



## 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 Halcyon Distribution (Licensee), and owners Diamond Brown and Stefan Dalkert, that at 12:00 p.m. on May 27, 2026, the attached Emergency Decision and Order will become effective. The Emergency Decision and Order suspends Halcyon Distribution, license number **C11-0001785-LIC**, 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:

**1579 Wallace Ave., Unit #B,  
San Francisco, CA 94124**

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 [Denis.Rakitskiy@cannabis.ca.gov](mailto:Denis.Rakitskiy@cannabis.ca.gov). Unless the Department receives your request by 5:00 p.m. on June 1, 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 June 2, 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.

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**Jose Barajas**  
Jose Barajas, 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 license of Halcyon Distribution, license number C11-0001785-LIC (Licensee), and orders Licensee, and owners Diamond Brown and Stefan Dalkert, 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 or any other location or activity associated with the license, **effective at 12:00 p.m. on May 27, 2026:**

**1579 Wallace Ave., Unit #B,  
San Francisco, CA 94124**

This order is based on an immediate danger to the public health, safety, and welfare. Specifically, as set forth in the attached Declaration of Denis Rakitskiy, there is evidence that the Licensee is engaging in the illegal diversion of cannabis or cannabis goods. The Department of Cannabis Control has determined that this order is necessary to prevent the sale, transfer, or transport of illegal cannabis goods in possession of the Licensee and to prevent the illegal diversion of cannabis goods, based on the following:

- The Licensee conducted commercial cannabis activities beyond the premises licensed for the activity and failed to store all cannabis and cannabis products solely within the licensed premises, in violation of California Code of Regulations, title 4, sections 15000.1, subdivision (c) and 15000.7, subdivision (a).
- The Licensee falsified information entered into its California Cannabis Track and Trace account by reporting hundreds of incoming and outgoing transfers of cannabis products to and from its licensed premises, despite not physically operating from its licensed premises, making implausible negative adjustments to cannabis inventory, and reporting transfers to non-operational licensees, in violation of California Code of Regulations, title 4, section 15047.2.
- The Licensee failed to reconcile inventory at least once every 30 days, failed to maintain an accurate record of inventory or provide Department with such record, failed to account for all inventory, failed to verify that the physical inventory was consistent with the recorded inventory, and failed to retain records of inventory reconciliation and make those records available to Department, in violation of California Code of Regulations, title 4, sections 15048.1, subdivision (a)(8), 15051, subdivision (a)(1), 15423, and 15424, subdivisions (a), (b), and (c).



- The Licensee refused, impeded, obstructed and/or interfered with the Department's inspection of premises and records by failing to comply with a Notice to Comply and failing to provide the Department with records related to its commercial cannabis activity upon request, including video surveillance camera footage, sales invoices, employee records, and transport records, in violation of Business and Professions Code section 26160, subdivisions (a)-(e), and California Code of Regulations, title 4, sections 15044, subdivision (i), 15037, subdivision (a), 17800, subdivision (b), and 17801.

This circumstance requires immediate action by the Department of Cannabis Control to protect the public health, safety, or welfare, and prevent the illegal diversion of cannabis goods from entering the cannabis market.

While the license is 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 the 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 12:00 p.m. on May 27, 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.

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Jose Barajas, Assistant Branch Chief  
Compliance Division  
Department of Cannabis Control