



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

Clint Kellum
Director

May 21, 2026

VIA EMAIL AND CERTIFIED MAIL

The Burke Group
Lucas Stickney, DRP/Owner
Andrea Wilson, Owner
1500 Burke Ave., Unit A
San Francisco, CA 94124
luke@burkeextracts.com
awilson@burkeextracts.com

Scott Candell, Agent
The Burke Group
4040 Civic Center Dr.
San Rafael, CA 94903

Re: The Burke Group - Case No. DCC24-0001979-INV
Default Decision and Order

Dear Messrs. Stickney and Candell, and Ms. Wilson:

Pursuant to the Department of Cannabis Control's authority under Government Code section 11520, the Department finds Respondent The Burke Group 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 The Burke Group will become effective on June 22, 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:

**THE BURKE GROUP; LUCAS
STICKNEY, DRP/OWNER
1500 Burke Avenue, Unit #A
San Francisco, CA 94124**

**Cannabis Distributor License
No. C11-0000990-LIC**

**Cannabis Manufacturer - Type 6 License
No. DCC-10003207**

Respondent.

Case No. DCC24-0001979-INV

DEFAULT DECISION AND ORDER

[Gov. Code, §11520]

FINDINGS OF FACT

1. On or about February 11, 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. DCC24-0001979-INV against The Burke Group, with Lucas Stickney as Designated Responsible Party and Owner (Owner) before the Department of Cannabis Control. (Accusation is attached as Exhibit A.)

2. On or about August 14, 2019, the Department of Cannabis Control (Department) issued Cannabis Distributor License No. C11-0000990-LIC to Respondent. The Cannabis Distributor License was in full force and effect at all times relevant to the charges brought in Accusation No. DCC24-0001979-INV and will expire on August 13, 2026, unless renewed.

1 3. On or about May 16, 2019, the Department issued Cannabis Manufacturer - Type 6
2 License No. DCC-10003207 to Respondent. The Cannabis Manufacturer - Type 6 License was in
3 full force and effect at all times relevant to the charges brought in Accusation No. DCC24-
4 0001979-INV and will expire on May 16, 2026, unless renewed.

5 4. On or about February 11, 2026, Respondent was served by Certified and First Class
6 Mail copies of the Accusation No. DCC24-0001979-INV, Statement to Respondent, Notice of
7 Defense, Request for Discovery and Discovery Statutes (Government Code sections 11507.5,
8 11507.6, and 11507.7) at Respondent's address of record which, pursuant to California Code of
9 Regulations, title 4, section 15002, is required to be reported and maintained with the
10 Department. Respondent's address of record was and is: 1500 Burke Avenue, Unit #A, San
11 Francisco, CA 94124.

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

14 6. Government Code section 11506(c) states, in pertinent part:

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

20 7. The Department takes official notice of its records and the fact that Respondent failed
21 to file a Notice of Defense within 15 days after service upon them of the Accusation, and
22 therefore waived its right to a hearing on the merits of Accusation No. DCC24-0001979-INV.

23 8. California Government Code section 11520(a) states, in pertinent part:

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

28 9. Pursuant to its authority under Government Code section 11520, the Department finds
Respondent is in default. The Department will take action without further hearing and, based on
the relevant evidence contained in the Default Decision Investigatory Evidence Packet in this

1 matter, finds that the charges and allegations in Accusation No. DCC24-0001979-INV, are
2 separately and severally, found to be true and correct by clear and convincing evidence.

3 10. The Department finds that the actual costs for Investigation and Enforcement are
4 \$15,686.75 as of April 9, 2026.

5 **DETERMINATION OF ISSUES**

6 1. Based on the foregoing findings of fact, Respondent The Burke Group has subjected
7 its Cannabis Distributor License No. C11-0000990-LIC, as well as Cannabis Manufacturer -
8 Type 6 License No. DCC-10003207, to discipline.

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

10 3. The Department of Cannabis Control is authorized to revoke Respondent's Cannabis
11 Distributor and Manufacturer Licenses based upon the following violations alleged in the
12 Accusation which are supported by the evidence contained in the Default Decision Investigatory
13 Evidence Packet in this case:

- 14 a. Violation of Business and Professions Code section 26030, subdivisions
15 (a) and (c), and California Code of Regulations, title 4, section 15044, subdivision (c)
16 [Failure to maintain a video surveillance system.]
- 17 b. Violation of Business and Professions Code section 26030, subdivisions
18 (a) and (c), and California Code of Regulations, title 4, section 15047.2 [Knowingly
19 recording false information regarding its commercial cannabis activities within its
20 California Cannabis Track and Trace (CCTT) account.]
- 21 c. Violation of Business and Professions Code section 26030, subdivisions
22 (a) and (c), and California Code of Regulations, title 4, section 15049 [Failure to
23 record its commercial cannabis activities in the track and trace system within 24
24 hours of occurrence.]
- 25 d. Violation of Business and Professions Code section 26030, subdivisions
26 (a) and (c), and California Code of Regulations, title 4, section 15051 [Failure to
27 review the information recorded in its CCTT account at least once every 30 calendar
28 days to ensure its accuracy, including reconciling on-hand inventory of cannabis and

1 cannabis product with records in the CCTT system or reporting any discrepancies
2 between the licensee's on-hand inventory and CCTT system to the Department.]

- 3 e. Violation of Business and Professions Code section 26030, subdivisions
4 (a) and (c), and California Code of Regulations, title 4, section 15309 [Failure to
5 account for all inventory and provide that information to the Department upon
6 request.]
- 7 f. Violation of Business and Professions Code section 26030, subdivisions
8 (a) and (c), and California Code of Regulations, title 4, section 15311, subdivision (a)
9 [Failure to ensure that the transport of cannabis goods was conducted by persons
10 holding a distributor license or employees of those persons.]
- 11 g. Violation of Business and Professions Code section 26030, subdivisions
12 (a) and (c), and California Code of Regulations, title 4, section 15049.2 [Transport of
13 cannabis and cannabis products to a licensee that no longer had access to its premises,
14 using incomplete; falsification of shipping manifests.]
- 15 h. Violation of Business and Professions Code section 26030, subdivisions
16 (a) and (c), and California Code of Regulations, title 4, section 15313, subdivision (b)
17 [Failure to ensure that only a licensee, or an employee of a licensee was in a vehicle
18 during the transport of cannabis and cannabis products.]
- 19 i. Violation of Business and Professions Code sections 26030, subdivisions (a) and (c),
20 and 26054, subdivision (a), and California Code of Regulations, title 4, section
21 17117, subdivision (a) [Manufacture, preparation, packaging, labeling, and sale of
22 nicotine-containing products at the licensed premises.]
- 23 j. Violation of Business and Professions Code section 26030, subdivisions (a) and (c),
24 and California Code of Regulations, title 4, sections 15040, subdivision (a)(3)(B), and
25 17408, subdivision (a)(2) [Failure to comply with labeling restrictions.]
- 26 k. Violation of Business and Professions Code section 26030, subdivisions (a) and (c),
27 and California Code of Regulations, title 4, section 17801, subdivision (d), [Failure to
28 respond to the Notice to Comply issued by the Department.]

- 1 l. Violation of Business and Professions Code sections 26030, subdivision (a) and
2 26039.5, subdivisions (a)(3) and (b) [Misbranded cannabis products.]
- 3 m. Violation of Business and Professions Code sections 26030, subdivision (a) and
4 26160 [Failure to provide records to the Department upon request.]
- 5 n. Violation of Business and Professions Code sections 26030, subdivision (a), 26055,
6 subdivision (g)(2)(c), and 26200 [Failure to comply with local ordinances and
7 permitting requirements.]
- 8 o. Violation of Business and Professions Code sections 26030, subdivision (d), and
9 26057, subdivision, (b)(8), in that Respondent failed to comply with state law
10 related to the payment of taxes as required under the Revenue and Taxation Code,
11 including the failure to pay outstanding cannabis taxes and to maintain a California
12 Department of Tax and Fee Administration issued seller's permit.]

13 **ORDER**

14 IT IS SO ORDERED that Cannabis Distributor License No. C11-0000990-LIC and
15 Cannabis Manufacturer - Type 6 License No. DCC-10003207, issued to Respondent The Burke
16 Group, are revoked.

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

21 This Decision shall become effective on June 22, 2026.

22 IT IS SO ORDERED, May 21, 2026.

23 
24 _____
25 Douglas Smurr
26 Assistant General Counsel
27 FOR THE DEPARTMENT OF CANNABIS CONTROL

26 Default Decision and Order - LIC.docx
27 DOJ Matter ID:SA2026800347

28 Attachment:
Exhibit A: Accusation

Exhibit A

Accusation

(THE BURKE GROUP; LUCAS STICKNEY, DRP/OWNER)

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2 GREGORY M. CRIBBS
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7 *Attorneys for Complainant*

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

11 In the Matter of the Accusation Against:

Case No. DCC24-0001979-INV

12 **THE BURKE GROUP**
13 **LUCAS STICKNEY, DRP/OWNER**
14 **1500 Burke Avenue, Unit #A**
San Francisco, CA 94124

ACCUSATION

15 **Cannabis Distributor License**
16 **No. C11-0000990-LIC**

17 **Cannabis Manufacturer - Type 6 License**
18 **No. DCC-10003207**

Respondent.

19
20 **PARTIES**

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

24 2. On or about August 14, 2019, the Department issued Cannabis Distributor License
25 No. C11-0000990-LIC to The Burke Group (Respondent) with Lucas Stickney, Designated
26 Responsible Party and Owner (Owner Stickney). The Cannabis Distributor License was in full
27 force and effect at all times relevant to the charges brought herein and will expire on August 13,
28 2026, unless renewed.

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

3 (d) Failure to comply with any state law including, but not limited to, the
4 payment of taxes as required under the Revenue and Taxation Code, except as
5 provided for in this division or other California law....

6 13. Section 26039.5 of the Code states in part:

7 (a) Cannabis or a cannabis product is misbranded if it is any of the following:

8 ...

9 (3) Its labeling is false or misleading in any particular.

10 ...

11 (b) It is unlawful to cultivate, process, manufacture, sell, deliver, hold, or offer
12 for sale cannabis or a cannabis product that is misbranded....

13 14. Section 26054 of the Code, in pertinent part states:

14 (a) A licensee shall not sell alcoholic beverages or tobacco products on or at
15 any premises licensed under this division.

16 ...

17 15. Section 26055 of the Code states, in pertinent part:

18 ...

19 (g)(1) The department shall deny an application for a license under this division
20 for a commercial cannabis activity that the local jurisdiction has notified the
21 department is prohibited in accordance with subdivision (f). The department shall
22 notify the contact person for the local jurisdiction of each application denied due to
23 the local jurisdiction's indication that the commercial cannabis activity for which a
24 license is sought is prohibited by a local ordinance or regulation.

25 (2) Prior to issuing a state license under this division for any commercial
26 cannabis activity, if an applicant has not provided adequate proof of compliance with
27 local laws pursuant to subdivision (e): (2) Prior to issuing a state license under this
28 division for any commercial cannabis activity, if an applicant has not provided
adequate proof of compliance with local laws pursuant to subdivision (e):

...

(E) At any time after expiration of the 60-business-day period set forth in
subparagraph (D), the local jurisdiction may provide written notification to the
department that the applicant or licensee is not in compliance with a local ordinance
or regulation adopted in accordance with Section 26200. Upon receiving this

1 notification, the department shall not presume that the applicant or licensee has
2 complied with all local ordinances and regulations adopted in accordance with
3 Section 26200, and may commence disciplinary action in accordance with Chapter 3
4 (commencing with Section 26030). If the department does not take action against the
licensee before the time of the renewal of the license, the license shall not be renewed
until and unless the local jurisdiction notifies the department that the licensee is once
again in compliance with local ordinances....

5 16. Section 26057 of the Code states, in part:

6 (a) The department shall deny an application if either the applicant, or the premises
7 for which a state license is applied, do not qualify for licensure under this division.

8 (b) The department may deny the application for licensure or renewal of a state
license if any of the following conditions apply:

9 ...

10 (8) Failure to obtain and maintain a valid seller's permit required pursuant to Part 1
11 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.

12 ...

13 17. Section 26120 of the Code states, in part:

14 ...

15 (b) Packages and labels shall not be made to be attractive to children.

16 ...

17 18. Section 26160 of the Code states:

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

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

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

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

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

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

3 **REGULATORY PROVISIONS**

4 19. Title 4 of the California Code of Regulations, section 15040, states in part:

5 (a) Any advertising or marketing, as defined in Business and Professions Code
6 section 26150, that is placed in broadcast, cable, radio, print, and digital communications:

7 . . .

8 (3) Shall not use any images that are attractive to children, including, but not limited
to:

9 . . .

10 (B) Any likeness to images, characters, or phrases that are popularly used to advertise
11 to children;

12 . . .

13 20. Title 4 of the California Code of Regulations, section 15044, states:

14 (a) Each licensed premises shall have a digital video surveillance system with a
15 minimum camera resolution of 1280 x 720 pixels on the licensed premises. This
requirement does not apply to a licensed premises authorized exclusively for
16 cultivation activities or the cultivation area of a licensed microbusiness premises.

17 (b) The video surveillance system shall at all times be able to effectively and
clearly record images of the area under surveillance.

18 (c) Each camera shall be permanently mounted and in a fixed location. Each
19 camera shall be placed in a location that allows the camera to clearly record activity
occurring within 20 feet of all points of entry and exit on the licensed premises, and
20 allows for the clear and certain identification of any person and activities in all areas
required to be filmed under subsection (d).

21 (d) Areas that shall be recorded on the video surveillance system include the
22 following:

23 (1) Areas where cannabis or cannabis products are weighed, packed, stored,
24 loaded, and unloaded for transportation, prepared, or moved within the licensed
premises;

25 (2) Limited-access areas;

26 (3) Security rooms;

27 (4) Areas storing a surveillance-system storage device with at least one camera
28 recording the access points to the secured surveillance recording area; and

1 (5) Entrances and exits to the licensed premises, which shall be recorded from
2 both indoor and outdoor vantage points.

3 (e) Licensed retailers and licensed microbusinesses authorized to engage in
4 retail sales shall also record point-of-sale areas and areas where cannabis goods are
5 displayed for sale on the video surveillance system. At each point-of-sale location,
6 camera placement must allow for the recording of the facial features of any person
7 purchasing or selling cannabis goods, or any person in the retail area, with sufficient
8 clarity to determine identity.

9 (f) Cameras shall record continuously 24 hours per day and at a minimum of 15
10 frames per second (FPS).

11 (g) The physical media or storage device on which surveillance recordings are
12 stored shall be secured in a manner to protect the recording from tampering or theft.

13 (h) Surveillance recordings shall be kept for a minimum of 90 calendar days.

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

19 (j) Recorded images shall clearly and accurately display the time and date. Time
20 is to be measured in accordance with the standards issued by the United States
21 National Institute of Standards and Technology. The displayed date and time shall not
22 cover the view of recorded images in a manner that prevents the ready identification
23 of any person or activity in the captured image.

24 (k) The video surveillance system shall be equipped with a failure notification
25 system that provides notification to the licensee of any interruption or failure of the
26 video surveillance system or video surveillance-system storage device.

27 (l) If multiple licensed premises are contained within the same building or on
28 the same parcel of land, a single video surveillance system covering the entire
building or parcel of land may be used by all of the licensees if all licensees have
immediate access to the surveillance recordings to produce them pursuant to
subsection (i). All licensees sharing a video surveillance system shall be held
responsible and subject to discipline for any violations of the video surveillance
requirements.

(m) Notwithstanding subsection (a), a licensed distributor transport only
licensee engaged in self-distribution whose premises is on the same parcel of land as
their licensed cultivation premises shall not be required to comply with the provisions
of this section.

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21. 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.

22. Title 4 of the California Code of Regulations, section 15049, states:

(a) All cannabis and cannabis products on the licensed premises shall be assigned a plant or package tag, as applicable, except for harvested plants that are being dried, cured, graded, or trimmed, as specified in this division, and recorded in the track and trace system. ...

(b) Each of the following activities shall be recorded in the track and trace system within 24 hours of occurrence:

(1) Receipt of cannabis or cannabis products.

(2) Rejection of transferred cannabis or cannabis products.

(3) Manufacturing of cannabis or cannabis products.

(4) Use of cannabis or cannabis product for internal quality control testing or product research and development.

(5) Destruction or disposal of cannabis or cannabis products.

(6) Packaging or repackaging of cannabis or cannabis products, except that cultivation licensees shall comply with section 15049.1(b)(5).

(7) Laboratory testing, including testing results.

(8) Sale or donation of cannabis or cannabis products....

(c) The following information shall be recorded in the track and trace system for each activity entered pursuant to subsection (b):

(1) The type of cannabis or cannabis products.

(2) The weight, volume, or count of the cannabis or cannabis products.

(3) The date of activity.

(4) The UID assigned to the cannabis or cannabis products.

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(5) The brand name of the cannabis goods.

(6) If cannabis or cannabis products are being destroyed or disposed of, the licensee shall record the following information in the notes section:

- (A) The name of the employee performing the destruction or disposal;
- (B) The reason for destruction or disposal; and
- (C) The method of disposal.

(d) If a package adjustment is used to adjust the quantity of cannabis or cannabis products in the track and trace system, the licensee shall include a description explaining the reason for adjustment.

(e) If a licensee rejects a partial shipment of cannabis goods pursuant to section 15052.1 (b), the licensee shall record the partial rejection in the track and trace system.

23. Title 4 of the California Code of Regulations, section 15049.2, states:

(a) A licensee shall prepare a shipping manifest through the track and trace system prior to transferring cannabis and cannabis products off of a licensed premises. The following information shall be recorded on the shipping manifest by the licensee initiating the transfer:

- (1) The name, license number, and premises address of the originating licensee;
- (2) The name and license number of the distributor transporting the cannabis and cannabis products;
- (3) The name, license number, and premises address of the licensee receiving the cannabis or cannabis products into inventory or storage;
- (4) The UID numbers for all items being transferred;
- (5) The item name, item category and weight or count of cannabis or cannabis products associated with each package tag;
- (6) The estimated date and time of departure from the licensed premises;
- (7) The estimated date and time of arrival at each licensed premises; and
- (8) The driver's license number of the personnel transporting the cannabis and cannabis products, and the make, model, and license plate number of the vehicle used for transport.

(b) The distributor who transports the cannabis or cannabis product shall record the following additional information on the shipping manifest:

- (1) The actual date and time of departure from the licensed premises; and
- (2) The actual date and time of arrival at each licensed premises.

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24. Title 4 of the California Code of Regulations, section 15051, states:

(a) The license shall review the information recorded in the track and trace system at least once every 30 calendar days to ensure its accuracy, including, at a minimum:

(1) Reconciling on-hand inventory of cannabis and cannabis product with the records in the track and trace system; and

(2) Reviewing the licensee's authorized users and removing any users who are no longer authorized to enter information into the track and trace system.

(b) If a licensee finds a discrepancy between the on-hand inventory and the track and trace system, the licensee shall conduct an audit and notify the Department in writing if the discrepancy is significant as defined in section 15034.

25. Title 4 of the California Code of Regulations, section 15309, subdivision (a), states:

(a) A licensed distributor shall be able to account for all inventory and provide that information to the Department upon request.

26. Title 4 of the California Code of Regulations, section 15311, states:

The following requirements apply when transporting cannabis and cannabis products between licensees or licensed premises:

(a) Transportation shall only be conducted by persons holding a distributor license under the Act, or employees of those persons. All vehicles and trailers used for transportation shall be owned or leased, in accordance with the Vehicle Code, by the licensee. The licensee is not required to be the sole owner or lessor of the vehicle or trailer and all owners and lessors may use the vehicle for non-commercial cannabis activity.

...

27. Title 4 of the California Code of Regulations, section 15313, subdivision (b), states:

(b) Only a licensee, an employee of the licensed distributor, or security personnel who meets the requirements of section 15045 shall be in a vehicle while transporting cannabis or cannabis products.

28. Title 4 of the California Code of Regulations, section 17117, states in part:

(a) A manufacturer licensee shall not manufacture, prepare, package or label any products other than cannabis products at the licensed premises....

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1 29. Title 4 of the California Code of Regulations, section 17408, states in part:

2 (a) Cannabis goods labeling shall not contain any of the following:

3 ...

4 (2) Content that is, or is designed to be, attractive to individuals under the age
5 of 21, as specified in section 15040(a)(2) and (3)

6 30. Title 4 of the California Code of Regulations, section 17801, states in part:

7 ...

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

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

13 **COST RECOVERY**

14 31. Section 26031.1 of the Code states:

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

18 (b) A certified copy of the actual costs, or a good faith estimate of costs where
19 actual costs are not available, signed by the department or its designated

19 representative shall be prima facie evidence of reasonable costs of investigation and
20 prosecution of the case. The costs shall include the amount of investigative and
21 enforcement costs up to the date of the hearing, including, but not limited to, charges
22 imposed by the Attorney General.

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

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

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

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

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

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

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

17 **FACTUAL ALLEGATIONS**

18 32. On or about sometime in September 2024, in response to a complaint that Respondent
19 had distributed cannabis flower in packaging labeled as “Macflurry”, which imitated packaging
20 used for products typically marketed to children, Department staff reviewed Respondent’s
21 California Cannabis Track and Trace (CCTT) account activity. The account activity showed that
22 Respondent had produced and distributed one (1) package, consisting of 256 units of "Macflurry"
23 branded cannabis flower. Respondent had transferred the 256 units to Cole Ashbury Group LLC
24 (CAG) (C10-0000660-LIC) on shipping manifest 0005016516, and CAG reported selling all 234
25 units of the “MacFlurry” branded cannabis flower to consumers and distributed an additional 9
26 units as trade samples.

27 33. The transfer manifest (0005016516) for the “MacFlurry” cannabis flower was
28 generated by Respondent’s Owner and Designated Responsible Party, Lucas Stickney (Owner
Stickney).¹ The manifest did not document the driver’s license number of the personnel
transporting the package of cannabis products, and the make, model, and license plate number of
the vehicle used for transport. Rather, in the spaces for this information “On File in Office” was

¹ Owners, as defined by Business and Professions Code section 26001, subdivision (av), associated with Respondent are Lucas Stickney and Andrea Wilson.

1 written. Department staff reviewed three random transfer manifests in 's CCTT system account:
2 0005041774, 0006135223, and 0006893051. Each of the manifests was missing driver and
3 vehicle information.

4 34. On or about September 5, 2024, Department staff went to Respondent's licensed
5 premises to conduct a regulatory compliance inspection. Department staff was met by Owner
6 Stickney who was informed of the purpose of the inspection.

7 35. Department staff showed Owner Stickney a photo of the "MacFlurry" branded
8 packaging and information from Respondent's CCTT account regarding the transfer of 256 units
9 of "MacFlurry" branded flower to CAG on manifest 0005016516. Owner Stickney
10 acknowledged conducting transfers with CAG, but denied seeing the "MacFlurry" packaging.
11 Owner Stickney stated he would further research the matter and contact Department staff.

12 36. Department staff reviewed multiple outgoing shipping manifests with Owner
13 Stickney, and asked about Respondent's failure to identify specific driver and vehicle
14 information. Owner Stickney acknowledged the deficiency and explained that the issue occurred
15 because he was under the impression that if he had information about the driver and vehicle
16 details in Respondent's business records, the information did not have to be recorded on each
17 manifest. Owner Stickney further explained that on several occasions Respondent's intended
18 driver was unable to conduct an assigned transfer, and the driver and method of delivery were
19 changed shortly before the physical transfer was initiated, but the information was not updated in
20 Respondent's CCTT account because the manifest was already created. Department staff
21 explained the manifest requirements to Owner Stickney, who confirmed that he understood.

22 37. Between on or about September 6, 2024, and October 15, 2024, Department staff
23 reviewed Respondent's CCTT account activity. During this time period, Respondent generated
24 seven (7) outgoing shipping manifests. Two (2) of the manifests generated during this time
25 period, 0007707597 and 0007707675, were created using Owner Stickney's login and did not
26 include required vehicle and driver information. Manifests 0007707597 and 0007707675,
27 documented the transfer of cannabis and cannabis products between Respondent's distribution
28 license (C11-0000990-LIC) and Respondent's manufacturing license (CDPH-10003207), which

1 are located in the same building, the manifests specified a driver's name, but did not include any
2 information describing the vehicle or other delivery method used to conduct the transfer. The
3 manifests stated that vehicle and driver information was "On file in Office."

4 38. On or about October 15, 2024, a Notice to Comply (NTC) was issued to Respondent.
5 The NTC identified several violations of Department regulations related to: Advertising
6 Placement and Prohibitions, Labeling Restrictions, Packaging and Labeling, Recording Transfers
7 of Cannabis and Cannabis Products, and Designated Account Manager Responsibilities. A
8 response to the NTC was due by November 15, 2024.

9 39. On or about November 20, 2024, having received no response to the NTC from
10 Respondent, Department staff emailed Owner Stickney. Owner Stickney responded that he was
11 not aware a reply to the NTC was required. Stickney added that he would review the NTC later
12 the same day, and respond.

13 40. On or about November 26, 2024, still having received no response from Owner
14 Stickney, Department staff emailed and asked whether Respondent had complied with the
15 requirements in the NTC.

16 41. On or about December 12, 2024, still having received no response from Owner
17 Stickney, Department staff again emailed and asked whether Respondent had complied with the
18 requirements in the NTC and asked for an update by the end of the day.

19 42. On or about January 9, 2025, still having received no response about the NTC from
20 Owner Stickney, Department staff reviewed Respondent's CCTT account activity and found that
21 transfer manifest, 0008184125, had been generated by Owner Stickney on January 7, 2025. The
22 manifest was missing driver and vehicle information and stated that vehicle and driver
23 information was "On file in Office."

24 43. On or about May 1, 2025, Department staff learned that Respondent's temporary
25 commercial cannabis operating permit with the San Francisco Office of Cannabis (SF-OOC) had
26 expired on April 30, 2025.

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1 44. On or about June 1, 2025, Department staff reviewed Respondent's CCTT account
2 activity and for the period of May 1, 2025, to June 1, 2025. It showed that Respondent had
3 accepted twenty-three (23) inbound transfers of cannabis goods from multiple Department
4 licensees into its distribution license and initiated six (6) outbound transfers from its distribution
5 license. In addition, Respondent had seven (7) inbound transfers which had not been accepted by
6 its manufacturing license. Department staff confirmed that Respondent continued to engage in
7 commercial cannabis activity without local authorization from SF-OOC.

8 45. On or about July 22, 2025, Department staff reviewed Respondent's CCTT account
9 activity for June 2, 2025, through July 21, 2025. During this period, Respondent accepted
10 twenty-eight (28) additional inbound transfers of cannabis goods from multiple Department
11 licensees into its distribution license and initiated an additional three (3) outbound transfers from
12 its distribution license. In addition, Respondent accepted an additional two (2) inbound transfers
13 of cannabis products and had one (1) additional inbound transfer which had not been accepted for
14 its manufacturing license. Department staff confirmed that Respondent was conducting
15 commercial cannabis activity without local authorization from SF-OOC.

16 46. On or about July 23, 2025, Department staff contacted a representative for SF-OOC,
17 who informed them that Respondent had not renewed its local operating permit with SF-OOC,
18 and that on May 20, 2025, had informed SF-OOC that Respondent was ceasing commercial
19 cannabis operations.

20 47. On or about August 12, 2025, Department staff reviewed Respondent's CCTT
21 account activity for July 22, 2025, to August 11, 2025. During this period, Respondent accepted
22 thirty-one (31) inbound transfers of cannabis goods from multiple Department licensees into its
23 distribution license and initiated twelve (12) additional outbound transfers from its distribution
24 license. Respondent's manufacturing license had eight (8) inbound transfers which had not been
25 accepted. Respondent continued to report commercial cannabis activity that it conducted without
26 local authorization from SF-OOC.

27 48. On or about November 19, 2025, Department staff reviewed Respondent's CCTT
28 account activity for the period between August 13, 2025, and November 18, 2025. During that

1 period, Respondent, using Owner Stickney’s CCTT account login, accepted one hundred twenty
2 (120) incoming transfers of cannabis and goods from multiple licensees into its distribution
3 license and generated twenty-five (25) outgoing transfers from its distribution license.
4 Respondent accepted fourteen (14) incoming transfers into its manufacturing license and
5 generated two (2) outgoing transfers from its manufacturing license. Of the twenty-five (25)
6 outgoing transfers from Respondent’s distribution license, seventeen (17) transfers, containing
7 ninety-six (96) packages of cannabis goods, were directed to MGCD Corp between the dates of
8 August 29, 2025, and November 17, 2025. Each of the seventeen (17) transfers was initiated by
9 Owner Stickney’s CCTT account login and identified: Respondent as the outbound transporter; a
10 destination address belonging to MGCD’s licensed premises; A.P. as the delivery driver; and an
11 Audi A4, as the delivery vehicle. Department staff noted that MGCD’s licensed premises had
12 been vacant due to eviction since on or about before August 21, 2025, when Department staff had
13 inspected MGCD’s licensed premises.

14 49. Department staff reviewed Respondent’s CCTT account for active inventory of
15 cannabis goods and products. Respondent reported three (3) active packages in its distribution
16 license inventory: UID 1A406030000A15D000004649, containing six (6) units of “Pomny
17 Cooling Gel Bottle”; UID 1A4060300003B18000000089, containing one hundred seventeen
18 (117) units of “Pomny Cooling Gel Bottle”; and UID 1A406030000A15D000002779, containing
19 one hundred sixty-four (164) grams of “Thizz Vape 1g Hybrid.” Respondent recorded a total of
20 seven (7) packages in its manufacturing license inventory: four (4) packages of bulk extract
21 containing 6,199 grams; one (1) package of packaged extract containing one hundred ten (110)
22 units; one (1) package of cannabis flower containing three (3) pounds; and one (1) package
23 of seventy-three (73) grams of “Final Retentate Waste”.

24 50. On or about November 19, 2025, Department staff went to Respondent’s licensed
25 premises to conduct an inspection. Department staff met with Owner Stickney and about the
26 transfer activity between Respondent and MGCD. Owner Stickney stated that MGCD staff tells
27 him the source, brand, type and quantity of products it needs from various Department licensees
28 then Respondent purchases the products, accepts transfers of the cannabis goods at its licensed

1 premises and into its CCTT account, then subsequently transfers the cannabis goods to MGCD
2 physically and within the CCTT system. Owner Stickney further stated that although Respondent
3 is listed as the outbound transporter, it does not physically deliver the goods to MGCD's premises
4 in Oakland; instead, MGCD picks up the goods from Respondent's licensed premises. In
5 addition, Respondent identified "A.P." as the transport driver on each of Respondent's outbound
6 transfers to MGCD. and A.P. Owner Stickney confirmed that A.P. has never worked for
7 Respondent and is an employee of MGCD.

8 51. Department staff requested access to Respondent's video surveillance system. Owner
9 Stickney stated that Respondent's video surveillance system was not operational, and Respondent
10 did not have a functioning DVR.

11 52. Department staff compared Respondent's distribution physical inventory with its
12 reported CCTT account inventory and discovered one hundred eighteen (118) units of "Pomny
13 Cooling Gel Bottle", labeled UID 1A4060300003B18000000091, in soft plastic bag packaging
14 and forty-eight (48) units of "Pomny Cooling Gel Bottle", also labeled UID
15 1A4060300003B18000000091, in cardboard packaging, for a total of one hundred sixty-six (166)
16 units. Respondent's CCTT account reported that package UID 1A4060300003B18000000091
17 received a Certificate of Compliance (COA) under sample batch UID
18 1A406030000A15D000001924, comprised of 555 units in the total batch. However, according to
19 Respondent's CCTT system account, no remaining units of UID 1A4060300003B18000000091
20 should be in physical inventory. Respondent's CCTT system account also showed one hundred
21 twenty-three (123) units of "Pomny Cooling Gel Bottle" under source UID
22 1A4060300003B18000000089, tested under batch UID 1A406030000A15D000001553, should
23 be present at the licensed premises. However, no units were in physical inventory. Owner
24 Stickney was unable to explain the excess physical units of "Pomny Cooling Gel
25 Bottle" and stated the product was manufactured more than 5 years ago.

26 53. Department staff conducted a physical count of "Thizz Vape 1g Hybrid" units with
27 UID 1A406030000A15D000002779, in Respondent's inventory area. Of the one hundred sixty-
28

1 four (164) units reported in Respondent’s CCTT account, only one hundred thirteen (113) were
2 present. Owner Stickney could not account for the missing inventory.

3 54. Department staff was unable to locate the following items recorded in Respondent’s
4 CCTT account: 110 units of package UID 1A4060300057ABD000001947, “Luv Extracts – Luv
5 Sugars”, individually packaged cannabis Resin extract; 73 grams of cannabis waste, UID
6 1A4060300003B18000000800, “Final Retentate (waste);” 1,796 grams of bulk cannabis extract,
7 package UID 1A4060300057ABD000001506, “Super Runtz Sauce;” 1,000 grams of
8 tetrahydrocannabinolic acid (THCA) concentrate, package UID 1A4060300001B5E000008827,
9 “T7 – THCa;” and 1,000 grams of THCA concentrate, package UID
10 1A4060300001B5E000009008, “T7M - CON - DIS Jarred.”

11 55. Owner Stickney stated that the one hundred ten (110) units of package UID
12 1A4060300057ABD000001947, “Luv Extracts – Luv Sugars” had been physically transferred to
13 MGCD, but the transfer was not recorded in Respondent’s CCTT account, and the UID
14 1A4060300003B18000000800, “Final Retentate (waste)”, had been physically disposed of, but
15 had not yet been reported in Respondent’s CCTT account. Owner Stickney was unable to
16 account for any portion of package UID 1A4060300057ABD000001506, “Super Runtz Sauce”.

17 56. Owner Stickney showed Department staff an unlabeled plastic container of white
18 powder and explained that the unlabeled plastic container was the combined total of the two
19 packages of THCA concentrate (UID 1A4060300001B5E000008827, containing 1,000 grams;
20 and UID 1A4060300001B5E000009008, containing 1,000 grams). When Department staff
21 weighed the product inside the unlabeled container the total weight of the powder and container
22 was 0.40 kilograms (400 grams). Based on the weight of the powder and the container,
23 Department staff determined that more than 1,600 grams of THCA concentrate was missing from
24 Respondent’s physical inventory. Owner Stickney was unable to produce a production log, when
25 requested. Owner Stickney elected to voluntarily condemn and destroy the cannabis concentrate
26 powder.

27 57. During the inspection, Department staff found a large quantity of pallets in
28 Respondent’s manufacturing and distribution premises that contained flavored nicotine liquid, in

1 all-in-one vaporizer units, and individual packaging for nicotine vaporizers. There were
2 approximately ten (10) individuals inside the premises actively engaged in filling and packaging
3 vaporizers with the flavored nicotine fluid inside of Respondent's manufacturing premises.
4 Owner Stickney stated that Respondent's commercial cannabis activities had slowed significantly
5 in recent years and the lease for Respondent's premises totaled approximately \$800,000, therefore
6 Respondent needed other sources of income to cover operation costs.

7 58. On or about December 2, 2025, Department staff requested additional information
8 about the two packages of cannabis products that were not present at Respondent's premises
9 during the November 19, 2025, inspection. Owner Stickney told Department staff that the two
10 packages were never physically delivered to Respondent's premises and that he accepted them
11 into Respondent's CCTT account by mistake. Owner Stickney also informed Department staff
12 that he recently discovered several inbound transfers of cannabis goods to Respondent's
13 distribution license that were not ordered and that were physically rejected when the orders were
14 delivered to Respondent's premises. However, Owner Stickney had not adjusted or transferred
15 the packages out of Respondent's CCTT account inventory or rejected the inbound transfers
16 because he received a notice from SF-OOC following the November 19, 2025, inspection,
17 instructing him to cease any commercial cannabis activity in the City and County of San
18 Francisco.

19 59. Department staff requested that Owner Stickney provide the UIDs for the two
20 packages. Owner Stickney did not have the specific UIDs and said that he would email the
21 details to Department staff later that day. Department staff reviewed Respondent's CCTT
22 account inbound transfer activity and discovered 4 transfers – 0009898879, 0009883098,
23 0009882527, and 0009887778, that had been initiated and directed to Respondent between
24 November 20, 2025, and November 24, 2025. Transfer 0009887778 was subsequently voided on
25 December 1, 2025.

26 60. Later that same day, Department staff received information that on November 20,
27 2025, SF-OOC issued a Notice of Violation (NOV) to Respondent for conducting commercial
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1 cannabis operations in the City and County of San Francisco without a valid permit, and an Order
2 to Cease Operations Without Permit (OCOWP).

3 61. On or about December 5, 2025, Department staff reviewed Respondent's CCTT
4 account activity and discovered an additional inbound transfer manifest, 00099502644, generated
5 on December 4, 2025. Department staff contacted Owner Stickney to follow-up on the
6 information regarding the two packages that was previously requested. Owner Stickney stated
7 that he had not had a chance to gather the requested information but would send it soon.

8 62. On or about December 9, 2025, Owner Stickney requested written instructions on
9 how to proceed with reporting the wasting of the THCA powder that Respondent voluntarily
10 condemned and destroyed on November 19, 2025, to finalize the UID tag for the cannabis waste
11 listed in Respondent's manufacturing inventory. Department staff again requested information
12 about the UID numbers of the 2 packages that Owner Stickney claimed were not physically
13 delivered to Respondent's premises. Owner Stickney explained that the UID numbers of the 2
14 packages were UID 1A4060300001B5E00009008 and UID 1A406300057ABD000001947.
15 UID 1A4060300001B5E00009008 was associated with the package of 1,000 grams of THCA
16 concentrate, which Owner Stickney could not locate during the inspection and stated had been
17 combined into the container of THCA concentrate powder that was voluntarily condemned on
18 November 19, 2025. Owner Stickney further explained that UID 1A406300057ABD000001947
19 represented the package of 110 units of "Luv Extracts – Luv Sugars", which Stickney stated had
20 been transferred to MGCD but not reported in METRC.

21 63. On or about December 11, 2025, Department staff reviewed Respondent's inbound
22 CCTT account transfers and discovered that a new transfer, 0009977984, was directed to
23 Respondent on December 10, 2025. In addition, transfer 9883098 had been redirected from
24 Respondent to MGCD, by the originating Distributor.

25 64. On or about December 16, 2025, Department staff received information from the
26 California Department of Tax and Fee Administration (CDTFA) that Respondent had an
27 outstanding balance of \$400,000.00 in unpaid cannabis excise taxes. In addition, CDTFA seized
28 approximately 168 pallets of nicotine products containing around 540,000 individual units of

1 flavored nicotine products and/or nicotine vape carts from Respondent’s premises, and
2 Respondent owed approximately \$27 million in penalties in addition to excise taxes related to the
3 nicotine associated products. CDTFA had revoked Respondent’s seller’s permit, and it was no
4 longer authorized to make sales of tangible personal property in California.

5 **FIRST CAUSE FOR DISCIPLINE**

6 (Video Surveillance System)

7 65. Respondent is subject to disciplinary action under Code section 26030, subdivision
8 (c), and California Code of Regulations, title 4, section 15044, in that Respondent failed to
9 maintain a video surveillance system as more particularly alleged in paragraph 51, above, which
10 is hereby incorporated by reference and realleged as if fully set forth herein.

11 **SECOND CAUSE FOR DISCIPLINE**

12 (General Requirements – Track and Trace)

13 66. Respondent is further subject to disciplinary action under Code section 26030,
14 subdivision (c), and California Code of Regulations, title 4, section 15047.2, in that Respondent
15 knowingly recorded false information regarding its commercial cannabis activities within its
16 California Cannabis Track and Trace (CCTT) account as more particularly alleged in paragraphs
17 32 through 63, above, which are hereby incorporated by reference and realleged as if fully set
18 forth herein.

19 **THIRD CAUSE FOR DISCIPLINE**

20 (Track and Trace Reporting)

21 67. Respondent is further subject to disciplinary action under Code section 26030,
22 subdivision (c), and California Code of Regulations, title 4, section 15049, in that Respondent
23 failed to record its commercial cannabis activities in the track and trace system within 24 hours of
24 occurrence as more particularly alleged in paragraphs 32 through 63, above, which are hereby
25 incorporated by reference and realleged as if fully set forth herein.

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1 **FOURTH CAUSE FOR DISCIPLINE**

2 (Track and Trace System Reconciliation)

3 68. Respondent is further subject to disciplinary action under Code section 26030,
4 subdivision (c), and California Code of Regulations, title 4, section 15051, in that Respondent
5 failed to review the information recorded in its CCTT account at least once every 30 calendar
6 days to ensure its accuracy, including reconciling on-hand inventory of cannabis and cannabis
7 product with records in the CCTT system or reporting any discrepancies between the licensee's
8 on-hand inventory and CCTT system to the Department as more particularly alleged in
9 paragraphs 32 through 63, above, which are hereby incorporated by reference and realleged as if
10 fully set forth herein.

11 **FIFTH CAUSE FOR DISCIPLINE**

12 (Inventory Accounting)

13 69. Respondent is further subject to disciplinary action under Code section 26030,
14 subdivision (c), and California Code of Regulations, title 4, section 15309, in that Respondent
15 failed to account for all inventory and provide that information to the Department upon request as
16 more particularly alleged in paragraphs 32 through 63, above, which are hereby incorporated by
17 reference and realleged as if fully set forth herein.

18 **SIXTH CAUSE FOR DISCIPLINE**

19 (Requirements for the Transportation of Cannabis and Cannabis Products)

20 70. Respondent is further subject to disciplinary action under Code section 26030,
21 subdivision (c), and California Code of Regulations, title 4, section 15311, subdivision (a), in that
22 Respondent failed to ensure that the transport of cannabis goods was conducted by persons
23 holding a distributor license or employees of those persons, as more particularly alleged in
24 paragraphs 33, 36, 37, and 48, above, which are hereby incorporated by reference and realleged
25 as if fully set forth herein.'

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1 **SEVENTH CAUSE FOR DISCIPLINE**

2 (Recording Transfers of Cannabis and Cannabis Products)

3 71. Respondent is further subject to disciplinary action under Code section 26030,
4 subdivision (c), and California Code of Regulations, title 4, sections 15049.2, in that Respondent
5 knowingly transported cannabis and cannabis products to a licensee that no longer had access to
6 its premises, using incomplete and falsified shipping manifests as more particularly alleged in
7 paragraphs 48, 50, 55, 62, and 63, above, which are hereby incorporated by reference and
8 realleged as if fully set forth herein.

9 **EIGHTH CAUSE FOR DISCIPLINE**

10 (Transport Personnel Requirements)

11 72. Respondent is further subject to disciplinary action under Code sections 26030,
12 subdivision (c), and California Code of Regulations, title 4, section 15313, subdivision (b), in that
13 Respondent failed to ensure that only a licensee, or an employee of a licensee was in a vehicle
14 during the transport of cannabis and cannabis products as more particularly alleged in paragraphs
15 33, 36, 37 and 48, above, which are hereby incorporated by reference and realleged as if fully set
16 forth herein.

17 **NINTH CAUSE FOR DISCIPLINE**

18 (License Constraints – Non-cannabis Products)

19 73. Respondent is further subject to disciplinary action under Code sections 26030,
20 subdivisions (a) and (c), and 26054, subdivision (a), and California Code of Regulations, title 4,
21 section 17117, subdivision (a), in that Respondent manufactured, prepared, packaged, labeled,
22 and sold nicotine-containing products at the licensed premises as more particularly alleged in
23 paragraph 57, above, which are hereby incorporated by reference and realleged as if fully set forth
24 herein.

25 **TENTH CAUSE FOR DISCIPLINE**

26 (Labeling Restrictions)

27 74. Respondent is further subject to disciplinary action under Code sections 26030,
28 subdivision (c), and 26120, subdivision (b), and California Code of Regulations, title 4, sections

1 15040, subdivision (a)(3)(B), and 17408, subdivision (a)(2), in that Respondent failed to comply
2 with labeling restrictions as more particularly alleged in paragraphs 34 and 37, above, which are
3 hereby incorporated by reference and realleged as if fully set forth herein.

4 **ELEVENTH CAUSE FOR DISCIPLINE**

5 (Notice to Comply)

6 75. Respondent is further subject to disciplinary action under Code section 26030,
7 subdivision (c), and California Code of Regulations, title 4, section 17801, subdivision (d), in that
8 Respondent failed to respond to the Notice to Comply issued by the Department as more
9 particularly alleged in paragraphs 38 through 42, above, which are hereby incorporated by
10 reference and realleged as if fully set forth herein.

11 **TWELVTH CAUSE FOR DISCIPLINE**

12 (Misbranded Cannabis)

13 76. Respondent is further subject to disciplinary action under Code sections 26030,
14 subdivision (a) and 26039.5, subdivisions (a)(3) and (b), in that Respondent held misbranded
15 cannabis products as more particularly alleged in paragraph 56, above, which is hereby
16 incorporated by reference and realleged as if fully set forth herein.

17 **THIRTEENTH CAUSE FOR DISCIPLINE**

18 (Records)

19 77. Respondent is further subject to disciplinary action under Code sections 26030,
20 subdivision (a), and 26160 in that Respondent failed to provide records to the Department upon
21 request as more particularly alleged in paragraphs 32 through 63, above, which are hereby
22 incorporated by reference and realleged as if fully set forth herein.

23 **FOURTEENTH CAUSE FOR DISCIPLINE**

24 (Local Compliance)

25 78. Respondent is further subject to disciplinary action under Code sections 26030,
26 subdivision (a), 26055, subdivision (g)(2)(c), and 26200, in that Respondent failed to comply with
27 local ordinances and permitting requirements as more particularly alleged in paragraphs 43
28

1 through 47, 58, and 60, above, which are hereby incorporated by reference and realleged as if
2 fully set forth herein.

3 **FIFTEENTH CAUSE FOR DISCIPLINE**

4 (Payment of Cannabis Taxes and Seller's Permit)

5 79. Respondent is further subject to disciplinary action under Code sections 26030,
6 subdivision (d), and 26057, subdivision, (b)(8), in that Respondent failed to comply with state law
7 related to the payment of taxes as required under the Revenue and Taxation Code, including the
8 failure to pay outstanding cannabis taxes and to maintain a California Department of Tax and Fee
9 Administration issued seller's permit as more particularly alleged in paragraph 64, above, which
10 is hereby incorporated by reference and realleged as if fully set forth herein.

11 **PRAYER**

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

15 1. Revoking or suspending outright or suspending with terms and conditions or fining or
16 any combination thereof, the Cannabis Distributor License Number C11-0000990-LIC, issued to
17 Respondent The Burke Group with Lucas Stickney, Designated Responsible Party and Owner;

18 2. Revoking or suspending outright or suspending with terms and conditions or fining or
19 any combination thereof, the Cannabis Manufacturer - Type 6 License Number DCC-10003207,
20 issued to Respondent The Burke Group with Lucas Stickney, Designated Responsible Party and
21 Owner;

22 3. Ordering Respondent The Burke Group with Lucas Stickney, Designated Responsible
23 Party and Owner to pay the Department of Cannabis Control the reasonable costs of the
24 investigation and enforcement of this case, pursuant to Business and Professions Code section
25 26031.1;

26 4. Ordering the destruction of cannabis and cannabis goods in the possession of The
27 Burke Group with Lucas Stickney, Designated Responsible Party and Owner, at Respondent's
28

1 expense, if revocation of Cannabis Distributor License Number C11-0000990-LIC is ordered,
2 pursuant to California Code of Regulations, title 4, section 15024.1, subdivision (a); and

3 5. Ordering the destruction of cannabis and cannabis goods in the possession of The
4 Burke Group with Lucas Stickney, Designated Responsible Party and Owner at Respondent's
5 expense, if revocation of Cannabis Manufacturer - Type 6 License Number DCC-10003207 is
6 ordered, pursuant to California Code of Regulations, title 4, section 15024.1, subdivision (a); and

7 6. Taking such other and further action as deemed necessary and proper.

8

9 DATED: February 11, 2026

Evelyn Schaeffer

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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:

**THE BURKE GROUP; LUCAS
STICKNEY, DRP/OWNER
1500 Burke Avenue, Unit #A
San Francisco, CA 94124**

**Cannabis Distributor License
No. C11-0000990-LIC**

**Cannabis Manufacturer - Type 6 License
No. DCC-10003207**

Respondent.

Case No. DCC24-0001979-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. DCC24-0001979-INV, statement to respondent, notice of defense (two blank copies), request for discovery; discovery statutes (government code sections 11507.5, 11507.6 and 11507.7), proofs of service;

Exhibit 2: License History Certifications for The Burke Group, with Lucas Stickney, Designated Responsible Party and Owner for Cannabis Distributor License No. C11-0000990-LIC and Cannabis Manufacturer – Type 6 License No. DCC-1003207-LIC;

Exhibit 3: Certification of Costs by Department for Investigation in Case No. DCC24-0001979-INV dated March 16, 2026;

Exhibit 4: Certification of Costs by Department for Enforcement in Case No. DCC24-0001979-INV dated April 9, 2026;

Exhibit 5: Investigative Report (without attachments) [DCC24-0001979-INV];

Dated: April 9, 2026

Respectfully submitted,

ROB BONTA
Attorney General of California



HARINDER K. KAPUR
Senior Assistant Attorney General
Attorneys for Complainant

Exhibit 1

Accusation No. DCC24-0001979-INV
Statement to Respondent
Notice of Defense
Request for Discovery
Discovery Statutes, Proofs of Service

1 ROB BONTA
Attorney General of California
2 HARINDER K. KAPUR
Senior Assistant Attorney General
3 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
12 In the Matter of the Accusation Against:
13 **THE BURKE GROUP**
LUCAS STICKNEY, DRP
14 Respondent.

Case No. DCC24-0001979-INV
STATEMENT TO RESPONDENT
[Gov. Code §§ 11504, 11505(b)]

15
16
17 **TO RESPONDENT:**

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

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

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

1 **Harinder K. Kapur**
2 **Senior Assistant Attorney General**
3 **600 West Broadway, Suite 1800**
 San Diego, CA 92101

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

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

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

11 The hearing may be postponed for good cause. If you have good cause, you are obliged to
12 notify the Office of Administrative Hearings, 1515 Clay Street, Suite 206, Oakland, CA 94612,
13 within ten (10) working days after you discover the good cause. Failure to notify the Office of
14 Administrative Hearings within ten (10) days will deprive you of a postponement.

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

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

20 **NOTICE REGARDING STIPULATED SETTLEMENTS**

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

26 Any stipulation must be consistent with the Department's established disciplinary
27 guidelines; however, all matters in mitigation or aggravation will be considered. A copy of the
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 11, 2026

ROB BONTA
Attorney General of California

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Harinder Kapur

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HARINDER K. KAPUR
Senior Assistant Attorney General
Attorneys for Complainant

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

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

11 In the Matter of the Accusation Against:

Case No. DCC24-0001979-INV

12 **THE BURKE GROUP**
13 **LUCAS STICKNEY, DRP/OWNER**
14 **1500 Burke Avenue, Unit #A**
San Francisco, CA 94124

ACCUSATION

15 **Cannabis Distributor License**
16 **No. C11-0000990-LIC**

17 **Cannabis Manufacturer - Type 6 License**
18 **No. DCC-10003207**

Respondent.

19
20 **PARTIES**

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

24 2. On or about August 14, 2019, the Department issued Cannabis Distributor License
25 No. C11-0000990-LIC to The Burke Group (Respondent) with Lucas Stickney, Designated
26 Responsible Party and Owner (Owner Stickney). The Cannabis Distributor License was in full
27 force and effect at all times relevant to the charges brought herein and will expire on August 13,
28 2026, unless renewed.

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10. Section 26031 of the Code states:

(a) The department may suspend, revoke, place on probation with terms and conditions, or otherwise discipline licenses issued by the department and fine a licensee, after proper notice and hearing to the licensee, except as provided in Section 26031.01, if the licensee is found to have committed any of the acts or omissions 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.

(b) The department may suspend or revoke a license when a local agency has 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.

(c) The department may take disciplinary action against a licensee for any 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 engaged in commercial cannabis activity.

(d) The suspension or expiration of a license issued by the department, or its 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, 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 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.

11. Section 26034 of the Code states:

All accusations against licensees shall be filed by the department within five years after the performance of the act or omission alleged as the ground for disciplinary action; provided, however, that the foregoing provision shall not 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 deemed to have accrued until discovery, by the department, of the facts constituting the fraud or misrepresentation, and, in that case, the accusation shall be filed within five years after that discovery.

STATUTORY PROVISIONS

12. Section 26030 of the Code states:

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

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

...

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

3 (d) Failure to comply with any state law including, but not limited to, the
4 payment of taxes as required under the Revenue and Taxation Code, except as
5 provided for in this division or other California law....

6 13. Section 26039.5 of the Code states in part:

7 (a) Cannabis or a cannabis product is misbranded if it is any of the following:

8 ...

9 (3) Its labeling is false or misleading in any particular.

10 ...

11 (b) It is unlawful to cultivate, process, manufacture, sell, deliver, hold, or offer
12 for sale cannabis or a cannabis product that is misbranded....

13 14. Section 26054 of the Code, in pertinent part states:

14 (a) A licensee shall not sell alcoholic beverages or tobacco products on or at
15 any premises licensed under this division.

16 ...

17 15. Section 26055 of the Code states, in pertinent part:

18 ...

19 (g)(1) The department shall deny an application for a license under this division
20 for a commercial cannabis activity that the local jurisdiction has notified the
21 department is prohibited in accordance with subdivision (f). The department shall
22 notify the contact person for the local jurisdiction of each application denied due to
23 the local jurisdiction's indication that the commercial cannabis activity for which a
24 license is sought is prohibited by a local ordinance or regulation.

25 (2) Prior to issuing a state license under this division for any commercial
26 cannabis activity, if an applicant has not provided adequate proof of compliance with
27 local laws pursuant to subdivision (e): (2) Prior to issuing a state license under this
28 division for any commercial cannabis activity, if an applicant has not provided
adequate proof of compliance with local laws pursuant to subdivision (e):

...

(E) At any time after expiration of the 60-business-day period set forth in
subparagraph (D), the local jurisdiction may provide written notification to the
department that the applicant or licensee is not in compliance with a local ordinance
or regulation adopted in accordance with Section 26200. Upon receiving this

1 notification, the department shall not presume that the applicant or licensee has
2 complied with all local ordinances and regulations adopted in accordance with
3 Section 26200, and may commence disciplinary action in accordance with Chapter 3
4 (commencing with Section 26030). If the department does not take action against the
licensee before the time of the renewal of the license, the license shall not be renewed
until and unless the local jurisdiction notifies the department that the licensee is once
again in compliance with local ordinances....

5 16. Section 26057 of the Code states, in part:

6 (a) The department shall deny an application if either the applicant, or the premises
7 for which a state license is applied, do not qualify for licensure under this division.

8 (b) The department may deny the application for licensure or renewal of a state
license if any of the following conditions apply:

9 ...

10 (8) Failure to obtain and maintain a valid seller's permit required pursuant to Part 1
11 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.

12 ...

13 17. Section 26120 of the Code states, in part:

14 ...

15 (b) Packages and labels shall not be made to be attractive to children.

16 ...

17 18. Section 26160 of the Code states:

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

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

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

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

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

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

3 **REGULATORY PROVISIONS**

4 19. Title 4 of the California Code of Regulations, section 15040, states in part:

5 (a) Any advertising or marketing, as defined in Business and Professions Code
6 section 26150, that is placed in broadcast, cable, radio, print, and digital communications:

7 . . .

8 (3) Shall not use any images that are attractive to children, including, but not limited
to:

9 . . .

10 (B) Any likeness to images, characters, or phrases that are popularly used to advertise
11 to children;

12 . . .

13 20. Title 4 of the California Code of Regulations, section 15044, states:

14 (a) Each licensed premises shall have a digital video surveillance system with a
15 minimum camera resolution of 1280 x 720 pixels on the licensed premises. This
requirement does not apply to a licensed premises authorized exclusively for
16 cultivation activities or the cultivation area of a licensed microbusiness premises.

17 (b) The video surveillance system shall at all times be able to effectively and
clearly record images of the area under surveillance.

18 (c) Each camera shall be permanently mounted and in a fixed location. Each
19 camera shall be placed in a location that allows the camera to clearly record activity
occurring within 20 feet of all points of entry and exit on the licensed premises, and
20 allows for the clear and certain identification of any person and activities in all areas
required to be filmed under subsection (d).

21 (d) Areas that shall be recorded on the video surveillance system include the
22 following:

23 (1) Areas where cannabis or cannabis products are weighed, packed, stored,
24 loaded, and unloaded for transportation, prepared, or moved within the licensed
premises;

25 (2) Limited-access areas;

26 (3) Security rooms;

27 (4) Areas storing a surveillance-system storage device with at least one camera
28 recording the access points to the secured surveillance recording area; and

1 (5) Entrances and exits to the licensed premises, which shall be recorded from
2 both indoor and outdoor vantage points.

3 (e) Licensed retailers and licensed microbusinesses authorized to engage in
4 retail sales shall also record point-of-sale areas and areas where cannabis goods are
5 displayed for sale on the video surveillance system. At each point-of-sale location,
6 camera placement must allow for the recording of the facial features of any person
7 purchasing or selling cannabis goods, or any person in the retail area, with sufficient
8 clarity to determine identity.

9 (f) Cameras shall record continuously 24 hours per day and at a minimum of 15
10 frames per second (FPS).

11 (g) The physical media or storage device on which surveillance recordings are
12 stored shall be secured in a manner to protect the recording from tampering or theft.

13 (h) Surveillance recordings shall be kept for a minimum of 90 calendar days.

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

19 (j) Recorded images shall clearly and accurately display the time and date. Time
20 is to be measured in accordance with the standards issued by the United States
21 National Institute of Standards and Technology. The displayed date and time shall not
22 cover the view of recorded images in a manner that prevents the ready identification
23 of any person or activity in the captured image.

24 (k) The video surveillance system shall be equipped with a failure notification
25 system that provides notification to the licensee of any interruption or failure of the
26 video surveillance system or video surveillance-system storage device.

27 (l) If multiple licensed premises are contained within the same building or on
28 the same parcel of land, a single video surveillance system covering the entire
building or parcel of land may be used by all of the licensees if all licensees have
immediate access to the surveillance recordings to produce them pursuant to
subsection (i). All licensees sharing a video surveillance system shall be held
responsible and subject to discipline for any violations of the video surveillance
requirements.

(m) Notwithstanding subsection (a), a licensed distributor transport only
licensee engaged in self-distribution whose premises is on the same parcel of land as
their licensed cultivation premises shall not be required to comply with the provisions
of this section.

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

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

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

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

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

12 22. Title 4 of the California Code of Regulations, section 15049, states:

13 (a) All cannabis and cannabis products on the licensed premises shall be
14 assigned a plant or package tag, as applicable, except for harvested plants that are
15 being dried, cured, graded, or trimmed, as specified in this division, and recorded in
16 the track and trace system. ...

17 (b) Each of the following activities shall be recorded in the track and trace
18 system within 24 hours of occurrence:

19 (1) Receipt of cannabis or cannabis products.

20 (2) Rejection of transferred cannabis or cannabis products.

21 (3) Manufacturing of cannabis or cannabis products.

22 (4) Use of cannabis or cannabis product for internal quality control testing or
23 product research and development.

24 (5) Destruction or disposal of cannabis or cannabis products.

25 (6) Packaging or repackaging of cannabis or cannabis products, except that
26 cultivation licensees shall comply with section 15049.1(b)(5).

27 (7) Laboratory testing, including testing results.

28 (8) Sale or donation of cannabis or cannabis products....

(c) The following information shall be recorded in the track and trace system for each
activity entered pursuant to subsection (b):

(1) The type of cannabis or cannabis products.

(2) The weight, volume, or count of the cannabis or cannabis products.

(3) The date of activity.

(4) The UID assigned to the cannabis or cannabis products.

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(5) The brand name of the cannabis goods.

(6) If cannabis or cannabis products are being destroyed or disposed of, the licensee shall record the following information in the notes section:

- (A) The name of the employee performing the destruction or disposal;
- (B) The reason for destruction or disposal; and
- (C) The method of disposal.

(d) If a package adjustment is used to adjust the quantity of cannabis or cannabis products in the track and trace system, the licensee shall include a description explaining the reason for adjustment.

(e) If a licensee rejects a partial shipment of cannabis goods pursuant to section 15052.1 (b), the licensee shall record the partial rejection in the track and trace system.

23. Title 4 of the California Code of Regulations, section 15049.2, states:

(a) A licensee shall prepare a shipping manifest through the track and trace system prior to transferring cannabis and cannabis products off of a licensed premises. The following information shall be recorded on the shipping manifest by the licensee initiating the transfer:

- (1) The name, license number, and premises address of the originating licensee;
- (2) The name and license number of the distributor transporting the cannabis and cannabis products;
- (3) The name, license number, and premises address of the licensee receiving the cannabis or cannabis products into inventory or storage;
- (4) The UID numbers for all items being transferred;
- (5) The item name, item category and weight or count of cannabis or cannabis products associated with each package tag;
- (6) The estimated date and time of departure from the licensed premises;
- (7) The estimated date and time of arrival at each licensed premises; and
- (8) The driver's license number of the personnel transporting the cannabis and cannabis products, and the make, model, and license plate number of the vehicle used for transport.

(b) The distributor who transports the cannabis or cannabis product shall record the following additional information on the shipping manifest:

- (1) The actual date and time of departure from the licensed premises; and
- (2) The actual date and time of arrival at each licensed premises.

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24. Title 4 of the California Code of Regulations, section 15051, states:

(a) The license shall review the information recorded in the track and trace system at least once every 30 calendar days to ensure its accuracy, including, at a minimum:

(1) Reconciling on-hand inventory of cannabis and cannabis product with the records in the track and trace system; and

(2) Reviewing the licensee's authorized users and removing any users who are no longer authorized to enter information into the track and trace system.

(b) If a licensee finds a discrepancy between the on-hand inventory and the track and trace system, the licensee shall conduct an audit and notify the Department in writing if the discrepancy is significant as defined in section 15034.

25. Title 4 of the California Code of Regulations, section 15309, subdivision (a), states:

(a) A licensed distributor shall be able to account for all inventory and provide that information to the Department upon request.

26. Title 4 of the California Code of Regulations, section 15311, states:

The following requirements apply when transporting cannabis and cannabis products between licensees or licensed premises:

(a) Transportation shall only be conducted by persons holding a distributor license under the Act, or employees of those persons. All vehicles and trailers used for transportation shall be owned or leased, in accordance with the Vehicle Code, by the licensee. The licensee is not required to be the sole owner or lessor of the vehicle or trailer and all owners and lessors may use the vehicle for non-commercial cannabis activity.

...

27. Title 4 of the California Code of Regulations, section 15313, subdivision (b), states:

(b) Only a licensee, an employee of the licensed distributor, or security personnel who meets the requirements of section 15045 shall be in a vehicle while transporting cannabis or cannabis products.

28. Title 4 of the California Code of Regulations, section 17117, states in part:

(a) A manufacturer licensee shall not manufacture, prepare, package or label any products other than cannabis products at the licensed premises....

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1 29. Title 4 of the California Code of Regulations, section 17408, states in part:

2 (a) Cannabis goods labeling shall not contain any of the following:

3 ...

4 (2) Content that is, or is designed to be, attractive to individuals under the age
5 of 21, as specified in section 15040(a)(2) and (3)

6 30. Title 4 of the California Code of Regulations, section 17801, states in part:

7 ...

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

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

13 **COST RECOVERY**

14 31. Section 26031.1 of the Code states:

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

18 (b) A certified copy of the actual costs, or a good faith estimate of costs where
19 actual costs are not available, signed by the department or its designated

19 representative shall be prima facie evidence of reasonable costs of investigation and
20 prosecution of the case. The costs shall include the amount of investigative and
21 enforcement costs up to the date of the hearing, including, but not limited to, charges
22 imposed by the Attorney General.

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

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

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

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

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

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

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

17 **FACTUAL ALLEGATIONS**

18 32. On or about sometime in September 2024, in response to a complaint that Respondent
19 had distributed cannabis flower in packaging labeled as “Macflurry”, which imitated packaging
20 used for products typically marketed to children, Department staff reviewed Respondent’s
21 California Cannabis Track and Trace (CCTT) account activity. The account activity showed that
22 Respondent had produced and distributed one (1) package, consisting of 256 units of "Macflurry"
23 branded cannabis flower. Respondent had transferred the 256 units to Cole Ashbury Group LLC
24 (CAG) (C10-0000660-LIC) on shipping manifest 0005016516, and CAG reported selling all 234
25 units of the “MacFlurry” branded cannabis flower to consumers and distributed an additional 9
26 units as trade samples.

27 33. The transfer manifest (0005016516) for the “MacFlurry” cannabis flower was
28 generated by Respondent’s Owner and Designated Responsible Party, Lucas Stickney (Owner
Stickney).¹ The manifest did not document the driver’s license number of the personnel
transporting the package of cannabis products, and the make, model, and license plate number of
the vehicle used for transport. Rather, in the spaces for this information “On File in Office” was

¹ Owners, as defined by Business and Professions Code section 26001, subdivision (av), associated with Respondent are Lucas Stickney and Andrea Wilson.

1 written. Department staff reviewed three random transfer manifests in 's CCTT system account:
2 0005041774, 0006135223, and 0006893051. Each of the manifests was missing driver and
3 vehicle information.

4 34. On or about September 5, 2024, Department staff went to Respondent's licensed
5 premises to conduct a regulatory compliance inspection. Department staff was met by Owner
6 Stickney who was informed of the purpose of the inspection.

7 35. Department staff showed Owner Stickney a photo of the "MacFlurry" branded
8 packaging and information from Respondent's CCTT account regarding the transfer of 256 units
9 of "MacFlurry" branded flower to CAG on manifest 0005016516. Owner Stickney
10 acknowledged conducting transfers with CAG, but denied seeing the "MacFlurry" packaging.
11 Owner Stickney stated he would further research the matter and contact Department staff.

12 36. Department staff reviewed multiple outgoing shipping manifests with Owner
13 Stickney, and asked about Respondent's failure to identify specific driver and vehicle
14 information. Owner Stickney acknowledged the deficiency and explained that the issue occurred
15 because he was under the impression that if he had information about the driver and vehicle
16 details in Respondent's business records, the information did not have to be recorded on each
17 manifest. Owner Stickney further explained that on several occasions Respondent's intended
18 driver was unable to conduct an assigned transfer, and the driver and method of delivery were
19 changed shortly before the physical transfer was initiated, but the information was not updated in
20 Respondent's CCTT account because the manifest was already created. Department staff
21 explained the manifest requirements to Owner Stickney, who confirmed that he understood.

22 37. Between on or about September 6, 2024, and October 15, 2024, Department staff
23 reviewed Respondent's CCTT account activity. During this time period, Respondent generated
24 seven (7) outgoing shipping manifests. Two (2) of the manifests generated during this time
25 period, 0007707597 and 0007707675, were created using Owner Stickney's login and did not
26 include required vehicle and driver information. Manifests 0007707597 and 0007707675,
27 documented the transfer of cannabis and cannabis products between Respondent's distribution
28 license (C11-0000990-LIC) and Respondent's manufacturing license (CDPH-10003207), which

1 are located in the same building, the manifests specified a driver's name, but did not include any
2 information describing the vehicle or other delivery method used to conduct the transfer. The
3 manifests stated that vehicle and driver information was "On file in Office."

4 38. On or about October 15, 2024, a Notice to Comply (NTC) was issued to Respondent.
5 The NTC identified several violations of Department regulations related to: Advertising
6 Placement and Prohibitions, Labeling Restrictions, Packaging and Labeling, Recording Transfers
7 of Cannabis and Cannabis Products, and Designated Account Manager Responsibilities. A
8 response to the NTC was due by November 15, 2024.

9 39. On or about November 20, 2024, having received no response to the NTC from
10 Respondent, Department staff emailed Owner Stickney. Owner Stickney responded that he was
11 not aware a reply to the NTC was required. Stickney added that he would review the NTC later
12 the same day, and respond.

13 40. On or about November 26, 2024, still having received no response from Owner
14 Stickney, Department staff emailed and asked whether Respondent had complied with the
15 requirements in the NTC.

16 41. On or about December 12, 2024, still having received no response from Owner
17 Stickney, Department staff again emailed and asked whether Respondent had complied with the
18 requirements in the NTC and asked for an update by the end of the day.

19 42. On or about January 9, 2025, still having received no response about the NTC from
20 Owner Stickney, Department staff reviewed Respondent's CCTT account activity and found that
21 transfer manifest, 0008184125, had been generated by Owner Stickney on January 7, 2025. The
22 manifest was missing driver and vehicle information and stated that vehicle and driver
23 information was "On file in Office."

24 43. On or about May 1, 2025, Department staff learned that Respondent's temporary
25 commercial cannabis operating permit with the San Francisco Office of Cannabis (SF-OOC) had
26 expired on April 30, 2025.

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1 44. On or about June 1, 2025, Department staff reviewed Respondent's CCTT account
2 activity and for the period of May 1, 2025, to June 1, 2025. It showed that Respondent had
3 accepted twenty-three (23) inbound transfers of cannabis goods from multiple Department
4 licensees into its distribution license and initiated six (6) outbound transfers from its distribution
5 license. In addition, Respondent had seven (7) inbound transfers which had not been accepted by
6 its manufacturing license. Department staff confirmed that Respondent continued to engage in
7 commercial cannabis activity without local authorization from SF-OOC.

8 45. On or about July 22, 2025, Department staff reviewed Respondent's CCTT account
9 activity for June 2, 2025, through July 21, 2025. During this period, Respondent accepted
10 twenty-eight (28) additional inbound transfers of cannabis goods from multiple Department
11 licensees into its distribution license and initiated an additional three (3) outbound transfers from
12 its distribution license. In addition, Respondent accepted an additional two (2) inbound transfers
13 of cannabis products and had one (1) additional inbound transfer which had not been accepted for
14 its manufacturing license. Department staff confirmed that Respondent was conducting
15 commercial cannabis activity without local authorization from SF-OOC.

16 46. On or about July 23, 2025, Department staff contacted a representative for SF-OOC,
17 who informed them that Respondent had not renewed its local operating permit with SF-OOC,
18 and that on May 20, 2025, had informed SF-OOC that Respondent was ceasing commercial
19 cannabis operations.

20 47. On or about August 12, 2025, Department staff reviewed Respondent's CCTT
21 account activity for July 22, 2025, to August 11, 2025. During this period, Respondent accepted
22 thirty-one (31) inbound transfers of cannabis goods from multiple Department licensees into its
23 distribution license and initiated twelve (12) additional outbound transfers from its distribution
24 license. Respondent's manufacturing license had eight (8) inbound transfers which had not been
25 accepted. Respondent continued to report commercial cannabis activity that it conducted without
26 local authorization from SF-OOC.

27 48. On or about November 19, 2025, Department staff reviewed Respondent's CCTT
28 account activity for the period between August 13, 2025, and November 18, 2025. During that

1 period, Respondent, using Owner Stickney’s CCTT account login, accepted one hundred twenty
2 (120) incoming transfers of cannabis and goods from multiple licensees into its distribution
3 license and generated twenty-five (25) outgoing transfers from its distribution license.
4 Respondent accepted fourteen (14) incoming transfers into its manufacturing license and
5 generated two (2) outgoing transfers from its manufacturing license. Of the twenty-five (25)
6 outgoing transfers from Respondent’s distribution license, seventeen (17) transfers, containing
7 ninety-six (96) packages of cannabis goods, were directed to MGCD Corp between the dates of
8 August 29, 2025, and November 17, 2025. Each of the seventeen (17) transfers was initiated by
9 Owner Stickney’s CCTT account login and identified: Respondent as the outbound transporter; a
10 destination address belonging to MGCD’s licensed premises; A.P. as the delivery driver; and an
11 Audi A4, as the delivery vehicle. Department staff noted that MGCD’s licensed premises had
12 been vacant due to eviction since on or about before August 21, 2025, when Department staff had
13 inspected MGCD’s licensed premises.

14 49. Department staff reviewed Respondent’s CCTT account for active inventory of
15 cannabis goods and products. Respondent reported three (3) active packages in its distribution
16 license inventory: UID 1A406030000A15D000004649, containing six (6) units of “Pomny
17 Cooling Gel Bottle”; UID 1A4060300003B18000000089, containing one hundred seventeen
18 (117) units of “Pomny Cooling Gel Bottle”; and UID 1A406030000A15D000002779, containing
19 one hundred sixty-four (164) grams of “Thizz Vape 1g Hybrid.” Respondent recorded a total of
20 seven (7) packages in its manufacturing license inventory: four (4) packages of bulk extract
21 containing 6,199 grams; one (1) package of packaged extract containing one hundred ten (110)
22 units; one (1) package of cannabis flower containing three (3) pounds; and one (1) package
23 of seventy-three (73) grams of “Final Retentate Waste”.

24 50. On or about November 19, 2025, Department staff went to Respondent’s licensed
25 premises to conduct an inspection. Department staff met with Owner Stickney and about the
26 transfer activity between Respondent and MGCD. Owner Stickney stated that MGCD staff tells
27 him the source, brand, type and quantity of products it needs from various Department licensees
28 then Respondent purchases the products, accepts transfers of the cannabis goods at its licensed

1 premises and into its CCTT account, then subsequently transfers the cannabis goods to MGCD
2 physically and within the CCTT system. Owner Stickney further stated that although Respondent
3 is listed as the outbound transporter, it does not physically deliver the goods to MGCD's premises
4 in Oakland; instead, MGCD picks up the goods from Respondent's licensed premises. In
5 addition, Respondent identified "A.P." as the transport driver on each of Respondent's outbound
6 transfers to MGCD. and A.P. Owner Stickney confirmed that A.P. has never worked for
7 Respondent and is an employee of MGCD.

8 51. Department staff requested access to Respondent's video surveillance system. Owner
9 Stickney stated that Respondent's video surveillance system was not operational, and Respondent
10 did not have a functioning DVR.

11 52. Department staff compared Respondent's distribution physical inventory with its
12 reported CCTT account inventory and discovered one hundred eighteen (118) units of "Pomny
13 Cooling Gel Bottle", labeled UID 1A4060300003B18000000091, in soft plastic bag packaging
14 and forty-eight (48) units of "Pomny Cooling Gel Bottle", also labeled UID
15 1A4060300003B18000000091, in cardboard packaging, for a total of one hundred sixty-six (166)
16 units. Respondent's CCTT account reported that package UID 1A4060300003B18000000091
17 received a Certificate of Compliance (COA) under sample batch UID
18 1A406030000A15D000001924, comprised of 555 units in the total batch. However, according to
19 Respondent's CCTT system account, no remaining units of UID 1A4060300003B18000000091
20 should be in physical inventory. Respondent's CCTT system account also showed one hundred
21 twenty-three (123) units of "Pomny Cooling Gel Bottle" under source UID
22 1A4060300003B18000000089, tested under batch UID 1A406030000A15D000001553, should
23 be present at the licensed premises. However, no units were in physical inventory. Owner
24 Stickney was unable to explain the excess physical units of "Pomny Cooling Gel
25 Bottle" and stated the product was manufactured more than 5 years ago.

26 53. Department staff conducted a physical count of "Thizz Vape 1g Hybrid" units with
27 UID 1A406030000A15D000002779, in Respondent's inventory area. Of the one hundred sixty-
28

1 four (164) units reported in Respondent's CCTT account, only one hundred thirteen (113) were
2 present. Owner Stickney could not account for the missing inventory.

3 54. Department staff was unable to locate the following items recorded in Respondent's
4 CCTT account: 110 units of package UID 1A4060300057ABD000001947, "Luv Extracts – Luv
5 Sugars", individually packaged cannabis Resin extract; 73 grams of cannabis waste, UID
6 1A4060300003B18000000800, "Final Retentate (waste);" 1,796 grams of bulk cannabis extract,
7 package UID 1A4060300057ABD000001506, "Super Runtz Sauce;" 1,000 grams of
8 tetrahydrocannabinolic acid (THCA) concentrate, package UID 1A4060300001B5E000008827,
9 "T7 – THCa;" and 1,000 grams of THCA concentrate, package UID
10 1A4060300001B5E000009008, "T7M - CON - DIS Jarred."

11 55. Owner Stickney stated that the one hundred ten (110) units of package UID
12 1A4060300057ABD000001947, "Luv Extracts – Luv Sugars" had been physically transferred to
13 MGCD, but the transfer was not recorded in Respondent's CCTT account, and the UID
14 1A4060300003B18000000800, "Final Retentate (waste)", had been physically disposed of, but
15 had not yet been reported in Respondent's CCTT account. Owner Stickney was unable to
16 account for any portion of package UID 1A4060300057ABD000001506, "Super Runtz Sauce".

17 56. Owner Stickney showed Department staff an unlabeled plastic container of white
18 powder and explained that the unlabeled plastic container was the combined total of the two
19 packages of THCA concentrate (UID 1A4060300001B5E000008827, containing 1,000 grams;
20 and UID 1A4060300001B5E000009008, containing 1,000 grams). When Department staff
21 weighed the product inside the unlabeled container the total weight of the powder and container
22 was 0.40 kilograms (400 grams). Based on the weight of the powder and the container,
23 Department staff determined that more than 1,600 grams of THCA concentrate was missing from
24 Respondent's physical inventory. Owner Stickney was unable to produce a production log, when
25 requested. Owner Stickney elected to voluntarily condemn and destroy the cannabis concentrate
26 powder.

27 57. During the inspection, Department staff found a large quantity of pallets in
28 Respondent's manufacturing and distribution premises that contained flavored nicotine liquid, in

1 all-in-one vaporizer units, and individual packaging for nicotine vaporizers. There were
2 approximately ten (10) individuals inside the premises actively engaged in filling and packaging
3 vaporizers with the flavored nicotine fluid inside of Respondent's manufacturing premises.
4 Owner Stickney stated that Respondent's commercial cannabis activities had slowed significantly
5 in recent years and the lease for Respondent's premises totaled approximately \$800,000, therefore
6 Respondent needed other sources of income to cover operation costs.

7 58. On or about December 2, 2025, Department staff requested additional information
8 about the two packages of cannabis products that were not present at Respondent's premises
9 during the November 19, 2025, inspection. Owner Stickney told Department staff that the two
10 packages were never physically delivered to Respondent's premises and that he accepted them
11 into Respondent's CCTT account by mistake. Owner Stickney also informed Department staff
12 that he recently discovered several inbound transfers of cannabis goods to Respondent's
13 distribution license that were not ordered and that were physically rejected when the orders were
14 delivered to Respondent's premises. However, Owner Stickney had not adjusted or transferred
15 the packages out of Respondent's CCTT account inventory or rejected the inbound transfers
16 because he received a notice from SF-OOC following the November 19, 2025, inspection,
17 instructing him to cease any commercial cannabis activity in the City and County of San
18 Francisco.

19 59. Department staff requested that Owner Stickney provide the UIDs for the two
20 packages. Owner Stickney did not have the specific UIDs and said that he would email the
21 details to Department staff later that day. Department staff reviewed Respondent's CCTT
22 account inbound transfer activity and discovered 4 transfers – 0009898879, 0009883098,
23 0009882527, and 0009887778, that had been initiated and directed to Respondent between
24 November 20, 2025, and November 24, 2025. Transfer 0009887778 was subsequently voided on
25 December 1, 2025.

26 60. Later that same day, Department staff received information that on November 20,
27 2025, SF-OOC issued a Notice of Violation (NOV) to Respondent for conducting commercial
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1 cannabis operations in the City and County of San Francisco without a valid permit, and an Order
2 to Cease Operations Without Permit (OCOWP).

3 61. On or about December 5, 2025, Department staff reviewed Respondent's CCTT
4 account activity and discovered an additional inbound transfer manifest, 00099502644, generated
5 on December 4, 2025. Department staff contacted Owner Stickney to follow-up on the
6 information regarding the two packages that was previously requested. Owner Stickney stated
7 that he had not had a chance to gather the requested information but would send it soon.

8 62. On or about December 9, 2025, Owner Stickney requested written instructions on
9 how to proceed with reporting the wasting of the THCA powder that Respondent voluntarily
10 condemned and destroyed on November 19, 2025, to finalize the UID tag for the cannabis waste
11 listed in Respondent's manufacturing inventory. Department staff again requested information
12 about the UID numbers of the 2 packages that Owner Stickney claimed were not physically
13 delivered to Respondent's premises. Owner Stickney explained that the UID numbers of the 2
14 packages were UID 1A4060300001B5E00009008 and UID 1A406300057ABD000001947.
15 UID 1A4060300001B5E00009008 was associated with the package of 1,000 grams of THCA
16 concentrate, which Owner Stickney could not locate during the inspection and stated had been
17 combined into the container of THCA concentrate powder that was voluntarily condemned on
18 November 19, 2025. Owner Stickney further explained that UID 1A406300057ABD000001947
19 represented the package of 110 units of "Luv Extracts – Luv Sugars", which Stickney stated had
20 been transferred to MGCD but not reported in METRC.

21 63. On or about December 11, 2025, Department staff reviewed Respondent's inbound
22 CCTT account transfers and discovered that a new transfer, 0009977984, was directed to
23 Respondent on December 10, 2025. In addition, transfer 9883098 had been redirected from
24 Respondent to MGCD, by the originating Distributor.

25 64. On or about December 16, 2025, Department staff received information from the
26 California Department of Tax and Fee Administration (CDTFA) that Respondent had an
27 outstanding balance of \$400,000.00 in unpaid cannabis excise taxes. In addition, CDTFA seized
28 approximately 168 pallets of nicotine products containing around 540,000 individual units of

1 flavored nicotine products and/or nicotine vape carts from Respondent’s premises, and
2 Respondent owed approximately \$27 million in penalties in addition to excise taxes related to the
3 nicotine associated products. CDTFA had revoked Respondent’s seller’s permit, and it was no
4 longer authorized to make sales of tangible personal property in California.

5 **FIRST CAUSE FOR DISCIPLINE**

6 (Video Surveillance System)

7 65. Respondent is subject to disciplinary action under Code section 26030, subdivision
8 (c), and California Code of Regulations, title 4, section 15044, in that Respondent failed to
9 maintain a video surveillance system as more particularly alleged in paragraph 51, above, which
10 is hereby incorporated by reference and realleged as if fully set forth herein.

11 **SECOND CAUSE FOR DISCIPLINE**

12 (General Requirements – Track and Trace)

13 66. Respondent is further subject to disciplinary action under Code section 26030,
14 subdivision (c), and California Code of Regulations, title 4, section 15047.2, in that Respondent
15 knowingly recorded false information regarding its commercial cannabis activities within its
16 California Cannabis Track and Trace (CCTT) account as more particularly alleged in paragraphs
17 32 through 63, above, which are hereby incorporated by reference and realleged as if fully set
18 forth herein.

19 **THIRD CAUSE FOR DISCIPLINE**

20 (Track and Trace Reporting)

21 67. Respondent is further subject to disciplinary action under Code section 26030,
22 subdivision (c), and California Code of Regulations, title 4, section 15049, in that Respondent
23 failed to record its commercial cannabis activities in the track and trace system within 24 hours of
24 occurrence as more particularly alleged in paragraphs 32 through 63, above, which are hereby
25 incorporated by reference and realleged as if fully set forth herein.

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1 **FOURTH CAUSE FOR DISCIPLINE**

2 (Track and Trace System Reconciliation)

3 68. Respondent is further subject to disciplinary action under Code section 26030,
4 subdivision (c), and California Code of Regulations, title 4, section 15051, in that Respondent
5 failed to review the information recorded in its CCTT account at least once every 30 calendar
6 days to ensure its accuracy, including reconciling on-hand inventory of cannabis and cannabis
7 product with records in the CCTT system or reporting any discrepancies between the licensee's
8 on-hand inventory and CCTT system to the Department as more particularly alleged in
9 paragraphs 32 through 63, above, which are hereby incorporated by reference and realleged as if
10 fully set forth herein.

11 **FIFTH CAUSE FOR DISCIPLINE**

12 (Inventory Accounting)

13 69. Respondent is further subject to disciplinary action under Code section 26030,
14 subdivision (c), and California Code of Regulations, title 4, section 15309, in that Respondent
15 failed to account for all inventory and provide that information to the Department upon request as
16 more particularly alleged in paragraphs 32 through 63, above, which are hereby incorporated by
17 reference and realleged as if fully set forth herein.

18 **SIXTH CAUSE FOR DISCIPLINE**

19 (Requirements for the Transportation of Cannabis and Cannabis Products)

20 70. Respondent is further subject to disciplinary action under Code section 26030,
21 subdivision (c), and California Code of Regulations, title 4, section 15311, subdivision (a), in that
22 Respondent failed to ensure that the transport of cannabis goods was conducted by persons
23 holding a distributor license or employees of those persons, as more particularly alleged in
24 paragraphs 33, 36, 37, and 48, above, which are hereby incorporated by reference and realleged
25 as if fully set forth herein.'

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1 **SEVENTH CAUSE FOR DISCIPLINE**

2 (Recording Transfers of Cannabis and Cannabis Products)

3 71. Respondent is further subject to disciplinary action under Code section 26030,
4 subdivision (c), and California Code of Regulations, title 4, sections 15049.2, in that Respondent
5 knowingly transported cannabis and cannabis products to a licensee that no longer had access to
6 its premises, using incomplete and falsified shipping manifests as more particularly alleged in
7 paragraphs 48, 50, 55, 62, and 63, above, which are hereby incorporated by reference and
8 realleged as if fully set forth herein.

9 **EIGHTH CAUSE FOR DISCIPLINE**

10 (Transport Personnel Requirements)

11 72. Respondent is further subject to disciplinary action under Code sections 26030,
12 subdivision (c), and California Code of Regulations, title 4, section 15313, subdivision (b), in that
13 Respondent failed to ensure that only a licensee, or an employee of a licensee was in a vehicle
14 during the transport of cannabis and cannabis products as more particularly alleged in paragraphs
15 33, 36, 37 and 48, above, which are hereby incorporated by reference and realleged as if fully set
16 forth herein.

17 **NINTH CAUSE FOR DISCIPLINE**

18 (License Constraints – Non-cannabis Products)

19 73. Respondent is further subject to disciplinary action under Code sections 26030,
20 subdivisions (a) and (c), and 26054, subdivision (a), and California Code of Regulations, title 4,
21 section 17117, subdivision (a), in that Respondent manufactured, prepared, packaged, labeled,
22 and sold nicotine-containing products at the licensed premises as more particularly alleged in
23 paragraph 57, above, which are hereby incorporated by reference and realleged as if fully set forth
24 herein.

25 **TENTH CAUSE FOR DISCIPLINE**

26 (Labeling Restrictions)

27 74. Respondent is further subject to disciplinary action under Code sections 26030,
28 subdivision (c), and 26120, subdivision (b), and California Code of Regulations, title 4, sections

1 15040, subdivision (a)(3)(B), and 17408, subdivision (a)(2), in that Respondent failed to comply
2 with labeling restrictions as more particularly alleged in paragraphs 34 and 37, above, which are
3 hereby incorporated by reference and realleged as if fully set forth herein.

4 **ELEVENTH CAUSE FOR DISCIPLINE**

5 (Notice to Comply)

6 75. Respondent is further subject to disciplinary action under Code section 26030,
7 subdivision (c), and California Code of Regulations, title 4, section 17801, subdivision (d), in that
8 Respondent failed to respond to the Notice to Comply issued by the Department as more
9 particularly alleged in paragraphs 38 through 42, above, which are hereby incorporated by
10 reference and realleged as if fully set forth herein.

11 **TWELVTH CAUSE FOR DISCIPLINE**

12 (Misbranded Cannabis)

13 76. Respondent is further subject to disciplinary action under Code sections 26030,
14 subdivision (a) and 26039.5, subdivisions (a)(3) and (b), in that Respondent held misbranded
15 cannabis products as more particularly alleged in paragraph 56, above, which is hereby
16 incorporated by reference and realleged as if fully set forth herein.

17 **THIRTEENTH CAUSE FOR DISCIPLINE**

18 (Records)

19 77. Respondent is further subject to disciplinary action under Code sections 26030,
20 subdivision (a), and 26160 in that Respondent failed to provide records to the Department upon
21 request as more particularly alleged in paragraphs 32 through 63, above, which are hereby
22 incorporated by reference and realleged as if fully set forth herein.

23 **FOURTEENTH CAUSE FOR DISCIPLINE**

24 (Local Compliance)

25 78. Respondent is further subject to disciplinary action under Code sections 26030,
26 subdivision (a), 26055, subdivision (g)(2)(c), and 26200, in that Respondent failed to comply with
27 local ordinances and permitting requirements as more particularly alleged in paragraphs 43
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1 through 47, 58, and 60, above, which are hereby incorporated by reference and realleged as if
2 fully set forth herein.

3 **FIFTEENTH CAUSE FOR DISCIPLINE**

4 (Payment of Cannabis Taxes and Seller's Permit)

5 79. Respondent is further subject to disciplinary action under Code sections 26030,
6 subdivision (d), and 26057, subdivision, (b)(8), in that Respondent failed to comply with state law
7 related to the payment of taxes as required under the Revenue and Taxation Code, including the
8 failure to pay outstanding cannabis taxes and to maintain a California Department of Tax and Fee
9 Administration issued seller's permit as more particularly alleged in paragraph 64, above, which
10 is hereby incorporated by reference and realleged as if fully set forth herein.

11 **PRAYER**

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

15 1. Revoking or suspending outright or suspending with terms and conditions or fining or
16 any combination thereof, the Cannabis Distributor License Number C11-0000990-LIC, issued to
17 Respondent The Burke Group with Lucas Stickney, Designated Responsible Party and Owner;

18 2. Revoking or suspending outright or suspending with terms and conditions or fining or
19 any combination thereof, the Cannabis Manufacturer - Type 6 License Number DCC-10003207,
20 issued to Respondent The Burke Group with Lucas Stickney, Designated Responsible Party and
21 Owner;

22 3. Ordering Respondent The Burke Group with Lucas Stickney, Designated Responsible
23 Party and Owner to pay the Department of Cannabis Control the reasonable costs of the
24 investigation and enforcement of this case, pursuant to Business and Professions Code section
25 26031.1;

26 4. Ordering the destruction of cannabis and cannabis goods in the possession of The
27 Burke Group with Lucas Stickney, Designated Responsible Party and Owner, at Respondent's
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1 expense, if revocation of Cannabis Distributor License Number C11-0000990-LIC is ordered,
2 pursuant to California Code of Regulations, title 4, section 15024.1, subdivision (a); and

3 5. Ordering the destruction of cannabis and cannabis goods in the possession of The
4 Burke Group with Lucas Stickney, Designated Responsible Party and Owner at Respondent's
5 expense, if revocation of Cannabis Manufacturer - Type 6 License Number DCC-10003207 is
6 ordered, pursuant to California Code of Regulations, title 4, section 15024.1, subdivision (a); and

7 6. Taking such other and further action as deemed necessary and proper.

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DATED: February 11, 2026



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

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

11 In the Matter of the Accusation Against:

Case No. DCC24-0001979-INV

12 **THE BURKE GROUP**
13 **LUCAS STICKNEY, DRP**

REQUEST FOR DISCOVERY

14 Respondent.

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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 11, 2026

ROB BONTA
Attorney General of California

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12

Harinder Kapur

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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:

**THE BURKE GROUP
LUCAS STICKNEY, DRP**

Respondent.

Case No. DCC24-0001979-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>.

SA2026800347
85562761.docx

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

In the Matter of the Accusation Against:

**THE BURKE GROUP
LUCAS STICKNEY, DRP**

Respondent.

Case No. DCC24-0001979-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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85562761.docx

**COPY OF GOVERNMENT CODE SECTIONS 11507.5, 11507.6 AND 11507.7
PROVIDED PURSUANT TO GOVERNMENT CODE SECTIONS 11504 AND 11505**

SECTION 11507.5: Exclusivity of discovery provisions

The provisions of Section 11507.6 provide the exclusive right to and method of discovery as to any proceeding governed by this chapter.

SECTION 11507.6: Request for discovery

After initiation of a proceeding in which a respondent or other party is entitled to a hearing on the merits, a party, upon written request made to another party, prior to the hearing and within 30 days after service by the agency of the initial pleading or within 15 days after the service of an additional pleading, is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party, including, but not limited to, those intended to be called to testify at the hearing, and (2) inspect and make a copy of any of the following in the possession or custody or under the control of the other party:

(a) A statement of a person, other than the respondent, named in the initial administrative pleading, or in any additional pleading, when it is claimed that the act or omission of the respondent as to this person is the basis for the administrative proceeding;

(b) A statement pertaining to the subject matter of the proceeding made by any party to another party or person;

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

(d) All writings, including, but not limited to, reports of mental, physical and blood examinations and things which the party then proposes to offer in evidence;

(e) Any other writing or thing which is relevant and which would be admissible in evidence;

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

For the purpose of this section, "statements" include written statements by the person signed or otherwise authenticated by him or her, stenographic, mechanical, electrical or other recordings, or transcripts thereof, of oral statements by the person, and written reports or summaries of these oral statements.

Nothing in this section shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product.

SECTION 11507.7: Petition to compel discovery; Order; Sanctions

(a) Any party claiming the party's request for discovery pursuant to Section 11507.6 has not been complied with may serve and file with the administrative law judge a motion to compel discovery, naming as respondent the party refusing or failing to comply with Section 11507.6. The motion shall state facts showing the respondent party failed or refused to comply with Section 11507.6, a description of the matters sought to be discovered, the reason or reasons why the matter is discoverable under that section, that a reasonable and good faith attempt to contact the respondent for an informal resolution of the issue has been made, and the ground or grounds of respondent's refusal so far as known to the moving party.

(b) The motion shall be served upon respondent party and filed within 15 days after the respondent party first evidenced failure or refusal to comply with Section 11507.6 or within 30 days after request was made and the party has failed to reply to the request, or within another time provided by stipulation, whichever period is longer.

(c) The hearing on the motion to compel discovery shall be held within 15 days after the motion is made, or a later time that the administrative law judge may on the judge's own motion for good cause determine. The respondent party shall have the right to serve and file a written answer or other response to the motion before or at the time of the hearing.

(d) Where the matter sought to be discovered is under the custody or control of the respondent party and the respondent party asserts that the matter is not a discoverable matter under the provisions of Section 11507.6, or is privileged against disclosure under those provisions, the administrative law judge may order lodged with it matters provided in subdivision (b) of Section 915 of the Evidence Code and examine the matters in accordance with its provisions.

(e) The administrative law judge shall decide the case on the matters examined in camera, the papers filed by the parties, and such oral argument and additional evidence as the administrative law judge may allow.

(f) Unless otherwise stipulated by the parties, the administrative law judge shall no later than 15 days after the hearing make its order denying or granting the motion. The order shall be in writing setting forth the matters the moving party is entitled to discover under Section 11507.6. A copy of the order shall forthwith be served by mail by the administrative law judge upon the parties. Where the order grants the motion in whole or in part, the order shall not become effective until 10 days after the date the order is served. Where the order denies relief to the moving party, the order shall be effective on the date it is served.

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

Case Name: **In the Matter of the Accusation against The Burke Group**

No.: **DCC24-0001979-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 11, 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:

The Burke Group
Lucas ("Luke") Stickney, DRP/Owner
1500 Burke Avenue, Unit #A
San Francisco, CA 94124

Certified Article Number

9414 7266 9904 2237 8850 66

SENDER'S RECORD

Lucas ("Luke") Stickney, DRP/Owner
1500 Burke Avenue, Unit #A
San Francisco, CA 94124
E-mail Address: luke@burkeextracts.com

Certified Article Number

9414 7266 9904 2237 8850 73

SENDER'S RECORD

Scot Candell, Agent for Service
4040 Civic Center Drive
San Rafael, CA 94903

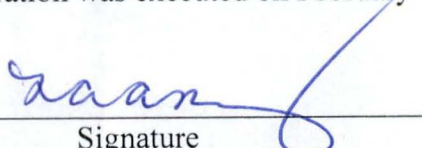
Certified Article Number

9414 7266 9904 2237 8850 80

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 11, 2026, at San Diego, California.

N. Amansec
Declarant



Signature

Exhibit 2

License History Certifications for Respondent



CANNABIS MANUFACTURER LICENSE

Adult Use and Medicinal

Business Name:

The Burke Group
Burke Labs

License Number: DCC-10003207

License Type: Annual AM-Type 6: Non Volatile Solvent Extraction

Premises Address:

1500 BURKE AVE
SAN FRANCISCO, CA
94124-1427

Valid: 5/16/2019

Expires: 5/16/2025

The license authorizes The Burke Group to engage in commercial cannabis AM-Type 6: Non Volatile Solvent Extraction 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.

Non-Transferable

Post in Public View



Cannabis Distributor License Adult-Use and Medicinal

Business Name:
THE BURKE GROUP

Burke Extracts

License Number: C11-0000990-LIC
License Type: Distributor

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

Premises Address:
1500 BURKE AVE, UNIT A
SAN FRANCISCO, CA
94124-1427

Valid: 8/14/2019
Expires: 8/13/2025

Scan to verify this
license.



Non-Transferable

Post in Public View

Scan to verify this license.



Valid:
8/14/2019

Expires:
8/13/2025

License No:
C11-0000990-LIC

Legal Business Name:
THE BURKE GROUP
Burke Extracts

Premises Address:
1500 BURKE AVE, UNIT A
SAN FRANCISCO, CA 94124-1427

1. Use your smartphone camera to scan the QR code for licensing information.
2. If your camera doesn't have scanning functionality, you can look up a location at search.cannabis.ca.gov using license number C11-0000990-LIC.



Department of
Cannabis Control
CALIFORNIA

Exhibit 3

Certification of Investigation Costs

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4
**BEFORE THE
DEPARTMENT OF CANNABIS CONTROL
STATE OF CALIFORNIA**

5 In the Matter of the Accusation Against:

Case No. DCC24-0001979-INV

6 **THE BURKE GROUP**
7 **LUCAS STICKNEY, DRP/OWNER**
8 **1500 Burke Avenue, Unit #A**
San Francisco, CA 94124

**DECLARATION OF ARIC ENKABO
REGARDING INVESTIGATIVE
ACTIVITY**

9 **Cannabis Distributor License**
10 **No. C11-0000990-LIC**

11 **Cannabis Manufacturer - Type 6 License**
12 **No. DCC-10003207**

13 Respondent.

14
15 I, Aric Engkabo, declare and certify as follows:

- 16 1. I am employed as a Supervising Special Investigator (SSI) I within the
17 Investigative Services Branch (ISB) of the Compliance Division of the Department of Cannabis
18 Control (Department).
19 2. I have been designated as the Department representative to certify the costs of
20 investigation in this case pursuant to Business and Professions Code section 26031.1. I make this
21 certification in my official capacity as an SSI I and as a public employee pursuant to Evidence
22 Code section 664.
23 3. The following list of SSI and Special Investigators (SI) were assigned to the
24 investigation of this case, which was initially opened by the Department's ISB on or about
25 October 2, 2023: Aric Engkabo, SSI I, Denis Rakitskiy, Lead SI, Isabel Sanchez, SI.
26 4. In my official capacity as an SSI I, I review the costs incurred by the Department's
27 ISB in the enforcement of the laws and regulations under its jurisdiction and certify that these
28 costs were incurred by the Department. I am familiar with the time reporting system of the

1 Department's Compliance Division for the reasonable and necessary investigative work
2 performed on a particular case. It is the duty of SSIs to keep track of the time spent and to report
3 that time in the Department's case management system at or near the time of the tasks performed.

4 5. The investigative activity summary entitled The Burke Group Certification of Cost
5 Recovery was obtained from the Department's case management system and includes the details
6 of tasks performed by SSIs and/or SIs as maintained in the Department's case management
7 system. The costs related to investigative activity include field time, research and report writing,
8 meetings, and use of state vehicles. I hereby certify that The Burke Group Certification of Cost
9 Recovery, attached hereto and herein incorporated by reference is a true and correct copy of the
10 investigative activity for this case. The investigative activity summary encompasses the total
11 hours spent by the Department's Compliance Division through March 16, 2026. The investigative
12 activity summary does not include tasks performed after this date.

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

17 a) Special Investigator Field Time:

18 Rate per hour: \$101.00 multiplied by 27 hours = \$2,727.00

19 b) Special Investigator Research and Report Writing:

20 Rate per hour: \$101.00 multiplied by 74 hours = \$7,474.00

21 c) Special Investigator Meetings:

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

23 d) Use of State Vehicles:

24 3 state vehicles at \$0.625 multiplied by 492 miles = \$307.50

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

Aric Engkabo Digitally signed by Aric Engkabo
Date: 2026.03.16 11:34:25 -07'00'

Aric Engkabo
Declarant

	A	B	C	D	E	F	G	H
1	Last Name	First Name	Hourly Rate	Field Time	Research and Report	Meetings	Total Hours	Total Expense
2	Lead SI, Rakitskiy	Denis	\$101.00	12	74	2	88	\$8,888.00
3	Assisting SSI, Engkabo	Aric	\$101.00	6			6	\$606.00
4	Assisting SI, Sanchez	Isabel	\$101.00	9			9	\$909.00
5								
6	Total Personnel Services							\$10,403.00
7								
8	Total Personnel Services and Operating Expense							\$10,710.50
9								
10								
11	Operating Expense	Count	Miles	@.625 per mile				
12	State Vehicles	3	492	\$307.50	Total Miles for Rakitskiy, Sanchez and Engkabo			
13	Rental Vehicles			\$0.00				
14	U-Haul Rental			\$0.00				
15	U-Haul Gas			\$0.00				
16	Total Operating Expense			\$307.50				

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. DCC24-0001979-INV

11 **THE BURKE GROUP; LUCAS**
12 **STICKNEY, DRP/OWNER**

CERTIFICATION OF
PROSECUTION COSTS:
DECLARATION OF HARINDER K.
KAPUR

Business and Professions Code section
26031.1]

13
14 Respondent.

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 9, 2026, I requested a billing summary for this case from the Accounting
9 Department of the DOJ. In response, on April 9, 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 9, 2026. It does not include billing for tasks performed after April 9, 2026, up to
18 the date of hearing.

19 6. Based upon the time reported through April 9, 2026, as set forth in Exhibit A, DOJ
20 has billed the Department of Cannabis Control \$4,976.25 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 9, 2026, in the City of San Diego, California.

Harinder Kapur

HARINDER K. KAPUR
Senior Assistant Attorney General
Declarant

SA2026800347

Exhibit A



Cost of Suit Summary

As of Apr 9, 2026

MatterID: SA2026800347
 Description: The Burke Group (EDO/ACC)

Date Opened: Feb 2, 2026

Total Legal Costs: \$4,976.25
 Cost of Suit: \$0.00
 Grand Total: \$4,976.25

Totals include WIP time.

Rate	Hrs Wrkd	Amount
Matter Time Activity Summary		
Attorney		
2025-2026		
\$228.00	12.25	\$2,793.00
Total For: 2025-2026		\$2,793.00
Total for: Attorney		\$2,793.00
Paralegal		
2025-2026		
\$213.00	10.25	\$2,183.25
Total For: 2025-2026		\$2,183.25
Total for: Paralegal		\$2,183.25
Total Legal Costs		\$4,976.25

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 9, 2026

Matter ID: SA2026800347				Date Opened: 02/02/2026						
Description: The Burke Group (EDO/ACC)										
Professional Type: Attorney										
Fiscal Year: 2025										
Professional: Gregory M. Cribbs										
Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date	
606051790	2/12/26	CV-CCS:290	02668	Case Management	0.25	\$228.00	\$57.00		2/28/26	
Gregory M. Cribbs Totals:					0.25		\$57.00			
Professional: Harinder K. Kapur										
803438244	2/3/26	CV-CCS:290	02668	Analysis/Strategy	0.50	\$228.00	\$114.00		2/28/26	
803438888	2/4/26	CV-CCS:290	02668	Case Evaluation/Assessment	1.00	\$228.00	\$228.00		2/28/26	
803438890	2/4/26	CV-CCS:290	02668	Pleading Preparation	1.00	\$228.00	\$228.00		2/28/26	
803442257	2/6/26	CV-CCS:290	02668	Pleading Preparation	3.00	\$228.00	\$684.00		2/28/26	
803443186	2/8/26	CV-CCS:290	02668	Pleading Preparation	4.00	\$228.00	\$912.00		2/28/26	
803443843	2/9/26	CV-CCS:290	02668	Analysis/Strategy	0.50	\$228.00	\$114.00		2/28/26	
803443846	2/9/26	CV-CCS:290	02668	Pleading Preparation	1.00	\$228.00	\$228.00		2/28/26	
803446974	2/11/26	CV-CCS:290	02668	Pleading Preparation	0.50	\$228.00	\$114.00		2/28/26	
803447162	2/11/26	CV-CCS:290	02668	Case Management	0.25	\$228.00	\$57.00		2/28/26	
803482049	3/13/26	CV-CCS:290	02668	Case Management	0.25	\$228.00	\$57.00			
Harinder K. Kapur Totals:					12.00		\$2,736.00			
2025 Totals:					12.25		\$2,793.00			
Attorney Totals:					12.25		\$2,793.00			



Matter Time Activity By Professional Type

As of Apr 9, 2026

Matter ID: SA2026800347				Date Opened: 02/02/2026						
Description: The Burke Group (EDO/ACC)										
Professional Type: Paralegal										
Fiscal Year: 2025										
Professional: Helen Koh										
Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date	
803437391	2/2/26	CV-CCS:290	02668	Case Management	1.25	\$213.00	\$266.25		2/28/26	
803437469	2/3/26	CV-CCS:290	02668	Case Management	0.25	\$213.00	\$53.25		2/28/26	
803437961	2/3/26	CV-CCS:290	02668	Pleading Preparation	5.00	\$213.00	\$1,065.00		2/28/26	
803438731	2/4/26	CV-CCS:290	02668	Case Management	0.75	\$213.00	\$159.75		2/28/26	
803486734	3/17/26	CV-CCS:290	02668	Case Management	0.25	\$213.00	\$53.25			
803495616	3/24/26	CV-CCS:290	02668	Contract/Document Preparation	2.25	\$213.00	\$479.25			
803514549	4/9/26	CV-CCS:290	02668	Contract/Document Preparation	0.50	\$213.00	\$106.50			
Helen Koh Totals:					10.25		\$2,183.25			
2025 Totals:					10.25		\$2,183.25			
Paralegal Totals:					10.25		\$2,183.25			
SA2026800347 Totals:					22.50		\$4,976.25			

Exhibit 5

Investigative Report (no attachments)



INVESTIGATION REPORT



**Department of
Cannabis Control**
CALIFORNIA



CASE INFORMATION

Case Number DCC24-0001979-INV	Date Received December 16, 2025
License Number C11-0000990-LIC & DCC-10003207	Legal Business Name of Licensee or Unlicensed Party The Burke Group
DBA Burke Extracts	Premises Address 1500 BURKE AVE, UNIT# A SAN FRANCISCO, CA 94124
Business Phone Number (415) 902-5625	Author's Name Denis Rakitskiy
Date of Incident September 5, 2024	Location of Incident 1500 BURKE AVE, UNIT# A SAN FRANCISCO, CA 94124

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

Name (First, Middle, Last) Luke (also known as "Lucas") Stickney	Title Owner/Controlling Manager
Address (include street, city, state, and zip code) 1500 BURKE AVE, UNIT# A SAN FRANCISCO, CA 94124	
E-mail Address luke@burkeextracts.com	Phone Number (415) 902-5625

Miscellaneous Information

Additional Owner of C11-0000990-LIC: Andrea Wilson, Officer. awilson@burkeextracts.com, (408) 455-5404

Distributor license number C11-0000990-LIC will expire on August 13, 2026, unless renewed.

Type 6 manufacturer license number DCC-10003207 will expire on May 16, 2026, unless renewed.

SUMMARY

On October 2, 2023, the Department of Cannabis Control (DCC) received a complaint alleging that The Burke Group (Burke), license number C11-0000990-LIC, produced and distributed cannabis goods in packaging that is attractive to children, which violates the DCC's Packaging, Labeling and Advertising regulations. DCC staff reviewed the alleged packaging, which closely resembled McDonalds McFlurry packaging, and on July 16, 2024, determined the packing is indeed attractive to children and violates established regulations.

On September 3, 2024, I, DCC Special Investigator Denis Rakitskiy (SI Rakitskiy), began investigating Burke's licensed operations. During my investigation, I discovered that Burke produced cannabis flower in packaging which was attractive to children and distributed the flower to a DCC licensed retailer, which subsequently sold more than 230 units of cannabis flower in the non-compliant packaging to the general public. In addition, Burke entered false information into the California Cannabis Track and Trace (CCTT) database, failed to respond to a Notice to Comply (NTC) issued by the DCC, and continued to enter false information in the CCTT database after DCC issued the NTC. I further discovered that Burke's temporary operating permit with the city of San Francisco's Office of Cannabis expired on April 30, 2025, but Burke continued to engage in commercial cannabis activities in the city of San Francisco up to and including November 17, 2025. Moreover, Burke transferred a large quantity of cannabis goods sourced from multiple DCC licensee's to MGCD Corp, between August 21, 2025, and November 17, 2025, a period during which MGCD Corp no longer had access to its premises. In doing so, Burke intentionally falsified transfer manifests, which in my experience demonstrates the diversion of cannabis goods from the licensed market. I discovered that Burke was manufacturing and packaging a large volume of flavored nicotine vaporizer inside their Distribution and Manufacturing premises.



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Finally, I discovered that Burke's seller's permit was revoked by the California Department of Tax and Fee Administration on November 24, 2025, because Burke failed to file a required schedule with their return for the period from January 1, 2023, to December 31, 2024.

BACKGROUND

On February 13, 2023, the Department of Cannabis Control (DCC) received a complaint against The Burke Group's (Burke) Distribution license, alleging that Burke was not paying their vendors.

On November 2, 2023, DCC Special Investigators, Kevin Johnson, Matt McLean and I, Denis Rakitskiy (SI Rakitskiy) conducted a visit to Burke's distribution premises to investigate the complaint. During the visit, I discovered multiple bags of cannabis flower which were not properly labeled with unique identifier (UID) tags. I also discovered two jars of cannabis distillate and a partial batch of vaporizer cartridges, which were not in final form, and which belonged to Burke's manufacturing license, were being stored in the Distribution premises. An employee of Burke subsequently moved the distillate the cartridges into Burke's manufacturing premises in our presence.

I verbally advised Burke's employees about regulations pertaining to Storage of Inventory, Storage Services and Storage of Batches for testing, and warned against future violations of the discussed regulations. Burke's employee called Stickney and relayed our statements and warnings in our presence.

CASE NARRATIVE

On October 2, 2023, the Department of Cannabis Control (DCC) received a complaint (DCC23-0005224-COMP) alleging that The Burke Group (Burke), license number C11-0000990-LIC, produced and distributed cannabis goods in packaging that is attractive to children, which violates the DCC's Packaging, Labeling and Advertising regulations. During the review of complaint, DCC staff determined that Burke may have distributed cannabis flower in packaging labeled as "Macflurry", which imitated packaging used for products typically marketed to children, specifically, McDonalds' "McFlurry" (**Attachment A**). DCC staff determined that the packaging was attractive to children and persons under the age of 21 and recommended further investigation of the licensee.

On September 3, 2024, I, Special Investigator Denis Rakitskiy (SI Rakitskiy), reviewed DCC staff's determination and Burke's California Cannabis Track and Trace system (METRC) activity. I discovered that Burke produced and distributed 1 package, Unique Identifier (UID) 1A406030000A15D000004691, consisting of 256 units of 3.5g (1/8oz) of "Macflurry" branded cannabis flower. I discovered that Burke subsequently transferred the 256 units to Cole Ashbury Group LLC (CAG) (C10-0000660-LIC) on shipping manifest 0005016516, and CAG reported selling 234 units of the "MacFlurry" branded cannabis flower to consumers and distributed an additional 9 units as trade samples (**Attachment B**).

While reviewing transfer manifest 0005016516, I noted that the manifest was generated by Burke's owner, Luke Stickney (Stickney), using email luke@burkeextracts.com. I confirmed that this email address is Stickney's reported email in the DCC's licensing database (**Attachment C**).

I also discovered that Burke failed to document the driver's license number of the personnel transporting the package of cannabis products, and the make, model, and license plate number of the vehicle used for transport. The manifest's spaces for this information only stated, "On File in Office".

I reviewed three additional random transfer manifests; 0005041774, 0006135223, and 0006893051, originating from Burke, generated by Stickney, which were also missing required driver and vehicle information



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(Attachment D).

On September 5, 2024, at approximately 1030 hours, DCC Supervising Special Investigator (SSI), Aric Engkabo (Engkabo) and I arrived at the licensed premises, located at 1500 Burke Avenue, Suite A, San Francisco, California 94124, to conduct a regulatory compliance inspection. Upon entering the premises, we presented Stickney with our DCC-issued credentials and explained that the purpose of our visit was to review Burke's activities related to packaging, labeling, and transport.

I presented Stickney with a photo of the "MacFlurry" branded packaging and information from Burke's METRC account documenting that Burke transferred 256 units of "MacFlurry" branded flower to CAG on manifest 0005016516, which was generated under his personal METRC account. Stickney acknowledged conducting multiple transactions with CAG, including the noted transfer, but stated he had not seen the "MacFlurry" packaging before. Stickney stated he would further research the matter and would contact me soon.

I reviewed manifest 0005016516 and multiple other outgoing shipping manifests with Stickney, not limited to orders destined for CAG, and pointed out Burke's recurring failure to identify specific driver and vehicle information. Stickney acknowledged the deficiency and explained that the issue occurred because he was under the impression that as long as he had record of the driver and vehicle details recorded somewhere in Burke's records, the information did not have to be recorded on each manifest. Stickney added that on several occasions in the past, Burke's intended driver was unable to conduct an assigned transfer, and the driver and method of delivery were changed shortly before the physical transfer was initiated, but the information was not updated in METRC because the manifest was already live in METRC.

I discussed Packaging, Labeling, Advertising, and Track and Trace regulatory requirements with Stickney. I explained to Stickney that Burke cannot create any packaging that may be considered attractive to minors; that specific driver and vehicle information must be listed on each transfer manifest generated by Burke; and that Burke must correct any data entry errors, such as driver or delivery method changes, in METRC within three (3) calendar days of discovery of the error.

Stickney confirmed that he understood the requirements set forth by the regulations I described and stated that he would make the necessary changes to Burke's operating procedures to achieve compliance.

Stickney added that he was in the process of locating a new equity business partner to satisfy San Francisco's Office of Cannabis (OOC) requirements in order to renew his local operating permits, which are set to expire in the spring of 2025. I advised Stickney to report any intended ownership or financial interest holder changes to the DCC for approval.

Engkabo and I departed from Burke's premises at approximately 1200 hours.

On September 6, 2024, I received a call from Stickney. He confirmed that Burke produced the "MacFlurry" branded/labeled packaging and distributed the goods to CAG. Stickney stated that the package was produced and transferred to CAG while he was away from the office.

Between September 5, 2024 and October 15, 2024, I continued to review Burke's METRC activity. I discovered that Burke generated 7 outgoing shipping manifests during this period, 2 of which (0007707597 & 0007707675), generated under Stickney's login, did not include required vehicle and driver information. Although manifests 0007707597 & 0007707675, were between Burke's Distribution License (C11-0000990-LIC) and Burke's manufacturing license (CDPH-10003207), which are located in the same building, the manifests only specified the driver's name but did not include any information describing the vehicle or other delivery method used to conduct the transfer (**Attachment E**). The manifest merely stated that vehicle and driver information was "On file in Office".

On October 15, 2024, I issued a Notice to Comply (NTC) to Stickney via email at luke@burkeextracts.com. Citing Burke's violations of DCC's regulations pertaining to Advertising Placement and Prohibitions, Labeling



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Restrictions, Packaging, Packaging and Labeling, Recording Transfers of Cannabis and Cannabis Products, and Responsibilities of the Designated Account Manager. A reply to the NTC was due November 15, 2024 **(Attachment F)**.

On November 20, 2024, because I had not received a reply to the NTC, I emailed Stickney requesting an update. Stickney replied later the same day and stated that he was not aware a reply to the NTC was required. Stickney added that he would review the NTC later the same day **(Attachment G)**.

On November 26, 2024, I had not received any other correspondence from Stickney and emailed him asking if he had completed the NTC **(Attachment H)**.

On December 12, 2024, I had not received any other correspondence from Stickney and emailed him asking if he had completed the NTC. I requested Stickney reply with an update by the end of the day **(Attachment I)**.

On January 9, 2025, I had still not received any other correspondence from Stickney. I conducted a review of Burke's METRC activity and discovered an additional transfer manifest, 0008184125, generated by Stickney on January 7, 2025, which was missing all driver and vehicle information **(Attachment J)**. As with previous manifests, the manifest merely stated that vehicle and driver information was "On file in Office".

On April 30, 2025, I spoke with Ray Law (Law), a representative of the San Francisco Office of Cannabis (OOC) via telephone. During our conversation, Law informed me that Burke's temporary commercial cannabis operating permit with OOC was set to expire on April 30, 2025, and had not yet been renewed or converted to a permanent permit.

On May 1, 2025, I received an email from Law confirming Burke's temporary commercial cannabis operating permit expired on April 30, 2025, and has not been renewed or converted to a permanent permit. **(Attachment K)**

On June 1, 2025, I conducted a review of Burke's METRC activity, reported between May 1, 2025, and June 1, 2025. During this period, I discovered Burke accepted 23 inbound transfers of cannabis goods from multiple DCC licensees into their Distribution license **(Attachment L)** and initiated 6 outbound transfers from their Distribution license **(Attachment M)**. I also discovered Burke's manufacturing license had 7 inbound transfers which had not been accepted **(Attachment N)**.

This METRC reporting activity confirmed that Burke continued to record its commercial cannabis activities and remained actively engaged in commercial cannabis activity without local authorization from OOC.

On July 22, 2025, I conducted a follow-up review of Burke's METRC activity, reported between June 2, 2025, and July 21, 2025. During this period, I discovered Burke accepted 28 additional inbound transfers of cannabis goods from multiple DCC licensees into their Distribution license **(Attachment O)** and initiated an additional 3 outbound transfers from their Distribution license **(Attachment P)**. I also discovered Burke's manufacturing license accepted an additional 2 inbound transfers of cannabis products **(Attachment Q)** and had 1 additional inbound transfer which had not been accepted **(Attachment R)**.

This METRC reporting activity confirmed that Burke continued to record its commercial cannabis activities and remained actively engaged in commercial cannabis activity without local authorization from OOC.

Later the same day, I sent an email to Law and requested an update on Burke's local manufacturing and distribution operating permits. I received a reply from Law later that day, confirming that Burke's non-volatile manufacturing and distribution permits expired on April 30, 2025. **(Attachment S)**

On July 23, 2025, I called Law by phone to further discuss the status of Burke's local operating permit. During our conversation, Law informed me that Burke has not renewed their OOC operating permits. Law also informed me that OOC visited Burke's premises on May 20, 2025, and that during the visit Stickney informed OCC staff



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that Burke is not planning to renew their local operating permits and have ceased commercial cannabis operations. Law stated that Burke did not appear to be actively conducting commercial cannabis activities during OOC's visit to the premises.

On August 12, 2025, I conducted a follow-up review of Burke's METRC activity, reported between July 22, 2025, and August 11, 2025. During this period, I discovered Burke accepted 31 additional inbound transfers of cannabis goods from multiple DCC licensees into their Distribution license (**Attachment T**) and initiated 12 additional outbound transfers from their Distribution license (**Attachment U**). I also discovered Burke's manufacturing license had 8 additional inbound transfers which had not been accepted (**Attachment V**).

This METRC reporting activity indicated Burke was continuing to actively engage in commercial cannabis activity without local authorization from OOC.

On November 19, 2025, I conducted a follow-up review of Burke's METRC reporting activity. I discovered that between August 13 and November 18, 2025, Burke, using Stickney's METRC login, accepted an additional 120 incoming transfers, containing 948 packages of cannabis and cannabis products from multiple licensees into their Distribution license (**Attachment W**) and generated 25 outgoing transfers from their Distribution license, containing 1,017 packages of cannabis and cannabis products (**Attachment X**). Within the same time period, Burke also accepted 14 incoming transfers, containing 290 packages of cannabis and cannabis products into their Manufacturing license (**Attachment Y**) and generated 2 outgoing transfers, containing 2 packages of cannabis products from their Manufacturing license to their Distribution license (**Attachment Z**).

Of the 25 outgoing transfers from Burke's Distribution license, 17 transfers, containing 96 packages of cannabis goods, were directed to MGCD Corp (MGCD), DCC license C9-0000211-LIC, between the dates of August 29 and November 17, 2025 (**Attachment AA**). Each of the 17 transfers was initiated by Stickney's METRC login, listed Burke as the outbound transporter, listed a destination address of 499 EMBARCADERO Q SUITE OAKLAND, CA 94606, listed Alisa Patterson (Patterson), Driver License B7739684, as the driver, and an Audi A4, License Number 8UPD386 as the delivery vehicle.

I was concerned about the transfers directed to MGCD by Burke because I had conducted an inspection of MGCD's licensed premises, located at 499 EMBARCADERO Q SUITE OAKLAND, CA 94606, the same address listed on Burke's outgoing transfer manifests, on August 21, 2025. During my inspection of MGCD, I discovered MGCD had been evicted from the premises by the landlord and no longer had access to the premises. MGCD could therefore not have been operating from or accepting packages at 499 EMBARCADERO Q SUITE OAKLAND, CA 94606, between the dates of August 21 and November 17, 2025, and Burke could not have made the deliveries to the address as reported in their outgoing transfer manifests.

Based on my nearly 5 years of experience conducting investigations of commercial cannabis businesses, I determined that the type of transfer activity between Burke and MGCD's abandoned premises, as well as the falsified transfer documents by Burke, demonstrate a pattern of cannabis diversion.

During the same METRC activity review, I also discovered that Burke's METRC account recorded that they have 3 active packages in their Distribution inventory: UID 1A406030000A15D000004649, containing 6 units of "Pomny Cooling Gel Bottle"; UID 1A4060300003B18000000089, containing 117 units of "Pomny Cooling Gel Bottle"; and UID 1A406030000A15D000002779, containing 164g of "Thizz Vape 1g Hybrid" (**Attachment AB**). Burke's Manufacturing METRC inventory recorded a total of 7 packages: 4 packages of bulk extract containing 6,199 grams; 1 package of packaged extract containing 110 units; 1 package of cannabis flower containing 3 pounds; and 1 package of 73 grams of "Final Retentate Waste" (**Attachment AC**).

Later the same day, I traveled to Burke's premises, accompanied by DCC Special Investigator (SI), Isabel Sanchez (Sanchez), to investigate possibility that Burke is operating without local authorization and to further investigate the transfers between Burke and MGCD. We arrived at the premises around 1000 hours.

Outside of Burke's premises, we met with San Francisco Office of Cannabis' (OOC), representatives, Law,



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Chelsea Liu (Liu), and Elijah Enis (Enis), who were present during the entirety of our visit.

Upon entering Burke's premises, we met with Stickney, who recognized DCC and OOC staff from prior visits, and provided us with access to Burke's Distribution and Manufacturing premises.

I asked Stickney about the transfer activity between Burke and MGCD. Stickney informed me that Burke has a current ongoing business relationship with MGCD, where Burke purchases cannabis goods at more favorable pricing than is available to MGCD, with the intent to supply the goods to MGCD. Within the current arrangement, MGCD specifies the source, brand, type and quantity of products they need from various DCC licensees, Burke then purchases the products using their accounts with the noted licensees, accepts transfers of the cannabis goods at their licensed premises and into their METRC account, then subsequently transfers the cannabis goods to MGCD physically and within METRC.

I informed Stickney that per my review of Burke's METRC transfer activity, Burke is listed as the outbound transporter on all reported transfers to MGCD and asked Stickney if and where Burke physically delivers the cannabis goods transferred to MGCD. Stickney stated that although Burke is listed as the outbound transporter, Burke does not physically deliver the goods to MGCD's premises in Oakland; instead, MGCD picks up the goods from Burke's premises.

I explained to Stickney that by listing Burke as the outbound transporter and reporting that Burke is delivering the goods to MGCD's address of record, while instead allowing MGCD to pick up the goods from Burke's premises, Burke has knowingly reported false information into METRC, an act which is in direct violation of DCC regulations.

Stickney argued that he did not report false information into METRC related to the outbound transfers to MGCD, because although Burke was listed as the transporter, Patterson was listed as the transport driver on each of Burke's outbound transfers to MGCD, and Patterson is employed by MGCD, thereby validating the information he entered into METRC.

I asked Stickney if Patterson has ever worked directly for Burke. Stickney stated Patterson is an employee of MGCD and has never been employed by Burke. I discussed DCC's Transport Personnel Requirements regulation with Stickney and informed him that anyone conducting transport of cannabis and cannabis products for Burke must be directly employed by Burke, and that no persons who are not employees of Burke may be in the transport vehicle. Stickney stated he understands the regulation.

I requested that Stickney provide access to Burke's security surveillance system footage to allow me to view the pick-up of outgoing transfers of cannabis goods by Patterson for transport to MGCD. Stickney stated that Burke's surveillance system was not operational, and Burke did not have a functioning DVR.

While conducting a review of Burke's physical Distribution inventory, I discovered 118 units of "Pomny Cooling Gel Bottle", labeled UID 1A4060300003B18000000091, in soft plastic bag packaging (**Attachment AD**) and 48 units of "Pomny Cooling Gel Bottle", also labeled UID 1A4060300003B18000000091, in cardboard packaging (**Attachment AE**), for a total of 166 units. Burke's METRC account reported that package UID 1A4060300003B18000000091 received a Certificate of Compliance (COA) under sample batch UID 1A406030000A15D000001924 (**Attachment AF**), comprised of 555 units in the total batch. However, Burke's METRC inventory reported that no remaining units of UID 1A4060300003B18000000091 should be on premises (See attachment AB).

Burke's METRC account also recorded that 123 units of "Pomny Cooling Gel Bottle" under source UID 1A4060300003B18000000089, tested under batch UID 1A406030000A15D000001553, should be present inside the premises. However, no units were present.

The discrepancy between physical and METRC reported quantities of "Pomny Cooling Gel Bottle" demonstrated that units of the product were either distributed under incorrect package tags, or an excess of units were



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manufactured that were not accurately recorded in Burke's METRC inventory, potentially indicative of the inversion of cannabis goods.

I asked Stickney to explain the excess physical units of "Pomny Cooling Gel Bottle". Stickney could not explain the excess inventory and stated the product was manufactured more than 5 years ago and the individuals who were responsible for producing the batches at the time are no longer involved in Burke's operations.

I also conducted a physical count of "Thizz Vape 1g Hybrid", UID 1A406030000A15D000002779 (**Attachment AG**), units physically present in Burke's inventory area. I discovered only 113 units were present, of the 164 units reported in METRC (See attachment AB).

I asked Stickney to explain the missing physical units of "Thizz Vape 1g Hybrid". Stickney could not account for the missing inventory and stated the product was manufactured and distributed by a former brand partner of Burke several years ago and the individuals who were involved with the production of the product were no longer involved in Burke's operations.

While conducting a review of Burke's physical vs METRC Manufacturing inventory, I was unable to locate the following:

- Any of the 110 units of package UID 1A4060300057ABD000001947, "Luv Extracts – Luv Sugars", individually packaged cannabis Resin extract. (See Attachment AC)
- Any portion of package UID 1A4060300003B18000000800, "Final Retentate (waste)", cannabis waste. Burke's METRC inventory indicated 73 grams should be present. (See Attachment AC)
- Any portion of package UID 1A4060300057ABD000001506, "Super Runtz Sauce", bulk cannabis extract. Burke's METRC inventory indicated 1,796 grams should be present. (See Attachment AC)
- Any portion of package UID 1A4060300001B5E000008827, "T7 – THCa" THCa concentrate, containing 1,000 grams.
- Any portion of package UID 1A4060300001B5E000009008, "T7M - CON - DIS Jarred" THCA concentrate, containing 1,000 grams.

I asked Stickney to account for the missing inventory. Stickney stated that all 110 units of package UID 1A4060300057ABD000001947, "Luv Extracts – Luv Sugars" had been physically transferred to MGCD, but the transfer has not been recorded in METRC. Stickney further stated that the entirety of package UID 1A4060300003B18000000800, "Final Retentate (waste)", had been physically disposed of, but had not yet been reported in METRC. Stickney could not account for any portion of package UID 1A4060300057ABD000001506, "Super Runtz Sauce".

While attempting to account for the two packages of THCa concentrate, UID 1A4060300001B5E000008827, containing 1,000 grams, and UID 1A4060300001B5E000009008, containing 1,000 grams, Stickney presented one unlabeled plastic container of white powder (**Attachment AH**). Stickney stated that the unlabeled plastic container comprised the combined total of both packages of THCa concentrate. I asked Stickney to provide a production log to account for the combining of the product. Stickney stated he did not have a production log.

Because the container of powder was unlabeled and Stickney could not provide a production log to account for the combining, use or movement or any portion of the product, I could not associate the powder in the container to the noted package UIDs, or source it's origin. I weighed the product inside its container and discovered the total weight of the powder and container was 0.40 kilograms (400 grams). (**Attachment AI**) The total weight of 400 grams, which included the weight of the plastic container; more than 1,600 grams of THCa concentrate remained missing from Burke's inventory.

The transfer of the 110 units of "Luv Extracts – Luv Sugars" to MGCD without a transfer manifest, the 3 missing packages of cannabis extracts and more than 1,600 grams of missing THCa concentrate are also potentially indicative of diversion of cannabis goods and products.



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I presented Stickney with the option of placing the container of THCa concentrate powder under embargo, to give him an opportunity to locate related source and production documents, or to voluntarily condemn and destroy the product. Stickney elected to voluntarily condemn and destroy the product.

I assembled a Voluntary Condemnation and Destruction (VC&D) form, which Stickney signed. **(Attachment AJ)**

I then observed while Stickney rendered the powder unusable **(Attachment AK)**. Stickney stated he would dispose of the powder per the requirements of the City of San Francisco.

I discussed and reviewed multiple current DCC regulations with Stickney, including, but not limited to: METRC reporting requirements, UID tagging requirements, manufacturing production records requirements, storage of inventory requirements, inventory accounting and reconciliation requirements, transfer of cannabis goods requirements, transfer manifest requirements, transportation of cannabis goods requirements, distribution driver employment requirements, and video surveillance system requirements.

Stickney stated he understands the requirements.

Inside Burke's Manufacturing and Distribution premises, we discovered a large quantity of pallets containing flavored nicotine liquid, all-in-one vaporizer units, and individual packaging for nicotine vaporizers. We also observed more than 10 individuals inside the premises who were engaged in filling and packaging the vaporizers with the flavored nicotine fluid inside of Burke's designated manufacturing area. **(Attachment AL)**

I asked Stickney to describe the nicotine-related operation. Stickney stated that because Burke's commercial cannabis activities have slowed significantly in the last couple of years and he recently resigned a lease for Burke's premises, totaling about \$800,000, he had had to find other sources of income to cover operation costs. Stickney went on to explain that he recently engaged in a partnership with an outside company to fill and package the nicotine vaporizers present in and around the premises, which he stated are shipped to Burke's premises from China, likely because filling and packaging the units by Burke allows the supplier to avoid importation tariffs.

I asked Stickney how much he is paid per completed vaporizer unit. Stickney did not disclose the exact price per unit, but stated the total revenue is enough to pay the building lease and cover Burke's payroll costs.

I summarized the violations I discovered during the inspection to Stickney and explained how the noted discoveries are in violation of established DC regulations. We departed from Burke's premises at approximately 1200 hours.

December 2, 2025, I received an email from Stickney requesting I call him **(Attachment AM)**.

Later the same day, I called Stickney. During the call, Stickney informed me two of the packages of cannabis products which were not present during the November 19, 2025, inspection of Burke's premises was never physically delivered to Burke's premises and that he accepted them into Burke's METRC account by mistake. Stickney also informed me that he recently discovered several inbound transfers of cannabis goods to Burke's distribution license, which he did not order, and physically rejected when the orders were delivered to Burke's premises. Stickney explained that he has not adjusted or transferred the noted packages out of Burke's METRC inventory or rejected the inbound transfers because he received a notice from OOC a couple of days after the November 19, 2025, inspection, instructing him that Burke is not allowed to conduct any commercial cannabis activity in the city of San Francisco.

I requested Stickney provide me with the specific UIDs for the noted packages. Stickney did not have the specific UIDs of the two noted packages available during our conversation and stated that he will email me details about the specific packages later the same day.

I discussed METRC reporting requirements with Stickney related to package adjustments and incoming



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transfers and explained to Stickney that I cannabis instruct him to enter any new information into METRC or conduct any other commercial cannabis activity as doing so may violate OOC regulations.

I then reviewed Burke's METRC inbound transfer activity and discovered 4 transfers – 0009898879, 0009883098, 0009882527, and 0009887778, which had been initiated and directed to Burke between November 20, 2025, and November 24, 2025. Transfer 0009887778 was subsequently voided on December 1, 2025. **(Attachment AN)**

Later the same day, Engkabo and I met with Law, Liu and Enis via Microsoft Teams, to discuss recent developments related to Burke. Law informed me that on November 20, 2025, OOC issued a Notice of Violation (NOV) to Burke for conducting commercial cannabis operations in San Francisco without a valid permit, and an Order to Cease Operations Without Permit (OCOWP), effective on the date of the notice.

Law also informed me that a couple of days after we visited Burke on November 19, 2025, California Department of Tax and Fee Administration (CDTFA), representatives visited Burke and seized the entirety of the nicotine vaporizer-related products.

On December 3, 2025, Engkabo forwarded me a copy of a DCC public complaint, submitted against Burke's Manufacturing license on November 20, 2025, which alleged that Burke is engaged in diversion and inversion of cannabis products and are not complying with manufacturing safety standards. **(Attachment AO)**

On December 4, 2025, I sent an email to Law and Liu requesting an update on the status of Burke's Distribution and Manufacturing permits with OOC.

Later the same day, I received a reply from Law, informing me that neither of Burke's operating permits with OOC have been renewed since April 30, 2025. **(Attachment AP)**

On December 5, 2025, I conducted a follow-up review of Burke's METRC reporting activity and discovered an additional inbound transfer manifest, 00099502644, was generated on December 4, 2025. **(Attachment AQ)**

I called Stickney to follow up on the information I requested regarding the two packages he stated were never physically accepted into Burke's inventory during our call on December 2, 2025. Stickney stated he had not had a chance to assemble the requested information, but he would send it to me soon. Stickney then informed me that he had tried to contact the distributors who initiated the inbound transfers into Burke's METRC Distribution inventory to attempt to cancel the orders. Stickney further informed me that within the letter he received from OOC instructing him to cease all commercial cannabis operations, OOC included a statement that he may be able to conduct any activities required by DCC. I requested Stickney forward a copy of the notice from OOC to me for review and suggested he refrain from conducting any additional commercial cannabis activities to obey OOC's notice.

Later the same day, I received and reviewed an email from Stickney containing the NOV and OCOWP which OOC issued to Burke on November 20, 2025. **(Attachment AR)**

On December 9, 2025, I received an email from Stickney requesting written instructions on how to proceed with reporting the wasting of the THCa powder he voluntarily condemned and destroyed on November 19, 2025, to finalize the UID tag for the cannabis waste listed in Burke's Manufacturing inventory, "Return the two tags for products that were accidentally accepted and are missing inventory.", destroy and waste the remaining units of "Thizz Vape 1g Hybrid", and reject the 3 remaining pending inbound transfers in Burke's Distribution METRC account. **(Attachment AS)**

I responded to Stickney and stated that neither I nor the DCC are authorizing any action that may conflict with the Notice you received from OOC. I also again requested the specific UID number of the 2 packages he stated were not physically delivered to Burke's premises, which he stated he accepted into METRC by mistake.



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Later the same day, I received an email from Stickney. In the email, Stickney specified the UIDs of the 2 packages which he stated were not physically delivered to Burke, which he accepted by mistake into METRC: UID 1A4060300001B5E00009008 and UID 1A406300057ABD000001947.

UID 1A4060300001B5E00009008 represents the package of 1,000 grams of THCa concentrate which Stickney could not locate during the inspection and stated had been combined into the container of THCa concentrate powder which Stickney voluntarily condemned on November 19, 2025.

UID 1A406300057ABD000001947 represents the package of 110 units of “Luv Extracts – Luv Sugars”, which Stickney stated had been transferred to MGCD but not reported in METRC.

On December 10, 2025, I replied to Stickney, acknowledging the package information he provided. **(Attachment AT)**

On December 11, 2025, I conducted a follow-up review of Burke’s inbound METRC transfers **(Attachment AU)** and discovered a new transfer, 0009977984, was directed to Burke on December 10, 2025. I also discovered that transfer 9883098 had been redirected from Burke to MGCD, by the originating Distributor, Trilli, LLC, DCC License, C11-0001932-LIC **(Attachment AV)**, and transfer 0009950264, has been redirected from Burke to PRINCE DIAMOND LLC, DCC License C11-0001914-LIC **(Attachment AW)**.

On December 16, 2025, I received and reviewed an email from Engkabo, containing the following information he received from a CDTFA representative related to Burke **(Attachment AX)**:

- The Burke Group currently has an outstanding balance of \$400,000.00 in cannabis taxes.
- CDTFA seized approximately 168 pallets of nicotine products containing around 540,000 individual units of flavored nicotine products and/or nicotine vape carts from Burke’s premises.
- Approximately \$27 million in penalties and a significant amount of excise taxes are owed by Burke related to the nicotine associated products.

Later the same day, I received and reviewed an email from Engkabo and DCC Staff Services Manager (SSM), Laura Meeks (Meeks), of DCC’s Licensing Division, informing me that CDTFA had revoked Burke’s seller’s permit and Burke is no longer authorized to make sales of tangible personal property in California. **(Attachment AY)**

Within the email, I received 2 supplemental reports from DCC Associate Government Program Analyst, Danielle Carmassi (Carmassi): one regarding Burke’s Manufacturing license **(Attachment AZ)**, and a second regarding Burke’s Distribution license **(Attachment BA)**.



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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

Witness #2

- Name: Aric Engkabo
- Title/Position: Department Supervising Special Investigator I
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 298-7552
- E-mail: aric.engkabo@cannabis.ca.gov

Witness #3

- Name: Luke Stickney
- Title/Position: Owner of The Burke Group
- Address: 1500 BURKE AVE, UNIT# A SAN FRANCISCO, CA 94124
- Phone: (415) 902-5625
- E-mail: luke@burkeextracts.com

Witness #4

- Name: Isabel Sanchez
- Title/Position: Department Special Investigator
- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 251-4622
- E-mail: Isabel.Sanchez@cannabis.ca.gov

Witness #5

- Name: Ray Law
- Title/Position: Representative of the San Francisco Office of Cannabis
- Address: 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102
- E-mail: ray.law@sfgov.org

Witness #6

- Name: Chelsea Liu
- Title/Position: Representative of the San Francisco Office of Cannabis
- Address: 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102
- E-mail: chelsea.liu@sfgov.org

Witness #7

- Name: Elijah Enis
- Title/Position: Representative of the San Francisco Office of Cannabis
- Address: 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102
- E-mail: elijah.enis@sfgov.org

Witness #8

- Name: Danielle Carmassi
- Title/Position: Department Associate Government Program Analyst



INVESTIGATION REPORT

- Address: 2920 Kilgore Road, Rancho Cordova, CA 95670
- Phone: (916) 251-4507
- E-mail: danielle.carmassi@cannabis.ca.gov

PREPARER

Name	Title
Denis Rakitskiy	Special Investigator
Signature Rakitskiy, Denis@Cannabis	Date Digitally signed by Rakitskiy, Denis@Cannabis Date: 2026.02.03 15:55:32 -08'00'

REVIEWER

Name	Title
Aric Engkabo	Supervising Special Investigator
Signature Aric Engkabo	Date Digitally signed by Aric Engkabo Date: 2026.02.04 09:09:36 -08'00'

LIST OF ATTACHMENTS

- A. APPL Review Determination Documents.
- B. Transfer and sale information for "MacFlurry" branded flower; UID 1A406030000A15D000004691.
- C. Accela Screenshot of Burke's Ownership Information.
- D. Copies of transfer manifests 0005041774, 0006135223, and 0006893051.
- E. Copies of transfer manifests 0007707597 and 0007707675.
- F. Copy of NTC dated October 15, 2024, along with proof of service documents.
- G. Email correspondence with Stickney from November 20, 2024.
- H. Email to Stickney, dated November 26, 2024.
- I. Email to Stickney, dated December 12, 2024.
- J. Copy of transfer manifest 0008184125.
- K. Correspondence with Ray Law, dated July 22, 2025.
- L. Accepted Distribution transfers between 5.1.25 - 6.1.25
- M. Outbound Distribution Transfers 5.1.25 - 6.1.25
- N. Manufacturing Inbound Transfers 5.1.25 - 6.1.25
- O. Distribution Accepted Inbound Transfers 6.2.25 - 7.21.25
- P. Distribution Outbound Transfers 6.2.25 - 7.21.25



INVESTIGATION REPORT

- Q. Manufacturing Accepted Transfers 6.2.25 - 7.21.25
- R. Manufacturing Inbound Transfer 6.2.25 - 7.22.25
- S. email correspondence with Ray Law 7.22.25
- T. Distribution Received Transfers 7.22.25 - 8.12.25
- U. Distribution Outbound Transfers 7.22.25 - 8.12.25
- V. Manufacturing Inbound Transfers 7.22.25 - 8.12.25
- W. Incoming Distribution Transfers 8.12.25 - 11.19.25
- X. Outgoing Distribution Transfers 8.12.25 - 11.19.25
- Y. Incoming Manufacturing Transfers 8.12.25 - 11.19.25
- Z. Outgoing Manufacturing Transfers 8.12.25 - 11.19.25
- AA. Transfers between Burke and MGCD 8.22.25 - 11.17.25
- AB. C11-0000990-LIC_Distribution Inventory
- AC. DCC-10003207_Manufacturing Inventory
- AD. Photos of "Pomny Cooling Gel", soft packaging
- AE. Photos of "Pomny Cooling Gel", cardboard packaging
- AF. "Pomny Cooling Gel" certificate of compliance
- AG. Photos of "Thizz Vape 1g Carts"
- AH. Photo of THCa concentrate powder in container
- AI. Photos of weight of THCA concentrate powder in container
- AJ. Completed VC&D Form
- AK. Photos of Stickney rendering THCa powder
- AL. Photos of Nicotine vaporizer products and equipment
- AM. email from Stickney dated 11.21.25
- AN. Inbound METRC transfers 12.2.25
- AO. Complaint against Burke, submitted 11.20.25
- AP. email from Law 12.4.25
- AQ. Inbound METRC transfers 12.5.25
- AR. email from Stickney 12.5.25 with attachments
- AS. email correspondence with Stickney 12.9.25
- AT. Email to Stickney 12.10.25
- AU. Inbound METRC transfers 12.9.25
- AV. Transfer 0009883098_History
- AW. Transfer 0009950264_History
- AX. Email from Engkabo dated 12.15.25
- AY. Email from Meeks dated 12.15.25
- AZ. Carmassi's supplemental reporting regarding DCC-10003207
- BA. Carmassi's supplemental reporting regarding C11-0000990-LIC

PROOF OF SERVICE

Case Name: In the Matter of the Accusation Against: The Burke Group
DCC Case No. DCC24-0001979-INV
License Nos. C11-0000990-LIC, Distributor; DCC-10003207, Manufacturer-Type 6

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 21, 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.

The Burke Group
Lucas Stickney, DRP/Owner
Andrea Wilson, Owner
1500 Burke Ave., Unit A
San Francisco, CA 94124
Certified Mail No. 7022 1670 0001 3411 8146
luke@burkeextracts.com
awilson@burkeextracts.com

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

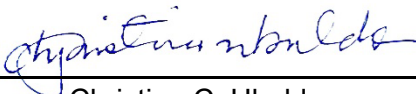
Scott Candell, Agent (certified mail only)
The Burke Group
4040 Civic Center Dr.
San Rafael, CA 94903
Certified Mail No. 7022 1670 0001 3411 8153

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 21, 2026, at Rancho Cordova, California.



Christina C. Ubaldo