

Nicole Elliott Director

August 4, 2025

VIA EMAIL ONLY

BTC Ventures LLC Gregory Haap & Martin Reed, Owners Slondon@saugatuckbrands.com Gregory Haap haapnet@gmail.com

Re: BTC Ventures LLC DBA BTC Ventures - Case No. DCC24-0002549-INV

Order Adopting Stipulated Settlement and Order as Final Decision

Dear Messrs. Haap and Reed:

Pursuant to section 11415.60 of the Government Code, attached please find a copy of the Department of Cannabis Control's Order Adopting Stipulated Settlement and Order as the Final Decision in the above-referenced matter involving BTC Ventures.

The Department's Order and Final Decision will be effective on August 4, 2025. Pursuant to this Final Decision and its stipulated settlement, BTC Ventures, has waived any right to reconsideration or appeal in this matter and to receive a copy of the Decision and Order via certified, registered, or first-class mail.

Sincerely,

Douglas Smurr

Assistant General Counsel

Enclosure

1		
2		
3		
4		
5		
6		
7	DEFODE THE	
8 9	BEFORE THE DEPARTMENT OF CANNABIS CONTROL OF THE STATE OF CALIFORNIA	
10		
11	In the Matter of the Accusation Against:) CASE NO. DCC24-0002549-INV	
12	BTC VENTURES LLC DBA BTC VENTURES; GREGORY HAAP AND ORDER ADOPTING STIPULATED	
13	MARTIN REED, OWNERS SETTLEMENT AND ORDER AS FINAL DECISION	
14	7755 Arjons Drive San Diego, CA 92126	
15	Cannabis Manufacturer – Type 6 No.	
16	CDPH-10002648	
17	Respondent.)	
18		
19	Pursuant to Government Code section 11415.60, the Department of Cannabis Control	
20	hereby adopts the attached Stipulated Settlement and Order as its Final Decision in this matter.	
21	This Order and Final Decision shall become effective on August 4, 2025.	
22	IT IS SO ORDERED, August 4, 2025.	
23		
24	1 28 2	
25	Douglass Smurr	
26	Assistant General Counsel FOR THE DEPARTMENT OF CANNABIS CONTROL	
27	TORTHE DEFINITION OF CHANNELS CONTROL	
28	ORDER ADOPTING STIPULATED SETTLEMENT AND ORDER AS FINAL DECISION	

CASE NO. DCC24-0002549-INV; BTC VENTURES LLC DBA BTC VENTURES

1	ROB BONTA		
2	Attorney General of California GREGORY M. CRIBBS		
3	Supervising Deputy Attorney General MICHAEL DUONG		
4	Deputy Attorney General State Bar No. 327666		
5	1300 I Street, Suite 125 P.O. Box 944255		
6	Sacramento, CA 94244-2550 Telephone: (916) 210-6807		
7	Facsimile: (916) 327-8643 E-mail: Michael.Duong@doj.ca.gov		
8	Attorneys for Complainant		
9	BEFOR DEPARTMENT OF CA		
10	STATE OF CA		
11			
12	In the Matter of the Accusation Against:	Case No. DCC24-0002549-INV	
13	BTC VENTURES LLC DBA BTC VENTURES; GREGORY HAAP AND MARTIN REED, OWNERS	STIPULATED SETTLEMENT FOR REVOCATION OF LICENSE AND ORDER	
14 15	7755 Arjons Drive San Diego, CA 92126		
16	Cannabis Manufacturer – Type 6 No. CDPH-10002648		
17	D J		
18	Respondent.		
19			
20	IT IS HEREBY STIPULATED AND AGR	EED by and between the parties to the above-	
21	entitled proceedings that the following matters are	e true:	
22	PART	TIES	
23			
24	1. Evelyn Schaeffer (Complainant) is the Deputy Director of the Compliance Division		
25	of the Department of Cannabis Control (Department). She brought this action solely in her		
26	official capacity and is represented in this matter by Rob Bonta, Attorney General of the State of		
27	California, by Michael Duong, Deputy Attorney General.		
28	///		
		1	

- 2. Respondent BTC Ventures LLC dba BTC Ventures (Respondent) and owner Gregory Haap (Owner Haap) is not represented by counsel. Respondent is acting in this proceeding through Owner Haap who has been designated and authorized by BTC Ventures LLC dba BTC Ventures to enter into this agreement on behalf of Respondent.
- 3. On or about April 22, 2019, the Department issued Cannabis Manufacturer Type 6 License No. CDPH-10002648¹ to Respondent. The Cannabis Manufacturer Type 6 license was in full force and effect at all times relevant to the charges brought in Accusation No. DCC24-0002549-INV, and which expired on April 22, 2025, and has not been renewed.

JURISDICTION

4. Accusation No. DCC24-0002549-INV was filed before the Department and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on May 28, 2025. Respondent timely filed its Notice of Defense contesting the Accusation. A true and correct copy of Accusation No. DCC24-0002549-INV is attached as Exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

- 5. Respondent and its current owners of record and members have carefully read and fully and fully understand the charges and allegations in Accusation No. DCC24-0002549-INV. Respondent and Owner Haap have also carefully read and understand the effects of this Stipulated Settlement for Revocation of License and Order.
- 6. Respondent and its current owners of record and members are fully aware of their legal rights in this matter, including the right to be represented by counsel at their own expenses; the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision;

¹ Pursuant to the Department's website, effective May 12, 2025, active manufacturing licenses beginning with "CDPH" will be relabeled with the prefix "DCC". All further references to Respondent's Cannabis Type 6 Manufacturer License, shall be as follows, "DCC-10002648."

and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

- 7. Respondent and its current owners of record and members are fully aware of the legal rights to receive a copy of the Decision and Order via certified, registered, or first-class mail.

 Respondent agrees to receive a copy of the Decision and Order in this matter via email at the following email address: haapnet@gmail.com
- 8. Respondent and its current owners of record and members voluntarily, knowingly, and intelligently waive and give up each and every right set forth above.

CULPABILITY

- 9. Respondent admits the truth of each and every charge and allegation in Accusation No. DCC24-0002549-INV.
- 10. Respondent agrees that Cannabis Manufacturer Type 6 License No. DCC-10002648 is subject to revocation and agree to be bound by the Department's imposition of discipline as set forth in the Order below.

CONTINGENCY

- 11. This stipulation shall be subject to approval by the Department. Respondent understands and agrees that counsel for Complainant and the staff of the Department may communicate directly with the Department regarding this stipulation and settlement, without notice to or participation by Respondent. By signing the stipulation, Respondent understands and agrees that it may not withdraw its agreement or seek to rescind the stipulation prior to the time the Department considers and acts upon it. If the Department fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement for Revocation of License and Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Department shall not be disqualified from further action by having considered this matter.
- 12. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Stipulated Settlement for Revocation of License and Order, including PDF and facsimile signatures thereto, shall have the same force and effect as the originals.

- 13. This Stipulated Settlement for Revocation of License and Order may be signed in any number of counterparts, each of which is an original and all of which taken together form one single document.
- 14. This Stipulated Settlement for Revocation of License and Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Stipulated Settlement for Revocation of License and Order may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.
- 15. In consideration of the foregoing admissions and stipulations, the parties agree that the Department may, without further notice or formal proceeding, issue and enter the following Order:

DISCIPLINARY ORDER

- 1. **WITHDRAWAL OF APPEAL.** Respondent's appeal of Accusation No. DCC24-0002549-INV and request for administrative hearing is deemed withdrawn and any further appeal is waived.
- 2. <u>LICENSE REVOCATION</u>. Respondent's Cannabis Manufacturer License No. DCC-10002648 is revoked as of the effective date of the Decision and Order. The revocation of Respondent's Cannabis Manufacturer License shall constitute the imposition of discipline against Respondent. This stipulation constitutes a record of the discipline and shall become a part of Respondent's license history with the Department. Respondent shall lose all rights and privileges as a Cannabis Manufacturer in California as of the effective date of the Department's Decision and Order.
- 2. **REINSTATEMENT OF LICENSE.** If Respondent ever applies for licensure or petitions for reinstatement in the State of California, the Department shall treat it as a new application for licensure. Respondent must comply with all the laws, regulations, and procedures for licensure in effect at the time the application or petition is filed, and all of the charges and

1	allegations contained in Accusation No. DCC24-0002549-INV shall be deemed to be true, correct	
2	and admitted by Respondent when the Department determines whether to grant or deny the	
3	application or petition.	
4	ACCEPTANCE	
5	I have carefully read the above Stipulated Settlement for Revocation of License and Order.	
6	I understand the stipulation and the effect it will have on my Cannabis Manufacturer Type 6 –	
7	License DCC-10002648. I enter into this Stipulated Settlement for Revocation of License and	
8	Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order	
9	of the Department of Cannabis Control.	
10		
11	DATED: 7/80/26	
12	BTC VENTURES LLC DBA BTC VENTURES; GREGORY HAAP, OWNER	
13	Respondent	
14		
15	ENDORSEMENT	
16	The foregoing Stipulated Settlement for Revocation of License and Order is hereby	
17	respectfully submitted for consideration by the Department of Cannabis Control.	
18	DATED 5/20/2025	
19	DATED: Respectfully submitted,	
20	ROB BONTA Attorney General of California	
21	GREGORY M. CRIBBS Supervising Deputy Attorney General	
22	Michael Dunca	
23	Michael Duong Michael Duong	
24	Deputy Attorney General Attorneys for Complainant	
25		
26		
27	SD2025800835 39168353	
28		

Exhibit A

Accusation No. DCC24-0002549-INV

1	ROB BONTA		
2	Attorney General of California GREGORY M. CRIBBS		
3	Supervising Deputy Attorney General MICHAEL DUONG Deputy Attorney General State Bar No. 327666		
4			
5	1300 I Street, Suite 125 P.O. Box 944255		
6	Sacramento, CA 94244-2550 Telephone: (916) 210-6807		
7	Facsimile: (916) 327-8643 E-mail: Michael.Duong@doj.ca.gov		
8	Attorneys for Complainant		
9		RE THE	
10		CANNABIS CONTROL CALIFORNIA	
11	In the Matter of the Accusation Against:	Case No. DCC24-0002549-INV	
12	BTC VENTURES LLC	ACCUSATION	
13	dba BTC VENTURES; MARTIN REED AND GREGORY HAAP, OWNERS		
14	7755 Arjons Drive San Diego, CA 92126		
15	Cannabis - Manufacturer Type 6 License		
16	No. CDPH-10002648		
17	Respondent.		
18			
19	PAR	TIES	
20	Evelyn Schaeffer (Complainant) brir	ngs this Accusation solely in her official capacity	
21	as the Deputy Director of the Compliance Divisi	on of the Department of Cannabis Control	
22	(Department).		
23	2. On or about April 22, 2019, the Depart	artment issued Cannabis - Manufacturer Type 6	
24	License Number CDPH-10002648 to BTC Ventures LLC dba BTC Ventures (Respondent), with		
25	Martin Reed and Gregory Haap as Owners (Owners). The Cannabis - Manufacturer Type 6		
26	License was in full force and effect at all times relevant to the charges brought herein and expired		
27	on April 22, 2025.		
28	///		
		1	
		ACCUSATION (DCC24-0002549-INV)	

constituting grounds for disciplinary action. The disciplinary proceedings under this

1	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.		
2	shan have an the powers granted therein.		
3	•••		
4	(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		
5			
6			
7	(d) The suspension or expiration of a license issued by the department, or its		
8	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.		
10	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		
11	suspending or revoking the license or otherwise taking disciplinary action against the licensee on any such ground.		
12	11. Section 26034 of the Code states:		
13 14	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.		
15			
16 17			
18	STATUTORY PROVISIONS		
19	12. Section 26030 of the Code states:		
20			
20	Grounds for disciplinary action include, but are not limited to, all of the following:		
22	(a) Failure to comply with the provisions of this division or any rule or regulation adopted pursuant to this division.		
23			
24	(c) Any other grounds contained in regulations adopted by a licensing authority		
25			
26	pursuant to this division.		
27			
28	(f) Failure to comply with the requirement of a local ordinance regulating commercial cannabis activity		

1	13. Section 26055 of the Code states:	
2		
3	(g)(1) The department shall deny an application for a license under this division	
4	for a commercial cannabis activity that the local jurisdiction has notified the department is prohibited in accordance with subdivision (f). The department shall	
5	notify the contact person for the local jurisdiction of each application denied due to the local jurisdiction's indication that the commercial cannabis activity for which a license is sought is prohibited by a local ordinance or regulation.	
6		
7	(2) Prior to issuing a state license under this division for any commercial cannabis activity, if an applicant has not provided adequate proof of compliance with local laws pursuant to subdivision (e):	
8		
9		
10	(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	
11	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	
12	notification, the department shall not presume that the applicant or licensee has complied with all local ordinances and regulations adopted in accordance with Section 26200, and may commence disciplinary action in accordance with Chapter 3	
13	(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	
14	until and unless the local jurisdiction notifies the department that the licensee is once again in compliance with local ordinances.	
15	again in compitative with focus oraniances.	
16	14. Section 26200 of the Code states in part:	
17		
18	(c) A local jurisdiction shall notify the department upon revocation of any local	
19	license, permit, or authorization for a license to engage in commercial cannabis activity within the local jurisdiction. Within 60 days of being so informed, the department shall begin the process to determine whether a license issued to the licensee should be	
20	suspended or revoked pursuant to Chapter 3 (commencing with Section 26030).	
21		
22	REGULATORY PROVISIONS	
23	15. Title 4 of the California Code of Regulations, section 15007, subdivision (a), states:	
24	(a) If the commercial cannabis business is not the landowner of the real	
25	property upon which the premises is located, the commercial cannabis business shall provide to the Department a document from the landowner or the landowner's agent that states that the commercial cannabis business has the right to occupy the property	
26	and acknowledges that the commercial cannabis business may use the property for the	
27	commercial cannabis activity for which the commercial cannabis business is applying for licensure. An applicant shall also provide a copy of the rental agreement, as	
28	applicable.	

COST RECOVERY

- 16. 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.
 - (b) A certified copy of the actual costs, or a good faith estimate of costs where actual costs are not available, signed by the department or its designated

representative shall be prima facie evidence of reasonable costs of investigation and prosecution of the case. The costs shall include the amount of investigative and

enforcement costs up to the date of the hearing, including, but not limited to, charges imposed by the Attorney General.

- (c) The administrative law judge shall make a proposed finding of the amount of reasonable costs of investigation and prosecution of the case when requested pursuant to subdivision (a). The finding of the administrative law judge with regard to costs shall not be reviewable by the department to increase the cost award. The department may reduce or eliminate the cost award, or remand to the administrative law judge if the proposed decision fails to make a finding on costs requested pursuant to subdivision (a).
- (d) If an order for recovery of costs is made and timely payment is not made as directed in the department's decision, the department may enforce the order for 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.
- (e) In any action for recovery of costs, proof of the department's decision shall be conclusive proof of the validity of the order of payment and the terms for payment.
- (f)(1) Except as provided in paragraph (2), the department shall not renew or reinstate 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.

///

SECOND CAUSE FOR DISCIPLINE

(Failure to Adhere to Premises Requirements)

23. Respondent is subject to disciplinary action under Code section 26030, subdivisions (a) and (c), in that it failed to comply with Title 4 of the California Code of Regulations, section 15007, subdivision (a), requiring a licensee to provide written approval from the landowner or its agent to occupy and use the property for the commercial cannabis activity for which it is licensed to conduct, as more particularly alleged in paragraphs 16 through 20, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

PRAYER

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

- 1. Revoking or fining, or any combination thereof, the Cannabis Manufacturer Type 6 License Number CDPH-10002648, issued to Respondent BTC Ventures LLC dba BTC Ventures;
- 2. Ordering Respondent BTC Ventures LLC dba BTC Ventures with Martin Reed and Gregory Haap as Owners to pay the Department the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 26031.1;
- 3. Ordering the destruction of cannabis and cannabis goods in the possession of Respondent BTC Ventures LLC dba BTC Ventures, at Respondent's expense, if revocation of Cannabis Manufacturer Type 6 License Number CDPH-10002648 is ordered, pursuant to California Code of Regulations, title 4, section 15024.1, subdivision (a); and
 - 4. Taking such other and further action as deemed necessary and proper.

DATED: <u>May 20, 2025</u>

EVELYN SCHAEFFER

Deputy Director, Compliance Division Department of Cannabis Control

velyn Schaeffer

State of California

Complainant

SD2025800837 39039886.docx

PROOF OF SERVICE

Case Name: In the Matter of the Accusation Against: BTC Ventures LLC DBA BTC Ventures

DCC Case No. DCC24-0002549-INV

License Number: DCC-10002648, Cannabis 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 August 4, 2025, I served the within documents:

ORDER ADOPTING STIPULATED SETTLEMENT AND ORDER AS FINAL DECISION

\boxtimes	VIA ELECTRONIC TRANSMISSION. Pursuant to document(s) to be sent to the person(s) at the Er receive, within a reasonable time after the transmother indication that the transmission was unsucceived.	nail address(es) listed below. I did not nission, any electronic message or
	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.	
	BTC Ventures LLC Gregory Haap & Martin Reed, Owners Slondon@saugatuckbrands.com	Gregory Haap haapnet@gmail.com
	Evelyn Schaeffer (email only) Deputy Director Compliance Division Department of Cannabis Control Evelyn.Schaeffer@cannabis.ca.gov	Michael Duong (email only) Deputy Attorney General Cannabis Control Section Office of the Attorney General Michael.Duong@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 August 4, 2025, at Rancho Cordova, California.

Christina C. Ubaldo