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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. DCC23-0002020-INV

12 **FLAVOR FARMS GUSTINE LLC,**  
13 **DbA FLAVOR FARMS GUSTINE**  
14 **Andres Sanchez aka Andy Sanchez, Owner**  
15 **355 4<sup>th</sup> Street**  
16 **Gustine, CA 95322**

**STIPULATED SETTLEMENT AND  
DISCIPLINARY ORDER**

17 **License Number CCL22-0001883**

18 **License Number C11-0001842-LIC**

19 Respondent.

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

22 **PARTIES**

23 1. Nadalie Meadows-Martin (Complainant) was the Acting Branch Chief of the  
24 Investigative Services Branch of the Department of Cannabis Control (Department). She brought  
25 the above-referenced action solely in her official capacity. Evelyn Schaeffer is now the Deputy  
26 Director of the Compliance Division of the Department and is now the Complainant in this  
27 matter. Complainant is represented in this matter by Rob Bonta, Attorney General of the State of  
28 California, by Matthew S. Beasley, Deputy Attorney General.



1 present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel  
2 the attendance of witnesses and the production of documents; the right to reconsideration and  
3 court review of an adverse decision; and all other rights accorded by the California  
4 Administrative Procedure Act and other applicable laws.

5 9. Respondent voluntarily, knowingly, and intelligently waives and gives up each and  
6 every right set forth above.

7 **CULPABILITY**

8 10. Respondent admits the truth of each and every charge and allegation in Accusation  
9 No. DCC23-0002020-INV.

10 11. Respondent agrees that its Adult-Use and Medicinal Distributor License Number  
11 C11-0001842-LIC, and its Adult-Use Specialty Indoor Cultivation License Number CCL22-  
12 0001883, and each of them, are subject to discipline and Respondent agrees to be bound by the  
13 Department's imposition of discipline as set forth in the Disciplinary Order below.

14 **CONTINGENCY**

15 12. This stipulation shall be subject to approval by the Department. Respondent  
16 understands and agrees that counsel for Complainant and the staff of the Department may  
17 communicate directly with the Department regarding this stipulation and settlement, without  
18 notice to or participation by Respondent. By signing the stipulation, Respondent understands and  
19 agrees that it may not withdraw its agreement or seek to rescind the stipulation prior to the time  
20 the Department considers and acts upon it. If the Department fails to adopt this stipulation as its  
21 Decision and Order, the Stipulated Settlement and Disciplinary Order shall be of no force or  
22 effect, except for this paragraph, it shall be inadmissible in any legal action between the parties,  
23 and the Department shall not be disqualified from further action by having considered this matter.

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

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1           4.    **PAYMENT OF COSTS OF ENFORCEMENT.** Respondent shall pay to the  
2 Department costs associated with its investigation and enforcement pursuant to Business and  
3 Professions Code section 26031 and California Code of Regulations, title 4, section 17813, in the  
4 amount of four-thousand four hundred dollars (\$4,400) within thirty (30) days of the effective  
5 date of the Decision and Order.

6           5.    The above referenced payments shall be remitted by either of the following methods:  
7 (1) the Department of Cannabis Control’s cash payment procedures; or, (2) mailed to:

8   By U.S. Postal Service:  
9   Department of Cannabis Control  
  Attn: Cashiers  
  P.O. Box 419106  
10    Ranch Cordova, CA 95741-9106

11    By FedEx or UPS:  
12    Department of Cannabis Control  
  Attn: Cashiers  
  2920 Kilgore Road  
13    Rancho Cordova, CA 95670-9106

14           6.    Failure to complete the payment or comply with the above terms of this order shall  
15 result in further disciplinary action or non-renewal of Respondent’s Adult-Use and Medicinal  
16 Distributor License No. C11-0001842-LIC, and Adult-Use Specialty Indoor Cultivation License  
17 No. CCL22-0001883, and denial of any other license sought, as the Department deems  
18 appropriate. Failure to complete the payment or comply with the terms of this Order shall result in  
19 enforcement of the Order in the Superior Court.

20           7.    Failure to complete the payments or comply with the terms of this Order shall also  
21 result in Respondent’s immediate obligation and responsibility to pay the full amount of the  
22 Department’s costs of investigation and enforcement pursuant to Business and Professions Code  
23 section 26031 and California Code of Regulations, title 4, section 17813, in the amount of \$6,009,  
24 less any partial payments received prior to the failure to complete payments or comply with the  
25 terms of this Order and will result in enforcement of the Order in the Superior Court.

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**ACCEPTANCE**

I have carefully read the Stipulated Settlement and Disciplinary Order. I understand the stipulation and the effect it will have on my Cannabis Distributor License, and Adult-Use-Specialty Indoor Cultivation License, and each of them. I enter into this Stipulated Settlement and Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Department of Cannabis Control.



DATED: 11/22/24

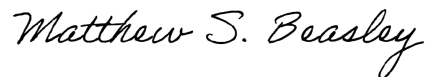
FLAVOR FARMS GUSTINE, LLC  
By: AMARJIT MAHLI, MEMBER  
*Respondent*

**ENDORSEMENT**

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

DATED: 11/22/24

Respectfully submitted,  
ROB BONTA  
Attorney General of California  
HARINDER K. KAPUR  
Senior Assistant Attorney General



MATTHEW S. BEASLEY  
Deputy Attorney General  
*Attorneys for Complainant*

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CCS Stipulated Settlement and Disciplinary Order.docx

**Exhibit A**

**Accusation No. DCC23-0002020-INV**

1 ROB BONTA  
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2 JOSHUA B. EISENBERG  
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3 ETHAN A. TURNER  
Deputy Attorney General  
4 State Bar No. 294891  
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Sacramento, CA 94244-2550  
6 Telephone: (916) 210-7909  
Facsimile: (916) 327-2319  
7 *Attorneys for Complainant*

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

11 In the Matter of the Accusation Against:

Case No. DCC23-0002020-INV  
OAH Case No.

12 **FLAVOR FARMS GUSTINE LLC,**  
13 **DbA FLAVOR FARMS GUSTINE**  
14 **Andres Sanchez aka Andy Sanchez, Owner**  
**355 4<sup>th</sup> Street**  
**Gustine, CA 95322**

**ACCUSATION**

15 **License Number CCL22-0001883**  
16 **License Number C11-0001842-LIC**

17 Respondent.

18  
19 **PARTIES**

20 1. Nadalie Meadows-Martin (Complainant) brings this Accusation solely in her official  
21 capacity as the Acting Branch Chief of the Investigative Services Branch of the Department of  
22 Cannabis Control (Department).

23 2. On or about July 10, 2023, the Department issued Adult-Use Specialty Indoor  
24 Cultivation License Number CCL22-0001883 to Flavor Farms Gustine LLC, dba Flavor Farms  
25 Gustine (Respondent) with Andres Sanchez aka Andy Sanchez, as Owner. The Adult-Use  
26 Specialty Indoor Cultivation License was in full force and effect at all times relevant to the  
27 charges brought herein and will expire on July 10, 2024, unless renewed.

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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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10. 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**

11. 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**

12. 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.

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

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

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

6 ...

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

8 14. Title 4 of the California Code of Regulations, section 17801 states:

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

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

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

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

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

26 15. Title 4 of the California Code of Regulations, section 17809 states:

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

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

1 The Department may also issue other lawful orders it considers appropriate on the  
2 basis of its findings.

3 **COST RECOVERY**

4 16. Section 26031.1 of the Code states that:

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

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

15 (c) The administrative law judge shall make a proposed finding of the amount  
16 of reasonable costs of investigation and prosecution of the case when requested  
17 pursuant to subdivision (a). The finding of the administrative law judge with regard to  
18 costs shall not be reviewable by the department to increase the cost award. The  
19 department may reduce or eliminate the cost award, or remand to the administrative  
20 law judge if the proposed decision fails to make a finding on costs requested pursuant  
21 to subdivision (a).

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

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

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

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

(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.

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1 **FACTUAL ALLEGATIONS**

2 **License Number CCL22-0001883**

3 17. On or about July 10, 2023, the Department issued Adult-Use Specialty Indoor  
4 Cultivation License Number CCL22-0001883 to Flavor Farms Gustine LLC, dba Flavor Farms  
5 Gustine (Respondent) with Andres Sanchez aka Andy Sanchez, as Owner. Respondent was  
6 required to identify and designate an owner of its commercial cannabis business as the track and  
7 trace system account manager. The designated account manager was required to complete the  
8 credentialing process to establish a login within ten (10) calendar days of the license issue date, or  
9 by July 17, 2023.

10 18. On August 4, 2023, a Department representative emailed a California Cannabis Track  
11 and Trace System (CCTT) Reminder to Owner Andres Sanchez aka Andy Sanchez' designated  
12 email account. In that email, Owner Sanchez was given notice more than ten (10) calendar days  
13 had elapsed since the issuance of the license and that neither he nor anyone on behalf of the  
14 licensee had completed the new user system training or completed the credentialing process as  
15 required by California Code of Regulations, title 4, section 15048. In that same email, Owner  
16 Sanchez was further notified that engaging in commercial cannabis activity prior to completing  
17 these requirements may result in disciplinary action against the license.

18 19. On September 1, 2023, Respondent and Owner Sanchez were served electronically  
19 and via U.S. Mail with a Notice to Comply for failure to complete the credentialing process to  
20 establish a login for the CCTT System.

21 20. As of the date of filing, Respondent has failed to respond to the Department and/or  
22 completed the required credentialing process.

23 **License Number C11-0001842-LIC**

24 21. On or about June 7, 2023, the Department issued Adult-Use and Medicinal  
25 Distributor License Number C11-0001842-LIC to Flavor Farms Gustine LLC, dba Flavor Farms  
26 Gustine (Respondent) with Andres Sanchez aka Andy Sanchez, as Owner. Respondent was  
27 required to identify and designate an owner of its commercial cannabis business as the track and  
28 trace system account manager. The designated account manager was required to complete the



1 credentialing process to establish a login within ten (10) calendar days of the license issue date, or  
2 by June 17, 2023.

3 22. On July 5, 2023, a Department representative emailed a California Cannabis Track  
4 and Trace System (CCTT) Reminder to Owner Andres Sanchez aka Andy Sanchez' designated  
5 email account. In that email, Owner Sanchez was given notice more than ten (10) calendar days  
6 had elapsed since the issuance of the license and that neither he nor anyone on behalf of the  
7 licensee had completed the new user system training or completed the credentialing process as  
8 required by California Code of Regulations, title 4, section 15048. In that same email, Owner  
9 Sanchez was further notified that engaging in commercial cannabis activity prior to completing  
10 these requirements may result in disciplinary action against the license.

11 23. On August 4, 2023, Respondent and Owner Sanchez were served electronically and  
12 via U.S. Mail with a Notice to Comply for failure to complete the credentialing process to  
13 establish a login for the CCTT System.

14 24. As of the date of filing, Respondent has failed to respond to the Department and/or  
15 completed the required credentialing process.

16  
17 **CAUSE FOR DISCIPLINE**

18 (Failure to Complete the Credentialing Process – CCTT System)

19 25. Respondent is subject to disciplinary action under Code section 26030, subdivisions  
20 (a) and (c), in that it failed to comply with the provisions of Title 4 of the California Code of  
21 Regulations, section 15048, subdivision (b)(3), which requires the designated account manager to  
22 complete the credentialing process within ten (10) calendar days after issuance of its license(s), to  
23 wit, the Adult-Use Specialty Indoor Cultivation License Number CCL22-0001883 and Adult-Use  
24 Distributor License Number C11-0001842-LIC. Respondent's noncompliance is more  
25 particularly alleged in paragraphs 17 through 24, above, which are hereby incorporated by  
26 reference and realleged as if fully set forth herein.

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**PRAYER**

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Director issue a decision:

1. Revoking or suspending outright or suspending with terms and conditions or fining or any combination thereof, the Adult-Use Specialty Indoor Cultivation License Number CCL22-0001883 issued to Flavor Farms Gustine LLC, dba Flavor Farms Gustine (Respondent) with Andres Sanchez aka Andy Sanchez, as Owner;

2. Revoking or suspending outright or suspending with terms and conditions or fining or any combination thereof, the Adult-Use and Medicinal Distributor License Number C11-0001842-LIC to Flavor Farms Gustine LLC, dba Flavor Farms Gustine (Respondent) with Andres Sanchez aka Andy Sanchez, as Owner;

3. Ordering Respondent Flavor Farms Gustine LLC, dba Flavor Farms Gustine (Respondent) with Andres Sanchez aka Andy Sanchez, 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

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

DATED: 6/13/24

Nadalie Meadows-Martin  
NADALIE MEADOWS-MARTIN  
Acting Branch Chief,  
Investigative Services Branch  
Department of Cannabis Control  
State of California  
*Complainant*

## PROOF OF SERVICE

Case Name: Accusation Against: FLAVOR FARMS GUSTINE LLC, dba FLAVOR FARMS GUSTINE  
DCC Case No. DCC23-0002020-INV  
License Numbers: CCL22-0001883; C11-0001842-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 December 10, 2024, I served the within documents:

### ORDER ADOPTING STIPULATED SETTLEMENT AND DISCIPLINARY ORDER AS FINAL DECISION

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

Andres Sanchez  
2813 Canyon Falls Dr.  
Modesto, CA 95351  
andy.cannabis@outlook.com

Amarjit Mahli  
12748 Magnolia Avenue  
Livingston, CA 95334  
amarjitsinghmalhi@yahoo.com

Harinder Kapur (email only)  
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 December 10, 2024, at Rancho Cordova, California.

  
\_\_\_\_\_  
Lillian Quynn