



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

Nicole Elliott
Director

December 4, 2025

VIA EMAIL AND CERTIFIED MAIL

Swan Bay Solutions Inc.
Kevin Yessen, Owner
22639 Airport Way
California City, CA 93505
idolkv@gmail.com

Swan Bay Solutions Inc.
Kevin Yessen, Owner
14545 Friar Street
Van Nuys, CA 91411
idolkv@gmail.com

Re: Swan Bay Solutions Inc. - Case No. DCC25-0000001-ACC
Default Decision and Order

Dear Mr. Yessen:

Pursuant to the Department of Cannabis Control's authority under Government Code section 11520, the Department finds Respondent Swan Bay Solutions Inc., in default and therefore will proceed as described in the attached Default Decision and Order.

Be advised that Government Code section 11520, subdivision (c), provides that Respondent may serve a written motion requesting that the Decision be vacated upon stating the ground relied on within seven (7) days after service of the Decision. Respondent may address any written motion to the Department via email at DCCDecisions@cannabis.ca.gov, or by post or courier to:

Department of Cannabis Control
Office of the General Counsel
2920 Kilgore Road
Rancho Cordova, CA 95670

The Department in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

Barring such a timely motion, the attached Default Decision and Order involving Swan Bay Solutions Inc., will become effective on January 5, 2026.

Sincerely,

Marc LeForestier
General Counsel

Enclosure

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

11 In the Matter of the First Amended Accusation
12 Against:

13 **SWAN BAY SOLUTIONS INC.;**
14 **KEVIN YESSEN, OWNER**
15 **22639 Airport Way**
16 **California City, CA 93505**

17 **Cannabis - Type 6 Manufacturer License**
18 **No. CDPH-10003119**

19 Respondent.

Case No. DCC25-0000001-ACC

DEFAULT DECISION AND ORDER

[Gov. Code, §11520]

20 **FINDINGS OF FACT**

21 1. On or about September 20, 2025, Complainant Evelyn Schaeffer, in her official
22 capacity as the Deputy Director of the Compliance Division of the Department of Cannabis
23 Control (Department), filed Accusation No. DCC25-0000001-ACC against Swan Bay Solutions
24 Inc.; Kevin Yessen, Owner (Respondent) before the Department of Cannabis Control.
25 (Accusation attached as Exhibit A.)

26 2. On or about May 8, 2019, the Department issued Cannabis - Type 6 Manufacturer
27 License No. CDPH-10003119¹ to Respondent. The Cannabis -Type 6 Manufacturer License was
28 in full force and effect at all times relevant to the charges brought in First Amended Accusation

¹ Effective May 12, 2025, active manufacturing licenses beginning with “CDPH” were
reabeled with the prefix “DCC”. All further references to Respondent’s Cannabis Type 6
Manufacturer License, shall be “DCC-10003119.”

No. DCC25-0000001-ACC, was suspended by an Interim Suspension Order on September 11, 2025, and will expire on May 8, 2026, unless renewed.

3. On or about September 30, 2025, Respondent was served by Certified Mail and First-Class Mail copies of the First Amended Accusation No. DCC25-0000001-ACC, Statement to Respondent, Notice of Defense, Request for Discovery and Discovery Statutes (Government Code sections 11507.5, 11507.6, and 11507.7) at Respondent's address of record which, pursuant to California Code of Regulations, title 4, section 15002, is required to be reported and maintained with the Department. Respondent's address of record was and is: 22639 Airport Way California City, CA 93505.

4. Service of the First Amended Accusation was effective as a matter of law under the provisions of Government Code section 11505(c) and/or Business and Professions Code section 124.

5. Government Code section 11506(c) states, in pertinent part:

(c) The respondent shall be entitled to a hearing on the merits if the respondent files a notice of defense . . . and the notice shall be deemed a specific denial of all parts of the accusation . . . not expressly admitted. Failure to file a notice of defense . . . shall constitute a waiver of respondent's right to a hearing, but the agency in its discretion may nevertheless grant a hearing.

6. The Department takes official notice of its records and the fact that Respondent failed to file a Notice of Defense within 15 days after service upon it of the First Amended Accusation, and therefore waived its right to a hearing on the merits of First Amended Accusation No. DCC25-0000001-ACC.

7. California Government Code section 11520(a) states, in pertinent part:

(a) If the respondent either fails to file a notice of defense . . . or to appear at the hearing, the agency may take action based upon the respondent's express admissions or upon other evidence and affidavits may be used as evidence without any notice to respondent

8. Pursuant to its authority under Government Code section 11520, the Department finds Respondent is in default. The Department will take action without further hearing and, based on the relevant evidence contained in the Default Decision Investigatory Evidence Packet in this matter, finds that the charges and allegations in First Amended Accusation

No. DCC25-0000001-ACC, are separately and severally, found to be true and correct by clear and convincing evidence.

9. The Department finds that the actual costs for Investigation and Enforcement are \$125,719.38 as of December 01, 2025.

DETERMINATION OF ISSUES

1. Based on the foregoing findings of fact, Respondent Swan Bay Solutions Inc. has subjected its Cannabis - Type 6 Manufacturer License No. DCC-003119 to discipline.

2. The agency has jurisdiction to adjudicate this case by default.

3. The Department of Cannabis Control is authorized to revoke Respondent's Cannabis Type 6 Manufacturer License based upon the following violations alleged in the First Amended Accusation which are supported by the evidence contained in the Default Decision Investigatory Evidence Packet in this case:

- a. Violation of Business and Professions Code section 26030, subdivision (f) [failure to comply with local ordinances];
- b. Violation of Business and Professions Code sections 26030, subdivision (a) and 26120, subdivisions (a) and (c)(1), and Title 4 of the California Code of Regulations, section 17406, subdivision (a)(1), (a)(2), and (a)(10) [failure to package and label cannabis and cannabis products];
- c. Violation of Business and Professions Code sections 26030, subdivision (a), and 26039.5, subdivisions (a)(1), (a)(2), (a)(4), (b), (d) [misbranded cannabis products];
- d. Violation of Business and Professions Code section 26030, subdivisions (a) and (c), and Title 4 of the California Code of Regulations, section 15049, subdivision (a) [failure to assign package tags to cannabis and cannabis products];
- e. Violation of Business and Professions Code sections 26030, subdivision (a) and 26039.3, subdivision (b), and Title 4 of the California Code of Regulations, section 17801.5, subdivisions (a) and (g) [removal of embargoed cannabis and cannabis products];

- 1 f. Violation of Business and Professions Code section 26030, subdivisions (a), (f), and
2 (i), and Title 4 of the California Code of Regulations, sections 15000.1, subdivision
3 (c), 17206, subdivision (e), and 17206.1, subdivision (b) [using volatile solvent
4 extractions without a state-issued license, certification by a licensed engineer, and
5 without approval from a local fire official];
- 6 g. Violation of Business and Professions Code section 26030, subdivision (a), and Title
7 4 of the California Code of Regulations, sections 15044, subdivision (i) [failed to
8 present video surveillance];
- 9 h. Violation of Business and Professions Code section 26030, subdivision (a), 26070,
10 subdivision (g), and 26160, subdivision (a), and Title 4 of the California Code of
11 Regulations, sections 15037, subdivision (a)(1) and 17218, subdivision (e) [failed to
12 maintain and present shipping manifests, receipts, and invoices]; and
- 13 i. Violation of Business and Professions Code sections 26030, subdivision (a), and Title
14 4 of the California Code of Regulations, section 15047.2, subdivisions (b) and (d)
15 [failure to enter information into the CCTT system].

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ORDER

IT IS SO ORDERED that Cannabis - Type 6 Manufacturer License No. DCC-10003119, issued to Respondent Swan Bay Solutions Inc., is revoked.

IT IS FURTHER ORDERED that Respondent Swan Bay Solutions Inc. destroy, at its expense, all cannabis and cannabis goods in the possession of Respondent Swan Bay Solutions Inc.

Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent. The agency in its discretion may vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

This Decision shall become effective on January 5, 2026.

IT IS SO ORDERED, December 4, 2025.



Marc LeForestier
General Counsel
FOR THE DEPARTMENT OF CANNABIS CONTROL

Default Decision and Order - LIC.docx
DOJ Matter ID:SA2025801721
Attachment: Exhibit A: Accusation

Exhibit A

First Amended Accusation

(SWAN BAY SOLUTIONS INC.; KEVIN YESSEN, OWNER)

1 ROB BONTA
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2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 MICHAEL DUONG
Deputy Attorney General
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Attorneys for Complainant

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

11 In the Matter of the First Amended Accusation
Against:

Case No. DCC25-0000001-ACC

FIRST AMENDED ACCUSATION

12 **SWAN BAY SOLUTIONS INC.;**
13 **KEVIN YESSEN, OWNER**
14 **22639 Airport Way**
California City, CA 93505

15 **Cannabis Type 6 Manufacturer License**
16 **No. DCC-10003119**

17 Respondent.

18
19 **PARTIES**

20 1. Evelyn Schaeffer (Complainant) brings this First Amended Accusation solely in her
21 official capacity as the Deputy Director of the Compliance Division of the Department of
22 Cannabis Control (Department).

23 2. On or about May 8, 2019, the Department issued Cannabis Type 6 Manufacturer
24 License No. CDPH-10003119¹ to Swan Bay Solutions Inc. (Respondent) with Jason Turchin as
25 owner. On or about July 10, 2025, Kevin Yessen (Owner Yessen) was added as an owner to
26 Cannabis Type 6 Manufacturer License No. DCC-10003119. On or about August 4, 2025, Jason

27 ¹ Effective May 12, 2025, active manufacturing licenses beginning with “CDPH” were
28 relabeled with the prefix “DCC”. All further references to Respondent’s Cannabis Type 6
Manufacturer License, shall be “DCC-10003119.”

1 Turchin (Former Owner Turchin) was removed as an owner to Cannabis Type 6 Manufacturer
2 License No. DCC-10003119. The Cannabis Type 6 Manufacturer License was in full force and
3 effect at all times during the charges brought herein, was suspended effective September 11,
4 2025, and expires on May 8, 2026, unless renewed.

5 **PROCEDURAL HISTORY**

6 3. On September 11, 2025, Administrative Law Judge Erlinda Shrenger, Office of
7 Administrative Hearings, issued an Order suspending Respondent's license and ordered
8 Respondent to cease all commercial cannabis activity. The Interim Suspension Order will remain
9 in effect, pending a full determination whether Respondent has violated the Medicinal and Adult-
10 Use Cannabis Regulation and Safety Act (MAUCRSA), or upon further order by the Department
11 in this matter.

12 **JURISDICTION**

13 4. This First Amended Accusation is brought before the Director of the Department
14 (Director), under the authority of the following laws. All section references are to the Business
15 and Professions Code (Code) unless otherwise indicated.

16 5. Section 26010 of the Code states:

17 There is in the Business, Consumer Services, and Housing Agency, the
18 Department of Cannabis Control under the supervision and control of a director. The
19 director shall administer and enforce the provisions of this division related to the
20 department.

21 6. Section 26010.5, subdivision (d), of the Code states:

22 The department has the power, duty, purpose, responsibility, and jurisdiction to
23 regulate commercial cannabis activity as provided in this division.

24 7. Section 26012, subdivision (a), of the Code states:

25 It being a matter of statewide concern, except as otherwise authorized in this
26 division, the department shall have the sole authority to create, issue, deny, renew,
27 discipline, condition, suspend, or revoke licenses for commercial cannabis activity.

28 8. Section 26013, subdivision (a), of the Code states:

The department shall make and prescribe reasonable rules and regulations as
may be necessary to implement, administer, and enforce its duties under this division
in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of

Division 3 of Title 2 of the Government Code. Those rules and regulations shall be consistent with the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.

9. Section 26031 of the Code states:

(a) The department may suspend, revoke, place on probation with terms and conditions, or otherwise discipline licenses issued by the department and fine a licensee, after proper notice and hearing to the licensee, except as provided in Section 26031.01, if the licensee is found to have committed any of the acts or omissions constituting grounds for disciplinary action. The disciplinary proceedings under this chapter shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director shall have all the powers granted therein.

(b) The department may suspend or revoke a license when a local agency has notified the department that a licensee within its jurisdiction is in violation of state rules and regulations relating to commercial cannabis activities, and the department, through an investigation, has determined that the violation is grounds for suspension or revocation of the license.

(c) The department may take disciplinary action against a licensee for any violation of this division when the violation was committed by the licensee's officers, directors, owners, agents, or employees while acting on behalf of the licensee or engaged in commercial cannabis activity.

(d) The suspension or expiration of a license issued by the department, or its suspension, forfeiture, or cancellation by order of the department or by order of a court of law, or its surrender without the written consent of the department, shall not, during any period in which it may be renewed, restored, reissued, or reinstated, deprive the department of its authority to institute or continue a disciplinary proceeding against the licensee upon any ground provided by law or to enter an order suspending or revoking the license or otherwise taking disciplinary action against the licensee on any such ground.

10. Section 26034 of the Code states:

All accusations against licensees shall be filed by the department within five years after the performance of the act or omission alleged as the ground for disciplinary action; provided, however, that the foregoing provision shall not constitute a defense to an accusation alleging fraud or misrepresentation as a ground for disciplinary action. The cause for disciplinary action in that case shall not be deemed to have accrued until discovery, by the department, of the facts constituting the fraud or misrepresentation, and, in that case, the accusation shall be filed within five years after that discovery.

STATUTORY PROVISIONS

11. Section 26030 of the Code states, in pertinent part:

Grounds for disciplinary action include, but are not limited to, all of the following:

1 (a) Failure to comply with the provisions of this division or any rule or
regulation adopted pursuant to this division.

2 ...

3 (d) Failure to comply with any state law including, but not limited to, the payment of
taxes as required under the Revenue and Taxation Code, except as provided for in this
4 division or other California law.

5 ...

(f) Failure to comply with the requirement of a local ordinance regulating
commercial cannabis activity.

6 ...

7 (i) Failure to maintain safe conditions for inspection by the department.

8
9 12. Section 26039.3, subdivision (b)(1), of the Code states:

10 It is unlawful to remove, sell, or dispose of embargoed cannabis or an embargoed
11 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
12 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).

13
14 13. Section 26039.5 of the Code states, in pertinent part:

15 (a) Cannabis or a cannabis product is misbranded if it is any of the following:

16 (1) Cultivated, processed, manufactured, packed, or held in a location not duly
licensed as provided in this division.

17 (2) Consists of cannabis or cannabis product that was cultivated, processed,
18 manufactured, packed, or held in a location not duly licensed as provided in this
division.

19 ...

20 (4) Its labeling or packaging does not conform to the requirements of Section
21 26120 or any other labeling or packaging requirement established pursuant to this
division.

22 ...

23 (b) It is unlawful to cultivate, process, manufacture, sell, deliver, hold, or offer
24 for sale cannabis or a cannabis product that is misbranded.

25 (c) It is unlawful to misbrand cannabis or a cannabis product.

26 (d) 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
27 cannabis product.

28 ///

14. Section 26070, subdivision (g), of the Code states:

The licensee receiving the shipment shall maintain each electronic shipping manifest and shall make it available upon request to the department and any law enforcement officers.

15. Section 26120, subdivision (a) of the Code states:

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.

16. Section 26160, subdivision (a), of the Code states:

A licensee shall keep accurate records of commercial cannabis activity.

REGULATORY PROVISIONS

17. Title 4 of the California Code of Regulations, 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.

18. Title 4 of the California Code of Regulations, section 15037, states in pertinent 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.

...

(7) Records required by the Act or this division.

19. Title 4 of the California Code of Regulations, section 15044, subdivision (i), states:

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.

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1 20. Title 4 of the California Code of Regulations, section 15047.2, states in part:

2 ...

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

5 (c) A licensee is responsible for the accuracy and completeness of all data and
6 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.

7 (d) A person shall not intentionally misrepresent or falsify information entered
8 into the track and trace system.

9 21. Title 4 of the California Code of Regulations, section 15049, states in part:

10 (a) All cannabis and cannabis products on the licensed premises shall be
11 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.

12 ...

13
14 22. Title 4 of the California Code of Regulations, section 17117, states in part:

15 ...

16 (c) A manufacturer licensee shall only use cannabinoid concentrates and
17 extracts that are manufactured or processed from cannabis obtained from a licensed
cannabis cultivator.

18 ...

19 23. Title 4 of the California Code of Regulations, section 17206, states in part:

20 ...

21 (e) Professional closed-loop systems, other equipment used, the extraction operation,
22 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
23 shall provide documentation confirming compliance with this subsection to the Department
upon request.

24 ...

25 ...
26 ///

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1 24. Title 4 of the California Code of Regulations, section 17206.1, states in part:

2 ...

3 (b) After installation and before use of a closed-loop system, the licensed
4 manufacturer shall have the closed-loop system certified by a California-licensed engineer
5 that the system was commercially manufactured, safe for use with the intended solvent, and
6 built and installed to codes of recognized and generally accepted good engineering
7 practices. The certification document shall contain:

8 (1) The name, signature and stamp of the California-licensed professional engineer;

9 (2) The serial number of the extraction unit being certified;

10 (3) A list of the solvent(s) deemed safe for use with the equipment; and

11 (4) The address of the premises where the extraction unit was certified.

12 25. Title 4 of the California Code of Regulations, section 17218, subdivision (e), states:

13 The licensed manufacturer shall maintain sales invoices and receipts for all batches of
14 cannabis and cannabis products received at and transferred from its licensed premises. The
15 licensed manufacturer shall prepare a sales invoice or receipt that meets the requirements of
16 Business and Professions Code section 26161 prior to each sale or transport of cannabis
17 products from the premises....

18 26. Title 4 of the California Code of Regulations, section 17406, states:

19 (a) The label for a manufactured cannabis product shall include an informational
20 panel that includes the following:

21 (1) The name of the licensed manufacturer (either the legal business name or the
22 name listed on the license certificate) that manufactured the cannabis product and the
23 manufacturer's contact number or website address;

24 (2) The date the cannabis product was packaged for retail sale;

25 ...

26 (10) The UID;

27 ...

28 27. Title 4 of the California Code of Regulations, section 17801.5, states:

(a) The Department may embargo cannabis or cannabis products to prevent their sale,
disposal, or removal from the location when the Department has probable cause to believe

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7

1 the cannabis or cannabis products are adulterated or misbranded or the sale would
2 otherwise be in violation of the Act or this division.

3 . . .

4 (g) A licensee or product owner shall not remove from embargo, sell, or dispose of
5 any cannabis or cannabis products under embargo without written permission of the
6 Department or a court. Each item removed, sold, or disposed of without written permission
7 of the Department or a court constitutes a separate violation of the Act.

8 . . .

9 **COST RECOVERY**

10 28. Section 26031.1 of the Code states:

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

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

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

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

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

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

(2) Notwithstanding paragraph (1), the department may, in its discretion,

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

3 (g) All costs recovered under this section shall be considered a reimbursement
4 for costs incurred and shall be deposited into the Cannabis Control Fund to be
available upon appropriation by the Legislature.

5 (h) Nothing in this section shall preclude the department from including the
6 recovery of the costs of investigation and enforcement of a case in any stipulated
settlement.

7 **FACTUAL ALLEGATIONS**

8 29. On April 28, 2021, Department staff accompanied the California City Fire
9 Department (CCFD) on an unannounced inspection of the licensed premises. Following the
10 inspection, CCFD issued a cease-and-desist/stop work order to Respondent for its licensed
11 premises, under the authority of the California Fire Code (Cal. Code Regs., tit. 24, part 9, §
12 103.4), Building Code (Cal. Code Regs., tit 24, part 2, § 104.2), Electrical Code (Cal. Code Regs,
13 tit. 24, part 3, § 80.13), Mechanical Code (Cal. Code Regs., tit. 24, part 4, § 108.4), and the
14 California City Municipal Codes (CCMC, §§ 3-2.3.208, 4-1.101, 8-1.01, 8-2.01, 8-9.01), and
15 “red-tagged” the licensed premises. All activities at the licensed premises were ordered to be
16 stopped until released by the CCFD. To date, the cease-and-desist order is in place and has not
17 been resolved with the CCFD.

18 30. On January 10, 2023, Department staff accompanied CCFD on another inspection of
19 the licensed premises. During the inspection, CCFD informed Department staff that it had
20 received information that individuals were observed within the “red-tagged” licensed premises,
21 even though Respondent was previously ordered to cease operations. When Department staff
22 arrived at Respondent’s licensed premises, the California City Police Department (CCPD) had
23 already detained two individuals from within the licensed premises. After CCPD cleared the
24 licensed premises, and Department staff had entered, the licensed premises, Department staff
25 received a text message from Former Owner Turchin which stated, “It’s not my staff, I am in the
26 middle of transferring the licenses and these are the new guys crew.” While in the licensed
27 premises, Department staff observed signs of cannabis manufacturing, specifically volatile
28 manufacturing and volatile manufacturing equipment that would require a state-issued Cannabis

1 Type 7 Manufacturer License, which Respondent did not possess. Respondent possessed a
2 Cannabis Type 6 Manufacturer License, which only allows for extractions using mechanical
3 methods or nonvolatile solvents.

4 31. During the inspection, Department staff observed bulk cannabis and cannabis
5 products that lacked identifiers and could not be traced to a licensed source. None of the cannabis
6 or cannabis products were recorded in the California Cannabis Track and Trace (CCTT) system,
7 and therefore should not have been in the licensed premises. In addition, some of the cannabis
8 products were improperly packaged and labeled, in that they failed to include a tamper evident
9 seal, name of the manufacturer, contact information, and a valid unique identifier (UID) number.
10 For the cannabis products that did contain a traceable UID number, those cannabis products were
11 traced to another licensee, and the CCTT system showed that those products should have been
12 physically located at that licensee's premises, not Respondent's licensed premises. In addition,
13 there were no manifest or records for any of the cannabis products set forth above.

14 32. The following day, on January 11, 2023, Department staff returned to Respondent's
15 licensed premises and met with Former Owner Turchin, Owner Yessen, and another individual
16 identified as an employee, "M.S.". Owner Yessen informed Department staff that he was in the
17 process of purchasing the business from Former Owner Turchin, and that M.S. was in the process
18 of installing manufacturing equipment. Owner Yessen claimed that Former Owner Turchin had
19 "addressed" the red-tagging and cease and desist order. Although video surveillance equipment
20 was observed, when Department staff requested to review video footage, both Former Owner
21 Turchin and Owner Yessen stated that they did not have access to the surveillance footage.
22 Before leaving the licensed premises, Department staff inventoried and embargoed a large
23 amount of cannabis and cannabis products which all lacked UIDs and could not be traced to a
24 licensed source, as well as a large amount of cannabis vape cartridges that had UID numbers but
25 were traced back to another licensee with no record of those products being manifested to, and
26 received by, Respondent at the licensed premises.

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28 ///

33. On or about January 27, 2023, a supplemental notice of embargo was sent to both Former Owner Turchin and Owner Yessen, requesting a response date of February 2, 2023, to resolve the embargo.

34. On March 20, 2023, after Respondent failed to respond to Department staff's repeated requests for information and for resolution of the embargo, Department staff returned to the licensed premises and discovered that over 10,000 infused pre-rolls and 5,000 vape cartridges, which were under embargo, had been removed from the licensed premises.

35. On October 16, 2024, after Department staff learned that there was recent activity in Respondent's CCTT account, indicating active cannabis manufacturing activity, Department staff conducted an unannounced inspection of the licensed premises. Department staff observed no visible cannabis manufacturing activity at the licensed premises and determined that the premises was non-operational.

36. On or about June 15, 2025, Department staff again confirmed that Respondent's CCTT account had multiple account entries through at least June 13, 2025.

FIRST CAUSE FOR DISCIPLINE

(Failure to Comply with Local Ordinances)

37. Respondent is subject to disciplinary action under Code section 26030, subdivision (a), (d), (f), in that Respondent violated the cease-and-desist order imposed on the premises in violation of local ordinances, as more particularly alleged in paragraphs 29 through 36, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

SECOND CAUSE FOR DISCIPLINE

(Panel Labeling Requirements)

38. Respondent is further subject to disciplinary action under Code sections 26030, subdivision (a), and 26120, subdivisions (a) and (c)(1), and California Code of Regulations, title 4, section 17406, subdivisions (a)(1), (a)(2) and (a)(10), in that Respondent failed to package and label cannabis and cannabis products, as more particularly alleged in paragraph 31, above, which is hereby incorporated by reference and realleged as if fully set forth herein.

///

1 **THIRD CAUSE FOR DISCIPLINE**

2 (Misbranding)

3 39. Respondent is further subject to disciplinary action under Code sections 26030,
4 subdivision (a), and 26039.5, subdivisions (a)(1), (a)(2), (a)(4), (b), (d), and California Code of
5 Regulations, title 4, section 17117, subdivision (c), in that Respondent manufactured or processed
6 cannabis products with cannabinoid concentrates and extracts from unlicensed sources and held
7 possessed cannabis products that were not manifested and should not have been physically
8 present in the licensed premises, as more particularly alleged in paragraphs 30 through 32, above,
9 which are hereby incorporated by reference and realleged as if fully set forth herein.

10 **FOURTH CAUSE FOR DISCIPLINE**

11 (Track and Trace Reporting)

12 40. Respondent is further subject to disciplinary action under Code section 26030,
13 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15049, subdivision
14 (a), in that Respondent failed to assign package tags to its cannabis product inventory and record
15 the assign package tags in the CCTT system, as more particularly alleged in paragraph 31, above,
16 which is hereby incorporated by reference and realleged as if fully set forth herein.

17 **FIFTH CAUSE FOR DISCIPLINE**

18 (Embargoed Cannabis and Cannabis Products)

19 41. Respondent is further subject to disciplinary action under Code section 26030,
20 subdivision (a), and 26039.3, subdivision (b), and California Code of Regulations, title 4, section
21 17801.5, subsections (a) and (g), in that Respondent removed cannabis and cannabis products
22 placed under embargo without Department's permission, as more particularly alleged in
23 paragraphs 32 through 34, above, which are hereby incorporated by reference and realleged as if
24 fully set forth herein.

25 **SIXTH CAUSE FOR DISCIPLINE**

26 (Closed-Loop Extraction System Requirements and Certification)

27 42. Respondent is further subject to disciplinary action under Code section 26030,
28 subdivisions (a), (d), (f), and (i), and California Code of Regulations, title 4, sections 15000.1,

1 subdivision (c), 17206, subdivision (e), and 17206.1, subdivision (b), in that Respondent was
2 manufacturing cannabis products using volatile solvent extractions, without a state-issued
3 Cannabis Type 7 Manufacturer License, without a closed-loop extraction system certification by a
4 California licensed engineer, and without approval from a local fire official, as more particularly
5 alleged in paragraph 30, above, which is hereby incorporated by reference and realleged as if
6 fully set forth herein.

7 **SEVENTH CAUSE FOR DISCIPLINE**

8 (Video Surveillance System)

9 43. Respondent is further subject to disciplinary action under Code section 26030,
10 subdivisions (a), and the California Code of Regulations, title 4, section 15044, subdivision (i), in
11 that Respondent failed to present video surveillance to Department for review when requested, as
12 more particularly alleged in paragraph 32, above, which is hereby incorporated by reference and
13 realleged as if fully set forth herein.

14 **EIGHTH CAUSE FOR DISCIPLINE**

15 (Record Retention and Inventory Control)

16 44. Respondent is further subject to disciplinary action under Code sections 26030,
17 subdivision (a), 26070 subdivision (g), and 26160, subdivision (a), and California Code of
18 Regulations, title 4, section 15037, subdivision (a)(1), and 17218 subdivision (e), in that
19 Respondent failed to maintain and present any shipping manifest, receipts, and invoices when
20 requested by Department, as more particularly alleged in paragraph 31, above, which are hereby
21 incorporated by reference and realleged as if fully set forth herein.

22 **NINTH CAUSE FOR DISCIPLINE**

23 (Track and Trace Requirements)

24 45. Respondent is further subject to disciplinary action under Code section 26030,
25 subdivision (a) and the California Code of Regulations, title 4, section 15047.2, subsections (b)
26 and (d), in that Respondent failed to enter information into the CCTT system and also entered
27 CCTT system entries when the licensed premises were vacant, as more particularly alleged in
28

///

1 paragraphs 31 and 36, above, which are hereby incorporated by reference and realleged as if fully
2 set forth herein.

3 **PRAYER**

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

7 1. Revoking or suspending outright or suspending with terms and conditions or fining or
8 any combination thereof, the Cannabis Type 6 Manufacturer License Number CDPH-10003119,
9 issued to Swan Bay Solutions Inc., with Kevin Yessen as Owner;

10 2. Ordering Respondent Swan Bay Solutions Inc., with Kevin Yessen as Owner, to pay
11 the Department of Cannabis Control the reasonable costs of the investigation and enforcement of
12 this case, pursuant to Business and Professions Code section 26031.1;

13 3. Ordering the destruction of cannabis and cannabis goods in the possession of
14 Respondent Swan Bay Solutions Inc., with Kevin Yessen as Owner, at Respondent's expense, if
15 revocation of Cannabis Type 6 Manufacturer License No. DCC-10003119 is ordered, pursuant to
16 California Code of Regulations, title 4, section 15024.1, subdivision (a); and

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

18
19 DATED: September 25, 2025

Evelyn Schaeffer

EVELYN SCHAEFFER
Deputy Director of the Compliance
Division
Department of Cannabis Control
State of California
Complainant

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

In the Matter of the First Amended Accusation
Against:

SWAN BAY SOLUTIONS INC.;
KEVIN YESSEN, OWNER
22639 Airport Way
California City, CA 93505

Cannabis - Type 6 Manufacturer License
No. CDPH-10003119

Respondent.

Case No. DCC25-0000001-ACC

**DEFAULT DECISION INVESTIGATORY
EVIDENCE PACKET**

[Gov. Code §11520]

The Default Decision Investigatory Evidence Packet in support of the Default Decision and Order in the above-entitled matter consists of the following.

Exhibit 1: Pleadings offered for jurisdictional purposes: First Amended Accusation No. DCC25-0000001-ACC, statement to respondent, notice of defense (two blank copies), request for discovery, discovery statutes (government code sections 11507.5, 11507.6 and 11507.7), proofs of service;

Exhibit 2: License for Swan Bay Solutions Inc., Cannabis - Type 6 Manufacturer License No. DCC-10003119;

Exhibit 3: Certification of Costs by Department for Investigation and Enforcement in Case No. DCC25-0000001-ACC dated 11/14/2025;

Exhibit 4: Certification of Costs by California Department of Justice for Prosecution in Case No. DCC25-0000001-ACC dated 12/01/2025.

Exhibit 5: Return Receipts from the United States Postal Service; and

Exhibit 6: Investigative Report (without attachments) [Case No. DCC25-0000001-ACC].

Dated: December 3, 2025

Respectfully submitted,

ROB BONTA
Attorney General of California
GREGORY M. CRIBBS
Supervising Deputy Attorney General

Michael Duong

MICHAEL DUONG
Deputy Attorney General
Attorneys for Complainant

Exhibit 1

First Amended Accusation No. DCC25-0000001-ACC

Statement to Respondent

Notice of Defense

Request for Discovery

Discovery Statutes, Proofs of Service

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2 GREGORY M. CRIBBS
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Attorneys for Complainant

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

11 In the Matter of the First Amended Accusation
Against:

Case No. DCC25-0000001-ACC

FIRST AMENDED ACCUSATION

12 **SWAN BAY SOLUTIONS INC.;**
13 **KEVIN YESSEN, OWNER**
14 **22639 Airport Way**
California City, CA 93505

15 **Cannabis Type 6 Manufacturer License**
16 **No. DCC-10003119**

17 Respondent.

18
19 **PARTIES**

20 1. Evelyn Schaeffer (Complainant) brings this First Amended Accusation solely in her
21 official capacity as the Deputy Director of the Compliance Division of the Department of
22 Cannabis Control (Department).

23 2. On or about May 8, 2019, the Department issued Cannabis Type 6 Manufacturer
24 License No. CDPH-10003119¹ to Swan Bay Solutions Inc. (Respondent) with Jason Turchin as
25 owner. On or about July 10, 2025, Kevin Yessen (Owner Yessen) was added as an owner to
26 Cannabis Type 6 Manufacturer License No. DCC-10003119. On or about August 4, 2025, Jason

27 ¹ Effective May 12, 2025, active manufacturing licenses beginning with “CDPH” were
28 relabeled with the prefix “DCC”. All further references to Respondent’s Cannabis Type 6
Manufacturer License, shall be “DCC-10003119.”

1 Turchin (Former Owner Turchin) was removed as an owner to Cannabis Type 6 Manufacturer
2 License No. DCC-10003119. The Cannabis Type 6 Manufacturer License was in full force and
3 effect at all times during the charges brought herein, was suspended effective September 11,
4 2025, and expires on May 8, 2026, unless renewed.

5 **PROCEDURAL HISTORY**

6 3. On September 11, 2025, Administrative Law Judge Erlinda Shrenger, Office of
7 Administrative Hearings, issued an Order suspending Respondent's license and ordered
8 Respondent to cease all commercial cannabis activity. The Interim Suspension Order will remain
9 in effect, pending a full determination whether Respondent has violated the Medicinal and Adult-
10 Use Cannabis Regulation and Safety Act (MAUCRSA), or upon further order by the Department
11 in this matter.

12 **JURISDICTION**

13 4. This First Amended Accusation is brought before the Director of the Department
14 (Director), under the authority of the following laws. All section references are to the Business
15 and Professions Code (Code) unless otherwise indicated.

16 5. Section 26010 of the Code states:

17 There is in the Business, Consumer Services, and Housing Agency, the
18 Department of Cannabis Control under the supervision and control of a director. The
19 director shall administer and enforce the provisions of this division related to the
20 department.

21 6. Section 26010.5, subdivision (d), of the Code states:

22 The department has the power, duty, purpose, responsibility, and jurisdiction to
23 regulate commercial cannabis activity as provided in this division.

24 7. Section 26012, subdivision (a), of the Code states:

25 It being a matter of statewide concern, except as otherwise authorized in this
26 division, the department shall have the sole authority to create, issue, deny, renew,
27 discipline, condition, suspend, or revoke licenses for commercial cannabis activity.

28 8. Section 26013, subdivision (a), of the Code states:

The department shall make and prescribe reasonable rules and regulations as
may be necessary to implement, administer, and enforce its duties under this division
in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of

Division 3 of Title 2 of the Government Code. Those rules and regulations shall be consistent with the purposes and intent of the Control, Regulate and Tax Adult Use of Marijuana Act.

9. Section 26031 of the Code states:

(a) The department may suspend, revoke, place on probation with terms and conditions, or otherwise discipline licenses issued by the department and fine a licensee, after proper notice and hearing to the licensee, except as provided in Section 26031.01, if the licensee is found to have committed any of the acts or omissions constituting grounds for disciplinary action. The disciplinary proceedings under this chapter shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director shall have all the powers granted therein.

(b) The department may suspend or revoke a license when a local agency has notified the department that a licensee within its jurisdiction is in violation of state rules and regulations relating to commercial cannabis activities, and the department, through an investigation, has determined that the violation is grounds for suspension or revocation of the license.

(c) The department may take disciplinary action against a licensee for any violation of this division when the violation was committed by the licensee's officers, directors, owners, agents, or employees while acting on behalf of the licensee or engaged in commercial cannabis activity.

(d) The suspension or expiration of a license issued by the department, or its suspension, forfeiture, or cancellation by order of the department or by order of a court of law, or its surrender without the written consent of the department, shall not, during any period in which it may be renewed, restored, reissued, or reinstated, deprive the department of its authority to institute or continue a disciplinary proceeding against the licensee upon any ground provided by law or to enter an order suspending or revoking the license or otherwise taking disciplinary action against the licensee on any such ground.

10. Section 26034 of the Code states:

All accusations against licensees shall be filed by the department within five years after the performance of the act or omission alleged as the ground for disciplinary action; provided, however, that the foregoing provision shall not constitute a defense to an accusation alleging fraud or misrepresentation as a ground for disciplinary action. The cause for disciplinary action in that case shall not be deemed to have accrued until discovery, by the department, of the facts constituting the fraud or misrepresentation, and, in that case, the accusation shall be filed within five years after that discovery.

STATUTORY PROVISIONS

11. Section 26030 of the Code states, in pertinent part:

Grounds for disciplinary action include, but are not limited to, all of the following:

1 (a) Failure to comply with the provisions of this division or any rule or
2 regulation adopted pursuant to this division.

3 ...

4 (d) Failure to comply with any state law including, but not limited to, the payment of
5 taxes as required under the Revenue and Taxation Code, except as provided for in this
6 division or other California law.

7 ...

8 (f) Failure to comply with the requirement of a local ordinance regulating
9 commercial cannabis activity.

10 ...

11 (i) Failure to maintain safe conditions for inspection by the department.

12 12. Section 26039.3, subdivision (b)(1), of the Code states:

13 It is unlawful to remove, sell, or dispose of embargoed cannabis or an embargoed
14 cannabis product without written permission of the department or a court. The removal,
15 sale, or disposal of each item of embargoed cannabis or cannabis product without written
16 permission of the department constitutes a violation of this subdivision. A violation of this
17 subdivision is subject to a citation and fine of not more than ten thousand dollars (\$10,000).

18 13. Section 26039.5 of the Code states, in pertinent part:

19 (a) Cannabis or a cannabis product is misbranded if it is any of the following:

20 (1) Cultivated, processed, manufactured, packed, or held in a location not duly
21 licensed as provided in this division.

22 (2) Consists of cannabis or cannabis product that was cultivated, processed,
23 manufactured, packed, or held in a location not duly licensed as provided in this
24 division.

25 ...

26 (4) Its labeling or packaging does not conform to the requirements of Section
27 26120 or any other labeling or packaging requirement established pursuant to this
28 division.

...

(b) It is unlawful to cultivate, process, manufacture, sell, deliver, hold, or offer
for sale cannabis or a cannabis product that is misbranded.

(c) It is unlawful to misbrand cannabis or a cannabis product.

(d) 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.

///

14. Section 26070, subdivision (g), of the Code states:

The licensee receiving the shipment shall maintain each electronic shipping manifest and shall make it available upon request to the department and any law enforcement officers.

15. Section 26120, subdivision (a) of the Code states:

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.

16. Section 26160, subdivision (a), of the Code states:

A licensee shall keep accurate records of commercial cannabis activity.

REGULATORY PROVISIONS

17. Title 4 of the California Code of Regulations, 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.

18. Title 4 of the California Code of Regulations, section 15037, states in pertinent 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.

...

(7) Records required by the Act or this division.

19. Title 4 of the California Code of Regulations, section 15044, subdivision (i), states:

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.

///

///

1 20. Title 4 of the California Code of Regulations, section 15047.2, states in part:

2 ...

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

5 (c) A licensee is responsible for the accuracy and completeness of all data and
6 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.

7 (d) A person shall not intentionally misrepresent or falsify information entered
8 into the track and trace system.

9 21. Title 4 of the California Code of Regulations, section 15049, states in part:

10 (a) All cannabis and cannabis products on the licensed premises shall be
11 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.

12 ...

13
14 22. Title 4 of the California Code of Regulations, section 17117, states in part:

15 ...

16 (c) A manufacturer licensee shall only use cannabinoid concentrates and
17 extracts that are manufactured or processed from cannabis obtained from a licensed
cannabis cultivator.

18 ...

19 23. Title 4 of the California Code of Regulations, section 17206, states in part:

20 ...

21 (e) Professional closed-loop systems, other equipment used, the extraction operation,
22 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
23 shall provide documentation confirming compliance with this subsection to the Department
upon request.

24 ...

25 ...
26 ///

27 ///

28 ///

1 24. Title 4 of the California Code of Regulations, section 17206.1, states in part:

2 ...

3 (b) After installation and before use of a closed-loop system, the licensed
4 manufacturer shall have the closed-loop system certified by a California-licensed engineer
5 that the system was commercially manufactured, safe for use with the intended solvent, and
6 built and installed to codes of recognized and generally accepted good engineering
7 practices. The certification document shall contain:

8 (1) The name, signature and stamp of the California-licensed professional engineer;

9 (2) The serial number of the extraction unit being certified;

10 (3) A list of the solvent(s) deemed safe for use with the equipment; and

11 (4) The address of the premises where the extraction unit was certified.

12 25. Title 4 of the California Code of Regulations, section 17218, subdivision (e), states:

13 The licensed manufacturer shall maintain sales invoices and receipts for all batches of
14 cannabis and cannabis products received at and transferred from its licensed premises. The
15 licensed manufacturer shall prepare a sales invoice or receipt that meets the requirements of
16 Business and Professions Code section 26161 prior to each sale or transport of cannabis
17 products from the premises....

18 26. Title 4 of the California Code of Regulations, section 17406, states:

19 (a) The label for a manufactured cannabis product shall include an informational
20 panel that includes the following:

21 (1) The name of the licensed manufacturer (either the legal business name or the
22 name listed on the license certificate) that manufactured the cannabis product and the
23 manufacturer's contact number or website address;

24 (2) The date the cannabis product was packaged for retail sale;

25 ...

26 (10) The UID;

27 ...

28 27. Title 4 of the California Code of Regulations, section 17801.5, states:

(a) The Department may embargo cannabis or cannabis products to prevent their sale,
disposal, or removal from the location when the Department has probable cause to believe

///
7

1 the cannabis or cannabis products are adulterated or misbranded or the sale would
2 otherwise be in violation of the Act or this division.

3 ...

4 (g) A licensee or product owner shall not remove from embargo, sell, or dispose of
5 any cannabis or cannabis products under embargo without written permission of the
6 Department or a court. Each item removed, sold, or disposed of without written permission
7 of the Department or a court constitutes a separate violation of the Act.

8 ...

9 **COST RECOVERY**

10 28. Section 26031.1 of the Code states:

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

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

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

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

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

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

(2) Notwithstanding paragraph (1), the department may, in its discretion,

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

3 (g) All costs recovered under this section shall be considered a reimbursement
4 for costs incurred and shall be deposited into the Cannabis Control Fund to be
available upon appropriation by the Legislature.

5 (h) Nothing in this section shall preclude the department from including the
6 recovery of the costs of investigation and enforcement of a case in any stipulated
settlement.

7 **FACTUAL ALLEGATIONS**

8 29. On April 28, 2021, Department staff accompanied the California City Fire
9 Department (CCFD) on an unannounced inspection of the licensed premises. Following the
10 inspection, CCFD issued a cease-and-desist/stop work order to Respondent for its licensed
11 premises, under the authority of the California Fire Code (Cal. Code Regs., tit. 24, part 9, §
12 103.4), Building Code (Cal. Code Regs., tit 24, part 2, § 104.2), Electrical Code (Cal. Code Regs,
13 tit. 24, part 3, § 80.13), Mechanical Code (Cal. Code Regs., tit. 24, part 4, § 108.4), and the
14 California City Municipal Codes (CCMC, §§ 3-2.3.208, 4-1.101, 8-1.01, 8-2.01, 8-9.01), and
15 “red-tagged” the licensed premises. All activities at the licensed premises were ordered to be
16 stopped until released by the CCFD. To date, the cease-and-desist order is in place and has not
17 been resolved with the CCFD.

18 30. On January 10, 2023, Department staff accompanied CCFD on another inspection of
19 the licensed premises. During the inspection, CCFD informed Department staff that it had
20 received information that individuals were observed within the “red-tagged” licensed premises,
21 even though Respondent was previously ordered to cease operations. When Department staff
22 arrived at Respondent’s licensed premises, the California City Police Department (CCPD) had
23 already detained two individuals from within the licensed premises. After CCPD cleared the
24 licensed premises, and Department staff had entered, the licensed premises, Department staff
25 received a text message from Former Owner Turchin which stated, “It’s not my staff, I am in the
26 middle of transferring the licenses and these are the new guys crew.” While in the licensed
27 premises, Department staff observed signs of cannabis manufacturing, specifically volatile
28 manufacturing and volatile manufacturing equipment that would require a state-issued Cannabis

1 Type 7 Manufacturer License, which Respondent did not possess. Respondent possessed a
2 Cannabis Type 6 Manufacturer License, which only allows for extractions using mechanical
3 methods or nonvolatile solvents.

4 31. During the inspection, Department staff observed bulk cannabis and cannabis
5 products that lacked identifiers and could not be traced to a licensed source. None of the cannabis
6 or cannabis products were recorded in the California Cannabis Track and Trace (CCTT) system,
7 and therefore should not have been in the licensed premises. In addition, some of the cannabis
8 products were improperly packaged and labeled, in that they failed to include a tamper evident
9 seal, name of the manufacturer, contact information, and a valid unique identifier (UID) number.
10 For the cannabis products that did contain a traceable UID number, those cannabis products were
11 traced to another licensee, and the CCTT system showed that those products should have been
12 physically located at that licensee's premises, not Respondent's licensed premises. In addition,
13 there were no manifest or records for any of the cannabis products set forth above.

14 32. The following day, on January 11, 2023, Department staff returned to Respondent's
15 licensed premises and met with Former Owner Turchin, Owner Yessen, and another individual
16 identified as an employee, "M.S.". Owner Yessen informed Department staff that he was in the
17 process of purchasing the business from Former Owner Turchin, and that M.S. was in the process
18 of installing manufacturing equipment. Owner Yessen claimed that Former Owner Turchin had
19 "addressed" the red-tagging and cease and desist order. Although video surveillance equipment
20 was observed, when Department staff requested to review video footage, both Former Owner
21 Turchin and Owner Yessen stated that they did not have access to the surveillance footage.
22 Before leaving the licensed premises, Department staff inventoried and embargoed a large
23 amount of cannabis and cannabis products which all lacked UIDs and could not be traced to a
24 licensed source, as well as a large amount of cannabis vape cartridges that had UID numbers but
25 were traced back to another licensee with no record of those products being manifested to, and
26 received by, Respondent at the licensed premises.

27 ///

28 ///

33. On or about January 27, 2023, a supplemental notice of embargo was sent to both Former Owner Turchin and Owner Yessen, requesting a response date of February 2, 2023, to resolve the embargo.

34. On March 20, 2023, after Respondent failed to respond to Department staff's repeated requests for information and for resolution of the embargo, Department staff returned to the licensed premises and discovered that over 10,000 infused pre-rolls and 5,000 vape cartridges, which were under embargo, had been removed from the licensed premises.

35. On October 16, 2024, after Department staff learned that there was recent activity in Respondent's CCTT account, indicating active cannabis manufacturing activity, Department staff conducted an unannounced inspection of the licensed premises. Department staff observed no visible cannabis manufacturing activity at the licensed premises and determined that the premises was non-operational.

36. On or about June 15, 2025, Department staff again confirmed that Respondent's CCTT account had multiple account entries through at least June 13, 2025.

FIRST CAUSE FOR DISCIPLINE

(Failure to Comply with Local Ordinances)

37. Respondent is subject to disciplinary action under Code section 26030, subdivision (a), (d), (f), in that Respondent violated the cease-and-desist order imposed on the premises in violation of local ordinances, as more particularly alleged in paragraphs 29 through 36, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

SECOND CAUSE FOR DISCIPLINE

(Panel Labeling Requirements)

38. Respondent is further subject to disciplinary action under Code sections 26030, subdivision (a), and 26120, subdivisions (a) and (c)(1), and California Code of Regulations, title 4, section 17406, subdivisions (a)(1), (a)(2) and (a)(10), in that Respondent failed to package and label cannabis and cannabis products, as more particularly alleged in paragraph 31, above, which is hereby incorporated by reference and realleged as if fully set forth herein.

///

1 **THIRD CAUSE FOR DISCIPLINE**

2 (Misbranding)

3 39. Respondent is further subject to disciplinary action under Code sections 26030,
4 subdivision (a), and 26039.5, subdivisions (a)(1), (a)(2), (a)(4), (b), (d), and California Code of
5 Regulations, title 4, section 17117, subdivision (c), in that Respondent manufactured or processed
6 cannabis products with cannabinoid concentrates and extracts from unlicensed sources and held
7 possessed cannabis products that were not manifested and should not have been physically
8 present in the licensed premises, as more particularly alleged in paragraphs 30 through 32, above,
9 which are hereby incorporated by reference and realleged as if fully set forth herein.

10 **FOURTH CAUSE FOR DISCIPLINE**

11 (Track and Trace Reporting)

12 40. Respondent is further subject to disciplinary action under Code section 26030,
13 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15049, subdivision
14 (a), in that Respondent failed to assign package tags to its cannabis product inventory and record
15 the assign package tags in the CCTT system, as more particularly alleged in paragraph 31, above,
16 which is hereby incorporated by reference and realleged as if fully set forth herein.

17 **FIFTH CAUSE FOR DISCIPLINE**

18 (Embargoed Cannabis and Cannabis Products)

19 41. Respondent is further subject to disciplinary action under Code section 26030,
20 subdivision (a), and 26039.3, subdivision (b), and California Code of Regulations, title 4, section
21 17801.5, subsections (a) and (g), in that Respondent removed cannabis and cannabis products
22 placed under embargo without Department's permission, as more particularly alleged in
23 paragraphs 32 through 34, above, which are hereby incorporated by reference and realleged as if
24 fully set forth herein.

25 **SIXTH CAUSE FOR DISCIPLINE**

26 (Closed-Loop Extraction System Requirements and Certification)

27 42. Respondent is further subject to disciplinary action under Code section 26030,
28 subdivisions (a), (d), (f), and (i), and California Code of Regulations, title 4, sections 15000.1,

1 subdivision (c), 17206, subdivision (e), and 17206.1, subdivision (b), in that Respondent was
2 manufacturing cannabis products using volatile solvent extractions, without a state-issued
3 Cannabis Type 7 Manufacturer License, without a closed-loop extraction system certification by a
4 California licensed engineer, and without approval from a local fire official, as more particularly
5 alleged in paragraph 30, above, which is hereby incorporated by reference and realleged as if
6 fully set forth herein.

7 **SEVENTH CAUSE FOR DISCIPLINE**

8 (Video Surveillance System)

9 43. Respondent is further subject to disciplinary action under Code section 26030,
10 subdivisions (a), and the California Code of Regulations, title 4, section 15044, subdivision (i), in
11 that Respondent failed to present video surveillance to Department for review when requested, as
12 more particularly alleged in paragraph 32, above, which is hereby incorporated by reference and
13 realleged as if fully set forth herein.

14 **EIGHTH CAUSE FOR DISCIPLINE**

15 (Record Retention and Inventory Control)

16 44. Respondent is further subject to disciplinary action under Code sections 26030,
17 subdivision (a), 26070 subdivision (g), and 26160, subdivision (a), and California Code of
18 Regulations, title 4, section 15037, subdivision (a)(1), and 17218 subdivision (e), in that
19 Respondent failed to maintain and present any shipping manifest, receipts, and invoices when
20 requested by Department, as more particularly alleged in paragraph 31, above, which are hereby
21 incorporated by reference and realleged as if fully set forth herein.

22 **NINTH CAUSE FOR DISCIPLINE**

23 (Track and Trace Requirements)

24 45. Respondent is further subject to disciplinary action under Code section 26030,
25 subdivision (a) and the California Code of Regulations, title 4, section 15047.2, subsections (b)
26 and (d), in that Respondent failed to enter information into the CCTT system and also entered
27 CCTT system entries when the licensed premises were vacant, as more particularly alleged in
28

///

1 paragraphs 31 and 36, above, which are hereby incorporated by reference and realleged as if fully
2 set forth herein.

3 **PRAYER**

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

7 1. Revoking or suspending outright or suspending with terms and conditions or fining or
8 any combination thereof, the Cannabis Type 6 Manufacturer License Number CDPH-10003119,
9 issued to Swan Bay Solutions Inc., with Kevin Yessen as Owner;

10 2. Ordering Respondent Swan Bay Solutions Inc., with Kevin Yessen as Owner, to pay
11 the Department of Cannabis Control the reasonable costs of the investigation and enforcement of
12 this case, pursuant to Business and Professions Code section 26031.1;

13 3. Ordering the destruction of cannabis and cannabis goods in the possession of
14 Respondent Swan Bay Solutions Inc., with Kevin Yessen as Owner, at Respondent's expense, if
15 revocation of Cannabis Type 6 Manufacturer License No. DCC-10003119 is ordered, pursuant to
16 California Code of Regulations, title 4, section 15024.1, subdivision (a); and

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

18
19 DATED: September 25, 2025

Evelyn Schaeffer

EVELYN SCHAEFFER
Deputy Director of the Compliance
Division
Department of Cannabis Control
State of California
Complainant

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23 SA2025801721
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26
27
28

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 MICHAEL DUONG
Deputy Attorney General
4 State Bar No. 327666
1300 I Street, Suite 125
5 Sacramento, CA 95814
Telephone: (916) 210-6807
6 Facsimile: (916) 327-8643
E-mail: Michael.Duong@doj.ca.gov
7 *Attorneys for Complainant*

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

10 In the Matter of the First Amended Accusation
11 Against:

12 **SWAN BAY SOLUTIONS INC.;**
13 **KEVIN YESSEN, OWNER**
14 **22639 Airport Way**
California City, CA 93505

15 **Cannabis Type 6 Manufacturer License**
16 **No. DCC-10003119**

17 Respondent.

Case No. DCC25-0000001-ACC

SUPPLEMENTAL STATEMENT
TO RESPONDENT

[Gov. Code §§ 11505, 11506, 11507]

18 **TO RESPONDENT:**

19 Enclosed is a copy of the First Amended Accusation that has been filed with the
20 Department of Cannabis Control (Department), pursuant to section 11507 of the Government
21 Code, and which is hereby served on you.

22 You previously filed a Notice of Defense with the Department of Cannabis Control,
23 pursuant to sections 11505 and 11506 of the Government Code, thereby requesting an
24 administrative hearing to present your defense to the charges and allegations in the Accusation.
25 Section 11507 of the Government Code states that you are not entitled to file a further pleading in
26 response to the First Amended Accusation unless the agency in its discretion so orders.

27 ///

1 All new charges contained in the First Amended Accusation are deemed controverted, and
2 any objections to the First Amended Accusation may be made orally and shall be noted in the
3 record.

4 Dated: September 30, 2025

ROB BONTA
Attorney General of California
GREGORY M. CRIBBS
Supervising Deputy Attorney General

7 *Michael Duong*

8 MICHAEL DUONG
9 Deputy Attorney General
Attorneys for Complainant

11 SA2025801721
12 39345110

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
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E-mail: Michael.Duong@doj.ca.gov
7 *Attorneys for Complainant*

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

10 In the Matter of the First Amended Accusation
11 Against:

Case No. DCC25-0000001-ACC

12 **SWAN BAY SOLUTIONS INC.;**
13 **KEVIN YESSEN, OWNER**
22639 Airport Way
California City, CA 93505

REQUEST FOR DISCOVERY

14 **Cannabis Type 6 Manufacturer License**
15 **No. DCC-10003119**

16 Respondent.

17
18 TO RESPONDENT:

19 Under section 11507.6 of the Government Code of the State of California, parties to an
20 administrative hearing, including the Complainant, are entitled to certain information concerning
21 the opposing party's case. A copy of the provisions of section 11507.6 of the Government Code
22 concerning such rights is included among the papers served.

23 PURSUANT TO SECTION 11507.6 OF THE GOVERNMENT CODE, YOU ARE
24 HEREBY REQUESTED TO:

- 25 1. Provide the names and addresses of witnesses to the extent known to the Respondent,
26 including, but not limited to, those intended to be called to testify at the hearing, and
27 2. Provide an opportunity for the Complainant to inspect and make a copy of any of the
28 following in the possession or custody or under control of the Respondent:

1 a. A statement of a person, other than the Respondent, named in the
2 initial administrative pleading, or in any additional pleading, when it is claimed that
3 the act or omission of the Respondent as to this person is the basis for the
4 administrative proceeding;

5 b. A statement pertaining to the subject matter of the proceeding made
6 by any party to another party or persons;

7 c. Statements of witnesses then proposed to be called by the
8 Respondent and of other persons having personal knowledge of the acts, omissions or
9 events which are the basis for the proceeding, not included in (a) or (b) above;

10 d. All writings, including but not limited to reports of mental, physical
11 and blood examinations and things which the Respondent now proposes to offer in
12 evidence;

13 e. Any other writing or thing which is relevant and which would be
14 admissible in evidence, including but not limited to, any patient or hospital records
15 pertaining to the persons named in the pleading;

16 f. Investigative reports made by or on behalf of the Respondent
17 pertaining to the subject matter of the proceeding, to the extent that these reports (1)
18 contain the names and addresses of witnesses or of persons having personal
19 knowledge of the acts, omissions or events which are the basis for the proceeding, or
20 (2) reflect matters perceived by the investigator in the course of his or her
21 investigation, or (3) contain or include by attachment any statement or writing
22 described in (a) to (e), inclusive, or summary thereof.

23 IN ADDITION, if cost recovery is requested in the pleading prayer, provide all writings
24 which will support any objection which may be made by the Respondent, to Respondent's
25 payment of investigation and enforcement costs to the Board.

26 For the purpose of this Request for Discovery, "statements" include written statements by
27 the person, signed, or otherwise authenticated by him or her, stenographic, mechanical, electrical
28

1 or other recordings, or transcripts thereof, of oral statements by the person, and written reports or
2 summaries of these oral statements.

3 YOU ARE HEREBY FURTHER NOTIFIED that nothing in this Request for Discovery
4 should be deemed to authorize the inspection or copying of any writing or thing which is
5 privileged from disclosure by law or otherwise made confidential or protected as attorney's work
6 product.

7 Your response to this Request for Discovery should be directed to the undersigned attorney
8 for the Complainant at the address on the first page of this Request for Discovery within 15 days
9 after service of the Amended Accusation.

10 Failure without substantial justification to comply with this Request for Discovery may
11 subject the Respondent to sanctions pursuant to sections 11507.7 and 11455.10 to 11455.30 of the
12 Government Code.

13 Dated: September 30, 2025

ROB BONTA
Attorney General of California
GREGORY M. CRIBBS
Supervising Deputy Attorney General

16 *Michael Duong*

17 MICHAEL DUONG
18 Deputy Attorney General
Attorneys for Complainant

21 SA2025801721
22 39345110

COPY OF GOVERNMENT CODE SECTIONS 11507.5, 11507.6 AND 11507.7
PROVIDED PURSUANT TO GOVERNMENT CODE SECTIONS 11504 AND 11505

SECTION 11507.5: Exclusivity of discovery provisions

The provisions of Section 11507.6 provide the exclusive right to and method of discovery as to any proceeding governed by this chapter.

SECTION 11507.6: Request for discovery

After initiation of a proceeding in which a respondent or other party is entitled to a hearing on the merits, a party, upon written request made to another party, prior to the hearing and within 30 days after service by the agency of the initial pleading or within 15 days after the service of an additional pleading, is entitled to (1) obtain the names and addresses of witnesses to the extent known to the other party, including, but not limited to, those intended to be called to testify at the hearing, and (2) inspect and make a copy of any of the following in the possession or custody or under the control of the other party:

(a) A statement of a person, other than the respondent, named in the initial administrative pleading, or in any additional pleading, when it is claimed that the act or omission of the respondent as to this person is the basis for the administrative proceeding;

(b) A statement pertaining to the subject matter of the proceeding made by any party to another party or person;

(c) Statements of witnesses then proposed to be called by the party and of other persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, not included in (a) or (b) above;

(d) All writings, including, but not limited to, reports of mental, physical and blood examinations and things which the party then proposes to offer in evidence;

(e) Any other writing or thing which is relevant and which would be admissible in evidence;

(f) Investigative reports made by or on behalf of the agency or other party pertaining to the subject matter of the proceeding, to the extent that these reports (1) contain the names and addresses of witnesses or of persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, or (2) reflect matters perceived by the investigator in the course of his or her investigation, or (3) contain or include by attachment any statement or writing described in (a) to (e), inclusive, or summary thereof.

For the purpose of this section, "statements" include written statements by the person signed or otherwise authenticated by him or her, stenographic, mechanical, electrical or other recordings, or transcripts thereof, of oral statements by the person, and written reports or summaries of these oral statements.

Nothing in this section shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product.

SECTION 11507.7: Petition to compel discovery; Order; Sanctions

(a) Any party claiming the party's request for discovery pursuant to Section 11507.6 has not been complied with may serve and file with the administrative law judge a motion to compel discovery, naming as respondent the party refusing or failing to comply with Section 11507.6. The motion shall state facts showing the respondent party failed or refused to comply with Section 11507.6, a description of the matters sought to be discovered, the reason or reasons why the matter is discoverable under that section, that a reasonable and good faith attempt to contact the respondent for an informal resolution of the issue has been made, and the ground or grounds of respondent's refusal so far as known to the moving party.

(b) The motion shall be served upon respondent party and filed within 15 days after the respondent party first evidenced failure or refusal to comply with Section 11507.6 or within 30 days after request was made and the party has failed to reply to the request, or within another time provided by stipulation, whichever period is longer.

(c) The hearing on the motion to compel discovery shall be held within 15 days after the motion is made, or a later time that the administrative law judge may on the judge's own motion for good cause determine. The respondent party shall have the right to serve and file a written answer or other response to the motion before or at the time of the hearing.

(d) Where the matter sought to be discovered is under the custody or control of the respondent party and the respondent party asserts that the matter is not a discoverable matter under the provisions of Section 11507.6, or is privileged against disclosure under those provisions, the administrative law judge may order lodged with it matters provided in subdivision (b) of Section 915 of the Evidence Code and examine the matters in accordance with its provisions.

(e) The administrative law judge shall decide the case on the matters examined in camera, the papers filed by the parties, and such oral argument and additional evidence as the administrative law judge may allow.

(f) Unless otherwise stipulated by the parties, the administrative law judge shall no later than 15 days after the hearing make its order denying or granting the motion. The order shall be in writing setting forth the matters the moving party is entitled to discover under Section 11507.6. A copy of the order shall forthwith be served by mail by the administrative law judge upon the parties. Where the order grants the motion in whole or in part, the order shall not become effective until 10 days after the date the order is served. Where the order denies relief to the moving party, the order shall be effective on the date it is served.

DECLARATION OF SERVICE BY CERTIFIED MAIL AND FIRST CLASS MAIL
(Separate Mailings)

Case Name: ***In the Matter of the Accusation against Swan Bay Solutions, Inc.***
Case No.: **DCC25-0000001-ACC**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On September 30, 2025, I served the attached **FIRST AMENDED ACCUSATION; SUPPLEMENTAL STATEMENT TO RESPONDENT; REQUEST FOR DISCOVERY; & GOVERNMENT CODE SECTIONS** by placing a true copy thereof enclosed in a sealed envelope as certified mail with return receipt requested, and another true copy was enclosed in a second sealed envelope as first-class mail in the internal mail collection system at the Office of the Attorney General at 1300 I Street, Suite 125, Sacramento, CA 95814, addressed as follows:

Kevin Yessen
Swan Bay Solutions Inc.
14545 Friar Street
Van Nuys, CA 91411
Courtesy via Electronic Mail
idolkv@gmail.com
Via First Class & Certified Mail No:

Kevin Yessen
Swan Bay Solutions Inc.
22639 Airport Way
California City, CA 93505
Courtesy via Electronic Mail
idolkv@gmail.com
Via First Class & Certified Mail No:

Certified Article Number

9414 7266 9904 2238 7016 00

SENDER'S RECORD

Certified Article Number

9414 7266 9904 2238 7016 24

SENDER'S RECORD

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on September 30, 2025, at Sacramento, California.

Bryn Barton
Declarant



Signature

Exhibit 2

Copies of Licenses



Department of
Cannabis Control
CALIFORNIA

Department of Cannabis Control
licensing@cannabis.ca.gov, www.cannabis.ca.gov

CANNABIS MANUFACTURER LICENSE

Adult Use and Medicinal

Business Name:

Swan Bay Solutions Inc.
Swan Bay Solutions

License Number: DCC-10003119

License Type: Annual AM-Type 6: Non Volatile Solvent Extraction

Premises Address:

22639 AIRPORT WAY
CALIFORNIA CITY, CA
93505-6069

Valid: 5/8/2019

Expires: 5/8/2026

The license authorizes Swan Bay Solutions Inc. to engage in commercial cannabis AM-Type 6: Non Volatile Solvent Extraction at the premises address listed above until the expiration date of this license. This license issued is pursuant to Division 10 of the California Business and Professional Code and is not transferable to any other person or premises location. This license shall always be displayed in a prominent place at the licensed premises. This license shall be subject to suspension or revocation if the licensee is determined to be in violation of Division 10 of the Business and Professions Code or regulations adopted thereunder.

Non-Transferable

Post in Public View

Exhibit 3

Certification of Costs by Department for Investigation and Enforcement

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

In the Matter of the Accusation Against:

Case No. DCC25-0000001-ACC

SWAN BAY SOLUTIONS INC.;
KEVIN YESSEN, OWNER
22639 Airport Way
California City, CA 93505

Cannabis - Type 6 Manufacturer License
No. CDPH-10003119

**DECLARATION OF TEDD YARGEAU
REGARDING INVESTIGATIVE
ACTIVITY**

Respondent.

I, Tedd Yargeau, declare and certify as follows:

1. I am employed as a Senior Environmental Scientist (SES) within the Environmental Compliance and Manufacturing Safety Branch (ECMSB) of the Compliance Division of the Department of Cannabis Control (Department).
2. I have been designated as the Department representative to certify the costs of investigation in this case pursuant to Business and Professions Code section 26031.1. I make this certification in my official capacity as an SES and as a public employee pursuant to Evidence Code section 664.
3. The following list of Environmental Scientists (ES) and Special Investigators (SI) were assigned to the investigation of this case, which was opened by the Department's Compliance Division on or about April 28, 2021: Tedd Yargeau, Lead SES; Nolan Avery, ES; Summer Hoy, ES; Long Lai, ES; Jacquelyn Lam, ES; Madison McDonald, ES; Jaime Masuda, SI; Jeff Routsong, SI; Guadalupe Sanchez, SI; and Travis White, Supervising Special Investigator I (SSI I).
4. In my official capacity as an SES, I review the costs incurred by the Department's

1 compliance staff in the enforcement of the laws and regulations under its jurisdiction and certify
2 that these costs were incurred by the Department. I am familiar with the time reporting system of
3 the Department's Compliance Division for the reasonable and necessary investigative work
4 performed on a particular case. It is the duty of supervising environmental scientists and
5 supervising special investigators to keep track of the time spent and to report that time in the
6 Department's case management system at or near the time of the tasks performed.

7 5. The investigative activity summary entitled Swan Bay Solutions Certification of
8 Cost Recovery was obtained from the Department's case management system and includes the
9 details of tasks performed by ESs and or SIs as maintained in the Department's case management
10 system. The costs related to investigative activity include field time, research and report writing,
11 meetings, and use of state vehicles. I hereby certify that the Swan Bay Solutions Certification of
12 Cost Recovery, attached hereto and herein incorporated by reference is a true and correct copy of
13 the investigative activity for this case. The investigative activity summary encompasses the total
14 hours spent by the Department's compliance staff through November 14, 2025. The investigative
15 activity summary does not include tasks performed after this date.

16 6. I certify pursuant to the provisions of Business and Professions Code section
17 26031.1 that to the best of my knowledge the costs of investigative services set forth in this
18 declaration are correct and were necessarily incurred in this case. The total hours of investigative
19 activity and rates applicable to the above-entitled case are as follows:

20 a) Environmental Scientist Field Time:

21 Rate per hour: \$114.00 multiplied by 185 hours = \$21,090.00

22 b) Special Investigator Field Time:

23 Rate per hour: \$101.00 multiplied by 40 hours = \$4,040.00

24 c) Research and Report Writing:

25 Rate per hour: \$114.00 multiplied by 204.5 hours = \$23,313.00

26 d) Environmental Scientist Meeting Time:

27 Rate per hour: \$114.00 multiplied by 66 hours = \$7,524.00
28

1 e) Special Investigator Meeting Time:

2 Rate per hour: \$101.00 multiplied by 4 hours = \$404.00

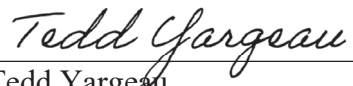
3 f) Use of State Vehicles:

4 Nine vehicles at \$0.58 per mile multiplied by 9,793 miles = \$51,119.46

5 g) Other Operating Expenses (Logging/Per Diem)

6 \$6,714.92

7 I declare under penalty of perjury under the laws of the State of California that the
8 foregoing is true and correct and that this declaration was executed in San Diego County on
9 November 14, 2025.

10 
11 Tedd Yargeau
12 Declarant

Last Name	First Name	Hourly Rate	Field Time	Research and Report	Meetings	Total Hours	Total Expense
Lam	Jacquelyn	\$114.00		14		2	\$1,824.00
McDonald	Madison	\$114.00		17		3	\$2,280.00
Lai	Long	\$114.00		43	36.5	17.5	\$11,058.00
Avery	Nolan	\$114.00		43	8	17.5	\$7,809.00
Yargeau	Tedd	\$114.00		55	160	24	\$27,246.00
White	Travis	\$101.00		14		1	\$1,515.00
Masuda	Jaime	\$101.00		14		1	\$1,515.00
Routsong	Jeff	\$101.00		6		1	\$707.00
Sanchez	Guadalupe	\$101.00		6		1	\$707.00
Hoy	Summer	\$114.00		13		2	\$1,710.00
							\$0.00
							\$0.00
							\$0.00
Total Personnel Services							\$56,371.00
Total Personnel Services and Operating Expense							\$114,205.38

Operating Expense*	Count	Miles	@.58 per mile
State Vehicles	9	9793	\$51,119.46
U-Haul Rental			\$0.00
U-Haul Gas			\$0.00
Subtotal Operating Expense			\$51,119.46

	Miles	CalATERS
Jackie	660	850.6
Madison	384	429.6
Long	2618	1898.2
Nolan	2604	1626.52
Tedd	3527	1910

Exhibit 4

Certification of Costs by California Department of Justice for Prosecution

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 MICHAEL DUONG
Deputy Attorney General
4 State Bar No. 327666
1300 I Street, Suite 125
5 Sacramento, CA 95814
Telephone: (916) 210-6807
6 Facsimile: (916) 327-8643
E-mail: Michael.Duong@doj.ca.gov
7 *Attorneys for Complainant*

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

10 In the Matter of the Accusation Against:

Case No. DCC25-0000001-ACC

11
12 **SWAN BAY SOLUTIONS INC.; JASON**
13 **TURCHIN AND KEVIN YESSEN,**
OWNERS

CERTIFICATION OF
PROSECUTION COSTS:
DECLARATION OF MICHAEL DUONG

14 **Cannabis Type 6 Manufacturer License**
15 **No. DCC-10003119**

Business and Professions Code section
26031.1]

16 Respondent.

17
18 I, MICHAEL DUONG, hereby declare and certify as follows:

19 1. I am a Deputy Attorney General employed by the California Department of Justice
20 (DOJ), Office of the Attorney General (Office). I am assigned to the Cannabis Control Section in
21 the Civil Division of the Office. I have been designated as the representative to certify the costs
22 of prosecution by DOJ and incurred by the Department of Cannabis Control in this case. I make
23 this certification in my official capacity and as an officer of the court and as a public employee
24 pursuant to Evidence Code section 664.

25 2. I represent the Complainant, Evelyn Schaeffer, Deputy Director of the Compliance
26 Division of the Department of Cannabis Control, in this action. I was assigned to handle this case
27 on or about May 27, 2025.
28

1 3. Our Office's computerized case management system reflects that the following
2 persons have also performed tasks related to this matter: Gregory Cribbs, Senior Deputy
3 Attorney General; Michael Duong, Deputy Attorney General; and Helen Koh, Senior Legal
4 Analyst.

5 4. I am familiar with the time recording and billing practices of DOJ and the procedure
6 for charging the client agency for the reasonable and necessary work performed on a particular
7 case. It is the duty of the time keeping employees to keep track of the time spent and to report
8 that time in DOJ's computerized case management system at or near the time of the tasks
9 performed.

10 5. On December 01, 2025, I requested a billing summary for this case from the
11 Accounting Department of the DOJ. In response, on December 01, 2025, I received a document
12 entitled "Matter Time Activity by Professional Type." I hereby certify that the Matter Time
13 Activity by Professional Type, attached hereto as Exhibit A, and herein incorporated by
14 reference, is a true and correct copy of the billing summary for this matter that I received from the
15 Accounting Department. The summary includes the billing costs incurred by me, as well as other
16 professionals of the DOJ who worked on the matter; and sets forth the tasks undertaken, the
17 amount of time billed for the activity, and the billing rate by professional type. The billing
18 summary is comprehensive of the charges by the Office to the Department of Cannabis Control
19 through December 01, 2025.

20 6. Based upon the time reported through December 01, 2025, as set forth in Exhibit A,
21 DOJ has billed the Department of Cannabis Control \$11,514.00 for the time spent working on the
22 above entitled case.

23 7. To the best of my knowledge the items of cost set forth in this certification are correct
24 and were necessarily incurred in this case.

25 \\

26 \\

27 \\

28 \\

1 I certify under penalty of perjury under the laws of the State of California that the foregoing
2 is true and correct.

3 Executed on 12/1/25, in the City of Sacramento, California.

4
5 *Michael Duong*

6 MICHAEL DUONG
7 Deputy Attorney General
8 Declarant

9 SA2025801721
10 Declaration of Costs.docx
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Exhibit A



Cost of Suit Summary

As of Dec 1, 2025

MatterID: SA2025801721
Description: Swan Bay Solutions Inc (ACC)

Date Opened: May 27, 2025

Total Legal Costs: \$11,780.25
Cost of Suit: \$0.00
Grand Total: \$11,780.25

Totals include WIP time.

Rate	Hrs Wrkd	Amount
Matter Time Activity Summary		
Attorney		
2025-2026		
\$228.00	27.00	\$6,156.00
Total For: 2025-2026		\$6,156.00
2024-2025		
\$228.00	23.50	\$5,358.00
Total For: 2024-2025		\$5,358.00
Total for: Attorney		\$11,514.00
Paralegal		
2024-2025		
\$213.00	1.25	\$266.25
Total For: 2024-2025		\$266.25
Total for: Paralegal		\$266.25
Total Legal Costs		\$11,780.25

Entry No	Journal Date	Vendor #	Vendor	Schedule	Reference	Amount
Cost of Suit						
* Denotes soft costs which are not included in totals.						



Matter Time Activity By Professional Type

As of Dec 1, 2025

Matter ID: SA2025801721				Date Opened: 05/27/2025					
Description: Swan Bay Solutions Inc (ACC)									
Professional Type: Attorney									
Fiscal Year: 2025									
Professional: Gregory M. Cribbs									
Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date
605731378	8/4/25	CV-CCS:290	02668	Supervisory Review	0.25	\$228.00	\$57.00		8/31/25
605741162	8/11/25	CV-CCS:290	02668	Supervisory Review	0.50	\$228.00	\$114.00		8/31/25
605746499	8/14/25	CV-CCS:290	02668	Analysis/Strategy	0.50	\$228.00	\$114.00		8/31/25
605802045	9/16/25	CV-CCS:290	02668	Supervisory Review	1.25	\$228.00	\$285.00		9/30/25
605803718	9/17/25	CV-CCS:290	02668	Supervisory Review	1.00	\$228.00	\$228.00		9/30/25
605804829	9/18/25	CV-CCS:290	02668	Supervisory Review	0.25	\$228.00	\$57.00		9/30/25
605893763	11/6/25	CV-CCS:290	02668	Supervisory Review	1.00	\$228.00	\$228.00		
605899522	11/12/25	CV-CCS:290	02668	Supervisory Review	0.25	\$228.00	\$57.00		
Gregory M. Cribbs Totals:					5.00		\$1,140.00		
Professional: Michael Duong									
307705463	7/1/25	CV-CCS:290	02668	Pleading Preparation	0.75	\$228.00	\$171.00		7/31/25
307705605	7/1/25	CV-CCS:290	02668	Client Communication	0.25	\$228.00	\$57.00		7/31/25
307719306	7/9/25	CV-CCS:290	02668	Case Management	0.25	\$228.00	\$57.00		7/31/25
307731134	7/17/25	CV-CCS:290	02668	Pleading Preparation	0.75	\$228.00	\$171.00		7/31/25
307742135	7/23/25	CV-CCS:290	02668	Pleading Preparation	0.75	\$228.00	\$171.00		7/31/25
307762059	8/1/25	CV-CCS:290	02668	Case Management	0.50	\$228.00	\$114.00		8/31/25
307763733	8/4/25	CV-CCS:290	02668	Pleading Preparation	1.00	\$228.00	\$228.00		8/31/25
307768712	8/5/25	CV-CCS:290	02668	Communication with Other Party	0.25	\$228.00	\$57.00		8/31/25
307770134	8/6/25	CV-CCS:290	02668	Pleading Preparation	1.00	\$228.00	\$228.00		8/31/25
307772388	8/7/25	CV-CCS:290	02668	Case Evaluation/Assessment	0.50	\$228.00	\$114.00		8/31/25
307787075	8/8/25	CV-CCS:290	02668	Case Management	0.25	\$228.00	\$57.00		8/31/25
307779960	8/12/25	CV-CCS:290	02668	Contract/Document Preparation	0.50	\$228.00	\$114.00		8/31/25
307780896	8/13/25	CV-CCS:290	02668	Contract/Document Preparation	0.50	\$228.00	\$114.00		8/31/25
307783018	8/14/25	CV-CCS:290	02668	Contract/Document Preparation	0.50	\$228.00	\$114.00		8/31/25
307784616	8/14/25	CV-CCS:290	02668	Contract/Document Preparation	1.50	\$228.00	\$342.00		8/31/25



Matter Time Activity By Professional Type

As of Dec 1, 2025

Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date
307797162	8/14/25	CV-CCS:290	02668	Analysis/Strategy	1.00	\$228.00	\$228.00		8/31/25
307833730	9/5/25	CV-CCS:290	02668	Trial Preparation	0.75	\$228.00	\$171.00		9/30/25
307840619	9/11/25	CV-CCS:290	02668	Pleading Preparation	1.00	\$228.00	\$228.00		9/30/25
307850390	9/17/25	CV-CCS:290	02668	Supervisory Review	0.25	\$228.00	\$57.00		9/30/25
307853139	9/17/25	CV-CCS:290	02668	Supervisory Review	0.25	\$228.00	\$57.00		9/30/25
307853143	9/18/25	CV-CCS:290	02668	Supervisory Review	2.00	\$228.00	\$456.00		9/30/25
307855978	9/19/25	CV-CCS:290	02668	Supervisory Review	1.50	\$228.00	\$342.00		9/30/25
307859091	9/22/25	CV-CCS:290	02668	Client Communication	1.00	\$228.00	\$228.00		9/30/25
307866434	9/25/25	CV-CCS:290	02668	Client Communication	0.75	\$228.00	\$171.00		9/30/25
307876646	9/26/25	CV-CCS:290	02668	Client Communication	0.25	\$228.00	\$57.00		9/30/25
307878349	9/30/25	CV-CCS:290	02668	Communication with Other Party	0.25	\$228.00	\$57.00		9/30/25
307897182	10/9/25	CV-CCS:290	02668	Communication with Other Party	0.25	\$228.00	\$57.00		10/31/25
307922812	10/22/25	CV-CCS:290	02668	Pleading Preparation	1.50	\$228.00	\$342.00		10/31/25
307923620	10/23/25	CV-CCS:290	02668	Contract/Document Preparation	1.00	\$228.00	\$228.00		10/31/25
307949321	11/4/25	CV-CCS:290	02668	Supervisory Review	0.25	\$228.00	\$57.00		
307960371	11/10/25	CV-CCS:290	02668	Contract/Document Preparation	0.50	\$228.00	\$114.00		
307970646	11/17/25	CV-CCS:290	02668	Client Communication	0.25	\$228.00	\$57.00		
Michael Duong Totals:					22.00		\$5,016.00		
2025 Totals:					27.00		\$6,156.00		
Fiscal Year: 2024									
Professional: Gregory M. Cribbs									
605654792	6/19/25	CV-CCS:290	02668	Supervisory Review	1.25	\$228.00	\$285.00		6/30/25
605672226	6/27/25	CV-CCS:290	02668	Supervisory Review	2.00	\$228.00	\$456.00		6/30/25
Gregory M. Cribbs Totals:					3.25		\$741.00		
Professional: Michael Duong									
307662882	6/6/25	CV-CCS:290	02668	Pleading Preparation	2.50	\$228.00	\$570.00		6/30/25
307656028	6/9/25	CV-CCS:290	02668	Pleading Preparation	5.50	\$228.00	\$1,254.00		6/30/25
307657878	6/10/25	CV-CCS:290	02668	Pleading Preparation	4.00	\$228.00	\$912.00		6/30/25
307657879	6/10/25	CV-CCS:290	02668	Communication with Other Party	0.25	\$228.00	\$57.00		6/30/25
307684590	6/19/25	CV-CCS:290	02668	Supervisory Review	0.50	\$228.00	\$114.00		6/30/25



Matter Time Activity By Professional Type

As of Dec 1, 2025

Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date
307683887	6/20/25	CV-CCS:290	02668	Communication with Other Party	1.25	\$228.00	\$285.00		6/30/25
307684996	6/23/25	CV-CCS:290	02668	Pleading Preparation	3.50	\$228.00	\$798.00		6/30/25
307687982	6/24/25	CV-CCS:290	02668	Pleading Preparation	2.00	\$228.00	\$456.00		6/30/25
307704355	6/30/25	CV-CCS:290	02668	Pleading Preparation	0.75	\$228.00	\$171.00		6/30/25
Michael Duong Totals:					20.25		\$4,617.00		
2024 Totals:					23.50		\$5,358.00		
Attorney Totals:					50.50		\$11,514.00		



Matter Time Activity By Professional Type

As of Dec 1, 2025

Matter ID: SA2025801721					Date Opened: 05/27/2025				
Description: Swan Bay Solutions Inc (ACC)									
Professional Type: Paralegal									
Fiscal Year: 2024									
Professional: Helen Koh									
Trans #	Date	Section	Client	Task	Hours Worked	Rate	Amount	Adj ?	Statement Date
803149365	5/27/25	CV-CCS:290	02668	Case Management	1.00	\$213.00	\$213.00		5/31/25
803150103	5/27/25	CV-CCS:290	02668	Case Management	0.25	\$213.00	\$53.25		5/31/25
Helen Koh Totals:					1.25		\$266.25		
2024 Totals:					1.25		\$266.25		
Paralegal Totals:					1.25		\$266.25		
SA2025801721 Totals:					51.75		\$11,780.25		

Exhibit 5

Return Receipts from the United States Postal Service

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 MICHAEL DUONG
Deputy Attorney General
4 State Bar No. 327666
1300 I Street, Suite 125
5 P.O. Box 944255
Sacramento, CA 94244-2550
6 Telephone: (916) 210-6807
Facsimile: (916) 327-8643
7 E-mail: Michael.Duong@doj.ca.gov
Attorneys for Complainant

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

11 In the Matter of the First Amended Accusation
Against:

Case No. DCC25-0000001-ACC

FIRST AMENDED ACCUSATION

12 **SWAN BAY SOLUTIONS INC.;**
13 **KEVIN YESSEN, OWNER**
14 **22639 Airport Way**
California City, CA 93505

15 **Cannabis Type 6 Manufacturer License**
16 **No. DCC-10003119**

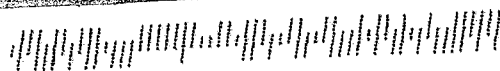
17 Respondent.

18
19 **PARTIES**

20 1. Evelyn Schaeffer (Complainant) brings this First Amended Accusation solely in her
21 official capacity as the Deputy Director of the Compliance Division of the Department of
22 Cannabis Control (Department).

23 2. On or about May 8, 2019, the Department issued Cannabis Type 6 Manufacturer
24 License No. CDPH-10003119¹ to Swan Bay Solutions Inc. (Respondent) with Jason Turchin as
25 owner. On or about July 10, 2025, Kevin Yessen (Owner Yessen) was added as an owner to
26 Cannabis Type 6 Manufacturer License No. DCC-10003119. On or about August 4, 2025, Jason

27 ¹ Effective May 12, 2025, active manufacturing licenses beginning with "CDPH" were
28 relabeled with the prefix "DCC". All further references to Respondent's Cannabis Type 6
Manufacturer License, shall be "DCC-10003119."



US POSTAGE IMPITNEY BOWES



ZIP 95814 \$002.72⁰
02 4W
0000366252 SEP 30 2025

RTS

DEPARTMENT OF JUSTICE

1300 I Street, Suite 125
Sacramento, CA 95814

TO

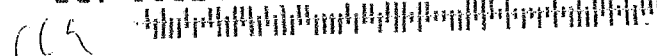
Kevin Yessen
Swan Bay Solutions Inc.
14545 Friar Street
Van Nuys, CA 91411

[Handwritten signature]

NIXIE 910 4E 18CU 7210/18/25

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

BC: 95814295125 2347N291154-00291



59610-2251872N78152-01965
RC: 95814295125 2347N278152-01965

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

NIXIE 910 7E 18CU 7210/05/25



US POSTAGE ® PITNEY BOWES



ZIP 95814 \$ 002.72⁰
02 4W
0000366252 SEP 30 2025

DEPARTMENT OF JUSTICE

1300 I Street, Suite 125
Sacramento, CA 95814

TO

Kevin Yessen
Swan Bay Solutions Inc.
22639 Airport Way
California City, CA 93505

169

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 MICHAEL DUONG
Deputy Attorney General
4 State Bar No. 327666
1300 I Street, Suite 125
5 P.O. Box 944255
Sacramento, CA 94244-2550
6 Telephone: (916) 210-6807
Facsimile: (916) 327-8643
7 E-mail: Michael.Duong@doj.ca.gov
Attorneys for Complainant

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

11 In the Matter of the First Amended Accusation
Against:

Case No. DCC25-0000001-ACC

FIRST AMENDED ACCUSATION

12 **SWAN BAY SOLUTIONS INC.;**
13 **KEVIN YESSEN, OWNER**
14 **22639 Airport Way**
California City, CA 93505

15 **Cannabis Type 6 Manufacturer License**
16 **No. DCC-10003119**

17 Respondent.

18
19 **PARTIES**

20 1. Evelyn Schaeffer (Complainant) brings this First Amended Accusation solely in her
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23 2. On or about May 8, 2019, the Department issued Cannabis Type 6 Manufacturer
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26 Cannabis Type 6 Manufacturer License No. DCC-10003119. On or about August 4, 2025, Jason

27 ¹ Effective May 12, 2025, active manufacturing licenses beginning with "CDPH" were
28 relabeled with the prefix "DCC". All further references to Respondent's Cannabis Type 6
Manufacturer License, shall be "DCC-10003119."

BC: 95814295123 2347N278152-01961

RETURN TO SENDER
NOT DELIVERABLE AS ADDRESSED
UNABLE TO FORWARD

NIXIE 910 7E 18CU 7210/05/25

DEPARTMENT OF JUSTICE

1300 I Street, Suite 125
Sacramento, CA 95814

TO

Kevin Yessen
Swan Bay Solutions Inc.
22639 Airport Way
California City, CA 93505



US POSTAGE ® PITNEY BOWES

ZIP 95814 \$012.42⁰
02 4W
0000366252 SEP 30 2025

CERTIFIED MAIL®
PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

FOLD AND TEAR THIS WAY →

Thank you for using Return Receipt Service

RETURN RECEIPT REQUESTED
USPS® MAIL CARRIER
DETACH ALONG PERFORATION

Return Receipt (Form 3811) Barcode



9590 9266 9904 2238 7016 27

1. Article Addressed to:

Kevin Yessen
Swan Bay Solutions Inc.
22639 Airport Way
California City, CA 93505

2. Certified Mail (Form 3800) Article Number

9414 7266 9904 2238 7016 24

PS Form 3811, Facsimile, July 2015

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type:

☒ Certified Mail

Reference Information

SA2025801721

Swan 1A Acc Packet

Michael Duong

Domestic Return Receipt

Thank you for using Return Receipt Service

Exhibit 6

Investigative Report (without attachments)



INVESTIGATION REPORT



**Department of
Cannabis Control**
CALIFORNIA



CASE INFORMATION

Case Number	Date Received 2/09/2023
License Number CDPH-10003119 - ANNUAL	Legal Business Name of Licensee or Unlicensed Party Swan Bay Solutions Inc.
DBA Swan Bay Solutions	Premises Address 22639 Airport Way, California City, CA 93505
Business Phone Number (310) 429-1952	Author's Name Tedd Yargeau
Date of Incident 1/10/23	Location of Incident 22639 Airport Way, California City, CA 93505

DESIGNATED RESPONSIBLE PARTY (OWNER) OR UNLICENSED PERSON(S)

Name (First, Middle, Last) Jason Turchin Kevin Yessen	Title Owners
Address (include street, city, state, and zip code) 22639 Airport Way, California City, CA 93505	
E-mail Address Jturchin21@yahoo.com	Phone Number (310) 429-1952
Miscellaneous Information	

SUMMARY

Swan Bay Solutions Inc. (Swan Bay) has a Type-6 manufacturing license for non-volatile extraction. On 4/28/2021, California City Fire Department (CCFD) issued a Cease-and-Desist order on the manufacturing premises and red tagged the building. The licensee does not have fire approval to conduct any manufacturing activities or extractions on the licensed premises.

On 8/12/2021, per CCFD request, Department of Cannabis Control (DCC) staff conducted an unannounced inspection of Swan Bay. DCC staff were met on the Swan Bay premises by Matt Vreeke, manager of Swan Bay and T-Rex Distribution. During the inspection, DCC staff discovered approximately three thousand eight hundred twenty-four (3,824) bottles of the brand Viv & Oak, cannabis infused wine. Some of the bottles of wine lacked identifiers, such as a unique identifier (UID) number, manufacturer name, and manufacture date. DCC staff could not find any manifest or records documenting the licensed transfer of the cannabis infused wine to Swan Bay in the California Cannabis Track and Trace (CCTT) system. When asked about documentation, such as manifests or invoices, Matt Vreeke could not provide any documentation for the cannabis infused wine. Vreeke could not confirm where the products originated from, only stating that they were "holding it for a friend". At the T-Rex Distribution LLC premises, approximately 62 kilograms of cannabis concentrate was also discovered that lacked identifiers or traceability to a licensed source. When asked about the cannabis concentrates on site, Matt Vreeke could not provide any records evidencing the extraction and manufacture of the concentrates or transferred from a licensed source.

On 8/19/2021, DCC staff returned to Swan Bay's manufacturing premises to discuss the cannabis infused wine and cannabis concentrate from 8/12/2021. Matt Vreeke opted to conduct a voluntary condemnation and destruction (VC&D) of the cannabis infused wine and cannabis concentrate given that there was limited to no traceability from licensed sources or to the licensed premises. Matt Vreeke asked the Department for permission

to conduct the destruction over an extended amount of time due to the lack of resources and staff to individually open and pour out each bottle of wine into drums for disposal.

On 9/16/2021, DCC staff performed a site visit to confirm that all cannabis products had been removed or destroyed. The facility was devoid of all cannabis products and cannabis extraction equipment and most of their post-processing equipment was removed at this site visit.

On 1/10/2023, Department of Cannabis Control (DCC) staff conducted an inspection of Swan Bay Solution Inc's licensed manufacturing premises after observing police officers on site. During the inspection, DCC staff observed bulk cannabis and cannabis product and packaged cannabis goods that could not be traced to a licensed source or to Swan Bay's licensed premises, and that did not meet regulatory requirements for sale in California's licensed cannabis market. DCC staff also observed Type-7 volatile extraction equipment with signs indicative of recent use, such as wet cannabis concentrate residue in and around the extraction system, and solvents associated with Type-7 extraction, such as gas cylinders of isobutane and 55-gallon drums of heptane.

On 1/11/2023, DCC staff returned to Swan Bay's licensed premises and embargoed all cannabis and cannabis product in their inventory. Swan Bay failed to respond to multiple requests for information by the Department for resolution of the embargo. On 3/20/2023, DCC staff conducted an unannounced inspection of Swan Bay's licensed premises to confirm whether the embargo was intact or had been broken. DCC staff discovered that over ten thousand infused pre-rolls and five thousand vape cartridges had been removed from the embargo and were missing from the licensed premises, indicating that that the embargo had been broken.

**BACKGROUND**

On 1/16/2018, California Department of Public Health (CDPH) issued Swan Bay Solutions Inc., a temporary Type-6 cannabis manufacturing license (License No.: CDPH-T00000442), at 22639 Airport Way, California City, California. On 5/8/2019, CDPH issued a provisional Type-6 cannabis manufacturing license (CDPH-10003119) to Swan Bay at the same address. Swan Bay renewed their license on an annual basis with CDPH and DCC. A Type-6 manufacturing license with the State of California allows a business to conduct non-volatile solvent extractions using solvents such as ethanol (ETOH).

Two additional state-issued commercial cannabis licenses are located at 22639 Airport Way, California City, California, Fox Hunter Inc. (License No.: CDPH-10003858; License Type: Type 7; Expired 9/5/2021) and T-Rex Distribution LLC (License No.: C11-0000386-LIC; Expires 6/14/2024). All commercial cannabis licenses at 22639 Airport Way, California City, California were owned by Jason Turchin. Kevin Yessen was added on as an eighty percent owner of Swan Bay on 1/27/2023 while Jason Turchin retained twenty percent. Jason Turchin was also an owner of Zabala Farms in Salinas, California (License No.: CCL-0000535 through CCL-0000542, CCL-0003640, and CCL-0004092).

On 4/28/2021, DCC Environmental Scientists (ES's) Long Lai, Nolan Avery, Jacquelyn Lam, and I accompanied California City Fire Department (CCFD) Chief Jeremy Kosick on an unannounced inspection of Swan Bay's licensed premises. As a result of the inspection, Chief Kosick red-tagged Swan Bay's premises and issued a Cease-and-Desist Order stating that all activities at the premises are ordered stopped until released by the City of California City (Exhibit 1). CCFD cited unsafe operations under the authority of California Fire Code, Building Code, Electrical Code, Mechanical Code, and Business License Suspension/Revocation. CCFD locked the fence enclosing the licensed premises with a Knox lock, which is a specialty lock that only CCFD can access (Exhibit 2).

On 8/12/2021, DCC ES's Long Lai and Nolan Avery, went to 22639 Airport Way, California City, CA to inspect the premises. DCC staff were met on the Swan Bay premises by Matt Vreeke, manager of Swan Bay and T-Rex Distribution. During the inspection, DCC staff discovered approximately three thousand eight hundred twenty-four (3,824) bottles of the brand Viv & Oak, cannabis infused wine (Exhibits 3 & 4). Some of the bottles of wine lacked identifiers, such as a unique identifier (UID) number, manufacturer name, and manufacture date. DCC staff could not find any manifest or record documenting the licensed transfer of the cannabis infused wine to Swan Bay in the California Cannabis Track and Trace (CCTT) system. When asked about documentation, such as manifests or invoices, Matt Vreeke could not provide any documentation for the cannabis infused wine. Vreeke could not confirm where the products originated from, only stating that they were "holding it for a friend". At the T-Rex Distribution LLC premises, approximately 62 kilograms of cannabis concentrate was also discovered that lacked identifiers or traceability to a licensed source. When asked about the cannabis concentrates on site, Matt Vreeke could not provide any records evidencing the extraction and manufacture of the concentrates or transfer from a licensed source.

On 8/19/2021, DCC ES's Long Lai, Nolan Avery, and Eileen Del Rosario returned to Swan Bay's manufacturing premises to discuss the cannabis infused wine and cannabis concentrate from 8/12/2021. Matt Vreeke opted to conduct a voluntary condemnation and destruction (VC&D) of the cannabis infused wine and cannabis concentrate given that there was limited to no traceability from licensed sources or to the licensed premises. Matt Vreeke asked the Department for permission to conduct the destruction over an extended amount of time due to the lack of resources and staff to individually open and pour out each bottle of wine into drums for disposal. On 9/16/2021, DCC Staff performed a site visit to confirm that all cannabis products had been removed or destroyed. During the 9/16/2021 visit, DCC staff observed that the facility was devoid of all cannabis products and cannabis extraction equipment and most of their post-processing equipment had been removed.

CASE NARRATIVE

On 1/6/2023, DCC ES Long Lai scheduled a routine compliance inspection of Swan Bay's licensed manufacturing premises. ES Lai confirmed via email to Jason Turchin, owner, that the inspection was scheduled for 1/10/2023 at 1330 hours. On 1/10/2023, ES Lai contacted Mr. Jason Turchin via text message at 0923 hours to postpone the inspection because of a warning of significant, inclement weather in and around California City in the afternoon. Jason Turchin agreed to reschedule the inspection (Exhibit 5).

On 1/10/2023 at 1315 hours, I, DCC Senior Environment Scientist Supervisor, Tedd Yargeau, was on an inspection near the Swan Bay premises along with DCC ES's Long Lai, Nolan Avery, Summer Hoy, Jackie Lam, Madison McDonald, California City Fire Department (CCFD) Chief Jeremy Kosick, and California City Code Enforcement Inspector Kristy Hightower. During the inspection, Chief Kosick and Inspector Hightower informed us that they were going to drive by Swan Bay to confirm that there was no activity or personnel on site. Chief Kosick told DCC staff that CCFD had recently received reports of unauthorized activity occurring at Swan Bay by local California City Municipal Airport staff working adjacent to the licensed premises.

At approximately 1330 hours on 1/10/2023, DCC staff, Chief Kosick, Inspector Hightower, and I arrived at the Swan Bay premises. Two police officers from California City Police Department (CCPD) were already on site and had detained two individuals outside, later identified by CCPD as Maksim Sianko and Arnak Gevorgyan. CCPD was under the belief that there was another individual hiding inside Swan Bay's licensed premises; therefore, DCC staff, Chief Kosick, and Inspector Hightower remained outside until CCPD could clear the facility and ensure that it was safe to enter. After the building was cleared by CCPD, within approximately five minutes of entering the facility, ES Long received a text message from Jason Turchin which read "It's not my staff I'm in the middle of transferring the license and these are the new guys crew" (Exhibit 6).

I observed two sleeping bags inside the Swan Bay premises, in addition to numerous toiletries in the bathroom, changes of clothes, a refrigerator full of food, beverages, and a large camping trailer parked behind the Swan Bay building, indicating that two individuals may have been living on the licensed premise.

Upon entering Swan Bay's premises, I immediately observed signs of active cannabis manufacturing, specifically, bulk cannabis concentrates and packaged cannabis goods. In the main manufacturing area, I observed a large, operational ETOH extraction unit (Exhibit 7), in addition to pieces of extraction and post-processing equipment (Exhibit 8 & 9). I observed that the pieces of extraction and post-processing equipment included both used equipment, with side walls showing activities and solvent still off gassing and visible in the lines, and new equipment that appeared unused with original wrapping. I found a butane (BHO) extraction unit (Exhibit 10) set up in an adjacent room, along with additional post-processing equipment (Exhibit 11). The ETOH and BHO extraction units had fresh, wet cannabis residuals inside and around each unit. I observed multiple gas cylinders of Isobutane, 55-gallon drums of Heptane, a 5-gallon container of Hexane, and 270-gallon totes of ETOH around Swan Bay's premises (Exhibits 12-17). Cannabis manufacturers are required to have a state-issued Type 7 manufacturing license to extract with volatile solvents, such as BHO. Licensees extracting with volatile solvents

are required to have closed-loop extraction systems certified by a California-licensed engineer after installation and before use. In addition, licensed manufacturers are required to receive approval from a local fire official prior to commencing extraction operations. At the time of inspection, Swan Bay did not hold the appropriate state-issued license type for BHO extraction, had not obtained certification for their closed-loop BHO extraction units, and had not received approval from CCFD to operate. At the time of inspection, CCFD's Cease-and-Desist order was still active, and Swan Bay did not have fire approval to operate. I observed an extraction log with cannabis sock weights for various cannabis strains that had dates ranging from 11/23/22 through 11/29/22 (Exhibit 18).

Additionally, a class 1, division 1 (C1/D1) room, used for volatile solvent cannabis extractions, with another BHO unit inside, was located near the camping trailer parked behind Swan Bay's premises (Exhibits 19-22). While I observed that the C1/D1 room was not connected to power at the time of inspection, the BHO unit had fresh, wet, crude cannabis residuals inside the unit and on the floor.

On the inspection on 1/10/2023, DCC staff and I discovered approximately 3,000 lbs. of untagged and untraceable cannabis biomass that contained mold on the T-Rex Distribution premises (Exhibits 23 & 24). Inspection of the Swan Bay premises revealed seven (7) large cooking pots full of cannabis oil, thirty-nine (39) one-liter jars of cannabis distillate, thirty (30) miscellaneous-sized containers of cannabis concentrate, four (4) small bags of cannabis, nine-thousand seven hundred seventy-eight (9,778) Honey King brand infused pre rolls, two hundred (200) unlabeled infused pre rolls, and five thousand one (5,001) Big Chief brand vape cartridges (Exhibits 25-40). The lids of some of the cooking pots containing cannabis concentrate had the dates 1/04/23, 12/28/22, 12/27/22, and 12/22/22 written in black ink, indicative of being recently manufactured. 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 (Exhibits 41 & 42).

I observed and found through a review of the licensee's CCTT account that, for the Honey King products, the cannabis material used for the infused pre-rolls lacked identifiers and could not be traced to a license source. Department staff could not confirm the identity and source of the cannabis concentrate used for each batch of infused pre-roll. In addition, 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. The UID number that's required to be used to identify and track cannabis and cannabis product in the licensed market is a twenty-four (24) character alphanumeric code; the Honey King products listed a six-digit number that cannot be traced to inventory reported in CCTT. The Big Chief brand vape cartridges had traceable UID numbers that were traced back to Valley Health Center Collective (License No.: C12-0000085-LIC), a licensed microbusiness in Sun Valley, California. The CCTT UID numbers for the Big Chief products included the following:

1A4060300007672000002001, 2002, 2003, 2004, 2006, 2007, 2014, 2018, 2019, and 2020. I reviewed the CCTT accounts for Swan Bay on 1/11/2023 and according to the license's CCTT account entries, these products were manufactured on 10/06/2022 at Valley Health Center Collective and, per the track and trace system, should be physically located at the Valley Health Center Collective premises. There is no manifest or record on CCTT of cannabis products being transferred from Valley Health Center Collective to Swan Bay.

On 2/3/2023, DCC Special Investigators Jeffrey Routsong and Guadalupe Sanchez, and ES Madison McDonald and I, conducted an unannounced inspection of Valley Health Center Collective (License No. C12-0000085-LIC) located at 9752 GLENOAKS BLVD N, SUN VALLEY, CA 91352, which is authorized to engage in manufacturing activities pursuant to their microbusiness license. An individual who only identified herself as "Kim," stated that she was the onsite manager for Valley Health Center Collective, also stated that Valley Health Center Collective has never performed manufacturing activities at their premises. Valley Health Center Collective did not have equipment on site that is indicative that they were manufacturing any cannabis products on site.

On 1/10/2023 at the T-Rex Distribution premises, I also observed dried cannabis stems that had CCTT UID tags from Zabala Farms of Salinas, LLC (License No.: CCL18-0000539), that were marked as "moldy" (Exhibit 43). The DCC license records for Zabala Farms list Jason Turchin as the sole license holder and indicate that the license was suspended by Monterey County on 9/21/2022. The DCC license for Zabala Farms expired on 7/31/2023 and was not renewed. On 1/11/2023, I reviewed Swan Bay's track and trace account and there was no record of this product ever being transferred to and received by Swan Bay.

On 1/10/2023, after discussion with California City Fire Chief Kosick I contacted Kern County Sheriff's Office (KCSO) to see if they could provide resources to remove the immediate hazards from the facility, specifically the two BHO units, cannabis biomass, and volatile solvents. KCSO obtained a search warrant and executed the warrant later that evening on January 10, 2023. DCC staff were not present for execution of the search warrant.

On 1/11/2023, I returned to Swan Bay with DCC ES's Long Lai, Nolan Avery, Summer Hoy, Jacquelyn Lam, and Madison McDonald to inventory any remaining cannabis and cannabis products on site and initiate an embargo. DCC staff, accompanied by Chief Kosick and Inspector Hightower, re-entered the facility and noted that the two BHO extraction units, volatile solvents, cannabis biomass, and numerous pieces of equipment had been removed by KCSO during the search warrant, as evidenced by the warrant receipt that was left on-site (Exhibit 44).

After DCC staff arrived at the Swan Bay premises at approximately 1000 hours, property owner John Herrera, Kevin Yessen, and Maksim Sianko arrived shortly after. Kevin Yessen informed us that he was in the process of purchasing the business from Jason Turchin, and I confirmed with DCC's licensing system that Change in Ownership documents were submitted to DCC on 12/06/2022. Kevin Yessen also stated that Maksim Sianko, his employee, was in the process of installing cannabis manufacturing equipment at Swan Bay. Yessen claimed that the red tagging and Cease-and-Desist Order had been addressed by Jason Turchin and taken care of, and he had only been moving equipment into the facility. Kevin Yessen stated that he was not manufacturing any cannabis product and that the three thousand (3,000) lbs. of cannabis biomass was his and came from Califire Clones (License No.: CDPH-10003347) in Seaside, California. Kevin Yessen showed us a transportation manifest that he stated was for this transfer; however, there were no identifiers on the product that would trace the physical inventory to the manifest. Additionally, Kevin Yessen stated that the product was delivered to Swan Bay in early December 2022; however, the manifest he provided from Califire Clones indicated that it was delivered on 9/29/2022 (Exhibit 45). I observed video surveillance equipment, including video cameras on-site during the inspection. I requested to review video surveillance to Kevin Yessen during the on-site inspection and to Jason Turchin via email on 1/11/2023. Both Kevin Yessen and Jason Turchin stated that they did not have access to surveillance footage. I informed Kevin that he needed to resolve the red tagging and Cease-and-Desist Order with California City prior to re-entry into the premises and he then departed.

Following a brief inspection of the interior and exterior of the facility, DCC staff and I inventoried and embargoed all remaining cannabis products on site (Exhibits 46-49). Within the Swan Bay manufacturing premises, there was a combined total of approximately two hundred forty-nine (249) kilograms (kg) of unmarked cannabis concentrate, four (4) bags of unmarked cannabis biomass, nine thousand nine hundred seventy eight (9,978) Honey King brand infused pre rolls, and two hundred (200) unmarked infused pre rolls; all of these products lacked UIDs, and there was no data associated with these products in CCTT that would tie the items to a licensed source. Additionally, there were five thousand one (5,001) Big Chief brand cannabis vape cartridges that had UIDs that were traced back to Valley Health Center Collective, in Sun Valley, CA. There was no record of them being manifested to and received by Swan Bay in CCTT. All cannabis products were inventoried and/or weighed. The inventory and embargo concluded at 1530 hours on 1/11/2023 (Exhibit 50).

A supplemental notice of the embargo was issued to both Jason Turchin and Kevin Yessen on 1/27/2023 requesting a response date of 2/02/2023 to resolve the embargo (Exhibit 51). On 3/20/2023, after repeated requests for information and attempts to contact the license holders regarding the embargo, I and Supervising Special Investigator (SSI) Travis White conducted an unannounced inspection of Swan Bay's premises to confirm that the embargo was still intact. We discovered that ten thousand one hundred seventy-eight (10,178) infused pre-rolls and five thousand one (5,001) Big Chief brand vape cartridges had been removed from the embargo and were missing from the licensed premises (Exhibits 52 & 53), indicating that that the embargo had been broken (BPC 26039.3 (a)(1); 4 CCR 17801.5 (g)).

WITNESS LIST	
Witness #1	<ul style="list-style-type: none">Name: Jeremy KosickTitle/Position: Fire Chief/Fire MarshalAddress: 20890 Hacienda Blvd., California City, CA 93505Phone: 760 373-4841 ext. 505

- E-mail: jkosick@calcityfire.us
- Miscellaneous information:

Witness #2

- Name: Kristy Hightower
- Title/Position: Deputy Fire Marshal
- Address: 20890 Hacienda Blvd, California City, CA 93505.
- Phone: 760 373-7344
- E-mail: khightower@calcityfire.us
- Miscellaneous information:

Witness #3

- Name:
- Title/Position:
- Address:
- Phone:
- E-mail: Miscellaneous information:



INVESTIGATION REPORT

PREPARER

Name Tedd Yargeau	Title Senior Environmental Scientist Supervisor
Signature Tedd E. Yargeau Digitally signed by Tedd E. Yargeau Date: 2024.07.24 15:12:51 -07'00'	Date 7/24/2024

REVIEWER

Name Erin Wonder	Title Environmental Program Manager I
Signature	Date

LIST OF ATTACHMENTS

Exhibits

- 1) California City Red Tag/Cease & Desist Order - 4/28/2021
- 2) CA City Fire Department Knox Lock
- 3) Viv & Oak – Cannabis Infused Wine Embargoed on 8/12/2021
- 4) Cases of Viv & Oak – Cannabis Infused Wine Embargoed on 8/12/2021
- 5) Text message thread with Swan Bay license holder Jason Turchin
- 6) Text message with Swan Bay sole license holder Jason Turchin
- 7) Photo of Unapproved Large Ethanol Extraction Unit
- 8) Photo of Cannabis Post Processing Equipment
- 9) Photo of New Unwrapped Post Processing Equipment
- 10) Photo of Unauthorized Butane Extraction Unit #1 – Inside Swan Bay
- 11) Photo of Vacuum Ovens for Post Processing
- 12) Photo of Unauthorized Volatile Solvents – Isobutane, 3 full & 3 empty cylinders
- 13) Photo of Unauthorized Volatile Solvents – Isobutane
- 14) Photo of Unauthorized Volatile Solvents – 55 Gallon drum of Heptane
- 15) Photo of Unauthorized Volatile Solvents – 55 Gallon drum of Heptane
- 16) Photo of Unauthorized Volatile Solvents – 5 Gallon can of Hexane
- 17) Photo of 10 Empty 270 Gallon Totes of Ethanol
- 18) Photo of Extraction Log with Cannabis Sock Weights – Dated 11/23/22 – 11/29/22
- 19) Photo of Exterior C1/D1 Room with Butane Extraction Unit #2 inside
- 20) Photo of Unauthorized Butane Extraction Unit #2 – Exterior C1/D1 Room
- 21) Photo of Unauthorized Butane Extraction Unit #2 – Exterior C1/D1 Room with fresh, wet, crude residuals. Marked with the cannabis strain “Auto Fuel” which corresponds to an extraction log entry on 11/29/22 (see Photo #18)
- 22) Photo of Large Camping Trailer on east side of Swan Bay
- 23) Photo of Unmarked & Untraceable Cannabis Biomass
- 24) Photo of Unmarked & Untraceable Cannabis Biomass
- 25) Photo of Pots with Bulk Cannabis Crude & Equipment Storage Area
- 26) Photo of Pots with Bulk Cannabis Crude – Untraceable. Manufacture dates: 1/04/23, 12/28/22, 12/27/22 & 12/22/22
- 27) Photo of Pots with Bulk Cannabis Crude – “Mold Crude”
- 28) Photo of Pots with Bulk Cannabis Crude
- 29) Photo of Bulk Cannabis Concentrate – Unmarked & Untraceable
- 30) Photo of Bulk Cannabis Concentrate – Unmarked & Untraceable
- 31) Photo of Bulk Cannabis Concentrate – Unmarked & Untraceable
- 32) Photo of Boxes of Honey King brand infused pre rolls
- 33) Photo of Honey King brand infused pre rolls – Untraceable
- 34) Photo of Honey King brand infused pre rolls – Untraceable. Manufactured on 12/22/22
- 35) Photo of Honey King brand infused pre rolls – Untraceable

- 36) Photo of Honey King brand infused pre rolls – Untraceable. Manufactured on 12/22/22
- 37) Photo of Big Chief brand vape cartridge (front)
- 38) Photo of Big Chief brand vape cartridge (back)
- 39) Photo of Big Chief brand vape cartridge (side)
- 40) Bulk Cannabis Distillate – Unmarked & Untraceable
- 41) Photo of Cannabis Extraction Equipment that was removed from Swan Bay by Kern County Sheriff's Office. One of the units is marked with the strain "Peach Lemonade" which corresponds to an extraction log entry on 11/29/22 (see photo #18)
- 42) Photo of Unauthorized Butane Extraction Unit #2 – Exterior C1/D1 Room
- 43) Photo of Zabala Farms UID Tag
- 44) Photo of Kern County Sheriff's Office Search Warrant receipt
- 45) Photo of CCTT shipping manifested from Califire Clones received on 9/29/22
- 46) Photo of Embargoed Cannabis Products
- 47) Photo of Embargoed Cannabis Products
- 48) Photo of Embargoed Cannabis Products
- 49) Photo of Embargoed Cannabis Products
- 50) Initial Embargo Notice - 1/11/2023
- 51) Supplemental Embargo Notice - 1/27/2023
- 52) Photo of Broken Embargo – 3/20/2023
- 53) Photo of Broken Embargo – 3/20/2023

PROOF OF SERVICE

Case Name: In the Matter of the First Amended Accusation Against: Swan Bay Solutions Inc.
DCC Case No. DCC25-0000001-ACC
License Number: DCC-10003119 FKA CDPH-10003119, Manufacturer-Type 6

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is Department of Cannabis Control, 2920 Kilgore Road, Rancho Cordova, CA 95670. On December 4, 2025, I served the within documents:

NOTICE OF DEFAULT DECISION AND ORDER

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

Swan Bay Solutions Inc.
Kevin Yessen, Owner
22639 Airport Way
California City, CA 93505
Certified Mail No. 7022 1670 0001 3411 8603
idolkv@gmail.com

Evelyn Schaeffer (email only)
Deputy Director
Compliance Division
Department of Cannabis Control
Evelyn.Schaeffer@cannabis.ca.gov

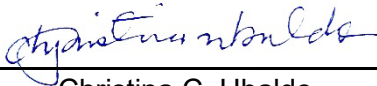
Swan Bay Solutions Inc.
Kevin Yessen, Owner
14545 Friar Street
Van Nuys, CA 91411
Certified Mail No. 7022 1670 0001 3411 8627
idolkv@gmail.com

Michael Duong (email only)
Deputy Attorney General
Cannabis Control Section
Office of Attorney General
Michael.Duong@doj.ca.gov

I am familiar with the Department's business practices for collecting and transmitting mail through the United States Postal Service. In accordance with those practices, correspondence placed in the Department's internal mail collection system is, in the ordinary course of business, deposited in the United States Postal Service, with postage paid, on the same day.

I declare under penalty of perjury under the laws of the State of California, and the United States of America, that the above is true and correct.

Executed on December 4, 2025, at Rancho Cordova, California.



Christina C. Ubaldo