



Department of
Cannabis Control
CALIFORNIA

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

July 21, 2025

VIA EMAIL ONLY

Wei Shi aka Kevin Shi
Emerald City Distribution
emeraldcitywillits@gmail.com

Yafeng Shi
emailkevina@gmail.com

Re: Emerald City Distribution - Case No. DCC24-0002149-INV
Order Adopting Stipulated Settlement and Order as Final Decision

Dear Messrs. Shi:

Pursuant to section 11415.60 of the Government Code, attached please find a copy of the Department of Cannabis Control's Order Adopting Stipulated Settlement and Order as the Final Decision in the above-referenced matter involving Emerald City Distribution.

The Department's Order and Final Decision will be effective on July 21, 2025. Pursuant to this Final Decision and its stipulated settlement, Emerald City Distribution, has waived any right to reconsideration or appeal in this matter and to receive a copy of the Decision and Order via certified, registered, or first-class mail.

Sincerely,

Douglas Smurr
Assistant General Counsel
info@cannabis.ca.gov
www.cannabis.ca.gov

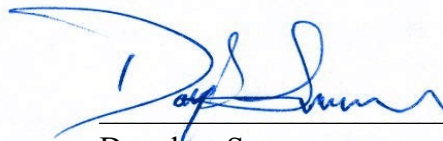
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8 **BEFORE THE**
9 **DEPARTMENT OF CANNABIS CONTROL**
10 **OF THE STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:) CASE NO. DCC24-0002149-INV
12)
13 EMERALD CITY DISTRIBUTION)
14 WEI SHI AKA KEVIN SHI, OWNER) **ORDER ADOPTING STIPULATED**
15 300 E. Hill Road) **SETTLEMENT AND ORDER AS FINAL**
16 Willits, CA 95490) **DECISION**
17)
18 Cannabis – Distributor License)
19 No. C11-0000007-LIC)
20 Respondent.)

21 Pursuant to Government Code section 11415.60, the Department of Cannabis Control
22 hereby adopts the attached Stipulated Settlement and Order as its Final Decision in this matter.

23 This Order and Final Decision shall become effective on July 21, 2025.

24 IT IS ORDERED, July 21, 2025.

25 

26 Douglass Smurr
27 Assistant General Counsel
28 FOR THE DEPARTMENT OF CANNABIS CONTROL

1 ROB BONTA
Attorney General of California
2 GREGORY M. CRIBBS
Supervising Deputy Attorney General
3 JUSTIN T. BULLER
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7 *Attorneys for Complainant*

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

11
12 In the Matter of the Accusation Against:

13 **EMERALD CITY DISTRIBUTION**
WEI SHI AKA KEVIN SHI, OWNER
14 **300 E. Hill Road**
Willits, CA 95490

15 **Cannabis – Distributor License**
16 **No. C11-0000007-LIC**

17 Respondent.
18

Case No. DCC24-0002149-INV

STIPULATED SETTLEMENT FOR
REVOCATION OF LICENSE AND
ORDER

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

21 **PARTIES**

22 1. Petitioner Evelyn Schaeffer (Complainant), Deputy Director of the Compliance
23 Division of the Department of Cannabis Control (Department), brought this action solely in her
24 official capacity and is represented in this matter by Rob Bonta, Attorney General of the State of
25 California, by Deputy Attorney General Justin T. Buller.

26 2. Respondent Emerald City Distribution (Respondent) with Wei Shi aka Kevin Shi,
27 Owner (Owner Shi) is representing itself in this matter and Respondent is acting in this
28

proceeding through Owner Shi who has been designated and authorized by Respondent to enter into this agreement on its behalf (Authorized Representative).

3. On or about April 11, 2019, the Department issued Cannabis - Distributor License Number C11-0000007-LIC to Respondent. From the date of issuance to present, Respondent's licensed premises address has been 300 E Hill Road, Willits, California 95490. Respondent's Cannabis – Distributor License Number C11-0000007-LIC was in full force and effect at all times relevant to the charges and allegations brought in the Accusation. The Cannabis-Distributor License was suspended on February 25, 2025, and subsequently expired on April 10, 2025.

JURISDICTION

4. On February 14, 2025, the Department filed a Petition for an Interim Suspension Order with Case No. DCC24-0002149-INV, against Respondent. Based upon the charges brought in the Petition for Interim Suspension, a stipulation was made between the parties, which included Respondent waiving its right to the filing of an Accusation within fifteen (15) days of submission of the matter at a noticed hearing as specified in California Code of Regulations, title 4, section 17810, subdivision (d).

5. The Interim Order of Suspension was issued on February 25, 2025, and was effective the same day. The Order suspended Respondent's Cannabis – Distributor License Number C11-0000007-LIC and ordered Respondent to cease all commercial cannabis activity until a final decision and order was made by the Department.

6. Accusation No. DCC24-0002149-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 July 3, 2025.

7. A true and correct copy of Accusation No. DCC24-0002149-INV is attached as Exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

8. Respondent and Owner Shi have carefully read and fully understand the charges and allegations in Accusation No. DCC24-0002149-INV. Respondent and Owner Shi have also

1 carefully read and fully understand the effects of this Stipulated Settlement for Revocation of
2 License and Order.

3 9. Respondent and Owner Shi are fully aware of their legal rights in this matter,
4 including the right to be represented by counsel at their own expense, the right to a hearing on the
5 charges and allegations in Accusation No. DCC24-0002149-INV; the right to confront and cross-
6 examine the witnesses against him; the right to present evidence and to testify on his own behalf;
7 the right to the issuance of subpoenas to compel the attendance of witnesses and the production of
8 documents; the right to reconsideration and court review of an adverse decision; and all other
9 rights accorded by the California Administrative Procedure Act and other applicable laws.

10 10. Respondent and Owner Shi are fully aware of their legal right to receive a copy of the
11 Decision and Order via certified, registered, or first-class mail. Respondent and Owner Shi agree
12 to receive a copy of the Decision and Order in this matter via email at the following email
13 addresses: emeraldcitywillits@gmail.com

14 11. Respondent and Owner Shi voluntarily, knowingly, and intelligently waive and give
15 up each and every right set forth above.

16 **CULPABILITY**

17 12. Respondent and Owner Shi understand and agree that the allegations contained in
18 Accusation No. DCC24-0002149-INV, if proven at hearing, constitute cause for discipline upon
19 Cannabis - Distributor License Number C11-0000007-LIC.

20 13. For the purpose of resolving this action without the expense and uncertainty of further
21 proceedings, Respondent and Owner Shi agree that, at a hearing, the Department could establish a
22 factual basis for the findings in Accusation No. DCC24-0002149-INV, and that Respondent and
23 Owner Shi hereby give up their right to contest those charges.

24 14. Respondent and Owner Shi agree that its Cannabis - Distributor License Number
25 C11-0000007-LIC is subject to discipline and they agree to be bound by the imposition of
26 discipline as set forth in the Order below.

27 15. Respondent and Owner Shi understand that by signing this stipulation it enables the
28 Department to issue a Decision and Order, accepting the revocation of its Cannabis - Distributor

1 License Number C11-0000007-LIC, without further notice to, or opportunity to be heard by,
2 Respondent or Owner Shi.

3 **CONTINGENCY**

4 16. This stipulation shall be subject to approval by the Department. Respondent and
5 Owner Shi understand and agree that counsel for Complainant and the staff of the Department
6 may communicate directly with the Department regarding this stipulation and revocation, without
7 notice to or participation by Respondent and Owner Shi. By signing the stipulation, Respondent
8 and Owner Shi understand and agree that it may not withdraw its agreement or seek to rescind the
9 stipulation prior to the time the Department considers and acts upon it. If the Department fails to
10 adopt this stipulation as its Decision and Order, the Stipulated Settlement for Revocation of
11 License and Order shall be of no force or effect, except for this paragraph, it shall be inadmissible
12 in any legal action between the parties, and the Board shall not be disqualified from further action
13 by having considered this matter.

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

17 18. This Stipulated Settlement for Revocation of License and Order is intended by the
18 parties to be an integrated writing representing the complete, final, and exclusive embodiment of
19 their agreement. It supersedes any and all prior or contemporaneous agreements, understandings,
20 discussions, negotiations, and commitments (written or oral). This Stipulated Settlement for
21 Revocation of License and Order may not be altered, amended, modified, supplemented, or
22 otherwise changed except by a writing executed by an authorized representative of each of the
23 parties.

24 19. In consideration of the foregoing admissions and stipulations, the parties agree that
25 the Department may, without further notice or formal proceeding, issue and enter the following
26 Order:

27 **ORDER**

1 **IT IS HEREBY ORDERED that Cannabis – Distributor License No. C11-0000007-**
2 **LIC, issued to Respondent Emerald City Distribution with Wei Shi aka Kevin Shi as its**
3 **owner, is revoked.**

4 1. **WAIVER OF APPEAL.** Any appeal of, or right to an administrative hearing related
5 to, Accusation Number DCC23-0001432-INV is waived.

6 2. **LICENSE REVOCATION.** Respondent shall lose all rights and privileges as a
7 licensed Cannabis distributor in California as of the effective date of the Decision and Order. The
8 revocation of Respondent's distributor license shall constitute the imposition of discipline against
9 the Respondent and shall become part of Respondent's license history with the Department.

10 3. **REINSTATEMENT OF LICENSE.** If Respondent ever applies for reinstatement
11 of its license or a new commercial cannabis license or ownership interest in any commercial
12 cannabis license, Respondent must comply with all the laws, regulations and procedures for
13 licensure in effect at the time the application or petition is filed, and all of the charges and
14 allegations contained in Case No. DCC24-0002149-INV shall be deemed to be true, correct and
15 fully admitted by Respondent when the Department determines whether to grant or deny the
16 application.

17 4. **PAYMENT OF COSTS OF ENFORCEMENT.** If Respondent or Owner Shi
18 applies for reinstatement of its license or applies for a new commercial cannabis license or new
19 ownership interest in any commercial cannabis license, Respondent or Owner Shi shall pay the
20 Department's costs of enforcement for Case No. DCC24-0002149-INV, in the amount of
21 \$14,778.75 prior to issuance of a new or reinstated license.

22 **ACCEPTANCE**

23 I have carefully read the above Stipulated Settlement for Revocation of License and Order.
24 I understand the stipulation and the effect it will have on Cannabis - Distributor License Number
25 C11-0000007-LIC. I enter into this Stipulated Settlement for Revocation of License and Order
26 voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the
27 Department of Cannabis Control.
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1 Dated: 07/03/2025



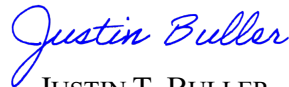
2 EMERALD CITY DISTRIBUTION
3 WEI SHI AKA KEVIN SHI,
4 OWNER/AUTHORIZED REPRESENTATIVE
Respondent

5 **ENDORSEMENT**

6 The foregoing Stipulated Settlement for Revocation of License and Order is hereby
7 respectfully submitted for consideration by the Department of Cannabis Control.
8

9
10 Dated: 07/03/2025

11 ROB BONTA
12 Attorney General of California
13 GREGORY M. CRIBBS
14 Supervising Deputy Attorney General



15 JUSTIN T. BULLER
16 Deputy Attorney General
17 *Attorneys for Complainant*
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Exhibit A
Accusation No. DCC24-0002149-INV

1 ROB BONTA
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3 GREGORY M. CRIBBS
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Attorneys for Complainant
9

10 **BEFORE THE**
DEPARTMENT OF CANNABIS CONTROL
11 **STATE OF CALIFORNIA**
12

13 In the Matter of the Accusation Against:

Case No. DCC24-0002149-INV

14 **EMERALD CITY DISTRIBUTION**
WEI SHI AKA KEVIN SHI, OWNER
15 **300 E. Hill Road**
16 **Willits, CA 95490**

ACCUSATION

17 **Cannabis – Distribution License Number**
18 **C11-0000007-LIC**

19 **PARTIES**

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

23 2. On or about April 11, 2019, the Department issued Cannabis - Distributor License
24 Number C11-0000007-LIC to Respondent Emerald City Distribution (“Respondent”) with Wei
25 Shi aka Kevin Shi as Owner (“Owner”). From the date of issuance to present, Respondent’s
26 licensed premises address has been 300 E Hill Road, Willits, CA 95490 (“Premises”). The
27 Cannabis – Distribution License was in full force and effect at all times relevant to the charges
28 brought herein.

1 **PROCEDURAL HISTORY**

2 3. Based upon a stipulation made between the parties, an Interim Order of Suspension
3 was issued on February 25, 2025, and was effective the same day. The Order suspended
4 Respondent's license and ordered Respondent to cease all commercial cannabis activity. The
5 Interim Order will remain in effect, pending a full determination whether Respondent has violated
6 the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), or upon further
7 order by the Department in this matter.

8 **JURISDICTION**

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

12 5. Section 26010 of the Code states:

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

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

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

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

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

24 8. 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
28 Division 3 of Title 2 of the Government Code. . . .

26 ///

27 ///

28 ///

1 9. Section 26031 of the Code states, in part:

2 (a) The department may suspend, revoke, place on probation with terms and
3 conditions, or otherwise discipline licenses issued by the department and fine a
4 licensee, after proper notice and hearing to the licensee, except as provided in Section
5 26031.01, if the licensee is found to have committed any of the acts or omissions
6 constituting grounds for disciplinary action. The disciplinary proceedings under this
7 chapter shall be conducted in accordance with Chapter 5 (commencing with Section
8 11500) of Part 1 of Division 3 of Title 2 of the Government Code, and the director
9 shall have all the powers granted therein.

10 ...

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

15 10. Section 26034 of the Code states:

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

24 STATUTORY PROVISIONS

25 11. Section 26030 of the Code states:

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

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

 ...

 (c) Any other grounds contained in regulations adopted by a licensing authority
 pursuant to this division.

 ...

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REGULATORY PROVISIONS

12. Title 4 of the California Code of Regulations, section 15036 states:

(a) A licensee shall notify the Department and local law enforcement within 24 hours of discovery of any of the following situations:

- (1) The licensee discovers a significant discrepancy, as defined in section 15034, in its inventory.
- (2) The licensee discovers diversion, theft, loss, or any other criminal activity pertaining to the operations of the licensee.
- (3) The licensee discovers diversion, theft, loss, or any other criminal activity by an agent or employee of the licensee pertaining to the operations of the licensee.
- (4) The licensee discovers loss or unauthorized alteration of records related to cannabis or cannabis products, customers, or the licensee's employees or agents.
- (5) The licensee discovers any other breach of security.

13. Title 4 of the California Code of Regulations, section 15044 states:

(a) Each licensed premises shall have a digital video surveillance system with a minimum camera resolution of 1280 x 720 pixels on the licensed premises. This requirement does not apply to a licensed premises authorized exclusively for cultivation activities or the cultivation area of a licensed microbusiness premises.

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

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

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

- (1) Areas where cannabis or cannabis products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the licensed premises;
- (2) Limited-access areas;
- (3) Security rooms;

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

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

(e) Licensed retailers and licensed microbusinesses authorized to engage in retail sales shall also record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

(f) Cameras shall record continuously 24 hours per day and at a minimum of 15 frames per second (FPS).

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

(h) Surveillance recordings shall be kept for a minimum of 90 calendar days.

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

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

(k) The video surveillance system shall be equipped with a failure notification system that provides notification to the licensee of any interruption or failure of the video surveillance system or video surveillance-system storage device.

(l) If multiple licensed premises are contained within the same building or on the same parcel of land, a single video surveillance system covering the entire building or parcel of land may be used by all of the licensees if all licensees have immediate access to the surveillance recordings to produce them pursuant to subsection (i). All licensees sharing a video surveillance system shall be held responsible and subject to discipline for any violations of the video surveillance requirements.

(m) Notwithstanding subsection (a), a licensed distributor transport only licensee engaged in self-distribution whose premises is on the same parcel of land as

1 their licensed cultivation premises shall not be required to comply with the
2 provisions of this section.

3 14. Title 4 of the California Code of Regulations, section 15046 states:

4 A licensee shall ensure that all limited-access areas can be securely locked
5 using commercial-grade, nonresidential door locks. A licensee shall also use
6 commercial-grade, nonresidential door locks on all points of entry and exit to the
7 licensed premises. This requirement does not apply to a licensed premises
8 authorized exclusively for cultivation activities or the cultivation area of a licensed
9 microbusiness premises.

10 15. Title 4 of the California Code of Regulations, section 15047 states:

11 (a) A licensee shall maintain an alarm system as defined in Business and
12 Professions Code section 7590.1(c) at the licensed premises. This requirement does
13 not apply to a licensed premises authorized exclusively for cultivation activities or
14 the cultivation area of a licensed microbusiness premises.

15 (b) A licensee shall ensure a licensed alarm company operator or one or more
16 of its registered alarm agents installs, maintains, monitors, and responds to the alarm
17 system.

18 (c) Upon request, a licensee shall make available to the Department all
19 information related to the alarm system, monitoring, and alarm activity.

20 (d) If multiple licensed premises are contained within the same building or
21 parcel of land, a single alarm system covering the entire building or parcel of land
22 may be used by all of the licensees if all licensees have access to and are able to
23 provide the information under subsection (c). All licensees shall be held responsible
24 and subject to discipline for any violations of the alarm system requirements.

25 16. Title 4 of the California Code of Regulations, section 15047.2 states:

26 (a) A licensee shall create and maintain an account within the track and trace
27 system prior to engaging in any commercial cannabis activity.

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

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

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

17. Title 4 of the California Code of Regulations, section 15048.1 states, in part:

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

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

5 18. Title 4 of the California Code of Regulations, section 15049 states:

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

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

12 (1) Receipt of cannabis or cannabis products.

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

14 (3) Manufacturing of cannabis or cannabis products.

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

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

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

20 (7) Laboratory testing, including testing results.

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

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

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

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

26 (3) The date of activity.

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

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

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

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

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

3 (C) The method of disposal.

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

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

10 **COST RECOVERY**

11 19. Section 26031.1 of the Code states that:

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

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

22 (c) The administrative law judge shall make a proposed finding of the amount
23 of reasonable costs of investigation and prosecution of the case when requested
24 pursuant to subdivision (a). The finding of the administrative law judge with regard to
25 costs shall not be reviewable by the department to increase the cost award. The

26 department may reduce or eliminate the cost award, or remand to the administrative
27 law judge if the proposed decision fails to make a finding on costs requested pursuant
28 to subdivision (a).

(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 20. On September 10, 2024, Special Investigator (“SI”) Howton sent a Notice to Inspect
9 (“NOI”) to the listed owner, Wei Shi, also known as Kevin (“Kevin”) at the e-mail address listed
10 in the Department’s licensing system and informed him that the Department would be conducting
11 a compliance inspection on September 16, 2024. That same day, using the California Cannabis
12 Track and Trace system (“CCTT”) and the Cannabis Licensing System (“CLS”), SI Howton
13 verified the active status of Respondent’s license before conducting an electronic audit of
14 Respondent’s CCTT activity. The electronic audit consisted of viewing incoming and outgoing
15 transfers, checking the active inventory and authorized METRC users, and running a Package
16 Adjustment Report (“PAR”). When reviewing the PAR, SI Howton noted that “Theft” was listed
17 for several thousand items which had been adjusted out of the CCTT in March 2024. The
18 Department was unable to locate any evidence that the theft had been reported to the Department,
19 as required per regulations.

20 21. On September 13, 2024, SI Howton reviewed Respondent’s CCTT activity that had
21 been reported since September 10, 2024, and found eight outgoing transfers of cannabis, and all
22 adjustments and deliveries had been made by Respondent’s employee, R.S.

23 22. On September 16, 2024, SIs Russell Poag (“SI Poag”) and Howton arrived at the
24 entrance to Respondent’s Premises to conduct a compliance inspection. They contacted Kevin
25 and informed him that they had arrived. SI Poag and SI Howton were met by Brandi Carlile
26 (“Carlile”), manager of Emerald City, who opened the gate, allowing access to the Premises.
27 Carlile stated “nothing had changed since the last time DCC was here. We’re not operational. We
28

1 don't even have power," or words to that effect. Carlile indicated that the power had been out for
2 approximately two (2) years.

3 23. SI Poag and SI Howton confirmed that there was no power. SI Howton noted some of
4 the security lighting was working and and was informed by Carlile that the Premises had a solar
5 bank on the roof.

6 24. SI Poag and SI Howton then entered the area indicated on the submitted premises
7 diagram as the location of the Distribution License within the building. SI Howton observed some
8 shelves within the open floor plan but did not see any of the 121 active cannabis packages listed
9 in the CCTT system. SI Howton asked Carlile about the packages, to which she said, "I told you
10 we haven't done anything in a while." SI Howton followed up by asking how often they perform
11 an inventory reconciliation. Carlile said they don't need to do it because they "have no product."

12 25. When asked about the PAR and the adjustments that occurred on March 10, 2024,
13 with a listed note of "Theft." Carlile said, "We've had a few break-ins here. The last time they
14 broke in, they kicked in all the doors." When asked when the last time a break-in occurred.
15 Carlile said, "About a month or so ago." Carlile further stated, "It took the police about 20
16 minutes to get here, and there were hostages, and everything." SI Howton asked, "Do you know if
17 anyone reported it to the DCC?" Carlile was unable to answer the question, and again referred SI
18 Howton to Kevin.

19 26. SI Howton then informed Carlile that 83 manifests had not been accepted in CCTT by
20 Respondent within 24 hours of being delivered. Carlile stated that she was aware that manifests
21 were required to be accepted within 24 hours of delivery, but that no deliveries had been made to
22 Respondent. Carlile indicated that she did not know why the CCTT system would show any
23 manifests as not being received.

24 27. SI Howton then asked, "If you're not operational and haven't been for a while, why
25 were package tags ordered in July?" Carlile said she didn't know. SI Howton pointed out that the
26 order shows Brandi Carlile as the contact person, but she said she didn't "know why package tags
27 were ordered because obviously," and then gestured to the empty premises.

1 28. Shortly after this, Carlile called Kevin set the phone to speaker, and SI Howton and
2 SI Poag introduced themselves. After a short discussion about the current Premises diagram, SI
3 Howton asked about the break-ins and Kevin stated there had been a few. When asked if the
4 break-ins had been reported to the Department Kevin said, “No, but the police were here.”

5 29. SI Poag and SI Howton then looked at the proposed nursery portion of the Premises
6 before stepping back into the distribution area. SI Howton asked about the location of the storage
7 unit for the video surveillance system and if proof of the 90-day retention period could be
8 provided. Carlile directed SI Poag and SI Howton to the “Vault Product Storage” room as marked
9 on the submitted Premises diagram. When they went to enter, Carlile said, “Let me unlock it, oh
10 wait, this door was kicked in too, so I don’t even know if the lock works.” SI Howton had Carlile
11 ensure the door was closed and locked. SI Howton then pushed on the upper part of the door with
12 the palm of his hand. It opened with little force, even with the locking mechanism engaged. SI
13 Howton asked Carlile if all the doors were like this, and she said, “Well they kicked in all the
14 doors, so I think so.”

15 30. After observing the server rackmount within the space, it appeared the system was not
16 physically connected to the storage unit. SI Howton asked if Carlile could provide proof of the
17 required 90-day retention period on the video surveillance system. SI Howton asked if Carlile
18 could possibly bring any of the surveillance recordings up on her phone, but she stated she was
19 unable to but “Kevin may be able to since he added in the other cameras. He might have a way to
20 access them.”

21 31. SI Howton and SI Poag proceeded back to the main entrance of the Premises and SI
22 Howton noted a scale on one of the tables near the main entrance. SI Howton checked the County
23 Seal affixed to it and noted it was a 2021 Seal, and therefore expired. SI Howton asked about the
24 sign-in / sign-out sheet that was supposed to be in the main entrance area. Carlile was able to
25 produce it. There was only one sheet attached, and the last date anyone had signed in was
26 November 15, without a year indicated. Carlile confirmed that it was in 2023.

27 ///

28 ///

32. SI Howton explained to Carlile all the violations that had been noted, as well as the follow up procedures, including sending Kevin a Dropbox link to supply videos of the theft that had recently occurred and proof of the 90-day retention period on the video surveillance system.

33. The following day, on September 17, 2024, SI Howton sent an email to Kevin, using the contact information provided to the Department, requesting records of all thefts that occurred on the property, including completion of DCC-LIC-028 forms; dates, times, list of inventory stolen with UIDs; name of the responding law enforcement agency; the report number of the incident; and any video that Respondent had concerning the thefts. SI Howton also requested other surveillance recordings for various dates. Within the body of the e-mail, SI Howton provided a Dropbox link for Kevin to upload the information to and gave a deadline of September 27, 2024.

34. On September 25, 2024, SI Howton received an e-mail from Kevin's listed email address, which stated that the licensed premises had been without power for a year, and they were unable to pull any data from the security cameras. The only thing Respondent had received were notifications from the camera system.

35. SI Howton responded to the email on October 1, 2024, changing his records request from videos to the notifications received. SI Howton also reiterated to Kevin that Respondent needed to provide a DCC-LIC-028 form for the incidents that occurred on the property. DCC has received no further response from Kevin or Respondent.

36. On December 11, 2024, SI Howton reviewed a report on CCTT for the incoming and outgoing transfers for Respondent which showed there had been seven (7) Incoming Transfers and five (5) Outgoing Transfers from September 16, 2024, to December 11, 2024. The outgoing transfers occurred as recently as December 6, 2024.

FIRST CAUSE FOR DISCIPLINE

(Failure to Notify Department within 24 hours of a Theft, Loss, or Criminal Activity)

37. Respondent is subject to disciplinary action under Code sections 26030, subdivisions (a) and (c), for violations of California Code of Regulations, title 4, sections 15036, for failing to notify the Department within 24 hours of a theft, loss, and criminal activity, as more particularly

1 alleged in paragraphs 20 through 36 above, which are hereby incorporated by reference and
2 realleged as if fully set forth herein.

3 **SECOND CAUSE FOR DISCIPLINE**

4 (Failure to Maintain Video Surveillance System on Premises)

5 38. Respondent is further subject to disciplinary action under Code sections 26030,
6 subdivisions (a) and (c), for violations of California Code of Regulations, title 4, sections
7 15048.1, subdivision (a)(8) and 15044, for failure to maintain a video surveillance system on the
8 licensed premises, as more particularly alleged in paragraphs 20 through 36, above, which are
9 hereby incorporated by reference and realleged as if fully set forth herein.

10 **THIRD CAUSE FOR DISCIPLINE**

11 (Failure to Reconcile Physical Inventory and Inventory Recorded on CCTT)

12 39. Respondent is further subject to disciplinary action under Code section 26030,
13 subdivisions (a) and (c), in that it failed to comply with the provisions the California Code of
14 Regulations, title 4, sections 15047.2, subdivisions (b) and (c), 15048.1, and 15049, which
15 requires that all cannabis and cannabis products on a licensed premises be entered on accurately
16 on Respondent's CCTT account, as more particularly alleged in paragraphs 20 through 36, above,
17 which are hereby incorporated by reference and realleged as if fully set forth herein.

18 **FOURTH CAUSE FOR DISCIPLINE**

19 (Failure to Maintain Locks on Doors in the Licensed Premises)

20 40. Respondent is further subject to disciplinary action under Code section 26030,
21 subdivisions (a) and (c), in that it failed to comply with the California Code of Regulations, title
22 4, sections 15046, by failing to maintain locked doors in the licensed premises, as more
23 particularly alleged in paragraphs 20 through 36 above, which are hereby incorporated by
24 reference and realleged as if fully set forth herein.

25 **FIFTH CAUSE FOR DISCIPLINE**

26 (Failure to Maintain Alarm System)

27 41. Respondent is further subject to disciplinary action under Code section 26030,
28 subdivisions (a) and (c), in that it failed to comply with California Code of Regulations, title 4,

1 sections 15047, by failing to maintain an alarm system on the licensed premises, as more
2 particularly alleged in paragraphs 20 through 36, above, which are hereby incorporated by
3 reference and realleged as if fully set forth herein.

4 **PRAYER**

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

7 1. Revoking outright or with terms and conditions or fining or any combination thereof,
8 the Cannabis - Distribution license number C11-0000007-LIC, issued to Respondent Emerald
9 City Distribution, with Wei Shi aka Kevin Shi as Owner.

10 2. Ordering Respondent Emerald City Distribution, to pay the Department of Cannabis
11 Control the reasonable costs of the investigation and enforcement of this case, pursuant to
12 Business and Professions Code section 26031.1;

13 3. Ordering the destruction of cannabis and cannabis goods in the possession of
14 Respondent Emerald City Distribution, at Respondent's expense if revocation of Cannabis –
15 Distribution License Number C11-0000007-LIC is ordered, pursuant to Code of Regulations, title
16 4, section 15024.1, subdivision (a); and

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

18
19 DATED: June 12, 2025

20 
21 EVELYN SCHAEFFER
22 Deputy Director, Compliance Division
23 Department of Cannabis Control
24 State of California
25 Complainant
26
27
28

PROOF OF SERVICE

Case Name: In the Matter of the Accusation Against: EMERALD CITY DISTRIBUTION
DCC Case No. DCC24-0002149-INV
License Number: C11-0000007-LIC

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 July 21, 2025, I served the within documents:

ORDER ADOPTING STIPULATED SETTLEMENT AND ORDER AS FINAL DECISION

- ☒ 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.

Wei Shi aka Kevin Shi
Emerald City Distribution
emeraldcitywillits@gmail.com

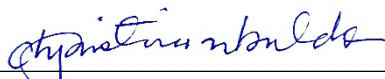
Yafeng Shi
emailkevina@gmail.com

Harinder Kapur
Assistant Attorney General
Cannabis Control Section
Office of Attorney General
harinder.kapur@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 am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after the date of deposit for mailing in affidavit.

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 July 21, 2025, at Rancho Cordova, California.


Christina C. Ubaldo