.

(d) The diagram shall show where all cameras are located and assign a number to each camera for identification purposes unless the premises is exempt from the video surveillance requirement pursuant to section 15315 or section 15044.

15. Title 4 of the CCR, section 15027, in part, states:

(a) A licensee shall not, without the prior written approval of the Department, make a physical change, alteration, or modification of the licensed premises that materially or substantially alters the licensed premises or the use of the licensed premises from the premises diagram originally filed with the license application. A licensee whose licensed premises is to be materially or substantially changed, modified, or altered is responsible for filing a request for premises modification with the Department.

...

(e) Material or substantial changes, alterations, or modifications to a licensed distribution, retail, or testing laboratory premises that require prior approval from the Department include, but are not limited to:

(1) Any increase or decrease in the total physical size or capacity of the licensed premises.

(2) Any physical change that would require the installation of additional video surveillance cameras or a change in the video surveillance system to meet the requirements of section 15044, or alarm system to meet the requirements of section 15047.

(3) Any physical change that would require a building permit, zoning change, or other approval from the applicable local jurisdiction.

(f) Licensees shall request approval of a physical change, alteration, or modification through the online licensing system or in writing, by submitting the Licensee Notification and Request Form, Notifications and Requests to Modify a License, DCC-LIC-027 (Amended 2/22), which is incorporated herein by reference, and the request shall include:

(1) A new premises diagram that conforms to requirements in section 15006; and

(2) A fee pursuant to section 15014 for all licensees except licensed cultivators.

...

(h) Licensees shall notify the Department of all changes, alterations, or modifications

1 to a licensed premises or the licensee's operations that do not require prior approval
2 pursuant to subsections (b), (c), (d), and (e) through the online licensing system or by
3 submitting the Licensee Notification and Request Form, Notifications and Request to
4 Modify a License, DCC-LIC-027 (Amended 2/22), which is incorporated herein by
5 reference, and a new premises diagram that conforms to requirements in section 15006.
6 Notifications pursuant to this subsection shall be submitted to the Department no later than
7 three (3) business days after the changes, alterations, or modifications have been made to
8 the licensed premises.

9
10 16. Title 4 of the CCR, section 15044, in part, states:

11 ...

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

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

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

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

23 (2) Limited-access areas;

24 ...

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

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

(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.

...

(j) Recorded images shall clearly and accurately display the time and date. Time is to
be measured in accordance with the standards issued by the United States National
Institute of Standards and Technology. The displayed date and time shall not cover the
view of recorded images in a manner that prevents the ready identification of any person
or activity in the captured image.

(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 recordings to the Department upon request within the time specified by
the Department.

17. Title 4 of the CCR, section 15047.2, in part, states:

• • •

(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.

• • •

18. Title 4 of the CCR, section 15048.1, in part, states:

(a) A licensee and their designated account manager(s) shall:

• • •

(5) Tag and enter all inventory in the track and trace system as required by section 15049;

• • •

19. Title 4 of the CCR, section 15048.5, in part, states:

• • •

(c) For all cannabis and cannabis products held in a container, the package tag shall be affixed to the container holding the cannabis or cannabis products. If cannabis or cannabis products are held in multiple containers, the package tag shall be affixed to one of the containers and the other containers shall be labeled with the applicable UID number. Each unit within the container shall be labeled with the applicable UID number. All containers with the same UID number shall be placed contiguous to one another to facilitate identification by the Department.

20. Title 4 of the CCR, section 15049 states, in part:

(a) All cannabis and cannabis products on the licensed premises shall be assigned a plant or package tag, as applicable, except for harvested plants that are being dried, cured, graded, or trimmed, as specified in this division, and recorded in the track and trace system.

(b) Each of the following activities shall be recorded in the track and trace system within 24 hours of occurrence:

(1) Receipt of cannabis or cannabis products.

• • •

///

///

1 21. Title 4 of the CCR, section 15051 states, in part:

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

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

6 ...

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

10 22. Title 4 of the CCR, section 15052.1, in part, states:

11 (a) Licensees shall accept or reject, in whole, shipments of cannabis or cannabis
12 products.

13 (b) Notwithstanding subsection (a), partial shipments of cannabis or cannabis
14 products shall be rejected in the following circumstances:

15 ...

16 (c) If the licensee receives a shipment containing cannabis or cannabis products
17 that is non-compliant with labeling requirements or exceeds its provided expiration
18 date, the licensee shall reject the portion of the shipment that is non-compliant with
19 the labeling requirements or expired.

20 ...

21 23. Title 4 of the CCR, section 15302 states:

22 (a) A licensed distributor shall ensure that all batches of cannabis or cannabis
23 products are stored separately and distinctly from other batches of cannabis and
24 cannabis products on the licensed distributor's premises.

25 (b) In addition to any tag or label required by section 15048.5, a licensed
26 distributor shall ensure a label with the following information is physically attached
27 to each container of each batch:

28 (1) The name, license number, and licensed premises address of the licensee
 who provided the batch;

 (2) The date of entry into the licensed distributor's storage area;

 (3) The unique identifiers and batch number, if any, associated with the batch;

 (4) A description of the cannabis or cannabis products with enough detail to
 easily identify the batch;

 (5) The weight of or quantity of units in the batch, if any;

(6) The best-by, sell-by, or expiration date of the batch, if any.

24. Title 4 of the CCR, section 15306, in part, states:

(a) A licensed distributor shall store a batch on its licensed premises until it either:

(1) Passes regulatory compliance testing as described in subsection (b); or

(2) If it fails regulatory compliance testing as described in subsection (d), a corrective action plan for remediation has been approved by the Department pursuant to section 17305.

...

25. Title 4 of the CCR, section 15309 states, in part:

(a) A licensed distributor shall be able to account for all inventory and provide that information to the Department upon request.

...

26. Title 4 of the CCR, section 15311 states, in part:

The following requirements apply when transporting cannabis and cannabis products between licensees or licensed premises:

...

(j) At a minimum, a licensed distributor shall have a vehicle alarm system on all transport vehicles and trailers. Motion detectors, pressure switches, duress, panic, and hold-up alarms may also be used.

...

27. Title 4 of the CCR, section 15312 states:

(a) Upon request, the licensed distributor shall provide the Department with a copy of the certificate of ownership or registration card issued by the California Department of Motor Vehicles, the year, make, model, license plate number, and Vehicle Identification Number in writing, and proof of insurance for any vehicle or trailer used to transport cannabis or cannabis products.

COST RECOVERY

28. Section 26031.1 of the Code states:

(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

1 representative shall be prima facie evidence of reasonable costs of investigation and
2 prosecution of the case. The costs shall include the amount of investigative and
3 enforcement costs up to the date of the hearing, including, but not limited to, charges
4 imposed by the Attorney General.

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

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

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

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

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

26 (g) All costs recovered under this section shall be considered a reimbursement
27 for costs incurred and shall be deposited into the Cannabis Control Fund to be
28 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.

21 **STATEMENT OF FACTS**

22 29. On August 9, 2022, Department investigators conducted a compliance inspection of
23 Respondent's licensed premises and subsequently confirmed, in writing, the following violations:
24 (1) Title 4, California Code of Regulations (CCR), section 15044, subdivision (i) (failure to make
25 video surveillance recordings available for inspection); (2) Title 4, CCR, section 17221,
26 subdivisions (a)(1)-(3) (failure to use weighing devices approved, tested, and sealed in
27 accordance with the Business and Professions Code); and (3) Title 4, CCR, section 17800,
28

1 subdivision (a)(1) (failure to provide access to the Department for all areas of the licensed
2 premises). These violations were addressed by Respondent shortly after the inspection.

3 30. On November 29, 2023, Department staff conducted another compliance inspection
4 of Respondent's licensed premises and subsequently issued a Notice to Comply (NTC) for the
5 following violations: (1) Title 4, CCR, section 15044, subdivisions (g) and (h) (failure to have the
6 physical or media storage device secured in a manner to protect tampering or theft and failure to
7 ensure that surveillance records were kept for a minimum of 90 days); (2) Title 4, CCR, section
8 15048.3, subdivision (a)(2) (failure to record package tags as received into the track and trace
9 system within 3 calendar days); (3) Title 4, CCR, section 15048.5, subdivision (c) (failure to affix
10 containers with applicable package tags, and to label additional containers within the same
11 package with applicable Unique Identifier (UID) number); (4) Title 4, CCR, section 15049,
12 subdivision (b)(1) (failure to record the receipt of cannabis or cannabis products into the track and
13 trace system with 24 hours of occurrence); (5) Title 4, CCR, section 17221, subdivision (a)(3)
14 (failure to have a weighing device used for commercial purposes approved and sealed by the local
15 County); and (6) Title 4, CCR, section 17223, subdivision (b) (failure to establish and implement
16 a written cannabis waste management plan). Respondent signed and returned the NTC with a
17 written response detailing how the violations had been or would be addressed.

18 31. On November 14, 2024, and December 22, 2024, Department investigators conducted
19 additional compliance inspections of Respondent's premises and again issued a NTC for
20 violations pertaining to Respondent's video surveillance system, tagging of cannabis products,
21 weighing devices, and timely log entries into the California Cannabis Track and Trace (CCTT)
22 system, as well as additional violations pertaining to ensuring all limited-access areas of the
23 licensed premises are locked, storage of cannabis batches for testing, responsibility for the
24 designated CCTT account manager, failure to notify the Department of changes to the licensed
25 premises, and failure to report theft of cannabis and cannabis products. Respondent again signed
26 and returned the NTC with a written response detailing how compliance was or would be
27 achieved.
28

1 32. On May 21, 2025, Department investigators conducted another compliance inspection
2 on Respondent's premises. Upon entry, Department investigators contacted individuals who
3 identified themselves as "L.H.," operations manager, and "J.P.," warehouse employee. "L.H."
4 immediately stated, "this is not a good day for an inspection, nothing is tagged." During the
5 inspection, Department staff discovered non-compliant labeling or untagged packages of cannabis
6 contained in 71 black trash bags, 122 clear plastic bags, 3 totes, and 2 blue bags on Respondent's
7 licensed premises, equaling a total of 1,663.83 pounds of bulk cannabis flower, trim, and shake.
8 Department staff were unable to note any clear distinction between the black trash bags, as none
9 of the trash bags (or other containers) had UIDs, nor did they have batch numbers or names
10 placed on them. Prior to completion of the inspection, Department staff embargoed cannabis
11 items in multiple areas within the licensed premises, ensured that they were separate from any
12 sourced cannabis, ensured that they were under camera surveillance, and secured them using
13 Department-issued tamper-resistant tape. Thereafter, the Department issued an Initial Embargo
14 Notice (IEN) for the embargoed untagged and misbranded cannabis.

15 33. Using a printed copy of Respondent's licensed premises diagram on file with the
16 Department, Department staff noted that video cameras within the "shipping containers" were not
17 physically mounted where indicated, and found cameras located in other areas of the licensed
18 premises that were not indicated on the diagram. In addition, Department staff located two walls,
19 a doorway, and stairway that were not indicated on the premises diagram and noted the shipping
20 containers were also not located where indicated on the premises diagram.

21 34. Department staff inspected Respondent's transport vehicles and found that required
22 paperwork, i.e., a current copy of the Department-issued commercial cannabis distributor license,
23 Quick Response Code Certificate, vehicle insurance, etc., was missing in the vehicles. When
24 Department staff inquired about the missing documentation, "L.H." stated that the documents are
25 in the office, but they would have to "search for it." Department staff asked if all the transport
26 vehicles and trailers had alarms, and "L.H." responded that the vans have alarms, but not the
27 trailers.
28

1 35. During the inventory audit, Department staff discovered four unmarked and untagged
2 bags of cannabis flower and trim weighing approximately 12.44 pounds that “L.H.” stated was,
3 “going to be wasted out anyway,” and Respondent opted to have those voluntarily destroyed.

4 36. On May 21, 2025, Department staff emailed Respondent a copy of the IEN and in the
5 body of the email stated, “The items listed in the notice cannot be removed, sold, or disposed of,
6 without written permission from the Department or a court.”

7 37. On May 22, 2025, Department staff sent a records request to Respondent seeking,
8 among other things, a video demonstrating the 90-day retention requirement is being met and that
9 the video surveillance system was functional and actively capturing the items placed under
10 embargo.

11 38. On May 23, 2025, Department staff sent a Supplemental Embargo Notice (SEN), via
12 email, to Respondent which again stated, “The items listed in the notice cannot be removed, sold,
13 or disposed of, without written permission from the Department or a court.”

14 39. On June 2, 2025, Respondent responded to the SEN, but did not provide any
15 information concerning items under embargo, such as why the embargoed items were untagged
16 and misbranded and how to correct the reason for embargo. Therein, Respondent acknowledged
17 cannabis was found on the licensed premises “without valid UID tags and associated traceability
18 records,” “products were found to be misbranded,” and the embargoed cannabis “cannot be
19 moved, sold, or destroyed without DCC authorization.”

20 40. On June 3, 2025, Department staff sent another email to Respondent stating what
21 information was required concerning the embargoed cannabis items, and provided until the close
22 of business on June 5, 2025, to provide the requested information.

23 41. On June 5, 2025, Respondent provided a further response to the SEN, which again
24 failed to address and resolve the issues that resulted in the embargo and failed to provide evidence
25 that the cannabis came from a licensed source.

26 42. On June 18, 2025, Department staff emailed Respondent an embargo determination
27 letter stating that the Department placed the items under embargo because it found, or has
28 reasonable cause to believe, that the items are adulterated, misbranded, or their sale would violate

1 MAUCRSA, and that the Department is unable to release the items from embargo because
2 Respondent failed to provide evidence that the items came from a licensed source.

3 43. Later the same day, Owner Coke, and “L.H.” called Department staff to discuss the
4 embargo determination letter. During that telephone conversation, Owner Coke not only admitted
5 that he should not have received the cannabis product that was placed under embargo due to lack
6 of affixed UIDs, but also to knowingly and purposefully not accepting manifests within 24 hours
7 of the cannabis arriving at Respondent’s licensed premises, and not verifying the weight of the
8 cannabis when it arrived at the licensed premises.

9 44. On June 27, 2025, Department staff emailed Respondent a records request seeking
10 video surveillance recordings from the date of the inspection (May 21, 2025) to include all
11 cameras on the premises, both interior and exterior, with a deadline of July 4, 2025.

12 45. On July 2, 2025, and July 3, 2025, Respondent provided 60 videos, but once viewed
13 by Department staff it was determined that only four camera views were provided, and none of
14 the uploaded video captured the embargoed activities that occurred on May 21, 2025.

15 46. On July 3, 2025, Department staff reviewed the original premises diagram for
16 Respondent’s licensed premises and found that it did not match the layout of the licensed
17 premises observed by Department staff on May 21, 2025. Specifically, Department staff
18 determined the following: (1) there had been a 3,118 square foot expansion; (2) several walls and
19 doorways were either added or removed; and (3) that stairways leading to the second-floor rooms
20 were either never indicated or had been removed.

21 47. On July 11, 2025, Department staff reviewed Respondent’s CCTT account and found
22 that Respondent had repackaged some of cannabis that is under embargo, on at least fourteen
23 separate dates from May 28, 2025, to July 11, 2025. Repackaging of the embargoed cannabis
24 cannot occur without removing the cannabis items from its embargoed state, and thus, breaching
25 the Department’s embargo. In addition, Department staff discovered that all other outbound
26 transfer manifests, involving non-embargoed cannabis and cannabis products, that originated
27 from Respondent’s licensed premises since May 21, 2025, only contained cannabis that had not
28 been submitted for laboratory testing.

48. On October 10, 2025, Department staff conducted another inspection of Respondent's licensed premises to visually verify the items placed under embargo were not disturbed. During the inspection Department staff found plastic totes and bags of cannabis were being stored in both the "Shipping Container Product Storage" and the rooms labeled "Product Storage," "Processing Storage Packaging," and the "Batch Sampling Limited Access, Packaging, Storage, and Labeling," areas identified on the premises diagram. In all areas, the cannabis within was not under video camera surveillance, as the cameras' view was obscured by the placement and stacking of plastic totes containing cannabis. The embargo remains unresolved.

FIRST CAUSE FOR DISCIPLINE

(Premises Diagram and Premises Modification)

49. Respondent is subject to disciplinary action under Code sections 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, sections 15006 and 15027, in that Respondent failed to properly notify the Department of structural changes undertaken at Respondent's premises which differed from the premises diagram, as more particularly alleged in paragraphs 29 through 48, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

SECOND CAUSE FOR DISCIPLINE

(Video Surveillance Requirements)

50. Respondent is further subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15044, in that Respondent failed to produce, and to keep a minimum of 90 days' of video surveillance, as more particularly alleged in paragraphs 29 through 48, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

THIRD CAUSE FOR DISCIPLINE

(Track and Trace Requirements)

51. Respondent is further subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15047.2, in that Respondent failed to accurately record information in the CCTT system, as more particularly

1 alleged in paragraphs 29 through 48, above, which are hereby incorporated by reference and
2 realleged as if fully set forth herein.

3 **FOURTH CAUSE FOR DISCIPLINE**

4 (Responsibilities of the Designated Account Manager)

5 52. Respondent is further subject to disciplinary action under Code sections 26030,
6 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15048.1, in that
7 Respondent failed to comply with the responsibilities of its Designated Account Manager, as
8 more particularly alleged in paragraphs 29 through 48, above, which are hereby incorporated by
9 reference and realleged as if fully set forth herein.

10 **FIFTH CAUSE FOR DISCIPLINE**

11 (Harvest Batch Name and Package Tags)

12 53. Respondent is subject to disciplinary action under Code section 26030, subdivisions
13 (a) and (c), and California Code of Regulations, title 4, section 15048.5, in that Respondent failed
14 to affix package tags to the containers holding cannabis and cannabis products, as more
15 particularly alleged in paragraphs 29 through 48, above, which are hereby incorporated by
16 reference and realleged as if fully set forth herein.

17 **SIXTH CAUSE FOR DISCIPLINE**

18 (Track and Trace Reporting)

19 54. Respondent is further subject to disciplinary action under Code section 26030,
20 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15049, in that
21 Respondent failed to accurately record all commercial cannabis activity in the CCTT system, and
22 holding a licensee responsible for the accuracy and completeness of data and information it enters
23 into the CCTT system, as more particularly alleged in paragraphs 29 through 48, above, which
24 are hereby incorporated by reference and realleged as if fully set forth herein.

25 **SEVENTH CAUSE FOR DISCIPLINE**

26 (Track and Trace Reconciliation)

27 55. Respondent is subject to disciplinary action under Code sections 26030, subdivisions
28 (a) and (c), and California Code of Regulations, title 4, section, 15051, in that Respondent failed

1 to reconcile the inventory of cannabis and cannabis products on the licensed premises within the
2 CCTT system at least once every 30 calendar days to ensure its accuracy, and upon finding a
3 discrepancy, to conduct an audit and notify the Department in writing of a significant
4 discrepancy, as more particularly alleged in paragraphs 29 through 48, above, which are hereby
5 incorporated by reference and realleged as if fully set forth herein.

6 **EIGHTH CAUSE FOR DISCIPLINE**

7 (Acceptance or Rejection of Cannabis Shipments)

8 56. Respondent is further subject to disciplinary action under Code section 26030,
9 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15052.1, in that
10 Respondent failed to reject, in whole or in part, non-compliant cannabis shipments, as more
11 particularly alleged in paragraphs 29 through 48, above, which are hereby incorporated by
12 reference and realleged as if fully set forth herein.

13 **NINTH CAUSE FOR DISCIPLINE**

14 (Storing of Cannabis or Cannabis Products for Testing)

15 57. Respondent is further subject to disciplinary action under Code sections 26030,
16 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15302, Respondent
17 failed to ensure that all batches of cannabis or cannabis products were stored separately and
18 distinctly from other batches of cannabis or cannabis products on the licensed premises, and with
19 proper labels affixed, as more particularly alleged in paragraphs 29 through 48, above, which are
20 hereby incorporated by reference and realleged as if fully set forth herein.

21 **TENTH CAUSE FOR DISCIPLINE**

22 (Storage and Regulatory Compliance Testing)

23 58. Respondent is subject to disciplinary action under Code section 26030, subdivisions
24 (a) and (c), and California Code of Regulations, title 4, section 15306, in that Respondent failed
25 to properly store batches of cannabis or cannabis products in compliance with laboratory testing
26 requirements, as more particularly alleged in paragraphs 29 through 48, above, which are hereby
27 incorporated by reference and realleged as if fully set forth herein.

28 ///

1 **ELEVENTH CAUSE FOR DISCIPLINE**

2 (Inventory Accounting)

3 59. Respondent is further subject to disciplinary action under Code section 26030,
4 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15309, in that
5 Respondent failed to account for all inventory and to provide accurate information and inventory
6 to the Department upon request, as more particularly alleged in paragraphs 29 through 48, above,
7 which are hereby incorporated by reference and realleged as if fully set forth herein.

8 **TWELFTH CAUSE FOR DISCIPLINE**

9 (Transportation Requirements)

10 60. Respondent is subject to disciplinary action under Code section 26030, subdivisions
11 (a) and (c), and California Code of Regulations, title 4, section 15311, in that Respondent failed
12 to comply with cannabis transportation requirements, as more particularly alleged in paragraphs
13 29 through 48, above, which are hereby incorporated by reference and realleged as if fully set
14 forth herein.

15 **THIRTEENTH CAUSE FOR DISCIPLINE**

16 (Transport Vehicle Information)

17 61. Respondent is further subject to disciplinary action under Code section 26030,
18 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15312, in that
19 Respondent failed to comply with cannabis distributor transport vehicle information, as more
20 particularly alleged in paragraphs 29 through 48, above, which are hereby incorporated by
21 reference and realleged as if fully set forth herein.

22 **FOURTEENTH CAUSE FOR DISCIPLINE**

23 (Misbranding and Removal of Embargoed Cannabis Products)

24 62. Respondent is further subject to disciplinary action under Code sections 26030,
25 subdivision (a), 26039.3, and 26039.5, in that Respondent held misbranded cannabis or cannabis
26 products, which were subject to an embargo, and thereafter breached that embargo by removing
27 and/or selling those cannabis and cannabis products, as more particularly alleged in paragraphs 29
28

1 through 48, above, which are hereby incorporated by reference and realleged as if fully set forth
2 herein.

3 **PRAYER**

4 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
5 and that the following the hearing, the Director of Department of Cannabis Control issue a
6 decision:

7 1. Revoking or suspending outright or suspending with terms and conditions or fining or
8 any combination thereof, the Cannabis Distributor License C11-0000945-LIC, issued to
9 California Paradise with Aharin Coke, Owner;

10 2. Ordering California Paradise with Aharin Coke, Owner, to pay the Department of
11 Cannabis Control the reasonable costs of the investigation and enforcement of this case, pursuant
12 to Business and Professions Code section 26031.1;

13 3. Ordering the destruction of cannabis and cannabis goods in the possession of
14 California Paradise with Aharin Coke, Owner, at Respondent's expense, if revocation of
15 Cannabis Retailer License Number C11-0000945-LIC is ordered, pursuant to California Code of
16 Regulations, title 4, section 15024.1, subdivision (a); and

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

18
19 DATED: November 26, 2025

Evelyn Schaeffer

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

20
21
22
23
24
25
26
27
28 SA2025803809/68085375

Exhibit B

First Amended Accusation No. DCC25-0001055-INV

1 ROB BONTA
Attorney General of California
2 HARINDER K. KAPUR
Senior Assistant Attorney General
3 GREGORY M. CRIBBS
Supervising Deputy Attorney General
4 State Bar No. 175642
300 South Spring Street, Suite 1702
5 Los Angeles, CA 90013-1230
Telephone: (213) 269-6259
6 E-mail: Gregory.Cribbs@doj.ca.gov
Attorneys for Complainant
7 *Department of Cannabis Control*

8
9
10 **BEFORE THE**
OFFICE OF ADMINISTRATIVE HEARINGS
STATE OF CALIFORNIA

11
12 In the Matter of the First Amended Accusation
Against:

DCC Case No. DCC25-0001055-INV

13 **CALIFORNIA PARADISE**
14 **AHARIN COKE, OWNER**
15 **25 W. 3rd Street, Unit 5**
Eureka, CA 95501

FIRST AMENDED ACCUSATION

16 **Cannabis Distributor License**
17 **No. C11-0000945-LIC**

18 Respondent.

19
20 **PARTIES**

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

24 2. On or about August 1, 2019, the Department issued Provisional Cannabis Distributor
25 License No. C11-0000945-LIC to Respondent, with Aharin Coke, Owner (Owner Coke). The
26 Cannabis Distributor License was in full force and effect at all times relevant to the charges
27 brought herein and will expire on July 31, 2026.
28

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

JURISDICTION

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

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.

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

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.

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.

///

///

///

1 9. Section 26031 of the Code states:

2 (a) The department may suspend, revoke, place on probation with terms and
3 conditions, or otherwise discipline licenses issued by the department and fine a
4 licensee, after proper notice and hearing to the licensee, except as provided in Section
5 26031.01, if the licensee is found to have committed any of the acts or omissions
6 constituting grounds for disciplinary action. The disciplinary proceedings under this
7 chapter shall be conducted in accordance with Chapter 5 (commencing with Section
8 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director
9 shall have all the powers granted therein.

10 (b) The department may suspend or revoke a license when a local agency has
11 notified the department that a licensee within its jurisdiction is in violation of state
12 rules and regulations relating to commercial cannabis activities, and the department,
13 through an investigation, has determined that the violation is grounds for suspension
14 or revocation of the license.

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

19 (d) The suspension or expiration of a license issued by the department, or its
20 suspension, forfeiture, or cancellation by order of the department or by order of a
21 court of law, or its surrender without the written consent of the department, shall not,
22 during any period in which it may be renewed, restored, reissued, or reinstated,
23 deprive the department of its authority to institute or continue a disciplinary
24 proceeding against the licensee upon any ground provided by law or to enter an order
25 suspending or revoking the license or otherwise taking disciplinary action against the
26 licensee on any such ground.

27 10. Section 26034 of the Code states:

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

STATUTORY PROVISIONS

36 11. Section 26030 of the Code, in part, states:

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

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

40 ...

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

3 . . .

4 12. Section 26039.3 of the Code, in part, states:

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

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

20 13. Section 26039.5 of the Code states:

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

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

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

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

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

(b) It is unlawful to cultivate, process, manufacture, sell, deliver, hold, or offer
for delivery any such cannabis or cannabis product.

. . .

REGULATORY PROVISIONS

14. Title 4 of the California Code of Regulations (CCR), section 15006, in part, states:

. . .

(b) The diagram shall show the boundaries of the property and the proposed

premises to be licensed, showing all boundaries, entrances and exits, interior partitions, walls, rooms, windows, and doorways, and shall include a brief statement or description of the principal activity to be conducted therein. The diagram shall also include the dimensions of the boundaries of the premises and structures, including interior and exterior dimensions, to clearly identify the bounds of the premises.

(c) The diagram shall show and identify commercial cannabis activities that will take place in each area of the premises, and identify limited-access areas. Commercial cannabis activities that shall be identified on the diagram include the following, if applicable to the business operations: storage, batch sampling, loading or unloading of shipments, packaging and labeling, customer sales, loading for deliveries, extraction, infusion, cultivation, and processing.

(d) The diagram shall show where all cameras are located and assign a number to each camera for identification purposes unless the premises is exempt from the video surveillance requirement pursuant to section 15315 or section 15044.

15. Title 4 of the CCR, section 15027, in part, states:

(a) A licensee shall not, without the prior written approval of the Department, make a physical change, alteration, or modification of the licensed premises that materially or substantially alters the licensed premises or the use of the licensed premises from the premises diagram originally filed with the license application. A licensee whose licensed premises is to be materially or substantially changed, modified, or altered is responsible for filing a request for premises modification with the Department.

...

(e) Material or substantial changes, alterations, or modifications to a licensed distribution, retail, or testing laboratory premises that require prior approval from the Department include, but are not limited to:

(1) Any increase or decrease in the total physical size or capacity of the licensed premises.

(2) Any physical change that would require the installation of additional video surveillance cameras or a change in the video surveillance system to meet the requirements of section 15044, or alarm system to meet the requirements of section 15047.

(3) Any physical change that would require a building permit, zoning change, or other approval from the applicable local jurisdiction.

(f) Licensees shall request approval of a physical change, alteration, or modification through the online licensing system or in writing, by submitting the Licensee Notification and Request Form, Notifications and Requests to Modify a License, DCC-LIC-027 (Amended 2/22), which is incorporated herein by reference, and the request shall include:

(1) A new premises diagram that conforms to requirements in section 15006; and

(2) A fee pursuant to section 15014 for all licensees except licensed cultivators.

...

(h) Licensees shall notify the Department of all changes, alterations, or modifications

1 to a licensed premises or the licensee's operations that do not require prior approval
2 pursuant to subsections (b), (c), (d), and (e) through the online licensing system or by
3 submitting the Licensee Notification and Request Form, Notifications and Request to
4 Modify a License, DCC-LIC-027 (Amended 2/22), which is incorporated herein by
5 reference, and a new premises diagram that conforms to requirements in section 15006.
6 Notifications pursuant to this subsection shall be submitted to the Department no later than
7 three (3) business days after the changes, alterations, or modifications have been made to
8 the licensed premises.

9
10 16. Title 4 of the CCR, section 15044, in part, states:

11 ...

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

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

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

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

23 (2) Limited-access areas;

24 ...

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

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

(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.

...

(j) Recorded images shall clearly and accurately display the time and date. Time is to
be measured in accordance with the standards issued by the United States National
Institute of Standards and Technology. The displayed date and time shall not cover the
view of recorded images in a manner that prevents the ready identification of any person
or activity in the captured image.

(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 recordings to the Department upon request within the time specified by
the Department.

1 17. Title 4 of the CCR, section 15047.2, in part, states:

2 ...

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

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

9 ...

10 18. Title 4 of the CCR, section 15048.1, in part, states:

11 (a) A licensee and their designated account manager(s) shall:

12 ...

13 (5) Tag and enter all inventory in the track and trace system as required by section
14 15049;

15 ...

16 19. Title 4 of the CCR, section 15048.5, in part, states:

17 ...

18 (c) For all cannabis and cannabis products held in a container, the package tag
19 shall be affixed to the container holding the cannabis or cannabis products. If
20 cannabis or cannabis products are held in multiple containers, the package tag shall be
21 affixed to one of the containers and the other containers shall be labeled with the
22 applicable UID number. Each unit within the container shall be labeled with the
23 applicable UID number. All containers with the same UID number shall be placed
24 contiguous to one another to facilitate identification by the Department.

25 20. Title 4 of the CCR, section 15049 states, in part:

26 (a) All cannabis and cannabis products on the licensed premises shall be
27 assigned a plant or package tag, as applicable, except for harvested plants that are
28 being dried, cured, graded, or trimmed, as specified in this division, and recorded in
the track and trace system.

(b) Each of the following activities shall be recorded in the track and trace
system within 24 hours of occurrence:

(1) Receipt of cannabis or cannabis products.

...

21. Title 4 of the CCR, section 15051 states, in part:

(a) The license shall review the information recorded in the track and trace system at

1 least once every 30 calendar days to ensure its accuracy, including, at a minimum:

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

4 . . .

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

7 22. Title 4 of the CCR, section 15052.1, in part, states:

8 (a) Licensees shall accept or reject, in whole, shipments of cannabis or cannabis
9 products.

10 (b) Notwithstanding subsection (a), partial shipments of cannabis or cannabis
products shall be rejected in the following circumstances:

11 . . .

12 (c) If the licensee receives a shipment containing cannabis or cannabis products
13 that is non-compliant with labeling requirements or exceeds its provided expiration
14 date, the licensee shall reject the portion of the shipment that is non-compliant with
the labeling requirements or expired.

15 . . .

16 23. Title 4 of the CCR, section 15302 states:

17 (a) A licensed distributor shall ensure that all batches of cannabis or cannabis
18 products are stored separately and distinctly from other batches of cannabis and
cannabis products on the licensed distributor's premises.

19 (b) In addition to any tag or label required by section 15048.5, a licensed
20 distributor shall ensure a label with the following information is physically attached
to each container of each batch:

21 (1) The name, license number, and licensed premises address of the licensee
who provided the batch;

22 (2) The date of entry into the licensed distributor's storage area;

23 (3) The unique identifiers and batch number, if any, associated with the batch;

24 (4) A description of the cannabis or cannabis products with enough detail to
25 easily identify the batch;

26 (5) The weight of or quantity of units in the batch, if any;

27 (6) The best-by, sell-by, or expiration date of the batch, if any.
28

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

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

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

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

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

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

21 **STATEMENT OF FACTS**

22 28. On August 9, 2022, Department investigators conducted a compliance inspection of
23 Respondent's licensed premises and subsequently confirmed, in writing, the following violations:

24 (1) Title 4, California Code of Regulations (CCR), section 15044, subdivision (i) (failure to make
25 video surveillance recordings available for inspection); (2) Title 4, CCR, section 17221,
26 subdivisions (a)(1)-(3) (failure to use weighing devices approved, tested, and sealed in
27 accordance with the Business and Professions Code); and (3) Title 4, CCR, section 17800,
28 subdivision (a)(1) (failure to provide access to the Department for all areas of the licensed
premises). These violations were addressed by Respondent shortly after the inspection.

29 29. On November 29, 2023, Department staff conducted another compliance inspection
30 of Respondent's licensed premises and subsequently issued a Notice to Comply (NTC) for the
31 following violations: (1) Title 4, CCR, section 15044, subdivisions (g) and (h) (failure to have the
32 physical or media storage device secured in a manner to protect tampering or theft and failure to

1 ensure that surveillance records were kept for a minimum of 90 days); (2) Title 4, CCR, section
2 15048.3, subdivision (a)(2) (failure to record package tags as received into the track and trace
3 system within 3 calendar days); (3) Title 4, CCR, section 15048.5, subdivision (c) (failure to affix
4 containers with applicable package tags, and to label additional containers within the same
5 package with applicable Unique Identifier number (UID)); (4) Title 4, CCR, section 15049,
6 subdivision (b)(1) (failure to record the receipt of cannabis or cannabis products into the track and
7 trace system within 24 hours of occurrence); (5) Title 4, CCR, section 17221, subdivision (a)(3)
8 (failure to have a weighing device used for commercial purposes approved and sealed by the local
9 County); and (6) Title 4, CCR, section 17223, subdivision (b) (failure to establish and implement
10 a written cannabis waste management plan). Respondent signed and returned the NTC with a
11 written response detailing how the violations had been or would be addressed.

12 30. On November 14, 2024, and December 22, 2024, Department investigators conducted
13 additional compliance inspections of Respondent's premises and again issued a NTC for
14 violations pertaining to Respondent's video surveillance system, tagging of cannabis products,
15 weighing devices, and timely log entries into the California Cannabis Track and Trace (CCTT)
16 system, as well as additional violations pertaining to ensuring all limited-access areas of the
17 licensed premises are locked, storage of cannabis batches for testing, responsibility for the
18 designated CCTT account manager, failure to notify the Department of changes to the licensed
19 premises, and failure to report theft of cannabis and cannabis products. Respondent again signed
20 and returned the NTC with a written response detailing how compliance was or would be
21 achieved.

22 31. On May 21, 2025, Department investigators conducted another compliance inspection
23 on Respondent's premises. Upon entry, Department investigators contacted individuals who
24 identified themselves as "L.H.," operations manager, and "J.P.," warehouse employee. "L.H."
25 immediately stated, "this is not a good day for an inspection, nothing is tagged." During the
26 inspection, Department staff discovered non-compliant labeling or untagged packages of cannabis
27 contained in 71 black trash bags, 122 clear plastic bags, 3 totes, and 2 blue bags on Respondent's
28 licensed premises, equaling a total of 1,663.83 pounds of bulk cannabis flower, trim, and shake.

1 Department staff were unable to note any clear distinction between the black trash bags, as none
2 of the trash bags (or other containers) had UIDs, nor did they have batch numbers or names
3 placed on them. Prior to completion of the inspection, Department staff embargoed cannabis
4 items in multiple areas within the licensed premises, ensured that they were separate from any
5 sourced cannabis, ensured that they were under camera surveillance, and secured them using
6 Department-issued tamper resistant tape. Thereafter, the Department issued an Initial Embargo
7 Notice (IEN) for the embargoed untagged and misbranded cannabis.

8 32. Using a printed copy of Respondent's licensed premises diagram on file with the
9 Department, Department staff noted that video cameras within the "shipping containers" were not
10 physically mounted where indicated, and found cameras located in other areas of the licensed
11 premises that were not indicated on the diagram. In addition, Department staff located two walls,
12 a doorway, and stairway that were not indicated on the premises diagram and noted the shipping
13 containers were also not located where indicated on the premises diagram.

14 33. Department staff inspected Respondent's transport vehicles and found that required
15 paperwork, i.e., a current copy of the Department-issued commercial cannabis distributor license,
16 Quick Response Code Certificate, vehicle insurance, etc., was missing in the vehicles. When
17 Department staff inquired about the missing documentation, "L.H." stated that the documents are
18 in the office, but they would have to "search for it." Department staff asked if all the transport
19 vehicles and trailers had alarms, and "L.H." responded that the vans have alarms, but not the
20 trailers.

21 34. During the inventory audit, Department staff discovered four unmarked and untagged
22 bags of cannabis flower and trim weighing approximately 12.44 pounds that "L.H." stated was,
23 "going to be wasted out anyway," and Respondent opted to have those voluntarily destroyed.

24 35. On May 21, 2025, Department staff emailed Respondent a copy of the IEN and in the
25 body of the email stated, "The items listed in the notice cannot be removed, sold, or disposed of,
26 without written permission from the Department or a court."

27 36. On May 22, 2025, Department staff sent a records request to Respondent seeking,
28 among other things, a video demonstrating the 90-day retention requirement is being met and that

1 the video surveillance system was functional and actively capturing the items placed under
2 embargo.

3 37. On May 23, 2025, Department staff sent a Supplemental Embargo Notice (SEN), via
4 email, to Respondent which again stated, “The items listed in the notice cannot be removed, sold,
5 or disposed of, without written permission from the Department or a court.”

6 38. On June 2, 2025, Respondent responded to the SEN, but did not provide any
7 information concerning items under embargo, such as why the embargoed items were untagged
8 and misbranded and how to correct the reason for embargo. Therein, Respondent acknowledged
9 cannabis was found on the licensed premises “without valid UID tags and associated traceability
10 records,” “products were found to be misbranded,” and the embargoed cannabis “cannot be
11 moved, sold, or destroyed without DCC authorization.”

12 39. On June 3, 2025, Department staff sent another email to Respondent stating what
13 information was required concerning the embargoed cannabis items, and provided until the close
14 of business on June 5, 2025, to provide the requested information.

15 40. On June 5, 2025, Respondent provided a further response to the SEN, which again
16 failed to address and resolve the issues that resulted in the embargo and failed to provide evidence
17 that the cannabis came from a licensed source.

18 41. On June 18, 2025, Department staff emailed Respondent an embargo determination
19 letter stating that the Department placed the items under embargo because it found, or has
20 reasonable cause to believe, that the items are adulterated, misbranded, or their sale would violate
21 MAUCRSA, and that the Department is unable to release the items from embargo because
22 Respondent failed to provide evidence that the items came from a licensed source.

23 42. Later the same day, Owner Coke, and “L.H.” called Department staff to discuss the
24 embargo determination letter. During that telephone conversation, Owner Coke not only admitted
25 that he should not have received the cannabis product that was placed under embargo due to lack
26 of affixed UIDs, but also to knowingly and purposefully not accepting manifests within 24 hours
27 of the cannabis arriving at Respondent’s licensed premises, and not verifying the weight of the
28 cannabis when it arrived at the licensed premises.

1 43. On June 27, 2025, Department staff emailed Respondent a records request seeking
2 video surveillance recordings from the date of the inspection (May 21, 2025) to include all
3 cameras on the premises, both interior and exterior, with a deadline of July 4, 2025.

4 44. On July 2, 2025, and July 3, 2025, Respondent provided 60 videos, but once viewed
5 by Department staff it was determined that only four camera views were provided, and none of
6 the uploaded video captured the embargoed activities that occurred on May 21, 2025.

7 45. On July 3, 2025, Department staff reviewed the original premises diagram for
8 Respondent's licensed premises and found that it did not match the layout of the licensed
9 premises observed by Department staff on May 21, 2025. Specifically, Department staff
10 determined the following: (1) there had been a 3,118 square foot expansion; (2) several walls and
11 doorways were either added or removed; and (3) that stairways leading to the second-floor rooms
12 were either never indicated or had been removed.

13 46. On July 11, 2025, Department staff reviewed Respondent's CCTT account and found
14 that Respondent had repackaged some of cannabis that is under embargo, on at least fourteen
15 separate dates from May 28, 2025, to July 11, 2025. Repackaging of the embargoed cannabis
16 cannot occur without removing the cannabis items from its embargoed state, and thus, breaching
17 the Department's embargo.

18 47. On October 10, 2025, Department staff conducted another inspection of Respondent's
19 licensed premises to visually verify the items placed under embargo were not disturbed. During
20 the inspection Department staff found plastic totes and bags of cannabis were being stored in both
21 the "Shipping Container Product Storage" and the rooms labeled "Product Storage," "Processing
22 Storage Packaging," and the "Batch Sampling Limited Access, Packaging, Storage, and
23 Labeling," areas identified on the premises diagram. In all areas, the cannabis within was not
24 under video camera surveillance, as the cameras' view was obscured by the placement and
25 stacking of plastic totes containing cannabis. The embargo remains unresolved.

26 ///

27 ///

28 ///

1 **FIRST CAUSE FOR DISCIPLINE**

2 (Premises Diagram and Premises Modification)

3 48. Respondent is subject to disciplinary action under Code sections 26030, subdivisions
4 (a) and (c), and California Code of Regulations, title 4, sections 15006 and 15027, in that
5 Respondent failed to properly notify the Department of structural changes undertaken at
6 Respondent's premises which differed from the premises diagram, as more particularly alleged in
7 paragraphs 28 through 47, above, which are hereby incorporated by reference and realleged as if
8 fully set forth herein.

9 **SECOND CAUSE FOR DISCIPLINE**

10 (Video Surveillance Requirements)

11 49. Respondent is further subject to disciplinary action under Code section 26030,
12 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15044, in that
13 Respondent failed to produce, and to keep a minimum of 90 days' of video surveillance, as more
14 particularly alleged in paragraphs 28 through 47, above, which are hereby incorporated by
15 reference and realleged as if fully set forth herein.

16 **THIRD CAUSE FOR DISCIPLINE**

17 (Track and Trace Requirements)

18 50. Respondent is further subject to disciplinary action under Code section 26030,
19 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15047.2, in that
20 Respondent failed to accurately record information in the CCTT system, as more particularly
21 alleged in paragraphs 28 through 47, above, which are hereby incorporated by reference and
22 realleged as if fully set forth herein.

23 **FOURTH CAUSE FOR DISCIPLINE**

24 (Responsibilities of the Designated Account Manager)

25 51. Respondent is further subject to disciplinary action under Code sections 26030,
26 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15048.1, in that
27 Respondent failed to comply with the responsibilities of its Designated Account Manager, as
28

1 more particularly alleged in paragraphs 28 through 47, above, which are hereby incorporated by
2 reference and realleged as if fully set forth herein.

3 **FIFTH CAUSE FOR DISCIPLINE**

4 (Harvest Batch Name and Package Tags)

5 52. Respondent is subject to disciplinary action under Code section 26030, subdivisions
6 (a) and (c), and California Code of Regulations, title 4, section 15048.5, in that Respondent failed
7 to affix package tags to the containers holding cannabis and cannabis products, as more
8 particularly alleged in paragraphs 28 through 47, above, which are hereby incorporated by
9 reference and realleged as if fully set forth herein.

10 **SIXTH CAUSE FOR DISCIPLINE**

11 (Track and Trace Reporting)

12 53. Respondent is further subject to disciplinary action under Code section 26030,
13 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15049, in that
14 Respondent failed to accurately record all commercial cannabis activity in the CCTT system, and
15 holding a licensee responsible for the accuracy and completeness of data and information it enters
16 into the CCTT system, as more particularly alleged in paragraphs 28 through 47, above, which
17 are hereby incorporated by reference and realleged as if fully set forth herein.

18 **SEVENTH CAUSE FOR DISCIPLINE**

19 (Track and Trace Reconciliation)

20 54. Respondent is subject to disciplinary action under Code sections 26030, subdivisions
21 (a) and (c), and California Code of Regulations, title 4, section, 15051, in that Respondent failed
22 to reconcile the inventory of cannabis and cannabis products on the licensed premises within the
23 CCTT system at least once every 30 calendar days to ensure its accuracy, and upon finding a
24 discrepancy, to conduct an audit and notify the Department in writing of a significant
25 discrepancy, as more particularly alleged in paragraphs 28 through 47, above, which are hereby
26 incorporated by reference and realleged as if fully set forth herein.

27 ///

28 ///

1 **EIGHTH CAUSE FOR DISCIPLINE**

2 (Acceptance or Rejection of Cannabis Shipments)

3 55. Respondent is further subject to disciplinary action under Code section 26030,
4 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15052.1, in that
5 Respondent failed to reject, in whole or in part, non-compliant cannabis shipments, as more
6 particularly alleged in paragraphs 28 through 47, above, which are hereby incorporated by
7 reference and realleged as if fully set forth herein.

8 **NINTH CAUSE FOR DISCIPLINE**

9 (Storing of Cannabis or Cannabis Products for Testing)

10 56. Respondent is further subject to disciplinary action under Code sections 26030,
11 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15302, Respondent
12 failed to ensure that all batches of cannabis or cannabis products were stored separately and
13 distinctly from other batches of cannabis or cannabis products on the licensed premises, and with
14 proper labels affixed, as more particularly alleged in paragraphs 28 through 47, above, which are
15 hereby incorporated by reference and realleged as if fully set forth herein.

16 **TENTH CAUSE FOR DISCIPLINE**

17 (Inventory Accounting)

18 57. Respondent is further subject to disciplinary action under Code section 26030,
19 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15309, in that
20 Respondent failed to account for all inventory and to provide accurate information and inventory
21 to the Department upon request, as more particularly alleged in paragraphs 28 through 47, above,
22 which are hereby incorporated by reference and realleged as if fully set forth herein.

23 **ELEVENTH CAUSE FOR DISCIPLINE**

24 (Transportation Requirements)

25 58. Respondent is subject to disciplinary action under Code section 26030, subdivisions
26 (a) and (c), and California Code of Regulations, title 4, section 15311, in that Respondent failed
27 to comply with cannabis transportation requirements, as more particularly alleged in paragraphs
28

28 through 47, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

TWELFTH CAUSE FOR DISCIPLINE

(Transport Vehicle Information)

59. Respondent is further subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15312, in that Respondent failed to comply with cannabis distributor transport vehicle information, as more particularly alleged in paragraphs 28 through 47, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

THIRTEENTH CAUSE FOR DISCIPLINE

(Misbranding and Removal of Embargoed Cannabis Products)

60. Respondent is further subject to disciplinary action under Code sections 26030, subdivision (a), 26039.3, and 26039.5, in that Respondent held misbranded cannabis or cannabis products, which were subject to an embargo, and thereafter breached that embargo by removing and/or selling those cannabis and cannabis products, as more particularly alleged in paragraphs 28 through 47, 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 of Department of Cannabis Control issue a decision:

1. Revoking or suspending outright or suspending with terms and conditions or fining or any combination thereof, the Cannabis Distributor License C11-0000945-LIC, issued to California Paradise with Aharin Coke, Owner;

2. Ordering California Paradise with Aharin Coke, Owner, to pay the Department of Cannabis Control the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 26031.1;

1 3. Ordering the destruction of cannabis and cannabis goods in the possession of
2 California Paradise with Aharin Coke, Owner, at Respondent's expense, if revocation of
3 Cannabis Retailer License Number C11-0000945-LIC is ordered, pursuant to California Code of
4 Regulations, title 4, section 15024.1, subdivision (a); and

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

7 DATED: December 24, 2025

Evelyn Schaeffer

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

15 SA2025803809/68085375

PROOF OF SERVICE

Case Name: In the Matter of the First Amended Accusation Against: California Paradise
DCC Case No. DCC25-0001055-INV
License Number: C11-0000945-LIC, 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 January 9, 2026, I served the within documents:

ORDER ADOPTING STIPULATED SETTLEMENT AND ORDER AS FINAL DECISION

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

California Paradise
Aharin Coke, Owner
blakenaharin@gmail.com

Omar Figueroa, Esq.
Law Offices of Omar Figueroa
omar@omarfigueroa.com

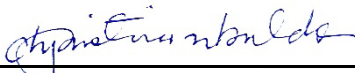
Evelyn Schaeffer
Deputy Director
Compliance Division
Department of Cannabis Control
Evelyn.Schaeffer@cannabis.ca.gov

Gregory M. Cribbs
Supervising Deputy Attorney General
Cannabis Control Section
Office of Attorney General
Gregory.Cribbs@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 9, 2026, at Rancho Cordova, California.



Christina C. Ubaldo