



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

Clint Kellum
Director

February 4, 2026

VIA EMAIL AND CERTIFIED MAIL

MGFT Corp
George Ma, Owner
499 Embarcadero, Bldg. B, Bay 6A-1
Oakland, CA 94606
cvcm9999@gmail.com

Geroge Ma
3984 Washington Blvd. #304
Fremont, CA 94538
georgemgft@gmail.com

Re: MGFT Corp - Case No. DCC24-0000392-INV
Default Decision and Order

Dear Mr. Ma:

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

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

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

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

Barring such a timely motion, the attached Default Decision and Order involving MGFT Corp will become effective on March 6, 2026.

Sincerely,

Douglas Smurr
Assistant General Counsel

Enclosure

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

In the Matter of the Accusation Against:

**MGFT CORP; GEORGE MA, OWNER
499 Embarcadero, BLDG #B, Bay6A-1
Oakland, CA 94606**

**Cannabis Retailer - Non-Storefront License
No. C9-0000601-LIC**

Respondent.

Case No. DCC24-0000392-INV

DEFAULT DECISION AND ORDER

[Gov. Code, §11520]

FINDINGS OF FACT

1. On or about June 10, 2025, Complainant Evelyn Schaeffer, in her official capacity as the Deputy Director of the Compliance Division of the Department of Cannabis Control, filed Accusation No. DCC24-0000392-INV against MGFT Corp (Respondent) with George Ma as Owner (Owner) before the Department of Cannabis Control. (Accusation is attached as Exhibit A.)

2. On or about June 14, 2022, the Department of Cannabis Control (Department) issued Cannabis Retailer - Non-Storefront License No. C9-0000601-LIC to Respondent. The Cannabis Retailer - Non-Storefront License was in full force and effect at all times relevant to the charges brought in Accusation No. DCC24-0000392-INV and expired on June 14, 2025. This lapse in licensure, however, pursuant to Business and Professions Code section 26031, subdivision (d),

1 does not deprive the Department of its authority to institute or continue this disciplinary
2 proceeding.

3 3. On or about July 24, 2025, Respondent was served by Certified and First Class Mail
4 copies of the Accusation No. DCC24-0000392-INV, Statement to Respondent, Notice of
5 Defense, Request for Discovery and Discovery Statutes (Government Code sections 11507.5,
6 11507.6, and 11507.7) at Respondent's address of record which, pursuant to California Code of
7 Regulations, title 4, section 15002, is required to be reported and maintained with the
8 Department. Respondent's address of record was and is: 499 Embarcadero, BLDG #B, Bay6A-1
9 Oakland, CA 94606.

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

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

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

18 6. The Department takes official notice of its records and the fact that Respondent failed
19 to file a Notice of Defense within 15 days after service upon them of the Accusation, and
20 therefore waived its right to a hearing on the merits of Accusation No. DCC24-0000392-INV.

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

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

26 8. Pursuant to its authority under Government Code section 11520, the Department finds
27 Respondent is in default. The Department will take action without further hearing and, based on
28 the relevant evidence contained in the Default Decision Investigatory Evidence Packet in this
matter, finds that the charges and allegations in Accusation No. DCC24-0000392-INV, are
separately and severally, found to be true and correct by clear and convincing evidence.

1 9. The Department finds that the actual costs for Investigation and Enforcement are
2 \$15,276.67.

3 **DETERMINATION OF ISSUES**

4 1. Based on the foregoing findings of fact, Respondent MGFT Corp has subjected its
5 Cannabis Retailer - Non-Storefront License No. C9-0000601-LIC to discipline.

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

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

- 11 a. Violation of Business and Professions Code section 26030, subdivisions (a) and
12 (c), and Title 4 of the California Code of Regulations, section 15000.1;
13 [Transfer of cannabis or cannabis products to and from an unlicensed cannabis
14 distributor]
- 15 b. Violation of Business and Professions Code section 26030, subdivisions (a) and
16 (c), and Title 4 of the California Code of Regulations, sections 15000.3 and
17 17800; [Failure to provide the Department with immediate access to the
18 licensed premises]
- 19 c. Violation of Business and Professions Code section 26030, subdivisions (a) and
20 (c), and Title 4 of the California Code of Regulations, section 15036; [Failure
21 to provide the timely and proper notice to the Department of an alleged theft,
22 loss, and/or criminal activity at Respondent's licensed premises]
- 23 d. Violation of Business and Professions Code section 26030, subdivisions (a) and
24 (c), and Title 4 of the California Code of Regulations, section 15044,
25 subdivisions (a) and (b); [Video surveillance system in the licensed premises]
- 26 e. Violation of Business and Professions Code section 26030, subdivisions (a) and
27 (c), and Title 4 of the California Code of Regulations, section 15047.2, [Failure
28 to provide accurate records of transfers of cannabis and cannabis products]

- 1 f. Violation of Business and Professions Code section 26030, subdivisions (a) and
2 (c), and Title 4 of the California Code of Regulations, section 15049, [Failure to
3 accurately record commercial cannabis activity in the CCTT system]
- 4 g. Violation of Business and Professions Code section 26030, subdivisions (a) and
5 (c), and Title 4 of the California Code of Regulations, section 15051, [Failure to
6 perform track and trace reconciliation at least once every 30 days]
- 7 h. Violation of Business and Professions Code section 26030, subdivisions
8 (a) and (c), and Title 4 of the California Code of Regulations, section 15424,
9 [Failure to perform inventory reconciliation]

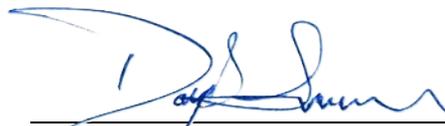
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11 **ORDER**

12 IT IS SO ORDERED that Cannabis Retailer - Non-Storefront License No. C9-0000601-
13 LIC, issued to Respondent MGFT Corp, with George Ma as Owner, is revoked.

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

18 This Decision shall become effective on March 6, 2026.

19 IT IS SO ORDERED, February 4, 2026.

20
21 

22 _____
23 Douglas Smurr
24 Assistant General Counsel
25 FOR THE DEPARTMENT OF CANNABIS CONTROL

24 Default Decision and Order - LIC.docx
25 DOJ Matter ID:SA2025800448

26 Attachment:
27 Exhibit A: Accusation

Exhibit A

Accusation

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 ROB WHITE
Deputy Attorney General
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600 West Broadway, Suite 1800
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Attorneys for Complainant
7

8
9 **BEFORE THE**
DEPARTMENT OF CANNABIS CONTROL
10 **STATE OF CALIFORNIA**
11

12 In the Matter of the Accusation Against:

13 **MGFT CORP; GEORGE MA, OWNER**
14 **499 Embarcadero, BLDG #B, Bay6A-1**
Oakland, CA 94606

15 **Cannabis Non-Storefront Retailer License**
16 **No. C9-0000601-LIC**

17 Respondent.

Case No. DCC24-0000392-INV

OAH No.

ACCUSATION

18
19 **PARTIES**

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

23 2. On or about June 14, 2022, the Department issued Cannabis Non-Storefront Retailer
24 License C9-0000601-LIC to MGFT Corp (MGFT) with George Ma, Owner (Owner Ma). The
25 Cannabis Retailer License was in full force and effect at all times relevant to the charges brought
26 herein and will expire on June 14, 2025, unless renewed.

27 ///

28

JURISDICTION

3. This Accusation is brought before the Director for 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 26012, subdivision (a), of the Code states:

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

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

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

8. Section 26031 of the Code states, in part:

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

...

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

1 9. Section 26034 of the Code states:

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

10 **STATUTORY PROVISIONS**

11 10. Section 26030 of the Code states:

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

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

16 . . .

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

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

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

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

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

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

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

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

1 records required pursuant to this section, the licensee shall be subject to a citation
and fine of up to thirty thousand dollars (\$30,000) per individual violation.

2 **REGULATORY PROVISIONS**

3 12. Title 4 of the California Code of Regulations (CCR), section 15000.1 states:

4 (a) Every person who conducts commercial cannabis activity shall obtain and
5 maintain a valid license from the Department for each separate premises at which
commercial cannabis activity is conducted.

6 (b) Commercial cannabis activity shall only be conducted between licensees.
7 Licensed retailers and licensed microbusinesses authorized to engage in retail sales may
8 conduct commercial cannabis activity with customers or nonprofits in accordance with
this division.

9 (c) The licensee shall only conduct commercial cannabis activities authorized by the
license and on the premises licensed for the activity.

10 (d) All transfers of cannabis and cannabis product shall be conducted by a licensed
11 distributor.

12 (e) Licenses shall not be transferrable or assignable to another person or premises,
13 except as provided in section 26050.2 of the Business and Professions Code. In the event
of the sale or other transfer of the commercial cannabis business, changes in ownership
shall be made in accordance with section 15023.

14 13. Title 4 of the CCR, section 15000.3, subdivision (d), states:

15 . . .

16 (d) Licensees shall ensure that the Department has immediate access to their licensed
17 premises. If the Department is denied access to a licensee's premises for any reason, the
licensee shall be held responsible and subject to discipline. If the Department is denied
18 access to one licensee's premises because of another licensee's refusal to grant access
when the only access to one licensed premises is through another licensed premises, all
19 licensees shall be held responsible and subject to discipline....

20 14. Title 4 of the CCR, section 15036 states:

21 (a) A licensee shall notify the Department and local law enforcement within 24
22 hours of discovery of any of the following situations:

23 (1) The licensee discovers a significant discrepancy, as defined in section 15034, in
its inventory.

24 (2) The licensee discovers diversion, theft, loss, or any other criminal activity
25 pertaining to the operations of the licensee.

26 (3) The licensee discovers diversion, theft, loss, or any other criminal activity by an
27 agent or employee of the licensee pertaining to the operations of the licensee.

28 (4) The licensee discovers loss or unauthorized alteration of records related to
cannabis or cannabis products, customers, or the licensee's employees or agents.

1 (5) The licensee discovers any other breach of security.

2 (b) The notification to the Department pursuant to subsection (a) shall be submitted
3 on the Licensee Notification and Request Form, Notifications and Requests Regarding
4 Regulatory Compliance, DCC-LIC-028 (New 2/22), which is incorporated herein by
5 reference, and shall include the date and time of occurrence of the theft, loss, or criminal
6 activity, the name of the local law enforcement agency that was notified, and a description
7 of the incident including, where applicable, the item(s) that were taken or lost.

8
9
10 15. Title 4 of the CCR, section 15044 states:

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

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

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

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

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

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

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

28 17. Title 4 of the CCR, section 15049 states:

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

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

(1) Receipt of cannabis or cannabis products.

(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.

1 (5) Destruction or disposal of cannabis or cannabis products.

2 (6) Packaging or repackaging of cannabis or cannabis products, except that
cultivation licensees shall comply with section 15049.1(b)(5).

3 (7) Laboratory testing, including testing results.

4 (8) Sale or donation of cannabis or cannabis products.

5 (c) The following information shall be recorded in the track and trace system for each
activity entered pursuant to subsection (b):

6 (1) The type of cannabis or cannabis products.

7 (2) The weight, volume, or count of the cannabis or cannabis products.

8 (3) The date of activity.

9 (4) The UID assigned to the cannabis or cannabis products.

10 (5) The brand name of the cannabis goods.

11 (6) If cannabis or cannabis products are being destroyed or disposed of, the licensee
shall record the following information in the notes section:

12 (A) The name of the employee performing the destruction or disposal;

13 (B) The reason for destruction or disposal; and

14 (C) The method of disposal.

15 (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.

16 (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.

17 18. Title 4 of the CCR, section 15051 states:

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

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

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

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

1 19. Title 4 of the CCR, section 15424 states:

2 (a) A licensed retailer shall be able to account for all of its inventory.

3 (b) In conducting an inventory reconciliation, a licensed retailer shall verify that the
4 licensed retailer's physical inventory is consistent with the licensed retailer's records
pertaining to inventory.

5 (c) The result of inventory reconciliation shall be retained in the licensed retailer's
6 records and shall be made available to the Department upon request.

7 (d) If a licensed retailer identifies any evidence of theft, diversion, or loss, the
8 licensed retailer shall notify the Department and law enforcement pursuant to section
15036 of this division.

9 (e) If a significant discrepancy as defined in section 15034 of this division is
10 discovered between a licensed retailer's physical inventory and the licensed retailer's
inventory records, the licensed retailer shall notify the Department and law enforcement
pursuant to section 15036 of this division.

11 20. Title 4 of the CCR, section 17800 states:

12 (a) The Department and its authorized representatives, for purposes of inspection,
13 investigation, review, or audit, shall have full and immediate access to:

14 (1) Enter any premises licensed by the Department.

15 (2) Inspect and test any vehicle or equipment possessed by, in control of, or used by
16 a licensee or their agents and employees for the purpose of conducting commercial
cannabis activity.

17 (3) Test any cannabis goods or cannabis-related materials or products possessed by,
18 in control of, or used by a licensee or their agents and employees for the purpose of
conducting commercial cannabis activity.

19 (4) Copy any materials, books, or records of any licensee or their agents and
employees.

20 (b) Failure to cooperate with and participate in any Department investigation
21 pending against the licensee may result in a licensing violation subject to discipline. This
subsection shall not be construed to deprive a licensee of any privilege guaranteed by the
22 Fifth Amendment to the Constitution of the United States, or any other constitutional or
statutory privileges. This subsection shall not be construed to require a licensee to
23 cooperate with a request that would require the licensee to waive any constitutional or
statutory privilege or to comply with a request for information or other matters within an
24 unreasonable period of time in light of the time constraints of the licensee's business. Any
constitutional or statutory privilege exercised by the licensee shall not be used against the
licensee in a regulatory or disciplinary proceeding against the licensee.

25 (c) Prior notice of an inspection, investigation, review, or audit is not required.

26 (d) Any inspection, investigation, review, or audit of a licensed premises shall be
27 conducted anytime the licensee is exercising privileges under the license, or as otherwise
agreed to by the Department and the licensee or its agents, employees, or representatives.
28

1 (e) If the licensed premises is not accessible because access is only available by
2 going through another licensed premises and the licensee occupying the other licensed
premises denies the Department access, the licensees shall both be held responsible and
subject to discipline.

3 COST RECOVERY

4 21. Section 26031.1 of the Code states that:

5 (a) Except as otherwise provided by law, in an order issued in resolution of a
6 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
7 exceed the reasonable costs of the investigation and enforcement of the case.

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

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

15 (d) If an order for recovery of costs is made and timely payment is not made as
directed in the department's decision, the department may enforce the order for
16 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.

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

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

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

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

28

FACTUAL ALLEGATIONS

1
2 22. On September 30, 2023, the Department received a complaint alleging that
3 Respondent was operating out of San Diego, California, even though its licensed non-storefront
4 retailer premises address is located at 499 Embarcadero, BLDG #B, Bay6A-1, Oakland,
5 California.

6 23. Department Special Investigator (SI) Steven Rodriquez (Rodriquez) made four (4)
7 attempts to inspect Respondent’s licensed premises between January 3, 2024, and February 22,
8 2024, to confirm that cannabis or cannabis products were physically in Respondent’s inventory.
9 However, these inspection attempts, because the Department was unable to gain access, were
10 unsuccessful.

11 24. Based on SI Rodriquez’ investigation of Respondent’s CCTT data from April 5,
12 2023, through January 22, 2024, SI Rodriquez determined that Respondent created 15 shipping
13 manifests for the transfer of approximately 706 packages of cannabis or cannabis products to
14 another cannabis licensee. In addition, Respondent authorized that cannabis licensee to receive
15 and transport the following cannabis or cannabis products to the licensee’s non-operational
16 licensed premises. These cannabis or cannabis products included: 10,606 individual packages of
17 cannabis flower; 7,914 cannabis pre-rolls; 7,119 cannabis vapes; 1,038 cannabis edibles; 460
18 cannabis extracts; and 30 concentrates.

19 25. On or about January 3, 2024, SI Rodriquez and SI Bob Topping (Topping),
20 attempted to conduct an unannounced regulatory compliance inspection at Respondent’s licensed
21 premises. However, they were unable to gain access to inspect the licensed premises. While
22 outside of the licensed premises, SI Rodriquez observed a van arrive, and approached the van and
23 identified himself to the driver with his Department credentials. The driver provided SI Rodriquez
24 his employee badge, which identified the driver as working for a licensed cannabis distributor. SI
25 Rodriquez asked the driver, “E.C.” if he was at Respondent’s licensed premises to deliver
26 cannabis and/or cannabis products and E.C. responded by saying, “Yes. I just called the guy and
27 he is on the way” or words to that effect. Shortly after this conversation, another individual
28 arrived by vehicle and approached SI Rodriquez. The individual, “B.B.” identified himself and

1 informed SI Rodriguez that he arrived to accept the cannabis shipment on Respondent's behalf.
2 However, instead of receiving the cannabis shipment from E.C., and loading the cannabis and
3 cannabis products into Respondent's licensed premises, B.B. began removing the cannabis and
4 cannabis products from E.C.'s van and loading them into his vehicle. After the exchange was
5 complete, E.C. drove off and departed the area. When SI Rodriguez asked B.B. where he was
6 taking the cannabis, he responded by saying, "I am taking it to my license in Edgewater." SI
7 Rodriguez asked B.B. to provide him the cannabis license number associated with where he was
8 transporting the cannabis and cannabis products, but B.B. did not provide SI Rodriguez the
9 license number and instead told SI Rodriguez that the name of the cannabis license holder was
10 "Serv." At that point, SI Rodriguez searched the Department's licensing database and confirmed
11 there were no cannabis licenses associated with the name, "Serv." SI Rodriguez also searched the
12 CCTT database and confirmed that no shipping manifests were created to reflect cannabis or
13 cannabis products being transported from Respondent's licensed premises to "Serv."

14 26. SI Rodriguez asked B.B. if he could provide SI Topping and SI Rodriguez access
15 to inspect Respondent's licensed premises. B.B. responded by saying, "I have a key, but I do not
16 want the license to get in trouble. I am trying to call the owners to let you in." Ultimately, B.B.
17 did not provide SI Rodriguez with access to inspect Respondent's licensed premises, but SI
18 Rodriguez was able to observe and listen as B.B. placed a phone call and instructed the licensed
19 distributor to reject the cannabis shipment by voiding the transaction on the shipping manifest.
20 Shortly after, E.C. returned to Respondent's licensed premises to take possession of the rejected
21 cannabis shipment. Upon E.C.'s return, SI Rodriguez took a photograph of the check B.B. used to
22 purchase the cannabis shipment. SI Rodriguez observed that another licensee, "R&M," had issued
23 the check. SI Rodriguez was able to determine that R&M is a licensed cannabis retailer with a
24 non-storefront licensed premises located in Oakland, California.

25 27. Later, on January 3, 2024, SI Rodriguez reviewed Respondent's CCTT account
26 and observed that the CCTT system showed that Respondent accepted eight (8) shipping
27 manifests while SI Rodriguez was at Respondent's licensed premises. However, SI Rodriguez did
28 not observe any cannabis shipments accepted at Respondent's licensed premises during the time

1 he and SI Topping were there.

2 28. On January 10, 2024, SI Rodriquez attempted to conduct an unannounced
3 regulatory compliance inspection at Respondent's licensed premises. However, SI Rodriquez was
4 unable gain access to the licensed premises.

5 29. On February 6, 2024, SI Rodriquez sent an email to Owner Ma, which informed
6 him that the Department would be conducting a regulatory compliance inspection at
7 Respondent's licensed premises on February 7, 2024, between the hours of 10:00 a.m. and 1:00
8 p.m. In response, Owner Ma stated that he was currently in Asia and requested that the inspection
9 be rescheduled to the first week of "January."

10 30. On February 7, 2024, SI Rodriquez attempted to conduct an announced regulatory
11 compliance inspection at Respondent's licensed premises. However, again, SI Rodriquez was
12 unable gain access.

13 31. On February 20, 2024, SI Rodriquez sent an email to Owner Ma, which informed
14 him of an upcoming regulatory compliance inspection at Respondent's licensed premises on
15 February 22, 2024, between the hours of 10:00 a.m. and 1:00 p.m.

16 32. On February 22, 2024, SI Rodriquez made contact with R&M's owner, B.R., and
17 asked B.R. why he would be purchasing cannabis or cannabis products from another licensee that
18 were scheduled to be delivered at, and accepted by, Respondent's licensed premises. B.R. stated
19 that he is a "broker" for Respondent, which is why his check was being used to purchase cannabis
20 and cannabis products on Respondent's behalf. Additionally, B.R. stated that he fulfills
21 Respondent's cannabis orders, such as providing dispatch services for cannabis sales to
22 consumers, and later bills Respondent for his services. SI Rodriquez asked B.R. if he has been
23 inside of Respondent's premises and if he has seen cannabis or cannabis products in the licensed
24 premises. B.R. responded by saying, "I have been inside and there has never been product
25 (referring to cannabis or cannabis products)."

26 33. On February 23, 2024, SI Rodriquez reviewed Respondent's CCTT account. SI
27 Rodriquez observed that Respondent completed twenty-three (23) cannabis sales deliveries on
28 February 22, 2024. Additionally, five (5) of those cannabis sales deliveries occurred after 10:00

1 p.m.

2 34. On June 11, 2024, SI Rodriguez sent another email to Owner Ma and requested a
3 time and date between June 18, 2024, and June 21, 2024, in order to provide Department staff
4 access to Respondent's licensed premises to conduct a regulatory compliance inspection.

5 35. On June 14, 2024, SI Rodriguez received an email from Owner Ma which again
6 stated that he was currently in Asia, but he could have a friend provide Department staff access to
7 the licensed premises. Additionally, Owner Ma stated in the email that there had been a break-in
8 and robbery at the licensed premises "last week." SI Rodriguez responded to Owner Ma and
9 informed him that the Department would be at Respondent's licensed premises on June 20, 2024,
10 between the hours of 10:00 a.m. and 2:00 p.m., and additionally instructed Owner Ma to submit a
11 formal Notification and Request form providing the theft report and video surveillance footage of
12 the theft to the Department, by June 17, 2024.

13 36. On June 17, 2024, SI Rodriguez had not yet received the requested theft report
14 and/or video surveillance footage from Owner Ma.

15 37. On June 18, 2024, Owner Ma sent the Department theft form number LIC-028,
16 and therein alleged that on June 4, 2024, all cannabis and cannabis products were stolen from
17 Respondent's licensed premises, along with Respondent's DVR. According to Respondent's
18 CCTT account, on June 4, 2024, there were four-hundred and forty-one (441) packages of
19 cannabis or cannabis products active in Respondent's CCTT account, including 7,571 cannabis
20 vapes; 4,337 cannabis edibles; 3,972 cannabis pre-rolls; 2,985 individual packages of cannabis
21 flower; 226 cannabis concentrates; 105 cannabis extracts; and 25 cannabis capsules.

22 38. On June 20, 2024, Supervising Special Investigator (SSI) Aric Engkabo
23 (Engkabo), SI Topping, and SI Rodriguez, conducted a regulatory inspection of Respondent's
24 licensed retailer premises. Prior to entering the licensed premises, SI Rodriguez made contact
25 with an individual who identified herself as "M.O." SI Rodriguez asked M.O. if she was an
26 employee of Respondent and M.O. responded by saying, "I do not work for MGFT, I just live
27 down the street. My boss told me to let you in to inspect, he is friends with George Ma." The
28 Department inspected Respondent's licensed premises and did not observe any cannabis or

1 cannabis products being stored at the licensed premises. Additionally, Respondent's premises did
2 not have electricity as SSI Engkabo, SI Topping and SI Rodriquez, were unable to turn on any
3 lights and operated their flashlights to maneuver through the licensed premises. SI Rodriquez
4 reviewed Respondent's active inventory in its CCTT account and observed that Respondent had
5 purportedly received five (5) packages of cannabis flower on June 7, 2024, totaling one-hundred
6 and sixty (160) individual units of cannabis flower. However, SI Rodriquez did not observe any
7 of the individual units of cannabis flower during the regulatory inspection.

8 39. On July 9, 2024, SI Rodriquez sent an email to Owner Ma and informed him that
9 he needed to attend a videoconference meeting to discuss the inspection and the next steps with
10 the Department.

11 40. On July 10, 2024, the Department received an email from Ma which stated that he
12 was still in Asia. The Department responded by asking Owner Ma, who had been operating
13 Respondent's premises, given that Owner Ma had been in Asia since February 2024. The
14 Department has had no further contact with Owner since the Department's email dated July 10,
15 2024.

16 **FIRST CAUSE FOR DISCIPLINE**

17 (Transfer of Cannabis and Cannabis Products)

18 41. Respondent is subject to disciplinary action under Code section 26030,
19 subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15000.1, in
20 that Respondent transferred cannabis or cannabis products to and from an unlicensed cannabis
21 distributor, as more particularly alleged in paragraphs 22 through 40, above, which are
22 incorporated by reference and realleged as if fully set forth herein.

23 **SECOND CAUSE FOR DISCIPLINE**

24 (Provide Access to the Department)

25 42. Respondent is subject to disciplinary action under Code section 26030,
26 subdivisions (a) and (c), and Title 4 of the California Code of Regulations, sections 15000.3 and
27 17800, in that Respondent, on multiple occasions, failed to provide the Department with
28

1 immediate access to the licensed premises, as more particularly alleged in paragraphs 22 through
2 40, above, which are incorporated by reference and realleged as if fully set forth herein.

3 **THIRD CAUSE FOR DISCIPLINE**

4 (Provide Proper Notice of Theft, Loss, and Criminal Activity)

5 43. Respondent is further subject to disciplinary action under Code section 26030,
6 subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15036, in that
7 Respondent failed to provide the timely and proper notice to the Department of an alleged theft,
8 loss, and/or criminal activity at Respondent's licensed premises, as more particularly alleged in
9 paragraphs 22 through 40, above, which are hereby incorporated by reference and realleged as if
10 fully set forth herein.

11 **FOURTH CAUSE FOR DISCIPLINE**

12 (Video Surveillance System in the Licensed Premises)

13 44. Respondent is further subject to disciplinary action under Code section 26030,
14 subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15044,
15 subdivisions (a) and (b), in that Respondent failed to have a functioning video surveillance system
16 in the licensed premises, as more particularly alleged in paragraphs 22 through 40, above, which
17 are hereby incorporated by reference and realleged as if fully set forth herein.

18 **FIFTH CAUSE FOR DISCIPLINE**

19 (Provide Accurate Record Transfers of Cannabis and Cannabis Products)

20 45. Respondent is subject to disciplinary action under Code section 26030, subdivisions
21 (a) and (c), and Title 4 of the California Code of Regulations, section 15047.2, in that Respondent
22 failed to properly prepare shipping manifests through the track and trace system prior to
23 transferring cannabis and cannabis products off of the licensed premises, and to properly record
24 the date and time of departure from the licensed premises and/or arrival at each other licensed
25 premises, as more particularly alleged in paragraphs 22 through 40, above, which are
26 incorporated by reference and realleged as if fully set forth herein.

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SIXTH CAUSE FOR DISCIPLINE

(Accurate Track and Trace System Information)

46. Respondent is further subject to disciplinary action under Code sections 26030, subdivisions (a) and (c), 26160, and Title 4 of the California Code of Regulations, section 15049, in that Respondent failed to accurately record all commercial cannabis activity in the CCTT system, as more particularly alleged in paragraphs 22 through 40, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

SEVENTH CAUSE FOR DISCIPLINE

(Perform Track and Trace System Reconciliation)

47. Respondent is further subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15051, in that Respondent failed to review the information recorded in the CCTT system at least once every 30 calendar days, including the reconciliation of on-hand inventory of cannabis with the CCTT records, and conducting an audit and notifying the Department in writing if a significant discrepancy is found, as more particularly alleged in paragraphs 22 through 40, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

EIGHTH CAUSE FOR DISCIPLINE

(Perform Inventory Reconciliation)

48. Respondent is further subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15424, in that Respondent failed to account for all of its commercial cannabis inventory and to verify that its physical inventory is consistent with its CCTT system inventory, as more particularly alleged in paragraphs 22 through 40, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

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PRAYER

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

1. Revoking outright or with terms and conditions or fining or any combination thereof, the Cannabis – Non-Storefront Retailer License Number C9-0000601-LIC issued to Respondent MGFT Corp with George Ma as Owner;

2. Ordering Respondent MGFT Corp with George Ma as Owner, to pay the Department of Cannabis Control the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 26031.1;

3. Ordering the destruction of cannabis and cannabis goods in the possession of Respondent MGFT Corp with George Ma as Owner, at Respondent’s expense if revocation of Cannabis – Non-Storefront Retailer License Number C9-0000601-LIC is ordered, pursuant to Code of Regulations, title 4, section 15024.1, subdivision (a); and

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

DATED: June 10, 2025

Evelyn Schaeffer

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

SA2025800448

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

In the Matter of the Accusation Against:

**MGFT CORP; GEORGE MA, OWNER
499 Embarcadero, BLDG #B, Bay6A-1
Oakland, CA 94606**

**Cannabis Retailer - Non-Storefront License
No. C9-0000601-LIC**

Respondent.

Case No. DCC24-0000392-INV

**DEFAULT DECISION INVESTIGATORY
EVIDENCE PACKET**

[Gov. Code §11520]

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

Exhibit 1: Pleadings offered for jurisdictional purposes: Accusation No. DCC24-0000392-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), proof of service;

Exhibit 2: License History Certification for MGFT Corp Cannabis Retailer Non-Storefront License No. C9-0000601-LIC;

Exhibit 3: Certification of Costs by Department for Investigation in Case No. DCC24-0000392-INV dated January 5, 2026.

Exhibit 4: Certification of Costs by Department for Investigation in Case No. DCC24-0000392-INV dated January 5, 2026.

Exhibit 5: Investigative Report (without attachments) DCC24-0000392-INV

Dated: January 30, 2026

Respectfully submitted,

ROB BONTA
Attorney General of California

Harinder Kapur

HARINDER KAPUR
Senior Assistant Attorney General
Attorneys for Complainant

Exhibit 1

Accusation No. DCC24-0000392-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 ROB WHITE
Deputy Attorney General
4 State Bar No. 222504
600 West Broadway, Suite 1800
5 San Diego, CA 92101
Telephone: (619) 807-8381
6 Facsimile: (916) 732-7920
E-mail: RobertT.White@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:
12 **MGFT CORP; GEORGE MA, OWNER**
13 Respondent.

Case No. DCC24-0000392-INV
STATEMENT TO RESPONDENT
[Gov. Code §§ 11504, 11505(b)]

14
15 TO RESPONDENT:

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

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

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

26
27 **Rob White**
Deputy Attorney General
600 West Broadway, Suite 1800
28 **San Diego, CA 92101**

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

2 The enclosed Notice of Defense, if signed and filed with the Department, shall be deemed a
3 specific denial of all parts of the Accusation, but you will not be permitted to raise any objection
4 to the form of the Accusation unless you file a further Notice of Defense as provided in section
5 11506 of the Government Code within fifteen (15) days after service of the Accusation on you.

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

8 The hearing may be postponed for good cause. If you have good cause, you are obliged to
9 notify the Office of Administrative Hearings, Special Education Division, 1515 Clay Street, Suite
10 206, Oakland, CA 94612, within ten (10) working days after you discover the good cause.
11 Failure to notify the Office of Administrative Hearings within ten (10) days will deprive you of a
12 postponement.

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

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

18 **NOTICE REGARDING STIPULATED SETTLEMENTS**

19 It may be possible to avoid the time, expense and uncertainties involved in an
20 administrative hearing by disposing of this matter through a stipulated settlement. A stipulated
21 settlement is a binding written agreement between you and the government regarding the matters
22 charged and the discipline to be imposed. Such a stipulation would have to be approved by the
23 Department of Cannabis Control but, once approved, it would be incorporated into a final order.

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

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

Dated: July 24, 2025

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



ROB WHITE
Deputy Attorney General
Attorneys for Complainant

SA2025800448

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Attorneys for Complainant
7

8
9 **BEFORE THE**
DEPARTMENT OF CANNABIS CONTROL
10 **STATE OF CALIFORNIA**
11

12 In the Matter of the Accusation Against:

13 **MGFT CORP; GEORGE MA, OWNER**
14 **499 Embarcadero, BLDG #B, Bay6A-1**
Oakland, CA 94606

15 **Cannabis Non-Storefront Retailer License**
16 **No. C9-0000601-LIC**

17 Respondent.

Case No. DCC24-0000392-INV

OAH No.

ACCUSATION

18
19 **PARTIES**

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

23 2. On or about June 14, 2022, the Department issued Cannabis Non-Storefront Retailer
24 License C9-0000601-LIC to MGFT Corp (MGFT) with George Ma, Owner (Owner Ma). The
25 Cannabis Retailer License was in full force and effect at all times relevant to the charges brought
26 herein and will expire on June 14, 2025, unless renewed.

27 ///

28

JURISDICTION

3. This Accusation is brought before the Director for 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 26012, subdivision (a), of the Code states:

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

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

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

8. Section 26031 of the Code states, in part:

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

...

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

1 9. Section 26034 of the Code states:

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

10 **STATUTORY PROVISIONS**

11 10. Section 26030 of the Code states:

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

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

16 . . .

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

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

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

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

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

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

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

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

1 records required pursuant to this section, the licensee shall be subject to a citation
and fine of up to thirty thousand dollars (\$30,000) per individual violation.

2 **REGULATORY PROVISIONS**

3 12. Title 4 of the California Code of Regulations (CCR), section 15000.1 states:

4 (a) Every person who conducts commercial cannabis activity shall obtain and
5 maintain a valid license from the Department for each separate premises at which
commercial cannabis activity is conducted.

6 (b) Commercial cannabis activity shall only be conducted between licensees.
7 Licensed retailers and licensed microbusinesses authorized to engage in retail sales may
8 conduct commercial cannabis activity with customers or nonprofits in accordance with
this division.

9 (c) The licensee shall only conduct commercial cannabis activities authorized by the
license and on the premises licensed for the activity.

10 (d) All transfers of cannabis and cannabis product shall be conducted by a licensed
11 distributor.

12 (e) Licenses shall not be transferrable or assignable to another person or premises,
13 except as provided in section 26050.2 of the Business and Professions Code. In the event
of the sale or other transfer of the commercial cannabis business, changes in ownership
shall be made in accordance with section 15023.

14 13. Title 4 of the CCR, section 15000.3, subdivision (d), states:

15 . . .

16 (d) Licensees shall ensure that the Department has immediate access to their licensed
17 premises. If the Department is denied access to a licensee's premises for any reason, the
licensee shall be held responsible and subject to discipline. If the Department is denied
18 access to one licensee's premises because of another licensee's refusal to grant access
when the only access to one licensed premises is through another licensed premises, all
19 licensees shall be held responsible and subject to discipline....

20 14. Title 4 of the CCR, section 15036 states:

21 (a) A licensee shall notify the Department and local law enforcement within 24
22 hours of discovery of any of the following situations:

23 (1) The licensee discovers a significant discrepancy, as defined in section 15034, in
its inventory.

24 (2) The licensee discovers diversion, theft, loss, or any other criminal activity
25 pertaining to the operations of the licensee.

26 (3) The licensee discovers diversion, theft, loss, or any other criminal activity by an
27 agent or employee of the licensee pertaining to the operations of the licensee.

28 (4) The licensee discovers loss or unauthorized alteration of records related to
cannabis or cannabis products, customers, or the licensee's employees or agents.

1 (5) The licensee discovers any other breach of security.

2 (b) The notification to the Department pursuant to subsection (a) shall be submitted
3 on the Licensee Notification and Request Form, Notifications and Requests Regarding
4 Regulatory Compliance, DCC-LIC-028 (New 2/22), which is incorporated herein by
5 reference, and shall include the date and time of occurrence of the theft, loss, or criminal
6 activity, the name of the local law enforcement agency that was notified, and a description
7 of the incident including, where applicable, the item(s) that were taken or lost.

8
9
10 15. Title 4 of the CCR, section 15044 states:

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

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

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

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

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

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

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

28 17. Title 4 of the CCR, section 15049 states:

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

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

(1) Receipt of cannabis or cannabis products.

(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.

1 (5) Destruction or disposal of cannabis or cannabis products.

2 (6) Packaging or repackaging of cannabis or cannabis products, except that
cultivation licensees shall comply with section 15049.1(b)(5).

3 (7) Laboratory testing, including testing results.

4 (8) Sale or donation of cannabis or cannabis products.

5 (c) The following information shall be recorded in the track and trace system for each
activity entered pursuant to subsection (b):

6 (1) The type of cannabis or cannabis products.

7 (2) The weight, volume, or count of the cannabis or cannabis products.

8 (3) The date of activity.

9 (4) The UID assigned to the cannabis or cannabis products.

10 (5) The brand name of the cannabis goods.

11 (6) If cannabis or cannabis products are being destroyed or disposed of, the licensee
shall record the following information in the notes section:

12 (A) The name of the employee performing the destruction or disposal;

13 (B) The reason for destruction or disposal; and

14 (C) The method of disposal.

15 (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.

16 (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.

17 18. Title 4 of the CCR, section 15051 states:

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

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

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

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

1 19. Title 4 of the CCR, section 15424 states:

2 (a) A licensed retailer shall be able to account for all of its inventory.

3 (b) In conducting an inventory reconciliation, a licensed retailer shall verify that the
4 licensed retailer's physical inventory is consistent with the licensed retailer's records
pertaining to inventory.

5 (c) The result of inventory reconciliation shall be retained in the licensed retailer's
6 records and shall be made available to the Department upon request.

7 (d) If a licensed retailer identifies any evidence of theft, diversion, or loss, the
8 licensed retailer shall notify the Department and law enforcement pursuant to section
15036 of this division.

9 (e) If a significant discrepancy as defined in section 15034 of this division is
10 discovered between a licensed retailer's physical inventory and the licensed retailer's
inventory records, the licensed retailer shall notify the Department and law enforcement
pursuant to section 15036 of this division.

11 20. Title 4 of the CCR, section 17800 states:

12 (a) The Department and its authorized representatives, for purposes of inspection,
13 investigation, review, or audit, shall have full and immediate access to:

14 (1) Enter any premises licensed by the Department.

15 (2) Inspect and test any vehicle or equipment possessed by, in control of, or used by
16 a licensee or their agents and employees for the purpose of conducting commercial
cannabis activity.

17 (3) Test any cannabis goods or cannabis-related materials or products possessed by,
18 in control of, or used by a licensee or their agents and employees for the purpose of
conducting commercial cannabis activity.

19 (4) Copy any materials, books, or records of any licensee or their agents and
employees.

20 (b) Failure to cooperate with and participate in any Department investigation
21 pending against the licensee may result in a licensing violation subject to discipline. This
subsection shall not be construed to deprive a licensee of any privilege guaranteed by the
22 Fifth Amendment to the Constitution of the United States, or any other constitutional or
statutory privileges. This subsection shall not be construed to require a licensee to
23 cooperate with a request that would require the licensee to waive any constitutional or
statutory privilege or to comply with a request for information or other matters within an
24 unreasonable period of time in light of the time constraints of the licensee's business. Any
constitutional or statutory privilege exercised by the licensee shall not be used against the
25 licensee in a regulatory or disciplinary proceeding against the licensee.

26 (c) Prior notice of an inspection, investigation, review, or audit is not required.

27 (d) Any inspection, investigation, review, or audit of a licensed premises shall be
28 conducted anytime the licensee is exercising privileges under the license, or as otherwise
agreed to by the Department and the licensee or its agents, employees, or representatives.

1 (e) If the licensed premises is not accessible because access is only available by
2 going through another licensed premises and the licensee occupying the other licensed
premises denies the Department access, the licensees shall both be held responsible and
subject to discipline.

3 COST RECOVERY

4 21. Section 26031.1 of the Code states that:

5 (a) Except as otherwise provided by law, in an order issued in resolution of a
6 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
7 exceed the reasonable costs of the investigation and enforcement of the case.

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

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

15 (d) If an order for recovery of costs is made and timely payment is not made as
directed in the department's decision, the department may enforce the order for
16 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.

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

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

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

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

28

FACTUAL ALLEGATIONS

1
2 22. On September 30, 2023, the Department received a complaint alleging that
3 Respondent was operating out of San Diego, California, even though its licensed non-storefront
4 retailer premises address is located at 499 Embarcadero, BLDG #B, Bay6A-1, Oakland,
5 California.

6 23. Department Special Investigator (SI) Steven Rodriquez (Rodriquez) made four (4)
7 attempts to inspect Respondent’s licensed premises between January 3, 2024, and February 22,
8 2024, to confirm that cannabis or cannabis products were physically in Respondent’s inventory.
9 However, these inspection attempts, because the Department was unable to gain access, were
10 unsuccessful.

11 24. Based on SI Rodriquez’ investigation of Respondent’s CCTT data from April 5,
12 2023, through January 22, 2024, SI Rodriquez determined that Respondent created 15 shipping
13 manifests for the transfer of approximately 706 packages of cannabis or cannabis products to
14 another cannabis licensee. In addition, Respondent authorized that cannabis licensee to receive
15 and transport the following cannabis or cannabis products to the licensee’s non-operational
16 licensed premises. These cannabis or cannabis products included: 10,606 individual packages of
17 cannabis flower; 7,914 cannabis pre-rolls; 7,119 cannabis vapes; 1,038 cannabis edibles; 460
18 cannabis extracts; and 30 concentrates.

19 25. On or about January 3, 2024, SI Rodriquez and SI Bob Topping (Topping),
20 attempted to conduct an unannounced regulatory compliance inspection at Respondent’s licensed
21 premises. However, they were unable to gain access to inspect the licensed premises. While
22 outside of the licensed premises, SI Rodriquez observed a van arrive, and approached the van and
23 identified himself to the driver with his Department credentials. The driver provided SI Rodriquez
24 his employee badge, which identified the driver as working for a licensed cannabis distributor. SI
25 Rodriquez asked the driver, “E.C.” if he was at Respondent’s licensed premises to deliver
26 cannabis and/or cannabis products and E.C. responded by saying, “Yes. I just called the guy and
27 he is on the way” or words to that effect. Shortly after this conversation, another individual
28 arrived by vehicle and approached SI Rodriquez. The individual, “B.B.” identified himself and

1 informed SI Rodriguez that he arrived to accept the cannabis shipment on Respondent's behalf.
2 However, instead of receiving the cannabis shipment from E.C., and loading the cannabis and
3 cannabis products into Respondent's licensed premises, B.B. began removing the cannabis and
4 cannabis products from E.C.'s van and loading them into his vehicle. After the exchange was
5 complete, E.C. drove off and departed the area. When SI Rodriguez asked B.B. where he was
6 taking the cannabis, he responded by saying, "I am taking it to my license in Edgewater." SI
7 Rodriguez asked B.B. to provide him the cannabis license number associated with where he was
8 transporting the cannabis and cannabis products, but B.B. did not provide SI Rodriguez the
9 license number and instead told SI Rodriguez that the name of the cannabis license holder was
10 "Serv." At that point, SI Rodriguez searched the Department's licensing database and confirmed
11 there were no cannabis licenses associated with the name, "Serv." SI Rodriguez also searched the
12 CCTT database and confirmed that no shipping manifests were created to reflect cannabis or
13 cannabis products being transported from Respondent's licensed premises to "Serv."

14 26. SI Rodriguez asked B.B. if he could provide SI Topping and SI Rodriguez access
15 to inspect Respondent's licensed premises. B.B. responded by saying, "I have a key, but I do not
16 want the license to get in trouble. I am trying to call the owners to let you in." Ultimately, B.B.
17 did not provide SI Rodriguez with access to inspect Respondent's licensed premises, but SI
18 Rodriguez was able to observe and listen as B.B. placed a phone call and instructed the licensed
19 distributor to reject the cannabis shipment by voiding the transaction on the shipping manifest.
20 Shortly after, E.C. returned to Respondent's licensed premises to take possession of the rejected
21 cannabis shipment. Upon E.C.'s return, SI Rodriguez took a photograph of the check B.B. used to
22 purchase the cannabis shipment. SI Rodriguez observed that another licensee, "R&M," had issued
23 the check. SI Rodriguez was able to determine that R&M is a licensed cannabis retailer with a
24 non-storefront licensed premises located in Oakland, California.

25 27. Later, on January 3, 2024, SI Rodriguez reviewed Respondent's CCTT account
26 and observed that the CCTT system showed that Respondent accepted eight (8) shipping
27 manifests while SI Rodriguez was at Respondent's licensed premises. However, SI Rodriguez did
28 not observe any cannabis shipments accepted at Respondent's licensed premises during the time

1 he and SI Topping were there.

2 28. On January 10, 2024, SI Rodriquez attempted to conduct an unannounced
3 regulatory compliance inspection at Respondent's licensed premises. However, SI Rodriquez was
4 unable gain access to the licensed premises.

5 29. On February 6, 2024, SI Rodriquez sent an email to Owner Ma, which informed
6 him that the Department would be conducting a regulatory compliance inspection at
7 Respondent's licensed premises on February 7, 2024, between the hours of 10:00 a.m. and 1:00
8 p.m. In response, Owner Ma stated that he was currently in Asia and requested that the inspection
9 be rescheduled to the first week of "January."

10 30. On February 7, 2024, SI Rodriquez attempted to conduct an announced regulatory
11 compliance inspection at Respondent's licensed premises. However, again, SI Rodriquez was
12 unable gain access.

13 31. On February 20, 2024, SI Rodriquez sent an email to Owner Ma, which informed
14 him of an upcoming regulatory compliance inspection at Respondent's licensed premises on
15 February 22, 2024, between the hours of 10:00 a.m. and 1:00 p.m.

16 32. On February 22, 2024, SI Rodriquez made contact with R&M's owner, B.R., and
17 asked B.R. why he would be purchasing cannabis or cannabis products from another licensee that
18 were scheduled to be delivered at, and accepted by, Respondent's licensed premises. B.R. stated
19 that he is a "broker" for Respondent, which is why his check was being used to purchase cannabis
20 and cannabis products on Respondent's behalf. Additionally, B.R. stated that he fulfills
21 Respondent's cannabis orders, such as providing dispatch services for cannabis sales to
22 consumers, and later bills Respondent for his services. SI Rodriquez asked B.R. if he has been
23 inside of Respondent's premises and if he has seen cannabis or cannabis products in the licensed
24 premises. B.R. responded by saying, "I have been inside and there has never been product
25 (referring to cannabis or cannabis products)."

26 33. On February 23, 2024, SI Rodriquez reviewed Respondent's CCTT account. SI
27 Rodriquez observed that Respondent completed twenty-three (23) cannabis sales deliveries on
28 February 22, 2024. Additionally, five (5) of those cannabis sales deliveries occurred after 10:00

1 p.m.

2 34. On June 11, 2024, SI Rodriguez sent another email to Owner Ma and requested a
3 time and date between June 18, 2024, and June 21, 2024, in order to provide Department staff
4 access to Respondent's licensed premises to conduct a regulatory compliance inspection.

5 35. On June 14, 2024, SI Rodriguez received an email from Owner Ma which again
6 stated that he was currently in Asia, but he could have a friend provide Department staff access to
7 the licensed premises. Additionally, Owner Ma stated in the email that there had been a break-in
8 and robbery at the licensed premises "last week." SI Rodriguez responded to Owner Ma and
9 informed him that the Department would be at Respondent's licensed premises on June 20, 2024,
10 between the hours of 10:00 a.m. and 2:00 p.m., and additionally instructed Owner Ma to submit a
11 formal Notification and Request form providing the theft report and video surveillance footage of
12 the theft to the Department, by June 17, 2024.

13 36. On June 17, 2024, SI Rodriguez had not yet received the requested theft report
14 and/or video surveillance footage from Owner Ma.

15 37. On June 18, 2024, Owner Ma sent the Department theft form number LIC-028,
16 and therein alleged that on June 4, 2024, all cannabis and cannabis products were stolen from
17 Respondent's licensed premises, along with Respondent's DVR. According to Respondent's
18 CCTT account, on June 4, 2024, there were four-hundred and forty-one (441) packages of
19 cannabis or cannabis products active in Respondent's CCTT account, including 7,571 cannabis
20 vapes; 4,337 cannabis edibles; 3,972 cannabis pre-rolls; 2,985 individual packages of cannabis
21 flower; 226 cannabis concentrates; 105 cannabis extracts; and 25 cannabis capsules.

22 38. On June 20, 2024, Supervising Special Investigator (SSI) Aric Engkabo
23 (Engkabo), SI Topping, and SI Rodriguez, conducted a regulatory inspection of Respondent's
24 licensed retailer premises. Prior to entering the licensed premises, SI Rodriguez made contact
25 with an individual who identified herself as "M.O." SI Rodriguez asked M.O. if she was an
26 employee of Respondent and M.O. responded by saying, "I do not work for MGFT, I just live
27 down the street. My boss told me to let you in to inspect, he is friends with George Ma." The
28 Department inspected Respondent's licensed premises and did not observe any cannabis or

1 cannabis products being stored at the licensed premises. Additionally, Respondent's premises did
2 not have electricity as SSI Engkabo, SI Topping and SI Rodriquez, were unable to turn on any
3 lights and operated their flashlights to maneuver through the licensed premises. SI Rodriquez
4 reviewed Respondent's active inventory in its CCTT account and observed that Respondent had
5 purportedly received five (5) packages of cannabis flower on June 7, 2024, totaling one-hundred
6 and sixty (160) individual units of cannabis flower. However, SI Rodriquez did not observe any
7 of the individual units of cannabis flower during the regulatory inspection.

8 39. On July 9, 2024, SI Rodriquez sent an email to Owner Ma and informed him that
9 he needed to attend a videoconference meeting to discuss the inspection and the next steps with
10 the Department.

11 40. On July 10, 2024, the Department received an email from Ma which stated that he
12 was still in Asia. The Department responded by asking Owner Ma, who had been operating
13 Respondent's premises, given that Owner Ma had been in Asia since February 2024. The
14 Department has had no further contact with Owner since the Department's email dated July 10,
15 2024.

16 **FIRST CAUSE FOR DISCIPLINE**

17 (Transfer of Cannabis and Cannabis Products)

18 41. Respondent is subject to disciplinary action under Code section 26030,
19 subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15000.1, in
20 that Respondent transferred cannabis or cannabis products to and from an unlicensed cannabis
21 distributor, as more particularly alleged in paragraphs 22 through 40, above, which are
22 incorporated by reference and realleged as if fully set forth herein.

23 **SECOND CAUSE FOR DISCIPLINE**

24 (Provide Access to the Department)

25 42. Respondent is subject to disciplinary action under Code section 26030,
26 subdivisions (a) and (c), and Title 4 of the California Code of Regulations, sections 15000.3 and
27 17800, in that Respondent, on multiple occasions, failed to provide the Department with
28

1 immediate access to the licensed premises, as more particularly alleged in paragraphs 22 through
2 40, above, which are incorporated by reference and realleged as if fully set forth herein.

3 **THIRD CAUSE FOR DISCIPLINE**

4 (Provide Proper Notice of Theft, Loss, and Criminal Activity)

5 43. Respondent is further subject to disciplinary action under Code section 26030,
6 subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15036, in that
7 Respondent failed to provide the timely and proper notice to the Department of an alleged theft,
8 loss, and/or criminal activity at Respondent's licensed premises, as more particularly alleged in
9 paragraphs 22 through 40, above, which are hereby incorporated by reference and realleged as if
10 fully set forth herein.

11 **FOURTH CAUSE FOR DISCIPLINE**

12 (Video Surveillance System in the Licensed Premises)

13 44. Respondent is further subject to disciplinary action under Code section 26030,
14 subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15044,
15 subdivisions (a) and (b), in that Respondent failed to have a functioning video surveillance system
16 in the licensed premises, as more particularly alleged in paragraphs 22 through 40, above, which
17 are hereby incorporated by reference and realleged as if fully set forth herein.

18 **FIFTH CAUSE FOR DISCIPLINE**

19 (Provide Accurate Record Transfers of Cannabis and Cannabis Products)

20 45. Respondent is subject to disciplinary action under Code section 26030, subdivisions
21 (a) and (c), and Title 4 of the California Code of Regulations, section 15047.2, in that Respondent
22 failed to properly prepare shipping manifests through the track and trace system prior to
23 transferring cannabis and cannabis products off of the licensed premises, and to properly record
24 the date and time of departure from the licensed premises and/or arrival at each other licensed
25 premises, as more particularly alleged in paragraphs 22 through 40, above, which are
26 incorporated by reference and realleged as if fully set forth herein.

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SIXTH CAUSE FOR DISCIPLINE

(Accurate Track and Trace System Information)

46. Respondent is further subject to disciplinary action under Code sections 26030, subdivisions (a) and (c), 26160, and Title 4 of the California Code of Regulations, section 15049, in that Respondent failed to accurately record all commercial cannabis activity in the CCTT system, as more particularly alleged in paragraphs 22 through 40, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

SEVENTH CAUSE FOR DISCIPLINE

(Perform Track and Trace System Reconciliation)

47. Respondent is further subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15051, in that Respondent failed to review the information recorded in the CCTT system at least once every 30 calendar days, including the reconciliation of on-hand inventory of cannabis with the CCTT records, and conducting an audit and notifying the Department in writing if a significant discrepancy is found, as more particularly alleged in paragraphs 22 through 40, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

EIGHTH CAUSE FOR DISCIPLINE

(Perform Inventory Reconciliation)

48. Respondent is further subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15424, in that Respondent failed to account for all of its commercial cannabis inventory and to verify that its physical inventory is consistent with its CCTT system inventory, as more particularly alleged in paragraphs 22 through 40, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

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1 **PRAYER**

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

4 1. Revoking outright or with terms and conditions or fining or any combination thereof,
5 the Cannabis – Non-Storefront Retailer License Number C9-0000601-LIC issued to Respondent
6 MGFT Corp with George Ma as Owner;

7 2. Ordering Respondent MGFT Corp with George Ma as Owner, to pay the Department
8 of Cannabis Control the reasonable costs of the investigation and enforcement of this case,
9 pursuant to Business and Professions Code section 26031.1;

10 3. Ordering the destruction of cannabis and cannabis goods in the possession of
11 Respondent MGFT Corp with George Ma as Owner, at Respondent’s expense if revocation of
12 Cannabis – Non-Storefront Retailer License Number C9-0000601-LIC is ordered, pursuant to
13 Code of Regulations, title 4, section 15024.1, subdivision (a); and

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

15
16 DATED: June 10, 2025

Evelyn Schaeffer

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

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20 SA2025800448

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 ROB WHITE
Deputy Attorney General
4 State Bar No. 222504
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Telephone: (619) 807-8381
6 Facsimile: (916) 732-7920
E-mail: RobertT.White@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: 12 MGFT CORP; GEORGE MA, OWNER 13 Respondent.	Case No. DCC24-0000392-INV REQUEST FOR DISCOVERY
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14 TO RESPONDENT:

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

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

- 21 1. Provide the names and addresses of witnesses to the extent known to the Respondent,
22 including, but not limited to, those intended to be called to testify at the hearing, and
- 23 2. Provide an opportunity for the Complainant to inspect and make a copy of any of the
24 following in the possession or custody or under control of the Respondent:
 - 25 a. A statement of a person, other than the Respondent, named in the
26 initial administrative pleading, or in any additional pleading, when it is claimed that
27 the act or omission of the Respondent as to this person is the basis for the
28 administrative proceeding;

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

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

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

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

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

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

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

26 YOU ARE HEREBY FURTHER NOTIFIED that nothing in this Request for Discovery
27 should be deemed to authorize the inspection or copying of any writing or thing which is
28

1 privileged from disclosure by law or otherwise made confidential or protected as attorney's work
2 product.

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

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

9 Dated: July 24, 2025

10 ROB BONTA
11 Attorney General of California
12 GREGORY M. CRIBBS
13 Supervising Deputy Attorney General



14 ROB WHITE
15 Deputy Attorney General
16 *Attorneys for Complainant*

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

In the Matter of the Accusation Against:

MGFT CORP; GEORGE MA, OWNER,

Respondent.

Case No. DCC24-0000392-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.

SA2025800448

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

In the Matter of the Accusation Against:

MGFT CORP; GEORGE MA, OWNER,

Respondent.

Case No. DCC24-0000392-INV

NOTICE OF DEFENSE

(Gov. Code §§ 11505 and 11506)

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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.

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SA2025800448

**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 ELECTRONIC MAIL
(Separate Mailings)

Case Name: **In the Matter of the Accusation Against MGFT Corp;**

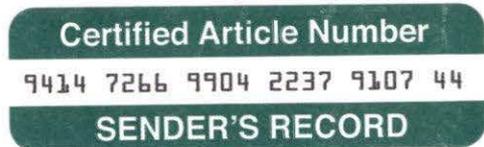
Case No.: **DCC24-0000392-INV**

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 July 24, 2025, I served the attached **STATEMENT TO RESPONDENT, ACCUSATION, REQUEST FOR DISCOVERY, NOTICE OF DEFENSE (2 COPIES), 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, REQUEST FOR DISCOVERY, NOTICE OF DEFENSE (2 COPIES), GOVERNMENT CODE SECTIONS 11507.5, 11507.6, AND 11507.7** was transmitted by email, addressed as follows:

George Ma ("Officer" of MGFT Corp.)
3984 Washington Blvd,
Freemont, CA 94538
Courtesy email to: georgemgft@gmail.com
Respondent



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 July 24, 2025, at San Diego, California.

A. Rangel
Declarant

A. Rangel
Signature

Exhibit 2

License History Certification for Respondent



Cannabis Retailer Nonstorefront License Adult-Use and Medicinal

Business Name:
MGFT Corp

MGFT Corp

License Number: C9-0000601-LIC
License Type: Retailer Nonstorefront
(Delivery)

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

Premises Address:
499 EMBARCADERO, BLDG B,
BAY6A-1
OAKLAND, CA 94606

Valid: 6/14/2022
Expires: 6/14/2025

Scan to verify this
license.



Non-Transferable

Post in Public View

Scan to verify this license.



Valid:

6/14/2022

Expires:

6/14/2025

License No:

C9-0000601-LIC

Legal Business Name:

MGFT Corp
MGFT Corp

Premises Address:

499 EMBARCADERO, BLDG B, BAY6A-1
OAKLAND, CA 94606

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 [CPotcheck.com](https://www.cpotcheck.com) using license number C9-0000601-LIC.



Department of
Cannabis Control
CALIFORNIA

Exhibit 3

Certification of Costs by Department for
Investigation in Case No. DCC24-0000392-INV

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

4 5. The investigative activity summary entitled MGFT Corp Certification of Cost
5 Recovery was obtained from the Department's case management system and includes the details
6 of tasks performed by Supervising and or Special Investigators as maintained in the Department's
7 case management system. The costs related to investigative activity include field time, research
8 and report writing, meetings, and use of state vehicles. I hereby certify that the MGFT
9 Certification of Cost Recovery, attached hereto and herein incorporated by reference is a true and
10 correct copy of the investigative activity for this case. The investigative activity summary
11 encompasses the total hours spent by the Department's ISB through December 6, 2024. The
12 investigative activity summary does not include tasks performed after this date.

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

17 a) Special Investigator Field Time:

18 Rate per hour: \$101.00 multiplied by 46 hours = \$4,646.00

19 b) Research and Report Writing:

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

21 c) Use of State Vehicles:

22 2 vehicle @ .58 per mile multiplied by 1424 miles = \$825.92

23 I declare under penalty of perjury under the laws of the State of California that the
24 foregoing is true and correct and that this declaration was executed in Alameda County on
25 January 5, 2026.

Aric Engkabo Digitally signed by Aric Engkabo
Date: 2026.01.05 12:13:39 -08'00'

Aric Engkabo
Declarant

Exhibit 4

Certification of Costs by Department for
Enforcement in Case No. DCC24-0000392-INV

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

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

10 In the Matter of the Accusation Against:

Case No. DCC24-0000392-INV

11 **MGFT CORP; GEORGE MA, OWNER**

**CERTIFICATION OF
PROSECUTION COSTS:
DECLARATION OF HARINDER KAPUR**

12
13 Respondent.

Business and Professions Code section
26031.1]

14
15 I, HARINDER KAPUR, hereby declare and certify as follows:

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

22 2. I represent the Complainant, Evelyn Schaeffer, Deputy Director of the Compliance
23 Division of the Department of Cannabis Control, in this action. I was assigned to handle this case
24 on or about February 11, 2025.

25 3. Our Office's computerized case management system reflects that the following
26 persons have also performed tasks related to this matter: Robert T. White, Deputy Attorney
27 General; Gregory Cribbs, Supervising Deputy Attorney General; Helen Koh, Senior Legal
28 Analyst; Harinder Kapur, Senior Assistant Attorney General.

Exhibit A



Cost of Suit Summary

As of Dec 11, 2025

MatterID: SA2025800448
 Description: MGFT Corp (ACC)

Date Opened: Feb 11, 2025

Total Legal Costs: \$8,592.75
 Cost of Suit: \$0.00
 Grand Total: \$8,592.75

Totals include WIP time.

Rate	Hrs Wrkd	Amount
Matter Time Activity Summary		
Attorney		
2025-2026		
\$228.00	3.00	\$684.00
Total For:		2025-2026 \$684.00
2024-2025		
\$228.00	30.25	\$6,897.00
Total For:		2024-2025 \$6,897.00
Total for:		Attorney \$7,581.00
Paralegal		
2025-2026		
\$213.00	2.00	\$426.00
Total For:		2025-2026 \$426.00
2024-2025		
\$213.00	2.75	\$585.75
Total For:		2024-2025 \$585.75
Total for:		Paralegal \$1,011.75
Total Legal Costs		\$8,592.75

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

Exhibit 5

Investigative Report (without attachments)
DCC24-0000392-INV



INVESTIGATION REPORT



Department of Cannabis Control CALIFORNIA



CASE INFORMATION

Case Number DCC24-0000392-INV	Date Received February 22, 2024
License Number C9-0000601-LIC	Legal Business Name of Licensee or Unlicensed Party MGFT Corp
DBA N/A	Premises Address 499 Embarcadero, BLDG #B, Bay6A-1, Oakland, CA 94606
Business Phone Number (510) 216-9608	Author's Name Steven Rodriquez
Date of Incident January 3, 2024	Location of Incident 499 Embarcadero, BLDG #B, Bay6A-1, Oakland, CA 94606

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

Name (First, Middle, Last) George Ma	Title Officer
Address (include street, city, state, and zip code) 3984 Washington Blvd, Fremont, CA 94538	
E-mail Address georgemgft@gmail.com	Phone Number (510) 216-9608
Miscellaneous Information N/A	

SUMMARY

During my investigation of MGFT Corp (C9-0000601-LIC, MGFT), I, Department of Cannabis Control (Department) Special Investigator (SI), Steven Rodriquez, discovered that MGFT was conducting commercial cannabis activity with Flower Rush (C11-0000693-LIC, Flower Rush), a non-operational licensed premises. Through a separate investigation, the Department found Flower Rush was engaging in the diversion of a substantial amount of cannabis or cannabis products to unknown locations (See Investigation Record DCC23-0001487-INV). Furthermore, I reviewed fifteen (15) shipping manifests in the California Cannabis Track and Trace (CCTT) database which indicated that Flower Rush received and transported a substantial amount of cannabis or cannabis products from MGFT's premises to Flower Rush's non-operational licensed premises. MGFT is a licensed non-storefront retailer located at 499 Embarcadero, BLDG #B, Bay6A-1, Oakland, CA 94606. Moreover, the 15 shipping manifests indicated that approximately seven-hundred and six (706) packages of cannabis or cannabis products were transferred from MGFT's premises, which were then accepted by Flower Rush's non-operational licensed premises. As a result, I made four (4) attempts to inspect MGFT's licensed premises between January 3, 2024, and February 22, 2024, to confirm that cannabis or cannabis products were physically in MGFT's inventory but was unsuccessful.

I found, through my investigation, that MGFT failed to provide Department staff immediate access to inspect MGFT's licensed premises to conduct a regulatory inspection. In addition, MGFT failed to notify the Department within twenty-four (24) hours of a burglary and theft of cannabis or cannabis products that occurred on June 4, 2024. Moreover, MGFT sold cannabis to consumers after 2200 hours along with MGFT failing to ensure all records of cannabis or cannabis products in their CCTT account correlated to their on-hand cannabis inventory. Specifically, Department staff did not observe any cannabis or cannabis products being stored at MGFT's licensed premises during an inspection on June 20, 2024.



INVESTIGATION REPORT

BACKGROUND

September 30, 2023 – The Department received an unlicensed complaint against MGFT. The complaint alleged that MGFT is operating in San Diego, CA.

February 8, 2024 – The Department received a complaint alleging MGFT sold a consumer hazardous product that made them sick. The complainant provided a Weedmaps page of the company who sold them the product which was named Budhut LA. Budhut LA advertises cannabis sales in Southern California and lists MGFT's license number under the "License Information" tab (**Attachment A**).

May 27, 2024 - The Department received a complaint alleging MGFT was illegally operating in San Diego using the DBAs SDFleet and The Great Meds on Weedmaps. I reviewed Weedmaps.com and observed both DBAs advertised cannabis sales in San Diego, CA and listed MGFT's license number C9-0000601-LIC under the "License Information" tab (**Attachment B**). I reviewed the Department's licensing database to search for MGFT's list of DBAs. I did not observe any DBAs listed for MGFT.

CASE NARRATIVE

During my investigation of MGFT Corp (C9-0000601-LIC, MGFT), I, Department of Cannabis Control (Department) Special Investigator (SI), Steven Rodriguez, discovered that MGFT was conducting commercial cannabis activity with Flower Rush (C11-0000693-LIC, Flower Rush), a non-operational licensed premises. Through a separate investigation, the Department found Flower Rush was engaging in the diversion of a substantial amount of cannabis or cannabis products to unknown locations (See Investigation Record DCC23-0001487-INV). Furthermore, I reviewed fifteen (15) shipping manifests in the California Cannabis Track and Trace (CCTT) database which indicated that Flower Rush received and transported a substantial amount of cannabis or cannabis products from MGFT's premises to Flower Rush's non-operational licensed premises. MGFT is a licensed non-storefront retailer located at 499 Embarcadero, BLDG #B, Bay6A-1, Oakland, CA 94606. Moreover, the 15 shipping manifests indicated that approximately seven-hundred and six (706) packages of cannabis or cannabis products were transferred from MGFT's premises, which were then accepted by Flower Rush's non-operational licensed premises.

Based on my review of CCTT data, from April 5, 2023, through January 22, 2024, MGFT authorized Flower Rush to receive and transport the following cannabis or cannabis products to Flower Rush's non-operational licensed premises (**Attachment C**):

- 10,606 individual packages of cannabis flower
- 7,914 cannabis pre-rolls
- 7,119 cannabis vapes
- 1,038 cannabis edibles
- 460 cannabis extracts
- 30 other concentrates

On January 3, 2024, at 1130 hours, Department SI Bob Topping (Topping) and I attempted to conduct an unannounced regulatory compliance inspection at MGFT's licensed non-storefront retail premises. However, we were unable to gain access to inspect the licensed premises. While I was waiting out front of MGFT's licensed premises, I observed a van arrive at the licensed premises. I approached the van and identified myself to the driver with my Department credentials. The driver provided me his employee badge and I observed the driver to be, Eric Chavez (Chavez), who worked for licensed distributor UPNORTH DISTRIBUTION (C11-0000061-LIC, UPNORTH). I asked Chavez if he was at MGFT's licensed premises to deliver cannabis or cannabis products. Chavez responded by saying, "Yes. I just called the guy and he is on the way." Shortly after this conversation, an individual arrived by vehicle and approached me. The individual told me his name was, Brent Bell (Bell), and that he arrived to accept the cannabis shipment on MGFT's behalf. However, instead of Bell receiving the cannabis shipment from Chavez and loading the cannabis or cannabis products into MGFT's licensed premises, Bell began removing the cannabis or cannabis products from Chavez's van and loading the cannabis shipment into his vehicle. Chavez drove off and departed the area. I asked Bell where he was taking the cannabis



INVESTIGATION REPORT

shipment. Bell responded by saying, "I am taking it to my license in Edgewater (referring to Edgewater Drive in Oakland, CA.)". I asked Bell to provide me the license number of where he was transporting the cannabis or cannabis products to. Bell did not provide me the license number but told me that the name of the license was "Serv." I searched the Department's licensing database and confirmed there were no licenses under the name, "Serv." In addition, I searched the METRC CCTT database and confirmed that no shipping manifests were created to reflect cannabis or cannabis products being transported from MGFT to Serv. I asked Bell if he could provide Topping and I access to inspect MGFT's licensed premises. Bell responded by saying, "I have a key, but I do not want the license to get in trouble. I am trying to call the owners to let you in." Ultimately, Bell did not provide me access to inspect MGFT's licensed premises. Moreover, I observed and listened as Bell placed a phone call to UPNORTH and instructed the licensed distributor to reject the cannabis shipment by voiding the transaction on shipping manifest 0006325753. Shortly after, Chavez returned to MGFT's licensed premises to take possession of the rejected cannabis shipment. Upon Chavez' return, I took a photograph of the check Bell used to purchase the cannabis shipment. I observed that Royal and Mitchell Logistics, LLC (C9-0000057-LIC, R&M) issued the check. R&M is a licensed retailer nonstorefront with a licensed premises located at 7700 Edgewater Dr, Unit 201, Oakland, CA 94621. I departed MGFT's licensed premises at approximately 1300 hours. **(Attachment D)**.

On January 3, 2024, at 1530 hours, I reviewed MGFT's CCTT account. I observed that between the hours of 1133-1145 hours, MGFT accepted eight (8) shipping manifests. However, while SI Topping and I were at MGFT's premises, I did not observe any cannabis shipments accepted at MGFT's licensed premises during these times **(Attachment E)**.

On January 10, 2024, I attempted to conduct an unannounced regulatory compliance inspection at MGFT's licensed nonstorefront premises. However, I was unable gain access to the licensed premises.

On February 6, 2024, I reviewed the Department's licensing database to obtain the contact information for MGFT's owners. I observed, George Ma (Ma) – georgemgft@gmail.com, to be the 100% owner of MGFT. At 0722 hours, I sent an email to Ma. In the email, I informed Ma that I would be conducting a regulatory compliance inspection at MGFT's licensed premises on February 7, 2024, between the hours of 1000-1300 **(Attachment F)**.

At 1037 hours, I received an email from Ma. In the email, Ma stated he was currently in Asia and wanted to reschedule the inspection for the first week of January **(Attachment G)**. Ma did not send a follow-up email indicating he inputted January by mistake or that he meant January 2025.

On February 7, 2024, I attempted to conduct an announced regulatory compliance inspection at MGFT's licensed nonstorefront premises. However, I was unable gain access to the licensed premises.

On February 20, 2024, I sent an email to Ma. In the email, I informed Ma of an upcoming regulatory compliance inspection at MGFT's licensed premises on February 22, 2024, between the hours of 1000-1300 **(Attachment H)**.

On February 22, 2024, at 1115 hours, I made contact with R&M owner, Brendon Royal (Royal), and discussed the interaction I had with Bell on January 3, 2024. I asked Royal why Bell would be purchasing cannabis or cannabis products from UPNORTH that were scheduled to be delivered at and accepted by MGFT's licensed premises. Royal stated to me that he is a "broker" for MGFT, which is why his check was being used to purchase cannabis or cannabis products on MGFT's behalf. Additionally, Royal stated to me that he fulfills MGFT's cannabis orders such as providing dispatch services for cannabis sales to consumers, and later bills MGFT for the services Royal provides. I asked Royal if he has been inside of MGFT and if he has seen cannabis or cannabis products in the licensed premises. Royal responded by saying, "I have been inside and there has never been product (referring to cannabis or cannabis products)." I asked Royal why he would be a broker for MGFT and provide services for the license if they were not operating from their licensed premises. Royal responded by saying, "I am just trying to make money. This is a very tough industry."



INVESTIGATION REPORT

On February 22, 2024, at 1222 hours, I attempted to conduct an announced regulatory compliance inspection at MGFT's licensed nonstorefront premises. However, I was unable gain access to the licensed premises.

On February 23, 2024, I reviewed MGFT's CCTT account. I observed that MGFT completed twenty-three (23) cannabis sales deliveries on February 22, 2024. Additionally, five (5) out of twenty-three (23) cannabis sales deliveries occurred after 2200 hours (**Attachment I**).

On June 11, 2024, I sent an email to Ma. In the email, I informed Ma that he needed to provide a time and date between June 18, 2024 – June 21, 2024, that he could provide Department staff access to MGFT's licensed premises to conduct a regulatory compliance inspection (**Attachment J**).

On June 14, 2024, at 1302 hours, I received an email from Ma. In the email, Ma stated that he was currently in Asia but could have a friend provide Department staff access to the licensed premises. Additionally, Ma stated in the email that there was a break in and robbery at the licensed premises last week. At 1314 hours, I responded to Ma by email. In the email, I informed Ma that I would be at MGFT's licensed premises on June 20, 2024, between the hours of 1000-1400. Additionally, I instructed Ma to submit a Notification and Request form providing the theft report and video surveillance footage of the theft to the Department by June 17, 2024 (**Attachment K**).

On June 17, 2024, I did not receive the theft report or video surveillance footage from Ma.

On June 18, 2024, Ma sent an email to info@cannabis.ca.gov. In the email, Ma reported the theft on form number DCC-LIC-028. Ma alleged that on June 4, 2024, all cannabis or cannabis products were stolen from MGFT's licensed premises, and their DVR was stolen (**Attachment L**). Per MGFT's CCTT, there were four-hundred and forty-one (441) packages of cannabis or cannabis products active in MGFT's CCTT account on June 4, 2024 (**Attachment M**).

Specifically, the following cannabis or cannabis products were active in MGFT's CCTT account:

- 7,571 cannabis vapes
- 4,337 cannabis edibles
- 3,972 cannabis pre-rolls
- 2,985 individual packages of cannabis flower
- 226 other concentrates
- 105 cannabis extracts
- 25 cannabis capsules

On June 20, 2024, SSI Aric Engkabo (Engkabo), SI Topping, and I, conducted a regulatory inspection of MGFT's licensed retailer non-storefront premises. Prior to entering the licensed premises, I made contact with Melody Ortiz (Ortiz). I asked Ortiz if she was an employee of MGFT. Ortiz responded by saying, "I do not work for MGFT, I just live down the street. My boss told me to let you in to inspect, he is friends with George Ma." We inspected MGFT's licensed premises and did not observe any cannabis or cannabis products being stored at the licensed premises. Additionally, MGFT's premises did not have electricity as Engkabo, Topping and I, were unable to turn on any lights and operated our flashlights to maneuver through the licensed premises (**Attachment N**). I reviewed MGFT's active inventory in their METRC CCTT account and observed that MGFT received five (5) packages of cannabis flower on June 7, 2024, totaling one-hundred and sixty (160) individual units of cannabis flower. However, I did not observe any of the individual units of cannabis flower during the regulatory inspection. (**Attachment O**).

On July 9, 2024, I sent an email to Ma. In the email, I informed Ma that we needed to have a Teams meeting to discuss the inspection and the next steps.

On July 10, 2024, I received an email from Ma. In the email, Ma stated he was still in Asia. I responded to Ma



INVESTIGATION REPORT

asking who has been operating MGFT since he has been in Asia since February (**Attachment P**).

I have not been contacted by Ma since my response to him on July 10, 2024.

WITNESS LIST

Witness #1

- Name: Steven Rodriquez
- Title/Position: Special Investigator
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 759-4297
- E-mail: steven.rodriquez@cannabis.ca.gov
- Miscellaneous information: N/A

Witness #2

- Name: Bob Topping
- Title/Position: Special Investigator
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (530) 205-6098
- E-mail: bob.topping@cannabis.ca.gov
- Miscellaneous information: N/A

Witness #3

- Name: Aric Engkabo
- Title/Position: Supervising Special Investigator
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 298-7552
- E-mail: aric.engkabo@cannabis.ca.gov
- Miscellaneous information: N/A

Witness #4

- Name: Brent Bell
- Title/Position: Unknown
- Address: Unknown
- Phone: Unknown
- E-mail: Unknown
- Miscellaneous information: N/A

Witness #5

- Name: Brenden Royal
- Title/Position: Controlling Manager
- Address: 7700 Edgewater Dr, Unit 201, Oakland, CA 94621
- Phone: (510) 745-5132
- E-mail: royalgreensca@gmail.com
- Miscellaneous information: Unknown what they will attest to.

Witness #6

- Name: George Ma
- Title/Position: Officer
- Address: 499 Embarcadero, BLDG #B, Bay6A-1, Oakland, CA 94606
- Phone: (510) 216-9608
- E-mail: georgemgft@gmail.com



INVESTIGATION REPORT

- Miscellaneous information: N/A

Witness #7

- Name: Melody Ortiz
- Title/Position: Unknown
- Address: Unknown
- Phone: Unknown
- E-mail: Unknown
- Miscellaneous information: N/A

PREPARER

Name	Title
Steven Rodriquez	Special Investigator
Signature	Date
	December 6, 2024

REVIEWER

Name	Title
Signature	Date

LIST OF ATTACHMENTS

- A. Screenshots of Budhut LA on Weedmaps
- B. Screenshots of SDFleet and The Great Meds on Weedmaps
- C. Shipping manifests between Flower Rush and MGFT Corp
- D. Photographs outside of MGFT Corp's licensed premises on January 3, 2024
- E. List of Eight (8) shipping manifests accepted by MGFT Corp on January 3, 2024
- F. Email correspondence to MGFT Corp owner George Ma, February 6, 2024
- G. Email correspondence from MGFT Corp owner George Ma, February 6, 2024
- H. Email correspondence to MGFT Corp owner George Ma, February 20, 2024
- I. MGFT Corp's sales delivery manifests on February 22, 2024
- J. Email correspondence to MGFT Corp owner George Ma, June 11, 2024
- K. Email correspondence to MGFT Corp owner George Ma, June 14, 2024
- L. Theft report submitted by MGFT Corp owner George Ma, June 18, 2024
- M. MGFT Corp's active CCTT inventory on June 4, 2024
- N. Photographs of MGFT Corp's licensed premises, June 20, 2024
- O. MGFT Corp's active CCTT inventory on June 7, 2024
- P. Email correspondence with MGFT Corp owner George Ma, July 10, 2024

PROOF OF SERVICE

Case Name: In the Matter of the Accusation Against: MGFT Corp
DCC Case No. DCC24-0000392-INV
License Number: C9-0000601-LIC, Retailer Non-Storefront

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 February 4, 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.

MGFT Corp
George Ma, Owner
499 Embarcadero, Bldg. B, Bay 6A-1
Oakland, CA 94606
Certified Mail No. 7022 1670 0001 3411 7545
cvcm9999@gmail.com

Geroge Ma
3984 Washington Blvd. #304
Fremont, CA 94538
Certified Mail No. 7022 1670 0001 3411 7514
georgemgft@gmail.com

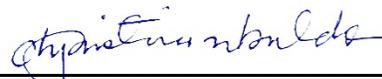
Evelyn Schaeffer (email only)
Deputy Director
Compliance Division
Department of Cannabis Control
Evelyn.Schaeffer@cannabis.ca.gov

Robert T. White (email only)
Deputy Attorney General
Cannabis Control Section
Office of Attorney General
RobertT.White@doj.ca.gov

I am familiar with the Department's business practices for collecting and transmitting mail through the United States Postal Service. In accordance with those practices, correspondence placed in the Department's internal mail collection system is, in the ordinary course of business, deposited in the United States Postal Service, with postage paid, on the same day.

I declare under penalty of perjury under the laws of the State of California, and the United States of America, that the above is true and correct.

Executed on February 4, 2026, at Rancho Cordova, California.



Christina C. Ubaldo