



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

Clint Kellum
Director

April 30, 2026

VIA EMAIL ONLY

Zanna USA, LLC
Dan Kohanarieh, DRP/Owner
dan.k@zannausa.com

Yelena Katchko, Esq.
Katchko, Vitiello & Karikomi, PC
ykatchko@kvklawyers.com

Re: Zanna USA, LLC - Case No. DCC26-000007-CON
OAH No. 2026030295
Order Adopting Stipulated Settlement and Condemnation Order
as Final Decision

Dear Mr. Kohanarieh and Ms. Katchko:

Pursuant to section 11415.60 of the Government Code, attached please find a copy of the Department of Cannabis Control's Order Adopting Stipulated Settlement and Condemnation Order as the Final Decision in the above-referenced matter involving Zanna USA, LLC.

The Department's Order and Final Decision will be effective today, April 30, 2026. As per the Condemnation Order, the dates available within the fifteen (15) period for the Department's Designee to observe the destruction and disposal of Respondent's cannabis and cannabis products are: May 7, or 12-15, 2026. Please contact the Department's Designee to schedule the date and time.

Contact: Dustin Martinez, Special Investigator
Compliance Division
Department of Cannabis Control
Email: Dustin.Martinez@cannabis.ca.gov
Work Cell: 916.903.6809

Pursuant to this Final Decision and its stipulated settlement, Zanna USA, LLC has waived any right to reconsideration or appeal in this matter and to receive a copy of the Decision and Order via certified, registered, or first-class mail.

Sincerely,

Douglas Smurr
Assistant General Counsel

Enclosure

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

In the Matter of the Condemnation Action Against:)	CASE NO. DCC26-000007-CON
ZANNA USA, LLC;)	OAH NO. 2026030295
DAN KOHANARIEH, DRP/OWNER)	ORDER ADOPTING STIPULATED
17337 Muskrat Ave., Unit #6)	SETTLEMENT AND ORDER AS
Adelanto, CA 92301)	FINAL DECISION
Cannabis Cultivation - Medium Indoor License)	
No. CCL19-0003299)	
Respondent.)	

Pursuant to Government Code section 11415.60, the Department of Cannabis Control hereby adopts the attached Stipulated Settlement and Condemnation Order as its Final Decision in this matter.

This Order and Final Decision shall become effective immediately on April 30, 2026.

IT IS SO ORDERED, April 30, 2026.



Douglas Smurr
Assistant General Counsel
FOR THE DEPARTMENT OF CANNABIS CONTROL

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 ANNA NGUYEN
Deputy Attorney General
4 State Bar No. 335873
455 Golden Gate Avenue, Suite 11000
5 San Francisco, CA 94102-7004
Telephone: (415) 510-3457
6 Facsimile: (415) 703-1107
E-mail: Anna.Nguyen@doj.ca.gov
7 *Attorneys for Complainant*

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

11
12 In the Matter of the Condemnation Action
Against:

13 **ZANNA USA, LLC, DBA ZANNA**
14 **DAN KOHANARIEH, DRP/OWNER**
15 **17337 Muskrat Ave, Unit #6**
Adelanto, CA 92301

16 **Cannabis Cultivation - Medium Indoor**
17 **License No. CCL19-0003299**

18 Respondent.

Case No. DCC26-000007-CON

OAH No. 2026030295

**STIPULATED SETTLEMENT AND
CONDEMNATION ORDER**

19
20 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
21 entitled proceedings that the following matters are true:

22 **PARTIES**

23 1. Evelyn Schaeffer (Complainant) is the Deputy Director of the Compliance Division
24 of the Department of Cannabis Control (Department). She brought this action solely in her
25 official capacity and is represented in this matter by Rob Bonta, Attorney General of the State of
26 California, by Anna Nguyen, Deputy Attorney General.

27 ///

1 review of an adverse decision; and all other rights accorded by the California Administrative
2 Procedure Act and other applicable laws.

3 8. Respondent through its Authorized Representatives is fully aware of its legal rights to
4 receive a copy of the Decision and Order via certified, registered, or first-class mail. Respondent
5 agrees to receive a copy of the Decision and Order in this matter via email at the following email
6 address: ykatchko@kvklawyers.com.

7 9. Respondent through its Authorized Representatives voluntarily, knowingly, and
8 intelligently waives and gives up each and every right set forth above.

9 CULPABILITY

10 10. Respondent through its Authorized Representatives understands and agrees that the
11 findings in Condemnation Action No. DCC26-000007-CON, if proven at a hearing, constitute
12 cause for this action against Respondent.

13 11. For the purpose of resolving the Condemnation Action without the expense and
14 uncertainty of further proceedings, Respondent agrees through its Authorized Representative that,
15 at a hearing, Complainant could establish a factual basis for the Condemnation Action, and
16 although Respondent may present a defense to that factual basis, the Respondent hereby gives up
17 its right to contest those facts. Such admissions or waivers do not constitute an admission of
18 liability, fault, or wrongdoing by Respondent, and are made solely for the purpose of settlement.

19 12. Respondent through its Authorized Representative agrees that all remaining items
20 under embargo outlined in the Condemnation Action except for line item number 16 described as
21 “Veg Room 1” containing approximately 5,194 plants, are subject to condemnation and agrees to
22 be bound by the Department’s determination and requirement to destroy the cannabis as set forth
23 in the Order below.

24 CONTINGENCY

25 13. This stipulation shall be subject to approval by the Department. Respondent through
26 its Authorized Representative understands and agrees that counsel for Complainant and the staff
27 of the Department may communicate directly with the Department regarding this stipulation and
28 settlement, without notice to or participation by Respondent or its counsel. By signing the

1 stipulation, Respondent through its Authorized Representative understands and agrees that it may
2 not withdraw its agreement or seek to rescind the stipulation prior to the time the Department
3 considers and acts upon it. If the Department fails to adopt this stipulation as its Decision and
4 Order, the Stipulated Settlement and Condemnation Order shall be of no force or effect, except
5 for this paragraph, it shall be inadmissible in any legal action between the parties, and the
6 Department shall not be disqualified from further action by having considered this matter.

7 **OTHER MATTERS**

8 14. The parties understand and agree that Portable Document Format (PDF) and facsimile
9 copies of this Stipulated Settlement and Condemnation Order, including PDF and facsimile
10 signatures thereto, shall have the same force and effect as the originals.

11 15. This Stipulated Settlement and Condemnation Order may be signed in any number of
12 counterparts, each of which is an original and all of which taken together form one single
13 document.

14 16. This Stipulated Settlement and Condemnation Order is intended by the parties to be
15 an integrated writing representing the complete, final, and exclusive embodiment of their
16 agreement. It supersedes any and all prior or contemporaneous agreements, understandings,
17 discussions, negotiations, and commitments (written or oral). This Stipulated Settlement and
18 Condemnation Order may not be altered, amended, modified, supplemented, or otherwise
19 changed except by a writing executed by an authorized representative of each of the parties.

20 17. In consideration of the foregoing admissions and stipulations, the parties agree that
21 the Department may, without further notice or formal proceeding, issue and enter the following
22 Condemnation Order:

23 **CONDEMNATION ORDER**

24 1. **WITHDRAWAL OF APPEAL:** Respondent's appeal of Condemnation Action
25 No. DCC26-000007-CON and request for administrative hearing is deemed withdrawn and any
26 further appeal of such Condemnation Action is waived.

27 2. **DESTRUCTION AND DISPOSAL OF EMBARGOED CANNABIS:**

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1 Within fifteen (15) days of the effective date of the Decision and Order, Respondent shall
 2 destroy and dispose of the listed cannabis and cannabis products detailed below in a manner and
 3 time¹ agreed upon between the Respondent and the Department. The Department will provide
 4 Respondent with three (3) dates that fall within the fifteen (15) day period upon which the
 5 Department's designee will be available to observe and document the destruction and disposal of
 6 the following cannabis and cannabis products:

	CANNABIS AND CANNABIS PRODUCT NAME AND DESCRIPTION	QUANTITY/ UNIT TYPE
1	Room 9 – Flowering Plants	1,074 plants
2	Room “Mother/Clone 2”	Unknown
3	Room 8 – Flowering Plants	1,080 plants
4	Flower 1 – Immature Plants	Unknown (Sprayer)
5	Flower 7 – Flowering Plants	1,080 plants
6	Flower 6 – Flowering Plants	1,080 plants
7	Flower 2 – Flowering Plants	Unknown (Posted with Pesticide Sign)
8	Flower 3 – Flowering Plants	Unknown (Posted with Pesticide Sign)
9	Flower 4 – Flowering Plants	Unknown (Posted with Pesticide Sign)
10	Flower 5 – Flowering Plants	1,080 plants
11	Flower 8 – Flowering Plants	Unknown (Noxious Odors)
12	Bulk Keef	10.77 lbs
13	GasFace R10 Trim	19.46 lbs
14	Mac N Jack R6 Trim	28.76 lbs
15	Fizz R7 Trim	10.52 lbs
16	Tutaze Trim	9.12 lbs

¹ The destruction will take place at the licensed premises.

17	LCG x Z x AC R7 R12 Trim	5.34 lbs
18	GasFace R7 12/2 Trim	29.68 lbs
19	Zangna R7 Trim	5.26 lbs
20	Dulce R3 11/11 Trim	20.08 lbs
21	Dulce R6 Trim	21.92 lbs
22	Marathon R6 Trim	21.68 lbs
23	Flower	140.37 lbs
24	GasFace R6 – Bulk Flower	45.74lbs
25	Unnamed Flower Room - Flower	45.74lbs
26	PRE 64 R4 Smalls and BIGS	4.70 lbs
27	BTY R6	22.92 lbs
28	Bulk Flower	16.78 lbs

3. **CANNABIS TO BE RELEASED FROM EMBARGO:** As of the effective date of the Decision and Order, and after the Respondent has completed the destruction of cannabis described in paragraph 2 above, the following cannabis that was embargoed shall be released from embargo, by the Department removing the Metrc hold, and communicating with the Respondent via email that the embargo has ended:

	CANNABIS AND CANNABIS PRODUCT NAME AND DESCRIPTION	QUANTITY/ UNIT TYPE
1	Veg Room 1	5,194 plants

4. **PLANT TESTING:** Respondent agrees that the cannabis plants that have been released from embargo pursuant to #3, above, shall be subject to reasonable random testing by the Department at its discretion. The Department shall provide Respondent with copies of all sampling and testing results within five (5) business days of receipt. Any sampling and testing shall be conducted promptly and within a commercially reasonable time to minimize interference

OR

By FedEx or UPS:
Department of Cannabis Control
Attn: Cashiers
2920 Kilgore Road
Rancho Cordova, CA 95741-9106

8. Failure to complete the payment or comply with the terms of this Order shall result in disciplinary action or non-renewal of Respondent's Cannabis Cultivation - Medium Indoor License No. CCL19-0003299, and denial of any other license sought, as the Department deems appropriate. Additionally, failure to complete the payment shall result in Respondent's immediate obligation and responsibility to pay the full amount of the Department's costs of investigation and enforcement pursuant to Business and Professions Code section 26039.3, in the amount of thirty-five thousand dollars (\$35,000) less any partial payments received prior to the failure to complete payments or comply with the terms of this Order and will result in enforcement of the Order in the Superior Court.

ACCEPTANCE

I have carefully read the above Stipulated Settlement and Condemnation Order and have fully discussed it with my attorney, Yelena Katchko. I understand the stipulation and the effect it will have on my Cannabis Cultivation - Medium Indoor License No. CCL19-0003299. I enter into this Stipulated Settlement and Condemnation Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Department of Cannabis Control.

DATED: 04/16/2026 *Dan Kohanarieh*
[Dan Kohanarieh \(Apr 16, 2026 11:57:00 PDT\)](#)
ZANNA USA, LLC, DBA ZANNA
DAN KOHANARIEH, DRP/OWNER
Respondent

I have read and fully discussed with Respondent Zanna USA, LLC, dba Zanna; with Dan Kohanarieh, Designated Responsible Party and Owner the terms and conditions and other matters contained in the above Stipulated Settlement and Condemnation Order. I approve its form and content.

1 DATED: April 16, 2026



YELENA KATCHKO
Attorney for Respondent


3 **ENDORSEMENT**

4 The foregoing Stipulated Settlement and Condemnation Order is hereby respectfully
5 submitted for consideration by the Department of Cannabis Control.

6 DATED: April 16, 2026

7 Respectfully submitted,

8 ROB BONTA
9 Attorney General of California
10 GREGORY M. CRIBBS
11 Supervising Deputy Attorney General


ANNA NGUYEN
12 Deputy Attorney General
13 *Attorneys for Complainant*

14 SD2026800254

Exhibit A

Condemnation Action No. DCC26-000007-CON

1 ROB BONTA
Attorney General of California
2 HARINDER K. KAPUR
Senior Assistant Attorney General
3 GREGORY M. CRIBBS
Supervising Deputy Attorney General
4 ANNA NGUYEN
Deputy Attorney General
5 State Bar No. 335873
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Telephone: (415) 510-3457
7 E-mail: Anna.Nguyen@doj.ca.gov
Attorneys for Complainant
8

9
10 **BEFORE THE**
OFFICE OF ADMINISTRATIVE HEARINGS
11 **STATE OF CALIFORNIA**

12
13 In the Matter of the Condemnation Proceeding
of Embargoed Cannabis Against:

Case No. DCC26-000007-CON

Condemnation of Embargoed Cannabis

14
15 **ZANNA USA, INC. AKA ZANNA USA,**
LLC;
16 **DAN KOHANARIEH,**
OWNER
17 **17337 Muskrat Ave., Unit #6**
Adelanto, CA 92301

18 **Cannabis Cultivation - Medium Indoor**
19 **License No. CCL19-0003299**

20 Respondent.
21

22 Complainant alleges:

23 **PARTIES**

24 1. Evelyn Schaeffer (Complainant) brings this Proceeding for Condemnation of
25 Embargoed Cannabis solely in her official capacity as the Deputy Director of the Compliance
26 Division of the Department of Cannabis Control (Department).
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28

1 consistent with the purposes and intent of the Control, Regulate and Tax Adult Use of
2 Marijuana Act.

3 8. Section 26039.3, subdivision (f), of the Code states:

4 (f) The department may condemn cannabis or a cannabis product under the
5 provisions of this section. A proceeding for condemnation shall be subject to
6 appropriate notice to, and the opportunity for a hearing with regard to, the person or
licensee affected in accordance with Chapter 5 (commencing with Section 11500) of
Part 1 of Division 3 of Title 2 of the Government Code.

7 (1) Upon a finding by the administrative law judge that the cannabis or
8 cannabis product is adulterated or misbranded, or that its sale is otherwise in violation
9 of this division, the administrative law judge may direct the cannabis or cannabis
product to be destroyed at the expense of the licensee or product owner and under the
10 supervision of the department. The licensee or owner of the affected cannabis or
cannabis product shall pay fees and reasonable costs, including the costs of storage,
testing, and supervision, incurred by the department in investigating and prosecuting
the action taken pursuant to this section.

11 (2) Upon a finding by the administrative law judge that the adulteration or
12 misbranding can be corrected by proper labeling or additional processing of the
cannabis or cannabis product and that all provisions of this division can be complied
13 with, the administrative law judge may direct the cannabis or cannabis products to be
brought into compliance under the department's supervision. . .

14 STATUTORY PROVISIONS

15 9. Section 26039.1 of the Code states:

16 (a) When the department has evidence that cannabis or a cannabis product is
17 adulterated or misbranded, the department shall notify the licensee. The licensee may
18 conduct a voluntary recall of the affected cannabis or cannabis product and may
remediate the cannabis or cannabis product, if approved by the department, or shall
19 destroy the affected cannabis or cannabis product under the supervision of the
department.

20 (b) The department may issue a mandatory recall order and require the licensee
21 to immediately cease distribution of cannabis or a cannabis product and recall the
cannabis or cannabis product if the department determines both of the following:

22 (1) The cultivation, manufacture, distribution, or sale of the cannabis or
23 cannabis product creates or poses an immediate and serious threat to human life or
health.

24 (2) Other procedures available to the department to remedy or prevent the
25 occurrence of the situation would result in an unreasonable delay.

26 (c) The department shall provide the licensee an opportunity for an informal
27 proceeding on the matter, as determined by the department, within five days, on the
actions required by the order and on why the cannabis or cannabis product should not
28 be recalled. Following the proceeding, the order shall be affirmed, modified, or set
aside as determined appropriate by the department.

1 (d) The department's powers set forth in this section expressly include the
2 power to order movement, segregation, isolation, or destruction of cannabis or
3 cannabis products, as well as the power to hold cannabis or cannabis products in
4 place.

5 (e) If the department determines it is necessary, it may issue the mandatory
6 recall order, may conduct the recall, and may use all appropriate measures to obtain
7 reimbursement from the licensee for any and all costs associated with these orders.
8 All funds obtained by the department from these efforts shall be deposited in the
9 Cannabis Control Fund, and shall be available for use by the department upon
10 appropriation by the Legislature.

11 (f) It is unlawful to move or allow to be moved cannabis or a cannabis product
12 subject to an order issued pursuant to this section unless that person has first obtained
13 written authorization from the department.

14 10. Section 26039.3 of the Code, pertinent part, states:

15 (a) If the department finds or has probable cause to believe that cannabis or a
16 cannabis product is adulterated or misbranded within the meaning of this division, or the
17 sale of the cannabis or cannabis product would be in violation of this division, the
18 department shall affix to the cannabis or cannabis product, or component thereof, a tag or
19 other appropriate marking. The department shall give notice that the cannabis or cannabis
20 product is, or is suspected of being, adulterated or misbranded, or the sale of the cannabis or
21 cannabis product would be in violation of this division and has been embargoed and that the
22 cannabis or cannabis product shall not be removed or disposed of by sale or otherwise until
23 permission for removal or disposal is given by the department or a court.

24 (b)(1) It is unlawful to remove, sell, or dispose of embargoed cannabis or an
25 embargoed cannabis product without written permission of the department or a court. The
26 removal, sale, or disposal of each item of embargoed cannabis or cannabis product without
27 written permission of the department constitutes a violation of this subdivision. A violation
28 of this subdivision is subject to a citation and fine of not more than ten thousand dollars
(\$10,000).

(2) Notwithstanding paragraph (1), a licensed cultivator may request permission for
the continued cultivation or harvesting of the cannabis subject to embargo. The department
may authorize, and may impose conditions on, the continued cultivation or harvesting of
the cannabis subject to embargo.

(c) If the adulteration or misbranding can be corrected by proper labeling or
additional processing of the cannabis or cannabis product and all of the provisions of this
division can be complied with, the licensee may request that the department remove the tag
or other marking to permit correction. If, under the supervision of the department, the
adulteration or misbranding has been corrected, the department may remove the tag or other
marking. Cannabis and cannabis products found at an unlicensed location, or cultivated,
processed, produced, or manufactured at an unlicensed location, or derived from an
unlicensed source, cannot be corrected and shall be destroyed.

(d) If the department finds that cannabis or a cannabis product that is embargoed is
not adulterated or misbranded, or that its sale is not otherwise in violation of this division,
the department may remove the tag or other marking.

...

1 11. Section 26039.6 of the Code states:

2 (a) Cannabis or a cannabis product is adulterated if it is any of the following:

3 (1) It has been produced, prepared, packed, or held under unsanitary conditions
4 in which it may have become contaminated with filth or in which it may have been
5 rendered injurious.

6 (2) It consists, in whole or in part, of any filthy, putrid, or decomposed
7 substance.

8 (3) It bears or contains any poisonous or deleterious substance that may render
9 it injurious to users under the conditions of use suggested in the labeling or under
10 conditions that are customary or usual.

11 (4) It bears or contains a substance that is restricted or limited under this
12 division or regulations promulgated pursuant to this division and the level of
13 substance in the product exceeds the limits specified pursuant to this division or in
14 regulation.

15 (5) Its concentrations differ from, or its purity or quality is below, that which it
16 is represented to possess.

17 (6) The methods, facilities, or controls used for its cultivation, manufacture,
18 packing, or holding do not conform to, or are not operated or administered in
19 conformity with, practices established by regulations adopted under this division to
20 ensure that the cannabis or cannabis product meets the requirements of this division
21 as to safety and has the concentrations it purports to have and meets the quality and
22 purity characteristics that it purports or is represented to possess.

23 (7) Its container is composed, in whole or in part, of any poisonous or
24 deleterious substance that may render the contents injurious to health.

25 (8) It is an edible cannabis product and a substance has been mixed or packed
26 with it after testing by a testing laboratory so as to reduce its quality or concentration
27 or if a substance has been substituted, wholly or in part, for the edible cannabis
28 product.

(b) It is unlawful to cultivate, manufacture, distribute, sell, deliver, hold, or
offer for sale cannabis or a cannabis product that is adulterated.

(c) It is unlawful to adulterate cannabis or a cannabis product.

(d) It is unlawful to receive in commerce cannabis or a cannabis product that is
adulterated or to distribute, deliver, or proffer for delivery any such cannabis or
cannabis product.

REGULATORY PROVISIONS

12. California Code of Regulations, title 4, section 16307 states:

(a) Licensed cultivators shall comply with all applicable pesticide statutes and
regulations enforced by the Department of Pesticide Regulation.

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13. California Code of Regulations, title 4, section 16310 states:

- (a) The licensed cultivator shall develop a pest management plan that includes:
 - (1) The product name and active ingredient(s) of all pesticides to be applied to cannabis; and
 - (2) Any integrated pest management protocols, including chemical, biological, and cultural methods, that will be used to prevent and control pests on the cultivate site.

14. California Code of Regulations, title 4, section 17801.5 states:

(a) The Department may embargo cannabis or cannabis products to prevent their sale, disposal, or removal from the location when the Department has probable cause to believe the cannabis or cannabis products are adulterated or misbranded or the sale would otherwise be in violation of the Act or this division.

(b) To embargo cannabis or cannabis products, the Department shall:

(1) Provide initial notice to the licensee or product owner that the cannabis or cannabis products are subject to embargo and the reason for the embargo. Initial notice may be oral or written and may be provided in person or by telephone, mail, facsimile transmission, email, or other electronic means;

(2) Affix a tag or marking to the cannabis or cannabis products, or component thereof, subject to embargo; and

(3) Provide an inventory of the embargoed items to the licensee or product owner.

(c) The Department shall provide a supplemental written notice to the licensee or product owner of the embargoed items that includes the following:

(1) The factual and legal bases for the embargo;

(2) A description of the cannabis or cannabis products under embargo;

(3) A request for a written plan to address the items under embargo and the issues(s) that resulted in the embargo;

1 (4) A summary of the proceedings for condemnation in accordance with chapter
2 5 (commencing with section 11500) of part 1 of division 3 of title 2 of the
3 Government Code;

4 (5) Notification that the embargoed items cannot be removed from embargo,
5 sold, or disposed of without authorization of the Department or a court; and

6 (6) The penalty for violation of the embargo.

7 (d) The licensee or product owner may submit a written plan to the Department that
8 describes how the licensee or product owner will address the items under embargo
9 and the issue(s) that resulted in the embargo.

10 (1) If the Department determines that the plan will resolve the issue(s) that
11 resulted in the embargo, and that all of the provisions of the Act and this division can
12 be complied with, the Department will approve the plan and supervise the completion
13 of the plan.

14 (2) If the Department cannot approve the plan, or the Department does not receive a
15 response from the licensee within seven (7) calendar days after providing the notice
16 described in subsection (c), the Department may initiate condemnation proceedings in
17 accordance with Business and Professions Code section 26039.3(f).

18 (e) A licensee or product owner or their authorized representative may agree in
19 writing to the voluntary condemnation and destruction of the cannabis and cannabis
20 products subject to embargo. Destruction and disposal of the cannabis or cannabis
21 products shall be at the licensee or product owner's expense and shall be conducted
22 with the approval of and under the supervision of the Department.

23 (f) A licensee or product owner shall not remove the tag or marking from
24 cannabis or
25 cannabis products under embargo. A licensee or product owner shall not undertake
26 corrective action or destruction of the items under embargo unless the Department has
27 provided written approval and removed the embargo tag.

28 (g) A licensee or product owner shall not remove from embargo, sell, or
dispose of any cannabis or cannabis products under embargo without written
permission of the
Department or a court. Each item removed, sold, or disposed of without written
permission of the Department or a court constitutes a separate violation of the Act.

(h) A licensed cultivator or a microbusiness authorized to engage in
cultivation may request permission to continue cultivation or harvesting of cannabis
under embargo. The request shall be made to the Department in writing at
compliance@cannabis.ca.gov and shall specify the cultivation or harvesting activities
in which the licensee requests to engage. The Department may, in its sole discretion,
authorize and impose conditions on the continued cultivation or harvesting of the

1 cannabis under embargo.

2 (i) Cannabis and cannabis products found, cultivated, processed,
3 produced, or manufactured at an unlicensed location, or derived from an unlicensed
4 source, cannot be corrected and shall be destroyed.

4 **COST RECOVERY**

5 15. Section 26039.3, subdivision (f)(2), of the Code states in pertinent part that the
6 licensee shall pay fees and reasonable costs, including the costs of storage, testing, and
7 supervision, incurred by the department in investigating and prosecuting the action.

8 **FACTUAL ALLEGATIONS**

9 16. On January 8, 2026, Department staff performed a regulatory compliance inspection
10 of Respondent’s licensed premises, initially with Distribution Manager, N.F. (Manager N.F.) in
11 attendance. Manager N.F. informed Department staff that Chief Compliance Officer R.K. (CCO
12 R.K.) and Owner Kohanarieh were on their way to the licensed premises.

13 17. In the distribution license premises, Department staff observed a lack of clear
14 separation between test-passed, test-submitted, and test-failed cannabis products stored in this
15 area – despite Respondent being in possession of test-failed cannabis products. For example,
16 Respondent stored a mix of cannabis products that failed regulatory compliance testing alongside
17 those that passed regulatory compliance testing in boxes and totes that looked identical and were
18 kept in the same area with no clear distinction between the two. Manager N.F. also confirmed that
19 they could not differentiate between cannabis products identified either as test-passed or test-
20 submitted due to cannabis products being mixed/combined prior to separation and identification.
21 Manager N.F. then recalled that a recently submitted batch of cannabis flower had failed
22 regulatory compliance testing. However, when Department Staff asked Manager N.F. to locate
23 that batch, Manager N.F. was unable to due to the lack of proper separation and identification of
24 the cannabis products stored in the same boxes and totes.

25 18. Department Staff assisted Manager N.F. by utilizing the California Cannabis Track
26 and Trace (CCTT) tag Unique Identifiers (UID) in Respondent’s CCTT account leading to the
27 discovery of ten (10) batches of cannabis flower (failed batch) that had failed regulatory
28 compliance testing but were nonetheless found stored together with other cannabis goods that

1 were test-passed, test-submitted, and/or otherwise untested. Department staff then opened and
2 counted the failed batch before informing Manager N.F. that it must be placed under quarantine.
3 Manager N.F. separated and labeled the failed batch with quarantine signs. Manager N.F. also
4 said they were unsure whether a remediation plan had been submitted. Department staff then
5 conducted a CCTT search of the failed batch and their associated Certificate of Analysis (COA)
6 which revealed it failed for Category I Pesticide Analyte Dichlorvos (DDVP)².

7 19. During the inventory audit, Department staff also observed non-cannabis products
8 such as a frozen pizza and a sandwich stored in the freezer alongside cannabis products. In the
9 cultivation licensed premises, Department staff discovered unsanitary conditions including dirty
10 equipment, containers, work surfaces, floors, chairs, and tabletops, as well as employees'
11 personal items such as beverages and medication were found in/around the work area. In the
12 cultivation irrigation area, there was a marked pesticide storage cabinet that contained multiple
13 pesticides, including Pylon TR aerosol cans that contain chlorfenapyr³, a Category I Pesticide
14 Insecticide. The pesticide storage cabinet also had a leaking container with an unknown substance
15 and an unlabeled spray bottle.

16 ² DDVP or dichlorvos is an insecticide used for fumigation, a method of pest control that
17 completely fills an area with gaseous pesticides to suffocate the pests within. It is registered for
18 use in California and US EPA has established tolerances on several agricultural commodities.
19 Dichlorvos affects the body by inhibiting the breakdown of acetylcholine, a chemical responsible
20 for nerve transmission within the body, causing a prolonged stimulation of nerves and muscles.
21 Human exposure can occur through ingestion, inhalation, and dermal contact. Acute toxicity
22 symptoms may include headache, drowsiness, confusion, restlessness, aching eyes, small pupils,
23 sweating, tearing, gritting of teeth, nausea, abdominal cramping, diarrhea, vomiting, muscle
tremors and weakness, chest tightness, wheezing, a bluish discoloration of the skin as a result of
lack of oxygen in the blood, convulsions, paralysis, coma, and death if exposed to high enough
quantities. When heated to high temperatures, dichlorvos emits toxic gases and vapors including
carbon and phosphorus oxides, hydrogen chloride, and phosgene, which are hazardous when
inhaled (Department of Pesticide Regulation Memorandum to Jaqueline Campion, Deputy
Director, Policy & Research, Department of Cannabis Control, December 18, 2024).

24 ³ Chlorfenapyr is a pro-insecticide which becomes activated once it enters the target pest.
25 It is used on fruiting vegetables and ornamentals in greenhouses, in residential sites, and in
26 medical sites for bed bug treatment. Currently, it is registered for use in California and US EPA
27 has established tolerances for several agricultural commodities. Chlorfenapyr works by disrupting
28 the energy production in insects but little is known how it causes toxicity to humans. Exposure to
chlorfenapyr can occur through ingestion, inhalation, and dermal contact. It can be irritating to the
eyes. When heated to high temperatures, chlorfenapyr emits toxic vapors of hydrogen chloride,
hydrogen fluoride, hydrogen bromide gases, and carbon and nitrogen oxides which are hazardous
when inhaled (Department of Pesticide Regulation Memorandum to Jaqueline Campion, Deputy
Director, Policy & Research, Department of Cannabis Control, December 18, 2024).

1 20. When CCO RK and Owner Kohanarieh arrived later, Department staff went to the
2 main office area to interview CCO R.K. and the head of cultivation, A.G. During this interview,
3 CCO R.K. and A.G. admitted to using “Hot Shot” pesticide strips (pesticide strips) that contained
4 DDVP in the grow room approximately two months before the failed batch failed regulatory
5 compliance testing. CCO R.K. and A.G. went on to share that they were unaware that the
6 pesticide strips contained DDVP and therefore, did not accurately record their use of pesticide on
7 their pesticide logs as required. However, CCO R.K. and A.G. confirmed that the pesticide strips
8 were disposed of after they received the failed batch’s test results. Later in the process, CCO R.K.
9 and Owner Kohanarieh shared that those pesticide strips were placed above the canopy, and near
10 the fans.

11 21. Regarding the Pylon TR aerosol cans found in the pesticide storage cabinet, CCO
12 R.K. and A.G. stated that those were delivered to the licensed premises by an unknown individual
13 for the “construction workers” and were not used at the licensed premises nor on Respondent’s
14 cannabis plants. Department staff then requested to review Respondent’s integrated pest
15 management plan (PMP), County Operator Identification card, pesticide applicator certificate,
16 written pesticide list, and pesticide application records. The review confirmed that Respondent
17 did not disclose the use of the following pesticides: DDVP, Pylon TR or chlorfenapyr.

18 22. After the interview with CCO R.K. and A.G. concluded, Department staff returned to
19 the cultivation irrigation area to take photographs of the pesticide storage cabinet and saw that the
20 Pylon TR aerosol cans were missing. Department staff returned to the main office to inform CCO
21 R.K. and Owner Kohanarieh of their discovery, and at that point A.G. stated that the Pylon TR
22 aerosol cans were moved because they were incorrectly stored in the pesticide storage cabinet.
23 A.G. then consulted with an unknown individual over the phone as to the location of the missing
24 Pylon TR aerosol cans and then told Department staff that they were stored behind a large box of
25 fertilizer. Department staff asked Owner Kohanarieh to show them surveillance footage of the
26 cultivation irrigation area for the past hour, which he did, and it showed A.G. entering the
27 cultivation irrigation area at 11:06 AM, removing the Pylon TR aerosol cans, and placing them
28 behind the large box of fertilizer.

1 23. Based on this information, Department staff determined that there was probable cause
2 to believe that the cannabis products stored at Respondent's distribution licensed premises, and
3 all plants stored at Respondent's cultivation licensed premises were adulterated and therefore,
4 would be embargoed. Department Staff then explained the embargo process to Owner
5 Kohanarieh.

6 24. For the embargo process, Department staff donned personal protective equipment
7 (PPE) and counted various units of cannabis and cannabis plants. During this process, Department
8 staff encountered multiple grow rooms in which they could smell noxious odors that were
9 atypical of growing cannabis plants. Based on the Department staff's training and experience,
10 they identified the noxious odor as potentially pesticides. Due to potential pesticide exposure,
11 Department staff did not enter those grow rooms.

12 25. However, in one grow room that was close to harvest, Department staff observed
13 pesticide spray equipment and measuring containers that are typically used in the application of
14 pesticides. In addition, Department staff also observed a cart that contained multiple unlabeled
15 and unmarked spray bottles containing green liquid. When Department staff asked A.G. about the
16 use of pesticides on cannabis plants, he stated that the cannabis plants were not treated, and that
17 the pesticide related equipment was only being cleaned and stored.

18 26. Pesticide warning placards were also placed on the doors of multiple grow rooms, but
19 none were filled out with a date, re-entry interval, or name of a pesticide, as required. A.G.
20 explained that the placards were always placed on the grow rooms' doors but only get filled out
21 when pesticides are applied. Department staff also did not enter these grow rooms due to the
22 potential exposure to pesticides.

23 27. At one point during the embargo process, Department staff observed one of
24 Respondent's employees exit a grow room and proceeded to spray their face, hair, and body with
25 a liquid from a spray bottle. Respondent's employee explained that the spray bottle contained a
26 mixture of isopropyl alcohol and a cleaner (unidentified). Respondent's employee went on to
27 explain that the mixture prevented mites from being transferred from one grow room to another.
28

28. Department staff inventoried the cannabis flower in the distribution licensed premises and the cannabis plants and flower in the cultivation licensed premises and attached a tag to place them under embargo. On January 9, 2026, the Initial Embargo Notice (IEN) for Respondent’s cultivation and distribution licensed premises were emailed to Owner Kohanarieh, to be signed. On January 12, 2026, Owner Kohanarieh signed and emailed the IEN back to Department staff. The following cannabis and cannabis products were embargoed:

INVENTORY OF CANNABIS AND CANNABIS PRODUCTS UNDER EMBARGO FOR CULTIVATION LICENSE

Item #	Cannabis and Cannabis Product	Location/UID	Quantity
1	Room 9 – Flowering Plants	Room 9	1,074 plants
2	Room “Mother/Clone 2”	Mother/Clone 2	Unknown (Sprayer)
3	Unmarked room next to “Mother/Clone 2 room”	Unmarked Room	4,860 clones
4	Room 10 – Flowering Plants	Room 10	1, 080 plants
5	Room 8 – Flowering Plants	Room 8	1,080 plants
6	Flower 1 – Immature Plants	Flower 1	Unknown (Sprayer)
7	Flower 7 – Flowering Plants	Flower 7	1,080 plants
8	Flower 6 – Flowering Plants	Flower 6	1,080 plants
9	Flower 2 – Flowering Plants	Flower 2	Unknown (Posted with Pesticide Sign)
10	Flower 3 – Flowering Plants	Flower 3	Unknown (Posted with Pesticide Sign)
11	Flower 4 – Flowering Plants	Flower 4	Unknown (Posted with Pesticide Sign)
12	Flower 5 – Flowering Plants	Flower 5	1,080 plants
13	Flower 8 – Flowering Plants	Flower 8	Unknown (Noxious Odors)
14	Peachemom – RM-4	First level cage	89.94 lbs
15	Dantes – RM4	First level cage	45.34 lbs
16	Veg Room 1	Veg Room 1	5,194

			plants
1	17	Mac N Jack – RM4	First level cage 91.62 lbs
2	18	Blue D. R11 TOPS	First level cage 24.84
3	19	Mac N Jack – R6	First level cage 27.18 lbs
4	20	Dulce R6	First level cage 26.86 lbs
5	21	BTY RIO	First level cage 13.74 lbs
6	22	Lemon Skunk R6	First level cage 10.46 lbs
7	23	GasFace R7	First level cage 55.34 lbs
8	24	Carious Smalls R7	First level cage 13.46 lbs
9	25	GasFace RM 4	First level cage 74.18 lbs
10	26	Dulce R6 12/9	First level room across cage 88.6 lbs
11	27	Marathon R6 12/9	First level room across cage 55.86 lbs
12	28	Blue Dream Rm 4	First level room across cage 117.2 lbs
13	29	Dry Room 1 – Dry Plants	Dry Room 1 1,063 plants
14	30	Dry Room 2 – Dry Plants	Dry Room 2 1,072 plants
15	31	Dry Room – Not labeled – Dry Plants	Unlabeled room 933 plants
16	32	Bulk Keef	N/A 10.77 lbs
17	33	GasFace R10 Trim	N/A 19.46 lbs
18	34	Mac N Jack R6 Trim	N/A 28.76 lbs
19	35	Fizz R7 Trim	N/A 10.52 lbs
20	36	Tutaze Trim	N/A 9.12 lbs
21	37	LCG x Z x AC R7 R12 Trim	N/A 5.34 lbs
22	38	GasFace R7 12/2 Trim	N/A 29.68 lbs
23	39	Zangna R7 Trim	N/A 5.26 lbs
24	40	Dulce R3 11/11 Trim	N/A 20.08 lbs
25	41	Dulce R6 Trim	N/A 21.92 lbs
26	42	Marathon R6 Trim	N/A 21.68 lbs
27	43	Flower	Unnamed Trim Room 140.37 lbs
28	44	GasFace R6 – Bulk Flower	023515 45.74lbs
	45	Unnamed Flower Room - Flower	Unnamed Flower Room 45.74lbs
	46	PRE 64 R4 Smalls and BIGS	N/A 4.70 lbs
	47	BTY R6	23516 22.92 lbs
	48	Bulk Flower	First level room across cage 16.78 lbs

INVENTORY OF CANNABIS AND CANNABIS PRODUCTS UNDER EMBARGO FOR
DISTRIBUTION LICENSE⁴

1	Zanna - Blue Dream – 7G Indoor Smalls – Blueberry X Santa Cruz Haze	1A4060300002146D000002248	313 units
2	Zanna – Hippie Crasher – 7G Indoor Smalls – Wedding Crasher X Kush Mints	1A4060300002146D00000225 0	384 units
3	Zanna - Green Crack – 7G Indoor Smalls – Skunk #1 X Unknown	1A4060300002146D00000224 9	385 units
4	Zanna – Jack Herer – 7G Indoor Smalls – Haze X N. Lights X Shiva Skunk	1A4060300002146D00000224 7	383 units
5	Bulk Flower – Diesel Fuel	1A4060300005270000018594	7,698 g
6	Bulk Flower – Hippie Crasher	1A406030000AB84000023202	5,431 g
7	Bulk Flower – Dulce De Uva	1A406030000AB84000023203	4,978 g
8	Bulk Flower – The Fizz #1	1A406030000AB84000023201	4,525 g
9	Bulk Flower – BTY OG	1A4060300005270000018593	9,049 g
10	Bulk Flower – PM x Cap Junky	1A406030000AB84000023205	3,166 g

29. On January 16, 2026, after reviewing the photographs taken of Respondent’s pesticide storage cabinet from January 8, 2026, Department staff identified an additional jug of pesticide called “Reset.” Respondent did not disclose the use of Reset (or Pylon TR aerosol cans) in their pest and disease control plan and/or its PMP. Reset is a prohibited pesticide to use on cannabis plants according to the California Department of Pesticide Regulation (DPR). Subsequently, a Supplemental Notice of Embargo (SNE) was issued to Respondent’s cultivation and distribution licenses with a deadline to respond with a sufficient remediation plan on or by January 22, 2026. The SNE was emailed to Owner Kohanarieh, Respondent’s other listed owners identified in its licensing system, Accela, and Respondent’s legal representative, Steve Baghoomian (Respondent Counsel Baghoomian).

⁴ Respondent has agreed to voluntarily destroy all of cannabis and cannabis products associated with the Respondent’s Cannabis Distributor License No. C11-0000743-LIC and thus, they are not a part of this condemnation proceeding.

1 30. Later that same day, Department staff reviewed Respondent’s updated pest and
2 disease control plan and PMP. Both plans were compared against the “Pesticide Products
3 Allowed for Use on Cannabis⁵” list as found on the DPR’s website. Department staff identified
4 seven (7) pesticides disclosed in their plans⁶ that are prohibited for use on cannabis in California:
5 Double Nickle LC, Green Cleaner, BotaniGard ES, Azera, M-Pede, Suffoil-X, and Milstop.
6 Respondent Counsel Baghoomian also emailed a written plan to Department Staff on January 16,
7 2026, and after reviewing, it was determined that the written plan did not address the issues that
8 led to issuance of the IEN. When Department staff inquired about Respondent’s written plan,
9 Respondent Counsel Baghoomian shared that the written plan was final to the extent they were
10 sufficient to lift the embargo.

11 31. On January 21, 2026, based on Respondent’s submitted pest and disease control plan,
12 PMP, and written plan along with representation from Respondent Counsel Baghoomian,
13 Department staff issued a Notice of Embargo Determination to Respondent’s cultivation and
14 distribution licenses. The Notice of Embargo Determination was emailed to Owner Kohanarieh,
15 Respondent’s other listed owners identified in Accela, and Respondent Counsel Baghoomian. On
16 January 22, 2026, Respondent Counsel Baghoomian emailed Department staff an updated
17 remediation plan that included sampling activities while under embargo conditions. However,
18 Respondent had not requested, nor received, approval from the Department for any sampling
19 activities on embargoed cannabis products and plants. On January 23, 2026, Department staff
20 informed Respondent Counsel Baghoomian that the updated remediation plan was still
21 insufficient, and therefore, the prior Notice of Embargo Determination would remain in effect. On
22 the same day, Respondent Counsel Baghoomian sent a lengthy response to Department staff that
23 ended with a request for the immediate commencement of condemnation proceedings.

24 32. On January 26, 2026, Owner Kohanarieh informed Department staff that Respondent
25 Counsel Baghoomian was no longer their legal representative and not authorized to communicate

26 ⁵ See <https://www.cdpr.ca.gov/cac-letter/list-of-products-legal-to-use-on-cannabis/>

27 ⁶ Respondent submitted a PMP on December 6, 2023, which disclosed the use of six (6)
28 pesticides that were prohibited for use by DPR (Grandevo WDG, M-Pede, BotaniGard 22WP,
SuffOil X, MilStop and Venerate).

1 with Department staff on Respondent’s behalf. Instead, Owner Kohanrieh shared that Yelena
2 Katchko of KVK Law Firm (Respondent Counsel Katchko) would represent Respondent and
3 communicate with Department on Respondent’s behalf. Respondent Counsel Katchko initially
4 inquired whether Respondent could submit another written plan, but was informed by Department
5 staff that the deadline of January 22, 2026, had passed. Department staff informed Respondent
6 Counsel Katchko that pursuant to the Notice of Embargo Determination, there remains a deadline
7 for the destruction plan to be submitted on or by January 28, 2026. Respondent Counsel Katchko
8 requested for an extension of the destruction plan and the Department approved and extended the
9 deadline to submit Respondent’s destruction plan on or by 5:00 PM on February 2, 2026.

10 33. On February 2, 2026, Respondent Counsel Katchko emailed Department staff with
11 Respondent’s destruction plan on behalf of Respondent’s distribution license. Respondent opted
12 to proceed with a Voluntary Condemnation and Destruction (VC&D) process for the failed batch
13 under embargo. Thus, the embargoed cannabis and cannabis products associated with the
14 Respondent’s Cannabis Distributor License No. C11-0000743-LIC are not a part of this
15 condemnation proceeding.

16 34. As to the destruction plan on behalf of Respondent’s cultivation license, Respondent
17 only intends to proceed with a partial destruction of certain cannabis plants identified in the
18 inventory table attached to the SNE, and also expressed intent to proceed with a hearing on
19 condemnation for the remaining cannabis plants. Respondent Counsel Katchko also stated that
20 Respondent’s finalized destruction plan for their cultivation license will be submitted by 12:00
21 PM on February 3, 2026 – past the extended deadline of 5:00 PM on February 2, 2026. On
22 February 3, 2026, Department staff received and reviewed Respondent’s destruction plan for their
23 cultivation license; however, the destruction plan was incomplete as it only included four (4) line
24 items out of the total forty-eight (48) line items. The following cannabis and cannabis products
25 are the subject of the condemnation proceeding:
26
27
28

INVENTORY OF CANNABIS AND CANNABIS PRODUCTS UNDER EMBARGO FOR
CULTIVATION LICENSE

Item #	Cannabis and Cannabis Product	Location/UID	Quantity
1	Room 9 – Flowering Plants	Room 9	1,074 plants
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4	Room 8 – Flowering Plants	Room 8	1,080 plants
5	Flower 1 – Immature Plants	Flower 1	Unknown (Sprayer)
6	Flower 7 – Flowering Plants	Flower 7	1,080 plants
7	Flower 6 – Flowering Plants	Flower 6	1,080 plants
8	Flower 4 – Flowering Plants	Flower 4	Unknown (Posted with Pesticide Sign)
9	Flower 8 – Flowering Plants	Flower 8	Unknown (Noxious Odors)
10	Peachemom – RM-4	First level cage	89.94 lbs
11	Dantes – RM4	First level cage	45.34 lbs
12	Veg Room 1	Veg Room 1	5,194 plants
13	Mac N Jack – RM4	First level cage	91.62 lbs
14	Blue D. R11 TOPS	First level cage	24.84
15	Mac N Jack – R6	First level cage	27.18 lbs
16	Dulce R6	First level cage	26.86 lbs
17	BTY RIO	First level cage	13.74 lbs
18	Lemon Skunk R6	First level cage	10.46 lbs
19	GasFace R7	First level cage	55.34 lbs
20	Carious Smalls R7	First level cage	13.46 lbs
21	GasFace RM 4	First level cage	74.18 lbs
22	Dulce R6 12/9	First level room across cage	88.6 lbs
23	Marathon R6 12/9	First level room across cage	55.86 lbs
24	Blue Dream Rm 4	First level room across cage	117.2 lbs
25	Dry Room 1 – Dry Plants	Dry Room 1	1,063 plants
26	Dry Room 2 – Dry Plants	Dry Room 2	1,072 plants
27	Dry Room – Not labeled – Dry Plants	Unlabeled room	933 plants
28	Bulk Keef	N/A	10.77 lbs
29	GasFace R10 Trim	N/A	19.46 lbs
30	Mac N Jack R6 Trim	N/A	28.76 lbs

31	Fizz R7 Trim	N/A	10.52 lbs
32	Tutaze Trim	N/A	9.12 lbs
33	LCG x Z x AC R7 R12 Trim	N/A	5.34 lbs
34	GasFace R7 12/2 Trim	N/A	29.68 lbs
35	Zangna R7 Trim	N/A	5.26 lbs
36	Dulce R3 11/11 Trim	N/A	20.08 lbs
37	Dulce R6 Trim	N/A	21.92 lbs
38	Marathon R6 Trim	N/A	21.68 lbs
38	Flower	Unnamed Trim Room	140.37 lbs
40	GasFace R6 – Bulk Flower	023515	45.74lbs
41	Unnamed Flower Room - Flower	Unnamed Flower Room	45.74lbs
42	PRE 64 R4 Smalls and BIGS	N/A	4.70 lbs
43	BTY R6	23516	22.92 lbs
44	Bulk Flower	First level room across cage	16.78 lbs

35. On February 25, 2026, the San Bernadino Department of Agriculture Commissioner informed Department staff that Respondent, although holding a valid Operator Identification Number and Site Identification Number expiring on December 31, 2025, did not (1) accurately and timely report their use of pesticide in violation of California Code of Regulations, title 3, section 6622, (2) have proper storage of personal protective equipment (PPE) in violation of California Code of Regulations, title 3, sections 6626 and 6627, (3) accurately record initial and annual handler training in violation of California Code of Regulations, title 3, section 6724 and (4) assure field worker training in violation of California Code of Regulations, title 3, section 6764.

FIRST CAUSE FOR CONDEMNATION

(Cannabis Subject to Condemnation)

36. Respondent failed to provide a written plan that adequately described how Respondent will address the items under embargo and the issues that resulted in the embargo pursuant to California Code of Regulation, title 4, section 17801.5, as described more fully in paragraphs 16 through 35, above, therefore Respondent’s cannabis is subject to condemnation

1 pursuant to Code section 26039.3, subdivision (f), and were adulterated as defined by Code
2 section 26039.6, subdivision (a)(6).

3 **SECOND CAUSE FOR CONDEMNATION**

4 (Pesticide Use)

5 37. Respondent is subject to a condemnation action under Code sections 26039.3 and
6 26039.6 and California Code of Regulations, title 4, section 16307, subdivision (a), in that
7 Respondent failed to comply with applicable pesticide requirements as more particularly alleged
8 in paragraphs 16 through 35, above, which are hereby incorporated by reference and realleged as
9 if fully set forth herein.

10 **THIRD CAUSE FOR CONDEMNATION**

11 (Pest Management Plan)

12 38. Respondent is subject to a condemnation action under Code sections 26039.3 and
13 26039.6 and California Code of Regulations, title 4, section 15011, in that Respondent failed to
14 contact and update the appropriate Agricultural Commissioner as more particularly alleged in
15 paragraphs 16 through 35, above, which are hereby incorporated by reference and realleged as if
16 fully set forth herein.

17 **PRAYER**

18 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
19 and that following the hearing, the Office of Administrative Hearings issue a decision:

20 1. Ordering the condemnation and destruction of the cannabis that is subject to embargo
21 by Respondent Zanna USA, Inc., dba Zanna; with Dan Kohanarieh as Owner and Designated
22 Responsible Party, under the supervision of the Department;

23 2. Ordering Respondent Zanna USA, Inc., dba Zanna; with Dan Kohanarieh as Owner
24 and Designated Responsible Party, to pay the reasonable costs of the investigation and
25 enforcement of this case, including the costs of storage, testing and supervision incurred by the
26 Department, pursuant to Business and Professions Code section 26039.3(f)(1); and

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

DATED: February 27, 2026

Evelyn Schaeffer

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

SD2026800254

PROOF OF SERVICE

Case Name: In the Matter of the Condemnation Action Against: Zanna USA, LLC
DCC Case No. DCC26-000007-CON
OAH No. 2026030295
License No. CCL19-0003299, Cultivation - Medium Indoor

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 30, 2026, I served the within documents:

ORDER ADOPTING STIPULATED SETTLEMENT AND ORDER AS FINAL DECISION

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

Zanna USA, LLC
Dan Kohanarieh, DRP/Owner
dan.k@zannausa.com

Yelena Katchko, Esq.
Katchko, Vitiello & Karikomi, PC
ykatchko@kvklawyers.com

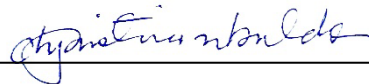
Evelyn Schaeffer
Deputy Director
Compliance Division
Department of Cannabis Control
Evelyn.Schaeffer@cannabis.ca.gov

Anna Nguyen
Deputy Attorney General
Cannabis Control Section
Office of Attorney General
Anna.Nguyen@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 30, 2026, at Rancho Cordova, California.



Christina C. Ubaldo