



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

Clint Kellum
Director

April 16, 2026

VIA EMAIL AND CERTIFIED MAIL

IGP Distribution, Inc.
Mark Charles Escobedo & Wen Chieh Liu, Owners
6555 East Gage Avenue
Los Angeles, CA 90001
markescobedo51389@gmail.com

Wen Chieh Liu, Owner
IGP Distribution, Inc.
7 Salvo
Irvine, CA 92606
twsautos@gmail.com

Re: IGP Distribution, Inc. - Case No. DCC26-0000123-INV
Default Decision and Order

Dear Mark Charles Escobedo and Wen Chieh Liu:

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

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

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

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

Barring such a timely motion, the attached Default Decision and Order involving IGP Distribution, Inc. will become effective on May 18, 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:

IGP DISTRIBUTION, INC.;
MARK CHARLES ESCOBEDO,
DRP/OWNER
655 East Gage Ave.
Los Angeles, CA 90001

Cannabis Distributor License
No. C11-0001425-LIC

Respondent.

Case No. DCC26-0000123-INV

DEFAULT DECISION AND ORDER

[Gov. Code, §11520]

FINDINGS OF FACT

1. On or about February 19, 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. DCC26-0000123-INV against IGP Distribution, Inc., with Mark Charles Escobedo as Designated Responsible Party and Owner (Owner) before the Department of Cannabis Control. (Accusation is attached as Exhibit A.)

2. On or about November 24, 2021, the Department of Cannabis Control (Department) issued Cannabis Distributor License No. C11-0001425-LIC to Respondent. The Cannabis Distributor License was in full force and effect at all times relevant to the charges brought in Accusation No. DCC26-0000123-INV and will expire on November 24, 2026, unless renewed.

1 3. On or about February 20, 2026, Respondent was served by Certified and First Class
2 Mail copies of the Accusation No. DCC26-0000123-INV, Statement to Respondent, Notice of
3 Defense, Request for Discovery and Discovery Statutes (Government Code sections 11507.5,
4 11507.6, and 11507.7) at Respondent's address of record which, pursuant to California Code of
5 Regulations, title 4, section 15002, is required to be reported and maintained with the
6 Department. Respondent's address of record was and is: 655 East Gage Ave., Los Angeles, CA
7 90001.

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

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

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

16 6. The Department takes official notice of its records and the fact that Respondent failed
17 to file a Notice of Defense within 15 days after service upon them of the Accusation, and
18 therefore waived its right to a hearing on the merits of Accusation No. DCC26-0000123-INV.

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

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

24 8. Pursuant to its authority under Government Code section 11520, the Department finds
25 Respondent is in default. The Department will take action without further hearing and, based on
26 the relevant evidence contained in the Default Decision Investigatory Evidence Packet in this
27 matter, finds that the charges and allegations in Accusation No. DCC26-0000123-INV, are
28 separately and severally, found to be true and correct by clear and convincing evidence.

 9. The Department finds that the actual costs for Investigation and Enforcement are
\$7,551.48.

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DETERMINATION OF ISSUES

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2 1. Based on the foregoing findings of fact, Respondent IGP Distribution, Inc. has
3 subjected its Cannabis Distributor License No. C11-0001425-LIC to discipline.

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

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

9 a. Violation of Business and Professions Code section 26030, subdivisions
10 (a) and (c), and California Code of Regulations, title 4, section 15000.1, subdivision
11 (c) [Reporting of commercial cannabis activity occurring at a licensed premises from
12 which Respondent had been evicted.]

13 b. Violation of Business and Professions Code section 26030, subdivisions
14 (a) and (c), and California Code of Regulations, title 4, sections 17800, subdivisions
15 (a) and (b), and 15000.3, subdivision (d) [Failure to provide Department staff with
16 full and immediate access to the licensed premises for purposes of conducting a
17 regulatory inspection.]

18 c. Violation of Business and Professions Code section 26030, subdivisions
19 (a) and (c), and California Code of Regulations, title 4, section 17801 [Failure to
20 correct regulatory violations in the Notice to Comply and failure to respond to the
21 Department's inquiries or requests for contact, information, and access.]

22 d. Violation of Business and Professions Code section 26160, subdivision (e)
23 [Obstruction of Inspection of Premises.]

24 e. Violation of Business and Professions Code section 26030, subdivisions
25 (a) and (c), and California Code of Regulations, title 4, section 15047.2 [Failure to
26 accurately record information in the CCTT system and/or falsified commercial
27 cannabis activity information entered into its CCTT account.]

28 f. Violation of Business and Professions Code section 26030, subdivisions

- 1 (a) and (c), and California Code of Regulations, title 4, sections 15044,
2 subdivision (i), 15037, subdivision (a), and 15312 [Failure to provide the
3 Department with records related to its commercial cannabis activity upon request.]
- 4 g. Violation of Business and Professions Code section 26030, subdivisions
5 (a) and (c), and California Code of Regulations, title 4, section 15000.7, subdivision
6 (a) [Improper storage of cannabis and cannabis products]
- 7 h. Violation of Business and Professions Code section 26030, subdivisions
8 (a) and (c), and California Code of Regulations, title 4, sections 15023, subdivision
9 (h), and 15027, subdivisions (a) and (e) [Improper Business Modifications and
10 Modification of Operations.]
- 11 i. Violation of Business and Professions Code section 26030, subdivisions
12 (a) and (c), and California Code of Regulations, title 4, section 15002, subdivision
13 (c)(20) [Failure to maintain a valid seller's permit.]

14 **ORDER**

15 IT IS SO ORDERED that Cannabis Distributor License No. C11-0001425-LIC, issued to
16 Respondent IGP Distribution, Inc., is revoked.

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

21 This Decision shall become effective on May 18, 2026.

22 IT IS SO ORDERED, April 16, 2026.

23 

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

Exhibit A

Accusation

1 ROB BONTA
Attorney General of California
2 HARINDER K. KAPUR
Senior Assistant Attorney General
3 GREGORY M. CRIBBS
Supervising Deputy Attorney General
4 State Bar No. 175642
300 So. Spring Street, Suite 1702
5 Los Angeles, CA 90013
Telephone: (213) 269-6259
6 Facsimile: (916) 731-2126
E-mail: Gregory.Cribbs@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. DCC26-0000123-INV

12 **IGP DISTRIBUTION, INC.; MARK**
13 **CHARLES ESCOBEDO, DRP**
14 **655 East Gage Ave.**
Los Angeles, CA 90001

ACCUSATION

15 **Cannabis Distribution License**
16 **No. C11-0001425-LIC**

Respondent.

17
18
19 **PARTIES**

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

23 2. On or about November 24, 2021, the Department issued Cannabis Distribution
24 License No. C11-0001425-LIC to IGP Distribution, Inc. (Respondent) with Mark Charles
25 Escobedo, Designated Responsible Party and Owner (Owner/DRP Escobedo). The Cannabis
26 Distribution License will expire on November 24, 2026, unless renewed.

27 ///

28 ///

1 **PROCEDURAL HISTORY**

2 3. The Department issued an Emergency Decision and Order (EDO), pursuant to
3 California Code of Regulations, title 4, section 17815, that was served on Respondent on
4 February 11, 2026, and was effective the same day at 5:00 p.m. The EDO suspended
5 Respondent’s Distribution license and ordered Respondent to cease all commercial cannabis
6 activity. The time to initiate adjudicative proceedings is within 10 days after the issuance or
7 effective date of the EDO, or in this case by or on February 21, 2026.

8 **JURISDICTION**

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

12 5. Section 26010 of the Code states:

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

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

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

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

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

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

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

26 9. Section 26031 of the Code states:

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

1 26031.01, if the licensee is found to have committed any of the acts or omissions
2 constituting grounds for disciplinary action. The disciplinary proceedings under this
3 chapter shall be conducted in accordance with Chapter 5 (commencing with Section
4 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director
5 shall have all the powers granted therein.

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

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

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

23 10. Section 26034 of the Code states:

24 All accusations against licensees shall be filed by the department within five
25 years after the performance of the act or omission alleged as the ground for
26 disciplinary action; provided, however, that the foregoing provision shall not
27 constitute a defense to an accusation alleging fraud or misrepresentation as a ground
28 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.

STATUTORY PROVISIONS

11. Section 26030 of the Code states:

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

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

...

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

1 12. Section 26160 of the Code states:

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

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

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

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

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

18 **REGULATORY PROVISIONS**

19 13. Title 4 of the California Code of Regulations, section 15000.1, subdivision (c), states:

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

22 14. Title 4 of the California Code of Regulations, section 15000.3, subdivision (d), states:

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

15. Title 4 of the California Code of Regulations, section 15000.7, subdivision (a), states:

(a) All cannabis and cannabis products must be stored within the licensed
premises.

16. Title 4 of the California Code of Regulations, section 15002, subdivision (c)(20),
states:

(c)(20) The applicant shall provide a valid seller's permit number issued by the
California Department of Tax and Fee Administration, if applicable. If the
commercial cannabis business has not yet received a seller's permit, the commercial

1 cannabis business shall attest that the commercial cannabis business is currently
2 applying for a seller's permit.

3 17. Title 4 of the California Code of Regulations, section 15023, subdivision (h), states:

4 (h) Except as permitted under Business and Professions Code section
5 26050.2(h), licensees may not be transferred from one premises to another. Licensees
6 shall not operate out of a new premises until they have been issued a new license.

7 18. Title 4 of the California Code of Regulations, section 15027, subdivisions (a) and (e),
8 states:

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

16 ...

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

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

22 (2) Any physical change that would require the installation of additional video
23 surveillance cameras or a change in the video surveillance system to meet the
24 requirements of section 15044, or alarm system to meet the requirements of section
25 15047.

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

28 19. Title 4 of the California Code of Regulations, section 15037, subdivision (a), states:

(a) Licensees must keep and maintain records in connection with the licensed
commercial cannabis business. Records must be kept for at least seven years from the
date of creation, unless a shorter time is specified. Records include, but are not
limited to:

(1) Financial records including, but not limited to, bank statements, sales
invoices, receipts, tax records, and all records required by the California Department
of Tax and Fee Administration (formerly Board of Equalization) under title 18,
California Code of Regulations, sections 1698 and 4901.

(2) Personnel records, including each employee's full name, Social Security
number or individual taxpayer identification number, date employment begins, and
date of termination of employment, if applicable.

1 (3) Training records including, but not limited to, the content of the training
2 provided and the names of the employees who received the training.

3 (4) Contracts regarding commercial cannabis activity.

4 (5) Permits, licenses, and other local authorizations to conduct the licensee's
5 commercial cannabis activity.

6 (6) All other documents prepared or executed by an owner or their employees
7 or assignees in connection with the licensed commercial cannabis business.

8 (7) Records required by the Act or this division....

9 20. Title 4 of the California Code of Regulations, section 15044, subdivision (i), states:

10 (i) Surveillance recordings are subject to inspection by the Department and
11 shall be kept in a manner that allows the Department to view and obtain copies of the
12 recordings at the licensed premises immediately upon request. The licensee shall also
13 send or otherwise provide copies of the recordings to the Department upon request
14 within the time specified by the Department.

15 21. Title 4 of the California Code of Regulations, section 15047.2, states:

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

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

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

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

26 22. Title 4 of the California Code of Regulations, section 15312, states:

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

29 23. Title 4 of the California Code of Regulations, section 17800, states:

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

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

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

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

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

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

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

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

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

19 24. Title 4 of the California Code of Regulations, section 17801, states:

20 (a) The Department may issue a Notice to Comply to a licensee for violation(s)
21 of the Act or this division discovered during an investigation or audit or observed
during an inspection.

22 (b) The Notice to Comply shall be in writing and describe the nature and facts
23 of each violation, including a reference to the statute or regulation violated, and may
24 indicate the manner in which the licensee must correct the violation(s) to achieve
compliance.

25 (c) The Department may serve the Notice to Comply personally, by email, or by
26 mail to the licensee or an employee, agent, or person delegated by the licensee to
accept notice.

27 (d) The licensee shall sign and return the Notice to Comply and describe how
28 compliance was achieved within 30 calendar days after the date of personal service or
the date of emailing or mailing of the notice or a different date specified by the

1 Department. The Department may also require the licensee to provide a plan for
2 review and approval by the Department on a case-by-case basis.

3 (e) Failure to correct the violation(s) in the Notice to Comply may result in
4 disciplinary action.

5 **COST RECOVERY**

6 25. Section 26031.1 of the Code states:

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

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

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

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

28 (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.

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

FACTUAL ALLEGATIONS

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2 26. On January 14, 2026, Department staff attempted to conduct an unannounced
3 compliance inspection at Respondent’s licensed premises, located at 655 E. Gage Avenue, Los
4 Angeles, California 90001 (licensed premises). Shortly after arriving outside the licensed
5 premises, Department staff knocked on the exterior door and attempted to contact any individuals
6 on site, however no one responded. Department staff then called the phone number associated
7 with Owner/DRP Escobedo, but the call was answered by an automated greeting that instructed
8 Department staff to leave a voicemail message. In the voicemail message, Department staff
9 explained that they were waiting outside the licensed premises and requested that Owner/DRP
10 Escobedo return the phone call immediately and provide immediate access to conduct a regulatory
11 compliance inspection. Department staff then contacted another phone number associated with
12 Respondent’s license, and reached Wen Chieh Liu (Owner Liu), a co-owner of the license.¹
13 Department staff told Owner Liu that they were outside of the licensed premises and requested
14 immediate access to conduct a regulatory compliance inspection. Owner Liu responded that, “IGP
15 [Respondent] is no longer in business and has not operated from that location in months.”
16 Department staff asked Owner Liu when Respondent ceased commercial cannabis activities from
17 the licensed premises, and Owner Liu responded by stating, “I do not remember the exact date in
18 September of 2025.” When Department staff asked why Respondent had vacated the licensed
19 premises, Owner Liu responded, “[B]ecause we were evicted. We could not keep up with the
20 rental payments.” Department staff requested that Owner Liu provide all documents associated
21 with Respondent’s eviction from the licensed premises.

22 27. On that same day, based upon Owner Liu’s statement that Respondent vacated the
23 licensed premises in September 2025, Department staff searched Respondent’s California
24 Cannabis Track and Trace (CCTT) account and discovered that Respondent reported receiving
25 approximately 10,182 packages of cannabis and cannabis products at the licensed premises
26 between September 3, 2025, and January 14, 2026. The 10,182 packages of cannabis and

27 _____
28 ¹ Owners, as defined by Business and Professions Code section 26001, subdivision (av),
associated with the Respondent are Mark Charles Escobedo and Wen Chieh Liu.

1 cannabis products consisted of 139,072.15 pounds of cannabis flower, 99,980 units of infused
2 cannabis pre-rolls, 55,157 units of cannabis vape cartridges, 33,255 units of cannabis extracts,
3 22,826.86 pounds of cannabis shake, 13,778 units of packaged cannabis flower, 10,866 units of
4 cannabis edibles, 6,706.86 pounds of cannabis leaf, 5,857 units of cannabis clone – tissue
5 cultures, 5,040.65 pounds of fresh cannabis plants, 3,274 units of cannabis pre-roll flower, 1,940
6 units of other cannabis concentrates, 455 units of packaged cannabis shake, 360 units of pre-roll
7 cannabis leaf, 201.91 pounds of cannabis kief, 168 units of cannabis capsules, 128 units of
8 cannabis tinctures, and 126 units of cannabis topicals. Department staff also discovered that
9 between September 1, 2025, and January 14, 2026, Respondent reported transferring 266
10 packages of cannabis and cannabis products from the licensed premises. The 266 packages of
11 cannabis and cannabis products consisted of 9,089 units of packaged cannabis flower, 3,740.45
12 pounds of cannabis shake, 3,424 units of packaged cannabis pre-roll flower, 2,940 units of
13 cannabis vape cartridges, and 347.35 pounds of cannabis flower. The Department’s discovery of
14 incoming and outgoing transfers of cannabis and cannabis products to and from the licensed
15 premises was inconsistent with Owner Liu’s indication that Respondent vacated the licensed
16 premises in September 2025 and had ceased all commercial cannabis activities at this location.

17 28. Department staff explained the inconsistencies to Owner Liu, and instructed Owner
18 Liu to provide the Department with 90 days of video surveillance footage, between October 14,
19 2025, and January 14, 2026, to verify that the packages of cannabis and cannabis products were
20 received at, and transported from, the licensed premises as reflected in Respondent’s CCTT
21 account. Owner Liu responded, “[T]hat would not be possible because we no longer operating
22 from the licensed premises and since we were evicted in September 2025, we no longer have
23 access to the video surveillance system.”

24 29. Later that same day, Owner Liu emailed copies of the Unlawful Detainer Summons
25 and Complaint, related to Respondent’s eviction from the licensed premises, which were filed on
26 August 8, 2025. Department staff searched its licensing system and verified that Respondent did
27 not provide any notifications to the Department regarding the eviction or change in location of
28 premises.

1 30. On January 16, 2026, Department staff emailed a Notice to Comply (NTC) to
2 Owner/DRP Escobedo and Owner Liu. The NTC explained that Department staff required full
3 and immediate access to the licensed premises for purposes of inspection, investigation, review,
4 or audit of Respondent’s commercial cannabis activities. The NTC also requested Respondent
5 provide copies of video surveillance footage, financial records associated with sales invoices,
6 receipts, transfer manifests, vehicle registration for transportation vehicles, proof of transport
7 vehicle insurance, motor carrier permits, lease agreements, seller’s permit, and a list of financial
8 interest holders by no later than January 19, 2026.

9 31. On January 20, 2026, Department staff received an email from Owner/DRP Escobedo
10 responding to the NTC and explained that he would not be able to provide Department staff
11 access to the licensed premises until “February 10,” because he was in Arizona recovering from
12 heart surgery. Owner/DRP Escobedo also explained that he would provide Department staff with
13 the requested video surveillance footage and that his office manager would provide all the
14 requested documents contained in the NTC.

15 32. Later that same day, Department staff searched Respondent’s CCTT account and
16 discovered that Respondent reported receiving approximately 603 packages of cannabis and
17 cannabis products at the licensed premises between January 15, 2026, and January 19, 2026. The
18 603 packages of cannabis and cannabis products consisted of 21,456 units of infused cannabis
19 pre-rolls, 18,000 units of cannabis extracts, 13,110 units of cannabis vape cartridges, 5,421
20 pounds of cannabis flower, 641.07 pounds of cannabis leaf, 609 units of packaged cannabis
21 flower, 150 units of cannabis clone – tissue cultures, 112.33 pounds of cannabis shake, and 19
22 units of other cannabis concentrates. In addition, Department staff confirmed that 330 of the
23 packages recorded in Respondent’s CCTT account were received by Owner/DRP Escobedo, in
24 the licensed premises, despite his assertion that he was in Arizona recovering from heart surgery.

25 33. Based upon the information that cannabis and cannabis products reported in
26 Respondent’s CCTT account had been received in the licensed premises by Owner/DRP
27 Escobedo, and despite the fact that Owner Liu had reported that Respondent had been evicted
28 from the licensed premises in September 2025, Department staff sent an email to Owner/DRP

1 Escobedo and Owner Liu and requested immediate access to inspect the licensed premises on
2 January 21, 2026, between 12:00 p.m. and 2:00 p.m. Due to the large volume of incoming
3 transfers of cannabis and cannabis products received by Respondent between January 15, 2026,
4 and January 19, 2026, Department staff also included in the email transfer manifests and
5 screenshots to show Owner/DRP Escobedo that his name and CCTT account credentials recorded
6 receiving cannabis and cannabis products at the licensed premises.

7 34. On January 21, 2026, Department staff searched Respondent's CCTT account and
8 discovered that Owner/DRP Escobedo reported receiving a further combined total of 217 pounds
9 of cannabis flower at the licensed premises between January 20, 2026, and January 21, 2026,
10 even though Owner/DRP Escobedo reported that he was in Arizona recovering from heart
11 surgery. Later that same day, between 12:00 p.m. and 2:00 p.m., Department staff arrived at the
12 licensed premises and attempted to inspect the licensed premises by knocking on the exterior
13 door, however no one responded.

14 35. On January 22, 2026, Owner Liu contacted Department staff by phone and stated that
15 he logged into Respondent's CCTT account and "was shocked" by the volume of incoming and
16 outgoing packages of cannabis and cannabis products that had been reported. Department staff
17 asked why Respondent continued to report incoming and outgoing transfers of cannabis and
18 cannabis products despite its eviction from the licensed premises and Owner Liu responded, "I do
19 not know what Mark Escobedo's intentions were when he took primary ownership of the
20 license." Department staff then asked Owner Liu to explain how long he had known Owner/DRP
21 Escobedo and to describe their agreement regarding operation of the commercial cannabis
22 activities associated with Respondent's distribution license, and Liu responded, "[H]ere is how it
23 happened: I advertised IGP's [Respondent's] distribution license for sale through a group of
24 individuals" – who he did not want to identify – and was connected with an interested buyer
25 named Mark Escobedo. Owner Liu further explained that he ultimately sold Respondent's
26 distribution license to Owner/DRP Escobedo and added him as an eighty percent (80%) owner of
27 the license, while Owner Liu remained a twenty percent (20%) owner. Department staff searched
28 the Department's licensing system and confirmed that Owner Liu emailed the Department on

1 November 21, 2025, notifying the Department that he had reduced his ownership interest in
2 Respondent's distribution license to 20% and added Owner/DRP Escobedo as an 80% owner.
3 Owner Liu further confirmed that Respondent was evicted, and had not operated, from the
4 licensed premises since they vacated the premises in September 2025. Owner Liu confirmed that
5 he never notified the Department that Respondent had been evicted, and was not operating, from
6 the licensed premises, stating that he "forgot." Department staff then asked Owner Liu to confirm
7 that no cannabis or cannabis products had been physically transported to or from the licensed
8 premises, notwithstanding the activity reported in Respondent's CCTT account. In response,
9 Owner Liu stated, "[N]o cannabis or cannabis products have physically been transported to or
10 from IGP [Respondent's licensed premises] since we vacated the premises last September."

11 36. On February 9, 2026, Department staff searched the California Department of Tax
12 and Fee Administration website (www.onlineservices.cdtfa.ca.gov) to verify the status of
13 Respondent's seller's permit and discovered that Respondent's seller's permit expired on June 30,
14 2025, and had not been renewed as of that date.

15 37. Later that same day, Department staff searched Respondent's CCTT account and
16 discovered that Respondent reported receiving approximately 3,789 packages of cannabis and
17 cannabis products at the licensed premises between January 21, 2026, and February 9, 2026. The
18 3,789 packages of cannabis and cannabis products consisted of 24,465.5 pounds of cannabis
19 flower, 23,537 units of cannabis vape cartridges, 6,412 units of infused cannabis pre-roll flower,
20 6,122 units of packaged cannabis flower, 3,212.11 pounds of cannabis leaf, 2,891.03 pounds of
21 cannabis shake, 2,680 units of pre-roll cannabis flower, 1,600 pounds of fresh cannabis plants, 66
22 units of cannabis capsules, 1,510 units of cannabis clone – tissue cultures, 971 units of cannabis
23 edibles, 551 units of cannabis extracts, 216 units of "other" cannabis concentrates, 12 units of
24 cannabis tinctures, and 2.74 pounds of cannabis kief. In addition, Department staff confirmed
25 that 1,821 of the 3,789 packages recorded in Respondent's CCTT account were received by
26 Owner/DRP Escobedo, in the licensed premises, despite his assertion that he was in Arizona
27 recovering from heart surgery.

28 ///

1 **FIRST CAUSE FOR DISCIPLINE**

2 (Commercial Cannabis Activities on Licensed Premises)

3 38. Respondent is subject to disciplinary action under Code section 26030, subdivisions
4 (a) and (c), and California Code of Regulations, title 4, section 15000.1, subdivision (c), in that
5 Respondent recorded that commercial cannabis activity was occurring at a licensed premises that
6 Respondent had been evicted from, and was vacated by Respondent, as more particularly alleged
7 in paragraphs 26 through 37, above, which are hereby incorporated by reference and realleged as
8 if fully set forth herein.

9 **SECOND CAUSE FOR DISCIPLINE**

10 (Access to Licensed Premises)

11 39. Respondent is further subject to disciplinary action under Code section 26030,
12 subdivisions (a) and (c), and California Code of Regulations, title 4, section 17800, subdivisions
13 (a) and (b), and California Code of Regulations, title 4, section 15000.3, subdivision (d), in that
14 Respondent failed to provide Department staff with full and immediate access to the licensed
15 premises for purposes of conducting a regulatory inspection, as more particularly alleged in
16 paragraphs 26 through 37, above, which are hereby incorporated by reference and realleged as if
17 fully set forth herein.

18 **THIRD CAUSE FOR DISCIPLINE**

19 (Failure to Correct Notice to Comply Violations)

20 40. Respondent is further subject to disciplinary action under Code section 26030,
21 subdivisions (a) and (c), and California Code of Regulations, title 4, section 17801, in that
22 Respondent failed to correct the violations in the Notice to Comply and failed to respond to the
23 Department’s inquiries or requests for contact, information, and access, as more particularly
24 alleged in paragraphs 26 through 37, above, which are hereby incorporated by reference and
25 realleged as if fully set forth herein.

26 ///

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1 **FOURTH CAUSE FOR DISCIPLINE**

2 (Obstruction of Inspection of Premises)

3 41. Respondent is further subject to disciplinary action under Code section 26160,
4 subdivision, (e), in that Respondent refused, impeded, obstructed and/or interfered with the
5 Department's inspection of premises and records by notifying the Department that it was not in
6 active operation, while concurrently and actively engaging in commercial cannabis activity, as
7 more particularly alleged in paragraphs 26 through 37, above, which are hereby incorporated by
8 reference and realleged as if fully set forth herein.

9 **FIFTH CAUSE FOR DISCIPLINE**

10 (Track and Trace Requirements)

11 42. Respondent is further subject to disciplinary action under Code section 26030,
12 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15047.2, in that
13 Respondent failed to accurately record and/or falsified commercial cannabis activity information
14 entered into its CCTT account, as more particularly alleged in paragraphs 26 through 37, above,
15 which are hereby incorporated by reference and realleged as if fully set forth herein.

16 **SIXTH CAUSE FOR DISCIPLINE**

17 (Retention and Production of Records)

18 43. Respondent is further subject to disciplinary action under Code section 26160,
19 subdivisions (a) through (e), and California Code of Regulations, title 4, sections 15044,
20 subdivision (i), 15037, subdivision (a), and 15312, in that Respondent failed to provide the
21 Department with records related to its commercial cannabis activity upon request, including video
22 surveillance camera footage, sales invoices, employee records, and transport vehicle records, as
23 more particularly alleged in paragraphs 26 through 37, above, which are hereby incorporated by
24 reference and realleged as if fully set forth herein.

25 **SEVENTH CAUSE FOR DISCIPLINE**

26 (Storage of Inventory)

27 44. Respondent is further subject to disciplinary action under Code section 26030,
28 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15000.7, subdivision

1 (a), in that Respondent stored cannabis and cannabis products in a location separate from the
2 licensed premises, which was vacant after Respondent’s eviction, as more particularly alleged in
3 paragraphs 26 through 37, above, which are hereby incorporated by reference and realleged as if
4 fully set forth herein.

5 **EIGHTH CAUSE FOR DISCIPLINE**

6 (Business Modifications and Modifications of Operation)

7 45. Respondent is further subject to disciplinary action under Code section 26030,
8 subdivisions (a) and (c), and California Code of Regulations, title 4, sections 15023, subdivision,
9 (h), and 15027, subdivisions (a) and (e), in that Respondent maintained an active inventory and
10 continued receiving and transferring hundreds of packages of cannabis and cannabis products
11 after being evicted from its licensed premises and failed to notify the Department of the eviction
12 and subsequently the location of its commercial cannabis activities, as more particularly alleged
13 in paragraphs 26 through 37, above, which are hereby incorporated by reference and realleged as
14 if fully set forth herein.

15 **NINTH CAUSE FOR DISCIPLINE**

16 (Failure to Maintain a Valid Seller’s Permit)

17 46. Respondent is further subject to disciplinary action under Code section 26030,
18 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15002, subdivision,
19 (c)(20), in that Respondent failed to maintain a valid seller’s permit, as more particularly alleged
20 in paragraphs 26 through 37, above, which are hereby incorporated by reference and realleged as
21 if fully set forth herein.

22 **PRAYER**

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

26 1. Revoking or suspending outright or suspending with terms and conditions or fining or
27 any combination thereof, the Cannabis Distribution License Number C11-0001425-LIC, issued to
28

1 Respondent IGP Distribution, Inc. with Mark Charles Escobedo, Designated Responsible Party
2 and Owner;

3 2. Ordering Respondent IGP Distribution, Inc. with Mark Charles Escobedo, Designated
4 Responsible Party and Owner, to pay the Department of Cannabis Control the reasonable costs of
5 the investigation and enforcement of this case, pursuant to Business and Professions Code section
6 26031.1;

7 3. Ordering the destruction of cannabis and cannabis goods in the possession of IGP
8 Distribution, Inc. with Mark Charles Escobedo, Designated Responsible Party and Owner, at
9 Respondent's expense, if revocation of Cannabis Distribution License Number C11-0001425-LIC
10 is ordered, pursuant to California Code of Regulations, title 4, section 15024.1, subdivision (a);
11 and

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

13
14 DATED: February 19, 2026

Evelyn Schaeffer

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

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

In the Matter of the Accusation Against:

**IGP DISTRIBUTION, INC.; MARK
CHARLES ESCOBEDO, DRP/OWNER
655 East Gage Ave.
Los Angeles, CA 90001**

**Cannabis Distributor License
No. C11-0001425-LIC**

Respondent.

Case No. DCC26-0000123-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. DCC26-0000123-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 IGP Distribution, Inc.; Mark Charles Escobedo, DRP/Owner Cannabis Distributor License No. C11-0001425-LIC;

Exhibit 3: Certification of Costs by Department for Investigation in Case No. DCC26-0000123-INV dated March 9, 2026;

Exhibit 4: Certification of Costs by Department for Enforcement in Case No. DCC26-0000123-INV dated March 18, 2026;

Exhibit 5: Investigative Report (without attachments) [DCC26-0000123-INV];

Dated: March 18, 2026

Respectfully submitted,

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

Gregory M. Cribbs

GREGORY M. CRIBBS
Supervising Deputy Attorney General
Attorneys for Complainant

Exhibit 1

Accusation No. DCC26-0000123-INV
Statement to Respondent
Notice of Defense
Request for Discovery
Discovery Statutes, Proofs of Service

1 ROB BONTA
Attorney General of California
2 HARINDER K. KAPUR
Senior Assistant Attorney General
3 GREGORY M. CRIBBS
Supervising Deputy Attorney General
4 State Bar No. 175642
300 So. Spring Street, Suite 1702
5 Los Angeles, CA 90013
Telephone: (213) 269-6259
6 Facsimile: (916) 732-7920
E-mail: Gregory.Cribbs@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 **IGP DISTRIBUTION, INC.; MARK**
CHARLES ESCOBEDO, DRP/OWNER
13 Respondent.

Case No. DCC26-0000123-INV

STATEMENT TO RESPONDENT

[Gov. Code §§ 11504, 11505(b)]

14
15 **TO RESPONDENT:**

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

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

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

1 **Gregory M. Cribbs**
2 **Supervising Deputy Attorney General**
3 **300 South Spring Street, Suite 1702**
4 **Los Angeles, CA 90013**

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

6 The enclosed Notice of Defense, if signed and filed with the Department, shall be deemed a
7 specific denial of all parts of the Accusation, but you will not be permitted to raise any objection
8 to the form of the Accusation unless you file a further Notice of Defense as provided in section
9 11506 of the Government Code within fifteen (15) days after service of the Accusation on you.

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

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

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

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

21 **NOTICE REGARDING STIPULATED SETTLEMENTS**

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

27 Any stipulation must be consistent with the Department's established disciplinary
28 guidelines; however, all matters in mitigation or aggravation will be considered. A copy of the

1 Department's Disciplinary Guidelines will be provided to you on your written request to the state
2 agency bringing this action.

3 If you are interested in pursuing this alternative to a formal administrative hearing, or if you
4 have any questions, you or your attorney should contact Supervising Deputy Attorney General
5 Gregory M. Cribbs at the earliest opportunity.

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Dated: February 20, 2026

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



GREGORY M. CRIBBS
Supervising Deputy Attorney General
Attorneys for Complainant

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1 ROB BONTA
Attorney General of California
2 HARINDER K. KAPUR
Senior Assistant Attorney General
3 GREGORY M. CRIBBS
Supervising Deputy Attorney General
4 State Bar No. 175642
300 So. Spring Street, Suite 1702
5 Los Angeles, CA 90013
Telephone: (213) 269-6259
6 Facsimile: (916) 731-2126
E-mail: Gregory.Cribbs@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. DCC26-0000123-INV

12 **IGP DISTRIBUTION, INC.; MARK**
13 **CHARLES ESCOBEDO, DRP**
14 **655 East Gage Ave.**
Los Angeles, CA 90001

ACCUSATION

15 **Cannabis Distribution License**
16 **No. C11-0001425-LIC**

Respondent.

17
18
19 **PARTIES**

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

23 2. On or about November 24, 2021, the Department issued Cannabis Distribution
24 License No. C11-0001425-LIC to IGP Distribution, Inc. (Respondent) with Mark Charles
25 Escobedo, Designated Responsible Party and Owner (Owner/DRP Escobedo). The Cannabis
26 Distribution License will expire on November 24, 2026, unless renewed.

27 ///

28 ///

1 **PROCEDURAL HISTORY**

2 3. The Department issued an Emergency Decision and Order (EDO), pursuant to
3 California Code of Regulations, title 4, section 17815, that was served on Respondent on
4 February 11, 2026, and was effective the same day at 5:00 p.m. The EDO suspended
5 Respondent’s Distribution license and ordered Respondent to cease all commercial cannabis
6 activity. The time to initiate adjudicative proceedings is within 10 days after the issuance or
7 effective date of the EDO, or in this case by or on February 21, 2026.

8 **JURISDICTION**

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

12 5. Section 26010 of the Code states:

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

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

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

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

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

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

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

9. Section 26031 of the Code states:

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

1 26031.01, if the licensee is found to have committed any of the acts or omissions
2 constituting grounds for disciplinary action. The disciplinary proceedings under this
3 chapter shall be conducted in accordance with Chapter 5 (commencing with Section
4 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director
5 shall have all the powers granted therein.

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

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

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

23 10. Section 26034 of the Code states:

24 All accusations against licensees shall be filed by the department within five
25 years after the performance of the act or omission alleged as the ground for
26 disciplinary action; provided, however, that the foregoing provision shall not
27 constitute a defense to an accusation alleging fraud or misrepresentation as a ground
28 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.

STATUTORY PROVISIONS

11. Section 26030 of the Code states:

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

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

...

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

1 12. Section 26160 of the Code states:

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

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

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

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

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

18 **REGULATORY PROVISIONS**

19 13. Title 4 of the California Code of Regulations, section 15000.1, subdivision (c), states:

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

22 14. Title 4 of the California Code of Regulations, section 15000.3, subdivision (d), states:

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

15. Title 4 of the California Code of Regulations, section 15000.7, subdivision (a), states:

(a) All cannabis and cannabis products must be stored within the licensed
premises.

16. Title 4 of the California Code of Regulations, section 15002, subdivision (c)(20),
states:

(c)(20) The applicant shall provide a valid seller's permit number issued by the
California Department of Tax and Fee Administration, if applicable. If the
commercial cannabis business has not yet received a seller's permit, the commercial

1 cannabis business shall attest that the commercial cannabis business is currently
2 applying for a seller's permit.

3 17. Title 4 of the California Code of Regulations, section 15023, subdivision (h), states:

4 (h) Except as permitted under Business and Professions Code section
5 26050.2(h), licensees may not be transferred from one premises to another. Licensees
6 shall not operate out of a new premises until they have been issued a new license.

7 18. Title 4 of the California Code of Regulations, section 15027, subdivisions (a) and (e),
8 states:

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

16 ...

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

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

22 (2) Any physical change that would require the installation of additional video
23 surveillance cameras or a change in the video surveillance system to meet the
24 requirements of section 15044, or alarm system to meet the requirements of section
25 15047.

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

28 19. Title 4 of the California Code of Regulations, section 15037, subdivision (a), states:

(a) Licensees must keep and maintain records in connection with the licensed
commercial cannabis business. Records must be kept for at least seven years from the
date of creation, unless a shorter time is specified. Records include, but are not
limited to:

(1) Financial records including, but not limited to, bank statements, sales
invoices, receipts, tax records, and all records required by the California Department
of Tax and Fee Administration (formerly Board of Equalization) under title 18,
California Code of Regulations, sections 1698 and 4901.

(2) Personnel records, including each employee's full name, Social Security
number or individual taxpayer identification number, date employment begins, and
date of termination of employment, if applicable.

1 (3) Training records including, but not limited to, the content of the training
2 provided and the names of the employees who received the training.

3 (4) Contracts regarding commercial cannabis activity.

4 (5) Permits, licenses, and other local authorizations to conduct the licensee's
5 commercial cannabis activity.

6 (6) All other documents prepared or executed by an owner or their employees
7 or assignees in connection with the licensed commercial cannabis business.

8 (7) Records required by the Act or this division....

9 20. Title 4 of the California Code of Regulations, section 15044, subdivision (i), states:

10 (i) Surveillance recordings are subject to inspection by the Department and
11 shall be kept in a manner that allows the Department to view and obtain copies of the
12 recordings at the licensed premises immediately upon request. The licensee shall also
13 send or otherwise provide copies of the recordings to the Department upon request
14 within the time specified by the Department.

15 21. Title 4 of the California Code of Regulations, section 15047.2, states:

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

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

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

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

26 22. Title 4 of the California Code of Regulations, section 15312, states:

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

29 23. Title 4 of the California Code of Regulations, section 17800, states:

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

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

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

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

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

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

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

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

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

19 24. Title 4 of the California Code of Regulations, section 17801, states:

20 (a) The Department may issue a Notice to Comply to a licensee for violation(s)
21 of the Act or this division discovered during an investigation or audit or observed
during an inspection.

22 (b) The Notice to Comply shall be in writing and describe the nature and facts
23 of each violation, including a reference to the statute or regulation violated, and may
24 indicate the manner in which the licensee must correct the violation(s) to achieve
compliance.

25 (c) The Department may serve the Notice to Comply personally, by email, or by
26 mail to the licensee or an employee, agent, or person delegated by the licensee to
accept notice.

27 (d) The licensee shall sign and return the Notice to Comply and describe how
28 compliance was achieved within 30 calendar days after the date of personal service or
the date of emailing or mailing of the notice or a different date specified by the

1 Department. The Department may also require the licensee to provide a plan for
2 review and approval by the Department on a case-by-case basis.

3 (e) Failure to correct the violation(s) in the Notice to Comply may result in
4 disciplinary action.

5 COST RECOVERY

6 25. Section 26031.1 of the Code states:

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

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

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

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

28 (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.

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

FACTUAL ALLEGATIONS

1
2 26. On January 14, 2026, Department staff attempted to conduct an unannounced
3 compliance inspection at Respondent’s licensed premises, located at 655 E. Gage Avenue, Los
4 Angeles, California 90001 (licensed premises). Shortly after arriving outside the licensed
5 premises, Department staff knocked on the exterior door and attempted to contact any individuals
6 on site, however no one responded. Department staff then called the phone number associated
7 with Owner/DRP Escobedo, but the call was answered by an automated greeting that instructed
8 Department staff to leave a voicemail message. In the voicemail message, Department staff
9 explained that they were waiting outside the licensed premises and requested that Owner/DRP
10 Escobedo return the phone call immediately and provide immediate access to conduct a regulatory
11 compliance inspection. Department staff then contacted another phone number associated with
12 Respondent’s license, and reached Wen Chieh Liu (Owner Liu), a co-owner of the license.¹
13 Department staff told Owner Liu that they were outside of the licensed premises and requested
14 immediate access to conduct a regulatory compliance inspection. Owner Liu responded that, “IGP
15 [Respondent] is no longer in business and has not operated from that location in months.”
16 Department staff asked Owner Liu when Respondent ceased commercial cannabis activities from
17 the licensed premises, and Owner Liu responded by stating, “I do not remember the exact date in
18 September of 2025.” When Department staff asked why Respondent had vacated the licensed
19 premises, Owner Liu responded, “[B]ecause we were evicted. We could not keep up with the
20 rental payments.” Department staff requested that Owner Liu provide all documents associated
21 with Respondent’s eviction from the licensed premises.

22 27. On that same day, based upon Owner Liu’s statement that Respondent vacated the
23 licensed premises in September 2025, Department staff searched Respondent’s California
24 Cannabis Track and Trace (CCTT) account and discovered that Respondent reported receiving
25 approximately 10,182 packages of cannabis and cannabis products at the licensed premises
26 between September 3, 2025, and January 14, 2026. The 10,182 packages of cannabis and
27

28 ¹ Owners, as defined by Business and Professions Code section 26001, subdivision (av),
associated with the Respondent are Mark Charles Escobedo and Wen Chieh Liu.

1 cannabis products consisted of 139,072.15 pounds of cannabis flower, 99,980 units of infused
2 cannabis pre-rolls, 55,157 units of cannabis vape cartridges, 33,255 units of cannabis extracts,
3 22,826.86 pounds of cannabis shake, 13,778 units of packaged cannabis flower, 10,866 units of
4 cannabis edibles, 6,706.86 pounds of cannabis leaf, 5,857 units of cannabis clone – tissue
5 cultures, 5,040.65 pounds of fresh cannabis plants, 3,274 units of cannabis pre-roll flower, 1,940
6 units of other cannabis concentrates, 455 units of packaged cannabis shake, 360 units of pre-roll
7 cannabis leaf, 201.91 pounds of cannabis kief, 168 units of cannabis capsules, 128 units of
8 cannabis tinctures, and 126 units of cannabis topicals. Department staff also discovered that
9 between September 1, 2025, and January 14, 2026, Respondent reported transferring 266
10 packages of cannabis and cannabis products from the licensed premises. The 266 packages of
11 cannabis and cannabis products consisted of 9,089 units of packaged cannabis flower, 3,740.45
12 pounds of cannabis shake, 3,424 units of packaged cannabis pre-roll flower, 2,940 units of
13 cannabis vape cartridges, and 347.35 pounds of cannabis flower. The Department’s discovery of
14 incoming and outgoing transfers of cannabis and cannabis products to and from the licensed
15 premises was inconsistent with Owner Liu’s indication that Respondent vacated the licensed
16 premises in September 2025 and had ceased all commercial cannabis activities at this location.

17 28. Department staff explained the inconsistencies to Owner Liu, and instructed Owner
18 Liu to provide the Department with 90 days of video surveillance footage, between October 14,
19 2025, and January 14, 2026, to verify that the packages of cannabis and cannabis products were
20 received at, and transported from, the licensed premises as reflected in Respondent’s CCTT
21 account. Owner Liu responded, “[T]hat would not be possible because we no longer operating
22 from the licensed premises and since we were evicted in September 2025, we no longer have
23 access to the video surveillance system.”

24 29. Later that same day, Owner Liu emailed copies of the Unlawful Detainer Summons
25 and Complaint, related to Respondent’s eviction from the licensed premises, which were filed on
26 August 8, 2025. Department staff searched its licensing system and verified that Respondent did
27 not provide any notifications to the Department regarding the eviction or change in location of
28 premises.

1 30. On January 16, 2026, Department staff emailed a Notice to Comply (NTC) to
2 Owner/DRP Escobedo and Owner Liu. The NTC explained that Department staff required full
3 and immediate access to the licensed premises for purposes of inspection, investigation, review,
4 or audit of Respondent’s commercial cannabis activities. The NTC also requested Respondent
5 provide copies of video surveillance footage, financial records associated with sales invoices,
6 receipts, transfer manifests, vehicle registration for transportation vehicles, proof of transport
7 vehicle insurance, motor carrier permits, lease agreements, seller’s permit, and a list of financial
8 interest holders by no later than January 19, 2026.

9 31. On January 20, 2026, Department staff received an email from Owner/DRP Escobedo
10 responding to the NTC and explained that he would not be able to provide Department staff
11 access to the licensed premises until “February 10,” because he was in Arizona recovering from
12 heart surgery. Owner/DRP Escobedo also explained that he would provide Department staff with
13 the requested video surveillance footage and that his office manager would provide all the
14 requested documents contained in the NTC.

15 32. Later that same day, Department staff searched Respondent’s CCTT account and
16 discovered that Respondent reported receiving approximately 603 packages of cannabis and
17 cannabis products at the licensed premises between January 15, 2026, and January 19, 2026. The
18 603 packages of cannabis and cannabis products consisted of 21,456 units of infused cannabis
19 pre-rolls, 18,000 units of cannabis extracts, 13,110 units of cannabis vape cartridges, 5,421
20 pounds of cannabis flower, 641.07 pounds of cannabis leaf, 609 units of packaged cannabis
21 flower, 150 units of cannabis clone – tissue cultures, 112.33 pounds of cannabis shake, and 19
22 units of other cannabis concentrates. In addition, Department staff confirmed that 330 of the
23 packages recorded in Respondent’s CCTT account were received by Owner/DRP Escobedo, in
24 the licensed premises, despite his assertion that he was in Arizona recovering from heart surgery.

25 33. Based upon the information that cannabis and cannabis products reported in
26 Respondent’s CCTT account had been received in the licensed premises by Owner/DRP
27 Escobedo, and despite the fact that Owner Liu had reported that Respondent had been evicted
28 from the licensed premises in September 2025, Department staff sent an email to Owner/DRP

1 Escobedo and Owner Liu and requested immediate access to inspect the licensed premises on
2 January 21, 2026, between 12:00 p.m. and 2:00 p.m. Due to the large volume of incoming
3 transfers of cannabis and cannabis products received by Respondent between January 15, 2026,
4 and January 19, 2026, Department staff also included in the email transfer manifests and
5 screenshots to show Owner/DRP Escobedo that his name and CCTT account credentials recorded
6 receiving cannabis and cannabis products at the licensed premises.

7 34. On January 21, 2026, Department staff searched Respondent's CCTT account and
8 discovered that Owner/DRP Escobedo reported receiving a further combined total of 217 pounds
9 of cannabis flower at the licensed premises between January 20, 2026, and January 21, 2026,
10 even though Owner/DRP Escobedo reported that he was in Arizona recovering from heart
11 surgery. Later that same day, between 12:00 p.m. and 2:00 p.m., Department staff arrived at the
12 licensed premises and attempted to inspect the licensed premises by knocking on the exterior
13 door, however no one responded.

14 35. On January 22, 2026, Owner Liu contacted Department staff by phone and stated that
15 he logged into Respondent's CCTT account and "was shocked" by the volume of incoming and
16 outgoing packages of cannabis and cannabis products that had been reported. Department staff
17 asked why Respondent continued to report incoming and outgoing transfers of cannabis and
18 cannabis products despite its eviction from the licensed premises and Owner Liu responded, "I do
19 not know what Mark Escobedo's intentions were when he took primary ownership of the
20 license." Department staff then asked Owner Liu to explain how long he had known Owner/DRP
21 Escobedo and to describe their agreement regarding operation of the commercial cannabis
22 activities associated with Respondent's distribution license, and Liu responded, "[H]ere is how it
23 happened: I advertised IGP's [Respondent's] distribution license for sale through a group of
24 individuals" – who he did not want to identify – and was connected with an interested buyer
25 named Mark Escobedo. Owner Liu further explained that he ultimately sold Respondent's
26 distribution license to Owner/DRP Escobedo and added him as an eighty percent (80%) owner of
27 the license, while Owner Liu remained a twenty percent (20%) owner. Department staff searched
28 the Department's licensing system and confirmed that Owner Liu emailed the Department on

1 November 21, 2025, notifying the Department that he had reduced his ownership interest in
2 Respondent's distribution license to 20% and added Owner/DRP Escobedo as an 80% owner.
3 Owner Liu further confirmed that Respondent was evicted, and had not operated, from the
4 licensed premises since they vacated the premises in September 2025. Owner Liu confirmed that
5 he never notified the Department that Respondent had been evicted, and was not operating, from
6 the licensed premises, stating that he "forgot." Department staff then asked Owner Liu to confirm
7 that no cannabis or cannabis products had been physically transported to or from the licensed
8 premises, notwithstanding the activity reported in Respondent's CCTT account. In response,
9 Owner Liu stated, "[N]o cannabis or cannabis products have physically been transported to or
10 from IGP [Respondent's licensed premises] since we vacated the premises last September."

11 36. On February 9, 2026, Department staff searched the California Department of Tax
12 and Fee Administration website (www.onlineservices.cdtfa.ca.gov) to verify the status of
13 Respondent's seller's permit and discovered that Respondent's seller's permit expired on June 30,
14 2025, and had not been renewed as of that date.

15 37. Later that same day, Department staff searched Respondent's CCTT account and
16 discovered that Respondent reported receiving approximately 3,789 packages of cannabis and
17 cannabis products at the licensed premises between January 21, 2026, and February 9, 2026. The
18 3,789 packages of cannabis and cannabis products consisted of 24,465.5 pounds of cannabis
19 flower, 23,537 units of cannabis vape cartridges, 6,412 units of infused cannabis pre-roll flower,
20 6,122 units of packaged cannabis flower, 3,212.11 pounds of cannabis leaf, 2,891.03 pounds of
21 cannabis shake, 2,680 units of pre-roll cannabis flower, 1,600 pounds of fresh cannabis plants, 66
22 units of cannabis capsules, 1,510 units of cannabis clone – tissue cultures, 971 units of cannabis
23 edibles, 551 units of cannabis extracts, 216 units of "other" cannabis concentrates, 12 units of
24 cannabis tinctures, and 2.74 pounds of cannabis kief. In addition, Department staff confirmed
25 that 1,821 of the 3,789 packages recorded in Respondent's CCTT account were received by
26 Owner/DRP Escobedo, in the licensed premises, despite his assertion that he was in Arizona
27 recovering from heart surgery.

28 ///

1 **FIRST CAUSE FOR DISCIPLINE**

2 (Commercial Cannabis Activities on Licensed Premises)

3 38. Respondent is subject to disciplinary action under Code section 26030, subdivisions
4 (a) and (c), and California Code of Regulations, title 4, section 15000.1, subdivision (c), in that
5 Respondent recorded that commercial cannabis activity was occurring at a licensed premises that
6 Respondent had been evicted from, and was vacated by Respondent, as more particularly alleged
7 in paragraphs 26 through 37, above, which are hereby incorporated by reference and realleged as
8 if fully set forth herein.

9 **SECOND CAUSE FOR DISCIPLINE**

10 (Access to Licensed Premises)

11 39. Respondent is further subject to disciplinary action under Code section 26030,
12 subdivisions (a) and (c), and California Code of Regulations, title 4, section 17800, subdivisions
13 (a) and (b), and California Code of Regulations, title 4, section 15000.3, subdivision (d), in that
14 Respondent failed to provide Department staff with full and immediate access to the licensed
15 premises for purposes of conducting a regulatory inspection, as more particularly alleged in
16 paragraphs 26 through 37, above, which are hereby incorporated by reference and realleged as if
17 fully set forth herein.

18 **THIRD CAUSE FOR DISCIPLINE**

19 (Failure to Correct Notice to Comply Violations)

20 40. Respondent is further subject to disciplinary action under Code section 26030,
21 subdivisions (a) and (c), and California Code of Regulations, title 4, section 17801, in that
22 Respondent failed to correct the violations in the Notice to Comply and failed to respond to the
23 Department’s inquiries or requests for contact, information, and access, as more particularly
24 alleged in paragraphs 26 through 37, above, which are hereby incorporated by reference and
25 realleged as if fully set forth herein.

26 ///

27 ///

28 ///

1 **FOURTH CAUSE FOR DISCIPLINE**

2 (Obstruction of Inspection of Premises)

3 41. Respondent is further subject to disciplinary action under Code section 26160,
4 subdivision, (e), in that Respondent refused, impeded, obstructed and/or interfered with the
5 Department's inspection of premises and records by notifying the Department that it was not in
6 active operation, while concurrently and actively engaging in commercial cannabis activity, as
7 more particularly alleged in paragraphs 26 through 37, above, which are hereby incorporated by
8 reference and realleged as if fully set forth herein.

9 **FIFTH CAUSE FOR DISCIPLINE**

10 (Track and Trace Requirements)

11 42. Respondent is further subject to disciplinary action under Code section 26030,
12 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15047.2, in that
13 Respondent failed to accurately record and/or falsified commercial cannabis activity information
14 entered into its CCTT account, as more particularly alleged in paragraphs 26 through 37, above,
15 which are hereby incorporated by reference and realleged as if fully set forth herein.

16 **SIXTH CAUSE FOR DISCIPLINE**

17 (Retention and Production of Records)

18 43. Respondent is further subject to disciplinary action under Code section 26160,
19 subdivisions (a) through (e), and California Code of Regulations, title 4, sections 15044,
20 subdivision (i), 15037, subdivision (a), and 15312, in that Respondent failed to provide the
21 Department with records related to its commercial cannabis activity upon request, including video
22 surveillance camera footage, sales invoices, employee records, and transport vehicle records, as
23 more particularly alleged in paragraphs 26 through 37, above, which are hereby incorporated by
24 reference and realleged as if fully set forth herein.

25 **SEVENTH CAUSE FOR DISCIPLINE**

26 (Storage of Inventory)

27 44. Respondent is further subject to disciplinary action under Code section 26030,
28 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15000.7, subdivision

1 (a), in that Respondent stored cannabis and cannabis products in a location separate from the
2 licensed premises, which was vacant after Respondent’s eviction, as more particularly alleged in
3 paragraphs 26 through 37, above, which are hereby incorporated by reference and realleged as if
4 fully set forth herein.

5 **EIGHTH CAUSE FOR DISCIPLINE**

6 (Business Modifications and Modifications of Operation)

7 45. Respondent is further subject to disciplinary action under Code section 26030,
8 subdivisions (a) and (c), and California Code of Regulations, title 4, sections 15023, subdivision,
9 (h), and 15027, subdivisions (a) and (e), in that Respondent maintained an active inventory and
10 continued receiving and transferring hundreds of packages of cannabis and cannabis products
11 after being evicted from its licensed premises and failed to notify the Department of the eviction
12 and subsequently the location of its commercial cannabis activities, as more particularly alleged
13 in paragraphs 26 through 37, above, which are hereby incorporated by reference and realleged as
14 if fully set forth herein.

15 **NINTH CAUSE FOR DISCIPLINE**

16 (Failure to Maintain a Valid Seller’s Permit)

17 46. Respondent is further subject to disciplinary action under Code section 26030,
18 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15002, subdivision,
19 (c)(20), in that Respondent failed to maintain a valid seller’s permit, as more particularly alleged
20 in paragraphs 26 through 37, above, which are hereby incorporated by reference and realleged as
21 if fully set forth herein.

22 **PRAYER**

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

26 1. Revoking or suspending outright or suspending with terms and conditions or fining or
27 any combination thereof, the Cannabis Distribution License Number C11-0001425-LIC, issued to
28

1 Respondent IGP Distribution, Inc. with Mark Charles Escobedo, Designated Responsible Party
2 and Owner;

3 2. Ordering Respondent IGP Distribution, Inc. with Mark Charles Escobedo, Designated
4 Responsible Party and Owner, to pay the Department of Cannabis Control the reasonable costs of
5 the investigation and enforcement of this case, pursuant to Business and Professions Code section
6 26031.1;

7 3. Ordering the destruction of cannabis and cannabis goods in the possession of IGP
8 Distribution, Inc. with Mark Charles Escobedo, Designated Responsible Party and Owner, at
9 Respondent's expense, if revocation of Cannabis Distribution License Number C11-0001425-LIC
10 is ordered, pursuant to California Code of Regulations, title 4, section 15024.1, subdivision (a);
11 and

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

13
14 DATED: February 19, 2026

Evelyn Schaeffer

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

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1 ROB BONTA
Attorney General of California
2 HARINDER K. KAPUR
Senior Assistant Attorney General
3 GREGORY M. CRIBBS
Supervising Deputy Attorney General
4 State Bar No. 175642
300 So. Spring Street, Suite 1702
5 Los Angeles, CA 90013
Telephone: (213) 269-6259
6 Facsimile: (916) 732-7920
E-mail: Gregory.Cribbs@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 IGP DISTRIBUTION, INC.; MARK CHARLES ESCOBEDO, DRP/OWNER 13 Respondent.	Case No. DCC26-0000123-INV REQUEST FOR DISCOVERY
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14
15 TO RESPONDENT:

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

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

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

1 the act or omission of the Respondent as to this person is the basis for the
2 administrative proceeding;

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

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

8 d. All writings and things which the Respondent now proposes to
9 offer in evidence;

10 e. Any other writing or thing which is relevant and which would be
11 admissible in evidence pertaining to the persons named in the pleading;

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

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

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

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

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

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

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

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Dated: February 20, 2026

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



GREGORY M. CRIBBS
Supervising 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:

**IGP DISTRIBUTION, INC.; MARK
CHARLES ESCOBEDO, DRP/OWNER,**

Respondent.

Case No. DCC26-0000123-INV

NOTICE OF DEFENSE

(Gov. Code §§ 11505 and 11506)

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

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

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

Date:

Print Your Name:

Your Signature:

Respondent's Mailing Address:

Phone:

E-mail

Check one box:

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

Counsel's Name

Counsel's Mailing Address

Phone:

E-mail:

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

Check box if applicable:

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

The agency taking the action described in the Accusation may have formulated disciplinary guidelines. You may obtain a copy of the guidelines by requesting them in writing from the agency. A link to the agency's website can be found on-line at <https://cannabis.ca.gov>.

LA2026800501
85577949.docx

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

In the Matter of the Accusation Against:

**IGP DISTRIBUTION, INC.; MARK
CHARLES ESCOBEDO, DRP/OWNER,**

Respondent.

Case No. DCC26-0000123-INV

NOTICE OF DEFENSE

(Gov. Code §§ 11505 and 11506)

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

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

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

Date:

Print Your Name:

Your Signature:

Respondent's Mailing Address:

Phone:

E-mail

Check one box:

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

Counsel's Name

Counsel's Mailing Address

Phone:

E-mail:

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

Check box if applicable:

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

The agency taking the action described in the Accusation may have formulated disciplinary guidelines. You may obtain a copy of the guidelines by requesting them in writing from the agency. A link to the agency's website can be found on-line at <https://cannabis.ca.gov>.

LA2026800501
85577949.docx

**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

Case Name: In the Matter of the Accusation against IGP Distribution, Inc
Case Number: DCC26-0000123-INV

Declaration of Electronic Service

1. I am at least 18 years of age and not a party to this matter.
2. I am employed in the Office of the Attorney General of the State of California. My business address is 300 South Spring Street, Suite 1702, Los Angeles, CA 90013-1230, County of Los Angeles.
3. My electronic service address is Gail.Agcaoili@doj.ca.gov.
4. On February 20, 2026, I electronically served the following document:

STATEMENT TO RESPONDENT; ACCUSATION; REQUEST FOR DISCOVERY; NOTICE OF DEFENSE (2 COPIES); and COPY OF GOVERNMENT CODE SECTIONS 11507.5, 11507.6, AND 11507.7

5. I electronically served the aforementioned document by emailing them to the following individuals:

Mark Charles Escobedo
IGP Distribution, Inc.
655 East Gage Ave.
Los Angeles, CA 90001
E-mail Address: Markescobedo51389@gmail.com

Wen Chieh Liu
7 Salvo
Irvine, CA 92606
Email Address: Twsautos@gmail.com

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct, and that this declaration was executed on February 20, 2026.

G. Agcaoili
Declarant

/s/ G. Agcaoili
Signature

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

Case Name: **In the Matter of the Accusation against IGP Distribution, Inc**
Case No.: **DCC26-0000123-INV**

I declare:

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

On February 20, 2026, I served the attached **STATEMENT TO RESPONDENT; ACCUSATION; REQUEST FOR DISCOVERY; NOTICE OF DEFENSE (2 COPIES); and COPY OF GOVERNMENT CODE SECTIONS 11507.5, 11507.6, AND 11507.7** by placing a true copy thereof enclosed in a sealed envelope as certified mail with return receipt requested, and another true copy of the **STATEMENT TO RESPONDENT; ACCUSATION; REQUEST FOR DISCOVERY; NOTICE OF DEFENSE (2 COPIES); and COPY OF GOVERNMENT CODE SECTIONS 11507.5, 11507.6, AND 11507.7** was enclosed in a second sealed envelope as first class mail in the internal mail collection system at the Office of the Attorney General at 300 South Spring Street, Suite 1702, Los Angeles, CA 90013-1230, addressed as follows:

Mark Charles Escobedo
IGP Distribution, Inc.
655 East Gage Ave.
Los Angeles, CA 90001

Wen Chieh Liu
7 Salvo
Irvine, CA 92606

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 February 20, 2026, at Los Angeles, California.

Linda Zamora
Declarant

/s/ Linda Zamora
Signature

Exhibit 2

License History Certification for Respondent



Cannabis Distributor License Adult-Use

Business Name:

IGP Distribution Inc

IGP Distribution Inc

License Number: C11-0001425-LIC

License Type: Distributor

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



Valid: 11/24/2021
Expires: 11/24/2026

Scan to verify this
license.



Non-Transferable

Post in Public View

Scan to verify this license.



Valid:

11/24/2021

Expires:

11/24/2026

License No:

C11-0001425-LIC

Legal Business Name:

IGP Distribution Inc

IGP Distribution Inc

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 C11-0001425-LIC.



Department of
Cannabis Control
CALIFORNIA

Exhibit 3

Certification of Investigation Costs

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

In the Matter of the Accusation Against:

DCC Case No. DCC26-0000123-INV

IGP DISTRIBUTION INC. ;

**MARK CHARLES ESCOBEDO, DRP
655 East Gage Ave.
Los Angeles, CA 90001**

**DECLARATION OF ARIC ENKABO
REGARDING INVESTIGATIVE
ACTIVITY**

**Cannabis Distributor License
No. C11-0001425-LIC**

Respondent.

I, Aric Engkabo, declare and certify as follows:

1. I am employed as a Supervising Special Investigator I (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 a SSI and as a public employee pursuant to Evidence Code section 664.
3. The following list of Special Investigators (SIs) were assigned to the investigation of this case, which was opened by the Department's Compliance Division on or about January 16, 2026: Lead SSI Aric Engkabo, SSI Misty Rhoads, SI Steven Rodriguez, and SI Jeffrey Routsong.
4. In my official capacity as a 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 Department's Compliance Division for the reasonable and necessary investigative work performed on a particular case. It is the duty of SIs to record the time spent on all investigative

1 activities at or near the time the activities are performed.

2 5. The investigative activity summary IGP Distribution Inc. Certification of Cost
3 Recovery includes the details of tasks performed by SIs. The costs related to investigative activity
4 include field time, research and report writing, meetings, and use of state and rental vehicles. I
5 hereby certify that the IGP Distribution Inc. Certification of Cost Recovery, attached hereto and
6 herein incorporated by reference, is a true and correct copy of the investigative activity for this
7 case. The investigative activity summary encompasses the total hours spent by the Department's
8 ISB through February 9, 2026. The investigative activity summary does not include tasks
9 performed after this date.

10 6. I certify pursuant to the provisions of Business and Professions Code section
11 26031.1 that to the best of my knowledge the costs of investigative services set forth in this
12 declaration are correct and were necessarily incurred in this case. The total hours of investigative
13 activity and rates applicable to the above-entitled case are as follows:

14 a) Special Investigator Field Time:

15 Rate per hour: \$101.00 multiplied by 3 hours = \$303.00

16 b) Research and Report Writing:

17 Rate per hour: \$101.00 multiplied by 29 hours = \$2,929.00

18 c) Meetings:

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

20 d) Use of Vehicles:

21 3 vehicles at \$0.725 multiplied by 452 miles = \$327.70

22 I declare under penalty of perjury under the laws of the State of California that the
23 foregoing is true and correct and that this declaration was executed in Sacramento County
24 on March 13, 2026.

25
26 **Aric Engkabo** Digitally signed by Aric Engkabo
Date: 2026.03.13 16:02:47 -07'00'

27
28 Aric Engkabo
Declarant

	A	B	C	D	E	F	G	H
1	Last Name	First Name	Hourly Rate	Field Time	Research and Report	Meetings	Total Hours	Total Expense
2	Lead SSI, Engkabo	Aric	\$101.00	1	20	2	23	\$2,323.00
3	Assisting SSI, Rhoads	Misty	\$101.00		1	0	1	\$101.00
4	Assisting SI, Rodriquez	Steven	\$101.00	1			1	\$101.00
5	Assisting SI, Routsong	Jeff	\$101.00	1	8	0	9	\$909.00
6	Total Personnel Services			3	29	2	34	\$3,434.00
7								
8	Total Personnel Services and Operating Expense							\$3,746.48
9								
10								
11	Operating Expense	Count	Miles	@.725 per mile				
12	State Vehicles	2	431	\$312.48				
13	Rental Vehicles	1	21	\$15.23				
14	U-Haul Rental			\$0.00				
15	U-Haul Gas			\$0.00				
16	Total Operating Expense			\$327.70				

Exhibit 4

Certification of Enforcement Costs

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

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

10 In the Matter of the Accusation Against:

Case No. DCC26-0000123-INV

11 **IGP DISTRIBUTION, INC.; MARK**
12 **CHARLES ESCOBEDO, DRP/OWNER**

CERTIFICATION OF
PROSECUTION COSTS:
DECLARATION OF GREGORY M.
13 **CRIBBS**

14 Respondent.

[Business and Professions Code section
26031.1]

15
16 I, GREGORY M. CRIBBS, hereby declare and certify as follows:

17 1. I am a Supervising Deputy Attorney General employed by the California Department
18 of Justice (DOJ), Office of the Attorney General (Office). I am assigned to the Cannabis Control
19 Section in the Civil Division of the Office. I have been designated as the representative to certify
20 the costs of prosecution by DOJ and incurred by the Department of Cannabis Control in this case.

21 I make this certification in my official capacity and as an officer of the court and as a public
22 employee pursuant to Evidence Code section 664.

23 2. I represent the Complainant, Evelyn Schaeffer, Deputy Director of the Compliance
24 Division of the Department of Cannabis Control, in this action. I was assigned to handle this case
25 on or about February 13, 2026.
26
27
28

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

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

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

20 6. Based upon the time reported through March 17, 2026, as set forth in Exhibit A, DOJ
21 has billed the Department of Cannabis Control \$3,805.50 for the time spent working on the
22 above-entitled case.

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

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

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Executed on March 18, 2026, in the City of Los Angeles, California.

Gregory M. Cribbs

GREGORY M. CRIBBS
Supervising Deputy Attorney General
Declarant

LA2026800501

Exhibit A



Cost of Suit Summary

As of Mar 18, 2026

MatterID: LA2026800501	Date Opened: Feb 13, 2026	Total Legal Costs:	\$3,805.50
Description: IGP Distribution, Inc. (EDO/ACC)		Cost of Suit:	\$0.00
		Grand Total:	\$3,805.50

Totals include WIP time.

Rate	Hrs Wrkd	Amount
Matter Time Activity Summary		
Attorney		
<i>2025-2026</i>		
\$228.00	8.75	\$1,995.00
Total For:		2025-2026 \$1,995.00
Total for:		Attorney \$1,995.00
Paralegal		
<i>2025-2026</i>		
\$213.00	8.50	\$1,810.50
Total For:		2025-2026 \$1,810.50
Total for:		Paralegal \$1,810.50
Total Legal Costs		\$3,805.50

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 Mar 18, 2026

Matter ID: LA2026800501				Date Opened: 02/13/2026						
Description: IGP Distribution, Inc. (EDO/ACC)										
Professional Type: Attorney										
Fiscal Year: 2025										
Professional: Gregory M. Cribbs										
Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date	
606061357	2/18/26	CV-CCS:290	02668	Pleading Preparation	4.75	\$228.00	\$1,083.00		2/28/26	
606061742	2/19/26	CV-CCS:290	02668	Pleading Preparation	0.75	\$228.00	\$171.00		2/28/26	
606062158	2/19/26	CV-CCS:290	02668	Pleading Preparation	0.50	\$228.00	\$114.00		2/28/26	
606063711	2/20/26	CV-CCS:290	02668	Analysis/Strategy	0.50	\$228.00	\$114.00		2/28/26	
606072035	2/24/26	CV-CCS:290	02668	Analysis/Strategy	0.50	\$228.00	\$114.00		2/28/26	
606073020	2/25/26	CV-CCS:290	02668	Communication with Other Party	0.25	\$228.00	\$57.00		2/28/26	
606079577	2/27/26	CV-CCS:290	02668	Client Communication	0.50	\$228.00	\$114.00		2/28/26	
606079594	2/27/26	CV-CCS:290	02668	Communication with Other Party	0.25	\$228.00	\$57.00		2/28/26	
606087840	3/3/26	CV-CCS:290	02668	Communication with Other Party	0.50	\$228.00	\$114.00			
606104468	3/13/26	CV-CCS:290	02668	Client Communication	0.25	\$228.00	\$57.00			
Gregory M. Cribbs Totals:					8.75		\$1,995.00			
2025 Totals:					8.75		\$1,995.00			
Attorney Totals:					8.75		\$1,995.00			



Matter Time Activity By Professional Type

As of Mar 18, 2026

Matter ID: LA2026800501				Date Opened: 02/13/2026						
Description: IGP Distribution, Inc. (EDO/ACC)										
Professional Type: Paralegal										
Fiscal Year: 2025										
Professional: Helen Koh										
Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date	
803449154	2/13/26	CV-CCS:290	02668	Case Management	1.50	\$213.00	\$319.50		2/28/26	
803449225	2/13/26	CV-CCS:290	02668	Contract/Document Preparation	0.75	\$213.00	\$159.75		2/28/26	
803451814	2/13/26	CV-CCS:290	02668	Pleading Preparation	2.75	\$213.00	\$585.75		2/28/26	
803452255	2/17/26	CV-CCS:290	02668	Case Management	0.75	\$213.00	\$159.75		2/28/26	
803454398	2/18/26	CV-CCS:290	02668	Case Management	0.25	\$213.00	\$53.25		2/28/26	
803481177	3/12/26	CV-CCS:290	02668	Case Management	0.25	\$213.00	\$53.25			
803482222	3/13/26	CV-CCS:290	02668	Case Management	0.25	\$213.00	\$53.25			
803487327	3/17/26	CV-CCS:290	02668	Case Management	2.00	\$213.00	\$426.00			
Helen Koh Totals:					8.50		\$1,810.50			
2025 Totals:					8.50		\$1,810.50			
Paralegal Totals:					8.50		\$1,810.50			
LA2026800501 Totals:					17.25		\$3,805.50			

Exhibit 5

Investigative Report (without attachments)



INVESTIGATION REPORT



Department of
Cannabis Control
CALIFORNIA



CASE INFORMATION

Case Number DCC26-0000123-INV	Date Received January 14, 2026
License Number C11-0001425-LIC	Legal Business Name of Licensee or Unlicensed Party IGP Distribution Inc
DBA N/A	Premises Address 655 E. Gage Ave., Los Angeles, CA 90001
Business Phone Number 626-290-7885	Author's Name Aric Engkabo, Supervising Special Investigator I
Date of Incident January 14, 2026	Location of Incident 655 E. Gage Ave., Los Angeles, CA 90001

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

Name (First, Middle, Last) Mark Charles Escobedo	Title Owner/Designated Responsible Party
Address (include street, city, state, and zip code) 655 East Gage Ave., Los Angeles, CA 90001	
E-mail Address markescobedo51389@gmail.com	Phone Number 626-878-4233

Miscellaneous Information
The corporate entity's name with the California Secretary of State is: IGP DISTRIBUTION, INC. (see Attachment B)

Additional Owner: Wen Chieh Liu, 20% Owner, twsautos@gmail.com, 626-290-7885.

SUMMARY

On January 14, 2026, I, Department of Cannabis Control (Department) Supervising Special Investigator Aric Engkabo and Special Investigator Steven Rodriquez (Rodriquez) attempted to conduct a regulatory compliance inspection at IGP Distribution Inc (IGP). IGP is a licensed distributor located at 655 E. Gage Ave., Los Angeles, CA 90001 (licensed premises).

During my investigation, IGP failed to provide the Department with full and immediate access to enter and inspect its licensed premises. IGP also failed to produce requested video surveillance recordings to prove that commercial cannabis activities occurred at or from its licensed premises. In addition, IGP did not provide requested financial records, including sales invoices, receipts, and transfer manifests.

Furthermore, IGP failed to produce vehicle registration documents, proof of vehicle insurance, motor carrier permits, lease agreements, a seller's permit, or a list of financial interest holders associated with its distribution license.



INVESTIGATION REPORT

BACKGROUND

IGP Distribution Inc possesses an annual distribution license and is authorized by the Department to conduct commercial cannabis distribution activities. The annual license has an expiration date of November 24, 2026, unless renewed.

On January 14, 2026, at approximately 1405 hours, I contacted Department Supervising Special Investigator Misty Rhoads (Rhoads) by phone and advised her that I was enroute to IGP to conduct a regulatory compliance inspection at IGP's licensed distribution premises. Rhoads informed me that she was conducting an inspection at Matada, LLC's (Matada) licensed distribution premises (C11-0000574-LIC). Rhoads explained that, according to Matada's METRC California Cannabis Track-and-Trace (CCTT) account, Matada reported that IGP collected approximately 6,036 pounds of cannabis shake from Matada's licensed distribution premises on January 12, 2026, and transported the cannabis shake to IGP's licensed distribution premises. Rhoads further explained to me that the cannabis shake was reported in the METRC CCTT database as received by IGP on January 14, 2026 at 0613 hours. Rhoads requested that I verify whether the reported 6,036 pounds of cannabis shake had been physically delivered to and received at IGP's licensed distribution premises, as documented in transfer manifest number 0010144860 (**Attachment A**).

CASE NARRATIVE

On January 14, 2026, at approximately 1450 hours, Department Special Investigator Rodriguez and I arrived at 655 E. Gage Ave., Los Angeles, CA 90001, the address belonging to IGP's licensed distribution premises, a fact I confirmed while searching the Department's licensing system prior to my arrival (**Attachment B**). I knocked on the exterior door of the licensed distribution premises and attempted to make contact with any individuals onsite; however, I was unsuccessful.

At approximately 1505 hours, I placed a phone call to 626-878-4233, the phone number belonging to IGP's Designated Responsible Party and Co-Owner Mark Charles Escobedo (Escobedo), a fact I confirmed while searching the Department's licensing system prior to my arrival at IGP's licensed distribution premises (**Attachment C**). While trying to reach Escobedo directly by phone, the call was answered by an automated greeting that instructed me to leave a voicemail message. In my voicemail message, I explained that I was waiting outside of IGP's licensed premises and required immediate access to conduct a regulatory compliance inspection. I further instructed Escobedo to return a phone call to me immediately.

At approximately 1508 hours, I placed a phone call to 626-290-7885, the phone number belonging to Co-Owner Wen Chieh Liu (Liu), a fact I confirmed while searching the Department's licensing system prior to my arrival at IGP's licensed distribution premises (**Attachment D**). An individual answered my phone call. I asked the individual if I was speaking with Wen Chieh Liu. The individual responded, "Yes." I explained to Liu that I was outside of IGP and needed immediate access to inspect the licensed distribution premises. Liu responded, "IGP is no longer in business and has not operated from that location in months," which I understood to mean 655 E. Gage Ave. Los Angeles, CA 90001. I asked Liu when IGP ceased operating commercial cannabis activities from its licensed premises. Liu responded, "We vacated the premises back in September 2025, and have not been operating since." I requested Liu provide me the exact date as to when IGP ceased all commercial cannabis activities and vacated from their licensed premises. Liu responded, "I do not remember the exact date in September of 2025." I asked Liu as to the reason why IGP vacated their licensed premises and ceased all commercial cannabis activities. Liu responded, "Because we were evicted. We could not keep up with the rental payments." I directed Liu to email me the unlawful detainer, and all documents associated with IGP's eviction. Liu responded, "Sure, I can get those to you today," which I understood to mean January 14, 2026.



INVESTIGATION REPORT

While on the phone with Liu, I searched IGP's METRC California Cannabis Track-and-Trace (CCTT) account. I discovered that 971.92 pounds of cannabis flower, 1,024 units of packaged cannabis flower, 300 units of cannabis clone – tissue cultures, and 4 pounds of cannabis shake remained active in IGP's inventory as of January 14, 2026 (**Attachment E**). I explained the aforementioned quantities of cannabis and cannabis products recorded under IGP's distribution license to Liu. I asked Liu what happened to all the cannabis and cannabis products still listed in IGP's inventory since he told me IGP vacated the licensed premises in or around September 2025. Liu responded, "That's surprising. I have no idea what happened to the cannabis. We do not even have keys or access to the premises anymore because we were evicted. You would need to talk to Mark Escobedo because he managed all the operations," which I understood to mean all the commercial cannabis activities.

While Liu remained on the phone, I searched IGP's METRC CCTT account for records of cannabis and cannabis products transferred to IGP's licensed distribution premises. Based on Liu's statement that IGP vacated and ceased operations at its licensed premises on or about September 2025, I focused my search on incoming transfers of cannabis and cannabis products to IGP's licensed distribution premises between September 1, 2025, and January 14, 2026. I discovered that approximately 10,182 packages of cannabis and cannabis products were transferred to IGP's licensed distribution premises and received by the licensee between September 3, 2025 and January 14, 2026 (**Attachment F**). The 10,182 packages of cannabis and cannabis products that IGP reported receiving in its METRC CCTT account consisted of 139,072.15 pounds of cannabis flower, 99,980 units of infused cannabis pre-rolls, 55,157 units of cannabis vape cartridges, 33,255 units of cannabis extracts, 22,826.86 pounds of cannabis shake, 13,778 units of packaged cannabis flower, 10,866 units of cannabis edibles, 6,706.86 pounds of cannabis leaf, 5,857 units of cannabis clone – tissue cultures, 5,040.65 pounds of fresh cannabis plants, 3,274 units of cannabis pre-roll flower, 1,940 units of other cannabis concentrates, 455 units of packaged cannabis shake, 360 units of pre-roll cannabis leaf, 201.91 pounds of cannabis kief, 168 units of cannabis capsules, 128 units of cannabis tinctures, and 126 units of cannabis topicals.

I continued to search IGP's METRC CCTT account under outgoing transfers of cannabis and cannabis products from IGP's licensed distribution premises between September 1, 2025 and January 14, 2026. I discovered that IGP reported transferring 266 packages of cannabis and cannabis products from its licensed distribution premises to various licensees (**Attachment G**). The 266 packages of cannabis and cannabis products that IGP reported transferring from its licensed distribution premises consisted of 9,089 units of packaged cannabis flower, 3,740.45 pounds of cannabis shake, 3,424 units of packaged cannabis pre-roll flower, 2,940 units of cannabis vape cartridges, and 347.35 pounds of cannabis flower. This discovery in IGP's METRC CCTT account of incoming and outgoing transfers of cannabis and cannabis products was inconsistent with Liu explaining to me that IGP vacated its licensed premises on or around September 2025 and had ceased all commercial cannabis activities.

I explained these incoming and outgoing transfer quantities to Liu that occurred between September 1, 2025, and January 14, 2026. Because licensees are required to retain a minimum of 90 days of video surveillance footage of all commercial cannabis activities within its licensed premises, I instructed Liu to provide me the last 90 days of video surveillance footage between October 14, 2025 and January 14, 2026 so I could verify that the packages of cannabis and cannabis products that were recorded in IGP's METRC CCTT account had been physically accepted at, or transported from, IGP's licensed distribution premises. Liu responded, "That would not be possible because we are no longer operating from the licensed premises and since we were evicted in September 2025, we no longer have access to the video surveillance system." Prior to concluding our phone conversation, I explained to Liu that he and Escobedo are both responsible to account for all the cannabis and



INVESTIGATION REPORT

cannabis products recorded in IGP's METRC CCTT account because they are both owners of the distribution license. Liu responded, "Yeah, I understand."

At approximately 1536 hours, I sent an email to twautos@gmail.com, the email address belonging to Liu, a fact I confirmed while searching the Department's licensing system prior to arriving at IGP's licensed distribution premises (see Attachment D). In my email, I requested Liu provide me the Eviction Notice and all documents associated with IGP's eviction (**Attachment H**).

At approximately 1540 hours, I received an email from Liu (**Attachment I**). In the email, Liu provided copies of the Unlawful Detainer Summons and Complaint that were electronically filed at the County of Los Angeles Superior Court of California on August 8, 2025. Because the licensees are required to notify the Department of all changes, alterations, or modifications to a licensee's operations by no later than three (3) business days after the licensee's operations have been affected, I searched the Department's licensing system to verify whether IGP notified the Department that the distribution license would no longer be operating from 655 E. Gage Ave., Los Angeles, CA 90001 due to the eviction. Based on my search, I did not locate any notifications or correspondence from either Liu nor Escobedo informing the Department in regard to the eviction or change in premises.

Despite the unlawful detainer provided by Liu and Liu's explanation to me that IGP vacated the licensed premises located at 655 E. Gage Ave., Los Angeles, CA 90001 on or around September 2025, IGP's METRC CCTT account reflected multiple incoming and outgoing transfers of cannabis and cannabis products to and from its licensed premises between September 1, 2025 and January 14, 2026.

On January 16, 2026, at approximately 1450 hours, I emailed a Notice to Comply (NTC) to Liu and Escobedo. In the NTC, I explained that the Department required full and immediate access to IGP's licensed distribution premises for purposes of inspection, investigation, review, or audit of its commercial cannabis activities. I further explained in the NTC that IGP would need to provide the Department copies of video surveillance recordings, financial records associated with sales invoices, receipts, transfer manifests, vehicle registration for its transportation vehicles, proof of vehicle insurance, motor carrier permits, lease agreements, seller's permit, and a list of financial interest holders by no later than January 19, 2026 (**Attachment J**).

On January 20, 2026, at approximately 0630 hours, I received an email from Escobedo (**Attachment K**). In the email, Escobedo responded to the NTC that I previously emailed on January 16, 2026 and explained that he would not be available to provide the Department access to inspect IGP's licensed distribution premises until "February 10" (which I understood to mean February 10, 2026), because he was in Arizona recovering from heart surgery. In addition, Escobedo's response further explained that he would provide me the video surveillance footage and that he instructed his office manager to provide me all the documents indicated in the NTC that I emailed on January 16, 2026.

At approximately 0710 hours, I searched IGP's METRC CCTT account and reviewed IGP's transfer report of incoming packages of cannabis and cannabis products. I discovered approximately 603 packages of cannabis and cannabis products that had been transported to IGP's distribution license and received by the licensee between January 15, 2026, and January 19, 2026 (**Attachment L**). The 603 packages of cannabis and cannabis products that IGP reported receiving in its METRC CCTT account consisted of 21,456 units of infused cannabis pre-rolls, 18,000 units of cannabis extracts, 13,110 units of cannabis vape cartridges, 5,421 pounds of cannabis flower, 641.07 pounds of cannabis leaf, 609 units of packaged cannabis flower, 150 units of cannabis clone – tissue cultures, 112.33 pounds of cannabis shake and 19 units of other cannabis concentrates. Moreover, 330 of



INVESTIGATION REPORT

the 793 packages were recorded in IGP's METRC CCTT account as having been received by Escobedo, despite the email I received from him on January 20, 2026, stating that he was in Arizona recovering from heart surgery.

At approximately 1213 hours, I contacted Department Supervising Special Investigator Jacob Nuchols (Nuchols) by phone at 937-272-6347. I requested Nuchols attempt an inspection at IGP to confirm the commercial cannabis activities that IGP was reporting in its METRC CCTT account had been occurring at its licensed distribution premises. Nuchols told me that Department Special Investigator Jeff Routsong (Routsong) would be available to inspect IGP's licensed distribution premises on January 21, 2026, between 1200 and 1400 hours.

Based on the cannabis and cannabis products reported in IGP's METRC CCTT account that had been received by IGP and Escobedo between January 15 and January 19, 2026, I emailed Escobedo and Liu on January 20, 2026, at approximately 1221 hours. In my email, I instructed the licensees to provide the Department with immediate access to inspect IGP's licensed distribution premises on January 21, 2026, between 1200 and 1400 hours **(Attachment M)**. Due to the large volume of incoming transfers of cannabis and cannabis products received by IGP's distribution license between January 15 and January 19, 2026, I included in my email a copy of one of the transfer manifests, number 0010173432, along with a screenshot of IGP's METRC CCTT account to show Escobedo that his name and METRC CCTT credentials recorded receiving cannabis flower on January 19, 2026 at 1808 hours, despite the email I received from him on January 20, 2026, stating that he was in Arizona recovering from heart surgery.

On January 21, 2026, at approximately 0510 hours, I searched IGP's METRC CCTT account. I discovered that Escobedo reported receiving a further combined total of 217 pounds of cannabis flower under IGP's distribution license between January 20 and January 21, 2026 **(Attachment N)**, despite the email that I received from Escobedo on January 20, 2026 that explained he was in Arizona recovering from heart surgery.

On January 21, 2026, at approximately 1234 hours, I received a phone call from Department Special Investigator Jeff Routsong (Routsong) at 831-206-2661. Routsong told me that he was at 655 E. Gage Ave., Los Angeles, CA 90001 and attempted to inspect IGP by knocking on the exterior door of the licensed distribution premises; however, he was unsuccessful in contacting any representatives or employees of the distribution license **(Attachment O)**.

On January 22, 2026, at approximately 1209 hours, I received a voicemail message on my work cell phone from Liu. Liu requested that I return a phone call to him to discuss IGP.

At approximately 1213 hours, I returned a phone call to Liu. Liu told me that he had reviewed the email correspondence between Escobedo and me dated January 16 through January 20, 2026. Liu further told me that while reviewing an email I sent to Escobedo on January 20, 2026, he observed that I had attached a copy of transfer manifest number 0010173432, along with a screenshot of the corresponding commercial cannabis activity reported in IGP's METRC CCTT account (see Attachment M).

Liu told me that after reviewing the email, he logged into IGP's METRC CCTT account and was shocked by the volume of incoming and outgoing packages of cannabis and cannabis products that had been reported. I asked Liu why IGP continued to report incoming and outgoing transfers of cannabis and cannabis products to and from its licensed distribution premises if IGP had been evicted from its licensed premises in or around September 2025. Liu responded, "I do not know what Mark Escobedo's intentions were when he took primary ownership of the license."



INVESTIGATION REPORT

I then asked Liu to explain how long he had known Escobedo and to describe their agreement regarding the operation of the commercial cannabis activities associated with IGP's distribution license. Liu responded, "Here is how it happened: I advertised IGP's distribution license for sale through a group of individuals." Liu explained to me that the group of individuals, whom he did not want to identify, connected him with an interested buyer named Mark Escobedo. Liu further explained that he ultimately sold IGP's distribution license to Escobedo and added him as an eighty percent (80%) owner of the license, while Liu remained a twenty percent (20%) owner.

I searched the Department's licensing system and confirmed that Liu emailed the Department on November 21, 2025, notifying the Department that he had reduced his ownership interest in IGP's license to twenty percent (20%) and added Escobedo as an eighty percent (80%) owner (**Attachment P**).

While I continued a telephone conversation with Liu, I again asked Liu to confirm that IGP had not operated from its licensed premises at 655 E. Gage Ave., Los Angeles, CA 90001 since on or about September 2025, despite incoming and outgoing transfers of cannabis and cannabis products reported in IGP's METRC CCTT account between September 2025 and January 21, 2026. Liu responded, "IGP was evicted, and we vacated the licensed premises back in September 2025." I asked Liu whether he had ever notified the Department that IGP had been evicted from its licensed premises. Liu responded, "No, I never did." I then asked Liu to explain why he failed to notify the Department that IGP had been evicted and would no longer be operating at 655 East Gage Avenue, Los Angeles, California 90001. Liu responded, "I do not know, I believe I forgot to notify the Department." I searched the Department's licensing system and found no correspondence from Liu or Escobedo notifying the Department that IGP had been evicted from its licensed distribution premises.

I then asked Liu to confirm that IGP no longer had lawful authority to provide the Department with immediate access to inspect the licensed premises. Liu responded, "If we had the keys to the property and the ability to allow your Department access to inspect, I would have had no problem allowing you immediate access on January 14, 2026, when you first arrived. We turned the keys over to the landlord when we vacated the property in September 2025." Moreover, I asked Liu to confirm that no cannabis or cannabis products had been physically transported to or from IGP's licensed premises, notwithstanding the activity reported in its METRC CCTT account. Liu confirmed by saying, "No cannabis or cannabis products have physically been transported to or from IGP since we vacated the premises last September," which I understood to mean September 2025.

On February 9, 2026, I searched the website www.courts.ca.gov, which appears near the bottom right-hand side of page 1 of the Complaint emailed to me by Liu on January 14, 2026, in order to verify the validity of the Unlawful Detainer Summons and Complaint. During my search, I located the Register of Actions associated with IGP's Unlawful Detainer Summons and Complaint filed with the Superior Court of California, County of Los Angeles (**Attachment Q**). At approximately 1206 hours that same day, I searched the California Department of Tax and Fee Administration website (www.onlineservices.cdtfa.ca.gov/_/) to verify the status of IGP's seller's permit. I discovered that IGP's seller's permit expired on June 30, 2025, and had not been renewed as of that date (**Attachment R**).

At approximately 1646 hours, I searched IGP's METRC CCTT account and reviewed IGP's transfer report of incoming packages of cannabis and cannabis products between January 21 and February 9, 2026. I discovered approximately 3,789 packages of cannabis and cannabis products were transferred to IGP's licensed distribution premises and received by the licensee between January 21 and February 9, 2026 (**Attachment S**). The 3,789 packages of cannabis and cannabis products consisted of 24,465.4 pounds of cannabis flower, 23,537 units of cannabis vape cartridges, 6,412 units of infused cannabis pre-roll flower, 6,122 units of packaged cannabis flower, 3,212.11 pounds of cannabis leaf, 2,891.03 pounds of cannabis shake, 2,680 units of pre-roll cannabis



INVESTIGATION REPORT

flower, 1,600 pounds of fresh cannabis plants, 66 units of cannabis capsules, 1,510 units of cannabis clone – tissue cultures, 971 units of cannabis edibles, 551 units of cannabis extracts, 216 units of “other” cannabis concentrates, 12 units of cannabis tinctures, and 2.74 pounds of cannabis kief. Moreover, 1,821 of the 3,789 packages were recorded in IGP’s METRC CCTT account as having been received by Escobedo, despite the email I received from him on January 20, 2026, stating that he was in Arizona recovering from heart surgery.

WITNESS LIST

Witness #1

- Name: Misty Rhoads
- Title/Position: Supervising Special Investigator/Department of Cannabis Control
- Address: 2920 Kilgore Rd. Rancho Cordova, CA 95670
- Phone: 916-767-4216
- E-mail: misty.rhoads@cannabis.CA.gov

Witness #2

- Name: Steven Rodriguez
- Title/Position: Special Investigator/Department of Cannabis Control
- Address: 2920 Kilgore Rd. Rancho Cordova, CA 95670
- Phone: 916-759-4297
- E-mail: steven.rodriquez@cannabis.CA.gov

Witness #3

- Name: Jeff Routsong
- Title/Position: Special Investigator/Department of Cannabis Control
- Address: 2920 Kilgore Rd. Rancho Cordova, CA 95670
- Phone: 831-206-2661
- E-mail: jeff.routsong@cannabis.CA.gov

Witness #4

- Name: Jacob Nuchols
- Title/Position: Supervising Special Investigator/Department of Cannabis Control
- Address: 2920 Kilgore Rd. Rancho Cordova, CA 95670
- Phone: 937-272-6347
- E-mail: jacob.nuchols@cannabis.CA.gov

Witness #5

- Name: Wen Chieh Liu
- Title/Position: CEO/Business Owner of IGP Distribution Inc
- Address: 655 E. Gage Ave., Los Angeles, CA 90001
- Phone: 626-290-7885
- E-mail: twsautos@gmail.com

Witness #6

- Name: Mark Charles Escobedo
- Title/Position: CFO/Designated Responsible Party of IGP Distribution Inc
- Address: 655 E. Gage Ave., Los Angeles, CA 90001
- Phone: 626-878-4233
- E-mail: markescobedo51389@gmail.com



INVESTIGATION REPORT

PREPARER

Name	Title
Aric Engkabo	Supervising Special Investigator I
Signature	Date
Aric Engkabo	Digitally signed by Aric Engkabo Date: 2026.02.11 11:04:11 -08'00'

REVIEWER

Name	Title
Juan Ordaz	Supervising Special Investigator II
Signature	Date
Juan Ordaz	Digitally signed by Juan Ordaz Date: 2026.02.11 11:14:38 -08'00'

LIST OF ATTACHMENTS

- A. Supplemental Report of Investigation from Department Supervising Special Investigator Misty Rhoads.
- B. Copy of IGP's Department issued license, copy of Secretary of State Statement of Information, screenshot of IGP's address in the Department's licensing system, and front exterior photos of 655 E. Gage Ave., Los Angeles, CA 90001.
- C. Screenshot of Mark Escobedo's title and contact information from the Department's licensing system.
- D. Screenshot of Wen Chieh Liu's title and contact information from the Department's licensing system.
- E. Excel spreadsheet of active packages of cannabis and cannabis products extracted from IGP's METRC CCTT account.
- F. Spreadsheet of incoming transfers of cannabis and cannabis products extracted from IGP's METRC CCTT account.
- G. Spreadsheet of outgoing transfers of cannabis and cannabis products extracted from IGP's METRC CCTT account.
- H. Email to Wen Chieh Liu.
- I. Email from Wen Chieh Liu, copy of Eviction Summons and Unlawful Detainer.
- J. Email to Mark Escobedo and Wen Chieh Liu, including copy of Notice to Comply.
- K. Email and Notice to Comply response from Mark Escobedo.
- L. Spreadsheet of incoming transfers of cannabis and cannabis products between January 15 and January 19, 2026 extracted from IGP's METRC CCTT account.
- M. Email and copy of transfer manifest #0010173432 sent to Mark Escobedo.
- N. Transfer manifests and METRC CCTT activity history associated with 217 pounds of cannabis flower received by Mark Escobedo on January 20 and January 21, 2026.
- O. Supplemental Report of Investigation from Department Special Investigator Jeff Routsong.
- P. Email from Wen Chieh Liu.
- Q. Case Information and Register of Actions.
- R. Copy of Seller's Permit and Status of Seller's Permit.
- S. Spreadsheet of incoming transfers of cannabis and cannabis products received by IGP between January 21 and February 9, 2026.

PROOF OF SERVICE

Case Name: In the Matter of the Accusation Against: IGP Distribution, Inc.
DCC Case No. DCC26-0000123-INV
License No. C11-0001425-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:

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.

IGP Distribution, Inc.
Mark Charles Escobedo & Wen Chieh Liu, Owners
6555 East Gage Avenue
Los Angeles, CA 90001
Certified Mail No. 7022 1670 0001 3411 8030
markescobedo51389@gmail.com

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

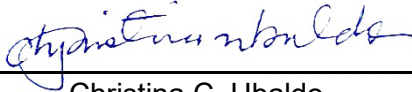
Wen Chieh Liu, Owner
IGP Distribution, Inc.
7 Salvo
Irvine, CA 92606
Certified Mail No. 7022 1670 0001 3411 8047
twsautos@gmail.com

Gregory M. Cribbs (email only)
Supervising Deputy Attorney General
Cannabis Control Section
Office of Attorney General
Gregory.Cribbs@doj.ca.gov

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

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

Executed on April 16, 2026, at Rancho Cordova, California.



Christina C. Ubaldo