OF THE STATE OF CALIFORNIA

Case No. 2024-12-DCC-0005

License: C12-0000247-LIC (Provisional)

Department Decision: None

PROGRESSIVE HORIZON, INC. 837 Los Angeles St. S. Los Angeles, CA 90014, Appellant/Licensee,

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DEPARTMENT OF CANNABIS CONTROL, Respondent.

Administrative Law Judge: None Appeals Panel Hearing: None

PROCEDURAL HISTORY

On November 4, 2024, appellant Progressive Horizon, Inc., initiated an appeal before the Cannabis Control Appeal Panel (the Panel) requesting review of a unilateral action of the Department of Cannabis Control (the Department) revoking its provisional Commercial – Microbusiness license. On December 9, 2024, this Panel accepted the Notice of Appeal and imposed an automatic stay of disciplinary action pursuant to Code of Regulations, title 16, section 6014.

On December 10, 2024, the Department filed a Motion to Dismiss Appeal and Automatic Stay of Enforcement.

DISCUSSION

In general, and pursuant to section 26043 of the Business and Professions Code, "any person aggrieved by the decision of the department . . . canceling, suspending, revoking, or otherwise disciplining" a cannabis license has standing to appeal the decision before this Panel.

Where this Panel has jurisdiction, section 26043, subdivision (c), limits the scope of review to four questions:

- (1) Whether the department has proceeded without or in excess of its jurisdiction.
- (2) Whether the department has proceeded in the manner required by law.
- (3) Whether the decision is supported by the findings.
- (4) Whether the findings are supported by substantial evidence in the light of the whole record.

Pursuant to Code of Regulations, title 16, section 6014(a), "In any appeal where the underlying decision of the licensing authority is denial of a license renewal, or cancelation, suspension, or revocation of a license, the filing of an appeal shall stay the effect of the decision until such time as a final order is made by the Panel." Subdivision (b), however, grants the Department the right to file a motion "demonstrating that the stay would present an immediate danger to the health, safety, or welfare of the public" and permitting the Panel to vacate the stay "[a]fter considering the motion and any opposition."

The California Legislature has declined to extend appellate standing to provisional cannabis licensees. Section 26050.2, subdivision (m), explicitly removes any appeal rights held by provisional licensees: "[R]evocation . . . by the department of a license issued pursuant to this section shall not entitle the . . . licensee to a hearing or an appeal of the decision." This Panel therefore lacks jurisdiction to review disciplinary action, including revocation, taken by the Department against a provisional license.

Moreover, the Panel's narrow scope of review does not include the authority to review the constitutionality of duly adopted statutes. This Panel therefore lacks the authority to hear due process challenges to statutory provisions limiting or removing the remedies available to provisional licensees.

It is undisputed that appellant holds only a provisional cannabis license. Appellant therefore lacks standing to appeal the revocation of its license before this Panel. This Panel further lacks the authority to review appellant's constitutional due process challenge to the statutory limits on provisional licensees' appeal rights. The appeal must therefore be dismissed.

Absent standing to appeal, the appellant is not entitled to an automatic stay of disciplinary action. Because appellant holds a provisional license lacking appeal rights, the automatic stay functions only to continue a license that has been properly and finally revoked. The automatic stay must therefore be vacated immediately, without the 30-day effective date delay that would otherwise apply to this Panel's final decisions.

ORDER

The appeal is dismissed.¹ The automatic stay is hereby vacated, effective immediately.

Diandra Bremond

Dr. Diandra Bremond Chairperson Cannabis Control Appeals Panel

Issued December 18, 2024

Signature: Diandra Bromond

Email: d.bremond@me.com

^{1.} This final order is filed in accordance with Business and Professions Code section 26045, and shall become effective 30 days following the date of the filing of this order as provided by subdivisions (c) and (e) of that section. Any party, before this final order becomes effective, may apply to the appropriate court of appeal, or to the California Supreme Court, for a writ of review of this final order in accordance with Business and Professions Code section 26045-26047.



GOVERNOR GAVIN NEWSOM

BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY Secretary Lourdes M. Castro Ramirez



PROOF OF SERVICE

I am over the age of 18 and not a party to this action.	
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I am employed in Sacramento County. My business address is 400 R Street, suite 320, Sacramento, CA 95811.

On December 18, 2024, I served the Order of Dismissal to the following parties:

Progressive Horizon, Inc. 837 Los Angeles St. S. Los Angeles, CA 90014 DANA LEIGH CISNEROS The Cisneros Firm dana@cisnerosfirm.com

DEPARTMENT OF CANNABIS CONTROL Legal Affairs Division 2920 Kilgore Road Rancho Cordova, CA 95670

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

DATED December 18, 2024

/s/	Ruben	Garza	1
/>/	ruben	Garza	