

1 3. In addition to the \$1,000.00 administrative fine, Respondent shall pay to the
2 Department costs associated with its investigation and enforcement pursuant to
3 Business and Professions Code section 26031 and California Code of Regulations,
4 title 4, section 17813, in the amount of four thousand dollars (\$4,000.00) within 30
5 days of the effective date of the Order and Final Decision.

6
7 4. The total payment of five thousand dollars (\$5,000.00), in the form of cashier's check,
8 money order, personal or business check, shall be remitted within 30 days of the
9 effective date of the Order and Final Decision by either the Department's cash
10 payment procedures, or through the mail to:

11 By U.S. Postal Service: Department of Cannabis Control
12 Attn: Cashiers
13 P.O. Box 419106
14 Rancho Cordova, CA 95741-9106

15 By FedEx or UPS: Department of Cannabis Control
16 Attn: Cashiers
17 2920 Kilgore Road
18 Rancho Cordova, CA 95670-9106

19 5. Failure to complete the payments or comply with the above terms of this Order shall
20 result in suspension or non-renewal of Respondent's Cannabis Adult-Use and
21 Medicinal Commercial Distributor License Number C11-0001641-LIC, as well as
22 denial of any other license sought, as the Department deems appropriate.

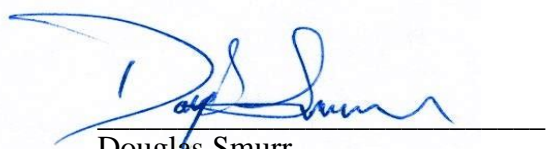
23 6. Failure to complete the payments or comply with the terms of this Order shall also
24 result in Respondent's immediate obligation and responsibility to pay the full amount
25 of the Department's costs of investigation and enforcement pursuant to Business and
26 Professions Code section 26031 and California Code of Regulations, title 4, section
27 17813, in the amount of nine thousand ten dollars and fifty cents (\$9,010.50), less any
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partial payments received prior to the failure to complete payments or comply with the terms of this Order and will result in enforcement of the Order and Final Decision in the Superior Court.

This Order and Final Decision shall become effective on October 29, 2024.

IT IS SO ORDERED, October 29, 2024.



Douglas Smurr
Assistant General Counsel
FOR THE DEPARTMENT OF
CANNABIS CONTROL

1 ROB BONTA
Attorney General of California
2 HARINDER K. KAPUR
Senior Assistant Attorney General
3 GREGORY M. CRIBBS
Deputy Attorney General
4 State Bar No. 175642
300 South Spring Street, Suite 1702
5 Los Angeles, CA 90013-1230
Telephone: (213) 269-6259
6 E-mail: Gregory.Cribbs@doj.ca.gov
Attorneys for Complainant
7
8

9 **BEFORE THE**
DEPARTMENT OF CANNABIS CONTROL
10 **STATE OF CALIFORNIA**
11

12 In the Matter of the First Amended Accusation
13 Against:

Case No. DCC23-0005066-COMP

14 **PARKRITE HOLDINGS, LLC.**
Vi Khong, Owner
15 2110 S. Yale Street B
Samta Ana, CA 92704
16

**STIPULATED SETTLEMENT AND
ORDER**

17 **Adult-Use and Medicinal Commercial**
Distributor License Number C11-0001641-
18 **LIC**

19 Respondent.
20

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

23 **PARTIES**

24 1. Jeff Merriman ("Complainant") was the Deputy Director of the Compliance Division
25 of the Department of Cannabis Control ("Department"). He brought the above-referenced action
26 solely in his official capacity, but has since left the Department. Evelyn Schaeffer is now the
27 Deputy Director of the Compliance Division of the Department and now the Complainant in this
28

1 matter, and is represented in this matter by Rob Bonta, Attorney General of the State of
2 California, by Gregory M. Cribbs, Deputy Attorney General.

3 2. Respondent Parkrite Holdings, LLC ("Parkrite") and owner Vi Khong ("Owner") are
4 represented in this proceeding by attorney Tin Kim Westen, Esq., Westen Law, P.C., whose
5 address is: 14271 Jeffrey Road #107, Irvine, California 92620.

6 3. On or about June 13, 2022, the Department issued Adult-Use and Medicinal
7 Commercial Distributor License No. C11-0001641-LIC to Respondent. On or about June 13,
8 2023 and 2024, Adult-Use and Medicinal Commercial Distributor License No. C11-0001641-LIC
9 was renewed. Adult-Use and Medicinal Commercial Distributor License No. C11-0001641-LIC
10 was in full force and effect at all times relevant to the charges brought in Accusation No. DCC23-
11 0005066-COMP, and will expire on June 13, 2025, unless renewed. Adult-Use and Medicinal
12 Commercial Distributor License No. C11-0001641-LIC was credentialed into the California
13 Cannabis Track and Trace System (CCTT) on February 16, 2024.

14 JURISDICTION

15 4. First Amended Accusation No. DCC23-0005066-COMP was filed before the
16 Department, and is currently pending against Respondent. The First Amended Accusation and all
17 other statutorily required documents were properly served on Respondent on May 8, 2024.
18 Respondent timely filed its Notice of Defense contesting the First Amended Accusation.

19 5. A true and correct copy of First Amended Accusation No. DCC23-0005066-COMP
20 is attached hereto as Exhibit A, and incorporated herein by reference.

21 ADVISEMENT AND WAIVERS

22 6. Respondent has carefully read, fully discussed with counsel, and understands the
23 charges and allegations in First Amended Accusation No. DCC23-0005066-COMP, Respondent
24 has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated
25 Settlement and Order.

26 7. Respondent is fully aware of its legal rights in this matter, including the right to a
27 hearing on the charges and allegations in the First Amended Accusation; the right to confront and
28 cross-examine the witnesses against it; the right to present evidence and to testify on its own

1 action between the parties, and the Department shall not be disqualified from further action by
2 having considered this matter.

3 13. The parties understand and agree that Portable Document Format (PDF) and facsimile
4 copies of this Stipulated Settlement and Order, including PDF and facsimile signatures thereto,
5 shall have the same force and effect as the originals.

6 14. In consideration of the foregoing admissions and stipulations, the parties agree that
7 the Department may, without further notice or formal proceeding, issue and enter the following
8 Order:

9 **ORDER**

10 1. **APPEAL WITHDRAWN.** Respondent's appeal of First Amended Accusation
11 No. DCC23-0005066-COMP and request for administrative hearing is deemed withdrawn and
12 any further appeal is waived.

13 2. **PAYMENT OF FINE.** Respondent shall pay an administrative fine in the
14 amount of one thousand dollars (\$1,000.00) within 30 days of the effective date of the Decision
15 and Order.

16 3. **PAYMENT OF COST OF ENFORCEMENT.** Respondent shall pay to the
17 Department costs associated with its investigation and enforcement pursuant to Business and
18 Professions Code section 26031 and California Code of Regulations, title 4, section 17813, in the
19 amount of four thousand dollars (\$4,000.00) within 30 days of the effective date of the Decision
20 and Order.

21 4. The above-referenced payments, in the form of cashier's check, money order,
22 personal or business check, shall be remitted by either of the following methods: (1) the
23 Department of Cannabis Control's cash payment procedures; or, (2) mailed to:

24 By U.S. Postal Service:
25 Department of Cannabis Control
26 Attn: Cashiers
27 P.O. Box 419106
28 Rancho Cordova, CA 95741-9106

1 By FedEx or UPS:
2 Department of Cannabis Control
3 Attn: Cashiers
4 2920 Kilgore Road
5 Rancho Cordova, CA 95670-9106


6 5. Failure to complete the payments, or comply with the above terms of this order,
7 shall result in suspension or non-renewal of Respondent's Adult-Use and Medicinal Commercial
8 Distributor License No. C11-0001641-LIC and denial of any other license sought, as the DCC
9 deems appropriate.

10 6. Failure to complete the payments, or comply with the terms of this Order, shall
11 result in Respondent's immediate obligation and responsibility to pay the full amount of the
12 Department's costs of investigation and enforcement pursuant to Business and Professions Code
13 section 26031 and California Code of Regulations, title 4, section 17813, in the amount of nine-
14 thousand ten dollars and fifty cents (\$9,010.50), less any partial payments received prior to the
15 failure to complete payments or comply with the terms of this Order, and will result in
16 enforcement of the Order in the Superior Court.

17 ACCEPTANCE


18 I have carefully read the above Stipulated Settlement and Order and have fully discussed it
19 with my attorney, Tin Kim Westen, Esq. I understand the stipulation and the effect it will have
20 on my Adult-Use and Medicinal Commercial Distributor License No. C11-0001641-LIC. I enter
21 into this Stipulated Settlement and Order voluntarily, knowingly, and intelligently, and agree to
22 be bound by the Decision and Order of the Department of Cannabis Control.

23 DATED: 10-24-24

24 
25 _____
26 PARKRITE HOLDINGS, LLC; Vi Khong, Owner
27
28

1 I have read and fully discussed with Respondent Parkrite Holdings, LLC; Vi Khong,
2 Owner, the terms and conditions and other matters contained in the above Stipulated Settlement
3 and Order. I approve its form and content.

4 DATED: 10-24-24



5
6 TIN KIM WESTEN, Esq.

7 *Attorney for Respondent*

8
9 **ENDORSEMENT**

10 The foregoing Stipulated Settlement and Order is hereby respectfully submitted for
11 consideration by the Department of Cannabis Control.

12 DATED: 10/24/24

13

14 Respectfully submitted,

15 ROB BONTA
16 Attorney General of California
17 HARINDER K. KAPUR
18 Senior Assistant Attorney General



19 GREGORY M. CRIBBS
20 Deputy Attorney General
21 *Attorneys for Complainant*

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Exhibit A

First Amended Accusation No. DCC23-0005066-COMP

1 ROB BONTA
Attorney General of California
2 JOSHUA B. EISENBERG
Supervising Deputy Attorney General
3 MICHAEL J. YUN
Deputy Attorney General
4 State Bar No. 292587
300 South Spring Street
5 Los Angeles, CA 90013
Telephone: (213) 269-6743
6 Facsimile: (619) 645-2061
Attorneys for Complainant

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

11 In the Matter of the First Amended Accusation
12 Against:

Case No. DCC23-0005066-COMP

FIRST AMENDED ACCUSATION

13 **PARKRITE HOLDINGS, LLC.**
14 Vi Khong, Owner
2110 S. Yale Street B
15 Santa Ana, CA 92704
16 License Number C11-0001641-LIC

17 Respondent.

18 **PARTIES**

19
20 1. Jeff Merriman (Complainant) brings this First Amended Accusation solely in his
21 official capacity as the Deputy Director of the Compliance Division of the Department of
22 Cannabis Control (Department).

23 2: On or about June 13, 2022, the Department issued Adult-Use and Medicinal
24 Commercial Distributor License Number C11-0001641-LIC to Parkrite Holdings, LLC
25 (Respondent) with Vi Khong as Owner. On or about June 13, 2023, Adult-Use and Medicinal
26 Commercial Distributor License Number C11-0001641-LIC was renewed. The Adult-Use and
27 Medicinal Commercial Distributor License was in full force and effect at all times relevant to the
28 charges brought herein and will expire on June 13, 2024, unless renewed.

1 JURISDICTION

2 3. This First Amended Accusation is brought before the Director (Director) for the
3 Department, under the authority of the following laws. All section references are to the Business
4 and Professions Code (Code) unless otherwise indicated.

5 4. Section 26010 of the Code states:

6 There is in the Business, Consumer Services, and Housing Agency, the
7 Department of Cannabis Control under the supervision and control of a director. The
8 director shall administer and enforce the provisions of this division related to the
9 department.

10 5. Section 26010.5, subdivision (d), of the Code states:

11 The department has the power, duty, purpose, responsibility, and jurisdiction to
12 regulate commercial cannabis activity as provided in this division.

13 6. Section 26012, subdivision (a), of the Code states:

14 It being a matter of statewide concern, except as otherwise authorized in this
15 division, the department shall have the sole authority to create, issue, deny, renew,
16 discipline, condition, suspend, or revoke licenses for commercial cannabis activity.

17 7. Section 26013, subdivision (a), of the Code state:

18 The department shall make and prescribe reasonable rules and regulations as
19 may be necessary to implement, administer, and enforce its duties under this division
20 in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of
21 Division 3 of Title 2 of the Government Code. . . .

22 8. Section 26031 of the Code states, in part:

23 (a) The department may suspend, revoke, place on probation with terms and
24 conditions, or otherwise discipline licenses issued by the department and fine a
25 licensee, after proper notice and hearing to the licensee, except as provided in Section
26 26031.01, if the licensee is found to have committed any of the acts or omissions
27 constituting grounds for disciplinary action. The disciplinary proceedings under this
28 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.

(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....

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9. 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

10. 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.

...

(c) Any other grounds contained in regulations adopted by a licensing authority pursuant to this division.

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

REGULATORY PROVISIONS

11. Title 4 of the California Code of Regulations, section 15000.5 states:

In construing and enforcing the provisions of the Act and the regulations in this division, the act, omission, or failure of an agent, officer, representative, or other person acting for or employed by a licensee, within the scope of their employment or office, shall in every case be deemed the act, omission, or failure of the licensee.

12. Title 4 of the California Code of Regulations, section 15048, states, in pertinent part:

(a) Each applicant or licensee shall identify an owner of the commercial cannabis business as the track and trace system account manager. A licensee may change the account manager by submitting a written request to the Department.

(b) No later than 10 calendar days after license issuance, the designated account manager shall:

...

(3) Complete the credentialing process to establish a login....

1 13. Title 4 of the California Code of Regulations, section 17801 states:

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

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

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

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

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

19 14. Title 4 of the California Code of Regulations, section 17809 states:

20 (a) When an accusation recommending disciplinary action against a licensee
21 has been filed pursuant to Business and Professions Code section 26031, the
22 accusation shall be served on the licensee in accordance with Government Code
23 section 11505.

24 (b) A hearing shall be conducted in accordance with the provisions of chapter 5
25 (commencing with section 11500) of part 1 of division 3 of title 2 of the Government
26 Code to determine if cause exists to take action against the licensee. At the hearing,
27 the Department shall have all of the powers granted by the statutes cited above and by
28 the Business and Professions Code.

(c) If a hearing on an accusation against a licensee results in a finding that the
licensee has committed any of the acts or omissions constituting grounds for
disciplinary action, the Department may order the license revoked, suspended outright
for a specified period of time, or suspended on probationary restriction for a specified
period of time, including terms and conditions of probation the Department considers
appropriate on the basis of its findings, impose a fine, or any combination thereof.
The Department may also issue other lawful orders it considers appropriate on the
basis of its findings.

COST RECOVERY

15. Section 26031.1 of the Code states that:

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

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

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

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

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

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

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

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

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

FACTUAL ALLEGATIONS

16. On or about June 13, 2022, the Department issued Adult-Use and Medicinal
Commercial Distributor License Number C11-0001641-LIC to Parkrite Holdings, LLC
(Respondent) with Vi Khong as Owner. Respondent was required to identify and designate an
owner of its commercial cannabis business as the track and trace system account manager. The
designated account manager was required to complete the credentialing process to establish a
login within ten (10) calendar days of the license issue date, or by June 23, 2022.

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2. Ordering Respondent Parkrite Holdings, LLC, with VI Khong as Owner, to pay the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 26031.1; and

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

DATED: May 3, 2024

Jeff Merriman

JEFF MERRIMAN
Deputy Director, Compliance Division
Department of Cannabis Control
State of California
Compliment

PROOF OF SERVICE

Case Name: In the Matter of the First Amended Accusation Against: PARKRITE HOLDINGS, LLC.

DCC Case No. DCC23-0005066-COMP

License Number: C11-0001641-LIC

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 October 29, 2024, I served the within documents:

ORDER ADOPTING STIPULATED SETTLEMENT AND ORDER AS FINAL DECISION

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

Tin Kim Westen, Esq.
Westen Law, P.C.
14271 Jeffrey Rd., Ste 107
Irvine, CA 92620-3405
Email: tin@westenlawpc.com

Vi Khong
19012 Antioch Dr.
Garden Grove, CA 92844
vikhong1@yahoo.com

Harinder Kapur
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 am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after the date of deposit for mailing in affidavit.

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 October 29, 2024, at Rancho Cordova, California.



Lillian Quynn