

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

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

**SPACE BOYZ LLC, d.b.a. THE REEFER SHOP; ADHAM
RAHMAN, OWNER,**

Cannabis Retailer License No. C10-0001356-LIC

Respondent

Agency Case No. DCC25-0000805-INV

OAH No. 2025090272

DECISION AND ORDER

Administrative Law Judge Traci C. Belmore, Office of Administrative Hearings, State of California, heard this matter on October 3, 2025, by videoconference.

Deputy Attorney General Michael Duong represented petitioner Evelyn Schaeffer, Deputy Director, Compliance Division, Department of Cannabis Control.

Attorney Craig S. Wasserman represented respondent Space Boyz L.L.C. doing business as The Reefer Shop, Adham Rahman, Owner.

The record was closed, and the matter was submitted for decision on October 3, 2025.

FACTUAL FINDINGS

1. On June 28, 2023, the Department of Cannabis Control (department) issued Cannabis Retailer License No. C10-0001356-LIC to respondent Space Boyz L.L.C., doing business as The Reefer Shop, with Adham Rahman as the owner. The license was in full force and effect at all times relevant to this matter.

2. On September 9, 2025, complainant, in her official capacity, filed a petition for an Interim Suspension Order against respondent. The petition alleges that respondent's continued licensure endangers the public health and safety. The petition was accompanied by supporting documents, including the declarations of two special investigators with the department.

Petitioner's Evidence

3. On May 6, 2025, the department received a complaint that the price and weight of cannabis products being sold by respondent were false and inaccurate.

4. On May 7, 2025, Special Investigator (SI) Heather Asendorf conducted an unannounced inspection of respondent. During her inspection, SI Asendorf observed that respondent's QR code was not posted outside of the business, products were misbranded, i.e., lacking tags with full unique identifier (UID) tags; respondent retained only one month of video surveillance footage; products lacked public health brochures; cannabis clones lacked UID tags; and cannabis products were misbranded with the wrong UID tag.

5. On June 25, 2025, SI Asendorf reviewed the California Cannabis Track and Trace System (CCTT) account assigned to respondent. She noted multiple sales transactions for trade samples and several transactions that occurred after 10:00 p.m., which is after the permissible hours of a cannabis retail operation.

6. On June 26, 2025, SI Asendorf along with SI Aaron Lew and other department staff conducted an unannounced inspection of respondent. SI Asendorf noted that respondent's QR code was not posted outside of the premise. When she informed an employee, the employee posted the QR code. SI Asendorf performed an audit of respondent's storage area. She verified that trade samples were being sold for cash value. SI Asendorf again discovered cannabis products that lacked the manufacturer's name and contact information on the package label. Several products could not be traced to a licensed source. The product that was misbranded or not traceable to a licensed source was seized.

When SI Asendorf asked an employee why the products were misbranded, the employee referred her to the inventory manager, who was not on site. SI Asendorf called the inventory manager and during that conversation the inventory manager admitted that she did not have her own CCTT account. The inventory manager stated she does a daily audit. When asked to provide those records, the inventory manager stated that she destroys them after finishing the audit.

SI Asendorf discovered that respondent had retained only 32 days of video surveillance.

7. During the June 26, 2025, inspection, SI Lew downloaded three reports from respondent's CCTT account. The reports included a list of respondent's active cannabis packages on the date of inspection, a history of respondent's package

adjustment beginning from the date of the issuance of respondent's license, and respondent's sales transactions from June 30, 2023, to the date of the inspection.

8. The store manager told SI Lew that respondent's practice for audits and reconciliation of its physical inventory occurred daily. This was not supported by the transactions in respondent's CCTT account. When SI Lew asked to review the inventory reconciliation records, the store manager told him those records were not retained.

9. SI Lew noted several discrepancies between the physical inventory and the CCTT account. For instance, respondent's CCTT account showed that it had received 317 units of a specific cannabis product in August 2023. Respondent reported that four units of that product were sold in October 2023 leaving 313 active packages in respondent's physical inventory. However, department staff were unable to locate any of that cannabis product on the premises.

10. SI Lew discovered unusual practices in respondent's CCTT account. Generally, when the inventory associated with a specific UID has been sold, the package should be marked as "finished" in respondent's CCTT account. Instead, respondent would mark it as zero inventory and then revive the same UID in the CCTT account but place a different UID on the actual product or respondent would "unfinish" the package and then make positive and negative adjustments to the number of units and then report sales for that same UID. For example, respondent received 326 units of a product in February 2024. Respondent reported that all 326 units of that product were sold in March 2024. Later in March, respondent revived the UID associated with that product and made two separate positive adjustments of 349 and 17 units. Respondent then reported the additional units sold through April 2024. SI Lew was unable to find a manifest or transfer history for those additional units. SI

Lew opined, based on his training and experience, that respondent was engaged in inversion, placing cannabis products in the retail stream from an unlicensed source.

11. SI Lew identified three products in respondent's physical inventory that could not be matched to any corresponding UID contained in respondent's CCTT account. SI Lew found nine units of Kalifa Kush, 3.5 grams, Violet Sky on that sales floor, but the UID printed on the packaging did not exist within respondent's CCTT account. SI Lew did find other UIDs matching the product description in respondent's CCTT account. SI Lew found six units of REMZ, 3.5 grams, Captain Bolo and seven units of CAKE, 1 gram, Blueberry Dream on respondent's sales floor. However, zero units of those products were shown in respondent's CCTT account.

12. SI Lew also found several cannabis products that were misbranded.

Respondent's Evidence

13. Adham Rahman stated in his declaration that upon receipt of the petition, respondent engaged a consultant to perform a complete audit of the inventory systems and compliance method. After the June inspection, respondent contracted a company to waste expired product that was being stored in the inventory room. Rahman stated that respondent has not engaged in any diversion of products.

14. Musa Ahmed, respondent's store manager, stated that respondent initiated "compliance efforts" on September 11, 2025, with a consultant.

15. Jennifer Vieyra, a consultant with JR Consulting Services, stated in her declaration that she was contacted on September 10, 2025, regarding a compliance review of respondent. She stated that she conducted an on-site inspection on September 11, 2025. As a result of her inspection, she stated that she found "no

evidence of intentional misbranding, misrepresentation, or deliberate circumvention of DCC regulations.” Vieyra identified several issues including discrepancies in inventory and physical amounts, but opined that they were “inventory training deficiencies” rather than intentional misconduct.

16. Respondent spent considerable time denying that diversion was occurring, which was not alleged. Respondent failed to address the allegation of inversion.

LEGAL CONCLUSIONS

1. Business and Professions Code section 494, subdivision (a), authorizes an administrative law judge to issue an interim order suspending a license if the licensee has engaged in “acts or omissions constituting a violation of this code” and permitting the licensee to continue to engage in licensed activity would endanger the public health, safety, or welfare.

2. Petitioner bears the burden of proof by a preponderance of the evidence. (Bus. & Prof. Code, § 494, subd. (e).)

3. Petitioner established that respondent violated numerous sections of the Business and Professions Code and the regulations pertaining to the department.

4. Petitioner established that respondent had stored and sold numerous cannabis products that were not able to be traced to a licensed source. Selling a cannabis product to the public from an unknown source is a danger to the health, safety, or welfare of the public. Therefore, respondent has engaged in acts or omissions constituting a violation of the Business and Professions Code and permitting

respondent to continue engaging in licensed activity would endanger the health, safety, or welfare of the public.

ORDER

The petition for an Interim Suspension Order is granted. Cannabis Retailer License No. C10-0001356-LIC held by respondent Space Boyz, L.L.C., doing business as The Reefer Shop, Adham Rahman, Owner, is suspended.

DATE: October 9, 2025

A handwritten signature in cursive script that reads "Traci C. Belmore".

TRACI C. BELMORE

Administrative Law Judge

Office of Administrative Hearings

DECLARATION OF SERVICE

Case Name: Space Boyz, LLC

OAH No.: 2025090272

I, Zenobia Akindipe, 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 Emerald Plaza, 402 West Broadway, Suite 600, San Diego, CA 92101. On October 09, 2025, I served a copy of the following document(s) in the action entitled above:

DECISION AND ORDER

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

Douglas Smurr, Assistant General Counsel

CANNA

2920 Kilgore Road

Rancho Cordova, CA 95670

VIA Email (E-Service)

DCCDecisions@cannabis.ca.gov,

Michael Duong

Deputy Attorney General

Department of Justice

1300 I Street

P.O. Box 944255

Sacramento, CA 94244-2550

VIA Email (E-Service)

Michael.Duong@doj.ca.gov;helen.koh@doj.ca.gov;bryn.barton@doj.ca.gov

Craig S Wasserman

LAW OFFICE OF CRAIG S. WASSERMAN, INC.

12362 Beach Blvd., Ste. 15

Stanton, CA 90680

VIA Email (E-Service)

wasslaw@gmail.com

☒ **Electronic Transmission.** Based on a court order or the agreement of the parties to accept service by electronic transmission, the document(s) were distributed to the person(s) by secure electronic transmission (OAH Secure e-File) with a notification and document link sent to the email address(es) listed above.

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 San Diego, California on October 09, 2025.

Zenobia Akindipe
Zenobia Akindipe,

Declarant