

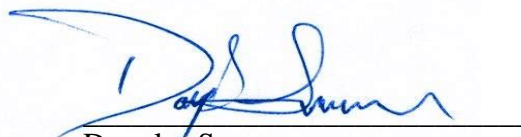
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2
3 **BEFORE THE**
4 **DEPARTMENT OF CANNABIS CONTROL**
5 **OF THE STATE OF CALIFORNIA**

6 In the Matter of the Accusation Against:) CASE NO. DCC24-0000154-INV
7)
8) **FINAL DECISION**
9)
10 HUMBOLDT EMERALD TRIANGLE,)
11 LLC)
12)
13 Uonan M. Uonan, Owner)
14 711 Summer Street)
15 Eureka, CA 95501)
16)
17 2121 Table Bluff Road)
18 Unincorporated, CA 95551)
19)
20 License Numbers CII-0000271-LIC;)
21 CCL19-0001805; and CCL19-0001807)
22)
23)
24 Respondent.)
25)
26)
27)
28)

16 The Department of Cannabis Control (Department) hereby adopts the attached Stipulated
17 Revocation of Licenses and Order as its Final Decision.

18 Pursuant to subsection (a) of Government Code Section 11519, and the holdings of *Levy*
19 *v. Superior Court* (1995) 10 Cal.4th 578, 589, and *Stermer v. Board of Dental Examiners* (2002)
20 95 Cal.App.4th 128, 133, this Decision shall become effective on June 14, 2024.

21
22 IT IS SO ORDERED, June 13, 2024.

23
24 
25 Douglas Smurr
26 Assistant General Counsel
27 FOR THE DEPARTMENT OF
28 CANNABIS CONTROL

1 ROB BONTA
2 Attorney General of California
3 JOSHUA B. EISENBERG
4 Supervising Deputy Attorney General
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12 *Attorneys for Complainant*

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

13 In the Matter of the Accusation Against:

Case No. DCC24-0000154-INV

14 **HUMBOLDT EMERALD TRIANGLE, LLC**
15 **Uonan M. Uonan, Owner**
16 **711 Summer Street**
Eureka, CA 95501

**STIPULATED REVOCATION OF
LICENSES AND ORDER**

17 **2121 Table Bluff Road**
18 **Unincorporated, CA 95551**

19 **License Numbers C11-0000271-LIC;**
20 **CCL19-0001805; and CCL19-0001807**

21 Respondent.

22 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
23 entitled proceedings that the following matters are true:

24 **PARTIES**

25 1. Jeff Merriman (Complainant) is the Deputy Director of the Compliance Division of
26 the Department of Cannabis Control (Department). He brought this action solely in his official
27 capacity and is represented in this matter by Rob Bonta, Attorney General of the State of
28 California, by Gregory M. Cribbs, Deputy Attorney General.

2. Humboldt Emerald Triangle, LLC (Respondent) and its owner Uonan M. Uonan (Uonan) are represented in this proceeding by attorney Cyndy Day-Wilson, Esq. of the Law Office of Cyndy Day-Wilson, whose address is: 627 H Street, Eureka, California 95501.

3. On or about June 6, 2019, the Department issued Distribution License Number C11-0000271-LIC to Respondent and it will expire on June 5, 2024, unless renewed.

4. On or about November 26, 2019, the Department issued Cultivation - Small Mixed Light Tier 1 License Number CCL19-0001805 to Respondent and it will expire on November 26, 2024, unless renewed.

5. On or about November 27, 2019, the Department issued Cultivation - Medium Mixed Light Tier 2 License Number CCL19-0001807 to Respondent and it will expire on November 27, 2024, unless renewed.

JURISDICTION

6. Accusation No. DCC24-0000154-INV was filed before the Department, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on April 25, 2024. Respondent timely filed its Notice of Defense contesting the Accusation. A true and correct copy of Accusation No. DCC24-0000154-INV is attached as Exhibit 1 and incorporated by reference.

ADVISEMENT AND WAIVERS

7. Respondent has carefully read, fully discussed with counsel, and fully understands the charges and allegations contained in Accusation No. DCC24-0000154-INV. Respondent also has carefully read, fully discussed with counsel, and fully understands the effects of this Stipulated Revocation of License and Order.

8. Respondent is fully aware of all legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against it; the right to present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

9. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

CULPABILITY

10. Respondent admits the truth of each and every charge and allegation in Accusation No. DCC24-0000154-INV, agrees that cause exists for discipline, and hereby stipulates to the revocation of its (1) Distribution License Number C11-0000271-LIC; (2) Cultivation - Small Mixed Light Tier 1 License Number CCL19-0001805; and (3) Cultivation - Medium Mixed Light Tier 2 License Number CCL19-0001807.

11. Respondent understands that by signing this stipulation, Respondent enables the Department to issue an order revoking its (1) Distribution License Number C11-0000271-LIC; (2) Cultivation - Small Mixed Light Tier 1 License Number CCL19-0001805; and (3) Cultivation - Medium Mixed Light Tier 2 License Number CCL19-0001807, without further process.

CONTINGENCY

12. This stipulation shall be subject to approval by the Department. Respondent understands and agrees that counsel for Complainant and the staff of the Department may communicate directly with the Department regarding this stipulated revocation, without notice to or participation by Respondent or its counsel. By signing the stipulation, Respondent understands and agrees that it may not withdraw its agreement or seek to rescind the stipulation prior to the time the Department considers and acts upon it. If the Department fails to adopt this stipulation as the Decision and Order, the Stipulated Revocation and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Department shall not be disqualified from further action by having considered this matter.

13. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Stipulated Revocation of License and Order, including PDF and facsimile signatures thereto, shall have the same force and effect as the originals.

14. This Stipulated Revocation of Licenses and Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions,

1 negotiations, and commitments (written or oral). This Stipulated Revocation of Licenses and
2 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
3 writing executed by an authorized representative of each of the parties.

4 15. In consideration of the foregoing admissions and stipulations, the parties agree that
5 the Department may, without further notice or formal proceeding, issue and enter the following
6 Order:

7 **ORDER**

8 IT IS HEREBY ORDERED that (1) Distribution License Number C11-0000271-LIC; (2)
9 Cultivation - Small Mixed Light Tier 1 License Number CCL19-0001805; and (3) Cultivation -
10 Medium Mixed Light Tier 2 License Number CCL19-0001807, issued to Respondent Humboldt
11 Emerald Triangle, LLC, with Uonan M. Uonan (Uonan) as its Owner, are revoked.

12 1. The revocation of Respondent's (1) Distribution License Number C11-0000271-LIC;
13 (2) Cultivation - Small Mixed Light Tier 1 License Number CCL19-0001805; and (3) Cultivation
14 - Medium Mixed Light Tier 2 License Number CCL19-0001807 shall constitute the imposition of
15 discipline against Respondent. This stipulation constitutes a record of the discipline and shall
16 become a part of Respondent's license history with the Department.

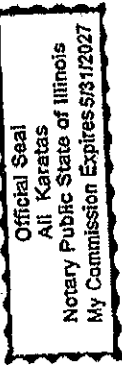
17 2. Respondent shall lose all rights and privileges as a Distributor and Cultivator licensee
18 in California as of the effective date of the Department's Decision and Order.

19 3. If Respondent ever files an application for licensure or reinstatement of license in the
20 State of California, the Department shall treat it as a petition for reinstatement. Respondent must
21 comply with all the laws, regulations and procedures for reinstatement of a revoked license in
22 effect at the time the petition is filed, and all of the charges and allegations contained in
23 Accusation No. DCC24-0000154-INV shall be deemed to be true, correct and admitted by
24 Respondent when the Department determines whether to grant or deny the petition.

25 4. Respondent shall pay the Department its costs of enforcement in the amount of
26 \$7,453.75 prior to issuance of a new or reinstated license.

27 **ACCEPTANCE**

28 I have carefully read the above Stipulated Revocation of Licenses and Order and have fully
discussed it with my attorney. I understand the stipulation and the effect it will have on my (1)



State of IL County of COOK
The foregoing instrument was acknowledged before me
on this 12 day of JUNE, 2024
by UONAN UONAN
[Signature]
Notary Public Signature

1 Distribution License Number C11-0000271-LIC; (2) Cultivation - Small Mixed Light Tier 1.
2 License Number CCL19-0001805; and (3) Cultivation - Medium Mixed Light Tier 2 License
3 Number CCL19-0001807. I enter into this Stipulated Revocation of Licenses and Order
4 voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the
5 Department of Cannabis Control.

6
7 DATED: 6-12-2024

[Signature]
Uonan M. Uonan, Owner
Humboldt Emerald Triangle, LLC
Respondent

8
9 I have read and fully discussed with Respondent Humboldt Emerald Triangle, LLC, and its
10 Owner Uonan M. Uonan the terms and conditions and other matters contained in this Stipulated
11 Revocation of Licenses and Order. I approve its form and content.

12 DATED: June 12, 2024

[Signature]
Cyndy Day-Wilson, Esq.
Attorney for Respondent

16
17 **ENDORSEMENT**

18 The foregoing Stipulated Revocation of License and Order is hereby respectfully submitted
19 for consideration by the Department of Cannabis Control.

20
21 DATED: _____

Respectfully submitted,
ROB BONTA
Attorney General of California
JOSHUA B. EISENBERG
Supervising Deputy Attorney General

GREGORY M. CRIBBS
Deputy Attorney General
Attorneys for Complainant

1 Distribution License Number C11-0000271-LIC; (2) Cultivation - Small Mixed Light Tier 1
2 License Number CCL19-0001805; and (3) Cultivation - Medium Mixed Light Tier 2 License
3 Number CCL19-0001807. I enter into this Stipulated Revocation of Licenses and Order
4 voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the
5 Department of Cannabis Control.

6
7 DATED: _____

8 Uonan M. Uonan, Owner
9 Humboldt Emerald Triangle, LLC
Respondent

10 I have read and fully discussed with Respondent Humboldt Emerald Triangle, LLC, and its
11 Owner Uonan M. Uonan the terms and conditions and other matters contained in this Stipulated
12 Revocation of Licenses and Order. I approve its form and content.

13
14 DATED: _____

15 Cyndy Day-Wilson, Esq.
16 Attorney for Respondent

17 **ENDORSEMENT**

18 The foregoing Stipulated Revocation of License and Order is hereby respectfully submitted
19 for consideration by the Department of Cannabis Control.

20
21 DATED: 6/12/24

Respectfully submitted,

22 ROB BONTA
23 Attorney General of California
24 JOSHUA B. EISENBERG
25 Supervising Deputy Attorney General

26 GREGORY M. CRIBBS
27 Deputy Attorney General
28 Attorneys for Complainant

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Exhibit 1

Accusation No. DCC24-0000154-INV

1 ROB BONTA
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2 JOSHUA B. EISENBERG
Supervising Deputy Attorney General
3 GREGORY M. CRIBBS
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Telephone: (213) 269-6259
6 E-mail: Gregory.Cribbs@doj.ca.gov
Attorneys for Complainant

7
8
9 **BEFORE THE**
DEPARTMENT OF CANNABIS CONTROL
10 **STATE OF CALIFORNIA**
11

12 In the Matter of the Accusation Against:

DCC Case No. DCC24-0000154-INV

13 **HUMBOLDT EMERALD TRIANGLE, LLC**

OAH No.

14 Uonan M. Uonan, Owner
711 Summer Street
15 Eureka, CA 95501

ACCUSATION

16 2121 Table Bluff Road
Unincorporated, CA 95551

17 License Numbers C11-0000271-LIC;
18 CCL19-0001805; and CCL19-0001807

19 Respondent.
20

21 **PARTIES**

22 1. Jeff Merriman (Complainant) brings this Accusation solely in his official capacity as
23 the Deputy Director of the Compliance Division of the Department of Cannabis Control
24 (Department).

25 2. On or about June 6, 2019, the Department issued Distribution License Number
26 C11-0000271-LIC to Humboldt Emerald Triangle, LLC (Respondent) with Michelle Hill (Hill) as
27 Owner. On December 7, 2021, Uonan M. Uonan (Uonan) was added as an owner on the license.
28 On August 4, 2022, Hill was removed as an owner on the license leaving Uonan as the sole

1 owner. From the date of issuance to present, Respondent's licensed premises address has been:
2 711 Summer Street, Eureka, CA 95501 (Summer Street Property). Respondent's Distribution
3 License Number C11-0000271-LIC was in full force and effect at all times relevant to the charges
4 brought herein, and will expire on June 5, 2024, unless renewed.

5 3. On or about November 26, 2019, the Department issued Cultivation - Small Mixed
6 Light Tier 1 License Number CCL19-0001805 to Respondent with Hill as Owner. On December
7 2, 2021, Hill filed a "Notification and Request to Modify a License" (DCC Form 027) for said
8 license, adding a change in ownership and change in financial interest holder. On this date, Uonan
9 was added as a 70 percent owner and Hill remained as a 30 percent owner for said license. On
10 June 27, 2022, Hill was removed as an owner on the license. From the date of issuance to present,
11 Respondent's licensed premises address has been: 2121 Table Bluff Road, Unincorporated, CA
12 95551 (Table Bluff Property). Respondent's Cultivation - Small Mixed Light Tier 1 License
13 Number CCL19-0001805 was in full force and effect at all times relevant to the charges brought
14 herein, and will expire on November 26, 2024, unless renewed.

15 4. On or about November 27, 2019, the Department issued Cultivation - Medium Mixed
16 Light Tier 2 License Number CCL19-0001807 to Respondent with Hill as Owner. On December
17 2, 2021, Hill filed a "Notification and Request to Modify a License" (DCC Form 027) for said
18 license, adding a change in ownership and change in financial interest holder. On this date, Uonan
19 was added as a 70 percent owner and Hill remained as a 30 percent owner for said license. On
20 June 27, 2022, Hill was removed as an owner on the license. From the date of issuance to present,
21 Respondent's licensed premises address has been: 2121 Table Bluff Road, Unincorporated, CA
22 95551. Respondent's Cultivation - Medium Mixed Light Tier 2 License Number CCL19-0001807
23 was in full force and effect at all times relevant to the charges brought herein, and will expire on
24 November 27, 2024, unless renewed.

25 ///

26 ///

27 ///

28 ///

1 **PROCEDURAL HISTORY REGARDING INTERIM ORDER**

2 5. On April 11, 2024, pursuant to the provisions of Business and Professions Code
3 section 494, an administrative law judge issued an Interim Order of Suspension and Order
4 (Interim Order) suspending (1) Distribution License Number C11-0000271-LIC; (2) Cultivation -
5 Small Mixed Light Tier 1 License Number CCL19-0001805; and (3) Cultivation - Medium
6 Mixed Light Tier 2 License Number CCL19-0001807, each issued to Respondent with Uonah as
7 Owner. The Interim Order will remain in effect, pending a full determination whether Respondent
8 has violated the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), its
9 implementing regulations, or upon further order by the Department in this matter.

10 **JURISDICTION**

11 6. This Accusation is brought before the Director (Director) for the Department, under
12 the authority of the following laws. All section references are to the Business and Professions
13 Code (Code) unless otherwise indicated.

14 7. Section 26010 of the Code states:

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

18 8. Section 26010.5, subdivision (d), of the Code states:

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

21 9. Section 26012, subdivision (a), of the Code states:

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

24 10. Section 26013, subdivision (a), of the Code states:

25 The department shall make and prescribe reasonable rules and regulations as
26 may be necessary to implement, administer, and enforce its duties under this division
27 in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of
Division 3 of Title 2 of the Government Code. . . .

11. Section 26031 of the Code states, in part:

(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.

(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....

12. 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

13. Section 26030 of the Code states:

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

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

(b) Conduct that constitutes grounds for denial of licensure pursuant to Chapter 2 (commencing with Section 480) of Division 1.5 or discipline of a license pursuant to Chapter 3 (commencing with Section 490) of Division 1.5.

(c) Any other grounds contained in regulations adopted by the department pursuant to this division.

(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 division or other California law.

1 (e) Knowing violations of any state or local law, ordinance, or regulation
2 conferring worker protections or legal rights on the employees of a licensee.

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

5 (g) The intentional and knowing sale of cannabis or cannabis products by an A-
6 licensee to a person under 21 years of age.

7 (h) The intentional and knowing sale of medicinal cannabis or medicinal
8 cannabis products by an M-licensee to a person without a physician's
9 recommendation.

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

11 (j) Failure to comply with any operating procedure submitted to the department
12 pursuant to subdivision (b) of Section 26051.5.

13 (k) Failure to comply with license conditions established pursuant to
14 subdivision (b) of Section 26060.1.

15 14. Section 26031 of the Code states:

16 (a) The department may suspend, revoke, place on probation with terms and
17 conditions, or otherwise discipline licenses issued by the department and fine a
18 licensee, after proper notice and hearing to the licensee, except as provided in Section
19 26031.01, if the licensee is found to have committed any of the acts or omissions
20 constituting grounds for disciplinary action. The disciplinary proceedings under this
21 chapter shall be conducted in accordance with Chapter 5 (commencing with Section
22 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director
23 shall have all the powers granted therein.

24 (b) The department may suspend or revoke a license when a local agency has
25 notified the department that a licensee within its jurisdiction is in violation of state
26 rules and regulations relating to commercial cannabis activities, and the department,
27 through an investigation, has determined that the violation is grounds for suspension
28 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.

1 15. Section 26038 of the Code states, in part:

2 ...
3 (a)(2)(A) A person aiding and abetting unlicensed commercial cannabis activity
4 shall be subject to civil penalties of up to three times the amount of the license fee for
5 each violation, but in no case shall the penalty exceed thirty thousand dollars
6 (\$30,000) for each violation. Each day of operation of unlicensed commercial
7 cannabis activity that a person is found to have aided and abetted shall constitute a
8 separate violation of this section.

9 (B) For the purposes of this section, in order to prove that a person aided and
10 abetted an unlicensed cannabis activity, all of the following shall be demonstrated:

11 (i) The person was an owner, officer, controlling shareholder, or in a similar
12 position of authority allowing them to make command or control decisions regarding
13 the operations and management of the unlicensed cannabis activity or the property in
14 which the activity is taking place.

15 (ii) The person had actual knowledge that the cannabis activity was unlicensed
16 and that the cannabis activity required a license.

17 (iii) The person provided substantial assistance or encouragement to the
18 unlicensed cannabis activity.

19 (iv) The person's conduct was a substantial factor in furthering the unlicensed
20 cannabis activity....

21 16. Section 26053 of the Code states, in part:

22 (a) All commercial cannabis activity shall be conducted between licensees,
23 except as otherwise provided in this division....

24 REGULATORY PROVISIONS

25 17. Title 4 of the California Code of Regulations, section 15000.1 states in part:

26 ...
27 (b) Commercial cannabis activity shall only be conducted between licensees.
28 Licensed retailers and licensed microbusinesses authorized to engage in retail sales
may conduct commercial cannabis activity with customers or nonprofits in
accordance with this division....

18. Title 4 of the California Code of Regulations, section 15309 states in part:

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

...

1 19. Title 4 of the California Code of Regulations, section 15048.1 states:

2 (a) A licensee and their designated account manager(s) shall:

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

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

7 (3) Remove a user from the licensee's track and trace system account when that
8 individual is no longer authorized to represent the licensee;

9 (4) Correct any data entry errors within three (3) calendar days of discovery of
the error;

10 (5) Tag and enter all inventory in the track and trace system as required by
11 section 15049;

12 (6) Monitor all system notifications and resolve all issues identified. The
13 notification shall not be dismissed by an account manager before resolution of the
issue(s) identified in the notification;

14 (7) Notify the Department of any loss of access to the track and trace system
that exceeds 72 hours; and

15 (8) Reconcile the inventory of cannabis and cannabis products on the licensed
16 premises with the track and trace system database at least once every thirty (30)
calendar days.

17 20. Title 4 of the California Code of Regulations, section 15048.4 states:

18 (a) Immature cannabis plants shall be tagged as follows:

19 (1) Each established lot of immature plants shall be assigned a plant tag. Each
20 lot of immature plants under a single plant tag shall be uniform in strain or cultivar
and contain no more than 100 individual immature plants at any one time. The lot
21 plant tag shall be visible and within clear view of an individual standing next to the
immature lot and kept free from dirt and debris. Each lot shall either:

22 ...
23 (b) Mature cannabis plants shall be tagged as follows:

24 (1) Each mature plant shall be tagged with a plant tag. A plant tag shall be
25 attached to the main stem at the base of each plant, placed in a position so it is visible
and within clear view of an individual standing next to the mature plant, and kept free
26 from dirt or debris. (2) Licensees are prohibited from removing the plant tag from the
mature plant to which it was attached and assigned until the plant is harvested,
27 destroyed, or disposed of.
28

1 21. Title 4 of the California Code of Regulations, section 15049 states:

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

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

6 (1) Receipt of cannabis or cannabis products.

7 (2) Rejection of transferred cannabis or cannabis products.

8 (3) Manufacturing of cannabis or cannabis products.

9 (4) Use of cannabis or cannabis product for internal quality control testing or
10 product research and development.

11 (5) Destruction or disposal of cannabis or cannabis products.

12 (6) Packaging or repackaging of cannabis or cannabis products, except that
cultivation licensees shall comply with section 15049.1(b)(5).

13 (7) Laboratory testing, including testing results.

14 (8) Sale or donation of cannabis or cannabis products.

15 (c) The following information shall be recorded in the track and trace system
16 for each activity entered pursuant to subsection (b):

17 (1) The type of cannabis or cannabis products.

18 (2) The weight, volume, or count of the cannabis or cannabis products.

19 (3) The date of activity.

20 (4) The UID assigned to the cannabis or cannabis products.

21 (5) The brand name of the cannabis goods.

22 (6) If the cannabis or cannabis products are being destroyed or disposed of,
the licensee shall record the following information in the notes section:

23 (A) The name of the employee performing the destruction or disposal;

24 (B) The reason for destruction or disposal; and

25 (C) The method of disposal.

26 (d) If a package adjustment is used to adjust the quantity of cannabis or
27 cannabis products in the track and trace system, the licensee shall include a
28 description explaining the reason for adjustment.

1 (e) If a licensee rejects a partial shipment of cannabis goods pursuant to
2 15052.1(b), the licensee shall record the partial rejection in the track and trace system.

3 22. Title 4 of the California Code of Regulations, section 15049.1 states:

4 (a) The licensee shall record the following cultivation activities in the track and
5 trace system within three (3) calendar days of occurrence:

6 (1) Planting of an immature lot;

7 (2) Moving immature plants to a designated canopy area, flowering of an
8 individual plant, or application of a plant tag to an immature plant, in
9 accordance with section 15048.4;

10 (3) Destruction or disposal of an immature or mature plant; and

11 (4) Harvesting of a mature plant, or portion thereof.

12 (b) The following information shall be reported in the track and trace system for
13 each harvest batch:

14 (1) The wet weight of each harvest batch, which shall be obtained by the
15 licensee immediately after harvest;

16 (2) The weight of cannabis waster associated with each harvested plant;

17 (3) The unique name of the harvest batch; and

18 (4) The initiating date of harvest. For purposes of this section, the "initiating
19 date" of the harvest is the month, day, and year the first mature cannabis plants
20 in the harvest batch were cut, picked, or removed from the soil or other growing
21 media.

22 (c) After the entire harvest batch has been dried, trimmed, cured, and packaged,
23 the licensee shall indicate in the track and trace system that the harvest is finished.

24 23. Title 4 of the California Code of Regulations, section 15051 states:

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

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

(2) Reviewing the licensee's authorized users and removing any users who
are no longer authorized to enter information into the track and trace system.

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

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

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

6 (2) Notwithstanding paragraph (1), the department may, in its discretion,
7 conditionally renew or reinstate for a maximum of one year the license of any
8 licensee who demonstrates financial hardship and who enters into a formal agreement
9 with the department to reimburse the department within that one-year period for the
10 unpaid costs.

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

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

17 FACTUAL ALLEGATIONS

18 26. Between on or about March 29, 2023 and January 19, 2024, Respondent engaged in
19 conduct that violates the Department's laws and regulations.

20 27. On July 25, 2023, Environmental Scientist Shannon Walkenhauer (ES Walkenhauer)
21 conducted an inspection at the Table Bluff Property regarding Cultivation - Small Mixed Light
22 Tier 1 License Number CCL19-0001805. On November 15, 2023, a Notice to Comply (NTC)
23 was issued citing multiple statutory and regulatory violations, including but not limited to, failure
24 to properly tag cannabis plants with a METRC¹ Unique Identification (UID) tag and enter the
25 METRC UID tag information into the California Cannabis Track and Trace (CCTT) database. On
26 January 1, 2024, Uonan returned proof of corrective action taken in response to the November 15,
27 2023 NTC, and stated, among other things, that he intended to comply through, "[U]pdated
28 tagging practices to limit immature lots to 100 plants per tag."

29 28. On July 25, 2023, ES Walkenhauer conducted an inspection at the Table Bluff
30 Property regarding Cultivation - Medium Mixed Light Tier 2 License Number CCL19-0001807.
31 On November 15, 2023, a NTC was issued citing multiple statutory and regulatory violations,

32 ¹ METRC (usually stylized "Metro") is an acronym that stands for "Marijuana
33 Enforcement Tracking Reporting Compliance."

1 including but not limited to, failure to (1) properly tag cannabis plants with a METRC UID,
2 (2) record cultivation activities in the CCTT database, and (3) reconcile inventory of cannabis and
3 cannabis products in the CCTT database. On January 1, 2024, Uonan returned proof of corrective
4 action taken in response to the November 15, 2023 NTC, and identified several measures that he
5 intended to implement in order to ensure compliance prospectively.

6 29. On July 25, 2023, Special Investigator Emily Walker (SI Walker) conducted an
7 inspection at the Summer Street Property regarding Distributor License Number
8 C11-0000271-LIC. On August 1, 2023, a NTC was issued citing multiple statutory and regulatory
9 violations including, but not limited to, failure to (1) record the receipt of cannabis or cannabis
10 products in the CCTT database within 24 hours of occurrence, and (2) reconcile inventory of
11 cannabis and cannabis products in the CCTT database. During the inspection, SI Walker also
12 found that there was cannabis on the premises which had not been reported in METRC CCTT
13 database. As a result, Uonan agreed to a Voluntary Condemnation and Destruction of the
14 cannabis, which SI Walker witnessed and documented. On September 5, 2023, Uonan returned all
15 corrective items with documentation regarding the July 25, 2023 NTC, and identified several
16 measures that he intended to implement in order to ensure compliance prospectively.

17 30. On or about January 19, 2024, the Department participated and assisted with the
18 service of a multi-agency² search warrant at Respondent's Table Bluff Property and Summer
19 Street Property.

20 31. Upon service of the search warrant at the Table Bluff Property, Uonan and an
21 associate were contacted and detained by the Humboldt County Drug Task Force (HCDTF).
22 Department personnel were present to verify the cannabis and cannabis products located on the
23 licensed premises and what was reported in the METRC CCTT database.

24 32. During the search of the property, SI Walker observed seven (7) small mixed light
25 hoop houses, an immature cannabis plant room, a canopy area, and a clone room containing

26 ² The search warrants were served by law enforcement and non-law enforcement agencies
27 including Humboldt County Drug Task Force, Humboldt County Marijuana Enforcement Team,
28 California Department of Fish and Wildlife, Homeland Security, Humboldt County District
Attorney Investigators, Department of Cannabis Control, Fortuna Police Department, Humboldt
County Victim Witness, Department of Justice, and Humboldt County Sheriff's Office.

1 immature cannabis plants. Upon inspection of the cannabis plants found on the licensed premises,
2 SI Walker determined that there were no active METRC UID tags attached to any of the cannabis
3 plants. SI Walker also reviewed the licensee's METRC accounts to assess the current physical
4 inventory of cannabis plants reported in the METRC account data and SI Walker could not
5 identify any of the cannabis plants found on the licensed premises.

6 33. SI Walker also located a room containing four (4) metal racks which housed
7 immature cannabis plants in black trays and counted approximately five hundred and fifteen (515)
8 immature cannabis plants. SI Walker also observed a stack of used METRC UID package tags
9 located on a metal rack in the clone room, including METRC UID package tag ID#
10 1A406030000CC4E000001055. SI Walker utilized her state issued iPad and conducted a package
11 trace of the UID tag number ending in 1055 and determined that this UID was not activated in the
12 licensee's METRC account. SI Walker also determined that the licensee had received other
13 METRC UID package tags, but had not activated the tags pursuant to the Department's
14 regulations.

15 34. SI Walker entered the designated canopy area associated with License Number
16 CCL19-0001807, and observed actively growing cannabis plants in black pots. SI Walker
17 counted approximately five thousand two hundred and eighty six (5,286) actively growing
18 cannabis plants in this designated canopy area and found only one (1) METRC UID tag affixed to
19 one of the black pots, UID # 1A406030000CC4E000001131. SI Walker then conducted a
20 review of Respondent's METRC account and determined that
21 UID # 1A406030000CC4E000001131 was received by Respondent on November 4, 2022, but
22 was not electronically assigned to a cannabis product at the licensed premises.

23 35. During SI Walker's search of the hoop houses, she observed approximately one
24 thousand one hundred and thirty-eight (1,138) immature cannabis plants, none of which had
25 METRC UID package tags.

26 36. After leaving the hoop houses, SI Walker went to the residence on the property to
27 interview Uonan. Prior to conducting the interview, HCDTF Agent Alan Aubuchon informed SI
28 Walker that Uonan admitted that he grows cannabis plants using the licensed premises,

1 documents the cannabis plants as destroyed in METRC, and then sells his cannabis on the illegal
2 market.

3 37. SI Walker interviewed Uonan in the kitchen area of the residence. Uonan stated that
4 he was not responsible for entering data into METRC and that other persons are responsible for
5 "METRC data entry" and "for compliance activities." In response to SI Walker's inquiry as to
6 when he last harvested cannabis, Uonan stated that he "last harvested cannabis in May of 2023
7 and I sold the product to someone in Los Angeles, California." However, he was unable to
8 produce any sales receipts, invoices, or documentation to show that cannabis was sold or
9 transported to a licensee and stated that he did "not know" why it was not in METRC. When
10 asked where the cannabis plants currently on the property were derived from, he stated "they
11 came from the immature plants purchased in May of 2023," and that he did not "have any
12 documentation" for the cannabis plants.

13 38. SI Walker then asked Uonan why the cannabis plants were not tagged per Department
14 regulations and as previously instructed by the Department; he stated "I don't know, I hire people
15 to do that for me." SI Walker also asked Uonan if he recalled previous inspections conducted by
16 the Department in July 2023, which resulted in Notices to Comply with multiple regulatory
17 violations that included Respondent's failure to tag cannabis plants. Uonan replied that he did
18 recall the inspection, but he did not respond when he was reminded that it is his responsibility, as
19 the licensee, for the maintenance and upkeep of the data entered in the METRC accounts.

20 39. After failing to produce any documentation for the cannabis plants currently on the
21 property, SI informed Uonan that he had two options: Option 1 – agree to have Department
22 personnel place the cannabis plants under embargo allowing him time to provide supporting
23 documentation to prove the source of the cannabis plants; or Option 2 – voluntarily destroy the
24 cannabis plants via a Voluntary Condemnation and Destruction (VCD) process if he could not
25 find the supporting documentation to prove the sources of the cannabis plants. Uonan elected to
26 proceed with a VCD of the cannabis plants.

27 40. The HCDTF investigation concluded that Uonan, and his co-conspirators, used the
28 umbrella of a licensed cannabis operation to conceal illegal cannabis activity. More specifically,

1 Uonan, and his co-conspirators, purchased and resold unlicensed cannabis in the illegal cannabis
2 market and falsified data in METRC. On March 29, 2023, April 7, 2023, and September 22, 2023,
3 HCDTF conducted undercover operations and facilitated the sales of unlicensed cannabis directly
4 to Uonan at the Table Bluff Property. On each occasion Uonan made arrangements with a
5 cooperating informant to purchase cannabis and never requested to see any licensing information
6 from the seller and never inquired as to why the cannabis was not properly tagged according to
7 Department regulations and statutes. On March 29, 2023, Uonan purchased 21 pounds of
8 unlicensed cannabis for \$2,100.00. On April 7, 2023, Uonan purchased 50 pounds of unlicensed
9 cannabis for \$10,455.00. On September 22, 2023, Uonan purchased 100 pounds of unlicensed
10 cannabis for \$8,000.00.

11 **FIRST CAUSE FOR DISCIPLINE**

12 (Responsibility of Licensee and Designated Account Manager)

13 41. Respondent is subject to disciplinary action under Code section 26030, subdivisions
14 (a) and (c), and title 4 of the California Code of Regulations, section 15048.1, subdivisions (a)(5)
15 and (a)(8), by failing to tag and enter all inventory in the track and trace system and by failing to
16 reconcile the inventory of cannabis and cannabis products on the licensed premises with the track
17 and trace system database at least once every thirty (30) calendar days. Respondent's failure to
18 comply is more particularly alleged in paragraphs 26 through 39, above, which are hereby
19 incorporated by reference and re-alleged as if fully set forth herein.

20 **SECOND CAUSE FOR DISCIPLINE**

21 (Tagging of Cannabis Plants)

22 42. Respondent is further subject to disciplinary action under Code section 26030,
23 subdivisions (a) and (c), and title 4 of the California Code of Regulations, section 15048.1,
24 subdivisions (a) and (b), for failing to assign plant tags to both immature and mature cannabis
25 plants. Respondent's failure to comply is more particularly alleged in paragraphs 26 through 39,
26 above, which are hereby incorporated by reference and re-alleged as if fully set forth herein.

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1 **SIXTH CAUSE FOR DISCIPLINE**

2 (Distribution Inventory Accounting)

3 46. Respondent is further subject to disciplinary action under Code section 26030,
4 subdivisions (a) and (c), and title 4 of the California Code of Regulations, section 15309,
5 subdivision (a), for failing to account for all inventory and provide that information to the
6 Department upon request. Respondent's failure to comply is more particularly alleged in
7 paragraphs 29 through 30 and 36 through 38, above, which are hereby incorporated by reference
8 and re-alleged as if fully set forth herein.

9 **CAUSE FOR FINE**

10 (Unlicensed Commercial Cannabis Activity)

11 47. Respondent is subject to a civil fine under Code sections 26030, subdivisions (a) and
12 (c), 26038, subdivision (a)(2)(A), and 26053, as related to Distribution License Number
13 C11-0000271-LIC, in that it aided and abetted unlicensed commercial cannabis activity, on or
14 about March 29, 2023, April 7, 2023, September 22, 2023, and January 19, 2024, for a total of 4
15 days, and is therefore subject to a fine of between \$18,000.00 and \$120,000.00.³ Respondent's
16 acts involving unlicensed activity are more particularly alleged in paragraphs 30 through 32 and
17 36 through 40, above, which are hereby incorporated by reference and re-alleged as if fully set
18 forth herein.

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23 ³ Section 26038, subdivision (a)(2)(A) states that a person aiding and abetting unlicensed
24 commercial cannabis activity shall be subject to civil penalties of up to three times the amount of
25 the license fee for each violation, but in no case shall the penalty exceed thirty thousand dollars
26 (\$30,000) for each violation. Pursuant to Title 4 of the California Code of Regulations, section
27 15014, the annual license fee for a Type 11 Distributor license ranges from \$1,500.00 annually to
28 \$240,000.00 annually, depending upon the licensee's annual gross revenue. Therefore, the lowest
fine amount would be \$18,000.00 (calculated by taking the minimum annual license fee amount
of \$1,500.00, multiplying that amount by three as set forth in Section 26038(a)(2)(A), and
multiplying that amount by the 4 dates of violations). The highest fine amount would be
\$120,000.00 (calculated by multiplying the maximum fine amount of \$30,000.00 as set in forth in
Section 26038(a)(2)(A) and multiplying that amount by the 4 dates of violations).

1 PRAYER

2 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
3 and that following the hearing, the Director issue a decision;


4 1. Revoking or suspending outright or suspending with terms and conditions or finding
5 any combination thereof, the (1) Distribution License Number C11-0000271-LIC; (2) Cultivation
6 - Small Mixed Light Tier 1 License Number CCL19-0001805; and (3) Cultivation - Medium
7 Mixed Light Tier 2 License Number CCL19-0001807 issued to Respondent Humboldt Emerald
8 Triangle, LLC, with Uonan as Owner;

9 2. Ordering Respondent Humboldt Emerald Triangle, LLC, with Uonan as Owner to
10 pay the reasonable costs of the investigation and enforcement of this case, pursuant to Business
11 and Professions Code section 26031.1;

12 3. Ordering Respondent Humboldt Triangle, LLC, with Uonan as Owner, to pay civil
13 penalties, in an amount to be proven at the hearing; pursuant to Business and Professions Code
14 section 26038; and

15 4. Taking such other and further action as deemed necessary and proper.
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18 DATED: April 24, 2024



JEFF MERRIMAN
Deputy Director, Compliance Division
Department of Cannabis Control
State of California
Complainant

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