

**BEFORE THE
OFFICE OF ADMINISTRATIVE HEARINGS
STATE OF CALIFORNIA**

**In the Matter of the Petition for Interim Suspension Order
Against:**

**SWAN BAY SOLUTIONS, INC.; JASON TURCHIN AND
KEVIN YESSEN, OWNERS,**

**Cannabis Type 6 Manufacturer License No. CDPH-10003119,
Respondent.**

Agency Case No. DCC25-0000001-ACC

OAH No. 2025071070

DECISION GRANTING PETITION FOR INTERIM SUSPENSION ORDER

Erlinda Shrenger, Administrative Law Judge (ALJ), Office of Administrative Hearings (OAH), State of California, heard this matter by videoconference on September 5, 2025.

Michael Duong, Deputy Attorney General, represented Evelyn Schaeffer (petitioner), Deputy Director of the Compliance Division of the Department of Cannabis Control (Department), State of California. Gregory M. Cribbs, Supervising Deputy Attorney General, was present to observe the hearing.

Gabrielle Crivello, Esq., appeared and represented owner Jason Turchin only. No appearance was made by or on behalf of Swan Bay Solutions, Inc. (respondent) or owner Kevin Yessen.

Proper and timely notice of the hearing was served on respondent and owners Jason Turchin and Kevin Yessen at their address of record, in accordance with Business and Professions Code section 494, subdivision (c).

At the start of the hearing, Mr. Duong informed the ALJ that Jason Turchin is no longer a party in this matter. The Department's records indicate that, as of August 4, 2025, Jason Turchin is no longer affiliated with respondent's license and is no longer an owner of respondent. Mr. Duong stated the hearing would proceed only against respondent and owner Kevin Yessen. Ms. Crivello agreed and left the hearing.

Documentary evidence was marked and admitted as Exhibits A, B, and C, respectively, and argument was heard. The record closed and the matter was submitted for decision on September 5, 2025.

Having read and considered the Petition for Interim Suspension Order (Petition), the supporting Memorandum of Points and Authorities and Declaration of Tedd E. Yargeau, and having heard and considered the oral argument of petitioner's counsel, and no written opposition to the Petition having been filed by respondent, the ALJ makes the following Factual Findings, Legal Conclusions, and Order.

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FACTUAL FINDINGS

Jurisdictional Matters

1. The Department is the state agency charged with administering and enforcing the provisions of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (Act). (Bus. & Prof. Code, §§ 26010.5, subd. (d); 26013.) The Department's highest priority is protection of the public. (Bus. & Prof. Code, § 26011.5.)

2. On May 8, 2019, the Department issued Cannabis Type 6 Manufacturer License No. DCC-10003119 (respondent's license) to respondent, with Jason Turchin as owner. On July 7, 2025, Kevin Yessen was added to respondent's license as an owner. Respondent's license was in full force and effect at all times relevant to the charges brought in the Petition, and will expire on May 8, 2026, unless renewed.

The Petition

3. Petitioner filed the Petition and supporting documents in her official capacity, pursuant to Business and Professions Code section 494.

4. In the Petition, petitioner seeks an interim suspension of respondent's license because respondent repeatedly violated the Act and its accompanying regulations as follows: (1) disregarding a cease-and-desist order from a local fire department for multiple municipal code violations; (2) processing cannabis or cannabis products that cannot be traced to a licensed source; (3) removing and/or destroying cannabis or cannabis products that had been placed under embargo by the Department; (4) manufacturing cannabis or cannabis products, involving extraction of volatile solvents, without a license; and (5) submitting inaccurate information in the California Cannabis Track and Trace (CCTT) system.

Department Inspections of Respondent's Premises

5. Respondent's licensed cannabis manufacturing facility (Premises) is located in California City.

2021 INSPECTIONS

6. On April 28, 2021, the Department learned that the California City Fire Department (CCFD) issued a cease-and-desist/stop work order to respondent, citing unsafe operations. CCFD "red-tagged" the Premises, requiring all activities to cease until CCFD lifted its order. That same day, the Department opened an investigation and assigned it to Mr. Yargeau.

7. On August 12, 2021, at the request of CCFD, the Department conducted an unannounced inspection of the Premises. During the inspection, Department staff discovered approximately 3,824 bottles of cannabis infused wine. Some of the bottles lacked identifiers, such as a unique identifier (UID) number used to track cannabis products, manufacturer name, and manufacture date. Respondent's manager, Matt Vreeke, could not provide any documentation or confirm that the wine originated from a licensed source.

8. On August 19, 2021, Department staff returned to the Premises to discuss the cannabis infused wine found during the August 12, 2021 inspection. After discussing the situation with Department staff, Mr. Vreeke agreed to conduct a voluntary condemnation and destruction of the cannabis infused wine that was not traceable to the Premises or a licensed source.

9. On September 16, 2021, Department staff returned to the Premises to confirm that all of the cannabis infused wine had been removed or destroyed.

Department staff observed there was no cannabis infused wine present on the Premises, and all cannabis extraction equipment and most of the post-processing equipment had also been removed from the Premises.

JANUARY 10, 2023 INSPECTION

10. On January 10, 2023, Department staff returned to the Premises to conduct a compliance inspection. The Department had received reports that unauthorized activity was taking place at the Premises, which was still "red-tagged."

11. Upon arriving at the Premises, Department staff saw the California City Police Department (CCPD) was already present and had detained two individuals. Department staff entered the Premises after it was "cleared" by CCPD. Department staff found sleeping bags and toiletries, indicating that individuals were living on the Premises. Department staff also received a text message from owner Jason Turchin stating he was "in the middle of transferring the license and these are the new guys['] crew."

12. During the inspection, Department staff observed (1) signs of active cannabis manufacturing, such as bulk cannabis concentrates and packaged cannabis goods; (2) a large ethyl alcohol (EtOH) extraction unit; (3) pieces of extraction and post-screening equipment (both used and unused); (4) butane hash oil (BHO) extraction units and additional post-screening equipment; (5) multiple gas cylinders of Isobutane; (6) 55-gallon drums of Heptane; (7) a 5-gallon container of Hexane; and (8) 270-gallon totes of EtOH.

13. At the time of the January 10, 2023 inspection, respondent did not hold the appropriate cannabis license type for BHO extraction, had not obtained certification for its closed-loop BHO extraction units, and had not received approval

from CCFD to operate. CCFD's cease-and-desist order was still active and respondent did not have fire approval to operate. Department staff also found an extraction log, with cannabis sock weights, for various cannabis strains that had dates ranging from November 23, 2022, through November 29, 2022.

14. During the inspection, Department staff also observed: (1) seven large cooking pots full of cannabis oil; (2) 39 one-liter jars of cannabis distillate; (3) 30 miscellaneous-sized containers of cannabis concentrate; (4) four small bags of cannabis; (5) 9,778 Honey King brand infused pre rolls; (6) 200 unlabeled infused pre-rolls; and (7) 5,001 Big Chief brand vape cartridges. Some of the lids of the cooking pots contained cannabis concentrate and had the dates "1/04/23, 12/28/22, 12/27/22, and 12/22/22" written in black ink, which was indicative of being recently manufactured. In addition, some of the cannabis strains found in the extraction log matched those that were written on blue painter's tape on the EtOH and BHO extraction units.

15. During the inspection, Department staff reviewed respondent's CCTT account and determined the cannabis material used for the Honey King infused pre-rolls lacked identifiers and could not be traced to a licensed source. In addition, Department staff could not confirm the identity and source of the cannabis concentrate used for each batch of infused pre-rolls, and the packaging and labeling of the Honey King pre-rolls failed to include a tamper evident seal, name of the manufacturer, contact information, and a valid UID number. Also, the Honey King products only listed a 6-digit number (a UID number contains 24 characters) that could not be traced to inventory reported in respondent's CCTT account.

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16. Department staff also observed that the Big Chief brand vape cartridges had UID numbers traceable to Valley Health Center Collective (License No. C12-0000085-LIC), a licensed microbusiness in Sun Valley, California.

JANUARY 11, 2023 INSPECTION

17. On January 11, 2023, Department staff reviewed respondent's CCTT account, which showed that the Big Chief products were manufactured on October 6, 2022, at Valley Health Center Collective. According to respondent's CCTT account, the Big Chief products should have been physically located at the Valley Health Center Collective premises, as there was no manifest or record in respondent's CCTT account of cannabis products being transferred from Valley Health Center Collective to respondent.

18. On January 11, 2023, Department staff returned to the Premises and embargoed all cannabis and cannabis product in respondent's inventory. They were met by John Herrera (property owner) and owner Kevin Yessen, who stated he was in the process of purchasing the business from Jason Turchin. Department staff saw video surveillance equipment on the Premises, including video cameras, and requested to view the video surveillance footage. Yessen informed Department staff that they did not have access to the video surveillance footage. Department staff informed Yessen that respondent needed to resolve the cease-and-desist (red-tagging) issue with CCFD prior to re-entry into the Premises.

19. Before leaving the Premises on January 11, 2013, Department staff inventoried and embargoed the cannabis products on site, including but not limited to: (1) approximately 249 kilograms of unmarked cannabis concentrate; (2) four bags of unmarked cannabis biomass; (3) 9,978 Honey King brand infused pre-rolls; and (4)

200 unmarked infused pre-rolls. All of these products lacked UIDs and there was no data associated with the products in respondent's CCTT account that would connect them to a licensed source. Additionally, there were 5,001 Big Chief brand vape cartridges that had UIDs traceable to Valley Health Center Collective, but there was no record of them being manifested to, or received by, respondent.

MARCH 20, 2023 INSPECTION

20. On January 27, 2023, the Department issued a supplemental embargo notice to respondent, requesting a response by February 2, 2023, to resolve the embargo of cannabis products at the Premises. After repeated requests to respondent for a response and information regarding the embargo, Department staff conducted an unannounced inspection of the Premises on March 20, 2023, to confirm the embargoed products were still at the Premises. During the inspection, Department staff discovered that 10,178 infused pre-rolls and 5,001 Big Chief brand vape cartridges had been removed from the Premises, indicating the embargo had been broken.

REVIEW OF RESPONDENT'S CCTT ACCOUNT

21. On October 2, 2024, Department staff learned there was recent CCTT activity in respondent's CCTT account, indicating active cannabis manufacturing activities. After receiving the notification, Department staff reviewed respondent's CCTT account for active commercial cannabis activities at the Premises. The Department's review of the CCTT accounts revealed that respondent had resumed operations on August 3, 2024.

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OCTOBER 16, 2024 INSPECTION

22. On October 16, 2024, Department staff, accompanied by CCFD and CCPD, conducted an unannounced inspection of the Premises. Upon arrival, there were no cars observed in the gated parking lot, nor were there any other visible signs of activity from the exterior of the Premises. However, the "Knox" lock placed by the CCFD had been removed and replaced with a Master Lock by an unknown party. CCFD used bolt cutters to forcibly remove the Master Lock.

23. Upon entering the interior of the Premises, there were no signs of commercial cannabis activities or any other activities. The power was off and the Premises was devoid of any manufacturing equipment, cannabis, and cannabis products. Department staff, and CCFD and CCPD officials, inspected and documented the condition of each room and concluded that respondent was non-operational at the Premises.

24. Notwithstanding the results of the October 16, 2024 inspection, there were multiple CCTT entries in respondent's CCTT account dating from August 3, 2024, through June 13, 2025. All of the CCTT entries documented that cannabis or cannabis products were physically located at the Premises, which was still red-tagged and non-operational as of October 16, 2024. Most of the products in respondent's CCTT account consisted of bulk cannabis flower and cannabis concentrate.

25. On July 15, 2025, Mr. Yargeau checked respondent's CCTT account and saw that respondent was actively engaged in commercial cannabis activity even though it no longer occupied a licensed premises.

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LEGAL CONCLUSIONS

1. Petitioner bears the burden of establishing cause to issue an interim suspension order by a preponderance of the evidence. (Bus. & Prof. Code, § 494, subd. (e).)

2. Business and Professions Code section 494, subdivision (a), provides, in pertinent part:

A board or an administrative law judge sitting alone, . . . may, upon petition, issue an interim order suspending any licentiate or imposing license restrictions, The petition shall include affidavits that demonstrate, to the satisfaction of the board, both of the following:

(1) The licentiate has engaged in acts or omissions constituting a violation of this code

(2) Permitting the licentiate to continue to engage in the licensed activity, or permitting the licentiate to continue in the licensed activity without restrictions, would endanger the public health, safety, or welfare.

3. An interim suspension order is of limited duration, remaining in effect only as long as the licensing board follows strict requirements to expeditiously afford the licensee a full hearing on the charges. Following the issuance of an interim suspension order, the Board must file an accusation within 15 days. If the licensee files a notice of defense, a hearing must be held within 30 days, and a decision on the

accusation rendered no later than 30 days after the submission of the matter. (Bus. & Prof. Code, § 494, subd. (f).)

Violation of Commercial Cannabis Laws

4. For purposes of this proceeding only, petitioner established by a preponderance of the evidence that respondent engaged in acts or omissions constituting violations of the Act and/or accompanying regulations, as follows.

FAILURE TO COMPLY WITH LOCAL REQUIREMENTS AND MAINTAIN SAFE CONDITIONS

5. Business and Professions Code section 26030 sets forth various grounds for disciplinary action against a Department-licensee, which include the failure to comply with the requirement of a local ordinance regulating commercial cannabis activity (subdivision (f)), and the failure to maintain safe conditions for inspection by the Department (subdivision (i)).

6. Petitioner proved by a preponderance of the evidence that respondent violated Business and Professions Code section 26030, subdivisions (f) and (i), by failing to abide by CCFD's cease-and-desist/stop work order, which cited respondent for unsafe operations, and by continuing to operate at the Premises while the Premises was red-tagged.

UNLAWFUL RECEIPT, POSSESSION, AND MANUFACTURE OF UNTRACEABLE CANNABIS PRODUCTS

7. Pursuant to Business and Professions Code section 26039.5, subdivisions (a)(1), (a)(2), and (a)(4), cannabis or a cannabis product is misbranded if (1) it is

cultivated, possessed, manufactured, packed, or held in a location not duly licensed by the Department; (2) it consists of cannabis or cannabis product that was cultivated, processed, manufactured, packed, or held in a location not duly licensed by the Department; or (3) its labeling or packaging does not conform to the requirements of Business and Professions Code section 26120 or any other labeling or packaging requirement established under the Act.

8. Business and Professions Code section 26039.5, subdivision (b), provides that it is unlawful to cultivate, process, manufacture, sell, deliver, hold, or offer for sale cannabis or a cannabis product that is misbranded. Section 26039.5, subdivision (d), provides that it is unlawful to receive in commerce cannabis or a cannabis product that is misbranded or to distribute, deliver, or offer for delivery any such cannabis or cannabis product

9. Business and Professions Code section 26120, subdivision (a), provides that, prior to delivery or sale at a retailer, cannabis and cannabis products shall be labeled and placed in a tamper-evident, child-resistant package and shall include a unique identifier for the purposes of identifying and tracking cannabis and cannabis products. If the cannabis or cannabis product contains multiple servings, the package shall also be resealable.

10. Business and Professions Code section 26160, subdivision (a), states: "A licensee shall keep accurate records of commercial cannabis activity." Further, California Code of Regulations, title 4 (CCR), section 15037, provides that a licensee must keep and maintain records of its commercial cannabis business, including financial records and records required by the Act, for at least seven years from the date of creation, unless a shorter time is specified.

11. CCR section 15047.2, subdivision (b), requires that all commercial cannabis activity shall be accurately recorded in the CCTT system. CCR section 15049, subdivision (a), requires that all cannabis and cannabis products on a licensed premises shall be assigned a plant or package tag, as applicable, except for harvested plants that are being dried, cured, graded, or trimmed, and shall be recorded in the CCTT system.

12. CCR section 17117, subdivision (c), provides that a manufacturer licensee shall only use cannabinoid concentrates and extracts that are manufactured or processed from cannabis obtained from a licensed cannabis cultivator.

13. Pursuant to CCR section 17218, subdivision (e), a licensed manufacturer shall maintain sales invoices and receipts for all batches of cannabis and cannabis products received at and transferred from its licensed premises. A licensed manufacturer shall prepare a sales invoice or receipt that meets the requirements of Business and Professions Code section 26161 prior to each sale or transport of cannabis products from the premises.

14. Pursuant to CCR section 17406, subdivisions (a)(1), (a)(2), and (a)(10), the label for a manufactured cannabis product shall include an informational panel that includes the following: (1) the name of the licensed manufacturer (either the legal business name or the name listed on the license certificate) that manufactured the cannabis product and the manufacturer's contact number or website address; (2) the date the cannabis product was packaged for retail sale; and (3) the unique identification number.

15. Petitioner proved by a preponderance of the evidence that respondent engaged in conduct that violated the above-referenced provisions of the Act and/or

the implementing regulations, as follows: (1) On August 12, 2021, respondent possessed bottles of cannabis infused wine that were misbranded and untraceable to a licensed source (Factual Finding 8); (2) On January 10, 2023, respondent possessed cannabis material used for Honey King brand infused pre-rolls that lacked identifiers and could not be traced to a licensed source, and possessed Honey King brand infused pre-rolls that were misbranded (Factual Finding 16); (3) On January 10, 2023, respondent possessed Big Chief brand vape cartridges with UID numbers traceable to Valley Health Center Collective in Sun Valley, California, but respondent had no manifest or record in its CCTT account of receiving cannabis products transferred from Valley Health Center Collective (Factual Findings 17, 18, 20); and (4) On January 10, 2023, respondent possessed 249 kilograms of unmarked cannabis concentrate, four bags of cannabis biomass, 9,978 Honey King brand infused pre-rolls, and 200 unmarked infused pre-rolls, all of which lacked UID numbers and respondent's CCTT account had no data to connect them to a licensed source (Factual Finding 20).

EMBARGO VIOLATION

16. Business and Professions Code section 26039.3, subdivision (b)(1), provides, in part: "It is unlawful to remove, sell, or dispose of embargoed cannabis or an embargoed cannabis product without written permission of the department or a court. The removal, sale, or disposal of each item of embargoed cannabis or cannabis product without written permission of the department constitutes a violation of this subdivision."

17. Petitioner proved by a preponderance of the evidence that, on or about March 20, 2023, respondent violated Business and Professions Code section 26039.3, subdivision (b)(1), by removing, selling, or disposing of cannabis or cannabis products

that were embargoed by the Department on or about January 11 and 27, 2023, without written permission from the Department or a court.

18. On January 11, 2023, and January 27, 2023, the Department embargoed cannabis and cannabis products at the Premises including, but not limited to, 9,978 Honey King brand infused pre-rolls and 5,001 Big Chief brand vape cartridges. On March 20, 2023, Department staff conducted an inspection of the Premises to confirm the embargoed products were still at the Premises. Department staff discovered that 10,178 infused pre-rolls and 5,001 Big Chief brand vape cartridges had been removed from the Premises, indicating the embargo had been broken.

VOLATILE SOLVENT EXTRACTIONS WITHOUT PROPER LICENSE

19. CCR section 15000.1, subdivision (c), states: "The licensee shall only conduct commercial cannabis activities authorized by the license and on the premises licensed for the activity."

20. CCR section 17206 sets forth the requirements for a closed-loop extraction system. Subdivision (e) states: "Professional closed-loop systems, other equipment used, the extraction operation, and facilities shall be approved for use by the local fire code official prior to commencing operation of the closed-loop system, if required by local ordinance. Licensed manufacturers shall provide documentation confirming compliance with this subsection to the Department upon request."

21. Petitioner proved by a preponderance of the evidence that on January 10, 2023, respondent did not hold the appropriate cannabis license type for BHO extraction, had not obtained certification for its closed loop BHO extraction units, and had not received approval from CCFD to operate, in violation of the above-referenced regulations. An inspection of the Premises on January 10, 2023, found, among other

things, a large EtOH extraction unit, pieces of extraction and post-screening equipment, two BHO extraction units and additional post screening equipment, multiple gas cylinders of Isobutane, 55-gallon drums of Heptane, a 5-gallon container of Hexane, and 270-gallon totes of EtOH. Additionally, there was an extraction log for various cannabis strains that had dates ranging from November 23 to 29, 2022.

FAILURE TO PROVIDE VIDEO SURVEILLANCE

22. Pursuant to CCR section 15044, subdivision (i), surveillance recordings are subject to inspection by the Department and shall be kept in a manner that allows the Department to view and obtain copies of the recordings at the licensed premises immediately upon request. The licensee shall also send or otherwise provide copies of the recordings to the Department upon request within the time specified by the Department.

23. Petitioner proved by a preponderance of the evidence that respondent failed to allow the Department to view and obtain copies of video surveillance footage immediately when requested on January 11, 2023. Mr. Yessen offered no justification beyond stating he did not have access to the video surveillance footage. Respondent therefore violated CCR section 15044, subdivision (i).

FALSIFIED CCTT SYSTEM ENTRIES

24. CCR section 15047.2, subdivision (d), states: "A person shall not intentionally misrepresent or falsify information entered into the [CCTT] system."

25. Petitioner proved by a preponderance of the evidence that respondent entered false information into the CCTT system regarding its operations between August 3, 2024, through June 13, 2025. Multiple entries documented that cannabis or

cannabis products were physically located at the Premises, which was still red-tagged and non-operational as of October 16, 2024, as confirmed by Department inspectors. Respondent therefore violated CCR, section 15047.2, subdivision (d).

Endanger Public Health, Safety, and Welfare

26. Petitioner proved by a preponderance of the evidence that permitting respondent to continue engaging in licensed activity poses a danger to public health, safety, and welfare. Respondent operated in violation of the CCFD's cease-and-desist order issued in 2021 and in violation of the Act and its accompanying regulations, demonstrating a disregard for local authority and public health, safety, and welfare. Moreover, as respondent continued its operations despite the cease-and-desist order, it made false entries in the CCTT system, falsely stating cannabis products were physically located at the Premises. Because of respondent's misrepresentations about its licensed activity, the Department is unable to effectively monitor respondent's activities, which poses a further danger to public health, safety, and welfare.

Disposition

27. Based on the foregoing, cause exists, pursuant to Business and Professions Code section 494, to issue an interim suspension order against respondent.

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ORDER

1. The Petition for Interim Suspension Order is granted.
2. Cannabis Type 6 Manufacturer License No. CDPH-10003119, issued to respondent Swan Bay Solutions, Inc.; Jason Turchin and Kevin Yessen, Owners, is suspended pending further administrative proceedings in accordance with Business and Professions Code section 494.

DATE: 09/11/2025

Erlinda Shrenger
Erlinda Shrenger (Sep 11, 2025 11:59:09 PDT)
ERLINDA SHRENGER
Administrative Law Judge
Office of Administrative Hearings

DECLARATION OF SERVICE

Case Name: Swan Bay Solutions, Inc.

OAH No.: 2025071070

I, Alexis Stewart, declare as follows: I am over 18 years of age and am not a party to this action. I am employed by the Office of Administrative Hearings. My business address is 320 West Fourth Street, Suite 630, Los Angeles, CA 90013. On September 11, 2025, I served a copy of the following document(s) in the action entitled above:

DECISION GRANTING PETITION FOR INTERIM SUSPENSION ORDER

to each of the person(s) named below at the addresses listed after each name by the following method(s):

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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. This declaration was executed at Los Angeles, California on September 11, 2025.

Alexis Stewart
Alexis Stewart,

Declarant