



# ARMADA LAW CORP

---

July 29, 2024

## FOR IMMEDIATE RELEASE

### **DCC'S RECENT "CANCELLATION" OF CALIFORNIA CANNABIS TESTING LAB'S PROVISIONAL LICENSE WITHOUT DUE PROCESS IS A THREAT TO ALL 2,809 ACTIVE PROVISIONAL LICENSEES.**

On July 24, 2024, Department of Cannabis Control ("DCC") revoked the 5-year-old "provisional" license held by California Cannabis Testing Lab ("CCTL") taking their right to do business without a fair hearing as required by the U.S. Constitution and the California State Constitution.

This action violates both. It is an unlawful governmental act. DCC maintains that it has the power to revoke (or "cancel") *all* provisional licenses for any reason, including no reason at all. DCC maintains that it can revoke a cannabis license with no prior administrative appeal right to an independent hearing officer unlike every other type of business license.

DCC is wrong and is acting unlawfully. We will show this in state Superior Court and reinstate the provisional license as swiftly as the court will allow. We have petitioned the Alameda County Superior Court to compel DCC to rescind its revocation unless it provides constitutionally required due process: the right to be heard by an independent decision maker *before* revocation.

DCC claims that it merely denied the application for the "annual" license and thus automatically "cancelled" the "provisional" license. These are not the same! DCC claims that because the annual license denial has an administrative appeal process, the constitution is satisfied. This buries the lede. Denying an application for a new license is not the same as cancelling a long-standing license in which millions of dollars have been invested. DCC is wrong on the law. DCC is violating the constitutional protections of the property rights inherent in legally operating businesses which cannot be taken by the government without due process of law.

There is no difference between revocation and cancellation of a license. In both cases, DCC is violating the Constitutions of California and the United States.

In this case, DCC's action is based on an inspection from February 2022. Those issues have long since been addressed. There have been no allegations since then until last month when DCC sent a "Notice of Provisional License Review" based on the 2+ year old inspection. DCC then provided a "meeting" with DCC staff and *no* independent hearing officer. That is not due process. The Constitution controls what the government does, not unelected government agents behind closed doors. CCTL then sued DCC to establish its right—and the right of all provisional licensees—to a due process before revocation.

DCC then agreed to take no action against the license while negotiating a settlement between the parties. DCC used that time to prepare its own legal attack on the license and now claims inexplicably that a so-called cancellation is not an "action against" the license.

DCC is playing legal word games and is not to be trusted. It is willing to violate the constitution to destroy legally operating businesses in a wanton show of governmental overreach.

DCC's illegal action has put 30 full-time lab employees out of work. It has frozen in limbo hundreds of samples of cannabis flower and product, harming all those many cannabis businesses who are now deprived of their right to sell their legal merchandise. And DCC has deprived cannabis consumers of access to safe legal cannabis which only encourages the underground market.

All of this comes suspiciously close to recent news articles about alleged improprieties at some testing facilities. It appears that DCC is trying to look tough in public by abusing its power. Either that or it is simply power mad and moving forward to destroy provisional licenses without constitutionally required fair hearings *before* revocation.

All cannabis provisional licensees should be on guard: DCC is coming for you next. This is only the first of the coming onslaught of "denial and cancellation" without fair process.

CONTACTS:

Robert Finkle, Esq. 510-224-5527

James Anthony, Esq. 510-207-6243