



**Department of  
Cannabis Control**  
CALIFORNIA

**Gavin Newsom**  
Governor

**Clint Kellum**  
Director

January 14, 2026

VIA EMAIL AND CERTIFIED MAIL

El Dorado Distribution, LLC  
Ryan Kruse, Owner  
931 Hutson St., Suite B  
Grover Beach, CA 93433  
eldoradodistributiongb@gmail.com  
ryaneldoradobrandsca@gmail.com

El Dorado Distribution, LLC  
Kevin Kruse & Jordyn Kruse, Owners  
P.O. Box 1029  
Goshen, CA 93227  
kevineldoradobrandsca@gmail.com  
jordyneldoradobrandsca@gmail.com

Re: El Dorado Distribution, LLC - Case No. DCC25-0000542-INV  
Default Decision and Order

Dear Messrs. Kruse:

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

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

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

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

Barring such a timely motion, the attached Default Decision and Order involving El Dorado Distribution, LLC will become effective on February 13, 2026.

Sincerely,

Douglas Smurr  
Assistant General Counsel

Enclosure

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

11 In the Matter of the Accusation Against:

12 **EL DORADO DISTRIBUTION LLC**  
13 **RYAN KRUSE, OWNER**  
14 **931 Hutson St., Suite B**  
15 **Grover Beach, CA 93433**

16 **Cannabis Distributor License**  
17 **No. C11-0001505-LIC**

18 Respondent.

Case No. DCC25-0000542-INV

**DEFAULT DECISION AND ORDER**

[Gov. Code, §11520]

19 **FINDINGS OF FACT**

20 1. On or about October 31, 2025, Complainant Evelyn Schaeffer, in her official capacity  
21 as the Deputy Director of the Compliance Division of the Department of Cannabis Control, filed  
22 Accusation No. DCC25-0000542-INV against El Dorado Distribution LLC (Respondent) with  
23 Ryan Kruse as Owner (Owner) before the Department of Cannabis Control. (Accusation is  
24 attached as Exhibit A.)

25 2. On or about March 30, 2022, the Department of Cannabis Control (Department)  
26 issued Cannabis Distributor License No. C11-0001505-LIC to Respondent. The Cannabis  
27 Distributor License was in full force and effect at all times relevant to the charges brought in  
28 Accusation No. DCC25-0000542-INV and will expire on March 30, 2026, unless renewed.

1           3.     On or about November 3, 2025, Respondent was served by Certified and First Class  
2 Mail copies of the Accusation No. DCC25-0000542-INV, Statement to Respondent, Notice of  
3 Defense, Request for Discovery and Discovery Statutes (Government Code sections 11507.5,  
4 11507.6, and 11507.7) at Respondent's address of record which, pursuant to California Code of  
5 Regulations, title 4, section 15002, is required to be reported and maintained with the  
6 Department. Respondent's address of record was and is: 931 Hutson St., Suite B, Grover Beach,  
7 CA 93433.

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

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

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

16          6.     The Department takes official notice of its records and the fact that Respondent failed  
17 to file a Notice of Defense within 15 days after service upon them of the Accusation, and  
18 therefore waived its right to a hearing on the merits of Accusation No. DCC25-0000542-INV.

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

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

24          8.     Pursuant to its authority under Government Code section 11520, the Department finds  
25 Respondent is in default. The Department will take action without further hearing and, based on  
26 the relevant evidence contained in the Default Decision Investigatory Evidence Packet in this  
27 matter, finds that the charges and allegations in Accusation No. DCC25-0000542-INV, are  
28 separately and severally, found to be true and correct by clear and convincing evidence.

          9.     The Department finds that the actual costs for Investigation and Enforcement are  
\$9,444.00 as of December 18, 2025.

**DETERMINATION OF ISSUES**

1. Based on the foregoing findings of fact, Respondent El Dorado Distribution LLC has subjected its Cannabis Distributor License No. C11-0001505-LIC to discipline.

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

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

- a. Violation of Business and Professions Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15027; [Unauthorized modification of licensed premises.]
- b. Violation of Business and Professions Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15044; [Failure to comply with video surveillance system requirements.]
- c. Violation of Business and Professions Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15049, subdivision (a); [Failure to comply with package tag requirements.]
- d. Violation of Business and Professions Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15049, subdivisions (b) and (c); [Failure to comply with track and trace requirements.]
- e. Violation of Business and Professions Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15023, subdivision (e); [Failure to report a change in contact information of Respondent's designated responsible party.]
- f. Violation of Business and Professions Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15042, subdivision (a); [Failure to comply with premises access requirements.]

**ORDER**

IT IS SO ORDERED that Cannabis Distributor License No. C11-0001505-LIC, issued to Respondent El Dorado Distribution LLC, is revoked.

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

This Decision shall become effective on February 13, 2026.

IT IS SO ORDERED, January 14, 2026.



Douglas Smurr  
Assistant General Counsel  
FOR THE DEPARTMENT OF CANNABIS CONTROL

Default Decision and Order - LIC.docx  
DOJ Matter ID:SA2025803235

Attachment:  
Exhibit A: Accusation

# Exhibit A

Accusation

1 ROB BONTA  
Attorney General of California  
2 GREGORY M. CRIBBS  
Supervising Deputy Attorney General  
3 MATTHEW S. BEASLEY  
Deputy Attorney General  
4 State Bar No. 288070  
300 So. Spring Street, Suite 1702  
5 Los Angeles, CA 90013  
Telephone: (213) 269-6705  
6 Facsimile: (916) 731-2126  
E-mail: Matthew.Beasley@doj.ca.gov  
7 *Attorneys for Complainant*

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

10  
11 In the Matter of the Accusation Against:

Case No. DCC25-0000542-INV

12 **EL DORADO DISTRIBUTION, LLC**  
13 **RYAN KRUSE, OWNER**  
14 **931 Hutson St., Suite B**  
**Grover Beach, CA 93433**

**ACCUSATION**

15 **Cannabis Distributor License**  
16 **No. C11-0001505-LIC**

Respondent.

17  
18  
19 Complainant alleges:

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 March 30, 2022, the Department issued Cannabis Distributor License  
25 No. C11-0001505-LIC to El Dorado Distribution LLC (Respondent) with Ryan Kruse, Owner  
26 (Owner). The Cannabis Distributor License was in full force and effect at all times relevant to the  
27 charges brought herein and will expire on March 30, 2026, unless renewed.  
28

**JURISDICTION**

3. This 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.

4. Section 26010 of the Code states:

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

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

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

6. Section 26011.5 of the Code states:

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

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

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

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

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

9. Section 26031 of the Code states:

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



1 shall have all the powers granted therein.

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

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

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

12 10. Section 26034 of the Code states:

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

## 18 **STATUTORY PROVISIONS**

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

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

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

23 ...

24 (c) Any other grounds contained in regulations adopted by the department  
25 pursuant to this division.

26 ///

27 ///

28 ///

**REGULATORY PROVISIONS**

12. Title 4 of the California Code of Regulations, section 15023, subdivision (e), states, in pertinent part:

When any of the following changes occur, the licensee shall notify the Department within 14 calendar days of the change:

(1) Any change to contact information from the information provided to the Department in the original application.

...

13. Title 4 of the California Code of Regulations, section 15027, states, in pertinent part:

(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.

...

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

1 14. Title 4 of the California Code of Regulations, section 15042, subdivision (a), states:

2 For a premises that is not open to the public, the licensee shall establish and  
3 implement an identification and sign-in/sign-out procedure for all persons accessing  
the premises, including authorized individuals, suppliers, and visitors.

4 15. Title 4 of the California Code of Regulations, section 15044, states, in pertinent part:

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

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

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

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

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

16 (2) Limited-access areas;

17 (3) Security rooms;

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

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

21 ...

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

23 ...

24 16. Title 4 of the California Code of Regulations, section 15049, states:

25 (a) All cannabis and cannabis products on the licensed premises shall be  
26 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  
27 the track and trace system.

28 (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.
- (2) Rejection of transferred cannabis or cannabis products.
- (3) Manufacturing of cannabis or cannabis products.
- (4) Use of cannabis or cannabis product for internal quality control testing or product research and development.
- (5) Destruction or disposal of cannabis or cannabis products.
- (6) Packaging or repackaging of cannabis or cannabis products, except that cultivation licensees shall comply with section 15049.1(b)(5).
- (7) Laboratory testing, including testing results.
- (8) Sale or donation of cannabis or cannabis products.
- (c) The following information shall be recorded in the track and trace system for each activity entered pursuant to subsection (b):
  - (1) The type of cannabis or cannabis products.
  - (2) The weight, volume, or count of the cannabis or cannabis products.
  - (3) The date of activity.
  - (4) The UID assigned to the cannabis or cannabis products.
  - (5) The brand name of the cannabis goods.
  - (6) If cannabis or cannabis products are being destroyed or disposed of, the licensee shall record the following information in the notes section:
    - (A) The name of the employee performing the destruction or disposal;
    - (B) The reason for destruction or disposal; and
    - (C) The method of disposal.
  - (d) If a package adjustment is used to adjust the quantity of cannabis or cannabis products in the track and trace system, the licensee shall include a description explaining the reason for adjustment.
  - (e) If a licensee rejects a partial shipment of cannabis goods pursuant to section 15052.1(b), the licensee shall record the partial rejection in the track and trace system.

### **COST RECOVERY**

17. 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.

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

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  
any other rights the department may have as to any licensee to pay costs.

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

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

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

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

28 (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.

## 29 **FACTUAL ALLEGATIONS**

30 18. On May 22, 2025, Department staff performed a compliance inspection at  
31 Respondent's licensed premises. Department staff observed that there were no surveillance  
32 cameras, nor any video surveillance system or hard drive. Department staff further observed that  
33 the physical layout of the building was inconsistent with the premises diagram that Respondent  
34 had provided to the Department as part of its license application, in that the building was missing  
35 walls, doors, drywall, and ceilings that Respondent had indicated on its premises diagram.

19. Upon further inspection of the licensed premises, Department staff found eight boxes, and seven jars, containing bulk cannabis concentrate. None of the bulk cannabis concentrate was affixed with tags or unique identifier (UID) numbers. In addition, Respondent's California Cannabis Track and Trace (CCTT) account did not report the receipt by Respondent of the bulk cannabis concentrate.

20. Respondent did not maintain any sign-in/sign-out procedure to record the individuals who accessed its licensed premises.

21. On May 22, 2025, Department staff sent an email to Respondent’s designated responsible party at the email Respondent had provided. However, the email was returned as “undeliverable.”

**FIRST CAUSE FOR DISCIPLINE**

(Unauthorized Modification of Premises)

22. Respondent is subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15027, in that Respondent made physical alterations to its licensed premises without informing, or obtaining permission from, the Department, as more particularly alleged in paragraph 18, above, which is hereby incorporated by reference and realleged as if fully set forth herein.

## SECOND CAUSE FOR DISCIPLINE

(Video Surveillance Requirements)

23. 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's licensed premises did not have a video surveillance system, as more particularly alleged in paragraph 18, above, which is hereby incorporated by reference and realleged as if fully set forth herein.

### THIRD CAUSE FOR DISCIPLINE

(Package Tag Requirements)

24. Respondent is further subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15049, subdivision

1 (a), in that Respondent possessed boxes and jars of cannabis concentrate which did not have  
2 package tags, as more particularly alleged in paragraph 19, above, which is hereby incorporated  
3 by reference and realleged as if fully set forth herein.

4 **FOURTH CAUSE FOR DISCIPLINE**

5 (Track and Trace Reporting Requirements)

6 25. Respondent is further subject to disciplinary action under Code section 26030,  
7 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15049, subdivisions  
8 (b) and (c), in that Respondent failed to report the receipt in CCTT of boxes and jars of cannabis  
9 concentrate found on Respondent's licensed premises, as more particularly alleged in paragraph  
10 19, above, which is hereby incorporated by reference and realleged as if fully set forth herein.

11 **FIFTH CAUSE FOR DISCIPLINE**

12 (Change to Contact Information)

13 26. Respondent is further subject to disciplinary action under Code section 26030,  
14 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15023, subdivision  
15 (e), in that Respondent failed to report to the Department the change in contact information of  
16 Respondent's designated responsible party, as more particularly alleged in paragraph 21, above,  
17 which is hereby incorporated by reference and realleged as if fully set forth herein.

18 **SIXTH CAUSE FOR DISCIPLINE**

19 (Premises Access Requirements)

20 27. Respondent is further subject to disciplinary action under Code section 26030,  
21 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15042, subdivision  
22 (a), in that Respondent did not implement a sign-in/sign-out procedure, as more particularly  
23 alleged in paragraph 20, above, which is hereby incorporated by reference and realleged as if  
24 fully set forth herein.

25 ///

26 ///

27 ///

28 ///

**PRAYER**

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that 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 Number C11-0001505-LIC, issued to Respondent El Dorado Distribution, LLC;

2. Ordering Respondent El Dorado Distribution, LLC 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;

3. Ordering the destruction of cannabis and cannabis goods in the possession of El Dorado Distribution, LLC, at Respondent's expense, if revocation of Cannabis Distributor License Number C11-0001505-LIC is ordered, pursuant to California Code of Regulations, title 4, section 15024.1, subdivision (a); and

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

DATED: October 31, 2025

**Evelyn Schaeffer** Digitally signed by Evelyn Schaeffer  
Date: 2025.10.31 11:27:18 -07'00'

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

SA2025803235  
CCS Accusation.docx



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

In the Matter of the Accusation Against:

**EL DORADO DISTRIBUTION LLC  
RYAN KRUSE, OWNER  
931 Hutson St., Suite B  
Grover Beach, CA 93433**

**Cannabis Distributor License  
No. C11-0001505-LIC**

Respondent.

Case No. DCC25-0000542-INV

**DEFAULT DECISION INVESTIGATORY  
EVIDENCE PACKET**

[Gov. Code §11520]

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

**Exhibit 1:** Pleadings offered for jurisdictional purposes: Accusation No. DCC25-0000542-INV, statement to respondent, notice of defense (two blank copies), request for discovery, discovery statutes (government code sections 11507.5, 11507.6 and 11507.7), proofs of service;

**Exhibit 2:** License History Certification for El Dorado Distribution LLC Cannabis Distributor License No. C11-0001505-LIC;

**Exhibit 3:** Certification of Costs by Department for Investigation in Case No. DCC25-0000542-INV dated December 18, 2025;

**Exhibit 4:** Certification of Costs by Department for Enforcement in Case No. DCC25-0000542-INV dated December 19, 2025;

**Exhibit 5:** Investigative Report DCC25-0000542-INV (without attachments)

Dated: December 19, 2025

Respectfully submitted,

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

*Matthew S. Beasley*

MATTHEW S. BEASLEY  
Deputy Attorney General  
*Attorneys for Complainant*

# Exhibit 1

Accusation No. DCC25-0000542-INV

Statement to Respondent

Notice of Defense

Request for Discovery

Discovery Statutes, Proofs of Service

1 ROB BONTA  
Attorney General of California  
2 GREGORY M. CRIBBS  
Supervising Deputy Attorney General  
3 MATTHEW S. BEASLEY  
Deputy Attorney General  
4 State Bar No. 288070  
300 So. Spring Street, Suite 1702  
5 Los Angeles, CA 90013  
Telephone: (213) 269-6705  
6 Facsimile: (916) 731-2126  
E-mail: Matthew.Beasley@doj.ca.gov  
7 *Attorneys for Complainant*

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

10  
11 In the Matter of the Accusation Against:

12 **EL DORADO DISTRIBUTION, LLC**  
13 **RYAN KRUSE, OWNER**  
**931 Hutson St., Suite B**  
**Grover Beach, CA 93433**

14 **Cannabis Distributor License**  
15 **No. C11-0001505-LIC**

16 Respondent.

Case No. DCC25-0000542-INV

17 **STATEMENT TO RESPONDENT**

[Gov. Code §§ 11504, 11505(b)]

18  
19 TO RESPONDENT:

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

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

27 ///

28 ///

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

4 **Matthew S. Beasley**  
5 **Deputy Attorney General**  
6 **300 South Spring Street, Suite 1702**  
7 **Los Angeles, CA 90013**  
8 **Email: [Matthew.Beasley@doj.ca.gov](mailto:Matthew.Beasley@doj.ca.gov)**

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

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

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

16 The hearing may be postponed for good cause. If you have good cause, you are obliged to  
17 notify the Office of Administrative Hearings, 320 West Fourth Street, Suite 630, Los Angeles,  
18 CA 90013, within ten (10) working days after you discover the good cause. Failure to notify the  
19 Office of Administrative Hearings within ten (10) days will deprive you of a postponement.

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

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

#### 25 **NOTICE REGARDING STIPULATED SETTLEMENTS**

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

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

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

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

10  
11 Dated: October 31, 2025

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

12  
13  
14 *Matthew S. Beasley*  
15 MATTHEW S. BEASLEY  
16 Deputy Attorney General  
17 *Attorneys for Complainant*

18 SA2025803235  
19 68043020.docx  
20  
21  
22  
23  
24  
25  
26  
27  
28

1 ROB BONTA  
Attorney General of California  
2 GREGORY M. CRIBBS  
Supervising Deputy Attorney General  
3 MATTHEW S. BEASLEY  
Deputy Attorney General  
4 State Bar No. 288070  
300 So. Spring Street, Suite 1702  
5 Los Angeles, CA 90013  
Telephone: (213) 269-6705  
6 Facsimile: (916) 731-2126  
E-mail: Matthew.Beasley@doj.ca.gov  
7 *Attorneys for Complainant*

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

11 In the Matter of the Accusation Against:

Case No. DCC25-0000542-INV

12 **EL DORADO DISTRIBUTION, LLC**  
13 **RYAN KRUSE, OWNER**  
14 **931 Hutson St., Suite B**  
**Grover Beach, CA 93433**

**ACCUSATION**

15 **Cannabis Distributor License**  
16 **No. C11-0001505-LIC**

Respondent.

17  
18  
19 Complainant alleges:

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 March 30, 2022, the Department issued Cannabis Distributor License  
25 No. C11-0001505-LIC to El Dorado Distribution LLC (Respondent) with Ryan Kruse, Owner  
26 (Owner). The Cannabis Distributor License was in full force and effect at all times relevant to the  
27 charges brought herein and will expire on March 30, 2026, unless renewed.  
28

## **JURISDICTION**

3. This 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.

4. Section 26010 of the Code states:

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

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

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

6. Section 26011.5 of the Code states:

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

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

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

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

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

9. Section 26031 of the Code states:

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

1 shall have all the powers granted therein.

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

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

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

12 10. Section 26034 of the Code states:

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

## 18 **STATUTORY PROVISIONS**

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

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

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

23 ...

24 (c) Any other grounds contained in regulations adopted by the department  
25 pursuant to this division.

26 ///

27 ///

28 ///



**REGULATORY PROVISIONS**

12. Title 4 of the California Code of Regulations, section 15023, subdivision (e), states, in pertinent part:

When any of the following changes occur, the licensee shall notify the Department within 14 calendar days of the change:

(1) Any change to contact information from the information provided to the Department in the original application.

...

13. Title 4 of the California Code of Regulations, section 15027, states, in pertinent part:

(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.

...

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

1 14. Title 4 of the California Code of Regulations, section 15042, subdivision (a), states:

2 For a premises that is not open to the public, the licensee shall establish and  
3 implement an identification and sign-in/sign-out procedure for all persons accessing  
the premises, including authorized individuals, suppliers, and visitors.

4 15. Title 4 of the California Code of Regulations, section 15044, states, in pertinent part:

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

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

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

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

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

16 (2) Limited-access areas;

17 (3) Security rooms;

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

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

21 ...

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

23 ...

24 16. Title 4 of the California Code of Regulations, section 15049, states:

25 (a) All cannabis and cannabis products on the licensed premises shall be  
26 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  
27 the track and trace system.

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

- 1 (1) Receipt of cannabis or cannabis products.
- 2 (2) Rejection of transferred cannabis or cannabis products.
- 3 (3) Manufacturing of cannabis or cannabis products.
- 4 (4) Use of cannabis or cannabis product for internal quality control testing or  
5 product research and development.
- 6 (5) Destruction or disposal of cannabis or cannabis products.
- 7 (6) Packaging or repackaging of cannabis or cannabis products, except that  
8 cultivation licensees shall comply with section 15049.1(b)(5).
- 9 (7) Laboratory testing, including testing results.
- 10 (8) Sale or donation of cannabis or cannabis products.
- 11 (c) The following information shall be recorded in the track and trace system  
12 for each activity entered pursuant to subsection (b):
- 13 (1) The type of cannabis or cannabis products.
- 14 (2) The weight, volume, or count of the cannabis or cannabis products.
- 15 (3) The date of activity.
- 16 (4) The UID assigned to the cannabis or cannabis products.
- 17 (5) The brand name of the cannabis goods.
- 18 (6) If cannabis or cannabis products are being destroyed or disposed of, the  
19 licensee shall record the following information in the notes section:
- 20 (A) The name of the employee performing the destruction or disposal;
- 21 (B) The reason for destruction or disposal; and
- 22 (C) The method of disposal.
- 23 (d) If a package adjustment is used to adjust the quantity of cannabis or  
24 cannabis products in the track and trace system, the licensee shall include a  
25 description explaining the reason for adjustment.
- 26 (e) If a licensee rejects a partial shipment of cannabis goods pursuant to section  
27 15052.1(b), the licensee shall record the partial rejection in the track and trace system.

### **COST RECOVERY**

28 17. 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.

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

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.

## **FACTUAL ALLEGATIONS**

18. On May 22, 2025, Department staff performed a compliance inspection at  
Respondent's licensed premises. Department staff observed that there were no surveillance  
cameras, nor any video surveillance system or hard drive. Department staff further observed that  
the physical layout of the building was inconsistent with the premises diagram that Respondent  
had provided to the Department as part of its license application, in that the building was missing  
walls, doors, drywall, and ceilings that Respondent had indicated on its premises diagram.

19. Upon further inspection of the licensed premises, Department staff found eight boxes, and seven jars, containing bulk cannabis concentrate. None of the bulk cannabis concentrate was affixed with tags or unique identifier (UID) numbers. In addition, Respondent's California Cannabis Track and Trace (CCTT) account did not report the receipt by Respondent of the bulk cannabis concentrate.

20. Respondent did not maintain any sign-in/sign-out procedure to record the individuals who accessed its licensed premises.

21. On May 22, 2025, Department staff sent an email to Respondent’s designated responsible party at the email Respondent had provided. However, the email was returned as “undeliverable.”

**FIRST CAUSE FOR DISCIPLINE**

(Unauthorized Modification of Premises)

22. Respondent is subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15027, in that Respondent made physical alterations to its licensed premises without informing, or obtaining permission from, the Department, as more particularly alleged in paragraph 18, above, which is hereby incorporated by reference and realleged as if fully set forth herein.

## SECOND CAUSE FOR DISCIPLINE

(Video Surveillance Requirements)

23. 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's licensed premises did not have a video surveillance system, as more particularly alleged in paragraph 18, above, which is hereby incorporated by reference and realleged as if fully set forth herein.

### THIRD CAUSE FOR DISCIPLINE

(Package Tag Requirements)

24. Respondent is further subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15049, subdivision

1 (a), in that Respondent possessed boxes and jars of cannabis concentrate which did not have  
2 package tags, as more particularly alleged in paragraph 19, above, which is hereby incorporated  
3 by reference and realleged as if fully set forth herein.

4 **FOURTH CAUSE FOR DISCIPLINE**

5 (Track and Trace Reporting Requirements)

6 25. Respondent is further subject to disciplinary action under Code section 26030,  
7 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15049, subdivisions  
8 (b) and (c), in that Respondent failed to report the receipt in CCTT of boxes and jars of cannabis  
9 concentrate found on Respondent's licensed premises, as more particularly alleged in paragraph  
10 19, above, which is hereby incorporated by reference and realleged as if fully set forth herein.

11 **FIFTH CAUSE FOR DISCIPLINE**

12 (Change to Contact Information)

13 26. Respondent is further subject to disciplinary action under Code section 26030,  
14 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15023, subdivision  
15 (e), in that Respondent failed to report to the Department the change in contact information of  
16 Respondent's designated responsible party, as more particularly alleged in paragraph 21, above,  
17 which is hereby incorporated by reference and realleged as if fully set forth herein.

18 **SIXTH CAUSE FOR DISCIPLINE**

19 (Premises Access Requirements)

20 27. Respondent is further subject to disciplinary action under Code section 26030,  
21 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15042, subdivision  
22 (a), in that Respondent did not implement a sign-in/sign-out procedure, as more particularly  
23 alleged in paragraph 20, above, which is hereby incorporated by reference and realleged as if  
24 fully set forth herein.

25 ///

26 ///

27 ///

28 ///

**PRAYER**

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that 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 Number C11-0001505-LIC, issued to Respondent El Dorado Distribution, LLC;

2. Ordering Respondent El Dorado Distribution, LLC 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;

3. Ordering the destruction of cannabis and cannabis goods in the possession of El Dorado Distribution, LLC, at Respondent's expense, if revocation of Cannabis Distributor License Number C11-0001505-LIC is ordered, pursuant to California Code of Regulations, title 4, section 15024.1, subdivision (a); and

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

DATED: October 31, 2025

**Evelyn Schaeffer** Digitally signed by Evelyn Schaeffer  
Date: 2025.10.31 11:27:18 -07'00'

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

SA2025803235  
CCS Accusation.docx

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

In the Matter of the Accusation Against:

**EL DORADO DISTRIBUTION, LLC  
RYAN KRUSE, OWNER  
931 Hutson St., Suite B  
Grover Beach, CA 93433**

**Cannabis Distributor License  
No. C11-0001505-LIC**

Respondent.

Case No. DCC25-0000542-INV

**NOTICE OF DEFENSE**

(Gov. Code §§ 11505 and 11506)

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

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

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

Date:

Print Your Name:

Your Signature:

Respondent's Mailing Address:

Phone:

E-mail



**Check one box:**

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

Counsel's Name

Counsel's Mailing Address

Phone:

E-mail:

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

**Check box if applicable:**

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

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

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

In the Matter of the Accusation Against:

**EL DORADO DISTRIBUTION, LLC  
RYAN KRUSE, OWNER  
931 Hutson St., Suite B  
Grover Beach, CA 93433**

**Cannabis Distributor License  
No. C11-0001505-LIC**

Respondent.

Case No. DCC25-0000542-INV

**NOTICE OF DEFENSE**

(Gov. Code §§ 11505 and 11506)

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

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

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

Date:

Print Your Name:

Your Signature:

Respondent's Mailing Address:

Phone:

E-mail

**Check one box:**

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

Counsel's Name

Counsel's Mailing Address

Phone:

E-mail:

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

**Check box if applicable:**

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

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

1 ROB BONTA  
Attorney General of California  
2 GREGORY M. CRIBBS  
Supervising Deputy Attorney General  
3 MATTHEW S. BEASLEY  
Deputy Attorney General  
4 State Bar No. 288070  
300 So. Spring Street, Suite 1702  
5 Los Angeles, CA 90013  
Telephone: (213) 269-6705  
6 Facsimile: (916) 731-2126  
E-mail: Matthew.Beasley@doj.ca.gov  
7 *Attorneys for Complainant*

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

11 In the Matter of the Accusation Against:

Case No. DCC25-0000542-INV

12 **EL DORADO DISTRIBUTION, LLC**  
13 **RYAN KRUSE, OWNER**  
14 **931 Hutson St., Suite B**  
15 **Grover Beach, CA 93433**

**REQUEST FOR DISCOVERY**

16 **Cannabis Distributor License**  
17 **No. C11-0001505-LIC**

Respondent.

18 TO RESPONDENT:

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

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

- 25 1. Provide the names and addresses of witnesses to the extent known to the Respondent,  
26 including, but not limited to, those intended to be called to testify at the hearing, and  
27 2. Provide an opportunity for the Complainant to inspect and make a copy of any of the  
28 following in the possession or custody or under control of the Respondent:

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

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

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

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

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

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

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

26          For the purpose of this Request for Discovery, "statements" include written statements by  
27          the person, signed, or otherwise authenticated by him or her, stenographic, mechanical, electrical  
28

1 or other recordings, or transcripts thereof, of oral statements by the person, and written reports or  
2 summaries of these oral statements.

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

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

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

13  
14 Dated: October 31, 2025

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

15  
16  
17 *Matthew S. Beasley*  
18 MATTHEW S. BEASLEY  
19 Deputy Attorney General  
Attorneys for Complainant

20  
21  
22 SA2025803235  
23 68043020.docx  
24  
25  
26  
27  
28

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

**SECTION 11507.5: Exclusivity of discovery provisions**

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

**SECTION 11507.6: Request for discovery**

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

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

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

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

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

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

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

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

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

## **SECTION 11507.7: Petition to compel discovery; Order; Sanctions**

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

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

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

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

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

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

\*\*\*\*\*



**DECLARATION OF SERVICE BY CERTIFIED MAIL AND FIRST CLASS MAIL**  
(Separate Mailings)

Case Name: **In the Matter of the Accusation against El Dorado Distribution LLC**

Case No.: **DCC25-0000542-INV**

I declare:

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

On November 3, 2025, I served the attached **STATEMENT TO RESPONDENT; ACCUSATION; NOTICE OF DEFENSE (2 COPIES); REQUEST FOR DISCOVERY; GOVERNMENT CODE SECTIONS 11507.5, 11507.6 AND 11507.7** by placing a true copy thereof enclosed in a sealed envelope as certified mail with return receipt requested, and another true copy of the **STATEMENT TO RESPONDENT; ACCUSATION; NOTICE OF DEFENSE (2 COPIES); REQUEST FOR DISCOVERY; GOVERNMENT CODE SECTIONS 11507.5, 11507.6 AND 11507.7** was enclosed in a second sealed envelope as first class mail in the internal mail collection system at the Office of the Attorney General at 300 South Spring Street, Suite 1702, Los Angeles, CA 90013-1230, addressed as follows:

Ryan Kruse  
El Dorado Distribution LLC  
931 Hutson St., Suite B  
Grover Beach, CA 93433  
*Respondent*

**Certified Article Number**

**9414 7266 9904 2236 9741 43**

**SENDER'S RECORD**

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on November 3, 2025, at Los Angeles, California.

\_\_\_\_\_  
Michelle Sandoval  
Declarant

\_\_\_\_\_  
*Michelle Sandoval*  
Signature

**U.S. Postal Service®**  
**CERTIFIED MAIL® RECEIPT**  
*Domestic Mail Only*

**USPS® ARTICLE NUMBER**

9414 7266 9904 2236 9741 43

Certified Mail Fee \$

Return Re

Return Re

Certified I



rk

Postage 9590 9266 9904 2236 9741 46

Total Postage and Fees

**Sent to:**

Ryan Kruse  
El Dorado Distribution LLC  
931 Hutson St., Suite B  
Grover Beach, CA 93433

Reference Information

Matthew S. Beasley, DAG  
Re: Accusation Packet  
SA2025803235//El Dorado Distribution

# Exhibit 2

License History Certification for Respondent



Department of  
Cannabis Control  
CALIFORNIA

Department of Cannabis Control  
licensing@cannabis.ca.gov, www.cannabis.ca.gov

## Cannabis Distributor License Adult-Use and Medicinal

**Business Name:**

EL DORADO DISTRIBUTION, LLC

EL DORADO DISTRIBUTION, LLC

**License Number:** C11-0001505-LIC

**License Type:** Distributor

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

**Valid:** 3/30/2022  
**Expires:** 3/30/2026

Scan to verify this  
license.



**Non-Transferable**

**Post in Public View**

# Scan to verify this license.



**Valid:**

3/30/2022

**Expires:**

3/30/2026

**License No:**

C11-0001505-LIC

**Legal Business Name:**

EL DORADO DISTRIBUTION, LLC  
EL DORADO DISTRIBUTION, LLC

1. Use your smartphone camera to scan the QR code for licensing information.
2. If your camera doesn't have scanning functionality, you can look up a location at [search.cannabis.ca.gov](https://search.cannabis.ca.gov) using license number C11-0001505-LIC.



Department of  
Cannabis Control  
CALIFORNIA

# Exhibit 3

Certification of Costs of Department for Investigation



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

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

In the Matter of the Citation Against:

**EL DORADO DISTRIBUTION, LLC;  
RYAN KRUSE, OWNER  
931 Hutson St., Suite B  
Grover Beach, CA 93433  
  
Cannabis Distributor License  
No. C11-0001505-LIC**

Respondent.

Case No. DCC25-0000542-INV

**DECLARATION OF ASHTYN  
CAMPBELL REGARDING  
INVESTIGATIVE ACTIVITY**

I, Ashtyn Campbell declare and certify as follows:

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

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

3. The following list of SSIs, Special Investigators (SI), and Environmental Scientists (ES) were assigned to the investigation of this case, which was opened by the Department's Compliance Division on or about May 22, 2023: SSI Ashtyn Campbell, Lead SI Samantha Lehnhoff, SI Mason Sperakos, ES Lai Long, ES Jacquelyn Lam, and ES John Anderson.

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

1 Department's Compliance Division for the reasonable and necessary investigative work  
2 performed on a particular case. It is the duty of Compliance staff to record the time spent on all  
3 investigative activities at or near the time the activities are performed.

4 5. The investigative activity summary El Dorado Distribution LLC Certification of  
5 Cost Recovery includes the details of tasks performed by Department staff. The costs related to  
6 investigative activity include field time, research and report writing, meetings, and use of state  
7 vehicles. I hereby certify that the El Dorado Distribution LLC Certification of Cost Recovery,  
8 attached hereto and herein incorporated by reference is a true and correct copy of the investigative  
9 activity for this case. The investigative activity summary encompasses the total hours spent by the  
10 Department's ISB through December 18, 2025. The investigative activity summary does not  
11 include tasks performed after this date.

12 6. I certify pursuant to the provisions of Business and Professions Code section  
13 26031.1 that to the best of my knowledge the costs of investigative services set forth in this  
14 declaration are correct and were necessarily incurred in this case. The total hours of investigative  
15 activity and rates applicable to the above-entitled case are as follows:

16 a) Field Time:

17 SSI/SI Rate per hour: \$101.00 multiplied by 7.5 hours = \$757.50

18 ES Rate per hour: \$114.00 multiplied by 18.75 hours = \$2,137.50

19 b) Research and Report Writing:

20 SSI/SI Rate per hour: \$101.00 multiplied by 19 hours = \$1,919.00

21 ES Rate per hour: \$114.00 multiplied by 4 hours = \$456.00

22 c) Meetings:

23 Rate per hour: \$101.00 multiplied by 2 hours = \$202.00

24 ES Rate per hour: \$114.00 multiplied by 3 hours = \$342.00

25 d) Use of State Vehicles:

26 3 vehicles at \$.625 per mile multiplied by 700 total miles = \$437.50  
27  
28



1 I declare under penalty of perjury under the laws of the State of California that the  
2 foregoing is true and correct and that this declaration was executed in Humboldt County  
3 on December 18, 2025.

4  
5 Campbell,  
Ashtyn@Cannabis

Digitally signed by Campbell,  
Ashtyn@Cannabis  
Date: 2025.12.18 13:52:22  
-08'00'

6 Ashtyn Campbell  
7 *Declarant*  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



# Exhibit 4

Certification of Costs of Department for Enforcement

1 ROB BONTA  
Attorney General of California  
2 GREGORY M. CRIBBS  
Supervising Deputy Attorney General  
3 MATTHEW S. BEASLEY  
Deputy Attorney General  
4 State Bar No. 288070  
300 So. Spring Street, Suite 1702  
5 Los Angeles, CA 90013  
Telephone: (213) 269-6705  
6 Facsimile: (916) 731-2126  
E-mail: Matthew.Beasley@doj.ca.gov  
7 *Attorneys for Complainant*

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

10 In the Matter of the Accusation Against:

Case No. DCC25-0000542-INV

11 **EL DORADO DISTRIBUTION LLC;**  
12 **RYAN KRUSE, OWNER**

**CERTIFICATION OF**  
**PROSECUTION COSTS:**  
**DECLARATION OF MATTHEW S.**  
**BEASLEY**

13  
14 Respondent.

Business and Professions Code section  
26031.1]

15  
16  
17 I, MATTHEW S. BEASLEY, hereby declare and certify as follows:

18 1. I am a Deputy Attorney General employed by the California Department of Justice  
19 (DOJ), Office of the Attorney General (Office). I am assigned to the Cannabis Control Section in  
20 the Civil Division of the Office. I have been designated as the representative to certify the costs  
21 of prosecution by DOJ and incurred by the Department of Cannabis Control in this case. I make  
22 this certification in my official capacity and as an officer of the court and as a public employee  
23 pursuant to Evidence Code section 664.

24 2. I represent the Complainant, Evelyn Schaeffer, Deputy Director of the Compliance  
25 Division of the Department of Cannabis Control, in this action. I was assigned to handle this case  
26 on or about October 1, 2025.

27 ///

28 ///

1           3.     Our Office's computerized case management system reflects that the following  
2 persons have also performed tasks related to this matter: Matthew Beasley, Deputy Attorney  
3 General; Gregory Cribbs, Supervising Deputy Attorney General; Helen Koh, Senior Legal  
4 Analyst; Harinder Kapur, Senior Assistant Attorney General.

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

10          5.     On December 2, 2025, I requested a billing summary for this case from the  
11 Accounting Department of the DOJ. In response, on December 2, 2025, I received a document  
12 entitled "Matter Time Activity by Professional Type." I hereby certify that the Matter Time  
13 Activity by Professional Type, attached hereto as Exhibit A, and herein incorporated by  
14 reference, is a true and correct copy of the billing summary for this matter that I received from the  
15 Accounting Department. The summary includes the billing costs incurred by me, as well as other  
16 professionals of the DOJ who worked on the matter; and sets forth the tasks undertaken, the  
17 amount of time billed for the activity, and the billing rate by professional type. The billing  
18 summary is comprehensive of the charges by the Office to the Department of Cannabis Control  
19 through December 2, 2025. It does not include billing for tasks performed after December 2,  
20 2025, up to the date of hearing.

21          6.     Based upon the time reported through December 2, 2025, as set forth in Exhibit A,  
22 DOJ has billed the Department of Cannabis Control \$3,196.50 for the time spent working on the  
23 above-entitled case.

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

26           ///

27           ///

28           ///

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

3 Executed on December 19, 2025, in the City of Los Angeles, California.  
4

5 *Matthew S. Beasley*  
6 MATTHEW S. BEASLEY  
7 Deputy Attorney General  
8 Declarant

9 SA2025803235  
10 Declaration of Costs.docx  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

## **Exhibit A**



# Matter Time Activity By Professional Type

As of Dec 2, 2025

Matter ID: SA2025803235					Date Opened: 09/25/2025				
Description: El Dorado Distribution LLC (ACC)									
Professional Type: Attorney									
Fiscal Year: 2025									
Professional: Gregory M. Cribbs									
Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date
605860192	10/20/25	CV-CCS:290	02668	Supervisory Review	0.50	\$228.00	\$114.00		10/31/25
Gregory M. Cribbs Totals:					0.50		\$114.00		
Professional: Harinder K. Kapur									
803296468	10/1/25	CV-CCS:290	02668	Case Management	0.25	\$228.00	\$57.00		10/31/25
Harinder K. Kapur Totals:					0.25		\$57.00		
Professional: Matthew S. Beasley									
605831342	10/1/25	CV-CCS:290	02668	Case Evaluation/Assessment	0.25	\$228.00	\$57.00		10/31/25
605833046	10/2/25	CV-CCS:290	02668	Case Evaluation/Assessment	1.25	\$228.00	\$285.00		10/31/25
605835814	10/3/25	CV-CCS:290	02668	Case Evaluation/Assessment	0.25	\$228.00	\$57.00		10/31/25
605842197	10/8/25	CV-CCS:290	02668	Pleading Preparation	3.25	\$228.00	\$741.00		10/31/25
605842216	10/9/25	CV-CCS:290	02668	Communication with Other Party	0.25	\$228.00	\$57.00		10/31/25
605842884	10/9/25	CV-CCS:290	02668	Pleading Preparation	0.25	\$228.00	\$57.00		10/31/25
605844593	10/10/25	CV-CCS:290	02668	Pleading Preparation	2.00	\$228.00	\$456.00		10/31/25
605878559	10/30/25	CV-CCS:290	02668	Client Communication	0.25	\$228.00	\$57.00		10/31/25
605885660	10/31/25	CV-CCS:290	02668	Case Management	0.50	\$228.00	\$114.00		10/31/25
605886025	11/3/25	CV-CCS:290	02668	Case Management	0.25	\$228.00	\$57.00		
605901101	11/12/25	CV-CCS:290	02668	Research	0.25	\$228.00	\$57.00		
605903644	11/13/25	CV-CCS:290	02668	Analysis/Strategy	0.25	\$228.00	\$57.00		
605910861	11/17/25	CV-CCS:290	02668	Research	0.25	\$228.00	\$57.00		
605922980	11/24/25	CV-CCS:290	02668	Client Communication	0.25	\$228.00	\$57.00		
605922986	11/25/25	CV-CCS:290	02668	Client Communication	0.50	\$228.00	\$114.00		
Matthew S. Beasley Totals:					10.00		\$2,280.00		
2025 Totals:					10.75		\$2,451.00		
Attorney Totals:					10.75		\$2,451.00		





Matter Time Activity By Professional Type

As of Dec 2, 2025

Matter ID: SA2025803235					Date Opened: 09/25/2025				
Description: El Dorado Distribution LLC (ACC)									
Professional Type: Paralegal									
Fiscal Year: 2025									
Professional: Helen Koh									
Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date
803287560	9/25/25	CV-CCS:290	02668	Case Management	1.00	\$213.00	\$213.00		9/30/25
803366932	12/2/25	CV-CCS:290	02668	Case Management	2.50	\$213.00	\$532.50		
Helen Koh Totals:					3.50		\$745.50		
2025 Totals:					3.50		\$745.50		
Paralegal Totals:					3.50		\$745.50		
SA2025803235 Totals:					14.25		\$3,196.50		

# Exhibit 5

Investigative Report DCC25-0000542-INV (without attachments)

# INVESTIGATION REPORT

STATE OF CALIFORNIA



Department of  
Cannabis Control  
CALIFORNIA



## CASE INFORMATION

Case Number DCC25-0000542-INV	Date Received March 18, 2025
License Number C11-0001505-LIC	Legal Business Name of Licensee or Unlicensed Party EL DORADO DISTRIBUTION, LLC
DBA	Premises Address 931 Huston St., Suite B, Grover Beach, CA 93433
Business Phone Number (805) 233-7569	Author's Name Samantha Lehnhoff
Date of Incident May 22, 2025	Location of Incident 921 Huston St., Suite B, Grover Beach, CA 93433

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

Name (First, Middle, Last) Ryan Kruse	Title Owner Applicant
Address (include street, city, state, and zip code) PO Box 1029, Goshen, CA 93227	
E-mail Address <a href="mailto:rrkruse@westernmilling.com">rrkruse@westernmilling.com</a> / <a href="mailto:ryaneldoradobrandsca@gmail.com">ryaneldoradobrandsca@gmail.com</a>	Phone Number (559) 553-2151
Miscellaneous Information <a href="mailto:rrkruse@westernmilling.com">rrkruse@westernmilling.com</a> email is not functional.	

## SUMMARY

On May 22, 2025, I, Department of Cannabis Control (DCC) Special Investigator (SI) Samantha Lehnhoff, conducted a site visit at a licensed commercial cannabis business, EL DORADO DISTRIBUTION, LLC C11-0001505-LIC (Licensee). While on site, I observed multiple violations of the California Code of Regulations, Title 4, including, cannabis and cannabis products without applicable Unique Identifiers (UIDs), cannabis products that had been transported without documentation or a manifest, no sign-in/sign-out procedures for persons accessing the premises, no video surveillance systems were located on the premises, the premises did not match the premises diagram that was submitted to the Department, the physical address of the licensed premises did not match the address submitted to the Department, and the email address on file for the owner applicant, [rrkruse@westernmilling.com](mailto:rrkruse@westernmilling.com), was not functional.



## INVESTIGATION REPORT (continued)

### BACKGROUND

On March 30, 2022, owner applicant Ryan Kruse (Kruse) was issued a commercial cannabis distributor license with the Department, for the entity EL DORADO DISTRIBUTION, LLC (Licensee), C11-0001505-LIC, at 931 Huston Street, Grover Beach, CA 93433 (premises). **(Attachment A)**

On March 21, 2025, I received an investigation case created by DCC's CCTT Services Office. The CCTT Services Office created an investigation case due to the licensee's high ratio of incoming transfers to outgoing transfers. Each inbound transfer remained incomplete or un-processed; neither accepted nor rejected. The CCTT Services Office advised the Licensee was captured in the Inbound vs Outbound Transfers Report. This is a report they use to identify imbalances of transfers and potential inversion or diversion of cannabis and cannabis products. They also indicated the Licensee had never recorded an outgoing transfer over their licensure, had never held inventory in the Marijuana Enforcement Tracking Reporting Compliance (METRC) system, and had never placed a package tag order to date. **(Attachment B)**

The Licensee had no prior enforcement actions or field inspections in the commercial cannabis licensing management system records database utilized by the DCC, Accela (Accela). Kruse had a commercial cannabis cultivation license, El Dorado Processing, LLC, CCL21-00004787 issued at 931 Huston Street, Suite A, Grover Beach, CA 93433, on July 20, 2022, but that license was surrendered on May 15, 2023. Kruse also has an active commercial cannabis manufacturing license, El Dorado Processing, LLC, DCC-10004805, issued at 931 Huston Street, Suite A, Grover Beach, CA 93433 on June 22, 2022.

The Licensee was first credentialed in METRC on October 1, 2022. As of May 22, 2025, there were no package adjustments completed, and the Licensee had zero active inventory. The last METRC login from the owner, Kruse, was on October 7, 2022. **(Attachment C)**

### CASE NARRATIVE

On May 22, 2025, I conducted a field inspection of the licensed premises with DCC SI Mason Sperakos (SI Sperakos), DCC Environmental Compliance and Manufacturing and Safety Branch (ECMSB) Environmental Scientist (ES) Lai Long (ES Long), ES Jacquelyn Lam (ES Lam), ES John Anderson (ES Anderson), and Grover Beach Police Department Detective Kelly Cook (Det. Cook). Upon arrival, I noted the licensed premises address was 921 Huston Street, Grover Beach, not 931 Huston Street, Suite B, Grover Beach, as shown within Accela records. **(Attachment D)** The building was locked and appeared non-operational due to the numerous cobwebs around the doors, organic material around the walkways and parking lot, and a lack of any vehicles or people in the parking lot. Due to Det. Cook's engagement in routine interactions with licensees within the city, he advised us that an employee of Coastal Business Distribution LLC (C11-0000173-LIC), whose listed owner is the same as EL DORADO DISTRIBUTION, LLC, might be able to allow us access to the premises. Det. Cook called Coastal Business Distribution LLC's employee Christian Parong (Parong) and inquired if he had a key to the building. He then asked Parong if he could respond to the licensed premises location and allow us inside. Parong agreed and showed up on site a few minutes later.

We entered the licensed premises and found a large warehouse filled with packaging materials that were mostly cardboard boxes, as well as pallet jacks. A large fishing boat was also located inside the building. **(Attachment E)**

I then looked around the licensed premises for cameras as outlined in the premises diagram map found on file with the Department. **(Attachment F)** I was unable to locate any surveillance cameras nor any type of video surveillance system or hard drive. There was no evidence that any cameras had ever been placed within the licensed premises, as indicated on the premises diagram. I also noticed the premises diagram was not accurate to the physical building. The physical premises was missing walls, doors, drywall, and ceilings that were indicated on the premises diagram.

Upon further inspection of the premises, a pallet was located with eight boxes containing bulk concentrate in small clear jars with white lids as well as seven large mason type jars filled with what appeared to be the same



## INVESTIGATION REPORT (continued)

concentrate. I did not locate a UID on any of the cannabis products found on the pallet. The only identifying markers were strain names written on the boxes containing the bulk cannabis concentrate. I questioned Parong about whether he knew where the product came from and when it was placed there. He advised that he did not know where the product came from nor when it was placed there. Det. Cook asked Parong if his fellow employee at Coastal Business Distribution, LLC, Chad Kikta (Kikta), would have knowledge about this product, as Det. Cook is familiar with him because Kikta assists with the marketing operations at Coastal Business Distribution, LLC. Parong told Det. Cook that Kikta might have further information. Det. Cook had Kikta's phone number from past routine interactions as part of his assigned duties. Det. Cook called Kikta and put him on speaker phone. Det. Cook and I questioned Kikta over the phone regarding where the product came from. Kikta explained that the product was previously located at Coastal Business Distribution, LLC's licensed premises but was moved to the Licensee's premises to be destroyed. I asked Kikta if there was a manifest associated with the movement of the cannabis products, and he advised there was not. He further explained that Coastal Business Distribution, LLC, was originally holding the cannabis products as collateral for debts owed. I asked Kikta where Coastal Business Distribution, LLC got the product from, and he advised it came from Quality Resources LLC (DCC-10003945). I asked if Coastal Business Distribution LLC had a manifest to accompany the movement of the product from Quality Resources LLC to Coastal Business Distribution, LLC, and he advised there was no manifest. Per Kikta, Coastal Business Distribution, LLC conducted internal quality assurance testing on the bulk concentrate. Kikta claimed that the product had "tested hot" for chemicals or pesticides and was not up to their standards. Therefore, the product was set to be destroyed and due to limited space and resources, the product was moved to the Licensee's licensed premises. Due to the Licensee not maintaining a sign in/sign out log to record individuals who had accessed the premises, there was no way to determine when or who dropped the bulk concentrate off.

I asked Kikta if he would like to voluntarily destroy the product, or have it placed under embargo. Kikta elected to voluntarily destroy the bulk concentrate and provided that information to me over the phone. Since Parong was on site, and Kikta was not, I called Kruse to confirm the decision to voluntarily destroy the bulk concentrate and to ensure Parong could represent EL DORADO DISTRIBUTION, LLC on his behalf, make decisions for the product, and sign any documentation regarding the voluntary destruction of the cannabis products. Kruse verbally agreed to the voluntary destruction and stated that Parong could represent the license. Parong then called more employees of Coastal Business Distribution LLC to the Licensee's licensed premises to help with the destruction. The boxes that held the small jars were weighed empty and were 1.4 pounds. The weights for the small jars were calculated by weighing the product in its box, then subtracting 1.4 pounds for the box. The items were then catalogued on the DCC's Record of Voluntary Condemnation and Destruction (VC&D) form. **(Attachment G)** The product was destroyed by opening all jars and submerging them into detergent, rendering it unusable. **(Attachment H)**

I questioned Parong on the incoming transfers identified by DCC's CCTT Services Office and he stated he did not recognize any of the licensees sending product and confirmed that neither the license nor the licensed premises was currently being utilized.

Before leaving the licensed premises, I directed Parong to email me a copy of the waste receipt after they had taken the unusable cannabis material to a waste facility.

Upon returning to my office, I emailed Kruse utilizing the email address listed in Accela, [rrkruse@westernmilling.com](mailto:rrkruse@westernmilling.com), **(Attachment I)** and cc'd Parong a copy of the VC&D form utilizing his email address, [christian@eldorado.group](mailto:christian@eldorado.group). **(Attachment J)**. Kruse's email returned "undeliverable." **(Attachment K)** Kruse had failed to keep DCC informed of his most up to date contact information. Parong verbally told me that Kruse was not involved in the day-to-day operations of either license. I forwarded the email to the business email address listed in Accela, [eldoradodistributiongb@gmail.com](mailto:eldoradodistributiongb@gmail.com), as well as additional owner Jordyn Kruse's email listed in Accela, [jordyneldoradobrandsca@gmail.com](mailto:jordyneldoradobrandsca@gmail.com), and additional owner Kevin Kruse's email listed in Accela, [kevineldoradobrandsca@gmail.com](mailto:kevineldoradobrandsca@gmail.com). **(Attachment L)**

That evening, Parong emailed me **(Attachment M)** a copy of the waste receipt they received; it totaled 640 pounds. **(Attachment N)**



## INVESTIGATION REPORT (continued)

The Licensee has held an active license since March of 2022 and yet has failed to provide a premises diagram to the DCC that accurately reflects the licensed premises. Additionally, the Licensee failed to submit any necessary updates or modifications to the premises diagram, failed to provide an accurate address for the licensed premises to the DCC, failed to install a video surveillance system, failed to have a sign in/sign out log for individuals accessing the premises, failed to accurately record transactions and the movement of cannabis and cannabis products within the METRC system, failed to order package tags for the purpose of applying those package tags to cannabis products, and failed to ensure contact information for the DRP was updated with DCC.

### WITNESS LIST

#### Witness #1

- Name: Samantha Lehnhoff
- Title/Position: Department of Cannabis Control Special Investigator
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 477-5582
- E-mail: [samantha.lehnhoff@cannabis.ca.gov](mailto:samantha.lehnhoff@cannabis.ca.gov)

#### Witness #2

- Name: Mason Sperakos
- Title/Position: Department of Cannabis Control Special Investigator
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 956-8217
- E-mail: [mason.sperakos@cannabis.ca.gov](mailto:mason.sperakos@cannabis.ca.gov)

#### Witness #3

- Name: Lai Long
- Title/Position: Department of Cannabis Control Environmental Scientist
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (559) 234-6164
- E-mail: [long.lai@cannabis.ca.gov](mailto:long.lai@cannabis.ca.gov)

#### Witness #4

- Name: Jacquelyn Lam
- Title/Position: Department of Cannabis Control Environmental Scientist
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (818) 337-4237
- E-mail: [jacquelyn.lam@cannabis.ca.gov](mailto:jacquelyn.lam@cannabis.ca.gov)

#### Witness #5

- Name: John Andersen
- Title/Position: Department of Cannabis Control Environmental Scientist
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (279) 217-3606



## INVESTIGATION REPORT (continued)

- E-mail: [john.andersen@cannabis.ca.gov](mailto:john.andersen@cannabis.ca.gov)

### Witness #6

- Name: Kelly Cook
- Title/Position: Grover Beach Police Department Detective
- Address: 711 Rockaway Ave, Grover Beach, CA 93433
- Phone: (805) 473-4511
- E-mail: [kcook@gbpd.org](mailto:kcook@gbpd.org)

### Witness #7

- Name: Christian Parong
- Title/Position: Employee of Coastal Business Distribution, LLC
- Address: 1141 Highland Way, Suite A, Grover Beach CA 93433
- E-mail: [christian@eldorado.group](mailto:christian@eldorado.group)

### Witness #8

- Name: Chad Kikta
- Title/Position: Employee of Coastal Business Distribution, LLC
- Address: 1141 Highland Way, Suite A, Grover Beach CA 93433
- E-mail: [kikta@eldorado.group](mailto:kikta@eldorado.group)

### Witness #9

- Name: Ryan Kruse
- Title/Position: Owner of Coastal Business Distribution, LLC and EL DORADO DISTRIBUTION, LLC
- Address: 1141 Highland Way, Suite A, Grover Beach CA 93433 and 921 Huston St, Suite B, Grover Beach, CA 93433
- Phone: (559) 553-2151
- E-mail: [rkruse@westernmilling.com](mailto:rkruse@westernmilling.com) (Not functional) and [ryaneldoradobrandsca@gmail.com](mailto:ryaneldoradobrandsca@gmail.com)

### PREPARER

Name	Title
Samantha Lehnhoff	Special Investigator
Signature	Date
	9/16/25

### REVIEWER

Name	Title
Ashtyn Campbell	Supervising Special Investigator
Signature	Date
	9/22/2025

### LIST OF ATTACHMENTS

Attachment A - EL DORADO DISTRIBUTION, LLC's DCC License  
Attachment B – Report from DCC's CCTT Services Office  
Attachment C – Screenshot of Kruse's last login to METRC  
Attachment D – Screenshot of premises address in Accela  
Attachment E – Pictures from inside the licensed premises  
Attachment F – Premises Diagram submitted to the Department  
Attachment G – VC&D form  
Attachment H – Pictures from VC&D  
Attachment I – Screenshot of Kruse's contact information in Accela  
Attachment J – Email containing VC&D form to Kruse and Parong  
Attachment K – Kruse's email returned "undeliverable"  
Attachment L – Email forwarded to business email, Jordyn Kruse, and Kevin Kruse



## **INVESTIGATION REPORT** (continued)

Attachment M – Email containing waste receipt from Parong

Attachment N – Waste receipt from Parong



## PROOF OF SERVICE

Case Name: In the Matter of the Accusation Against: El Dorado Distribution, LLC  
DCC Case No. DCC25-0000542-INV  
License Number: C11-0001505-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 14, 2026, I served the within documents:

### NOTICE OF DEFAULT DECISION AND ORDER

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

El Dorado Distribution, LLC  
Ryan Kruse, Owner  
931 Hutson St., Suite B  
Grover Beach, CA 93433  
Certified Mail No. 7022 1670 0001 3410 8383  
eldoradodistributiongb@gmail.com  
ryaneldoradobrandsca@gmail.com

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

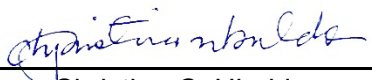
El Dorado Distribution, LLC  
Kevin Kruse & Jordyn Kruse, Owners  
P.O. Box 1029  
Goshen, CA 93227  
Certified Mail No. 7022 1670 0001 3410 8390  
kevineldoradobrandsca@gmail.com  
jordyneldoradobrandsca@gmail.com

Matthew S. Beasley (email only)  
Deputy Attorney General  
Cannabis Control Section  
Office of Attorney General  
Matthew.Beasley@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 14, 2026, at Rancho Cordova, California.

  
\_\_\_\_\_  
Christina C. Ubaldo