

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

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

CALIFORNIA PARADISE; AHARIN COKE, OWNER, Respondent

Agency Case No. DCC25-0001055-INV

OAH No. 2025100745

DECISION ON PETITION FOR INTERIM SUSPENSION ORDER

A Petition for Interim Suspension Order (Petition) was heard by video conference before Marcie Larson, Administrative Law Judge, Office of Administrative Hearings (OAH), on November 17, 2025, from Sacramento, California.

Gregory M. Cribbs, Supervising Deputy Attorney General, appeared on behalf of petitioner, Evelyn Schaeffer, Deputy Director of the Compliance, Division of the Department of Cannabis Control (Department).

Omar Figueroa, Attorney at Law, represented respondent California Paradise, owned by Aharin Coke, who was present at the oral argument.

Evidence was received, the record closed, and the matter submitted for decision on November 17, 2025.

SUMMARY OF DECISION

Petitioner filed the Petition seeking an Interim Suspension Order (ISO) against respondent under Business and Professions Code section 494, based on allegations that respondent, a licensed cannabis distributor, repeatedly engaged in violations of the Medicinal and Adult-Use Cannabis Regulation Safety Act (MAUCRSA) and its accompanying regulations.

The declaration petitioner submitted demonstrates that: (1) respondent has engaged in acts constituting violations of the Business and Professions Code; and (2) permitting respondent to continue to act as a licensed cannabis distributor would endanger the public health, safety, and welfare. An ISO is issued against respondent pursuant to Business and Professions Code section 494.

Jurisdictional Matters

1. On or about August 1, 2019, the Department issued respondent Cannabis Distributor License C11-0000945-LIC (license) with Aharin Coke as owner (Owner Coke). The license will expire on July 31, 2026. The license allows respondent to procure, sell, and transport cannabis and cannabis products.

2. On or about October 20, 2025, petitioner filed the Petition, based upon allegations that respondent violated MAUCRSA set forth in Business and Professions Code section 26000 et seq. and its accompanying regulations. Petitioner alleged the most significant violations relate to the Department's embargo of approximately 1,164 pounds of untagged, unsourced, and untested bulk cannabis flower, trim, and shake. Petitioner alleged respondent failed to comply with the laws and regulations concerning receiving and storing the untagged, unsourced, and untested cannabis,

and submitted inaccurate information, or no information into the California Cannabis Track and Trace (CCTT) system. Pursuant to Business and Professions Code section 494, subdivision (c), respondent was provided with notice of the hearing on the Petition, including documents submitted in support of the Petition.

Respondent's Violations

3. Petitioner submitted a declaration from Branden Howton, Special Investigator with the Department. His duties include conducting investigations of licensed facilities, which includes examining licensees' documents and records, reviewing information in the CCTT system, visiting the premises to ensure compliance with licensing requirements, interviewing licensees and their staff, and ensuring compliance with the laws and regulations applicable to commercial cannabis licensees including the MAUCRSA and its accompanying regulations.

4. Investigator Howton investigated respondent's activities. This included reviewing documents, conducting site visits of respondent's premises, and preparing an investigation report documenting his observations and findings. Investigator Howton noted that between August 2022 and December 2024, respondent engaged in several violations of the MAUCRSA and its accompanying regulations.

AUGUST 2022 VIOLATIONS

5. On August 9, 2022, Department investigators conducted a compliance inspection of respondent's licensed premises located in Eureka, California. During the inspection investigators found violations of California Code of Regulations, title 4, sections 15044, subdivision (i), 17221, subdivisions (a)(1)-(3) and 17800, subdivision (a)(1), for failure to: make video surveillance recordings available for inspection; use weighing devices approved, tested, and sealed in accordance with the Business and

Professions Code; and provide access to the Department to all areas of the licensed premises.

6. Notice of the violations were documented and provided to respondent. Shortly after the inspection, respondent addressed the violations.

NOVEMBER 2023 VIOLATIONS

7. On November 29, 2023, Investigator Howton and other Department investigators conducted a compliance inspection of respondent's licensed premises. Investigator Howton found violations of California Code of Regulations, title 4, sections 15044, subdivisions (g) and (h), 15048.3, subdivision (2), 15048.5, subdivision (c), 15049, subdivision (b)(1), 17221, subdivision (a)(3), and 17223, subdivision (b), for failure to: have the physical or media storage device secured in a manner to protect tampering or theft; ensure that surveillance records were kept for a minimum of 90 days; record package tags as received into the track and trace system within three calendar days; to affix containers with applicable package tags, and to label additional containers within the same package with applicable UID [Unique Identifiers] number; record the receipt of cannabis or cannabis products into the track and trace system with 24 hours of occurrence; have a weighing device used for commercial purposes approved and sealed by the local County; and establish and implement a written cannabis waste management plan.

8. Investigator Howton issued respondent a Notice to Comply (NTC) for the violations. On December 29, 2023, Owner Coke signed and returned the NTC with a written response detailing how the violations had been or would be addressed.

NOVEMBER AND DECEMBER 2024 VIOLATIONS

9. On November 14 and December 2, 2024, Department investigators conducted compliance inspections of respondent's premises. Respondent was again issued an NTC for similar violations found in August 2022 and November 2023. These included issues with respondent's video surveillance system, tagging of cannabis products, weighing devices, and timely logging entries into the CCTT system. Additional violations included failing to ensure all limited-access areas of the licensed premises were locked, storage of cannabis batches for testing, responsibility for the designated account manager, failure to notify the Department of changes to the licensed premises, and failure to report theft of cannabis and cannabis products.

10. On January 14, 2025, Owner Coke signed and returned the NTC with a written response detailing how compliance was or would be achieved.

MAY THROUGH OCTOBER 2025 VIOLATIONS AND EVENTS

11. On May 21, 2025, Investigator Howton and other Department investigators conducted a compliance inspection of respondent's licensed premises. Investigator Howton spoke to Lindsay Hurley, the operations manager, and Joseph Pacino, a warehouse employee. Ms. Hurley told Investigator Howton it was "not a good day for an inspection, nothing is tagged."

12. Despite Ms. Hurley's objection, the inspection was conducted. Investigator Howton and the other Department investigators "discovered noncompliant labeling or untagged packages consisting of approximately 71 black trash bags, 122 clear plastic bags, 3 totes, and 2 blue bags on respondent's licensed premises, equaling a total of 1,663.83 pounds of bulk cannabis flower, trim, and shake."

13. None of the trash bags or containers had UUIDs, batch numbers or names placed on them. Investigator Howton explained that a UUID "is an alphanumeric code or designation used for reference to a specific plant and any cannabis or cannabis product derived or manufactured from that plant and used to track and trace all sourced cannabis and cannabis products within the CCTT."

14. Ms. Hurley informed Investigator Howton that Owner Coke "sometimes just shows up and drops things off." Ms. Hurley was not always aware when deliveries would be made.

15. As a result of their inspection and findings, the investigators embargoed the approximately 1,663.83 pounds of cannabis items found on the premises. The purpose of the embargo was to ensure 1,663.83 pounds of cannabis items were separated from "sourced cannabis." Additionally, the embargoed cannabis items were placed under camera surveillance and secured using Department-issued tamper resistant tape. Investigator Howton issued an Initial Embargo Notice (IEN) for the untagged and misbranded cannabis, which included the statement, "The items listed in the notice cannot be removed, sold, or disposed of, without written permission from the Department or a court."

16. Investigator Howton also found violations related to respondent's licensed premises diagram and transport vehicles. Specifically, he found that video cameras located in the shipping containers "were not physically mounted where indicated, and found cameras located in other areas of the licensed premises that were not indicated on the diagram." He also "located two walls, a doorway, and stairway that were not indicated on the diagram and the shipping containers were also not located where indicated on the diagram."

Additionally, Inspector Howton inspected respondent's transport vehicles and found that "a current copy of the Department-issued commercial cannabis distributor license, Quick Response Code Certificate, vehicle insurance, etc., were missing in the vehicles." Investigator Howton asked Ms. Hurley "about the missing documents and she stated that the documents are in the office, but they would have to 'search for it,' or words to that effect." Ms. Hurley also informed Investigator Howton that the transport vehicles had alarms, but the trailers did not.

17. On May 21, 2025, Investigator Howton sent respondent an email with a copy of the IEN. Investigator Howton included in the email the language notifying respondent that the items listed in the IEN "cannot be removed, sold, or disposed of, without written permission from the Department or a court."

18. The next day, Investigator Howton sent respondent a request for "video demonstrating the 90-day retention requirement is being met and that the video surveillance system was functional and actively capturing the items placed under embargo."

19. On May 23, 2025, Investigator Howton sent respondent a Supplemental Embargo Notice (SEN), through email. The SEN described "every container placed under embargo including a physical description, weight, and any markings observed on the container, in order to facilitate [r]espondent's tracing the source of the cannabis products without touching the physical goods." Investigator Howton included in the email the statement that the "items listed in the notice cannot be removed, sold, or disposed of, without written permission from the Department or a court."

20. On June 2, 2025, respondent "responded to the SEN, but did not provide any information concerning items under embargo, such as why the embargoed items

were untagged and misbranded and how to correct the reason for embargo.”

Respondent “acknowledged cannabis was found on the licensed premises ‘without valid UID tags and associated traceability records,’ ‘products were found to be misbranded,’ and the embargoed cannabis ‘cannot be moved, sold, or destroyed without [Department] authorization.’”

21. On June 3, 2025, Investigator Howton sent respondent another email concerning the information that was required for the embargoed cannabis items. Respondent had until the close of business on June 5, 2025, to provide Investigator Howton the information.

22. On June 5, 2025, respondent provided Investigator Howton with a further response to the SEN. However, he did not provide any information demonstrating the cannabis came from a licensed source. Rather, respondent “assigned package UIDs to the embargoed containers without any explanation as to how respondent determined which containers originated from which packages.” Out of the “117 embargoed line items identified in the SEN, respondent was only able to demonstrate plausible sourcing for five items” (five items) which totaled “67.88 pounds out of the 1,663.83 pounds of embargoed materials.”

23. As a result of the information respondent provided, on June 18, 2025, Investigator Howton emailed respondent an “embargo determination letter” stating that the Department “found, or has reasonable cause to believe, that the items under embargo, with the exception of the five items” totaling 67.88 pounds, “are adulterated, misbranded, or their sale would violate MAUCRSA, and that the Department is unable to release the items from embargo because [r]espondent failed to provide evidence that the items came from a licensed source.”

24. On June 18, 2025, after receiving the embargo determination letter, Owner Coke and Ms. Hurley called Investigator Howton to discuss the embargo determination letter. Owner Coke admitted to Investigator Howton that he “should not have received the embargoed cannabis due to lack of affixed UIDs.” He also admitted to “knowingly and purposefully not accepting manifests within 24 hours of the cannabis arriving at [r]espondent’s licensed premises, and to not verifying the weight of the cannabis when it arrived at the licensed premises.” Investigator Howton informed Owner Coke that his options were to “either voluntarily destroy it, or to proceed with a condemnation hearing.”

25. On June 25, 2025, respondent’s attorney Lance Rogers sent Investigator Howton an email arguing that the embargo should be lifted. However, if the embargo was not lifted, respondent requested a condemnation hearing.

26. On June 27, 2025, Department staff sent respondent an email requesting video surveillance recordings from the date of the inspection on May 21, 2025, to “include all cameras on the premises, both interior and exterior.”

27. On July 2, 2025, and July 3, 2025, respondent sent the Department 60 videos. Upon reviewing the videos, Department staff “determined that only four camera views were provided, and none of the uploaded video captured the embargoed activities that occurred on May 21, 2025.”

28. On July 3, 2025, Investigator Howton reviewed respondent’s original premises diagram. He determined that it did not match the layout of the licensed premises he observed on May 21, 2025. Specifically, he determined the following: “(1) there had been a 3,118 square foot expansion; (2) several walls and doorways were either added or removed; and (3) that stairways leading to the second-floor rooms

were either never indicated or had been removed.” Investigator Howton determined there “were no written notifications within the Department’s records regarding these premises modifications.”

29. On July 11, 2025, Investigator Howton reviewed respondent’s CCTT account. He found that on at least 14 separate dates from May 28 to July 11, 2025, respondent “had repackaged some of the package UIDs provided in his response to the SEN and that are purportedly under embargo.” Investigator Howton explained that “[r]epackaging cannabis items involves starting with a larger cannabis package, then separating, dividing, and separating each part by weight or count, creating new, smaller packages or items of cannabis or cannabis products, which are assigned new UIDs.”

As a result, respondent “either knowingly breached the embargo by repackaging cannabis items known to be under embargo, or respondent provided inaccurate package UIDs in response to the SEN, and the embargoed products were completely unrelated to the provided UIDs and in fact unsourced.”

Investigator Howton also discovered that “all other outbound transfer manifests, involving non-embargoed cannabis and cannabis products, which originated from respondent’s licensed premises since May 21, 2025, only contained cannabis that had not been submitted for laboratory testing.” Investigator Howton explained that this is “significant as untested cannabis or cannabis products are being distributed from respondent’s licensed premises putting the public consumers at great risk of harm.”

30. On October 10, 2025, Investigator Howton and other Department Investigators conducted another inspection of the respondent’s licensed premises to

"visually verify items placed under embargo were not disturbed." Ms. Hurley and Mr. Pacino were at the premises. The investigators "found plastic totes and bags of cannabis were being stored in both the 'Shipping Container Product Storage' areas, and the rooms labeled 'Product Storage,' 'Processing Storage Packaging,' and the 'Batch Sampling Limited Access packaging, Storage and Labeling,' on the premises diagram."

Investigator Howton determined that the "cannabis within these areas were not under camera surveillance. This was due to the cameras view being obscured by the stacking of plastic totes containing cannabis and the chosen placement of the stacked totes combined with the placement of the mounted camera." He also found "an additional doorway had been added to one of the walls in the 'Non Cannabis Storage Equipment. Supplies, ETC.' portion of the 'Parking Area Limited Access Area' on the premises diagram." He "found a chain link fence with razor wire had been installed in the 'Parking Area Limited Access Area,' running from the area of the bathroom to the opening in the South wall."

31. After conducting a walkthrough of the premises, he "reviewed and photographed the items placed under embargo." After Investigator Howton determined the embargoed items had not been disturbed, Ms. Hurley asked if the embargoed cannabis could be moved to the "Limited Access Vault Storage of Cannabis and Cannabis Waste." Investigator Howton agreed. While the cannabis was being moved, he released the five items from the embargo which respondent was able to source.

Once the cannabis products under embargo were moved, Investigator Howton "ensured the surveillance system was still operational and secured the door to the 'Limited Access Vault Storage of Cannabis and Cannabis Waste' room by verifying the

door was locked, both on the handle and dead bolt, and placed Department-issued tamper resistant tape on the door, and the key slots of the locks on the door.”

32. Investigator Howton explained that based on his experience respondent’s “pattern of conduct and noncompliance are often indicative of inversion and diversion operations.” Specifically “[b]y not labeling the cannabis items with the applicable UID, and claiming ‘scale variance’ on adjustments as a result of faulty or inaccurate weighing instruments, splitting and combining multiple packages to add and reduce weights, not having cannabis product tested, delaying the receipt of cannabis packages into one’s facility, and obscuring or otherwise evading video surveillance, an individual is able to conceal unsourced cannabis being inverted into the legal market, or diverted to the black market.”

Respondent’s Evidence and Arguments

33. Respondent submitted declarations from Ms. Hurley, Mr. Pacino, Owner Coke, and Mr. Rogers, in opposition to petitioner’s Petition.

DECLARATIONS OF MS. HURLEY AND MR. PACINO AND SUPPORTING DOCUMENTS

34. Ms. Hurley is the Operations Manager for respondent. She disputes the statements made by Investigator Howton in his declaration. Ms. Hurley claims that during the May 21, 2025 inspection she did not tell Investigator Howton that it was not a good day for an inspection. Rather, she informed him that she had been ill, that Mr. Pacino was off work due to a family death, and the “intake process for new cannabis products, which included applying the required tags, was in progress.”

35. Ms. Hurley contends that on May 21, 2025, she provided Investigator Howton with the “manifests verifying lawful receipt, which were disregarded.” Ms. Hurley contended that at some point, respondent provided the Department a “detailed Excel workbook” documenting each embargoed item’s “UID, weight, cultivar, source farm, and manifest correlation.” All of the inventory on site was accounted for and proven to be purchased in “Metr”. Additionally, she explained that “[s]everal cultivators personally confirmed product origins with corroborating documentation.” She attached a copy of the Excel spreadsheet to her declaration.

Additionally, she contends that two other investigators who were present that day determined that 300.72 pounds of cannabis inspected on May 21, 2025, was “never placed under embargo and was deemed compliant, allowing [respondent] to continue selling or transferring it to other facilities.” As a result, “it continued to be pulled down into smaller quantities and assigned new tags for transfers or sales to other entities.”

She explained that if “the expectation was that the entire tag should not have been touched—even though only 8.9% of the material was placed under embargo—this reflects a significant miscommunication between the three agents and [herself].” Ms. Hurley stated that “at no point was there any intent to breach the embargo, and the restriction on handling the non-embargoed.”

36. Ms. Hurley also disputed that the “UIDs were ‘digitally tampered with’ and ‘unsourced.’” Ms. Hurley explained that the “only reason the Department could identify any UID data was due to the comprehensive Excel tracking document prepared by [her] and provided to [Investigator] Howton, which cross-referenced all embargoed materials, their sources and their package weights.”

37. Ms. Hurley was also involved in providing the requested video surveillance information to the Department. She explained that the “full set of requested surveillance footage was uploaded over nearly one week.” The “video surveillance system retains footage for the required 90 days, and [respondent was] not notified that the submission was considered incomplete until October 21, 2025 (more than one hundred and fifty days after the inspection on May 21, 2025), at that point, the footage from May 21, 2025 was no longer available.”

38. Additionally, Ms. Hurley’ is responsible for compliance with the “CCTT efforts” of respondent and ensures that the “information recorded in the CCTT system is reviewed at least every 30 calendar days and any discrepancies are promptly reported” to the Department.

39. Ms. Hurley also disputed the “claim that untested product was distributed to consumers.” She contends that “[a]ll materials transferred to manufacturers was tested before retail distribution, in full compliance with state law.” Additionally, she contends that allegations of “faulty weighing instruments are false.” She explained that the “primary scale was certified and sealed by Humboldt County Weights and Measures, with documentation provided. A secondary bench scale was voluntarily removed for recalibration, demonstrating proactive compliance.”

40. Ms. Hurley admitted that security cameras were relocated but not removed. This was done to “improve coverage angles” on the advice of respondent’s security company and the Eureka Police Department. Additionally, the “chain-link fence installation was done at the city’s request for additional perimeter security, not concealment.”

41. Mr. Pacino submitted a declaration corroborating Ms. Hurley's statements to Department investigators on May 21, 2025. He also contends that on May 21, 2025, "some new [cannabis] materials had not yet been fully labeled at the moment of inspection. All product was accounted for and accompanied by proper documentation."

DECLARATION OF OWNER COKE

42. Owner Coke submitted two declarations in opposition to the Petition. Owner Coke explained that he founded respondent in 2018. Respondent "sells cannabis leaf and flower from northern California to oil manufacturers and other wholesale distributors throughout the State." Owner Coke explained that he has "always addressed any issues to the best of [his] ability, learning and navigating complex rules and regulations to stay in compliance."

43. Owner Coke admitted that he was not present for the Department's inspection on May 21, 2025. Owner Coke's information is based on his conversations with Ms. Hurley and Mr. Pacino. However, Owner Coke contends that the embargoed items were all "lawfully sourced" and mostly purchased from "the owner of three licensed cultivation businesses in California." As a result, "three METRC Transportation Manifests were generated" by the businesses. Smaller amounts were purchased by other licensed cannabis businesses. Owner Coke contends that Ms. Hurley provided all the required information to the Department. He attached the supporting documents to his declaration.

44. Owner Coke contends that the "premise modification expansion was done in coordination with the Department" and that the City of Eureka required the

installation of a "razor wire fence which then required an additional door for safe egress." He attached photographs of the area to his declaration.

45. Owner Coke also contends that respondent's "weighing device has been certified as accurate by the Humboldt County Agricultural Commissioner and Sealer of Weights and Measures." He explained that "there is often a variance in measured weight as the cannabis absorbs ambient moisture due to coastal humidity."

46. Owner Coke provided the same explanation as Ms. Hurley regarding the surveillance video provided to the Department. He admitted that after 90 days the video is no longer available. However, he contends that he embargoed items have been under "constant surveillance." He attached photographs of the embargoed items to his declaration.

47. Owner Coke contends that the "paperwork purportedly missing from the transport vehicles on May 21, 2025," was not a violation of the Department's regulations because the vehicles were not "'transporting cannabis and cannabis products between licensees or licensed premises' at that time" of the inspection. However, he now ensures that "paperwork is maintained in transport vehicles at all times." He attached the required paperwork to his declaration.

48. Owner Coke denies that respondent engages in any activity that endangers the public. He also contends that his request to appeal the embargo is what prompted the Department to file the ISO. Owner Coke maintains that other cannabis distributors and licensees have engaged in far more serious violations of Department's laws and regulations and have not been disciplined. He contends that respondent "consistently arrange[s] for laboratory testing of products" and is "willing to do any

additional testing, or anything else required." Owner Coke is willing to comply with any license conditions in order to maintain respondent's license.

DECLARATION OF MR. ROGERS

49. Mr. Rogers is an attorney at the Law Offices of Lance Rogers, APC. His firm was retained to represent respondent in "general corporate and regulatory compliance matters." Respondent provided Mr. Rogers with the May 21, 2025 IEN form, which he contends contains "many errors and inconsistencies." For example, the IEN form "contained several products which were not in fact subject to the embargo determination and were later released."

50. Mr. Rogers contends that respondent provided the Department with "significant evidence" concerning the "origin of the cannabis present during the inspection, as well as a written plan to address any of the agency's concerns regarding compliance and public safety." Despite this information, the Department proceeded with the Petition.

51. Mr. Rogers stated that he did not believe that the cannabis placed under embargo "consisted of cannabis from an unlicensed source" because respondent provided the Department with an Excel spreadsheet and manifest regarding the source of the cannabis. Additionally, he contends that "any mislabeling of those cannabis products could have been simply corrected through applying the correct labels to the cannabis and under [Department] supervision if necessary."

Analysis

52. 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 has engaged in repeated violations of the MAUCRSA and its accompanying regulations. Most concerning is that on May 21, 2025, the Department discovered over 1,600 pounds of cannabis and cannabis material that was determined to be “adulterated, misbranded, or their sale would violate MAUCRSA.” Despite being given the opportunity to do so, respondent failed to provide evidence that the items came from a licensed source. Owner Coke and Ms. Hurley’s assertion that detailed information regarding the licensed source of the embargoed items was provided to the Department is not credible.

53. Additionally, Investigator’s Howton’s assertion that respondent has demonstrated a “pattern of conduct and noncompliance” that is “often indicative of inversion and diversion operations” is persuasive and supported by his findings. This includes not labeling the cannabis items with the applicable UID, claiming scale variance, splitting and combining multiple packages to add and reduce weights, not having cannabis product tested, delaying the receipt of cannabis packages, and obscuring or otherwise evading video surveillance.

54. Respondent’s conduct demonstrates a disregard for the public health, safety, and welfare. Additionally, because of respondent’s repeated violations and 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.

55. Based on the foregoing, petitioner met the requirements under Business and Professions Code 494, proving by a preponderance of the evidence that respondent violated the MAUCRSA and accompanying regulations, and that permitting respondent to continue engaging in licensed activity pending the filing of

an accusation and a decision rendered thereon would endanger the public health, safety, and welfare. The ISO Petition is therefore granted.

LEGAL CONCLUSIONS

1. The Department is the state agency charged with administering and enforcing the provisions of the MAUCRSA. (Bus. & Prof. Code, §§ 26010.5, subd. (d), & 26013.) The Department's highest priority is protection of the public in exercising licensing, regulatory, and disciplinary functions. "Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount." (Bus. & Prof. Code, § 26011.5.)

2. Pursuant to Business and Professions Code section 494, an ISO may be issued when: (1) a licensee has "engaged in acts or omissions constituting a violation" of the Business and Professions Code; and (2) permitting the licensee to continue to engage in the licensed activity "would endanger the public health, safety, or welfare." (Also see Cal. Code Regs., tit. 4, § 17810.)

3. Petitioner has the burden of proving by a preponderance of the evidence that an interim suspension order should be issued. (Bus. & Prof. Code, § 494, subd. (e).) Preponderance of the evidence means evidence that has more convincing force than that opposed to it. (*People ex rel. Brown v. Tri-Union Seafoods, LLC* (2009) 171 Cal.App.4th 1549, 1567.)

Applicable Law

4. Business and Professions Code section 26030 provides that the Department may impose discipline on a licensee for 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 the department pursuant to this division.

5. Business and Professions Code section 26039.3 provides in relevant part:

(a) If the department finds or has probable cause to believe that cannabis or a cannabis product is adulterated or misbranded within the meaning of this division, or the sale of the cannabis or cannabis product would be in violation of this division, the department shall affix to the cannabis or cannabis product, or component thereof, a tag or other appropriate marking. The department shall give notice that the cannabis or cannabis product is, or is suspected of being, adulterated or misbranded, or the sale of the cannabis or cannabis product would be in violation of this division and has been embargoed and that the cannabis or cannabis product shall not be removed or disposed of by sale or otherwise until permission for removal or disposal is given by the department or a court.

(b)(1) 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. A violation of this subdivision is subject to a citation and fine of not more than ten thousand dollars (\$10,000).

6. California Code of Regulations, title 4, section 15006 provides, in relevant part:

(a) An applicant shall submit to the Department, with the application, a complete and detailed diagram of the proposed premises. The diagram shall be used by the Department to determine whether the premises meets the requirements under this division and the Act. The Department shall deny an application if the premises does not qualify for licensure pursuant to Business and Professions Code section 26057.

(b) The diagram shall show the boundaries of the property and the proposed premises to be licensed, showing all boundaries, entrances and exits, interior partitions, walls, rooms, windows, and doorways, and shall include a brief statement or description of the principal activity to be conducted therein. The diagram shall also include the dimensions of the boundaries of the premises and structures, including interior and exterior dimensions, to clearly identify the bounds of the premises.

(c) The diagram shall show and identify commercial cannabis activities that will take place in each area of the premises, and identify limited-access areas. Commercial cannabis activities that shall be identified on the diagram include the following, if applicable to the business operations: storage, batch sampling, loading or unloading of shipments, packaging and labeling, customer sales, loading for deliveries, extraction, infusion, cultivation, and processing.

(d) The diagram shall show where all cameras are located and assign a number to each camera for identification purposes unless the premises is exempt from the video surveillance requirement pursuant to section 15315 or section 15044.

7. California Code of Regulations, title 4, section 15027 provides, in relevant part:

(a) A licensee shall not, without the prior written approval of the Department, make a physical change, alteration, or modification of the licensed premises that materially or substantially alters the licensed premises or the use of the licensed premises from the premises diagram originally filed with the license application. A licensee whose licensed premises is to be materially or substantially changed, modified, or altered is responsible for filing a request for premises modification with the Department.

[¶...¶]

(e) Material or substantial changes, alterations, or modifications to a licensed distribution, retail, or testing laboratory premises that require prior approval from the Department include, but are not limited to:

(1) Any increase or decrease in the total physical size or capacity of the licensed premises.

(2) Any physical change that would require the installation of additional video surveillance cameras or a change in the video surveillance system to meet the requirements of section 15044, or alarm system to meet the requirements of section 15047.

(3) Any physical change that would require a building permit, zoning change, or other approval from the applicable local jurisdiction.

(f) Licensees shall request approval of a physical change, alteration, or modification through the online licensing system or in writing, by submitting the Licensee Notification and Request Form, Notifications and Requests to Modify a License, DCC-LIC-027 (Amended 2/22), which is incorporated herein by reference, and the request shall include:

(1) A new premises diagram that conforms to requirements in section 15006; and

(2) A fee pursuant to section 15014 for all licensees except licensed cultivators.

[¶...¶]

(h) Licensees shall notify the Department of all changes, alterations, or modifications to a licensed premises or the licensee's operations that do not require prior approval pursuant to subsections (b), (c), (d), and (e) through the online licensing system or by submitting the Licensee Notification and Request Form, Notifications and Request to Modify a License, DCC-LIC-027 (Amended 2/22), which is incorporated herein by reference, and a new premises diagram that conforms to requirements in section 15006. Notifications pursuant to this subsection shall be submitted to the Department no later than three (3) business days after the changes, alterations, or modifications have been made to the licensed premises.

8. California Code of Regulations, title 4, section 15037 provides, in relevant part:

(a) Licensees must keep and maintain records in connection with the licensed commercial cannabis business. Records must be kept for at least seven years from the date of

creation, unless a shorter time is specified. Records include, but are not limited to:

- (1) Financial records including, but not limited to, bank statements, sales invoices, receipts, tax records, and all records required by the California Department of Tax and Fee Administration (formerly Board of Equalization) under title 18, California Code of Regulations, sections 1698 and 4901.
- (2) Personnel records, including each employee's full name, Social Security number or individual taxpayer identification number, date employment begins, and date of termination of employment, if applicable.
- (3) Training records including, but not limited to, the content of the training provided and the names of the employees who received the training.
- (4) Contracts regarding commercial cannabis activity.
- (5) Permits, licenses, and other local authorizations to conduct the licensee's commercial cannabis activity.
- (6) All other documents prepared or executed by an owner or their employees or assignees in connection with the licensed commercial cannabis business.
- (7) Records required by the Act or this division.

9. California Code of Regulations, title 4, section 15044 provides, in relevant part:

(a) Each licensed premises shall have a digital video surveillance system with a minimum camera resolution of 1280 x 720 pixels on the licensed premises. [...]

(b) The video surveillance system shall at all times be able to effectively and clearly record images of the area under surveillance.

(c) Each camera shall be permanently mounted and in a fixed location. Each camera shall be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the licensed premises, and allows for the clear and certain identification of any person and activities in all areas required to be filmed under subsection (d).

(d) Areas that shall be recorded on the video surveillance system include the following:

(1) Areas where cannabis or cannabis products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the licensed premises;

(2) Limited-access areas;

(3) Security rooms;

(4) Areas storing a surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area; and

(5) Entrances and exits to the licensed premises, which shall be recorded from both indoor and outdoor vantage points.

[¶...¶]

(g) The physical media or storage device on which surveillance recordings are stored shall be secured in a manner to protect the recording from tampering or theft.

[¶...¶]

(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.

(j) Recorded images shall clearly and accurately display the time and date. Time is to be measured in accordance with the standards issued by the United States National Institute of Standards and Technology. The displayed date and time shall not cover the view of recorded images in a manner

that prevents the ready identification of any person or activity in the captured image.

10. California Code of Regulations, title 4, section 15047.2, subdivisions (b) and (c) provide:

(b) All commercial cannabis activity shall be accurately recorded in the track and trace system.

(c) A licensee is responsible for the accuracy and completeness of all data and information entered into the track and trace system. The licensee is responsible for all actions taken by the designated account manager or other account users while performing track and trace activities.

11. California Code of Regulations, title 4, section 15048.1, provides that a licensee and their designated account manager shall:

(1) Designate track and trace system users, as needed, and require the system users to be trained in the proper and lawful use of the track and trace system before the users are permitted to access the track and trace system;

(2) Maintain an accurate and complete list of all of the licensee's track and trace system users, including full names and usernames, and update the list immediately when changes occur;

- (3) Remove a user from the licensee's track and trace system account when that individual is no longer authorized to represent the licensee;
- (4) Correct any data entry errors within three (3) calendar days of discovery of the error;
- (5) Tag and enter all inventory in the track and trace system as required by section 15049;
- (6) Monitor all system notifications and resolve all issues identified. The notification shall not be dismissed by an account manager before resolution of the issue(s) identified in the notification;
- (7) Notify the Department of any loss of access to the track and trace system that exceeds 72 hours; and
- (8) Reconcile the inventory of cannabis and cannabis products on the licensed premises with the track and trace system database at least once every thirty (30) calendar days.

12. California Code of Regulations, title 4, section 15048.5, subdivision (c), provides:

For all cannabis and cannabis products held in a container, the package tag shall be affixed to the container holding the cannabis or cannabis products. If cannabis or cannabis products are held in multiple containers, the package tag

shall be affixed to one of the containers and the other containers shall be labeled with the applicable UID number. Each unit within the container shall be labeled with the applicable UID number. All containers with the same UID number shall be placed contiguous to one another to facilitate identification by the Department.

13. California Code of Regulations, title 4, section 15049 provides, in relevant part:

(a) All cannabis and cannabis products on the licensed premises shall be assigned a plant or package tag, as applicable, except for harvested plants that are being dried, cured, graded, or trimmed, as specified in this division, and recorded in the track and trace system.

(b) Each of the following activities shall be recorded in the track and trace system within 24 hours of occurrence:

(1) Receipt of cannabis or cannabis products.

14. California Code of Regulations, title 4, section 15051 provides, in relevant part:

(a) The license shall review the information recorded in the track and trace system at least once every 30 calendar days to ensure its accuracy, including, at a minimum:

(1) Reconciling on-hand inventory of cannabis and cannabis product with the records in the track and trace system; and

[¶...¶]

(b) If a licensee finds a discrepancy between the on-hand inventory and the track and trace system, the licensee shall conduct an audit and notify the Department in writing if the discrepancy is significant as defined in section 15034.

15. California Code of Regulations, title 4, section 15302 provides:

(a) A licensed distributor shall ensure that all batches of cannabis or cannabis products are stored separately and distinctly from other batches of cannabis or cannabis products on the licensed distributor's premises.

(b) In addition to any tag or label required by section 15048.5, a licensed distributor shall ensure a label with the following information is physically attached to each container of each batch:

(1) The name, license number, and licensed premises address of the licensee who provided the batch;

(2) The date of entry into the licensed distributor's storage area;

(3) The unique identifiers and batch number, if any, associated with the batch;

(4) A description of the cannabis or cannabis products with enough detail to easily identify the batch;

(5) The weight of or quantity of units in the batch; and

(6) The best-by, sell-by, or expiration date of the batch, if any.

16. California Code of Regulations, title 4, section 15306 provides, in relevant part:

(a) A licensed distributor shall store a batch on its licensed premises until it either:

(1) Passes regulatory compliance testing as described in subsection (b); or

(2) If it fails regulatory compliance testing as described in subsection (d), a corrective action plan for remediation has been approved by the Department pursuant to section 17305.

17. California Code of Regulations, title 4, section 15309, subdivision (a), provides:

A licensed distributor shall be able to account for all inventory and provide that information to the Department upon request.

18. California Code of Regulations, title 4, section 15311 provides in relevant part:

The following requirements apply when transporting cannabis and cannabis products between licensees or licensed premises:

(j) At a minimum, a licensed distributor shall have a vehicle alarm system on all transport vehicles and trailers. Motion detectors, pressure switches, duress, panic, and hold-up alarms may also be used.

19. California Code of Regulations, title 4, section 15312, subdivision (a), provides:

Upon request, the licensed distributor shall provide the Department with a copy of the certificate of ownership or registration card issued by the California Department of Motor Vehicles, the year, make, model, license plate number, and Vehicle Identification Number in writing, and proof of insurance for any vehicle or trailer used to transport cannabis or cannabis products.

Cause to Grant the ISO

20. Petitioner established by a preponderance of the evidence that respondent failed to comply with the provisions of MAUCRSA as required under Business and Professions Code section 26030, subdivisions (a) and (c).

21. Petitioner established by a preponderance of the evidence that respondent failed to provide documentation to support claims that approximately 1,663.83 pounds of bulk cannabis flower, shake, and trim found at respondent's

premises came from a licensed source, in violation of California Code of Regulations, title 4, sections 15049, 15302, and 15309 and Business and Professions Code section 26030, subdivisions (a) and (c).

22. Petitioner established by a preponderance of the evidence that respondent failed to accurately record the transfers of cannabis and cannabis goods in the CCTT system, in violation of California Code of Regulations, title 4 sections 15047.2, subdivisions (b) and (c), 15048.1, and 15049 and Business and Professions Code section 26030, subdivisions (a) and (c), requiring that all commercial cannabis activity be accurately recorded in the CCTT system, and holding a licensee responsible for the accuracy and completeness of data and information it enters into the CCTT system.

23. Petitioner established by a preponderance of the evidence that respondent failed to reconcile the inventory of cannabis and cannabis products on the licensed premises with the track and trace system database at least once every 30 calendar days to ensure its accuracy, and upon finding a discrepancy, to conduct an audit and notify the Department in writing of a significant discrepancy, in violation of California Code of Regulations, title 4, section 15051 and Business and Professions Code section 26030, subdivisions (a) and (c).

24. Petitioner established by a preponderance of the evidence that respondent failed to comply with video surveillance system and record requirements, in violation of California Code of Regulations, title 4, sections 15037 and 15044 and Business and Professions Code section 26030, subdivisions (a) and (c).

25. Petitioner established by a preponderance of the evidence that respondent failed to record the receipt of cannabis goods from a licensed distributor,

in violation of California Code of Regulations, title 4, section 15049, subdivision (b)(1), and Business and Professions Code section 26030, subdivisions (a) and (c), requiring a licensee to record the receipt of cannabis or cannabis products into the CCTT system within 24 hours of occurrence.

26. Petitioner established by a preponderance of the evidence that respondent failed to ensure that all batches of cannabis or cannabis products were stored and tagged separately and distinctly from other batches of cannabis or cannabis products on the licensed premises, in violation of California Code of Regulations, title 4, sections 15302 and 15048.5 and Business and Professions Code section 26030, subdivisions (a) and (c).

27. Petitioner established by a preponderance of the evidence that respondent failed to properly store batches of cannabis or cannabis products in compliance with laboratory testing requirements, in violation of, California Code of Regulations, title 4, section 15306 and Business and Professions Code section 26030, subdivisions (a) and (c).

28. Petitioner established by a preponderance of the evidence that respondent failed to comply with cannabis transportation requirements, in violation of California Code of Regulations, title 4, section 15311 and Business and Professions Code section 26030, subdivisions (a) and (c).

29. Petitioner established by a preponderance of the evidence that respondent failed to comply with cannabis distributor transport vehicle information, in violation of California Code of Regulations, title 4, section 15312 and Business and Professions Code section 26030, subdivisions (a) and (c).

30. Petitioner established by a preponderance of the evidence that respondent failed to properly notify the Department of structural changes undertaken at respondent's premises, in violation of California Code of Regulations, title 4, sections 15006 and 15027 and Business and Professions Code section 26030, subdivisions (a) and (c).

31. Petitioner established by a preponderance of the evidence that respondent breached the Department-issued embargo of approximately 1,664 pounds of bulk cannabis flower, shake, and trim found at respondent's premises, in violation of Business and Professions Code section 26039.3.

Conclusion

32. The declaration and supporting documentation petitioner submitted demonstrate that: (1) respondent engaged in acts that constitute violations of the Business and Professions Code; and (2) permitting respondent to continue acting as a licensed cannabis distributor pending the filing of an accusation and a decision rendered thereon would endanger the public health, safety, and welfare. Petitioner therefore established that an ISO should be issued under Business and Professions Code section 494, subdivision (a), suspending respondent's license until an accusation may be filed against respondent in accordance with Business and Professions Code section 494, subdivision (f), and a decision is rendered thereon.

ORDER

Pursuant to Business and Professions Code section 494, subdivision (a), an interim suspension order is hereby issued against respondent California Paradise, Cannabis Distributor License Number C11-0000945-LIC. Respondent California

Paradise is immediately prohibited from engaging in commercial cannabis activity in California until an accusation is filed in accordance with Business and Professions Code section 494, subdivision (f), and a decision is rendered thereon, or this matter is otherwise resolved. Failure to comply with the requirements of Business and Professions Code section 494, subdivision (f), shall dissolve the interim suspension order by operation of law, unless the parties agree otherwise.

DATE: November 20, 2025

Marcie Larson

Marcie Larson (Nov 20, 2025 12:31:06 PST)

MARCIE LARSON

Administrative Law Judge

Office of Administrative Hearings

DECLARATION OF SERVICE

Case Name: California Paradise; Coke, Aharin

OAH No.: 2025100745

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 November 20, 2025, I served a copy of the following document(s) in the action entitled above:

DECISION ON 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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VIA Email (E-Service)

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☒ **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 November 20, 2025.

Zenobia Akindipe
Zenobia Akindipe,

Declarant