

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF ORANGE

AUG 04 2026

DAVID H. YAMASAKI, Clerk of the Court

BY: D. HENTSCHE DEPUTY

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Attorneys for Petitioner/Plaintiff
HNHPC, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

HNHPC, INC.,

Plaintiff,

vs.

THE DEPARTMENT OF CANNABIS
CONTROL, AN ADMINISTRATIVE
DEPARTMENT OF THE STATE OF
CALIFORNIA; NICOLE ELLIOT, in her
capacity as Director of the Department of
Cannabis Control, and DOES 1-50, inclusive,

Respondents.

CASE NO. 30-2021-01221014-CU-WM-CJC

~~PROPOSED~~ ORDER AND JUDGMENT
ON PETITION FOR WRIT OF MANDATE

RECITALS

WHEREAS, the trial in the present matter occurred on November 4, 2025 at 9:00 a.m. in Department C11, and both parties were represented by counsel of record;

WHEREAS, following two hours of allotted oral argument, and upon consideration of all of the submitted papers as well as post-trial supplemental briefing and argument by the parties, the Court now **ENTERS JUDGMENT** as follows on Petitioner HNHPC, Inc.'s ("HNHPC") First Amended Petition for Writ of Mandate ("FAP") as follows:

ORDER AND JUDGMENT

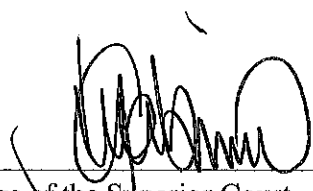
1. HNHPC, Inc.'s ("HNHPC") First Amended Petition for Writ of Mandate is hereby GRANTED;
2. The Court finds Respondent Department of Cannabis Control (the "DCC") failed to perform its ministerial duty to design and implement a track and trace system that flags irregularities for further investigation, as mandated by Business & Professions Code §26067(b)(2);
3. The Court further finds that while reports generated by or from the database and CCTT system can serve to satisfy the DCC's ministerial duty under B&P Code §26067(b)(2), the DCC's current report-based compliance system, and more specifically its reliance upon analysts' review of reports of extracted raw data from the CCTT system, does not satisfy its ministerial duty under B&P Code §26067(b)(2);
4. To render its report-based system compliant with Business & Professions Code §26067(b)(2), the DCC shall, using objective criteria (including numerical thresholds and objective definitions), define or identify for each report identified at trial or in its Supplemental Briefing the specific "irregularity" or "irregularities" each is intended to detect and flag for further review and investigation by DCC staff (including via manual review of data that specifically has been flagged in such reports as irregular). To be clear, the Court finds the DCC's current report-based CCTT system fails to do so as required;
5. The DCC is hereby ordered to perform its ministerial duty, as set forth above, within 180 days of the date of entry of this Judgment. It shall file and serve a report under an Attorneys' Eyes Only designation no later than ten (10) court days following the expiration of the above-mentioned 180-day compliance deadline demonstrating that it has fully complied with this

1 Order and Judgment. The DCC's compliance report shall include a detailed description and
2 explanation of the objective criteria and definitions used in each report to define or establish
3 when the data contained therein is deemed by the DCC to be an irregularity, the frequency (if a
4 standard report) and/or the circumstances (if an ad hoc or queried report) under which each
5 report is run and reviewed, and the procedures it has implemented to ensure irregularities
6 flagged by the reports are forwarded to DCC staff for further review and investigation.

- 7 6. To the extent HNHPC believes, based on the compliance report provided by the DCC, that the
8 DCC has not fully complied with the Court's Order and/or Judgment, it may, within 14 days
9 following service of the DCC report, file and serve its own report (also under an Attorneys'
10 Eyes Only designation) explaining why it believes the DCC failed to fully comply herewith. To
11 the extent the Court, on its own motion or in response to HNHPC's counter-report, believes or
12 concludes the DCC has not fully complied, it reserve the right to order further corrective
13 measures, or to make further orders as it may deem necessary and appropriate;
- 14 7. The Court shall retain jurisdiction to enforce and ensure full compliance with this Order and
15 Judgment; and
- 16 8. As the prevailing party, HNHPC is entitled to recover its costs of suit.

17 **IT IS SO ORDERED.**

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22 Judge of the Superior Court
23 Judge Lee L. Gabriel
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CERTIFICATE OF SERVICE

I, Jeff Augustini, declare as follows:

I am employed in the County of Orange, State of California; I am over the age of eighteen years and am not a party to this action; my business address is 100 Bayview Circle, Suite 210, Newport Beach CA 92660, in said County and State. On July 14, 2026, I served the following document(s):

[PROPOSED] ORDER AND JUDGMENT ON PETITION FOR WRIT OF MANDATE
on the following parties:

Justin Buller
Matthew Beasley
Deputy Attorney General
1300 I Street, Suite 125
P.O. Box 944255
Sacramento, CA 94244-2550
Justin.Buller@doj.ca.gov
Matthew.Beasley@doj.ca.gov

by the following means of service:

☐ **BY MAIL:** I placed a true copy in a sealed envelope addressed as indicated above, on the above-mentioned date. I am familiar with the firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. Postal Service on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

☐ **BY PERSONAL SERVICE:** I emailed a true copy of this document to a messenger with instructions to personally deliver it to each person[s] named at the address[es] shown before 5:00 p.m. on the above-mentioned date.

☐ **BY OVERNIGHT SERVICE:** On the above-mentioned date, I placed a true copy of the above mentioned document(s), together with an unsigned copy of this declaration, in a sealed envelope or package designated by FedEx with delivery fees paid or provided for, addressed to the person(s) as indicated above and deposited same in a box or other facility regularly maintained by FedEx or delivered same to an authorized courier or driver authorized by FedEx to receive documents.

☒ **BY ELECTRONIC SERVICE:** On the above-mentioned date, I caused each such document to be transmitted by electronically mailing a true and correct copy through One Legal's electronic service function to the e-mail address(s) set forth above.

☒ **(STATE)** I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on July 14, 2026, at Newport Beach, California.

/s/ Jeff Augustini
Jeff Augustini

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ORANGE

Central Justice Center
700 W. Civic Center Drive
Santa Ana, CA 92702

SHORT TITLE: HNHPC, Inc. vs. The Department of Cannabis Control

**CLERK'S CERTIFICATE OF MAILING/ELECTRONIC
SERVICE**

CASE NUMBER:
30-2021-01221014-CU-WM-CJC

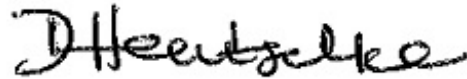
I certify that I am not a party to this cause. I certify that that the following document(s), Judgment dated 08/04/26, was transmitted electronically by an Orange County Superior Court email server on August 5, 2026, at 10:35:21 AM PDT. The business mailing address is Orange County Superior Court, 700 Civic Center Dr. W, Santa Ana, California 92701. Pursuant to Code of Civil Procedure section 1013b, I electronically served the document(s) on the persons identified at the email addresses listed below:

DEPUTY ATTORNEY GENERAL
JUSTIN.BULLER@DOJ.CA.GOV

DEPUTY ATTORNEY GENERAL
MATTHEW.BEASLEY@DOJ.CA.GOV

LAW OFFICE OF JEFF AUGUSTINI
JEFF@AUGUSTINILAW.COM

Clerk of the Court, by:



, Deputy

CLERK'S CERTIFICATE OF MAILING/ELECTRONIC SERVICE