

BEFORE THE CANNABIS CONTROL APPEALS PANEL  
OF THE STATE OF CALIFORNIA

Case No. 2026-04-DCC-0002

License: C11-0000305-LIC

Department Decision: DCC25-00004-CON

EUPHORIC LIFE, INC.  
807 Industrial Drive  
Hollister, CA 95023  
*Appellant/Licensee,*

v.

DEPARTMENT OF CANNABIS CONTROL,  
*Respondent.*

**OPINION AND FINAL ORDER**

Pursuant to California Code of Regulations, title 16, section 6017, the attached Opinion and Order was adopted by the Cannabis Control Appeals Panel in the above referenced matter on June 25, 2026.

The Order is final, is effective thirty (30) days from the date below, and is not subject to reconsideration or rehearing by the Panel.

IT IS SO ORDERED this 29<sup>th</sup> day of June, 2026.



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Anne Hawley  
Executive Director  
For the Cannabis Control  
Appeals Panel

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DEPARTMENT OF CANNABIS CONTROL,  
*Respondent.*

Appeals Panel Hearing: May 21, 2026

**PROCEDURAL HISTORY**

Appellant Euphoric Life Inc. is licensed as both a cannabis distributor and manufacturer. (Proposed Decision, at p. 2.) Appellant maintains facilities for each purpose that are “contiguous with, although distinct from” each other. (*Ibid.*)

In August 2024, Department staff inspected appellant’s distribution facility and observed bagged cannabis flower and pre-rolled cannabis cigarettes lacking proper labels. (*Id.* at p. 3.) The Department issued a Notice to Comply instructing appellant to remedy the labeling errors and submit a statement describing how it would avoid such errors in the future. (*Id.* at pp. 3-4.) Appellant responded to the Notice to Comply and listed its remedial measures. (*Id.* at p. 4.)

However, in April 2025, Department inspectors visited appellant’s distribution premises and again discovered unlabeled or improperly labeled cannabis product. (*Id.* at p. 5.) The inspectors inventoried the product and issued an Initial Embargo Notice. (*Id.* at p. 6.) In June 2025, the Department issued a Supplemental Notice of Embargo directing appellant to submit a plan describing how it intended to correct the labeling errors. (*Id.* at p. 8.)

Appellant submitted a timely correction plan but did not include any supporting documents. (*Id.* at p. 8.)

In August 2025, the Department notified appellant that its correction plan was inadequate and instructed appellant to submit a plan for voluntary destruction of the embargoed cannabis. (*Id.* at pp. 9-10.) Appellant declined to do so. (*Id.* at p. 10.)

In October 2025, the Department served appellant with a pleading seeking an order of condemnation authorizing destruction of the embargoed cannabis. (*Id.* at p. 2.) Appellant filed a notice of defense, and the matter was heard by Administrative Law Judge Julie E. Cox on February 5 and 12, 2026. (*Id.* at pp. 1-2.) On February 26, 2026, ALJ Cox issued a Proposed Decision ordering condemnation of the embargoed cannabis and awarding costs to the Department. (*Id.* at pp. 14-15.) On March 5, 2026, the Department adopted the Proposed Decision in its entirety, with an effective date of April 6, 2026. (Final Decision, at p. 1.) The effective date served as the date upon which the Department, absent a stay of enforcement, was authorized to destroy the embargoed cannabis.

On March 23, 2026, appellant sought a writ of mandate from the Santa Clara Superior Court. (*Euphoric Life v. Dept. of Cannabis Control* (Sup. Ct. of Santa Clara Co., 2026) Case No. 26CV489817.) Appellant concurrently filed an ex parte application for stay of enforcement of the Final Decision pending review. (Ex Parte Application, *Euphoric Life, supra.*)

On April 17, 2026, the Superior Court denied appellant's ex parte application. (Order Denying Stay of Enforcement Pending Judicial Review [hereinafter, "Order Denying Stay"] *Euphoric Life, supra.*) The court's Order concluded that it "lacks jurisdiction to proceed under Business & Professions Code section 26045, which is not limited in application or scope by the provisions of section 26043." (Order Denying Stay, *Euphoric Life, supra.*)

On April 16, 2026, appellant filed its Notice of Appeal with this Panel. (Notice of Appeal, at p. 1.)

On April 24, 2026, the Department filed the instant Motion. (Dept. Motion to Dismiss Appeal or, in the Alternative, to Vacate Stay [hereinafter "Motion"].) Appellant filed its Opposition on April 27, 2026, requesting that this Panel deny the Department's Motion or, alternatively, "continue the stay for 14 days to permit Appellant to seek emergency writ relief from the Court of Appeal." (App. Opp. to Appellee's Motion to Dismiss Appeal or, in the Alternative, to Vacate Stay [hereinafter "Opposition"] at p. 2.)

## DISCUSSION

This Panel finds that it lacks jurisdiction to hear an appeal from the Final Decision ordering condemnation of appellant's cannabis product and has no authority to extend the automatic stay beyond the effective date of this order.

The Department's authority to condemn cannabis or cannabis products derives from section 26039.3 of the Business and Professions Code and from Department rule 17801.5.

Section 26039.3, subdivision (f), states, "The department may condemn cannabis or a cannabis product under the provisions of this section. A proceeding for condemnation shall be subject to appropriate notice to, and the opportunity for a hearing with regard to, the person or license affected in accordance with" the formal administrative hearing procedures supplied by the Government Code. (Bus. & Prof. Code, § 26039.3(f); see also Gov. Code, §§ 11500-11530.)

Department rule 17801.5, subsection (d)(2), permits the Department to "initiate condemnation proceedings in accordance with section 26039.3(f)" where it has previously embargoed a licensee's cannabis or cannabis product, and the licensee has failed to timely submit an adequate plan for remediation of the issues that led to the embargo. (Code Regs., tit. 4, § 17801.5(d)(2).)

Section 26043 of the Business and Professions Code defines this Panel's jurisdiction:

After proceedings pursuant to Section 26031, 26031.5, or 26058 of Chapter 2 (commencing with Section 480) or Chapter 3 (commencing with Section 490) of Division 1.5, any person aggrieved by the decision of the department denying the person's application for any license, denying the person's renewal of any license, placing any license of probation, imposing any condition on any license, imposing any fine on any license or licensee, assessing any penalty on any license, or canceling, suspending, revoking, or otherwise disciplining any license as provided for under this division, may appeal the department's written decision to the panel.

(Bus. & Prof. Code, § 26043(a).) The statute enumerates which administrative proceedings must precede any appeal before the Panel. (See Bus. & Prof. Code, § 26043(a).) Those proceedings include a hearing on the suspension, revocation, or probation of a license based on violations of cannabis law (see Bus. & Prof. Code, § 26031); a hearing on a citation resulting in a fine (see Bus. & Prof. Code, § 26031.5); a hearing on the denial of a license application (see Bus. & Prof. Code, § 26058); a hearing on the denial of a license based on provisions related to character and criminal convictions (see Bus. & Prof. Code §§ 480-489); or a hearing on the suspension or revocation of a license based on tax delinquencies,

noncompliance with support orders, and similar provisions (see Bus. & Prof. Code, §§ 490-494.6). (Bus. & Prof. Code, § 26043(a).) They do not include proceedings ordering condemnation of cannabis product under section 26039.3, subdivision (f), or Department rule 17801.5, subsection (d)(2). (See *ibid.*)

This Panel must therefore grant the Department's Motion to Dismiss. The alternative Motion to Vacate Stay is rendered moot. Rule 6014 does not permit this Panel to maintain the automatic stay beyond issuance of a final order. (See Code Regs., tit. 16, § 6014(a).)

The Panel, however, is troubled by the apparent lack of a clear, guaranteed route of appeal for licensees faced with a condemnation order. At oral argument on its Motion, members of this Panel inquired where licensees might properly pursue an appeal from a condemnation order, and the Department answered that any such appeal may only be heard by the courts of appeal or the Supreme Court pursuant to section 26045, subdivision (a). That provision states,

No court of this state, except the Supreme Court and the courts of appeal to the extent specified in this chapter, shall have jurisdiction to review, affirm, reverse, correct, or annul any order, rule, or decision of the department or to suspend, stay, or delay the operation or execution thereof, or to restrain, enjoin, or interfere with the department in the performance of its duties, but a writ of mandate shall lie from the Supreme Court or the courts of appeal in any proper case.

(See Bus. & Prof. Code, § 26045(a).)

This Panel is not persuaded. Subdivision (a) of section 26045 serves to *divest* jurisdiction, not grant it. (See *ibid.*) The introductory clause "[n]o court of this state" serves to remove lesser courts as a venue for review of virtually any Department order. (See *ibid.*) The language does not explicitly grant jurisdiction over condemnation proceedings to higher courts, and reading an implied grant of such jurisdiction in that provision stretches its overtly negative introductory language. (See *ibid.*)

This interpretation of section 26045 is consistent with the Santa Clara Superior Court's ruling on appellant's ex parte application for a stay of enforcement, in which it observed that it "lacks jurisdiction to proceed under Business & Professions Code section 26045." (See Order Denying Stay, *Euphoric*, *supra*; see also Evid. Code, § 452(c) [permitting judicial notice of official acts].) The Superior Court notably refrained from describing what venue, if any, might hold jurisdiction over appeals from Department condemnation orders. (See *ibid.*)

Moreover, subsequent provisions of section 26045 *do* explicitly describe the scope of higher courts' jurisdiction, and imply that any higher-court litigation must first proceed through this Panel:

(b) Any person affected by a final order of the panel, including the department, may apply to the Supreme Court or to the court of appeal for the appellate district in which the proceeding arose, for a writ of review of that final order.

[¶ . . . ¶]

(e) No decision of the department that has been appealed to the panel and no final order of the panel shall become effective during the period in which application may be made for a writ of review, as provided by subdivision (c).

(Bus. & Prof. Code, § 26045(b), (e).)

The consequences of this interpretation, however, are troubling. If appeal before higher courts is limited to parties affected by final orders of this Panel, and this Panel lacks jurisdiction over appeals from condemnation proceedings, then licensees subject to a Department condemnation order are left with no venue for appeal. It is untenable that licensees faced with destruction of valuable property might have no clear route to appeal before either this Panel or the courts. Moreover, even if we accept the Department's position that condemnation orders may be appealed directly to higher courts pursuant to section 26045, subdivision (a), such appeals are through writ of mandate only and are therefore discretionary. Again, licensees are offered no guaranteed venue for even an initial appeal. Finally, if the Department ultimately chooses to rely on condemnation orders as a widespread enforcement strategy, then funneling appeals from those orders directly to higher courts would represent an inexplicable waste of judicial resources.

This Panel notes that its statutory framework does not permit it to perform either a legislative or policymaking role. We encourage those who do hold such power to expressly identify a forum for review of Department condemnation orders. At present, that issue lies beyond this Panel's authority.

## **ORDER**

The Department's Motion to Dismiss Appeal is granted. The alternative Motion to Vacate Stay is moot. Appellant's request to extend the automatic stay is denied<sup>1</sup>.

DR. DIANDRA BREMOND, CHAIRPERSON  
JOSH NEWMAN, MEMBER  
CATHRYN RIVERA, MEMBER  
CANNABIS CONTROL APPEALS PANEL

**Issued June 25, 2026**

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<sup>1</sup> This final order is filed in compliance with Business and Professions Code section 26044(b), and it shall become effective 30 days following the date of the filing of this order as provided by section 26045(e).

Any party, before this final order becomes effective, may apply to the appropriate court of appeal, or the California Supreme Court, for a writ of review of this final order in accordance with Business and Professions Code section 26045 et seq. Service on the Panel pursuant to California Rules of Court (Rule 8.25) should be directed to: 400 R Street, Suite 320, Sacramento, CA 95811 and/or electronically to: [appeals@ccap.ca.gov](mailto:appeals@ccap.ca.gov).