

1 ROB BONTA  
2 Attorney General of California  
3 HARINDER K. KAPUR  
4 Senior Assistant Attorney General  
5 MICHAEL J. YUN (SBN 292587)  
6 ETHAN A. TURNER (SBN 294891)  
7 GREGORY M. CRIBBS (SBN 175642)  
8 Deputy Attorneys General  
9 600 West Broadway, Suite 1800  
10 San Diego, CA 92101  
11 Telephone: (619) 321-5793  
12 Facsimile: (619) 645-2061  
13 E-mail: Michael.Yun@doj.ca.gov  
14 *Attorneys for Plaintiff*  
15 *Department of Cannabis Control*

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF LOS ANGELES

13 **DEPARTMENT OF CANNABIS**  
14 **CONTROL,**

15 Plaintiff,

16 v.

17 **VERTICAL BLISS, INC., KUSHY**  
18 **PUNCH, INC., CONGLOMERATE**  
19 **MARKETING, LLC, MORE AGENCY,**  
20 **INC., RUBEN KACHIAN aka RUBEN**  
21 **CROSS, ARUTYUN BARSAMYAN,**  
22 **KEVIN HALLORAN, MIKE A.**  
23 **TOROYAN, and DOES 1 through 3,**  
24 **inclusive,**

25 Defendants.

Case No. 20CHCV00560

**NOTICE OF COURT ORDER**  
**GRANTING PLAINTIFF’S MOTION**  
**FOR SUMMARY JUDGMENT,**  
**CONTINUED STATUS CONFERENCE,**  
**AND ORDER TO SHOW CAUSE RE:**  
**SANCTIONS AGAINST DEFENDANT**  
**KEVIN HALLORAN FOR FAILURE TO**  
**APPEAR**

Date: January 5, 2023  
Time: 08:30 a.m.  
Dept: F49  
Judge: The Honorable Stephen P. Pfahler  
Trial Date: January 30, 2023  
Action Filed: September 23, 2020

24 **NOTICE OF COURT ORDER**

25 **TO VERTICAL BLISS, INC, KUSHY PUNCH, INC., CONGLOMERATE**  
26 **MARKETING, LLC, MORE AGENCY, INC., RUBEN KACHIAN (A.K.A. RUBEN**  
27 **CROSS, A.K.A. RUBEN KHACHATRYAN), ARUTYUN BARSAMYAN (A.K.A.**  
28 **HARRISON BARSAMYAN), MIKE A. TOROYAN, AND THEIR ATTORNEY OF**

1 **RECORD, MARGARITA SALAZAR; AND KEVIN HALLORAN AND HIS ATTORNEY**  
2 **OF RECORD, IAN STEWART:**

3 **PLEASE TAKE NOTICE** that Plaintiff's Motion for Summary Judgment, the hearing on  
4 the Court's Order to Show Cause re: Sanctions Against All Defendants, except Kevin Halloran,  
5 for Failure to Appear at the last Status Conference on October 12, 2022, and the Continued Status  
6 Conference all came on regularly on December 5, 2022, at 8:30 a.m., in Department F49 of the  
7 Superior Court of California, County of Los Angeles, North Valley District – Chatsworth  
8 Courthouse. All Defendants failed to appear. Deputy Attorney General Michael Yun appeared  
9 on behalf of Plaintiff Department of Cannabis Control. The Court granted Plaintiff's Motion for  
10 Summary Judgment. Additionally, the Court struck the notices of appearance of and entered  
11 defaults against all Defendants, except Kevin Halloran.

12 **PLEASE TAKE FURTHER NOTICE** that the Court scheduled an **ORDER TO SHOW**  
13 **CAUSE RE: SANCTIONS AGAINST DEFENDANT KEVIN HALLORAN FOR**  
14 **FAILURE TO APPEAR ON 12/05/2022 (hereinafter, "Order to Show Cause"), for January**  
15 **5, 2023 at 08:30 a.m.** in Department F49 at Chatsworth Courthouse, and ordered Defendant  
16 Halloran to file a declaration in response to the Order to Show Cause 10 calendar days before the  
17 hearing on January 5, 2023.

18 **PLEASE TAKE FURTHER NOTICE** that a Continued Status Conference is set for  
19 January 5, 2023 at 8:30 a.m. in Department F49 at Chatsworth Courthouse. Attached hereto as  
20 "Exhibit 1" is a true and correct copy of the Court's Minute Order, dated December 5, 2022.

1 Dated: December 7, 2022

Respectfully submitted,

2  
3 ROB BONTA  
Attorney General of California  
4 HARINDER K. KAPUR  
Senior Assistant Attorney General

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6 MICHAEL J. YUN  
7 ETHAN A. TURNER  
8 GREGORY M. CRIBBS  
Deputy Attorneys General  
9 *Attorneys for Plaintiff*

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# Exhibit 1

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES**

**Civil Division**

North Valley District, Chatsworth Courthouse, Department F49

**20CHCV00560**

December 5, 2022

**CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, et al.**

8:30 AM

**vs VERTICAL BLISS, INC., et al.**

Judge: Honorable Stephen P. Pfahler  
Judicial Assistant: Adrina Chebishyan  
Courtroom Assistant: Christy Andrade

CSR: None  
ERM: None  
Deputy Sheriff: None

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**APPEARANCES:**

For Plaintiff(s): ETHAN A. TURNER (Telephonic) by Michael Yun

For Defendant(s): No Appearances

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**NATURE OF PROCEEDINGS:** Hearing on Motion for Summary Judgment; Status Conference; Order to Show Cause Re: Sanctions against the Defendants for failure to appear on 10/12/2022

The matters are called for hearing.

The Court reads and considers the moving papers in support of Hearing on Motion for Summary Judgment.

The Court's Tentative Ruling is published.

Moving Party submits to the Court's Tentative Ruling in open court, and the Court adopts its tentative ruling as its final ruling as follows:

**PLAINTIFF DEPARTMENT OF CANNABIS CONTROL'S MOTION FOR SUMMARY JUDGMENT**

**RULING:** Granted.

Request for Judicial Notice: Granted under Evidence Code sections (b), (c), and (d).

“A plaintiff ... has met his or her burden of showing that there is no defense to a cause of action if that party has proved each element of the cause of action entitling the party to judgment on the cause of action. Once the plaintiff ... has met that burden, the burden shifts to the defendant ... to show that a triable issue of one or more material facts exists as to the cause of action or a defense thereto.” (Code Civ. Proc., § 437c, subd. (p)(1).) “There is a triable issue of material fact if, and only if, the evidence would allow a reasonable trier of fact to find the underlying fact in favor of the party opposing the motion in accordance with the applicable standard of proof.” (Aguilar v. Atlantic Richfield, Co. (2001) 25 Cal.4th 826, 850.) The defendant “shall not rely

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CSR: None  
ERM: None  
Deputy Sheriff: None

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upon the □ allegations or denials of its pleadings to show that a triable issue of material fact exists but, instead, shall set forth the specific facts showing that a triable issue of material fact exists as to □ the □ cause of action or a defense thereto.” (Code Civ. Proc., § 437c, subd. (p)(1).)

Plaintiff moves for summary judgment on the seven Defendants, subjecting them to civil penalties in the amount of \$128,061,000. The penalties were calculated based on Business and Professions Code section 26038 subdivision (a) which states that a person engaged in unlicensed cannabis activity is “subject to civil penalties of up to three times the amount of the license fee for each violation.” Here, Plaintiff provides evidence showing (1) that the seven Defendants violated section 26038; (2) that they did so for 527 separate days of violation; and (3) that they were subject to total licensing fees of \$81,000 for each day of commercial cannabis activity operation.

Defendants Vertical Bliss, Inc., Kushy Punch Inc., Conglomerate Marketing, LLC, and More Agency, Inc. (“Business Entity Defendants”) have each admitted to engaging in (1) unlicensed commercial manufacturing cannabis activity and (2) unlicensed commercial distributor cannabis activity. (SSUMF Nos. 10-11, 13-14, 18-19, 21-22, 26-27, 29-30, 34-35, and 37-38; RJN, Exhibits D, E, F, and G; Yun Decl., Exhibits 2, 4, 6, and 8 (RFA Nos. 4, 12, 19, and 27 in each Exhibit).) The three individual Defendants, Kachian, Barsamyan, and Toroyan (“Individual Defendants”) have each admitted to engaging in (1) unlicensed commercial manufacturing cannabis activity and (2) unlicensed commercial distributor cannabis activity in the City of Canoga Park in the State of California, by admitting that they are “OWNER[s]” of Vertical Bliss, Inc., Kushy Punch, Inc., Conglomerate Marketing, LLC, and More Agency, Inc. (SSUMF Nos. 4-7 and 40-48; RJN, Exhibits A, C, and H; Yun Dec, Exhibit 1 [as to Kachian] (RFA Nos. 8, 11, 14, and 17), Exhibit 10 [as to Barsamyan] (RFA Nos. 1, 5, 8, 11, and 14), and Exhibit 12 [as to Toroyan] (RFA Nos. 2, 5, 8, and 11).) In addition, the declaration of Eileen Del Rosario provides further uncontroverted evidence that the individual Defendants engaged in unlicensed commercial cannabis activity. Specifically, during CDPH’s investigation there were ongoing communications with Defendants Kachian and Toroyan in their capacity as active representatives of the Business Entity Defendants. (Del Rosario Decl., ¶ 4-8, 22, 25-29, and 33.) Thus, there are no triable issues to any material facts that Defendants violated section 26038, subdivision (a), and are subject to civil penalties of up to three times the amount of the license fee for each day of the violation(s).

The Business Entity Defendants have each admitted to (1) engaging in unlicensed commercial manufacturing cannabis activity in the State of California on 527 separate days and (2) engaging in unlicensed commercial distributor cannabis activity in the State of California on 527 separate

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES**

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Courtroom Assistant: Christy Andrade

CSR: None  
ERM: None  
Deputy Sheriff: None

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days. (SSUMF Nos. 10-11, 13-14, 18-19, 21-22, 26-27, 29-30, 34-35, and 37-38.) Likewise, the Individual Defendants, as owners and persons with direct control over the Business Entity Defendants, are also deemed to have engaged in unlicensed commercial cannabis activity on 527 separate days in the State of California. (SSUMF Nos. 4-7, 10-11, 13-14, 18-19, 21-22, 26-27, 29-30, 34-35, 37-38, and 40-48.) Thus, there is no triable issue as to this fact when determining the civil penalty that should be assessed in this case.

The Business Entity Defendants have each admitted they received gross revenue exceeding \$10,000,000 and \$1,000,000, annually, from unlicensed commercial cannabis manufacturing and distributor activities, respectively, during the relevant period. (SSUMF Nos. 12, 15, 20, 23, 28, 31, 36, and 39.) As to the individual Defendants, they each engaged in illegal commercial cannabis activity by virtue of their admitted ownership of, ownership interest in, and/or control and managing power over, the Business Entity Defendants. Also, the Del Rosario Declaration gives facts which further confirm Defendants' undisputed admissions as to the gross revenue generated by their illegal activities. (See Del Rosario Decl., ¶¶ 10, 11, 39, 44.) Thus, there are no triable issues as to the licensing fees to which the Defendants were subject and which form the basis of the civil penalty that should be assessed in this case.

Defendants have not filed an opposition.

The unopposed motion for summary judgment is granted in the amount of \$128,061,000 as Plaintiff requests.

Plaintiff is to give notice.

Order to Show Cause Re: Sanctions against the Defendants for failure to appear on 10/12/2022 is held and the court rules as follows:

In light of the Defendants second consecutive failure to appear, the Court is hereby striking all Defendants Answers and entering Default forthwith, except Defendant KEVIN HALLORAN.

The Notice of Appearance of ARUTYUN BARSAMYAN, Defendant on the Complaint filed by CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, et al. on 09/23/2020, filed herein on 02/08/2021 is ordered stricken and the default is entered this date.

The Notice of Appearance of CONGLOMERATE MARKETING , LLC, Defendant on the Complaint filed by CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, et al. on

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES**

**Civil Division**

North Valley District, Chatsworth Courthouse, Department F49

**20CHCV00560**

December 5, 2022

**CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, et al.**

8:30 AM

**vs VERTICAL BLISS, INC., et al.**

Judge: Honorable Stephen P. Pfahler  
Judicial Assistant: Adrina Chebishyan  
Courtroom Assistant: Christy Andrade

CSR: None  
ERM: None  
Deputy Sheriff: None

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09/23/2020, filed herein on 02/08/2021 is ordered stricken and the default is entered this date.

The Notice of Appearance of KUSHY PUNCH, INC., Defendant on the Complaint filed by CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, et al. on 09/23/2020, filed herein on 02/08/2021 is ordered stricken and the default is entered this date.

The Notice of Appearance of MIKE A. TOROYAN,, Defendant on the Complaint filed by CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, et al. on 09/23/2020, filed herein on 02/08/2021 is ordered stricken and the default is entered this date.

The Notice of Appearance of MORE AGENCY, INC.,, Defendant on the Complaint filed by CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, et al. on 09/23/2020, filed herein on 02/08/2021 is ordered stricken and the default is entered this date.

The Notice of Appearance of RUBEN KACHIAN, Defendant on the Complaint filed by CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, et al. on 09/23/2020, filed herein on 02/08/2021 is ordered stricken and the default is entered this date.

The Notice of Appearance of VERTICAL BLISS, INC., Defendant on the Complaint filed by CALIFORNIA DEPARTMENT OF PUBLIC HEALTH, et al. on 09/23/2020, filed herein on 02/08/2021 is ordered stricken and the default is entered this date.

The Court notes that Defendant Kevin Holloran fails to appear today for today's duly noticed Status Conference.

On the Court's own motion, the Status Conference scheduled for 12/05/2022 is continued to 01/05/2023 at 08:30 AM in Department F49 at Chatsworth Courthouse.

Order to Show Cause Re: Sanctions against the Defendant Holloran, only for failure to appear on 12/05/2022 is scheduled for 01/05/2023 at 08:30 AM in Department F49 at Chatsworth Courthouse.

Defendant is ordered to file a declaration in response to the OSC 10 calendar days before the next OSC on 01/05/2023 as to why the Court should not impose sanctions for the failure to appear.

Plaintiff is to give notice and is to file proof of that notice with the Court within 10 days from



**SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES**

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Courtroom Assistant: Christy Andrade

CSR: None  
ERM: None  
Deputy Sheriff: None

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today's date.

**DECLARATION OF SERVICE BY E-MAIL AND U.S. MAIL**

Case Name: **Department of Cannabis Control v. Vertical Bliss, Inc., et al.**  
Case No.: **20CHCV00560**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On **December 7, 2022**, I served the attached **NOTICE OF COURT ORDER GRANTING PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT, CONTINUED STATUS CONFERENCE, AND ORDER TO SHOW CAUSE RE: SANCTIONS AGAINST DEFENDANT KEVIN HALLORAN FOR FAILURE TO APPEAR** by transmitting a true copy via electronic mail. In addition, I placed a true copy thereof enclosed in a sealed envelope, in the internal mail system of the Office of the Attorney General, addressed as follows:

<b>Party</b>	<b>Address</b>
Margarita Salazar, Esq. <i>Attorney for Defendants Vertical Bliss, Inc., Kushy Punch, Inc., Conglomerate Marketing, LLC., More Agency, Inc., Ruben Kachian, Arutyun Barsamyan, and Mike A. Toroyan</i>	Margarita Salazar, Esq. Law Offices of Margarita Salazar 470 Third Avenue, Ste. 9 Chula Vista, CA 91910-4663 <b>E-mail Address:</b> margarita@msalazarlaw.com
Ian Stewart Wilson Elser Moskowitz Edelman & Dicker LLP <i>Attorney for Defendant Kevin Halloran</i>	Ian Stewart, Esq. Wilson Elser Moskowitz Edelman & Dicker LLP 555 South Flower St. Ste. 2900 Los Angeles, Ca 90071 <b>E-mail Address:</b> ian.stewart@wilsonelser.com

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on **December 7, 2022**, at Los Angeles, California.

Cecilia Apodaca

Declarant



Signature