



April 16, 2026

VIA EMAIL AND CERTIFIED MAIL

DB A Distribution LLC
Jonas Lalezadeh and Yasaman Temraz, Owners
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Jonas Lalezadeh and Yasaman Temraz, Owners
DB A Distribution LLC
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Re: DB A Distribution LLC - Case No. DCC24-000100-INV
OAH Case No. 2025080294
Order Adopting Proposed Decision as Final Decision

Dear Jonas Lalezadeh and Yasaman Temraz:

Attached please find a copy of the Department of Cannabis Control's Order Adopting the Proposed Decision of Administrative Law Judge Michael C. Starket in its entirety as the Final Decision in the above-referenced matter.

Pursuant to the Final Decision, the Distributor License No. C11-0001802-LIC issued to Respondent DB A Distribution LLC is revoked.

The Department's Order and Final Decision is effective immediately, April 16, 2026.

Sincerely,

Douglas Smurr
Assistant General Counsel

Enclosure

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

In the Matter of the Accusation Against:

DB A DISTRIBUTION LLC (Jonas Lalehzadeh, Owner),

Cannabis Distributor License No. C11-0001802-LIC,

Respondent.

Agency Case No. DCC24-0000100-INV

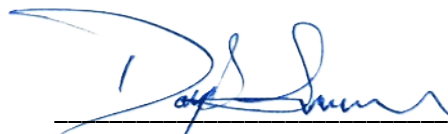
OAH No. 2025080294

FINAL DECISION

Pursuant to Government Code section 11517, the attached Proposed Decision of Administrative Law Judge Michael C. Starkey is hereby adopted in its entirety by the Department of Cannabis Control as its Final Decision in the above-entitled matter.

This Decision shall become effective on April 16, 2026.

IT IS SO ORDERED this 16th day of April 2026.



Douglas Smurr

Assistant General Counsel

FOR THE DEPARTMENT OF CANNABIS CONTROL

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

In the Matter of the Accusation Against:

DB A DISTRIBUTION LLC (Jonas Lalehzadeh, Owner),

Cannabis Distributor License No. C11-0001802-LIC

Respondent.

Agency Case No. DCC24-0000100-INV

OAH No. 2025080294

PROPOSED DECISION

Administrative Law Judge Michael C. Starkey, State of California, Office of Administrative Hearings, heard this matter on February 18, 2026, by videoconference and telephone.

Deputy Attorney General Justin T. Buller represented complainant Evelyn Schaeffer, Deputy Director, Compliance Division, Department of Cannabis Control (Department).

Owner Jonas Lalehzadeh represented respondent DB A Distribution LLC.

The matter was submitted on February 18, 2026.

FACTUAL FINDINGS

Jurisdictional Matters

1. On March 16, 2023, the Department issued Distributor License Number C11-0001802-LIC to respondent DB A Distribution LLC. Jonas Lalehzadeh is the sole owner of respondent. This license was in full force and effect at all relevant times and, as of the date of hearing, was scheduled to expire on March 15, 2026, unless renewed.

2. On March 17, 2025, complainant Evelyn Schaeffer, acting in her official capacity as the Deputy Director of the Compliance Division of the Department, issued the accusation. Complainant alleges that respondent: intentionally misrepresented or falsified information entered into the California Cannabis Track and Trace (CCTT) Marijuana Enforcement, Tracking, Reporting, and Compliance (METRC) system; failed to comply with video surveillance system, door lock, and alarm system requirements on its premises; and failed to provide required information on transfer manifests; and that these alleged facts constitute cause to discipline respondent's cannabis distributor license. Complainant also requested an order that respondent pay the reasonable costs of the investigation and enforcement of this case, but did not submit any evidence of those costs at hearing.

3. Respondent timely returned a notice of defense and this proceeding followed.

The Investigation and Inspections

4. California's CCTT METRC (METRC) system is designed to track and trace cannabis from cultivation through sale to consumers, to ensure public safety and prevent illegal activities. All Department licensees are required to use the METRC

system to record, track, and maintain information about their cannabis and cannabis-product inventories and activities.

5. On or about January 9, 2024, the Department received information that respondent was transferring cannabis packages to another licensee (Licensee A) through its METRC account without physically transferring the cannabis packages to Licensee A's premises. Department staff attempted an unannounced inspection at the official premises of Licensee A on January 9, 2024, but the gate was locked, and no cannabis activity was evident.

6. On or about January 10, 2024, Department staff reviewed respondent's METRC account activity and discovered that only one METRC package tag, ending in 0001 ("METRC Tag 0001") had been activated since Respondent's licensure on March 16, 2023. METRC Tag 0001 was activated on November 20, 2023, and was associated with 24 outbound transfer manifests (totaling 857 packages) to Licensee A. All of the packages from the 24 outbound transfer manifests were marked as received, adjusted down to zero quantity, and noted as waste (unusable product). Respondent was listed as the Outbound Transporter on each of the 24 transfers to Licensee A, but the driver and vehicle information were not disclosed. Instead, "TBD" was noted on each manifest.

7. On January 10, 2024, Department staff conducted a regulatory compliance inspection at respondent's licensed premises. Lalehzadeh directed the Department staff to one of two buildings near the rear of the property. Department staff observed that the building was undergoing construction and lacking the video surveillance and alarm systems required for the premises of a licensed cannabis distributor. This building was also missing doors, door handles, and door locks. The

building was empty except for an estimated 600 pounds of bulk cannabis, stored in bags and stacked in a small room.

8. Department staff asked Lalehzadeh for a way to identify each bag of bulk cannabis. He provided METRC Tag 0001. A search of respondent's METRC account revealed that on November 24, 2023, approximately 601 pounds of bulk cannabis associated with METRC Tag 0001 had been transferred in METRC to Licensee A. METRC records indicated that the bulk cannabis was received by Licensee A, but the quantity was subsequently adjusted down to zero and destroyed as waste. Department staff asked Lalehzadeh why he was in possession of cannabis that was reported as transferred to Licensee A and subsequently destroyed as waste. Owner Lalehzadeh stated that he was trying to make money from the cannabis and could not explain how the bulk cannabis associated with METRC Tag 0001 was physically at respondent's licensed premises.

9. On January 11, 2024, Lalehzadeh voluntarily completed the condemnation and destruction of the bulk cannabis associated with METRC Tag 0001.

10. On February 20, 2024, Department staff again attempted to contact Licensee A at its licensed premises but could not access the locked property. Despite their efforts, including emailing and calling the owner of Licensee A, Department staff were unable to make contact with anyone at the licensed premises. Department staff contacted the property owner of Licensee A's licensed premises, who reported that Licensee A's commercial lease expired in November 2023, but the premises were vacated in October 2023. A real estate agent listing the property for sale also told Department staff that the premises had been vacated in October 2023.

11. On February 21, 2024, Department staff conducted a regulatory compliance inspection at Licensee A's licensed premises and confirmed that Licensee A was no longer occupying the property and no cannabis was stored there.

12. Department staff conducted a review of respondent's METRC activity from October 1, 2023, to February 21, 2024, and confirmed that all of the 24 transfers to Licensee A associated with METRC Tag 0001 occurred after Licensee A reportedly vacated its licensed premises.

13. A Department Special Investigator who participated in the inspection testified at hearing. She reports that the discrepancies between the information respondent entered into the METRC system and the 600 pounds of cannabis found during the inspection could not have been "simple clerical error" because 857 package tags had been created and added to 24 different manifests. She opined that the false information Lalehzadeh entered into the METRC system on behalf of respondent appeared "malicious and intentional." She opines that falsifying METRC data is an "egregious" act and generally means that cannabis is being diverted into an illegal market.

14. The Special Investigator also testified that when she discovers cannabis not accounted for in the METRC system, she offers licensees two options: voluntary destruction or embargo. She explained that the embargo process involves extensive review by the Department but includes some chance the product could be returned to the licensee (for example if there had been a simple clerical error). She reports that she offered these options to Lalehzadeh, but she did not intend to communicate that either option would shield respondent from license discipline.

Respondent's Evidence

15. Lalehzadeh testified at hearing. He admits that he is the responsible party for respondent's license and it is his duty to know and follow the applicable regulations. Lalehzadeh reports that, in addition to his distributor license, he also holds a cultivation license and cultivates cannabis on the same property. Lalehzadeh reports that respondent has no employees and he personally acted on respondent's behalf.

FALSE OR MISSING INFORMATION IN METRC SYSTEM

16. Regarding the allegations that respondent intentionally misrepresented or falsified information entered into the METRC system, Lalehzadeh testified that the METRC tag at issue (METRC tag 0001) was the first he ever created in the system and was an error. He reports that the training offered to licensees is just a short video. He testified that the transfers to Licensee A documented in METRC had nothing to do with the 600 pounds of cannabis Department staff observed at respondent's property on January 10, 2024. Lalehzadeh also testified that all cannabis received and distributed by respondent was recorded in METRC. However, on cross-examination Lalehzadeh admitted that "it sounds right" that only 600 pounds of cannabis was reported in respondent's METRC account. He did not explain how it could be an accident that the entire amount of cannabis entered into the system could remain in respondent's possession after 24 transfers (totaling 857 packages) to Licensee A were recorded in the METRC system.

17. Lalehzadeh testified that he personally made all 24 deliveries of cannabis to Licensee A shown in METRC. He did not explain how that could be true if Licensee A had vacated its premises more than a month earlier. When asked how he came to know or do business with Licensee A, Lalehzadeh testified that he did not remember. When

asked if Licensee A paid for the cannabis, Lalehzadeh testified that he did not remember. When asked if he had any invoices for the 24 deliveries of cannabis shown in the METRC system, Lalehzadeh testified that he "should have them, to a point," but he could not produce any for the hearing. He reported that these 24 deliveries were respondent's first transactions and that respondent does "better business now."

18. On cross-examination Lalehzadeh could not explain why he wrote "TBD" for the driver and vehicle information in each of the 24 transfer manifests. In his closing statement, he maintained that the reason was because he owns different vehicles and might have wanted to hire someone else to make deliveries.

LICENSED PREMISES VIOLATIONS

19. Regarding the allegations that respondent failed to have video surveillance, working commercial-grade door locks, and an alarm system at its licensed premises, Lalehzadeh testified that the building Department staff inspected (Inspected Building) is not respondent's licensed premises, rather another nearby building (Nearby Building) on the property is the licensed premises, and the Nearby Building has the requisite video surveillance, door locks, and alarm system. Lalehzadeh submitted evidence that shows that the Nearby Building has what appears to be a 16-camera video surveillance system and that this system was installed on September 25, 2023.

20. Lalehzadeh testified that the reason that he took the Department Staff to the Inspected Building was because they "charged in" and said "take me to the cannabis." Lalehzadeh testified that the cannabis was only temporarily stored in the Inspected Building because there was a plumbing leak in the Nearby Building. He testified that this leak arose the day before or the morning of the inspection and the 600 pounds of cannabis had only been stored in the Inspected Building since then. He

testified that he believed the leak was being repaired on the day of the inspection. He admits that he did not tell the Department staff who conducted the inspection anything about a leak, that the Inspected Building was not the licensed premises, or that the 600 pounds of cannabis was only temporarily being stored in the Inspected Building. Lalehzadeh testified that he was “not asked” and there was “no space” to tell them. Lalehzadeh testified that video cameras were active the day of the inspection, but he submitted no video to show that the Nearby Building was ever used for licensed activity or that the 600 pounds of cannabis was ever stored there.

REPRESENTATIONS ABOUT EMBARGO AND OTHER MATTERS

21. Lalehzadeh reports that the 600 pounds of cannabis was at that time worth approximately \$250,000. He testified that the Special Investigator who conducted the inspection told him he could either voluntarily have the cannabis destroyed or go through the embargo process. He reports that she told him he could “go the hard way or the easy way.” He testified that he thinks she said the process would be “finalized” and was shocked when he received the accusation because he thought destroying the cannabis would resolve the matter.

22. Eduardo Villegas testified at hearing. Villegas operates a junk removal business. On January 11, 2024, at Lalehzadeh’s request, Villegas drove the 600 pounds of cannabis to the landfill where it was destroyed. Villegas corroborates Lalehzadeh’s claim that when they arrived at the landfill, two “inspectors” told Lalehzadeh that “everything would be okay after this” and that “it would be over.”

23. Lalehzadeh repeatedly opined that respondent was being blamed for the actions of Licensee A and that respondent had no control over Licensee A’s choice to report cannabis deliveries from respondent as waste.

24. Lalehzadeh reports that respondent has operated legally since the January 10, 2024, inspection and has had no other problems with the Department. He reports that he invested his life savings into the associated cultivation operation, but because of falling cannabis prices, it is financially unsustainable if he has to pay an outside distributor instead of using respondent's distribution license. He points out that there is no allegation or evidence that the cannabis products he produced were any threat to consumers.

Ultimate Factual Findings

25. Lalehzadeh's testimony that he made the 24 deliveries to Licensee A, during a period in which it had already vacated its premises; did not remember how he came to know Licensee A, respondent's first customer; and did not remember if Licensee A paid for the 24 deliveries of cannabis, was not credible. Lalehzadeh's lack of candor in this testimony also diminished the credibility of his testimony on other topics.

26. Based on the totality of the evidence, it is found that respondent's entry into the METRC system that it had transferred 601 pounds of cannabis to Licensee A was intentionally false. When the cannabis was subsequently found in respondent's possession, stored in bags without identification, Lalehzadeh's stated explanation was that that he was trying to "make money" from the cannabis. Only later did he claim it was a clerical error.

27. Respondent failed to state the cannabis transporter's identity, driver's license number, and vehicle information on each of 24 transfer manifests, as set forth in Factual Finding 6.

28. Respondent was using the Inspected Building as a licensed facility on the date of the inspection. Respondent admits that this facility did not have a video

surveillance system, door locks, or alarm system required by regulations. Lalehzadeh's testimony that respondent stored cannabis in this building only for approximately one day due to emergency plumbing leaks was not credible. He did not state any aspect of that contention to the Department staff who conducted the January 10, 2024, inspection; nor did he provide any documentary corroboration of the alleged plumbing leaks or efforts to fix them. He did establish that the Nearby Building had video surveillance systems, but that is insufficient to prove that respondent used the Inspected Building to store cannabis only temporarily and due to an emergency.

Costs

29. Early in the hearing, complainant's counsel was asked about evidence of complainant's costs of investigation and enforcement. He reported that he did not believe complainant would actually seek costs. No evidence of such costs was submitted.

LEGAL CONCLUSIONS

Burden and Standard of Proof

1. The burden of proof in a licensing disciplinary action is on the party filing the charges in the accusation, in this case complainant. (*Hughes v. Board of Architectural Examiners* (1998) 17 Cal.4th 763, 789.)

2. Because this administrative action does not involve the discipline of a professional license, the standard of proof is the preponderance of the evidence. (*Imports Performance v. Department of Consumer Affairs, Bureau of Automotive Repair* (2011) 201 Cal.App.4th 911, 916–918; see also Evid. Code, § 115.) That standard

requires “evidence that has more convincing force than that opposed to it.” (*People ex rel. Brown v. Tri-Union Seafoods, LLC* (2009) 171 Cal.App.4th 1549, 1567 [internal citation omitted].)

First Cause for Discipline

3. The Department may discipline the license of a licensee for (a) failure to comply with the provisions of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Act) or any rule or regulation adopted pursuant to this division, or on any other grounds contained in regulations adopted by the Department pursuant to the Act. (Bus. & Prof. Code § 26030, subds. (a) & (c) [all statutory references are to the Business and Professions Code, unless otherwise stated].) “A person shall not intentionally misrepresent or falsify information entered into the track and trace system.” (Cal. Code Regs., tit. 4, § 15047.2, subd. (d).) Cause for discipline of respondent’s distribution license exists under section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15047.2, subdivision (d), in light of Factual Finding 26.

Second, Third, and Fourth Causes for Discipline

4. Licensees must ensure that: (1) each licensed premises has a digital video surveillance system, including recording of all areas where cannabis is stored; (2) all limited-access areas of their licensed premises can be securely locked using commercial-grade, nonresidential door locks; and (3) an alarm system is maintained at the licensed premises. (Cal. Code Regs., tit. 4, §§ 15044, 15046, & 15047.) Cause for discipline of respondent’s distribution license exists under section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, sections 15044, 15046, and 15047, in light of Factual Finding 28.

Fifth Cause for Discipline

5. The Department may discipline the license of a licensee for failure to disclose a cannabis transporter's driver's license number, and the make, model, and license plate number of the transport vehicle, on each transfer (shipping) manifest. (Cal. Code Regs., tit. 4, § 15049.2, subd. (a)(8).) Cause for discipline of respondent's distribution license exists under section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15049.2, subdivision (a)(8), in light of Factual Finding 27.

Determination of Discipline

6. Cause for discipline having been established, the next issue is what discipline is required to protect the public. The Department currently uses the Disciplinary Guidelines (Guidelines) amended July 2022. For knowing and willful violations of the laws or regulations governing commercial cannabis activity, or for fraudulent acts related to a licensee's commercial cannabis business (Tier 3 violations), the Guidelines recommend a minimum discipline of revocation stayed, with a 45-day suspension and/or a fine, and a maximum discipline of outright revocation. Complainant recommends outright revocation. Respondent argues for a lesser degree of discipline.

7. In determining the level of discipline to impose, the Department considers factors including: the nature and gravity of the act(s), violations, offenses, or crime(s); actual or potential harm to the public or to any consumer; prior disciplinary and/or administrative record; the number and variety of current violations; mitigating evidence; rehabilitation evidence; and time passed since the act(s) or offense(s) occurred.

8. Respondent has no prior record of discipline. No actual harm to the public or a consumer was shown. There is no evidence of further violations after January 2024. However, respondent violated five different regulations governing licensees. More importantly, respondent's entry of false information into the METRC database was shown to be intentional and Lalehzadeh's testimony at hearing lacked candor. Outright revocation of respondent's distributor license is necessary to protect the public.

Costs

9. A licensee who is found to have committed a violation of the licensing act may be ordered to pay a sum not to exceed the reasonable costs of investigation and enforcement. (§ 26031.1.) No evidence of costs was submitted. (Factual Finding 29.) Accordingly, no order to pay costs can issue.

ORDER

Distributor License Number C11-0001802-LIC, issued to respondent DB A Distribution LLC (Jonas Lalehzadeh, owner), is revoked.

DATE: 03/20/2026



MICHAEL C. STARKEY

Administrative Law Judge

Office of Administrative Hearings

PROOF OF SERVICE

Case Name: In the Matter of the Accusation Against: DB A Distribution LLC
OAH Case No. 2025080294
DCC Case No. DCC24-0000100-INV
License No. C11-0001802-LIC, Distributor

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is Department of Cannabis Control, 2920 Kilgore Road, Rancho Cordova, CA 95670. On April 16, 2026, I served the within documents:

ORDER ADOPTING PROPOSED DECISION AS FINAL DECISION

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

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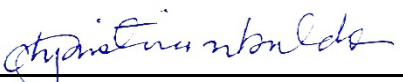
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Robert T. White (email only)
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I am familiar with the Department's business practices for collecting and transmitting mail through the United States Postal Service. In accordance with those practices, 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 April 16, 2026, at Rancho Cordova, California.



Christina C. Ubaldo