

DALILI LAW GROUP

1004 Willow Street • San Jose, California 95125

Tel: (408) 288-8686 • Fax: (408) 288-9494

August 26, 2025

Via Email & Certified Mail

Department of Cannabis Control
2920 Kilgore Rd,
Rancho Cordova, CA 95670

Re: Notice of Embargo Determination, Euphoric Life Inc.

Dear Ms. Ocegueda,

As you are aware, I am the counsel for Euphoric Life Inc. and request that all future correspondence regarding this matter be directed to me and that I be CC'd on any communications to the licensee. To date, several communications have been sent directly to the licensee without including my office, despite our clear requests that I serve as the primary point of contact. **This is inappropriate given the seriousness of the issues at hand. Due to this, please note that we have also sent this letter via certified mail to ensure that the appropriate parties at the Department have received it.**

We have reviewed your recent determination and must raise several concerns:

Shifting Standards – The Supplemental Notice of Embargo did not request UIDs, METRC logs, or sourcing documents, solely asking for a corrective action plan. Nonetheless, your determination now cites their absence as the basis for requiring destruction. My client has attempted multiple times to provide logs and documentation during the inspection, but SIU explicitly refused them on camera and this was not requested by you in the SNE. This can also be corroborated and confirmed by the CDPH scientists present on that day. Retroactively requiring records that were refused is procedurally unjust and inconsistent with due process. As my client has stated many times prior, all material embargoed is fully compliant, in track and trace with exact weights and production logs and is eager to provide UIDs should the SIU not continue to refuse them.

Contradictions in UID Handling – The determination asserts that items 11–16 could not be sourced, yet the Department itself references the UIDs in its notice. Similarly, with respect to the Woodstock pre-rolls, Department staff on site indicated on camera that remediation could be submitted, yet the determination now claims remediation is not permissible.

Due Process Concerns – The embargo has now been in place for nearly three months, depriving my client of the use and value of lawfully METRC-tracked inventory without a clear pathway to resolution. This prolonged deprivation is further aggravated by the Department's procedural conduct; for example, my client was required to respond to a

comprehensive records request within 48 hours, yet the Department then took nearly two months to respond to our timely submitted corrective action plan. This prolonged deprivation, coupled with the Department's refusal to acknowledge documentation when offered, raises significant concerns under both administrative law and broader constitutional protections.

Correctability Under Statute – Business & Professions Code §26039.3(c) provides that if adulteration or misbranding can be corrected by proper labeling or additional processing, and all provisions of the division can be complied with, the Department may remove the embargo and permit correction under supervision. Here, the alleged issues with labeling and UID tags fall squarely within the definition of correctable misbranding. By refusing to consider corrective action or remediation, the Department's determination appears inconsistent with the governing statute.

While my client is prepared to defend its position at an administrative hearing if necessary, including raising these due process issues, which would in turn impose significant costs on the Department, **we would prefer to resolve this matter more efficiently and cooperatively.**

To that end, we request clarification on the following:

- What specific documentation does the Department now require to release items 1–9, all of which are properly entered and assigned in METRC?
- Why has the Department reversed its position on pre-roll remediation, which was explicitly stated on camera could be submitted to correct the issue? What specific documentation does the Department now require to release items 11-16, all of which are properly entered and assigned in METRC
- What steps can be taken at this time to lift or narrow the embargo so that above board, METRC-tracked product is not unnecessarily destroyed?

In addition, we request that this matter be handled in coordination with the Department's **legal division** to ensure appropriate review.

We ask that you treat this as a good faith request to resolve the matter without further escalation. However, please understand that continued ambiguity and refusal to engage with the evidence we have offered will leave my client no option but to pursue all available remedies, including administrative and judicial review.

I look forward to your timely response.

Sincerely,

Nooshin Dalili

Nooshin Dalili
Attorney at Law

Notice of Embargo Determination - Department of Cannabis Control

Ocegueda, Ruby@Cannabis <Ruby.Ocegueda@cannabis.ca.gov>

Wed, Aug 27, 2025 at 11:09 AM

To: Euphoric Life <info@euphoriclif.com>

Cc: Wendell Bonner <legal@euphoriclif.com>, "Dr. Ahmad Rafii" <drorafii@euphoriclif.com>, "nooshin@dalililaw.com" <nooshin@dalililaw.com>, "LegalAffairs@Cannabis" <LegalAffairs@cannabis.ca.gov>

Good morning, I am just confirming receipt of your email. I have forwarded yesterday's email communication and attachment to our legal affairs division.

Although Mr. Rafii CC'd their council and requested our communication with Dalili Law Group, we would still need to have licensee Rafii update their approved contacts in our system as we use the contact listed to send notifications such as embargo determinations. Mr. Rafii, please complete the form 27 attached to make this contact update and submit to licensechange@cannabis.ca.gov for processing. If we need anything else for the time being, we will let you know.

Thank you,

Ruby Ocegueda

Special Investigator I

Cell: 1-279-239-0392

844-61-CA-DCC (844-612-2322)

info@cannabis.ca.gov

www.cannabis.ca.gov



Department of
Cannabis Control
CALIFORNIA

From: nooshin dalili <nooshin@dalililaw.com>

Sent: Tuesday, August 26, 2025 3:55 PM

To: Euphoric Life <info@euphoriclif.com>; Ocegueda, Ruby@Cannabis <Ruby.Ocegueda@cannabis.ca.gov>

Cc: Wendell Bonner <legal@euphoriclif.com>; Dr. Ahmad Rafii <drorafii@euphoriclif.com>

Subject: Re: Notice of Embargo Determination - Department of Cannabis Control