



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

Clint Kellum
Director

May 8, 2026

VIA EMAIL AND CERTIFIED MAIL

MGCD Corp
Kenneth Corben, DRP/Owner
499 Embarcadero, Ste. Q
Oakland, CA 94606
lbccompliance@outlook.com
ken.d3d@gmail.com

James Barclay, Agent
MGCD Corp
1443 W Anaheim St.
Long Beach, CA 90813
jamescollective@outlook.com

Re: MGCD Corp - Case No. DCC25-0000790-INV
Default Decision and Order

Dear Messrs. Corben and Barclay:

Pursuant to the Department of Cannabis Control's authority under Government Code section 11520, the Department finds Respondent MGCD Corp 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 MGCD Corp will become effective on June 8, 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:

**MGCD CORP;
KENNETH CORBEN, DRP/OWNER
499 EMBARCADERO SUITE Q
OAKLAND, CA 94606**

**Cannabis Retailer Non-Storefront
License No. C9-0000211-LIC**

Respondent.

Case No. DCC25-0000790-INV

DEFAULT DECISION AND ORDER

[Gov. Code, §11520]

FINDINGS OF FACT

1. On or about February 4, 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. DCC25-0000790-INV against MGCD Corp, with Kenneth Corben as Designated Responsible Party/Owner (Owner) before the Department of Cannabis Control. (Accusation is attached as Exhibit A.)

2. On or about July 22, 2019, the Department of Cannabis Control (Department) issued Cannabis Retailer Non-Storefront License No. C9-0000211-LIC to Respondent. The Cannabis Retailer Non-Storefront License was in full force and effect at all times relevant to the charges brought in Accusation No. DCC25-0000790-INV and will expire on July 21, 2026, unless renewed.

1 3. On or about February 5, 2026, Respondent was served by Certified and First Class
2 Mail copies of the Accusation No. DCC25-0000790-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: 499 Embarcadero Suite Q, Oakland,
7 California 94606.

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. DCC25-0000790-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. DCC25-0000790-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
\$11,002.75.

1 **DETERMINATION OF ISSUES**

2 1. Based on the foregoing findings of fact, Respondent MGCD Corp has subjected its
3 Cannabis Retailer Non-Storefront License No. C9-0000211-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 Retailer Non-Storefront License based upon the following violations alleged in the Accusation
7 which are supported by the evidence contained in the Default Decision Investigatory Evidence
8 Packet in this case:

9 a. Violation of Business and Professions Code section 26030, subdivisions
10 (a) and (c), and California Code of Regulations, title 4, sections 15000.3 and 17800,
11 subdivision (a) [Failure to ensure that the Department had immediate access to
12 Respondent’s licensed premises.]

13 b. Violation of Business and Professions Code section 26030, subdivisions
14 (a) and (c), and California Code of Regulations, title 4, sections 17800, subdivision
15 (b), and 17801 [Failure to cooperate with and participate in the Department’s
16 investigation; failure to respond to Notice to Comply.]

17 c. Violation of Business and Professions Code sections 26030, subdivision (a),
18 and 26160, subdivisions (a) through (e), and California Code of Regulations, title 4,
19 sections 15037, subdivision (a), 15044, subdivision (i), and 15047.2, subdivisions (b)
20 and (d) [Refuse or impede Department’s inspection.]

21 d. Violation of Business and Professions Code section 26030, subdivisions
22 (a) and (c), and California Code of Regulations, title 4, section 15000.1, subdivision
23 (c) [Failure to conduct only the commercial cannabis activity authorized by its
24 license on the licensed premises.]

25 e. Violation of Business and Professions Code section 26030, subdivisions
26 (a) and (c), and California Code of Regulations, title 4, section 15000.7, subdivision
27 (a) [Failure to store cannabis and cannabis products at the licensed premises.]
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ORDER

IT IS SO ORDERED that Cannabis Retailer Non-Storefront License No. C9-0000211-LIC, issued to Respondent MGCD Corp, is revoked.

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

This Decision shall become effective on June 8, 2026.

IT IS SO ORDERED, May 8, 2026.



Douglas Smurr
Assistant General Counsel
FOR THE DEPARTMENT OF CANNABIS CONTROL

Default Decision and Order - LIC.docx
DOJ Matter ID:SA2026800330

Attachment:
Exhibit A: Accusation

Exhibit A

Accusation

1 ROB BONTA
Attorney General of California
2 HARINDER K. KAPUR
Senior Assistant Attorney General
3 State Bar No. 198769
600 West Broadway, Suite 1800
4 San Diego, CA 92101
Telephone: (619) 738-9407
5 Facsimile: (916) 732-7920
E-mail: Harinder.Kapur@doj.ca.gov
6 *Attorneys for Complainant*

7
8 **BEFORE THE**
DEPARTMENT OF CANNABIS CONTROL
9 **STATE OF CALIFORNIA**

10
11 In the Matter of the Accusation Against:

Case No. DCC25-0000790-INV

12 **MGCD CORP**
KENNETH CORBEN, DRP
13 **499 EMBARCADERO SUITE Q**
OAKLAND, CA 94606

ACCUSATION

14 **Cannabis Retailer Non-Storefront**
15 **License No. C9-0000211-LIC**

16 Respondent.

17
18 Complainant alleges:

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 July 22, 2019, the Department issued Cannabis Retailer Non-Storefront
24 License No. C9-0000211-LIC to MGCD Corp (Respondent) with Kenneth Corben, Designated
25 Responsible Party (DRP) and an Owner (Owner Corben). The Cannabis Retailer Non-Storefront
26 License was in full force and effect at all times relevant to the charges brought herein and will
27 expire on July 21, 2026, unless renewed.

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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 January
4 30, 2026, and was effective the same day at 5:00 p.m. The EDO suspended Respondent’s license
5 and ordered Respondent to cease all commercial cannabis activity. The time to initiate
6 adjudicative proceedings is within 10 days after the issuance or effective date of the EDO, or in
7 this case by or on February 9, 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 (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
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,
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
consistent with the purposes and intent of the Control, Regulate and Tax Adult Use of
Marijuana Act.

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1 9. Section 26031 of the Code states:

2 (a) The department may suspend, revoke, place on probation with terms and
3 conditions, or otherwise discipline licenses issued by the department and fine a
4 licensee, after proper notice and hearing to the licensee, except as provided in Section
5 26031.01, if the licensee is found to have committed any of the acts or omissions
6 constituting grounds for disciplinary action. The disciplinary proceedings under this
chapter 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, and the director
shall have all the powers granted therein.

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

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

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

17 10. Section 26034 of the Code states:

18 All accusations against licensees shall be filed by the department within five
19 years after the performance of the act or omission alleged as the ground for
20 disciplinary action; provided, however, that the foregoing provision shall not
21 constitute a defense to an accusation alleging fraud or misrepresentation as a ground
22 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.

23 **STATUTORY PROVISIONS**

24 11. Section 26030 of the Code states:

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

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

...

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

3 ...

4 12. Section 26160 of the Code states:

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

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

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

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

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

21 (f) If a licensee, or an agent or employee of a licensee, fails to maintain or
22 provide the records required pursuant to this section, the licensee shall be subject to a
23 citation and fine of up to thirty thousand dollars (\$30,000) per individual violation.

24 **REGULATORY PROVISIONS**

25 13. Title 4 of the California Code of Regulations, section 15000.1, states in part:

26 ...

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

...

14. Title 4 of the California Code of Regulations, section 15000.3, states, in part:

...

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

1 the only access to one licensed premises is through another licensed premises, all licensees
2 shall be held responsible and subject to discipline.

3 . . .

4 15. Title 4 of the California Code of Regulations, section 15000.7, states, in part:

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

7 16. Title 4 of the California Code of Regulations, section 15037, states:

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

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

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

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

21 (4) Contracts regarding commercial cannabis activity.

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

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

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

27 (b) Records must be kept in a manner that allows the records to be produced for
28 the Department in either hard-copy or electronic form.

(c) Records must be legible and accurate. No person may intentionally
misrepresent or falsify records.

(d) Records must be stored in a secured area where the records are protected
from debris, moisture, contamination, hazardous waste, and theft.

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17. Title 4 of the California Code of Regulations, section 15044, states in part:

...

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

...

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

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

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

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

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

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

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

(1) Enter any premises licensed by the Department.

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

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

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

(b) Failure to cooperate with and participate in any Department investigation pending against the licensee may result in a licensing violation subject to discipline. This subsection shall not be construed to deprive a licensee of any privilege guaranteed by the Fifth Amendment to the Constitution of the United States, or any other constitutional or statutory privileges. This subsection shall not be construed to 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

1 licensee shall not be used against the licensee in a regulatory or disciplinary
2 proceeding against the licensee.

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

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

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

12 20. Title 4 of the California Code of Regulations, section 17801, states:

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

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

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

23 (d) The licensee shall sign and return the Notice to Comply and describe how
24 compliance was achieved within 30 calendar days after the date of personal service or
25 the date of emailing or mailing of the notice or a different date specified by the
26 Department. The Department may also require the licensee to provide a plan for
27 review and approval by the Department on a case-by-case basis.

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

COST RECOVERY

21. Section 26031.1 of the Code states:

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

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

1 (c) The administrative law judge shall make a proposed finding of the amount of
2 reasonable costs of investigation and prosecution of the case when requested pursuant
3 to subdivision (a). The finding of the administrative law judge with regard to costs
4 shall not be reviewable by the department to increase the cost award. The department
5 may reduce or eliminate the cost award, or remand to the administrative law judge if
6 the proposed decision fails to make a finding on costs requested pursuant to
7 subdivision (a).

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

12 (e) In any action for recovery of costs, proof of the department's decision shall
13 be conclusive proof of the validity of the order of payment and the terms for payment.

14 (f)(1) Except as provided in paragraph (2), the department shall not renew or
15 reinstate the license of any licensee who has failed to pay all of the costs ordered
16 under this section.

17 (2) Notwithstanding paragraph (1), the department may, in its discretion,
18 conditionally renew or reinstate for a maximum of one year the license of any
19 licensee who demonstrates financial hardship and who enters into a formal agreement
20 with the department to reimburse the department within that one-year period for the
21 unpaid costs.

22 (g) All costs recovered under this section shall be considered a reimbursement
23 for costs incurred and shall be deposited into the Cannabis Control Fund to be
24 available upon appropriation by the Legislature.

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

28 **FACTUAL ALLEGATIONS**

29 22. On April 1, 2025, Department staff reviewed Respondent's current cannabis
30 inventory as recorded in its California Cannabis Track and Trace (CCTT) account. Respondent's
31 CCTT account showed approximately 9,265 packages, containing approximately 830,038 units of
32 cannabis and cannabis products recorded in its inventory.

33 23. On April 1, 2025, Department staff went to Respondent's licensed premises to
34 conduct a regulatory compliance inspection. Department staff attempted to gain access to the
35 licensed premises by knocking on the door, but no one answered. Department staff attempted to
36 contact Owner Corben and Respondent's primary contact, D.V., at the phone number listed in
37 Department records. Department staff left a message which included identification, the reason for
38

1 the call, the intent to conduct a regulatory compliance inspection, and a request to access
2 Respondent's licensed premises. Department staff also called Respondent's other owner,
3 Jessie Grundy, at the number listed in Department's records but were unable to leave a message.¹
4 Department staff also sent an email to Owner Corben requesting access to the licensed premises
5 and copies of all invoices for cannabis goods purchased in the last 90 calendar days, and copies of
6 premises video surveillance footage from March 21 to 28, 2025, by close of business on
7 Thursday, April 3, 2025.

8 24. On April 8, 2025, Department staff issued a Notice to Comply (NTC) to Respondent
9 for failing to respond to the request to access the premises and provide records. Respondent was
10 asked to provide a response to the NTC by April 11, 2025.

11 25. On April 23, 2025, having received no response to the NTC from Respondent,
12 Department staff conducted a review of Respondent's CCTT account activity. Respondent's
13 CCTT account showed that Respondent had accepted an additional 5,100 packages of cannabis
14 and cannabis products since April 1, 2025, bringing its total active inventory to 14,365 packages
15 of cannabis and cannabis products. Department staff sent emails to Owner Corben, Owner
16 Grundy, and D.V. regarding the Department's prior attempts to contact Respondent, the request
17 for records, and the request for premises access. Later that same day, Department staff received
18 automated replies that the emails to Owner Grundy and D.V. could not be delivered.

19 26. On April 24, 2025, Department staff reviewed the contact information for all users
20 listed in Respondent's CCTT account and found an additional email address for Owner Corben,
21 two email addresses for J.E., who was listed as an active user, an email address for J.L., who was
22 listed as an account owner and manager, and an email address for M.T.V., who was listed as an
23 active user. Department staff emailed Owner Corben, J.E., J.L., and M.T.V., informing them of
24 the prior attempts to contact Respondent and request for premises and records access.
25 Department staff received an automated reply that the two emails to J.E. could not be delivered.

26 ///

27 ¹ Owners, as defined by Business and Professions Code section 26001, subdivision (av),
28 associated with Respondent are Kenneth Corben and Jessie Grundy.

1 27. On April 28, 2025, Department staff received a reply email from J.L. stating that he
2 was out of the state and unable to provide the Department with access to the licensed premises.
3 Department staff asked J.L. to arrange for someone to give the Department access to
4 Respondent's licensed premises by end of day on May 1, 2025. J.L. responded that he was
5 unable to facilitate the Department's access to the licensed premises until after May 14.

6 28. On April 30, 2025, Department staff reviewed Respondent's CCTT account activity
7 and found that Respondent's CCTT account had been accessed by Respondent's employees and
8 approximately 1225 packages of cannabis and cannabis products had been added to Respondent's
9 inventory from noon on April 24, 2025, to noon on April 30, 2025, bringing its total accepted
10 active inventory to 15,590 cannabis packages.

11 29. On July 9, 2025, after having received no further communications from anyone
12 associated with Respondent, Department staff went to Silveira & Sons Properties Inc. (S&S), the
13 property managers for Respondent's licensed premises. Department staff met with Property
14 Manager A.H. who informed Department staff that Respondent had not paid rent since January
15 2025, and eviction proceedings were being considered.

16 30. On July 24, 2025, Department staff reviewed Respondent's CCTT account activity,
17 and saw that Respondent had accepted 29,836 packages of cannabis and cannabis products, 5,495
18 of which were accepted since June 18, 2025, but had still not reported any new retail sales.

19 31. On August 20, 2025, Department staff received information from S&S that
20 Respondent and Owner Corben had been served with a Belief of Abandonment Notice on July 15,
21 2025, which expired on August 4, 2025. Owner Corben did not respond to the notice and S&S
22 took possession of the licensed premises.

23 32. On August 21, 2025, Department staff went to the licensed premises and were
24 granted access by Property Manager A.H. According to Respondent's CCTT account, there
25 should have been 36,987 packages of cannabis and cannabis products in inventory. Department
26 staff found that the licensed premises was completely empty with no business equipment, records,
27 cannabis, or cannabis products stored there. Later the same day, Respondent's CCTT account
28 reflected that Respondent accepted 5 additional transfers of cannabis products.

1 4, sections 15037, subdivision (a), 15044, subdivision (i), and 15047.2, subdivisions (b) and (d),
2 in that Respondent refused or impeded the Department's inspection(s) as more particularly
3 alleged in paragraphs 22 through 34, above, which are hereby incorporated by reference and
4 realleged as if fully set forth herein.

5 **FOURTH CAUSE FOR DISCIPLINE**

6 (General Requirement: Conduct Activity at Licensed Premises)

7 38. Respondent is further subject to disciplinary action under Code section 26030,
8 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15000.1, subdivision
9 (c), in that Respondent failed to conduct only the commercial cannabis activity authorized by its
10 license on the licensed premises as more particularly alleged in paragraphs 32 through 34, above,
11 which are hereby incorporated by reference and realleged as if fully set forth herein.

12 **FIFTH CAUSE FOR DISCIPLINE**

13 (Storage of Inventory)

14 39. Respondent is further subject to disciplinary action under Code section 26030,
15 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15000.7, subdivision
16 (a), in that Respondent failed to store cannabis and cannabis products at the licensed premises as
17 more particularly alleged in paragraphs 32 through 34, above, which are hereby incorporated by
18 reference and realleged as if fully set forth herein.

19 **PRAYER**

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

- 23 1. Revoking or suspending outright or suspending with terms and conditions or fining or
24 any combination thereof, the Cannabis Retailer Non-Storefront License Number
25 C9-0000211-LIC, issued to Respondent MGCD Corp, with Kenneth Corben, DRP;
- 26 2. Ordering Respondent MGCD Corp, with Kenneth Corben, DRP, to pay the
27 Department of Cannabis Control the reasonable costs of the investigation and enforcement of this
28 case, pursuant to Business and Professions Code section 26031.1;

1 3. Ordering the destruction of cannabis and cannabis goods in the possession of
2 Respondent MGCD Corp, with Kenneth Corben, DRP, at Respondent's expense, if revocation of
3 Cannabis Retailer Non-Storefront License Number C9-0000211-LIC is ordered, pursuant to
4 California Code of Regulations, title 4, section 15024.1, subdivision (a); and

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

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DATED: February 4, 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:

**MGCD CORP;
KENNETH CORBEN, DRP/OWNER
499 EMBARCADERO SUITE Q
OAKLAND, CA 94606**

**Cannabis Retailer Non-Storefront License
No. C9-0000211-LIC**

Respondent.

Case No. DCC25-0000790-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. DCC25-0000790, 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 MGCD Corp; Kenneth Corben, Designated Responsible Party/Owner Cannabis Retailer Non-Storefront License No. C9-0000211-LIC;

Exhibit 3: Certification of Costs by Department for Investigation in Case No. DCC25-0000790 dated April 20, 2026;

Exhibit 4: Certification of Costs by Department for Enforcement in Case No. DCC25-0000790 dated April 21, 2026;

Exhibit 5: Investigative Report (without attachments) [DCC25-0000790-INV]

Dated: April 27, 2026

Respectfully submitted,

ROB BONTA
Attorney General of California

Harinder Kapur

HARINDER K. KAPUR
Senior Assistant Attorney General
Attorneys for Complainant

Exhibit 1

Accusation No. DCC25-0000790
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 State Bar No. 198769
600 West Broadway, Suite 1800
4 San Diego, CA 92101
Telephone: (619) 738-9407
5 Facsimile: (916) 732-7920
E-mail: Harinder.Kapur@doj.ca.gov
6 *Attorneys for Complainant*

7
8 **BEFORE THE**
9 **DEPARTMENT OF CANNABIS CONTROL**
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

12 **MGCD CORP**
13 **KENNETH CORBEN, DESIGNATED**
RESPONSIBLE PARTY/OWNER

14 Respondent.

Case No. DCC25-0000790-INV

STATEMENT TO RESPONDENT

[Gov. Code §§ 11504, 11505(b)]

15
16 TO RESPONDENT:

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

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

25 The request for hearing may be made by delivering or mailing one of the enclosed forms
26 entitled "Notice of Defense," or by delivering or mailing a Notice of Defense as provided in
27 section 11506 of the Government Code, to:
28

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 Senior Assistant Attorney General
5 Harinder K. Kapur at the earliest opportunity.

6

7 Dated: February 5, 2026

ROB BONTA
Attorney General of California

8

Harinder Kapur

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10

HARINDER K. KAPUR
Senior Assistant 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 State Bar No. 198769
600 West Broadway, Suite 1800
4 San Diego, CA 92101
Telephone: (619) 738-9407
5 Facsimile: (916) 732-7920
E-mail: Harinder.Kapur@doj.ca.gov
6 *Attorneys for Complainant*

7
8 **BEFORE THE**
DEPARTMENT OF CANNABIS CONTROL
9 **STATE OF CALIFORNIA**

10
11 In the Matter of the Accusation Against:

Case No. DCC25-0000790-INV

12 **MGCD CORP**
KENNETH CORBEN, DRP
13 **499 EMBARCADERO SUITE Q**
OAKLAND, CA 94606

ACCUSATION

14 **Cannabis Retailer Non-Storefront**
15 **License No. C9-0000211-LIC**

16 Respondent.

17
18 Complainant alleges:

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 July 22, 2019, the Department issued Cannabis Retailer Non-Storefront
24 License No. C9-0000211-LIC to MGCD Corp (Respondent) with Kenneth Corben, Designated
25 Responsible Party (DRP) and an Owner (Owner Corben). The Cannabis Retailer Non-Storefront
26 License was in full force and effect at all times relevant to the charges brought herein and will
27 expire on July 21, 2026, unless renewed.

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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 January
4 30, 2026, and was effective the same day at 5:00 p.m. The EDO suspended Respondent’s license
5 and ordered Respondent to cease all commercial cannabis activity. The time to initiate
6 adjudicative proceedings is within 10 days after the issuance or effective date of the EDO, or in
7 this case by or on February 9, 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 (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.

27 ///

28 ///

1 9. Section 26031 of the Code states:

2 (a) The department may suspend, revoke, place on probation with terms and
3 conditions, or otherwise discipline licenses issued by the department and fine a
4 licensee, after proper notice and hearing to the licensee, except as provided in Section
5 26031.01, if the licensee is found to have committed any of the acts or omissions
6 constituting grounds for disciplinary action. The disciplinary proceedings under this
chapter 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, and the director
shall have all the powers granted therein.

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

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

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

17 10. Section 26034 of the Code states:

18 All accusations against licensees shall be filed by the department within five
19 years after the performance of the act or omission alleged as the ground for
disciplinary action; provided, however, that the foregoing provision shall not
20 constitute a defense to an accusation alleging fraud or misrepresentation as a ground
for disciplinary action. The cause for disciplinary action in that case shall not be
21 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
22 five years after that discovery.

23 **STATUTORY PROVISIONS**

24 11. Section 26030 of the Code states:

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

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

28 . . .

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

3 ...

4 12. Section 26160 of the Code states:

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

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

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

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

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

21 (f) If a licensee, or an agent or employee of a licensee, fails to maintain or
22 provide the records required pursuant to this section, the licensee shall be subject to a
23 citation and fine of up to thirty thousand dollars (\$30,000) per individual violation.

24 **REGULATORY PROVISIONS**

25 13. Title 4 of the California Code of Regulations, section 15000.1, states in part:

26 ...

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

...

14. Title 4 of the California Code of Regulations, section 15000.3, states, in part:

...

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

1 the only access to one licensed premises is through another licensed premises, all licensees
2 shall be held responsible and subject to discipline.

3 . . .

4 15. Title 4 of the California Code of Regulations, section 15000.7, states, in part:

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

7 16. Title 4 of the California Code of Regulations, section 15037, states:

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

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

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

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

21 (4) Contracts regarding commercial cannabis activity.

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

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

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

27 (b) Records must be kept in a manner that allows the records to be produced for
28 the Department in either hard-copy or electronic form.

(c) Records must be legible and accurate. No person may intentionally
misrepresent or falsify records.

(d) Records must be stored in a secured area where the records are protected
from debris, moisture, contamination, hazardous waste, and theft.

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1 17. Title 4 of the California Code of Regulations, section 15044, states in part:

2 . . .

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

6 . . .

7 18. Title 4 of the California Code of Regulations, section 15047.2, states:

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

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

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

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

18 19. Title 4 of the California Code of Regulations, section 17800, states:

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

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

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

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

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

(b) Failure to cooperate with and participate in any Department investigation
pending against the licensee may result in a licensing violation subject to discipline.
This subsection shall not be construed to deprive a licensee of any privilege
guaranteed by the Fifth Amendment to the Constitution of the United States, or any
other constitutional or statutory privileges. This subsection shall not be construed to
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

1 licensee shall not be used against the licensee in a regulatory or disciplinary
2 proceeding against the licensee.

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

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

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

12 20. Title 4 of the California Code of Regulations, section 17801, states:

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

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

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

23 (d) The licensee shall sign and return the Notice to Comply and describe how
24 compliance was achieved within 30 calendar days after the date of personal service or
25 the date of emailing or mailing of the notice or a different date specified by the
26 Department. The Department may also require the licensee to provide a plan for
27 review and approval by the Department on a case-by-case basis.

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

COST RECOVERY

21. Section 26031.1 of the Code states:

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

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

1 (c) The administrative law judge shall make a proposed finding of the amount of
2 reasonable costs of investigation and prosecution of the case when requested pursuant
3 to subdivision (a). The finding of the administrative law judge with regard to costs
4 shall not be reviewable by the department to increase the cost award. The department
5 may reduce or eliminate the cost award, or remand to the administrative law judge if
6 the proposed decision fails to make a finding on costs requested pursuant to
7 subdivision (a).

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

12 (e) In any action for recovery of costs, proof of the department's decision shall
13 be conclusive proof of the validity of the order of payment and the terms for payment.

14 (f)(1) Except as provided in paragraph (2), the department shall not renew or
15 reinstate the license of any licensee who has failed to pay all of the costs ordered
16 under this section.

17 (2) Notwithstanding paragraph (1), the department may, in its discretion,
18 conditionally renew or reinstate for a maximum of one year the license of any
19 licensee who demonstrates financial hardship and who enters into a formal agreement
20 with the department to reimburse the department within that one-year period for the
21 unpaid costs.

22 (g) All costs recovered under this section shall be considered a reimbursement
23 for costs incurred and shall be deposited into the Cannabis Control Fund to be
24 available upon appropriation by the Legislature.

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

28 **FACTUAL ALLEGATIONS**

29 22. On April 1, 2025, Department staff reviewed Respondent's current cannabis
30 inventory as recorded in its California Cannabis Track and Trace (CCTT) account. Respondent's
31 CCTT account showed approximately 9,265 packages, containing approximately 830,038 units of
32 cannabis and cannabis products recorded in its inventory.

33 23. On April 1, 2025, Department staff went to Respondent's licensed premises to
34 conduct a regulatory compliance inspection. Department staff attempted to gain access to the
35 licensed premises by knocking on the door, but no one answered. Department staff attempted to
36 contact Owner Corben and Respondent's primary contact, D.V., at the phone number listed in
37 Department records. Department staff left a message which included identification, the reason for
38

1 the call, the intent to conduct a regulatory compliance inspection, and a request to access
2 Respondent's licensed premises. Department staff also called Respondent's other owner,
3 Jessie Grundy, at the number listed in Department's records but were unable to leave a message.¹
4 Department staff also sent an email to Owner Corben requesting access to the licensed premises
5 and copies of all invoices for cannabis goods purchased in the last 90 calendar days, and copies of
6 premises video surveillance footage from March 21 to 28, 2025, by close of business on
7 Thursday, April 3, 2025.

8 24. On April 8, 2025, Department staff issued a Notice to Comply (NTC) to Respondent
9 for failing to respond to the request to access the premises and provide records. Respondent was
10 asked to provide a response to the NTC by April 11, 2025.

11 25. On April 23, 2025, having received no response to the NTC from Respondent,
12 Department staff conducted a review of Respondent's CCTT account activity. Respondent's
13 CCTT account showed that Respondent had accepted an additional 5,100 packages of cannabis
14 and cannabis products since April 1, 2025, bringing its total active inventory to 14,365 packages
15 of cannabis and cannabis products. Department staff sent emails to Owner Corben, Owner
16 Grundy, and D.V. regarding the Department's prior attempts to contact Respondent, the request
17 for records, and the request for premises access. Later that same day, Department staff received
18 automated replies that the emails to Owner Grundy and D.V. could not be delivered.

19 26. On April 24, 2025, Department staff reviewed the contact information for all users
20 listed in Respondent's CCTT account and found an additional email address for Owner Corben,
21 two email addresses for J.E., who was listed as an active user, an email address for J.L., who was
22 listed as an account owner and manager, and an email address for M.T.V., who was listed as an
23 active user. Department staff emailed Owner Corben, J.E., J.L., and M.T.V., informing them of
24 the prior attempts to contact Respondent and request for premises and records access.
25 Department staff received an automated reply that the two emails to J.E. could not be delivered.

26 ///

27 ¹ Owners, as defined by Business and Professions Code section 26001, subdivision (av),
28 associated with Respondent are Kenneth Corben and Jessie Grundy.

1 27. On April 28, 2025, Department staff received a reply email from J.L. stating that he
2 was out of the state and unable to provide the Department with access to the licensed premises.
3 Department staff asked J.L. to arrange for someone to give the Department access to
4 Respondent's licensed premises by end of day on May 1, 2025. J.L. responded that he was
5 unable to facilitate the Department's access to the licensed premises until after May 14.

6 28. On April 30, 2025, Department staff reviewed Respondent's CCTT account activity
7 and found that Respondent's CCTT account had been accessed by Respondent's employees and
8 approximately 1225 packages of cannabis and cannabis products had been added to Respondent's
9 inventory from noon on April 24, 2025, to noon on April 30, 2025, bringing its total accepted
10 active inventory to 15,590 cannabis packages.

11 29. On July 9, 2025, after having received no further communications from anyone
12 associated with Respondent, Department staff went to Silveira & Sons Properties Inc. (S&S), the
13 property managers for Respondent's licensed premises. Department staff met with Property
14 Manager A.H. who informed Department staff that Respondent had not paid rent since January
15 2025, and eviction proceedings were being considered.

16 30. On July 24, 2025, Department staff reviewed Respondent's CCTT account activity,
17 and saw that Respondent had accepted 29,836 packages of cannabis and cannabis products, 5,495
18 of which were accepted since June 18, 2025, but had still not reported any new retail sales.

19 31. On August 20, 2025, Department staff received information from S&S that
20 Respondent and Owner Corben had been served with a Belief of Abandonment Notice on July 15,
21 2025, which expired on August 4, 2025. Owner Corben did not respond to the notice and S&S
22 took possession of the licensed premises.

23 32. On August 21, 2025, Department staff went to the licensed premises and were
24 granted access by Property Manager A.H. According to Respondent's CCTT account, there
25 should have been 36,987 packages of cannabis and cannabis products in inventory. Department
26 staff found that the licensed premises was completely empty with no business equipment, records,
27 cannabis, or cannabis products stored there. Later the same day, Respondent's CCTT account
28 reflected that Respondent accepted 5 additional transfers of cannabis products.

1 4, sections 15037, subdivision (a), 15044, subdivision (i), and 15047.2, subdivisions (b) and (d),
2 in that Respondent refused or impeded the Department's inspection(s) as more particularly
3 alleged in paragraphs 22 through 34, above, which are hereby incorporated by reference and
4 realleged as if fully set forth herein.

5 **FOURTH CAUSE FOR DISCIPLINE**

6 (General Requirement: Conduct Activity at Licensed Premises)

7 38. Respondent is further subject to disciplinary action under Code section 26030,
8 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15000.1, subdivision
9 (c), in that Respondent failed to conduct only the commercial cannabis activity authorized by its
10 license on the licensed premises as more particularly alleged in paragraphs 32 through 34, above,
11 which are hereby incorporated by reference and realleged as if fully set forth herein.

12 **FIFTH CAUSE FOR DISCIPLINE**

13 (Storage of Inventory)

14 39. Respondent is further subject to disciplinary action under Code section 26030,
15 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15000.7, subdivision
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17 more particularly alleged in paragraphs 32 through 34, above, which are hereby incorporated by
18 reference and realleged as if fully set forth herein.

19 **PRAYER**

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

- 23 1. Revoking or suspending outright or suspending with terms and conditions or fining or
24 any combination thereof, the Cannabis Retailer Non-Storefront License Number
25 C9-0000211-LIC, issued to Respondent MGCD Corp, with Kenneth Corben, DRP;
- 26 2. Ordering Respondent MGCD Corp, with Kenneth Corben, DRP, to pay the
27 Department of Cannabis Control the reasonable costs of the investigation and enforcement of this
28 case, pursuant to Business and Professions Code section 26031.1;

1 3. Ordering the destruction of cannabis and cannabis goods in the possession of
2 Respondent MGCD Corp, with Kenneth Corben, DRP, at Respondent's expense, if revocation of
3 Cannabis Retailer Non-Storefront License Number C9-0000211-LIC is ordered, pursuant to
4 California Code of Regulations, title 4, section 15024.1, subdivision (a); and

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

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DATED: February 4, 2026

Evelyn Schaeffer

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

SA2026800330
CCS Accusation.docx

1 ROB BONTA
Attorney General of California
2 HARINDER K. KAPUR
Senior Assistant Attorney General
3 State Bar No. 198769
600 West Broadway, Suite 1800
4 San Diego, CA 92101
Telephone: (619) 738-9407
5 Facsimile: (916) 732-7920
E-mail: Harinder.Kapur@doj.ca.gov
6 *Attorneys for Complainant*

7
8 **BEFORE THE**
9 **DEPARTMENT OF CANNABIS CONTROL**
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. DCC25-0000790-INV

12 **MGCD CORP**
13 **KENNETH CORBEN, DESIGNATED**
RESPONSIBLE PARTY/OWNER

REQUEST FOR DISCOVERY

14 Respondent.

15
16 TO RESPONDENT:

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

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

23 1. Provide the names and addresses of witnesses to the extent known to the Respondent,
24 including, but not limited to, those intended to be called to testify at the hearing, and

25 2. Provide an opportunity for the Complainant to inspect and make a copy of any of the
26 following in the possession or custody or under control of the Respondent:

27 a. A statement of a person, other than the Respondent, named in the
28 initial administrative pleading, or in any additional pleading, when it is claimed that

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.

9

10 Dated: February 5, 2026

ROB BONTA
Attorney General of California

11

12

Harinder Kapur

13

HARINDER K. KAPUR
Senior Assistant 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:

**MGCD CORP
KENNETH CORBEN, DESIGNATED
RESPONSIBLE PARTY/OWNER,**

Respondent.

Case No. DCC25-0000790-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>.

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

In the Matter of the Accusation Against:

**MGCD CORP
KENNETH CORBEN, DESIGNATED
RESPONSIBLE PARTY/OWNER,**

Respondent.

Case No. DCC25-0000790-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>.

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**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 ELECTRONIC MAIL, CERTIFIED MAIL
AND FIRST CLASS MAIL** (Separate Mailings)

Case Name: **In the Matter of the Accusation against MGCD Corp**

No.: **DCC25-0000790-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. My electronic service address is Nellia.Amansec@doj.ca.gov. 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 5, 2026, I electronically served the attached **STATEMENT TO RESPONDENT; ACCUSATION; REQUEST FOR DISCOVERY; NOTICE OF DEFENSE (2 Copies); and GOVERNMENT CODE SECTION 11507.5, 11507.6 and 11507.7**; in addition I also served the attached documents 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 GOVERNMENT CODE SECTION 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 600 West Broadway, Suite 1800, San Diego, CA 92101, addressed as follows:

MGCD Corp
Kenneth Corben, Designated Responsible Party
499 Embarcadero Suite Q
Oakland, CA 94606

Certified Article Number
9414 7266 9904 2221 2353 58
SENDER'S RECORD

Kenneth Corben, DRP
1443 W. Anaheim Street
Long Beach, CA 90813
E-mail address: bccompliance@outlook.com
E-mail address: ken.d3d@gmail.com

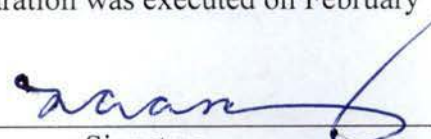
Certified Article Number
9414 7266 9904 2221 2353 65
SENDER'S RECORD

James Barclay, Agent
1443 W. Anaheim Street
Long Beach, CA 90813

Certified Article Number
9414 7266 9904 2221 2353 72
SENDER'S RECORD

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 5, 2026, at San Diego, California.

N. Amansec
Declarant



Signature

Exhibit 2

License History Certification for Respondent



Cannabis Retailer Nonstorefront License Adult-Use and Medicinal

Business Name:
MGCD CORP

MGCD CORP

License Number: C9-0000211-LIC
License Type: Retailer Nonstorefront
(Delivery)

The license authorizes MGCD CORP to engage in commercial cannabis Retail Nonstorefront (Delivery) 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.

Premises Address:
499 EMBARCADERO, SUITE Q
OAKLAND, CA 94606

Valid: 7/22/2019
Expires: 7/21/2026

Scan to verify this
license.



Non-Transferable

Post in Public View

Scan to verify this license.



Valid:

7/22/2019

Expires:

7/21/2026

License No:

C9-0000211-LIC

Legal Business Name:

MGCD CORP

MGCD CORP

Premises Address:

499 EMBARCADERO, SUITE Q
OAKLAND, CA 94606

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 C9-0000211-LIC.



Department of
Cannabis Control
CALIFORNIA

Exhibit 3

Certification of Investigation Costs

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

In the Matter of the Accusation Against:
**MGCD CORP;
KENNETH CORBEN, OWNER
499 Embarcadero, Suite #Q
Oakland, CA 94606**

**Non-Storefront Retail License
No. C11-0001142-LIC**

Respondent.

Case No. DCC25-0000790-INV

**DECLARATION OF TRAVIS WHITE
IN SUPPORT OF REQUEST TO
RECOVER INVESTIGATION AND
ENFORCEMENT COSTS**

13 I, Travis White, declare and certify as follows:
14 1. I am employed as a Supervising Special Investigator (SSI) I within the
15 Investigative Services Branch (ISB) of the Compliance Division of the Department of
16 Cannabis Control (Department) and have personal knowledge of the facts stated herein.
17 2. I have been designated as the Department representative to certify the costs of
18 investigation in this case pursuant to Business and Professions Code section 26031.1. I
19 make this certification in my official capacity as an SSI I and as a public employee pursuant
20 to Evidence Code section 664.
21 3. In addition to myself, the following list of (SI) Special Investigators were assigned to
22 the investigation of this case, which was opened by the Department's Compliance Division on
23 or about April 1, 2026: Denis Rakitskiy, SI; Isabel Sanchez, SI; Robert Topping, SI.
24 4. In my official capacity as an SSI I, I review the costs incurred by the Department's
25 ISB in its enforcement of the laws and regulations under the Department's jurisdiction and
26 certify that these costs were incurred by the Department. I am familiar with the time reporting
27 system of the Department's Compliance Division for the reasonable and necessary investigative
28 work performed on a particular case. It is the duty of supervising special investigators to keep

1 track of the time spent and to report that time in the Department's case management system at
2 or near the time of the tasks performed.

3 5. The summary of investigative and enforcement activities entitled MGCD CORP -
4 Certification of Cost Recovery was obtained from the Department's case management system
5 and includes the details of tasks performed by Special Investigators as maintained in the
6 Department's case management system. The costs related to investigative and enforcement
7 activity include field time, research and report writing, meetings, and use of state vehicles. I
8 hereby certify that the MGCD CORP - Certification of Cost Recovery, attached hereto and
9 herein incorporated by reference is a true and correct copy of the investigative and enforcement
10 activity for this case. The summary of investigative and enforcement activity encompasses the
11 total hours spent by the Department's ISB through April 9, 2026. The summary of investigative
12 and enforcement activities does not include tasks performed after this date.

13 6. I certify, pursuant to the provisions of the Business and Professions Code section
14 26031.1, that to the best of my knowledge the costs of investigative and enforcement services
15 set forth in this declaration are correct and were necessarily incurred in this case. The total
16 hours of investigative and enforcement activities by all assigned supervising or special
17 investigators and rates applicable to the above-entitled case are as follows:

18 a) Field Time:

19 Rate per hour: \$101.00 multiplied by 37 hours = \$3,737.00

20 b) Research and Report Writing:

21 Rate per hour: \$101.00 multiplied by 45 hours = \$4,545.00

22 c) Meetings:

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

24 d) Use of State Vehicles:

25 4 vehicles at \$.725 per mile multiplied by 496 miles = \$359.60

26 I declare under penalty of perjury under the laws of the State of California that the

27 ///

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1 foregoing is true and correct and that this declaration was executed in Sacramento County
2 on April 21, 2026.

3 White,
4 Travis@Cannabis

Digitally signed by White,
Travis@Cannabis
Date: 2026.04.21 09:33:04 -0700

5 TRAVIS WHITE
6 *Declarant*

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| | 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 SI, Rakitskiy | Denis | \$101.00 | 12 | 45 | 2 | 59 | \$5,959.00 |
| 3 | Assisting SSI, White | Travis | \$101.00 | 10 | | | 10 | \$1,010.00 |
| 4 | Assisting SI, Sanchez | Isabel | \$101.00 | 8 | | | 8 | \$808.00 |
| 5 | Assisting SI, Topping | Bob | \$101.00 | 7 | | | 7 | \$707.00 |
| 6 | Total Personnel Services | | | | | | | \$8,484.00 |
| 7 | | | | | | | | |
| 8 | Total Personnel Services and Operating Expense | | | | | | | \$8,794.00 |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 | Operating Expense | Count | Miles | @.625 per mile | | | | |
| 12 | State Vehicles | 4 | 496 | \$310.00 | Total Miles for Rakitskiy, Sanchez, White, and Topping | | | |
| 13 | Rental Vehicles | | | \$0.00 | | | | |
| 14 | U-Haul Rental | | | \$0.00 | | | | |
| 15 | U-Haul Gas | | | \$0.00 | | | | |
| 16 | Total Operating Expense | | | \$310.00 | | | | |

Exhibit 4

Certification of Enforcement Costs

1 ROB BONTA
Attorney General of California
2 HARINDER K. KAPUR
Senior Assistant Attorney General
3 State Bar No. 198769
600 West Broadway, Suite 1800
4 San Diego, CA 92101
Telephone: (619) 738-9407
5 Facsimile: (916) 732-7920
E-mail: Harinder.Kapur@doj.ca.gov
6 *Attorneys for Complainant*

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

10 In the Matter of the Accusation Against:

Case No. DCC25-0000790-INV

11 **MGCD CORP;**
12 **KENNETH CORBEN, DRP/OWNER**

CERTIFICATION OF
PROSECUTION COSTS:
DECLARATION OF HARINDER K.
KAPUR

13 Respondent.

14 Business and Professions Code section
26031.1]

15
16 I, HARINDER K. KAPUR, hereby declare and certify as follows:

17 1. I am a Senior Assistant Attorney General employed by the California Department of
18 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 2, 2026.

26 3. Our Office's computerized case management system reflects that the following
27 persons have also performed tasks related to this matter: Gregory Cribbs, Supervising Deputy
28

1 Attorney General; Helen Koh, Senior Legal Analyst; Harinder Kapur, Senior Assistant Attorney
2 General.

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

8 5. On April 21, 2026, I requested a billing summary for this case from the Accounting
9 Department of the DOJ. In response, on April 21, 2026, I received a document entitled "Matter
10 Time Activity by Professional Type." I hereby certify that the Matter Time Activity by
11 Professional Type, attached hereto as Exhibit A, and herein incorporated by reference, is a true
12 and correct copy of the billing summary for this matter that I received from the Accounting
13 Department. The summary includes the billing costs incurred by me, as well as other
14 professionals of the DOJ who worked on the matter; and sets forth the tasks undertaken, the
15 amount of time billed for the activity, and the billing rate by professional type. The billing
16 summary is comprehensive of the charges by the Office to the Department of Cannabis Control
17 through April 21, 2026. It does not include billing for tasks performed after April 21, 2026, up to
18 the date of hearing.

19 6. Based upon the time reported through April 21, 2026, as set forth in Exhibit A, DOJ
20 has billed the Department of Cannabis Control \$2,208.75 for the time spent working on the
21 above-entitled case.

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

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

Executed on April 27, 2026, in the City of San Diego, California.

Harinder Kapur

HARINDER K. KAPUR
Senior Assistant Attorney General
Declarant

SA2026800330

Exhibit A



Cost of Suit Summary

As of Apr 21, 2026

| | | | |
|----------------------------------|--------------------------|--------------------|------------|
| MatterID: SA2026800330 | Date Opened: Feb 2, 2026 | Total Legal Costs: | \$2,208.75 |
| Description: MGCD Corp (EDO/ACC) | | Cost of Suit: | \$0.00 |
| | | Grand Total: | \$2,208.75 |

Totals include WIP time.

| Rate | Hrs Wrkd | Amount |
|-------------------------------------|----------|----------------------|
| Matter Time Activity Summary | | |
| Attorney | | |
| <i>2025-2026</i> | | |
| \$228.00 | 5.25 | \$1,197.00 |
| Total For: | | 2025-2026 \$1,197.00 |
| Total for: | | Attorney \$1,197.00 |
| Paralegal | | |
| <i>2025-2026</i> | | |
| \$213.00 | 4.75 | \$1,011.75 |
| Total For: | | 2025-2026 \$1,011.75 |
| Total for: | | Paralegal \$1,011.75 |
| Total Legal Costs | | \$2,208.75 |

| 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 Apr 21, 2026

| Matter ID: SA2026800330 | | | | Date Opened: 02/02/2026 | | | | | |
|----------------------------------|---------|------------|--------|-------------------------|--------------|----------|------------|-------|----------------|
| Description: MGCD Corp (EDO/ACC) | | | | | | | | | |
| Professional Type: Attorney | | | | | | | | | |
| Fiscal Year: 2025 | | | | | | | | | |
| Professional: Harinder K. Kapur | | | | | | | | | |
| Trans # | Date | Section | Client | Task | Hours Worked | Rate | Amount | Adj ? | Statement Date |
| 803436970 | 2/2/26 | CV-CCS:290 | 02668 | Analysis/Strategy | 1.00 | \$228.00 | \$228.00 | | 2/28/26 |
| 803437617 | 2/3/26 | CV-CCS:290 | 02668 | Pleading Preparation | 3.50 | \$228.00 | \$798.00 | | 2/28/26 |
| 803439085 | 2/4/26 | CV-CCS:290 | 02668 | Case Management | 0.25 | \$228.00 | \$57.00 | | 2/28/26 |
| 803440558 | 2/5/26 | CV-CCS:290 | 02668 | Case Management | 0.25 | \$228.00 | \$57.00 | | 2/28/26 |
| 803482032 | 3/13/26 | CV-CCS:290 | 02668 | Case Management | 0.25 | \$228.00 | \$57.00 | | 3/31/26 |
| Harinder K. Kapur Totals: | | | | | 5.25 | | \$1,197.00 | | |
| 2025 Totals: | | | | | 5.25 | | \$1,197.00 | | |
| Attorney Totals: | | | | | 5.25 | | \$1,197.00 | | |



Matter Time Activity By Professional Type

As of Apr 21, 2026

| Matter ID: SA2026800330 | | | | Date Opened: 02/02/2026 | | | | | |
|----------------------------------|---------|------------|--------|-------------------------------|--------------|----------|------------|-------|----------------|
| Description: MGCD Corp (EDO/ACC) | | | | | | | | | |
| Professional Type: Paralegal | | | | | | | | | |
| Fiscal Year: 2025 | | | | | | | | | |
| Professional: Helen Koh | | | | | | | | | |
| Trans # | Date | Section | Client | Task | Hours Worked | Rate | Amount | Adj ? | Statement Date |
| 803435744 | 2/2/26 | CV-CCS:290 | 02668 | Case Management | 1.50 | \$213.00 | \$319.50 | | 2/28/26 |
| 803438709 | 2/4/26 | CV-CCS:290 | 02668 | Case Management | 0.50 | \$213.00 | \$106.50 | | 2/28/26 |
| 803482719 | 3/13/26 | CV-CCS:290 | 02668 | Case Management | 0.25 | \$213.00 | \$53.25 | | 3/31/26 |
| 803488521 | 3/18/26 | CV-CCS:290 | 02668 | Contract/Document Preparation | 1.75 | \$213.00 | \$372.75 | | 3/31/26 |
| 803513286 | 4/8/26 | CV-CCS:290 | 02668 | Case Management | 0.25 | \$213.00 | \$53.25 | | |
| 803521837 | 4/15/26 | CV-CCS:290 | 02668 | Case Management | 0.25 | \$213.00 | \$53.25 | | |
| 803529478 | 4/21/26 | CV-CCS:290 | 02668 | Contract/Document Preparation | 0.25 | \$213.00 | \$53.25 | | |
| Helen Koh Totals: | | | | | 4.75 | | \$1,011.75 | | |
| 2025 Totals: | | | | | 4.75 | | \$1,011.75 | | |
| Paralegal Totals: | | | | | 4.75 | | \$1,011.75 | | |
| SA2026800330 Totals: | | | | | 10.00 | | \$2,208.75 | | |

Exhibit 5

Investigative Report (without attachments)



INVESTIGATION REPORT



**Department of
Cannabis Control**
CALIFORNIA



CASE INFORMATION

| | |
|--|---|
| Case Number DCC25-0000790-INV | Date Received December 30, 2025 |
| License Number C9-0000211-LIC | Legal Business Name of Licensee or Unlicensed Party MGCD CORP |
| DBA MGCD CORP | Premises Address 499 Embarcadero, Suite# Q, Oakland, CA 94606 |
| Business Phone Number (562) 270-4285 | Author's Name Denis Rakitskiy |
| Date of Incident April 1, 2025 | Location of Incident 499 Embarcadero, Suite# Q, Oakland, CA 94606 |

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

| | |
|--|--------------------------------|
| Name (First, Middle, Last) Kenneth Corben | Title Business Owner |
| Address (include street, city, state, and zip code) 1443 W. Anaheim St, Long Beach, CA 90813 | |

| | |
|--|---------------------------------------|
| E-mail Address lbccompliance@outlook.com | Phone Number (562) 270-4285 |
|--|---------------------------------------|

Miscellaneous Information
Kenneth Corben – Business Owner / Designated Responsible Party– 1443 W. Anaheim St, Long Beach, CA 90813 – lbccompliance@outlook.com – (562) 270-4285

Jessie Grundy – Business Owner – 10003 Burr Street, Oakland, CA 94605 – Greenpeakz@gmail.com – (510) 409-1548

David Vasquez – Primary Contact (Removed August 2025) - 499 Embarcadero, Suite# Q, Oakland, CA 94606 - info@psvertical.com (562) 270-4285

SUMMARY

On April 1, 2025, I, Department of Cannabis Control (Department) Special Investigator (SI) Denis Rakitskiy, along with Department SI, Isabel Sanchez (Sanchez), and Department Supervising Special Investigator I, Travis White (White), attempted to conduct a regulatory compliance inspection of MGCD CORP (MGCD), C9-0000211-LIC, a licensed non-storefront retailer, located at 499 Embarcadero, Suite #Q, Oakland, CA 94606. We were unable to gain access to the premises and were unable to speak with Designated Responsible Party / Business Owner / Officer, Kenneth Corben, or Business Owner, Jessie Grundy.

Between April 2, 2025 and August 20, 2025, I discovered MGCD was actively engaged in commercial cannabis activity while denying the Department access to its licensed premises and business records, had not recorded a retail sale transaction since April 4, 2024, but has accepted more than 1,000 inbound transfers containing approximately 30,000 packages of cannabis or cannabis products, which could not physically fit into its 111 square foot licensed premises. MGCD's reported inventory in its California Cannabis Trace and Trace (CCTT) account also indicated that MGCD is in possession of and failed to dispose of adulterated recalled cannabis and cannabis products.

On August 21, 2025, I was granted access to MGCD's licensed retail premises by the owner of property after



INVESTIGATION REPORT

MGCD was evicted due to lease abandonment. I inspected the premises and discovered the premises was vacant and no cannabis, cannabis products, business records or equipment were stored inside. From September 10, 2025, to the date of this report, MGCD has reported accepting an additional 591 inbound transfers, containing 24,391 packages of cannabis and cannabis products into its CCTT inventory, despite no longer having access to its licensed premises.

BACKGROUND

CASE NARRATIVE

On April 1, 2025, at approximately 1045 hours, I, along with Sanchez, and White, visited MGCD, license number C9-0000211-LIC, located at 499 Embarcadero, Suite #Q, Oakland, CA 94606, to conduct a regulatory compliance inspection. MGCD is a licensed retailer, authorized to engage in non-storefront retail operations.

Upon arrival, I reviewed MGCD's CCTT sales reporting history up to the current date, including retail sales receipts (**Attachment A**), sales delivery manifests (**Attachment B**), and retail delivery ledgers (**Attachment C**), as reported in MGCD's CCTT account, and discovered MGCD last reported a retail sale on April 4, 2024.

I then conducted a review of MGCD's current cannabis inventory recorded in its CCTT account. During my review I discovered that MGCD had 9,265 packages of cannabis and cannabis products recorded in its CCTT inventory, 9,264 of which were generated and accepted after April 4, 2024. (**Attachment D**)

The 9,265 active packages of cannabis and cannabis products listed in MGCD's CCTT inventory consisted of the following approximate amounts:

| Cannabis and Cannabis Product | Quantity |
|-------------------------------|---------------|
| Packaged Cannabis Flower | 42,829 Units |
| Packaged Cannabis Shake | 424 Units |
| Cannabis Edibles | 33,336 Units |
| Cannabis Concentrates | 31,655 Units |
| Cannabis Pre-rolls | 405,271 Units |
| Cannabis Vape Cartridges | 316,523 Units |

I also reviewed MGCD's current, approved premises diagram in the Department's licensing records. Per the diagram, MGCD's premises has a total area of 111 square feet and consists of a single room, housing a "Loading/Unloading of Shipments" area, an "Order Packing" area, a "Customer Sales" area, an "NVR" area, and a "Products & Records Storage" area. The premises diagram does not specify the size of the Products & Records Storage area, but indicates it consists of a very small portion of the room. Based upon my four years of experience inspecting commercial cannabis premises, the inventory of cannabis and cannabis products recorded in MGCD's CCTT account would not likely fit into a total area of 111 square foot space and would definitely not fit into the small portion of the space designated as the Products & Records Storage area on the premises diagram. (**Attachment E**)

We attempted to gain access to the premises, but nobody answered the door. I reviewed the contact information for MGCD in the Department's licensing records and discovered that Primary Contact, David Vasquez (Vasquez) and Business Owner / Designated Responsible Party (DRP) / Officer, Kenneth Corben (Corben), list the same contact phone number (562) 270-4285, and a separate contact phone number, (510) 409-1548, for



INVESTIGATION REPORT

Business Owner, Jessie Grundy (Grundy). (NOTE: Vasquez was removed as MGCD's Primary Contact in August 2025, when the Department changed licensing system contact types. The role was assumed by Corben as designated as DRP.) **(Attachment F)**

I called the number for Corben and Vasquez and left a message requesting access to the premises. I also attempted to call Grundy, but was greeted with a message indicating the number subscriber is not available and no option was offered to leave a voicemail.

At 1108 hours, I sent an email to Corben, at lbccompliance@outlook.com, the email address provided in the Department's records, advised Corben of our intention to conduct a premises inspection and requested he arrange for someone to grant us access. In the same email, I also requested Corben provide me copies of all invoices for cannabis goods purchased in the last 90 calendar days, and copies of premises video surveillance footage from March 21, 2025 – March 28, 2025, by close of business on Thursday, April 3, 2025. **(Attachment G)**

White, Sanchez and I discovered a sign posted on the entrance door of the building containing MGCD's premises, which stated the property is managed by Silveira & Sons Properties Inc. (S&S), which is located across the premises' parking lot, at 499 Embarcadero East, Oakland, CA 94606. We visited S&S and met with an individual who introduced herself as Property Manager, Amanda Hernandez (Hernandez) and who gave me her business card. **(Attachment H)**

Hernandez verbally stated that Corben holds an active lease at 499 Embarcadero, Suite #Q, Oakland, CA 94606.

Hernandez also granted us access to the common area of 499 Embarcadero, Oakland, CA 94606. From the common area, we located Suite Q and knocked on the door, but did not receive a response.

At approximately 1200 hours, we departed from 499 Embarcadero, Oakland, CA 94606.

On April 8, 2025, I had not received any reply from MGCD.

Later the same day, I issued a Notice to Comply (NTC) to MGCD, which cited violations of California Code of Regulations, section 17800 for failure to provide access to its premises and books and records and which required a reply to achieve compliance by April 11, 2025. **(Attachment I)**

On April 23, 2025, I had not received any reply from MGCD to my requests or the NTC.

Later the same day, I conducted a follow-up review of MGCD's CCTT activity. During my review, I discovered MGCD had accepted an additional 5,100 packages of cannabis and cannabis products since my previous review on April 1, 2025, bringing its total active inventory to 14,365 packages. **(Attachment J)**

Later the same day, I reviewed the Department's licensing records for additional contact information for MGCD. I discovered email addresses Greenpeakz@gmail.com for Grundy, lbccompliance@outlook.com for Corben, and info@psvertical.com for Vasquez (See Attachment F). I sent an email to the noted addresses informing the recipients of my prior contact attempts and request for premises and records access, and reiterated my request for access. **(Attachment K)**

Later the same day, I received an automated reply stating my email to info@psvertical.com and Greenpeakz@gmail.com could not be delivered. **(Attachment L)**

On April 24, 2025, I reviewed the contact information for all users listed in MGCD's CCTT account and discovered the following additional addresses: ken.d3d@gmail.com for Corben, listed as an account Owner and Administrator, Jessica@psvertical.com and jessica@pacificshielddistribution.com for Jessica Ellington (Ellington), listed as an active user, jamescollective@outlook.com for James Lang (Lang), listed as an account



INVESTIGATION REPORT

owner and manager, and mgcd.adm@yahoo.com for Miguel Torres Villegas (Torres Villegas), listed an active user. **(Attachment M)**

Later the same day, I sent an email to all 5 above-noted email addresses informing the recipients of my prior contact attempts and request for premises and records access. **(Attachment N)**

Later the same day, I received an automated reply stating my email to Jessica@psvertical.com and jessica@pacificshielddistribution.com could not be delivered. **(Attachment O)**

On April 28, 2025, I received an email from Lang, jamescollective@outlook.com, stating he is out of the state and is unable to provide me access to the premises. **(Attachment P)**

On April 29, 2025, I replied to Lang, notified him of Right of Access regulations and requested he arrange for someone to grant me access to MGCD's premises by end of day on May 1, 2025.

Lang replied later the same day and indicated he is unable to facilitate access to the premises until after May 14. **(Attachment Q)**

On April 30, 2025, I conducted a review of MGCD's CCTT activity and discovered that multiple MGCD employees have been actively accessing MGCD's CCTT account **(Attachment R)** and accepted approximately 1225 additional packages of cannabis and cannabis products from noon on April 24, 2025, to noon on April 30, 2025, bringing its total accepted active inventory to 15,590. **(Attachment S)** This data indicates MGCD was actively engaging in commercial cannabis activity while denying the Department access to its licensed premises.

On June 18, 2025, the Department issued a notice of voluntary recall of "Rove Ice Pack" infused pre-roll product due to the presence of *Aspergillus flavus* and *Aspergillus Niger*, contaminants which can cause significant respiratory harm to consumers. MGCD was listed as one of the retailers in possession of the recalled product. **(Attachment T)**

Later the same day, I conducted a review of MGCD's reported CCTT inventory and discovered that MGCD had received 2 packages of "Rove Ice Pack" infused pre-roll, UID 1A4060300007667000456985 and 1A4060300007667000456993, on April 4, 2025, totaling 40 units of the recalled cannabis product. **(Attachment U)**

I also discovered MGCD is in possession of 24,341 packages of cannabis and cannabis products, of which 8,751 were accepted since April 30, 2025. **(Attachment V)**

I also reviewed MGCD's reported sales activity in CCTT and discovered MGCD had not reported any new retail sales.

On July 9, 2025, I had not received any further communication from MGCD.

Later the same day, I visited S&S, accompanied by DCC SI Steven Rodriguez. At S&S, I met with Hernandez and asked her for the status of MGCD's lease for 499 Embarcadero, Suite# Q, Oakland, CA 94606. Hernandez stated Corben, the lease holder, has not paid the rent since January 2025 and S&S was preparing to forward the matter to their eviction attorney.

Later the same day, I sent an email to Hernandez requesting she confirm the same information she verbally shared with me earlier the same day. **(Attachment W)**

On July 10, 2025, I received an email from Hernandez confirming the same information she shared with me the prior day. **(Attachment X)**

On July 24, 2025, I conducted a follow-up review of MGCD's reported CCTT activity, during which I discovered



INVESTIGATION REPORT

MGCD had accepted 29,836 packages of cannabis and cannabis products, 5,495 of which were accepted since June 18, 2025, but had still not reported any new retail sales. **(Attachment Y)**

Based on my knowledge of size and volume of cannabis and cannabis product packages and four years of experience inspecting commercial cannabis premises, reviewing and physically handling cannabis and cannabis products, MGCD's inventory of 29,836 packages of cannabis and cannabis products reported in MGCD's CCTT account would not fit into its 111 square foot space.

MGCD has also not reported disposal or any other action with the 40 units of recalled "Rove Ice Pack" infused pre-rolls, which if sold or otherwise distributed, could harm up to 40 individual consumers.

On August 20, 2025, I emailed Hernandez and requested an update on the status of MGCD's lease to 499 Embarcadero, Suite# Q, Oakland, CA 94606. Hernandez replied and stated: "We served a belief of abandonment notice on 7/15/2025, which expired on 8/4/2025. He never responded to the notice, so we took back possession of the unit." Hernandez also agreed to grant me access to the premises the following day to conduct an inspection. **(Attachment Z)**

On August 21, 2025, at 1045 hours, Department SI, Bob Topping (Topping), and I visited 499 Embarcadero, Oakland, CA 94606. Upon arrival, I reviewed MGCD's CCTT inventory and discovered MGCD has accepted and should be in possession of 36,987 packages of cannabis and cannabis products. **(Attachment AA)**

We then met with Hernandez, who granted us access to 499 Embarcadero, Suite# Q, Oakland, CA 94606, for the purpose of a regulatory compliance inspection. During the inspection, I discovered the premises was completely empty with no business equipment, records, cannabis, or cannabis products stored inside. I photographed the empty premises, and we departed at approximately 1105 hours. **(Attachment AB)**

Later the same day, I conducted a review of MGCD's CCTT activity and discovered MGCD accepted 5 additional transfers of cannabis products after Topping and I departed from its vacant licensed premises. **(Attachment AC)**

On September 9, 2025, I conducted a follow-up review of MGCD's CCTT inbound transfer activity and discovered it accepted an additional 221 transfers of cannabis and cannabis products after I inspected its vacant premises on August 21, 2025, to which it no longer had access. **(Attachment AD)**

I then reviewed MGCD's CCTT inventory and discovered MGCD has accepted and should be in possession of 45,543 packages of cannabis and cannabis products. **(Attachment AE)**

Because MGCD did not allow Department representatives access to inspect its licensed retail premises, the Department was unable to determine if any of the 29,836 cannabis and cannabis product packages reported in its inventory prior to vacating its premises were still in MGCD's possession or had been sold to retail customers, and whether any potential sales complied with regulations.

Furthermore, because MGCD's storage conditions and methods could not be established, and MGCD has not provided any information indicating the recalled "Rove Ice Pack" infused pre-rolls, known to be contaminated with *Aspergillus flavus* and *Aspergillus Niger*, have been quarantined and not stored with the remainder of its inventory, the Department cannot establish that remaining inventory has not been contaminated with *Aspergillus flavus* and *Aspergillus Niger*.

From September 10, 2025, to the date of this report, MGCD has reported accepting an additional 591 inbound transfers, containing 24,391 packages of cannabis and cannabis products into its CCTT inventory, despite no longer having access to its licensed premises. **(Attachment AF)**



INVESTIGATION REPORT

WITNESS LIST

Witness #1

- Name: Denis Rakitskiy
- Title/Position: Department Special Investigator
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 215-7620
- E-mail: denis.rakitskiy@cannabis.ca.gov
- Miscellaneous information: Lead investigator

Witness #2

- Name: Travis White
- Title/Position: Department Supervising Special Investigator I
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 693-3044
- E-mail: travis.white@cannabis.ca.gov
- Miscellaneous information: Present during the attempted inspection of 499 Embarcadero, Suite # Q, Oakland, CA 94606, on April 1, 2025.

Witness #3

- Name: Isabel Sanchez
- Title/Position: Department Special Investigator
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 584-4537
- E-mail: Isabel.sanchez@cannabis.ca.gov
- Miscellaneous information: Present during the attempted inspection of 499 Embarcadero, Suite # Q, Oakland, CA 94606, on April 1, 2025.

Witness #4

- Name: Steven Rodriquez
- Title/Position: Department Special Investigator
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 759-4297
- E-mail: Steven.Rodriquez@cannabis.ca.gov
- Miscellaneous information: Present during conversation with Hernandez on July 9, 2025.

Witness #5

- Name: Bob Topping
- Title/Position: Department Special Investigator
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 251-4637
- E-mail: Bob.Topping@cannabis.ca.gov
- Miscellaneous information: Present during the inspection of 499 Embarcadero, Suite # Q, Oakland, CA 94606, on August 21, 2025.

Witness #6

- Name: Amanda Hernandez
- Title/Position: Property Manager at Silveira & Sons Properties Inc.
- Address: 499 Embarcadero East, Oakland, CA 94606
- Phone: (510) 834-9810
- E-mail: amanda@silveiraco.com
- Miscellaneous information: Provided property occupancy information



INVESTIGATION REPORT

PREPARER

| | |
|---|--|
| Name | Title |
| Denis Rakitskiy | Special Investigator |
| Signature Rakitskiy, Denis@Cannabis | Date Digitally signed by Rakitskiy, Denis@Cannabis Date: 2026.01.07 15:01:42 -08'00' |

REVIEWER

| | |
|--|---|
| Name | Title |
| Travis White | Supervising Special Investigator |
| Signature White, Travis@Cannabis | Date Digitally signed by White, Travis@Cannabis Date: 2026.01.07 12:16:43 -08'00' |

LIST OF ATTACHMENTS

- A. MGCD's Retail Sales Receipts
- B. MGCD's Sales Delivery manifests
- C. MGCD's Retail Delivery Ledgers
- D. MGCD's active CCTT inventory up to April 1, 2025
- E. MGCD's premises diagram
- F. Ownership / Contact Information and Contact Type Change
- G. Email to Corben, dated April 1, 2025, requesting premises and records access
- H. Copy of Amanda Hernandez' business card
- I. Copy of NTC to MGCD and Proof of Service Documents
- J. MGCD's active CCTT inventory accepted between April 2 – April 23, 2025
- K. Copy of additional email sent to Corben, Grundy and Vasquez, dated April 23, 2025
- L. Copies of email delivery error notices, dated April 23, 2025
- M. METRC User Screenshot
- N. Copy of additional email sent to Corben, Ellington, Lang and Torres Villegas, dated April 24, 2025
- O. Copies of email delivery error notices, dated April 24, 2025
- P. Email from Lang dated April 28, 2025.
- Q. Email correspondence with Lang on April 29, 2025.
- R. MGCD's CCTT log in history
- S. MGCD's package acceptance activity.
- T. "Rove Ice Pack" infused pre-roll recall information.
- U. CCTT Screenshot showing "Rove Ice Pack" infused pre-roll in MGCD's inventory.
- V. MGCD's active CCTT inventory accepted as of June 18, 2025.
- W. Email to Hernandez, dated July 9, 2025.
- X. Email from Hernandez, dated July 10, 2025.
- Y. MGCD's active CCTT inventory accepted as of July 24, 2025.
- Z. Email correspondence with Hernandez, on August 20, 2025.
- AA. MGCD's CCTT package inventory as of 1030 hours on August 21, 2025.
- AB. Photos of MGCD's vacant premises at 1100 hours on August 21, 2025.
- AC. MGCD's additional accepted CCTT inbound transfers as of August 21, 2025.
- AD. MGCD's accepted CCTT inbound transfers from August 21, 2025, to September 9, 2025.
- AE. MGCD's CCTT package inventory as of 1030 hours on September 9, 2025.
- AF. MGCD's additional accepted CCTT inbound transfers as of December 30, 2025.

PROOF OF SERVICE

Case Name: In the Matter of the Accusation Against: MGCD Corp
DCC Case No. DCC25-0000790-INV
License No. C9-0000211-LIC, Retailer Non-Storefront

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 May 8, 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.

MGCD Corp
Kenneth Corben, DRP/Owner
499 Embarcadero, Ste. Q
Oakland, CA 94606
Certified Mail No. 7022 1670 0001 3411 8085
lbccompliance@outlook.com
ken.d3d@gmail.com

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

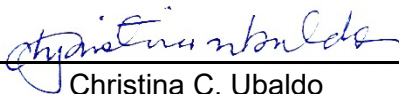
James Barclay, Agent
MGCD Corp
1443 W Anaheim St.
Long Beach, CA 90813
Certified Mail No. 7022 1670 0001 3411 8092
jamescollective@outlook.com

Harinder K. Kapur (email only)
Senior Assistant Attorney General
Cannabis Control Section
Office of Attorney General
Harinder.Kapur@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 May 8, 2026, at Rancho Cordova, California.


Christina C. Ubaldo