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DCC wins court victory against illegal cannabis businesses

Dec 6, 2022

The Department of Cannabis Control (DCC) announced today that it has won a significant legal victory against participants in the illegal cannabis market. Represented by its partners in the Attorney General's Office, DCC obtained a court order awarding more than \$128 million in civil penalties—the maximum sought by DCC—against businesses and individuals that were engaged in unlicensed commercial cannabis activity.

“This ruling sends a strong message that the illegal cannabis market will not be tolerated in California,” said DCC Director Nicole Elliott. “DCC and our partners will do everything in our power to protect consumers and maintain the integrity of California’s legal cannabis market. We applaud the Court for its commitment to enforcing the rule of law in California’s cannabis industry.”

The ruling builds on longstanding efforts by state licensing authorities to protect consumers and combat the illegal market. In 2019 and 2020, state authorities conducted an investigation that revealed unlicensed cannabis manufacturing and distribution in Canoga Park, California.

The investigation further revealed that this unlicensed activity was tied to an operator —Vertical Bliss, Inc.—that held licenses for other commercial cannabis activity. State authorities swiftly revoked those licenses and then brought a civil action seeking additional financial penalties against Vertical Bliss and other participants in its unlawful scheme.

The case is Department of Cannabis Control v. Vertical Bliss, Inc., et al., No. 20CHCV00560, in the Superior Court of California in and for the County of Los Angeles. In addition to the seven defendants covered by Monday’s summary judgment ruling, DCC continues to pursue a just and appropriate resolution against one remaining defendant, whose conduct was not at issue in that ruling. Final judgment has not yet been entered in the case.

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