



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

Clint Kellum
Director

March 18, 2026

VIA EMAIL AND CERTIFIED MAIL

SB Pharma Holdings Inc. dba
The Row House and Cake House
Joseph Mierau and Ryan Mierau, Owners
1975 Diners Court
San Bernardino, CA 92408
rjmierau@miebeach.com

Ryan Mierau and Joseph Mierau, Owners
SB Pharma Holdings Inc.
118 Felice Court
Palm Desert, CA 92211
ryan@rowhouseca.com
jcmierau@msn.com

Re: SB Pharma Holdings Inc. dba The Row House and Cake House
Case No. DCC25-0001040-INV
Default Decision and Order

Dear Messrs. Joseph and Ryan Mierau:

Pursuant to the Department of Cannabis Control's authority under Government Code section 11520, the Department finds Respondent SB Pharma Holdings Inc. dba The Row House and Cake House, 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 to 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 SB Pharma Holdings Inc. will become effective on April 17, 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:

**SB PHARMA HOLDINGS DBA THE
ROW HOUSE AND CAKE HOUSE, WITH
JOSEPH MIERAU AND RYAN MIERAU,
OWNERS
1975 Diners Ct
San Bernardino, CA 92408**

Cannabis - Retailer No. C10-0001386-LIC

Respondent.

Case No. DCC25-0001040-INV

DEFAULT DECISION AND ORDER

[Gov. Code, §11520]

FINDINGS OF FACT

1. On or about January 2, 2026, Complainant Evelyn Schaeffer, in her official capacity as the Deputy Director of the Compliance Division of the Department of Cannabis Control, filed Accusation No. DCC25-0001040-INV against SB Pharma Holdings dba The Row House and Cake House, with Joseph Mierau and Ryan Mierau, Owners (Respondent) before the Department of Cannabis Control. (Accusation attached as Exhibit A.)
2. On or about September 8, 2023, the Department of Cannabis Control (Department) issued Cannabis - Retailer No. C10-0001386-LIC to Respondent. The Cannabis - Retailer expired on September 7, 2025, and has not been renewed.
3. On or about January 2, 2026, Respondent was served by Certified and First Class Mail copies of the Accusation No. DCC25-0001040-INV, Statement to Respondent, Notice of

1 Defense, Request for Discovery and Discovery Statutes (Government Code sections 11507.5,
2 11507.6, and 11507.7) at Respondent's address of record which, pursuant to California Code of
3 Regulations, title 4, section 15002, is required to be reported and maintained with the
4 Department. Respondent's address of record was and is: 1975 Diners Ct., San Bernardino, CA
5 92408.

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

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

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

14 6. The Department takes official notice of its records and the fact that Respondent failed
15 to file a Notice of Defense within 15 days after service upon them of the Accusation, and
16 therefore waived its right to a hearing on the merits of Accusation No. DCC25-0001040-INV.

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

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

22 8. Pursuant to its authority under Government Code section 11520, the Department finds
23 Respondent is in default. The Department will take action without further hearing and, based on
24 the relevant evidence contained in the Default Decision Investigatory Evidence Packet in this
25 matter, finds that the charges and allegations in Accusation No. DCC25-0001040-INV, are
26 separately and severally, found to be true and correct by clear and convincing evidence.

27 9. The Department finds that the actual costs for Investigation and Enforcement are
28 \$7,903.25 as of February 23, 2026.

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DETERMINATION OF ISSUES

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2 1. Based on the foregoing findings of fact, Respondent SB Pharma Holdings dba The
3 Row House and Cake House, with Joseph Mierau and Ryan Mierau, Owners has subjected
4 Cannabis - Retailer No. C10-0001386-LIC to discipline.

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

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

9 a. Violation of Business and Professions Code section 26030, subdivision (a) and (c),
10 and the California Code of Regulations, title 4, section 15041.4, subdivision (i);
11 [Failure to properly record trade sample transfers in the CCTT account];

12 b. Violation of Business and Professions Code section 26030, subdivision (a) and (c),
13 and the California Code of Regulations, title 4, section 15044, subdivisions (h) and
14 (i); [Failure to provide the Department with specific video surveillance recordings];

15 c. Violation of Business and Professions Code section 26030, subdivision (a) and (c),
16 and California Code of Regulations, title 4, section 17300, subdivision (k) [Prohibited
17 Products];

18 d. Violation of Business and Professions Code section 26030, subdivision (a) and (c),
19 and California Code of Regulations, title 4, 15406, subdivision (b) [Holding cannabis
20 goods for sale that have exceeded their best-by, sell-by, or expiration date];

21 e. Violation of Business and Professions Code section 26030, subdivision (a) and (d),
22 and California Code of Regulations, title 4, 15002, subdivision (c)(20) [Failure to
23 Maintain Active Seller’s Permit and Pay State Taxes]; and

24 f. Violation of Business and Professions Code section 26030, subdivision (a) and (d),
25 and California Code of Regulations, title 4, 17801, subdivision (d) [Failure to
26 Respond to Notice to Comply].

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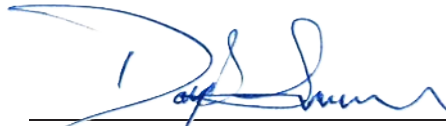
ORDER

IT IS SO ORDERED that Cannabis - Retailer No. C10-0001386-LIC, issued to Respondent SB Pharma Holdings dba The Row House and Cake House, with Joseph Mierau and Ryan Mierau, Owners, is revoked.

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

This Decision shall become effective on April 17, 2026.

IT IS SO ORDERED, March 18, 2026.



Douglas Smurr
Assistant General Counsel
FOR THE DEPARTMENT OF CANNABIS CONTROL

Default Decision and Order - LIC.docx
DOJ Matter ID:SD2025803421

Attachment:
Exhibit A: Accusation

Exhibit A

Accusation

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 MICHAEL DUONG
Deputy Attorney General
4 State Bar No. 327666
1300 I Street, Suite 125
5 Sacramento, CA 95814
Telephone: (916) 210-6807
6 Facsimile: (916) 327-8643
E-mail: Michael.Duong@doj.ca.gov
7 *Attorneys for Complainant*

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

11 In the Matter of the Accusation Against:

Case No. DCC25-0001040-INV

12 **SB PHARMA HOLDINGS, INC. dba THE**
13 **CAKE HOUSE;**
14 **JOSEPH MIERAU AND RYAN MIERAU,**
15 **OWNERS**
1975 Diners Ct.
San Bernardino, CA 92408

ACCUSATION

16 **Cannabis - Retailer**
17 **No. C10-0001386-LIC**

18 Respondent.

19
20 Complainant alleges:

21 **PARTIES**

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

25 2. On or about September 8, 2023, the Department issued Cannabis - Retailer C10-
26 0001386-LIC to SB Pharma Holdings, Inc. dba The Cake House, with Joseph Mierau and Ryan
27 Mierau, Owners (Owners). The Cannabis Retailer License was in full force and effect at all times
28 relevant to the charges brought herein, expired on September 7, 2025, and has not been renewed.

JURISDICTION

1
2 3. This Accusation is brought before the Director of the Department (Director), under
3 the authority of the following laws. All section references are to the Business and Professions
4 Code (Code) unless otherwise indicated.

5 4. Section 26010 of the Code states:

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

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

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

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

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

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

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

24 8. Section 26031 of the Code states:

25 (a) The department may suspend, revoke, place on probation with terms and
26 conditions, or otherwise discipline licenses issued by the department and fine a
27 licensee, after proper notice and hearing to the licensee, except as provided in Section
28 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.

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

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

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

8 9. Section 26034 of the Code states:

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

14 **STATUTORY PROVISIONS**

15 10. Section 26030 of the Code states:

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

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

19 ...

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

22 (d) Failure to comply with any state law including, but not limited to, the
23 payment of taxes as required under the Revenue and Taxation Code, except as
provided for in this division or other California law.

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REGULATORY PROVISIONS

- 1
2 11. Title 4 of the California Code of Regulations, section 15002, subdivision (c)(18)
3 states:

4 An application must be completed by an owner as defined by section 15003. An
5 application for an annual cannabis license includes the following. . .

6 An attestation that the proposed premises is in compliance with Business and
7 Professions Code section 26054(b) and, if requested, evidence of compliance.
8 For purposes of this section, evidence of compliance with Business and
9 Professions Code section 26054(b) may be a copy of a valid license, permit, or
10 other authorization issued by the applicable local jurisdiction or a notification
11 from the applicable local jurisdiction stating that the commercial cannabis
12 business is in compliance with local ordinances and regulations.

- 11 12. Title 4 of the California Code of Regulations, section 15041.4, subdivision (i) states:

12 Cannabis and cannabis products provided to employees as trade samples must be
13 properly recorded in the track and trace system. The transaction shall be recorded as a
14 package adjustment when provided to the employee. The adjustment note must
15 include the name or licensee-assigned employee number of the employee and the date
16 and time the cannabis and cannabis products were provided to the employee.

- 16 13. Title 4 of the California Code of Regulations, section 15044, subdivision (i) states:

17 Surveillance recordings are subject to inspection by the Department and shall
18 be kept in a manner that allows the Department to view and obtain copies of the
19 recordings at the licensed premises immediately upon request. The licensee shall also
20 send or otherwise provide copies of the recordings to the Department upon request
21 within the time specified by the Department.

- 21 14. Title 4 of the California Code of Regulations, section 15406, subdivision (b) states:

22 A licensed retailer shall not make any cannabis goods available for sale or
23 delivery to a customer unless:

24 The licensed retailer has verified that the cannabis goods have not exceeded
25 their best-by, sell-by, or expiration date if one is provided;

- 26 15. Title 4 of the California Code of Regulations, section 17300, subdivision (k) states:
27 The following types of products shall not be sold as cannabis products:

28 Any cannabis product that the Department determines, on a case-by-case basis,
is attractive to children, as specified in section 17408.

1 16. Title 4 of the California Code of Regulations, section 17801, subdivision (d) states:

2 The licensee shall sign and return the Notice to Comply and describe how
3 compliance was achieved within 30 calendar days after the date of personal
4 service or the date of emailing or mailing of the notice or a different date
5 specified by the Department. The Department may also require the licensee to
6 provide a plan for review and approval by the Department on a case-by-case
7 basis.

8 COST RECOVERY

9 17. Section 26031.1 of the Code states:

10 (a) Except as otherwise provided by law, in an order issued in resolution of a
11 disciplinary proceeding before the department, the administrative law judge, upon
12 request, may direct a licensee found to have committed a violation to pay a sum not to
13 exceed the reasonable costs of the investigation and enforcement of the case.

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

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

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

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

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

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

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

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

4 **FACTUAL ALLEGATIONS**

5 18. On or about January 23, 2025, Department staff reviewed Respondent’s California
6 Cannabis Track and Trace (CCTT) account and discovered that Respondent had not accurately
7 recorded commercial cannabis activity.

8 19. On February 18, 2025, Department staff issued a Notice to Comply (NTC), which
9 required Respondent to sign and return the NTC, along with a description of how compliance was
10 achieved, by February 25, 2025. Respondent failed to respond to the NTC by the required
11 deadline.

12 20. On April 14, 2025, California Department of Tax and Fee (CDTFA) revoked
13 Respondent’s Seller’s Permit for failure to pay its taxes.

14 21. On May 19, 2025, Department staff reviewed Respondent’s CCTT account and
15 discovered that Respondent provided trade samples to its employee without entering the
16 employee’s name, employee number, the date, and the time that the trade samples were provided
17 to the employees.

18 22. On May 20, 2025, Department staff was notified that the CDTFA had previously
19 revoked Respondent’s Seller’s Permit on April 14, 2025.

20 23. On May 21, 2025, Department staff conducted an unannounced compliance
21 inspection of Respondent’s licensed premises. During the compliance inspection, Department
22 staff requested to view the prior 90 days’ of video surveillance footage of the licensed premises.
23 In response, Respondent’s assistant manager, “K.M.” stated that neither she, nor anyone else on
24 the licensed premises, had access to the video surveillance system. During inspection of the
25 licensed premises sales floor, Department staff discovered three expired cannabis-infused drinks
26 and a cannabis extract named, “Kandy Kush,” that had design elements which were attractive to
27 children. All those cannabis items were placed into the Respondent’s designated waste area to
28 later be discarded.

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1 particularly alleged in paragraphs 23 and 25, above, which are hereby incorporated by reference
2 and realleged as if fully set forth herein.

3 **THIRD CAUSE FOR DISCIPLINE**

4 (Prohibited Products)

5 30. Respondent is further subject to disciplinary action under Code section 26030,
6 subdivision (a) and (c), and California Code of Regulations, title 4, section 17300, subdivision
7 (k), in that Respondent held for sale cannabis products with packaging determined to be attractive
8 to children, as more particularly alleged in paragraph 23, above, which are hereby incorporated by
9 reference and realleged as if fully set forth herein.

10 **FOURTH CAUSE FOR DISCIPLINE**

11 (Cannabis Goods for Sale)

12 31. Respondent is further subject to disciplinary action under Code section 26030,
13 subdivision (a) and (c), and California Code of Regulations, title 4, 15406, subdivision (b), in that
14 Respondent held for sale cannabis goods that have exceeded their best-by, sell-by, or expiration
15 date, as more particularly alleged in paragraph 23, above, which are hereby incorporated by
16 reference and realleged as if fully set forth herein.

17 **FIFTH CAUSE FOR DISCIPLINE**

18 (Failure to Maintain Active Seller's Permit and Pay State Taxes)

19 32. Respondent is further subject to disciplinary action under Code section 26030,
20 subdivision (a) and (d), and California Code of Regulations, title 4, 15002, subdivision (c)(20), in
21 that Respondent failed to pay the required taxes, and failed to maintain an active CDTFA Seller's
22 Permit, as more particularly alleged in paragraphs 20, 22, 24, and 26, above, which are hereby
23 incorporated by reference and realleged as if fully set forth herein.

24 **SIXTH CAUSE FOR DISCIPLINE**

25 (Notice to Comply)

26 33. Respondent is further subject to disciplinary action under Code section 26030,
27 subdivision (a), and California Code of Regulations, title 4, 17801, subdivision (d), in that
28 Respondent failed to respond to, or comply with, a Department-issued Notice to Comply, as more

1 particularly alleged in paragraph 19, above, which is hereby incorporated by reference and
2 realleged as if fully set forth herein.

3 **PRAYER**

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

7 1. Revoking or suspending outright or suspending with terms and conditions or fining or
8 any combination thereof, the Cannabis - Retailer License Number C10-0001386-LIC, issued to
9 SB Pharma Holdings, Inc. dba The Cake House, with Joseph Mierau and Ryan Mierau, Owners;

10 2. Ordering SB Pharma Holdings, Inc. dba The Cake House, with Joseph Mierau and
11 Ryan Mierau, Owners, to pay the Department of Cannabis Control the reasonable costs of the
12 investigation and enforcement of this case, pursuant to Business and Professions Code section
13 26031.1;

14 3. Ordering the destruction of cannabis and cannabis goods in the possession of SB
15 Pharma Holdings, Inc. dba The Cake House, with Joseph Mierau and Ryan Mierau, Owners at
16 Respondent's expense, if revocation of Cannabis - Retailer License Number C10-0001386-LIC is
17 ordered, pursuant to California Code of Regulations, title 4, section 15024.1, subdivision (a); and

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

19
20 DATED: December 29, 2025

Evelyn Schaeffer

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

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22
23
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25 SD2025803421
CCS Accusation.docx

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 MICHAEL DUONG
Deputy Attorney General
4 State Bar No. 327666
1300 I Street, Suite 125
5 Sacramento, CA 95814
Telephone: (916) 210-6807
6 Facsimile: (916) 327-8643
E-mail: Michael.Duong@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 **SB PHARMA HOLDINGS DBA THE**
13 **ROW HOUSE AND CAKE HOUSE,**
14 **WITH JOSEPH MIERAU AND RYAN**
15 **MIERAU, OWNERS**
16 **1975 Diners Ct**
17 **San Bernardino, CA 92408**

18 **Cannabis - Retailer No. C10-0001386-LIC**

19 Respondent.

Case No. DCC25-00010140-INV

STATEMENT TO RESPONDENT

[Gov. Code §§ 11504, 11505(b)]

20 TO RESPONDENTS:

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

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

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

4 **Michael Duong**
5 **Deputy Attorney General**
6 **1300 I Street, Suite 125**
7 **Sacramento, CA 95814**
8 **Michael.Duong@doj.ca.gov**

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

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

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

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

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

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

25 **NOTICE REGARDING STIPULATED SETTLEMENTS**

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

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

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

8 Dated: January 2, 2026

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

Michael Duong

MICHAEL DUONG
Deputy Attorney General
Attorneys for Complainant

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

In the Matter of the Accusation Against:

**SB PHARMA HOLDINGS DBA THE
ROW HOUSE AND CAKE HOUSE;
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1975 Diners Ct
San Bernardino, CA 92408**

**Cannabis Retailer License
No. C10-0001386-LIC**

Respondent.

Case No. DCC25-0001040-INV

**DEFAULT DECISION INVESTIGATORY
EVIDENCE PACKET**

[Gov. Code §11520]

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

Exhibit 1: Pleadings offered for jurisdictional purposes: Accusation No. DCC25-0001040-INV, statement to respondent, notice of defense (two blank copies), request for discovery, discovery statutes (government code sections 11507.5, 11507.6 and 11507.7), proofs of service;

Exhibit 2: License History Certification for SB Pharm Holdings dba The Row House and Cake House; Cannabis Retailer License No. C10-0001386-LIC;

Exhibit 3: Certification of Costs by Department for Investigation in Case No. DCC25-0001040-INV dated December 23, 2025;

Exhibit 4: Certification of Costs by Department for Enforcement in Case No. DCC25-0001040-INV dated February 10, 2026;

Exhibit 5: Investigative Report (without attachments) [DCC25-0001040-INV];

Dated: February 23, 2026

Respectfully submitted,

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

Michael Duong

MICHAEL DUONG
Deputy Attorney General
Attorneys for Complainant

Exhibit 1

Accusation No. DCC25-0001040-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 MICHAEL DUONG
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4 State Bar No. 327666
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5 Sacramento, CA 95814
Telephone: (916) 210-6807
6 Facsimile: (916) 327-8643
E-mail: Michael.Duong@doj.ca.gov
7 *Attorneys for Complainant*

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

11 In the Matter of the Accusation Against:

Case No. DCC25-0001040-INV

12 **SB PHARMA HOLDINGS, INC. dba THE**
13 **CAKE HOUSE;**
14 **JOSEPH MIERAU AND RYAN MIERAU,**
15 **OWNERS**
1975 Diners Ct.
San Bernardino, CA 92408

ACCUSATION

16 **Cannabis - Retailer**
17 **No. C10-0001386-LIC**

18 Respondent.

19
20 Complainant alleges:

21 **PARTIES**

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

25 2. On or about September 8, 2023, the Department issued Cannabis - Retailer C10-
26 0001386-LIC to SB Pharma Holdings, Inc. dba The Cake House, with Joseph Mierau and Ryan
27 Mierau, Owners (Owners). The Cannabis Retailer License was in full force and effect at all times
28 relevant to the charges brought herein, expired on September 7, 2025, and has not been renewed.

JURISDICTION

1
2 3. This Accusation is brought before the Director of the Department (Director), under
3 the authority of the following laws. All section references are to the Business and Professions
4 Code (Code) unless otherwise indicated.

5 4. Section 26010 of the Code states:

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

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

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

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

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

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

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

24 8. Section 26031 of the Code states:

25 (a) The department may suspend, revoke, place on probation with terms and
26 conditions, or otherwise discipline licenses issued by the department and fine a
27 licensee, after proper notice and hearing to the licensee, except as provided in Section
28 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.

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

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

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

8 9. Section 26034 of the Code states:

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

14 **STATUTORY PROVISIONS**

15 10. Section 26030 of the Code states:

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

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

19 ...

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

22 (d) Failure to comply with any state law including, but not limited to, the
23 payment of taxes as required under the Revenue and Taxation Code, except as
provided for in this division or other California law.

24 ...

25 ///

26 ///

27 ///

28 ///

REGULATORY PROVISIONS

- 1
2 11. Title 4 of the California Code of Regulations, section 15002, subdivision (c)(18)
3 states:

4 An application must be completed by an owner as defined by section 15003. An
5 application for an annual cannabis license includes the following. . .

6 An attestation that the proposed premises is in compliance with Business and
7 Professions Code section 26054(b) and, if requested, evidence of compliance.
8 For purposes of this section, evidence of compliance with Business and
9 Professions Code section 26054(b) may be a copy of a valid license, permit, or
10 other authorization issued by the applicable local jurisdiction or a notification
11 from the applicable local jurisdiction stating that the commercial cannabis
12 business is in compliance with local ordinances and regulations.

- 11 12. Title 4 of the California Code of Regulations, section 15041.4, subdivision (i) states:

12 Cannabis and cannabis products provided to employees as trade samples must be
13 properly recorded in the track and trace system. The transaction shall be recorded as a
14 package adjustment when provided to the employee. The adjustment note must
15 include the name or licensee-assigned employee number of the employee and the date
16 and time the cannabis and cannabis products were provided to the employee.

- 16 13. Title 4 of the California Code of Regulations, section 15044, subdivision (i) states:

17 Surveillance recordings are subject to inspection by the Department and shall
18 be kept in a manner that allows the Department to view and obtain copies of the
19 recordings at the licensed premises immediately upon request. The licensee shall also
20 send or otherwise provide copies of the recordings to the Department upon request
21 within the time specified by the Department.

- 21 14. Title 4 of the California Code of Regulations, section 15406, subdivision (b) states:

22 A licensed retailer shall not make any cannabis goods available for sale or
23 delivery to a customer unless:

24 The licensed retailer has verified that the cannabis goods have not exceeded
25 their best-by, sell-by, or expiration date if one is provided;

- 26 15. Title 4 of the California Code of Regulations, section 17300, subdivision (k) states:
27 The following types of products shall not be sold as cannabis products:

28 Any cannabis product that the Department determines, on a case-by-case basis,
is attractive to children, as specified in section 17408.

1 16. Title 4 of the California Code of Regulations, section 17801, subdivision (d) states:

2 The licensee shall sign and return the Notice to Comply and describe how
3 compliance was achieved within 30 calendar days after the date of personal
4 service or the date of emailing or mailing of the notice or a different date
5 specified by the Department. The Department may also require the licensee to
6 provide a plan for review and approval by the Department on a case-by-case
7 basis.

8 COST RECOVERY

9 17. Section 26031.1 of the Code states:

10 (a) Except as otherwise provided by law, in an order issued in resolution of a
11 disciplinary proceeding before the department, the administrative law judge, upon
12 request, may direct a licensee found to have committed a violation to pay a sum not to
13 exceed the reasonable costs of the investigation and enforcement of the case.

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

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

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

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

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

(2) Notwithstanding paragraph (1), the department may, in its discretion,
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
with the department to reimburse the department within that one-year period for the
unpaid costs.

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

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

4 **FACTUAL ALLEGATIONS**

5 18. On or about January 23, 2025, Department staff reviewed Respondent’s California
6 Cannabis Track and Trace (CCTT) account and discovered that Respondent had not accurately
7 recorded commercial cannabis activity.

8 19. On February 18, 2025, Department staff issued a Notice to Comply (NTC), which
9 required Respondent to sign and return the NTC, along with a description of how compliance was
10 achieved, by February 25, 2025. Respondent failed to respond to the NTC by the required
11 deadline.

12 20. On April 14, 2025, California Department of Tax and Fee (CDTFA) revoked
13 Respondent’s Seller’s Permit for failure to pay its taxes.

14 21. On May 19, 2025, Department staff reviewed Respondent’s CCTT account and
15 discovered that Respondent provided trade samples to its employee without entering the
16 employee’s name, employee number, the date, and the time that the trade samples were provided
17 to the employees.

18 22. On May 20, 2025, Department staff was notified that the CDTFA had previously
19 revoked Respondent’s Seller’s Permit on April 14, 2025.

20 23. On May 21, 2025, Department staff conducted an unannounced compliance
21 inspection of Respondent’s licensed premises. During the compliance inspection, Department
22 staff requested to view the prior 90 days’ of video surveillance footage of the licensed premises.
23 In response, Respondent’s assistant manager, “K.M.” stated that neither she, nor anyone else on
24 the licensed premises, had access to the video surveillance system. During inspection of the
25 licensed premises sales floor, Department staff discovered three expired cannabis-infused drinks
26 and a cannabis extract named, “Kandy Kush,” that had design elements which were attractive to
27 children. All those cannabis items were placed into the Respondent’s designated waste area to
28 later be discarded.

///

1 particularly alleged in paragraphs 23 and 25, above, which are hereby incorporated by reference
2 and realleged as if fully set forth herein.

3 **THIRD CAUSE FOR DISCIPLINE**

4 (Prohibited Products)

5 30. Respondent is further subject to disciplinary action under Code section 26030,
6 subdivision (a) and (c), and California Code of Regulations, title 4, section 17300, subdivision
7 (k), in that Respondent held for sale cannabis products with packaging determined to be attractive
8 to children, as more particularly alleged in paragraph 23, above, which are hereby incorporated by
9 reference and realleged as if fully set forth herein.

10 **FOURTH CAUSE FOR DISCIPLINE**

11 (Cannabis Goods for Sale)

12 31. Respondent is further subject to disciplinary action under Code section 26030,
13 subdivision (a) and (c), and California Code of Regulations, title 4, 15406, subdivision (b), in that
14 Respondent held for sale cannabis goods that have exceeded their best-by, sell-by, or expiration
15 date, as more particularly alleged in paragraph 23, above, which are hereby incorporated by
16 reference and realleged as if fully set forth herein.

17 **FIFTH CAUSE FOR DISCIPLINE**

18 (Failure to Maintain Active Seller's Permit and Pay State Taxes)

19 32. Respondent is further subject to disciplinary action under Code section 26030,
20 subdivision (a) and (d), and California Code of Regulations, title 4, 15002, subdivision (c)(20), in
21 that Respondent failed to pay the required taxes, and failed to maintain an active CDTFA Seller's
22 Permit, as more particularly alleged in paragraphs 20, 22, 24, and 26, above, which are hereby
23 incorporated by reference and realleged as if fully set forth herein.

24 **SIXTH CAUSE FOR DISCIPLINE**

25 (Notice to Comply)

26 33. Respondent is further subject to disciplinary action under Code section 26030,
27 subdivision (a), and California Code of Regulations, title 4, 17801, subdivision (d), in that
28 Respondent failed to respond to, or comply with, a Department-issued Notice to Comply, as more

1 particularly alleged in paragraph 19, above, which is hereby incorporated by reference and
2 realleged as if fully set forth herein.

3 **PRAYER**

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

7 1. Revoking or suspending outright or suspending with terms and conditions or fining or
8 any combination thereof, the Cannabis - Retailer License Number C10-0001386-LIC, issued to
9 SB Pharma Holdings, Inc. dba The Cake House, with Joseph Mierau and Ryan Mierau, Owners;

10 2. Ordering SB Pharma Holdings, Inc. dba The Cake House, with Joseph Mierau and
11 Ryan Mierau, Owners, to pay the Department of Cannabis Control the reasonable costs of the
12 investigation and enforcement of this case, pursuant to Business and Professions Code section
13 26031.1;

14 3. Ordering the destruction of cannabis and cannabis goods in the possession of SB
15 Pharma Holdings, Inc. dba The Cake House, with Joseph Mierau and Ryan Mierau, Owners at
16 Respondent's expense, if revocation of Cannabis - Retailer License Number C10-0001386-LIC is
17 ordered, pursuant to California Code of Regulations, title 4, section 15024.1, subdivision (a); and

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

19
20 DATED: December 29, 2025

Evelyn Schaeffer

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

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CCS Accusation.docx

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 MICHAEL DUONG
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4 State Bar No. 327666
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E-mail: Michael.Duong@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 **SB PHARMA HOLDINGS DBA THE**
13 **ROW HOUSE AND CAKE HOUSE,**
14 **WITH JOSEPH MIERAU AND RYAN**
15 **MIERAU, OWNERS**
16 **1975 Diners Ct**
17 **San Bernardino, CA 92408**

18 **Cannabis - Retailer No. C10-0001386-LIC**

19 Respondent.

Case No. DCC25-00010140-INV

STATEMENT TO RESPONDENT

[Gov. Code §§ 11504, 11505(b)]

20 TO RESPONDENTS:

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

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

28 ///

///

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

4 **Michael Duong**
5 **Deputy Attorney General**
6 **1300 I Street, Suite 125**
7 **Sacramento, CA 95814**
8 **Michael.Duong@doj.ca.gov**

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

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

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

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

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

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

25 **NOTICE REGARDING STIPULATED SETTLEMENTS**

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

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

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

8 Dated: January 2, 2026

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

Michael Duong

MICHAEL DUONG
Deputy Attorney General
Attorneys for Complainant

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2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
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E-mail: Michael.Duong@doj.ca.gov
7 *Attorneys for Complainant*

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

11 In the Matter of the Accusation Against:

Case No. DCC25-00010140-INV

12 **SB PHARMA HOLDINGS DBA THE**
13 **ROW HOUSE AND CAKE HOUSE,**
14 **WITH JOSEPH MIERAU AND RYAN**
15 **MIERAU, OWNERS**
16 **1975 Diners Ct**
17 **San Bernardino, CA 92408**

REQUEST FOR DISCOVERY

Cannabis - Retailer No. C10-0001386-LIC

Respondent.

18
19 TO RESPONDENTS:

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

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

26 1. Provide the names and addresses of witnesses to the extent known to the
27 Respondents, including, but not limited to, those intended to be called to testify at the hearing,
28 and

1 2. Provide an opportunity for the Complainant to inspect and make a copy of any of the
2 following in the possession or custody or under control of the Respondents:

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

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

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

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

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

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

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

28 ///

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

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

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

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

15 Dated: January 2, 2026

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

18 *Michael Duong*

19 MICHAEL DUONG
20 Deputy Attorney General
Attorneys for Complainant

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23 SD2025803421
24 39549529

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

In the Matter of the Accusation Against:

**SB PHARMA HOLDINGS DBA THE
ROW HOUSE AND CAKE HOUSE,
WITH JOSEPH MIERAU AND RYAN
MIERAU, OWNERS
1975 Diners Ct
San Bernardino, CA 92408**

Cannabis - Retailer No. C10-0001386-LIC

Respondent.

Case No. DCC25-00010140-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 Respondents, 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, Respondents are entitled to a hearing on the merits of the Accusation, and that under Government Code section 11506, Respondents have 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 Respondent or in my capacity as an authorized representative of an entity named as Respondent in the Accusation.

Print the name of each Respondents for whom this Notice of Defense is filed. You must be legally authorized to file a Notice of Defense on behalf of any Respondents other than yourself:

Date:

Print Your Name:

Your Signature:

Respondents' 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 Respondents' 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.

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

In the Matter of the Accusation Against:

**SB PHARMA HOLDINGS DBA THE
ROW HOUSE AND CAKE HOUSE,
WITH JOSEPH MIERAU AND RYAN
MIERAU, OWNERS
1975 Diners Ct
San Bernardino, CA 92408**

Cannabis - Retailer No. C10-0001386-LIC

Respondent.

Case No. DCC25-00010140-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 Respondents, 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, Respondents are entitled to a hearing on the merits of the Accusation, and that under Government Code section 11506, Respondents have 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 Respondent or in my capacity as an authorized representative of an entity named as Respondent in the Accusation.

Print the name of each Respondents for whom this Notice of Defense is filed. You must be legally authorized to file a Notice of Defense on behalf of any Respondents other than yourself:

Date: _____
Print Your Name: _____
Your Signature: _____
Respondents' 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 Respondents' 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.

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39549529

**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 E-MAIL and U.S. MAIL

Case Name: ***In the Matter of the Accusation Against: SB Pharm Holdings dba The Row House and Cake House (ACC)***

Case No.: **DCC25-00010140-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. My business address is: 1300 I Street, Suite 125, Sacramento, CA 95814. My electronic service address is Bryn.Barton@doj.ca.gov. 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 January 2, 2026, I served the attached **ACCUSATION; STATEMENT TO RESPONDENT; REQUEST FOR DISCOVERY; NOTICE OF DEFENSE [two copies] & COPY OF GOVERNMENT CODE SECTIONS** by transmitting a true copy via electronic mail. In addition, I placed a true copy thereof enclosed in a sealed envelope, in the internal mail system of the Office of the Attorney General, addressed as follows:

SB Pharma Holdings Inc. - Licensee
1975 Diners Court
San Bernardino, CA 92408
rjmierau@miebeach.com

Joseph Mierau - Owner
8130 E. Sands Drive
Scottsdale, AZ 85255
jcmierau@gmail.com
jcmierau@msn.com

Ryan Mierau - Owner & Designated
Responsible Party
1474 Keystone Drive
San Bernardino, CA 92407
Ryan@rowhouseca.com
rjmierau@miebeach.com

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 January 2, 2026, at Sacramento, California.

Bryn Barton
Declarant


Signature

UNNA
NOT DELIV
RETT
916 NIXIE

02 4W
0000368252 JAN 02 2026

DEPARTMENT OF JUSTICE

1300 I Street, Suite 125
Sacramento, CA 95814

TO

SB Pharma Holdings Inc. - Licensee
1975 Diners Court
San Bernardino, CA 92408
LEGAL MAIL

Exhibit 2

License History Certification for Respondent



Cannabis Retailer License Adult-Use and Medicinal

Business Name:

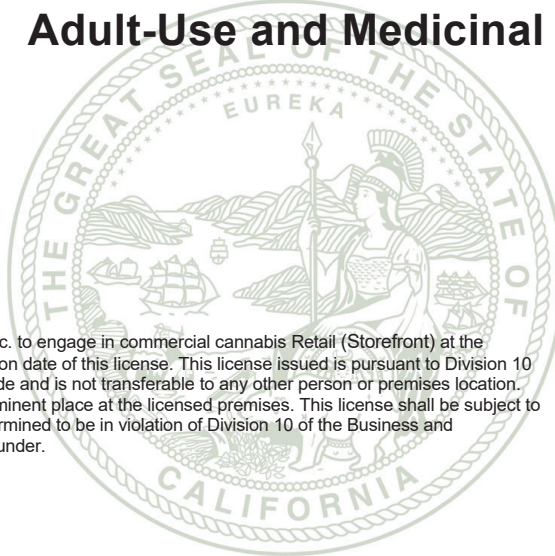
SB Pharma Holdings Inc.

The Cake House

License Number: C10-0001386-LIC

License Type: Retailer
(Storefront)

The license authorizes SB Pharma Holdings Inc. to engage in commercial cannabis Retail (Storefront) 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:

1975 DINERS CT
SN BERNRDNO, CA 92408

Valid: 9/8/2023

Expires: 9/7/2025

Scan to verify this
license.



Non-Transferable

Post in Public View

Scan to verify this license.



Valid:
9/8/2023

Expires:
9/7/2025

License No:
C10-0001386-LIC

Legal Business Name:
SB Pharma Holdings Inc.
The Cake House

Premises Address:
1975 DINERS CT
SN BERNRDNO, CA 92408

1. Use your smartphone camera to scan the QR code for licensing information.
2. If your camera doesn't have scanning functionality, you can look up a location at search.cannabis.ca.gov using license number C10-0001386-LIC.



Department of
Cannabis Control
CALIFORNIA

Exhibit 3

Certification of Investigation Costs

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

In the Matter of the Accusation Against:

**SB PHARMA HOLDINGS, INC. dba THE
CAKE HOUSE;
JOSEPH MIERAU AND RYAN MIERAU,
OWNERS
1975 Diners Ct.
San Bernardino, CA 92408**

**Cannabis - Retailer License No.
C10-0001386-LIC**

Respondent.

Case No. DCC25-0001040-INV

**DECLARATION OF JACOB NUCHOLS
REGARDING INVESTIGATIVE
ACTIVITY**

I, Jacob Nuchols, declare and certify as follows:

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

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

3. The following list of SSIs and Special Investigators (SI) were assigned to the investigation of this case, which was opened by the Department's Compliance Division on or about May 19, 2025: SSI Jacob Nuchols, Lead SI Dustin Martinez, SI Heather Asendorf, and SI Cory Pisciueneri.

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

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

4 5. The investigative activity summary SB Pharma Holdings Certification of Cost
5 Recovery includes the details of the tasks performed by Department staff. The costs related to
6 investigative activity include field time, research and report writing, meetings, and use of state
7 vehicles. I hereby certify that the SB Pharma Holdings Certification of Cost Recovery, attached
8 hereto and herein incorporated by reference is a true and correct copy of the investigative activity
9 for this case. The investigative activity summary encompasses the total hours spent by the
10 Department's ISB through December 23, 2025. The investigative activity summary does not
11 include tasks performed after this date.

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

16 a) Field Time:

17 SSI/SI rate per hour: \$101.00 multiplied by 16 hours = \$1,616.00

18 b) Research and Report Writing:

19 SSI/SI rate per hour: \$101.00 multiplied by 11 hours = \$1,111.00

20 c) Use of State Vehicles:

21 3 vehicles at \$0.70 per mile multiplied by 125 total miles = \$87.50

22
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 Riverside County on
25 **December 23** , 2025.

26 _____
27 Nuchols,
28 Jacob@Cannabis

Digitally signed by Nuchols,
Jacob@Cannabis
Date: 2025.12.23 13:56:51 -0800'

Jacob Nuchols
Declarant



Role	Last Name	First Name	Hourly Rate	Field Time	Research and Report	Meet
Lead Special Investigator	Martinez	Dustin	\$101.00	4	9	
Supervising Special Investigator I	Nuchols	Jacob	\$101.00	4	2	
Assisting Special Investigator	Asendorf	Heather	\$101.00	4		
Assisting Special Investigator	Pisciuneri	Cory	\$101.00	4		

Total Personnel Services

Total Personnel Services and Operating Expense

Operating	Count	Miles	@0.70 per mile
State Vehicles	3	125	\$87.50
Total Operating Expense			\$87.50

Exhibit 4

Certification of Enforcement Costs

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 MICHAEL DUONG
Deputy Attorney General
4 State Bar No. 327666
1300 I Street, Suite 125
5 Sacramento, CA 95814
Telephone: (916) 210-6807
6 Facsimile: (916) 327-8643
E-mail: Michael.Duong@doj.ca.gov
7 *Attorneys for Complainant*

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

11 In the Matter of the Accusation Against:

Case No. DCC25-0001040-INV

12 **SB PHARMA HOLDINGS DBA THE**
13 **ROW HOUSE AND CAKE HOUSE;**
14 **JOSEPH MIERAU AND RYAN**
15 **MIERAU, OWNERS**

CERTIFICATION OF
PROSECUTION COSTS:
DECLARATION OF MICHAEL DUONG

Respondent.

Business and Professions Code section
26031.1]

16 I, MICHAEL DUONG, hereby declare and certify as follows:

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

24 2. I represent the Complainant, Evelyn Schaeffer, Deputy Director of the Compliance
25 Division of the Department of Cannabis Control, in this action. I was assigned to handle this case
26 on or about October 14, 2025.
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1 3. Our Office's computerized case management system reflects that the following
2 persons have also performed tasks related to this matter: Gregory Cribbs, Supervising Deputy
3 Attorney General; Helen Koh, Senior Legal Analyst; Michael Duong, Deputy Attorney General;
4 Harinder Kapur, Senior Assistant Attorney General.

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

10 5. On February 10, 2026, I requested a billing summary for this case from the
11 Accounting Department of the DOJ. In response, on February 10, 2026, I received a document
12 entitled "Matter Time Activity by Professional Type." I hereby certify that the Matter Time
13 Activity by Professional Type, attached hereto as Exhibit A, and herein incorporated by
14 reference, is a true and correct copy of the billing summary for this matter that I received from the
15 Accounting Department. The summary includes the billing costs incurred by me, as well as other
16 professionals of the DOJ who worked on the matter; and sets forth the tasks undertaken, the
17 amount of time billed for the activity, and the billing rate by professional type. The billing
18 summary is comprehensive of the charges by the Office to the Department of Cannabis Control
19 through February 10, 2026. It does not include billing for tasks performed after February 10,
20 2026, up to the date of hearing.

21 6. Based upon the time reported through February 10, 2026, as set forth in Exhibit A,
22 DOJ has billed the Department of Cannabis Control \$5,088.75 for the time spent working on the
23 above-entitled case.

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

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

Executed on February 23, 2026, in the City of Sacramento, California.

Michael Duong

MICHAEL DUONG
Deputy Attorney General
Declarant

SD2025803421
85572343.docx

Exhibit A



Cost of Suit Summary

As of Feb 10, 2026

MatterID: SD2025803421 Date Opened: Oct 14, 2025
 Description: SB Pharm Holdings dba The Row House and Cake House (ACC)

Total Legal Costs: \$5,088.75
 Cost of Suit: \$0.00
 Grand Total: \$5,088.75

Totals include WIP time.

Rate	Hrs Wrkd	Amount
Matter Time Activity Summary		
Attorney		
2025-2026		
\$228.00	19.75	\$4,503.00
Total For: 2025-2026		\$4,503.00
Total for: Attorney		\$4,503.00
Paralegal		
2025-2026		
\$213.00	2.75	\$585.75
Total For: 2025-2026		\$585.75
Total for: Paralegal		\$585.75
Total Legal Costs		\$5,088.75

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



Matter Time Activity By Professional Type

As of Feb 10, 2026

Matter ID: SD2025803421				Date Opened: 10/14/2025						
Description: SB Pharm Holdings dba The Row House and Cake House (ACC)										
Professional Type: Attorney										
Fiscal Year: 2025										
Professional: Gregory M. Cribbs										
Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date	
605922301	11/24/25	CV-CCS:290	02668	Supervisory Review	2.00	\$228.00	\$456.00		11/30/25	
605944976	12/9/25	CV-CCS:290	02668	Supervisory Review	1.75	\$228.00	\$399.00		12/31/25	
605958846	12/17/25	CV-CCS:290	02668	Supervisory Review	0.25	\$228.00	\$57.00		12/31/25	
Gregory M. Cribbs Totals:					4.00		\$912.00			
Professional: Harinder K. Kapur										
803309639	10/14/25	CV-CCS:290	02668	Case Evaluation/Assessment	1.00	\$228.00	\$228.00		10/31/25	
803394171	12/26/25	CV-CCS:290	02668	Case Management	0.25	\$228.00	\$57.00		12/31/25	
Harinder K. Kapur Totals:					1.25		\$285.00			
Professional: Michael Duong										
307911750	10/17/25	CV-CCS:290	02668	Case Evaluation/Assessment	0.50	\$228.00	\$114.00		10/31/25	
307936573	10/23/25	CV-CCS:290	02668	Communication with Other Party	0.25	\$228.00	\$57.00		10/31/25	
307936125	10/24/25	CV-CCS:290	02668	Case Evaluation/Assessment	1.00	\$228.00	\$228.00		10/31/25	
307932321	10/27/25	CV-CCS:290	02668	Case Evaluation/Assessment	2.00	\$228.00	\$456.00		10/31/25	
307932324	10/27/25	CV-CCS:290	02668	Pleading Preparation	0.50	\$228.00	\$114.00		10/31/25	
307936627	10/28/25	CV-CCS:290	02668	Pleading Preparation	2.00	\$228.00	\$456.00		10/31/25	
307965451	11/13/25	CV-CCS:290	02668	Pleading Preparation	1.00	\$228.00	\$228.00		11/30/25	
307967532	11/14/25	CV-CCS:290	02668	Pleading Preparation	2.50	\$228.00	\$570.00		11/30/25	
307991909	11/26/25	CV-CCS:290	02668	Pleading Preparation	0.50	\$228.00	\$114.00		11/30/25	
308027598	12/17/25	CV-CCS:290	02668	Client Communication	0.25	\$228.00	\$57.00		12/31/25	
308039275	12/17/25	CV-CCS:290	02668	Supervisory Review	0.25	\$228.00	\$57.00		12/31/25	
308028917	12/18/25	CV-CCS:290	02668	Client Communication	1.00	\$228.00	\$228.00		12/31/25	
308044371	12/29/25	CV-CCS:290	02668	Pleading Preparation	0.50	\$228.00	\$114.00		12/31/25	
308045765	12/29/25	CV-CCS:290	02668	Pleading Preparation	0.75	\$228.00	\$171.00		12/31/25	
308046028	12/29/25	CV-CCS:290	02668	Client Communication	0.25	\$228.00	\$57.00		12/31/25	
308047372	12/30/25	CV-CCS:290	02668	Pleading Preparation	0.75	\$228.00	\$171.00		12/31/25	



Matter Time Activity By Professional Type

As of Feb 10, 2026

Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date
308078235	1/6/26	CV-CCS:290	02668	Communication with Other Party	0.25	\$228.00	\$57.00		1/31/26
308094543	1/26/26	CV-CCS:290	02668	Communication with Other Party	0.25	\$228.00	\$57.00		1/31/26
Michael Duong Totals:					14.50		\$3,306.00		
2025 Totals:					19.75		\$4,503.00		
Attorney Totals:					19.75		\$4,503.00		



Matter Time Activity By Professional Type

As of Feb 10, 2026

Matter ID: SD2025803421 Date Opened: 10/14/2025
 Description: SB Pharm Holdings dba The Row House and Cake House (ACC)

Professional Type: Paralegal

Fiscal Year: 2025

Professional: Helen Koh

Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date
803321911	10/24/25	CV-CCS:290	02668	Case Management	0.25	\$213.00	\$53.25		10/31/25
803397650	12/30/25	CV-CCS:290	02668	Case Management	0.25	\$213.00	\$53.25		12/31/25
803445929	2/10/26	CV-CCS:290	02668	Contract/Document Preparation	2.25	\$213.00	\$479.25		
Helen Koh Totals:					2.75		\$585.75		
2025 Totals:					2.75		\$585.75		
Paralegal Totals:					2.75		\$585.75		
SD2025803421 Totals:					22.50		\$5,088.75		

Exhibit 5

Investigative Report (without attachments)

INVESTIGATION REPORT

STATE OF CALIFORNIA



Department of
Cannabis Control
CALIFORNIA



CASE INFORMATION

Case Number DCC25-0001040-INV	Date Received 05/06/2025
License Number C10-0001386-LIC	Legal Business Name of Licensee or Unlicensed Party SB Pharma Holding Inc.
DBA The Row House, Cake House	Premises Address 1975 Diners CT San Bernardino, Ca 92408
Business Phone Number (480) 747-2520	Author's Name Dustin Martinez
Date of Incident 05/21/2025	Location of Incident 1975 Diners CT San Bernardino, Ca 92408

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

Name (First, Middle, Last) Ryan Mierau	Title Owner
Address (include street, city, state, and zip code) 1474 Keystone Drive, San Bernardino, CA 92407	
E-mail Address rjmierau@miebeach.com	Phone Number (480)-747-2520

Miscellaneous Information

The Department's licensing database (Accela) lists Ryan Mierau as a Controlling Manager with 20% ownership and Joseph Mierau as a General Partner with 80% ownership.

SUMMARY

On May 21, 2025, Department staff conducted an unannounced inspection of the licensed premises in reference to the licensee's California Department of Tax and Fee Admin (CDTFA) seller's permit being revoked, the licensee giving away free cannabis and the licensee not responding to a Notice to Comply (NTC) issued February 18, 2025, reference DCC25-0000159-INV. During the unannounced inspection, Department staff located three expired cannabis-infused drinks and a cannabis extract with the name of "Kandy Kush". The Licensee was also unable to provide 90 days of video surveillance footage upon request.

On May 21, 2025, I, Special Investigator (SI) Dustin Martinez, emailed the listed owners, Ryan Mierau and Joseph Mierau requesting the Licensee to provide a valid seller's permit by email to the Department within 10 calendar days. The Licensee failed to provide a valid seller's permit by May 31, 2025.

On May 28, 2025, I emailed the listed owners, Ryan Mierau and Joseph Mierau, requesting the Licensee to provide video surveillance footage of the licensed premises in 10-minute intervals for dates of February 27, 2025, and May 21, 2025, by May 31, 2025. The Licensee failed to provide the requested video surveillance footage.



BACKGROUND

On September 08, 2023, SB Pharma Holdings Inc. (licensee) was issued an annual retailer's license, reference license number C10-0001386-LIC. This license is active and has a current expiration date of September 07, 2025.

On February 01, 2024, the Department received a complaint that the licensee was selling an expired product with a tamper with evident seal. The complaint was referred to ISB and an investigation was conducted, for reference DCC24-0000284-INV. The complaint was founded and a Notice to Comply (NTC) was issued on May 17, 2025, for selling expired product, selling trade samples and for not recording cannabis activity accurately in the track and trace system (**Attachment A**).

On January 23, 2025, the Department received a complaint that the licensee was selling an expired product with a tamper with evident seal. The complaint was referred to ISB and an investigation was conducted, reference DCC25-0000159-INV. The complaint was unfounded and a Notice to Comply was issued for Track and Trace Reporting on February 05, 2025, for not recording cannabis activity accurately in the track and trace system (**Attachment B**). The Licensee failed to respond or return the NTC by the deadline of February 25, 2025.

CASE NARRATIVE

On April 14, 2025, the California Department of Tax and Fee Administration (CDTFA) revoked SB Pharma Holdings Inc's (Licensee) seller's permit. On May 20, 2025, I, Department of Cannabis Control (Department) Special Investigator (SI) Dustin Martinez emailed Erick Arreola (Arreola), Business Taxes Administrator (Mr. Arreola) at Erik.Arreola@cdtfa.ca.gov requesting the date the Licensee's seller's permit was revoked. Mr. Arreola provided a Notice of Revocation for the Licensee dated April 14, 2025 (**Attachment C**).

On May 19, 2025, I conducted a review of the Licensee's California Cannabis Track and Trace account (Metr). The review of the Licensee's Metr account indicated the licensee failed to note in the package adjustment for trade samples the name of the employee or employee number and the date and time the trade sample was provided to the employee (**Attachment D**).

On May 21, 2025, Department Supervising Special Investigator (SSI) Jacob Nuchols, SI Heather Asendorf, SI Cory Piscineri and I conducted an unannounced inspection of SB Pharma Holding Inc. located at 1975 Diners CT San Bernardino, CA 92408 (licensed premises). Upon arrival, I requested to view 90 days of video surveillance of the licensed premises. Assistant Manager Kaitley McNeil (McNeil) stated she did not have access to the video surveillance system. McNeil also stated that no one else on the premises had access to the video surveillance system at that time. During the inspection of the Licensee's sales floor, the Department located three cannabis-infused drinks exceeding their expiration date of January 16, 2025, (Tag UID# 1A4060300048D3D001288523/ Src. Pkg's UID# 1A406030004643A000000171) (**Attachment E**). The Department also located a cannabis extract with attractive to children branding by the name of "Kandy Kush" (Tag UID# 1A406030005233E000007700/ Src. Pkg's UID# 1A406030005233E000006098) (**Attachment F**). Both products were removed from the sales floor by McNeil and were placed in the Licensee's designated waste area to be discarded. The Department performed a complete walk-through of the licensed premises and conducted inventory checks in the track and trace system to ensure accuracy and compliance. At the end of the inspection, I reviewed the licensee's package adjustment report with McNeil. McNeil was advised of the issue with the trade samples and how the issue could be corrected.

On May 21, 2025, I attempted to email the listed owners, Ryan Mierau (R. Mierau) and Joseph Mierau (J. Mierau). However, the listed email address for R. Mierau, Ryan@Rowhouseca.com returned as undeliverable. The Department's licensing database (Accela) listed two email addresses for R. Miera, rjmierau@miebeach.com and Ryan@Rowhouseca.com. I emailed R. Mierau at both email addresses and J. Mierau at jcmierau@msn.com directing the Licensee to provide a valid seller's permit by email to the Department by May 31, 2025 (**Attachment G**). The Licensee failed to respond and/or provide an active seller's permit by the provided deadline.



INVESTIGATION REPORT (continued)

On June 02, 2025, R. Mierau responded to the email sent on May 21, 2025, stating he and the CDTFA had come to a resolution and their seller's permit will be reissued in the next couple of days (**Attachment H**); however, R. Mierau provided no evidence or documentation to support this claim. I responded to R. Mierau's email that same day requesting R. Mierau provide supporting documents showing proof of the resolution with CDTFA. On June 02, 2025, R. Mierau forwarded an email from Supaporn Pornrattanasoros (Pornrattanasoros), Business Taxes Compliance Specialist, with CDTFA, stating that before the Licensee Seller's Permit can be reinstated, R. Mierau will need to submit a payment plan agreement, dual responsible person questionnaire forms and copies of sales invoice receipts in 2024 and 2025 that sales tax and cannabis excise tax were collected by May 05, 2025, for the Seller's Permit can be reinstated. The email from Pornrattanasoros gave Mierau a deadline of June 05, 2025, for this to be completed (**Attachment I**).

On May 28, 2025, I emailed R. Mierau at rjmierau@miebeach.com and Joseph Mierau at jcmierau@msn.com requesting the Licensee to provide video surveillance footage of the licensed premises in 10-minute intervals of the inventory room, lobby and sales floor for dates of February 27, 2025, and May 21, 2025, by May 31, 2025. The Licensee failed to provide the requested video surveillance footage (**Attachment K**).

On June 02, 2025, I emailed Arreola, requesting clarification regarding the Licensee's Seller's Permit reinstatement. Mr. Arreola stated the license holder is making an attempt to reinstate their seller's permit but has not completed all of the steps necessary in order to do so. Mr. Arreola also stated the license holder was given a deadline of June 05, 2025 (**Attachment J**).

On June 13, 2025, Lori Wilson, Business Taxes Compliance Specialist Cannabis & Sales Suppression Section, with CDTFA, emailed the department stating SB Pharma Holding Inc is still not in compliance with CDTFA and the account remains revoked (**Attachment L**).

WITNESS LIST

Witness #1

- Name: Dustin Martinez
- Title/Position: DCC Special Investigator
- Address: 4046 Lankershim Blvd., Los Angeles CA 91602
- Phone: (916) 903-6809
- E-mail: dustin.martinez@cannabis.ca.gov

Witness #2

- Name: Jacob Nuchols
- Title/Position: DCC Supervising Special Investigator
- Address: 4046 Lankershim Blvd., Los Angeles CA 91602
- Phone: (937) 272-6347
- E-mail: jacob.nuchols@cannabis.ca.gov

Witness #3

- Name: Heather Asendorf
- DCC Special Investigator
- Address: 4046 Lankershim Blvd., Los Angeles CA 91602
- Phone: (916) 903-6064
- E-mail: heather.asendorf@cannabis.ca.gov

Witness #4

- Name: Cory Pisciueneri
- DCC Special Investigator
- Address: 4046 Lankershim Blvd., Los Angeles CA 91602



INVESTIGATION REPORT (continued)

- Phone: (916) 956-6329
- E-mail: cory.pisciuneri@cannabis.ca.gov

Witness #5

- Name: Erik Arreola
- Title/Position: Business Taxes Administrator
- Address: 450 N Street, Sacramento, CA 95814
- Phone: 909-253-4896
- E-mail: Erik.Arreola@cdtfa.ca.gov

PREPARER

Name		Title	
Dustin Martinez		Special Investigator	
Signature	Martinez, Dustin@Cannabis	Digitally signed by Martinez, Dustin@Cannabis Date: 2025.08.12 16:04:17 -07'00'	Date 08/12/2025

REVIEWER

Name		Title	
Signature	Nuchols, Jacob@Cannabis	Digitally signed by Nuchols, Jacob@Cannabis Date: 2025.08.12 16:11:16 -07'00'	Date 8/12/2025

1. Attachment A- Notice to Comply Issued on May 17, 2024
2. Attachment B- Notice to Comply Issued on February 18, 2024
3. Attachment C- Notice of Revocation
4. Attachment D- California Cannabis Track and Trace
5. Attachment E- UID# 1A4060300048D3D001288523
6. Attachment F- UID# 1A406030005233E000007700
7. Attachment G- Email to the Licensee on May 21, 2025
8. Attachment H- Email from Ryan Mierau on June 02, 2025
9. Attachment I- Ryan Mierau's conversation with CDTFA
10. Attachment J- Email from Erik Arreola on June 03, 2025



INVESTIGATION REPORT (continued)

11. Attachment K- Email to the Licensee on May 28, 2025
12. Attachment L- Email from Lori Wilson

PROOF OF SERVICE

Case Name: In the Matter of the Accusation Against: SB Pharma Holdings Inc. dba The Row House and Cake House
DCC Case No. DCC25-0001040-INV
License No. C10-0001386-LIC, Retailer

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is Department of Cannabis Control, 2920 Kilgore Road, Rancho Cordova, CA 95670. On March 18, 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.

SB Pharma Holdings Inc. dba
The Row House and Cake House
Joseph Mierau and Ryan Mierau, Owners
1975 Diners Court
San Bernardino, CA 92408
Certified Mail No. 7022 1670 0001 3411 7934
rjmierau@miebeach.com

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

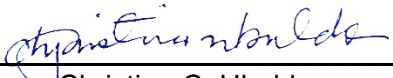
Ryan Mierau and Joseph Mierau, Owners
SB Pharma Holdings Inc.
118 Felice Court
Palm Desert, CA 92211
Certified Mail No. 7022 1670 0001 3411 7941
ryan@rowhouseca.com
jcmierau@msn.com

Michael Duong (email only)
Deputy Attorney General
Cannabis Control Section
Office of Attorney General
Michael.Duong@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 March 18, 2026, at Rancho Cordova, California.



Christina C. Ubaldo