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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SANTA CLARA

EUPHORIC LIFE, INC.,

Petitioner,

v.

DEPARTMENT OF CANNABIS CONTROL,
STATE OF CALIFORNIA,

Respondent.

Case No. 26CV489817

**RESPONDENT’S OPPOSITION TO EX
PARTE APPLICATION FOR STAY OF
ENFORCEMENT PENDING JUDICIAL
REVIEW**

[Filed concurrently with Respondent’s
Request for Judicial Notice of Support of
Opposition to Ex Parte Application for Stay]

INTRODUCTION

Respondent California Department of Cannabis Control (“Department”), an administrative agency¹, respectfully submits this memorandum of points and authorities in opposition to Petitioner Euphoric Life, Inc.’s (“Euphoric”) Ex Parte Application for Stay of Enforcement Pending Judicial Review (“Ex Parte Application”). The Department opposes Euphoric’s Ex Parte Application on the grounds that the Superior Court lacks jurisdiction over both Euphoric’s Ex

¹ The Department of Cannabis Control is an agency within the Business, Consumer Services, and Housing Agency. (Bus. & Prof. Code, § 26010.)

1 Parte Application, and Euphoric’s underlying Verified Petition for Writ of Administrative
2 Mandamus (“Petition”). Euphoric cannot cite any statutes that confer jurisdiction on the Superior
3 Court and neither Business and Professions Code sections 26043 or 25045 provide for a review of
4 the Department’s final decision and order (“Decision and Order”) by the Superior Court. Since
5 the Superior Court lacks jurisdiction to hear the underlying Petition, Euphoric’s Ex Parte
6 Application to stay enforcement action, pending judicial review, should be denied.

7 If, in the alternative, this Court finds that it has jurisdiction to hear this Ex Parte
8 Application, which it should not, a stay may not be granted “unless the court is satisfied that the
9 public interest will not suffer and that the licensed . . . agency is unlikely to prevail ultimately on
10 the merits . . .” (Code Civ Proc. § 1094.5(h)(1).) Before a stay may be lawfully issued, a
11 petitioner must sustain its burden on both of these prongs. (*Medical Board of California v.*
12 *Superior Court (Elam)* (1991) 227 Cal.App.3d 1458, 1461.) Plainly, Euphoric cannot do so here,
13 and for this reason the Ex Parte Application should be denied.

14 STATEMENT OF FACTS

15 A. Department Inspections

16 In August 2024, the Department conducted an inspection of Euphoric’s licensed cannabis
17 distribution facility. The Department found that Euphoric possessed numerous bags of cannabis
18 flower that did not bear labels unique identifier (UID) codes.² The Department also found several
19 boxes with UID labels, each of which contained numerous cannabis pre-rolls. The individual
20 cannabis pre-rolls did not bear UID labels. Following the inspection, the Department issued a
21 Notice to Comply to Euphoric, which instructed Euphoric on proper labeling of cannabis with
22 UID information, required Euphoric to correct the labeling errors, and directed Euphoric to
23 provide a written statement describing how Euphoric would ensure compliance with licensing

24 ² California's commercial cannabis regulatory system requires the Department to track
25 cannabis throughout the distribution chain, or from seed to sale. (Bus. & Prof. Code, § 26067.) To
26 accomplish this mandate, the Department assigns UID codes to cannabis plants or groups of
27 plants under cultivation by licensed cultivators. (Bus. & Prof. Code, § 26069.) When the UID
28 tagged plants have been harvested and processed the cannabis must bear a label or tag with its
UID code. (§ 26067; Cal. Code Regs., tit. 4, §§ 15049, subd. (a), 17398, 17399.) When cannabis
moves in the distribution chain from one licensee to another the licensees must record these
transfers in the California Cannabis Track and Trace (CCTT) system. (Bus. & Prof. Code,
§ 26068; Cal. Code Regs., tit. 4, §§ 15049, subds. (b), (c), 15049.2.)

1 requirements. Euphoric timely responded and informed the Department of the corrective actions it
2 had taken.

3 On April 29, 2025, the Department conducted another inspection of Euphoric's licensed
4 cannabis distribution facility. The Department could not identify the origins of the cannabis
5 products found within Euphoric's freezers on its licensed premises. The Department found eight
6 freezers containing bags of cannabis flower that did not bear UID codes. Some of the bags of
7 cannabis had handwritten labels, while others were unlabeled. The handwritten labels included
8 codes for the cannabis strain, and dates, but none included UID codes. The Department also
9 found jars of cannabis distillate with labels that had words, but not UID codes. The Department
10 also observed cannabis pre-rolls that did not have identifying tags, thus lacking documentation of
11 their origin. Specifically, the cannabis pre-rolls were not in boxes but were loose on a table.
12 Finally, the Department found that Euphoric entered products that should be identified as
13 "beverages" as "concentrates" in its California Cannabis Track and Trace (CCTT) account.
14 Because Euphoric was unable to provide documentation to show that the unlabeled cannabis and
15 cannabis goods were from a legitimate source, the Department embargoed the unsourced items.

16 As in August 2024, Euphoric was provided an opportunity to respond to the Department.
17 Euphoric was asked to provide the Department with documentation which showed the source of
18 the cannabis and cannabis goods to the Department to resolve ambiguities or discrepancies about
19 the source of the cannabis. In addition, the Department's Notice of Embargo directed Euphoric to
20 submit a written corrective action plan to the Department. Euphoric provided the Department
21 with a corrective action plan proposal but did not submit any documents to establish the source of
22 the cannabis and cannabis products. Due to its failure to provide any substantiation that the
23 embargoed cannabis was from a licensed source, the Department asked Euphoric to voluntarily
24 destroy the unsourced cannabis. Euphoric declined the request.

25 **B. Condemnation Proceeding**

26 On October 20, 2025, a Condemnation of Embargoed Cannabis Product(s)
27 ("Condemnation") matter was initiated against Euphoric pursuant to Business and Professions
28 Code section 26039.3, subdivision (f), which permits the Department to condemn cannabis or a

1 cannabis product if the cannabis or cannabis product is adulterated or misbranded. The
2 Department alleged that Euphoric failed to comply with labeling and packaging requirements and
3 failed to provide either documentation establishing the origins of the cannabis goods in its
4 possession or to provide a written plan for release of the embargoed cannabis.

5 **C. Euphoric’s Condemnation Proceeding Hearing Before An Administrative**
6 **Law Judge**

7 Euphoric’s hearing was held on February 5 and 12, 2026, by videoconference by the Office
8 of Administrative Hearings before Administrative Law Judge (ALJ) Julie E. Cox. The
9 Department presented evidence supporting its allegation that Euphoric failed to comply with
10 labeling, and packaging requirements, as well as failed to provide documentation of origin or a
11 written plan to release the embargoed cannabis. (Decision and Order, at p. 3, ¶ 6-7; p. 5, ¶ 14-16;
12 p.8-9 ¶ 23-25, attached to the Request for Judicial Notice (“RJN”) as Exhibit A.) Euphoric was
13 represented throughout the hearing by attorney Nooshin Dalili and presented the testimony of
14 Mike Sweeney, Euphoric’s Head of Operations, and Aiden Rafii (“Rafii”), Euphoric’s Managing
15 Owner. The ALJ found that Euphoric failed to provide most of the records they described and
16 found Rafii’s testimony regarding Euphoric’s explanation for failing to provide complete
17 documentation “not credible”, and even if Rafii’s confusion was genuine, it would be
18 “unreasonable.” (RJN, Exhibit A, p. 11, ¶ 28, 29.)

19 **1. The ALJ Finds Multiple Violations Warranting Condemnation**

20 After two days of hearing, in which Euphoric was afforded a full and fair opportunity to
21 present its defense, the ALJ ruled that condemnation of the embargoed cannabis and cannabis
22 goods was appropriate based on the cannabis and cannabis goods being misbranded, and
23 correcting the misbranding was not possible in this instance. Specifically, based on the lack of
24 documentation and labeling, there was no method through which Euphoric could reconstruct its
25 chain of custody to restore compliance with the CCTT system. In summary, the evidence
26 established that Euphoric possessed cannabis and cannabis goods that could not be traced to a
27 licensed source. Based on this determination, condemnation of the cannabis and cannabis goods
28 was warranted at Euphoric’s expense, and Euphoric was ordered to pay \$35,965.65 to the

1 Department to reimburse it for its reasonable costs incurred to investigate and prosecute the
2 matter. The Department’s final decision and order, which was issued on March 5, 2026, became
3 effective on April 6, 2026. (RJN, Exhibit A)

4 **2. Findings Related to Misbranding**

5 Cannabis is misbranded if “[I]ts labeling or packaging does not conform to the
6 requirements ...established pursuant to this division.” (Bus. & Prof. Code, § 26039.5, subd.
7 (a)(4).) Pursuant to California Code of Regulations, title 4, section 17398, subdivision (c)(2),
8 packages of bulk cannabis or cannabis products shall be labeled with the UID assigned to the
9 cannabis or cannabis products. Because none of the embargoed cannabis was labeled with
10 accurate UID labels, the cannabis was misbranded. Moreover, Euphoric’s failure to maintain
11 records demonstrating the source of the cannabis and storage in compliance with law, could not
12 establish that the embargoed cannabis could be remediated.

13 On March 5, 2026, the Department adopted the ALJ proposed decision as its Final Decision
14 and Order with a date effective of April 6, 2026. (RJN, Exhibit A.)

15 **D. Post-Hearing Procedure**

16 On March 6, 2026, Euphoric submitted an email which was accepted by the Department as
17 a motion for reconsideration, and which was subsequently denied on March 27, 2026. (Order
18 Denying Motion for Reconsideration, attached to the RJN as Exhibit B.) Rather than exhausting
19 its available administrative remedies, and appealing the Department’s final decision and order to
20 the California Cannabis Appeals Board (“CCAP”)³, Euphoric improperly seeks a writ of mandate
21 from the Superior Court, which is specifically divested of jurisdiction to hear “any order, rule, or
22 decision” of the Department or to “suspend, stay, or delay the operation or execution thereof, or
23 to restrain, enjoin, or interfere with the department in the performance of its duties, . . . (Bus. &
24 Prof. Code, § 26045, subd. (a).) Any such jurisdiction, after exhaustion of the applicable
25 administrative remedies, is reserved only for the Supreme Court or to the court of appeal for the
26 appellate district in which the proceeding arose. (Bus. & Prof. Code, § 26045, subd. (b).)

27 ///

28 ³ See, Bus. & Prof. Code., § 26043, subsds. (a)-(c).

ARGUMENT

II. THE SUPERIOR COURT DOES NOT HAVE JURISDICTION TO HEAR THIS MATTER.

The same general rules of pleading applicable in ordinary civil actions govern this Petition. (*Gong v. City of Fremont* (1967) 250 Cal.App.2d 568, 573; Code Civ. Proc., § 1109.) A superior court is expressly divested from reviewing “any order, rule, or decision” of the Department or CCAP, or restraining, enjoining, or interfering with the Department “in the performance of its duties.” (Bus. & Prof. Code, § 26045; see also Bus. & Prof. Code, § 26043.) The prohibition on seeking review of Department decisions, and those of CCAP, via the Superior Courts is explicitly specified in both Business and Professions Code sections 26043 and 26045, subdivision (a), which 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.” Here, there is no doubt the Department has issued a final decision and order, effective April 6, 2026 (RJN, Exhibit A) and that Euphoric seeks to restrain, enjoin, or interfere with the Department’s performance of its duties. Pursuant to the clear and unambiguous statutory scheme, jurisdiction to hear a challenge to a Department decision lies solely with the Supreme Court and courts of appeal. (See also, Bus. & Prof. Code, §§ 26043⁴ and 26045.) Because the Legislature specifically divested the Superior Court from the jurisdiction to issue such an order, this Court should deny the Ex Parte Application for this independent reason.

⁴ In its Memorandum in Support of its Ex Parte Application, Euphoric argues that the Department’s jurisdiction argument is “misplaced” because Business and Professions Code section 26043 mentions only proceedings pursuant to Section 26031, 26031.5, or 26058, but the Department’s final decision and order specifically mentions that Euphoric’s failure to complete the payment or comply with the terms of the Order constitutes a separate violation pursuant to Section 26031.5. Accordingly, it is Euphoric’s argument that is “misplaced” regarding the divestment of the Superior Court’s jurisdiction. (RJN, Exhibit A, page 2.)

1 **III. IN ORDER TO OBTAIN THE REQUESTED STAY, EUPHORIC MUST ESTABLISH**
2 **THAT THE DEPARTMENT IS UNLIKELY TO PREVAIL ON THE MERITS AND**
3 **THAT THE PUBLIC INTEREST WILL NOT SUFFER.**

4 If, in the alternative, this Court finds that it is vested with jurisdiction to hear this matter,
5 which it should not, the law governing issuance of a stay under Code of Civil Procedure section
6 1094.5 is well-settled. Under Code of Civil Procedure section 1094.5, subdivision (h)(1), the
7 Superior Court may not grant a stay to the discipline imposed by a licensing agency “unless the
8 court is satisfied that the public interest will not suffer and that the licensed . . . agency is unlikely
9 to prevail ultimately on the merits . . .” (Code Civ Proc., § 1094.5(h)(1).) Both of these prongs
10 must be met before a stay can be issued. (*Medical Board of California v. Superior Court (Elam)*
11 (1991) 227 Cal.App.3d 1458, 1461.)

12 In *Medical Board of California v. Superior Court (Willis)* (1980) 114 Cal.App.3d 272, 276,
13 the Court noted the following about the requirement that a stay shall not issue unless the Court
14 determines the public interest will not suffer by stating:

15 “The statutory phrase ‘the ... agency is unlikely to prevail ultimately on the merits’ is
16 clear and concise; it appears that the Legislature carefully chose these words to limit
17 and define a trial court's power to issue a stay order. The statute mandates a preliminary
18 assessment of the merits of real party's petition and a conclusion that he is likely to
19 obtain relief therein. In short, the statute requires more than a conclusion that a possible
20 viable defense exists.” (Emphasis added.)

21 In its Ex Parte Application and accompanying documents, Euphoric makes no mention of
22 the controlling statutory provision (Code Civil Proc., § 1094.5, subdivision (h)(1)) or of the
23 controlling case law (*Elam* and *Willis*), discussed above. Instead, Euphoric erroneously relies on
24 Code of Civil Procedure section 1094.5(g)⁵ (Memorandum of Points and Authorities in Support

25 ⁵ Section 1094.5, subdivision (g), begins with the phrase “Except as provided in
26 subdivision (h), . . .” and then goes on to describe the powers of the superior court to “stay the
27 operation of an administrative order or decision pending the judgment of the court, or until the
28 filing of a notice of appeal from judgment or until the expiration of the time for filing the notice,
 whichever occurs first.” Section 1094.5, subdivision (h), which is the controlling statutory
 provision here, authorizes the superior court to “stay the operation of the administrative order or
 decision of . . . any state agency made after a hearing required by statute to be conducted under
 the Administrative Procedure Act, as set forth in Chapter 5 (commencing with Section 11500) of
 Part I of Division 3 of Title 2 of the Government Code, conducted by the agency itself or an
 administrative law judge on the staff of the Office of Administrative Hearings . . .” (Emphasis
 added.) The underlying administrative disciplinary proceeding against petitioner is required to be
 conducted under the Administrative Procedure Act. (Bus. & Prof. Code, § 2230.)

1 of Ex Parte Application for Stay of Enforcement, p. 5, lines 14-23.) Euphoric’s reliance on this
2 authority is misplaced. Rather, it is well-settled that before the requested stay may be issued, this
3 Court must be “satisfied that the public interest will not suffer and that the . . . agency is unlikely
4 to prevail on the merits.” (Code Civ. Proc., § 1094.5, subd. (h)(1).) Petitioner has failed to satisfy
5 either prong of this standard and, accordingly, its stay request must be denied.

6 **A. Petitioner Has Not, And Cannot, Show That The**
7 **Department is Unlikely To Prevail on the Merits of the**
8 **Mandamus Action**

9 As set forth above, this Court is expressly divested from reviewing decisions of the
10 Department or CCAP, as such a decision can *only* be reviewed through a “writ of review” before
11 the Supreme Court or to the court of appeal for the appellate district in which the case arose.
12 (Bus. & Prof. Code, §§ 26043 and 26045.) Thus, because this Court is without jurisdiction to hear
13 this matter, Euphoric simply cannot show that the Department is unlikely to prevail on the merits.
14 For that reason alone, Petitioner’s Ex Parte Application for a stay must be denied.

15 Moreover, the fact remains that there was more than sufficient cause to embargo and
16 condemn Euphoric’s cannabis as it was misbranded because none of it bore accurate UID labels
17 when Department staff inspected it on April 29, 2025. (RJN, Exhibit A, p. 14.) Even assuming
18 that Euphoric acquired the embargoed cannabis from a licensed source, the evidence established
19 that there was no method through which Euphoric could reconstruct its chain of custody to restore
20 compliance with the CCTT system. (*Id.*) Thus, again, Euphoric has not shown that the
21 Department is unlikely to prevail on the merits.

22 **B. Petitioner Has Not, And Cannot, Show That The Public**
23 **Interest Will Not Suffer If Its Stay Request Is Granted**

24 In the event that this Court concludes that Euphoric has failed to show that the Department
25 is unlikely to prevail on the merits of its Petition, it need not consider whether the public interest
26 would suffer if the requested stay were to be granted. Addressing this precise point in *Medical*
27 *Board of California v. Superior Court (Elam)* (1991) 227 Cal.App.3d 1458, 1461, the California
28 Court of Appeal stated:

1 “Section 1094.5, subdivision (h)(1) grants the superior court authority to stay the
2 decision of an administrative agency in a case involving a physician only if it finds that
3 (1) ‘ . . . the public interest will not suffer . . . ’ and (2) the ‘ . . . agency is unlikely to
4 prevail . . . on the merits . . . ’ The Board contends neither of these criteria was satisfied
5 by Elam’s showing in respondent court. Because we agree Elam failed to establish the
6 agency is unlikely to prevail, we need not consider the ‘public interest’ criterion. . . .”

7 Nevertheless, granting the requested stay of the Department’s decision and order would be
8 contrary to protection of the public. The Department is committed to protecting the public by
9 enforcing the provisions of the Medicinal and Adult-Use Cannabis Regulation and Safety Act
10 (MAUCRSA) (Bus. & Prof. Code, § 26000 et seq.). In fact, the Department’s highest priority in
11 exercising its licensing, regulatory, and disciplinary functions under MAUCRSA is the
12 “protection of the public.” (Bus. & Prof. Code, § 26011.5.)

13 Arguing that “a stay is not against the public interest” Euphoric argues that “the embargoed
14 cannabis will remain under embargo, in frozen storage, and outside the commercial stream.”⁶
15 (Memorandum of Points and Authorities in Support of Ex Parte Application for Stay of
16 Enforcement, p. 7, lines 20-23.) However, and nevertheless, Euphoric has refused to voluntarily
17 destroy the embargoed cannabis in the past, which required the Department to proceed with
18 condemnation proceedings. (RJN, Exhibit A, p. 8, ¶ 25.) Those condemnation proceedings
19 resulted in a final order of *destruction*, and payment of costs, which has *already* been effective
20 since April 6, 2026. That embargoed cannabis, which was found to be misbranded, as it was
21 untraceable to a licensed source, presents a substantial danger to the public. Specifically, and for
22 example, Euphoric could refuse to abide by the condemnation order and the condemned cannabis
23 could find its way into either the legal, or illegal, cannabis supply chain. The very purpose of the
24 condemnation proceedings, where licensees refused to voluntarily destroy cannabis and where the
25 Department has probable cause to believe cannabis and cannabis products are misbranded or
26 adulterated, is the *only* way for the Department to fulfill its highest priority of protection of the
27 public from those misbranded and/or adulterated cannabis products. Moreover, Euphoric’s

28 ⁶ The relative prejudice to the parties is, again, not the proper standard for determining
whether a stay request should be granted under Code of Civil Procedure section 1094.5,
subdivision (h)(1). Rather, the second prong of the standard established within section 1094.5
itself is whether the public interest will suffer if the stay request is granted.

1 request is contrary to the rule against enjoining “agencies from performing their duties.” (*Tahoe*
2 *Keys Property Owners’ Assn., supra*, 23 Cal.App.4th at 1471.) Thus, staying the destruction of
3 the cannabis, wherein the final order has been effective since April 6, 2026, will without a doubt
4 put the public at a higher risk of harm than if the misbranded cannabis had already been
5 destroyed.

6 CONCLUSION

7 For the foregoing reasons, the Department respectfully requests that Petitioner’s Ex Parte
8 Application, and request for stay, be denied. Euphoric improperly filed this Petition in this Court
9 even though it is specifically divested from reviewing decisions of the Department or CCAP, and
10 only “writ of review” is available either before the Supreme Court or a court of appeal. Simply
11 stated, this Court lacks jurisdiction under the Business and Professions Code to hear any
12 challenge to the Department’s decisions. In the alternative, Euphoric has failed to meet the
13 standards for a stay as set forth in Code of Civil Procedure section 1094.5, subdivision (h)(1). For
14 all of these reasons, Euphoric’s Ex Parte Application, and request for stay, must be denied.

15
16 Dated: April 15, 2026

Respectfully submitted,

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27 SA2026800945
28

DECLARATION OF SERVICE BY E-MAIL

Case Name: Euphoric Life, Inc. v. Department of Cannabis Control
Case Number: 26CV489817
Party Represented: Department of Cannabis Control

Declaration of Electronic Service

1. I am at least 18 years of age and not a party to this matter.
2. I am employed in the Office of the Attorney General of the State of California. My business address is 300 South Spring Street, Suite 1702, Los Angeles, CA 90013-1230, County of Los Angeles.
3. My electronic service address is Cecilia.Apodaca@doj.ca.gov.
4. On April 15, 2026, I electronically served the following document[s]:

RESPONDENT'S OPPOSITION TO EX PARTE APPLICATION FOR STAY OF ENFORCEMENT PENDING JUDICIAL REVIEW AND REQUEST FOR JUDICIAL NOTICE IN SUPPORT RESPONDENT DEPARTMENT OF CANNABIS CONTROL'S OPPOSITION TO EX PARTE APPLICATION FOR STAY OF ENFORCEMENT PENDING

5. I electronically served the aforementioned document[s] by emailing them to the following individual[s]:

Nooshin Dalili, Esq.
Law Offices of Nooshin Dalili
1004 Willow Street
San Jose, CA 95125
E-mail Address: nooshin@dalililaw.com

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct, and that this declaration was executed on April 15, 2026.

Cecilia Apodaca
Declarant

/s/ Cecilia Apodaca
Signature