



## NOTICE OF EMERGENCY DECISION AND ORDER

Pursuant to California Code of Regulations, title 4, section 17815, and Government Code section 11460.40, the Department of Cannabis Control (Department) is providing notice to The Distillate Company LLC (Licensee) and its owners Gregory Kaplan, James Switzer, Jorge Cossio, Lee McCue, Michael Schmitt, Peter Ishak, Tim Gallagher, that at 10 a.m. on April 8, 2026, the attached Emergency Decision and Order will become effective. The Emergency Decision and Order suspends the Licensee's Distributor License, number **C11-0000604-LIC**, and Manufacturer License, number **DCC-10003789**, and orders the Licensee and its owners to cease all commercial cannabis activity pursuant to California Code of Regulations, title 4, section 17815, subdivision (b)(1), at the following location and premises:

**3520 Cadillac Avenue  
Costa Mesa, CA 92626**

You have the right to be heard before the Director of the Department of Cannabis Control (Director), or his designee, regarding the allegations in the Emergency Decision and Order prior to the effective date of the Emergency Decision and Order pursuant to California Code of Regulations, title 4, section 17815, subdivision (h), when practicable. If you would like to be heard before the Director, or his designee, please submit a written request by email to Eileen Del Rosario at [Eileen.DelRosario@cannabis.ca.gov](mailto:Eileen.DelRosario@cannabis.ca.gov). Unless the Department receives your request by 5:00 p.m. on April 13, 2026, you will be deemed to have waived your right to be heard before the Director, or his designee.

If requested, the hearing before the Director, or his designee, will be held on April 14, 2026, at 2:00 p.m. via online video conferencing. You may submit documentation regarding the allegations in the Emergency Decision and Order prior to or during the hearing, if one is requested.

Within 10 days after the effective date of the Emergency Decision and Order, the Department will file an Accusation on the charges and allegations set forth in the Emergency Decision and Order. The adjudicative proceedings shall be conducted in accordance with chapter 5 (commencing with Section 11500) of part 1 of division 3 of title 2 of the Government Code.

Upon issuance of the Emergency Decision and Order, you have the right under Government

Code section 11460.80 to obtain judicial review of the Emergency Decision and Order. The Emergency Decision and Order shall remain in effect until such time as the Accusation has been fully adjudicated or upon issuance of the final decision and order following judicial review.

**Erin Wonder**  
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Erin Wonder, Assistant Branch Chief  
Compliance Division  
Department of Cannabis Control

## EMERGENCY DECISION AND ORDER

Pursuant to California Code of Regulations, title 4, section 17815, and article 13 (commencing with section 11460.10) of Chapter 4.5 of Part 1 of Division 3 of Title 2 of the Government Code, the Department of Cannabis Control issues the following Emergency Decision and Order:

The Department of Cannabis Control hereby SUSPENDS the Distributor License, number **C11-0000604-LIC**, and Manufacturer License, number **DCC-10003789**, of The Distillate Company LLC (Licensee), and orders Licensee and its owners Gregory Kaplan, James Switzer, Jorge Cossio, Lee McCue, Michael Schmitt, Peter Ishak, Tim Gallagher, to **CEASE ALL COMMERCIAL CANNABIS ACTIVITY, CEASE ALL MOVEMENT OF CANNABIS GOODS TO AND FROM THE PREMISES, and CEASE ALL SALES OF CANNABIS GOODS**, at the following location and premises and any other location or activity associated with the licenses, **effective at 10:00 a.m. on April 8, 2026:**

**3520 Cadillac Avenue  
Costa Mesa, CA 92626**

Based on the following, the Department of Cannabis Control has determined that this order is necessary to prevent immediate danger to the public health, safety, and welfare. Specifically, as set forth in the attached Declaration of Zachary Teachout, there is evidence that the Licensee is misrepresenting cannabis and/or cannabis products to the public, including but not limited to selling untested cannabis goods, providing inaccurate information about the cannabis goods or cannabis goods have been obtained from an unlicensed person; and engaging in the illegal diversion of cannabis or cannabis products, including but not limited to:

- The Licensee failed to provide the Department's special investigators with full and immediate access to the licensed premises for purposes of conducting a regulatory inspection and to confirm the regulatory testing status and whereabouts of cannabis and cannabis product reported in the Licensee's inventories, in violation of California Code of Regulations, title 4, sections 15000.3, subdivision (d) and 17800, subdivision (a).
- The Licensee failed to participate and cooperate in the inspection and investigation and refused to respond to the Department's inquiries and requests, in violation of

- California Code of Regulations, title 4, section 17800, subdivision (b).
- The Licensee refused, impeded, obstructed and/or interfered with the Department's inspection of its premises and records by failing to accurately record all commercial cannabis activity in the California Cannabis Track and Trace (CCTT) system and intentionally misrepresenting or falsifying information entered into the CCTT system, including continuing to report its acceptance of inbound transfer manifests after vacating the premises, and by failing to provide the Department with records related to its commercial cannabis activity upon request, including video surveillance camera footage, in violation of Business and Professions Code section 26160, subdivisions (a)-(e), and California Code of Regulations, title 4, sections 15047.2, subdivisions (b) and (d), 15044, subdivision (i), and 15037, subdivision (a).
  - The Licensee failed to conduct only the commercial cannabis activity authorized by its licenses on the licensed premises in violation of California Code of Regulations, title 4, section 15000.1, subdivision (c) by reporting in its CCTT accounts its outbound and inbound transfer manifests after vacating the premises and failing to store the cannabis and cannabis products at the licensed premises as required by section 15000.7, subdivision (a).
  - The Licensee accepted the return of cannabis and cannabis product that had completed compliance testing without prior approval from the Department in violation of California Code of Regulations, title 4, section 15052, subdivision (a)(1).
  - The Licensee failed to properly prepare and maintain batch production records, in violation of California Code of Regulations, title 4, section 17216.
  - The Licensee failed to maintain its premises, including fixtures, in a clean and sanitary condition, in violation of California Code of Regulations, title 4, section 17209, subdivision (b)(5).
  - The Licensee failed to ensure equipment and utensils were used in accordance with their operating instructions, in violation of California Code of Regulations, title 4, section 17210, subdivision (a).

These circumstances require immediate action by the Department of Cannabis Control to protect the public health, safety, or welfare and prevent misrepresentation to the public, including but not limited to selling untested cannabis goods, providing inaccurate information about the cannabis goods or cannabis goods have been obtained from an unlicensed person, and to prevent the illegal diversion of cannabis goods from entering the cannabis market.

While the licenses are suspended, you must comply with the provisions of California Code

of Regulations, title 4, section 17816 and conspicuously and continuously display the Notice of Suspension, provided with this Notice, on the exterior of each premises referenced in this Notice. Failure to comply with this requirement may result in further disciplinary action.

You have the right to be heard before the Director of the Department of Cannabis Control, or his designee, regarding the allegations in the Emergency Decision and Order prior to the effective date of the Emergency Decision and Order, when practicable. The attached Notice of Emergency Decision and Order provides details on how to request a hearing, as well as a hearing date should one be requested.

Within 10 days after the effective date of the Emergency Decision and Order, the Department will file an Accusation on the charges and allegations set forth in the Emergency Decision and Order. The adjudicative proceedings shall be conducted in accordance with chapter 5 (commencing with Section 11500) of part 1 of division 3 of title 2 of the Government Code.

The Emergency Decision and Order, effective at 10:00 a.m. on April 8, 2026 shall remain in effect until such time as the Accusation has been fully adjudicated or upon issuance of the final decision and order following judicial review if obtained pursuant to Government Code section 11460.80.

**Erin  
Wonder**

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Erin Wonder  
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Erin Wonder, Assistant Branch Chief  
Compliance Division  
Department of Cannabis Control