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District Attorney of the County of Yolo  
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RECEIVED  
JAN 29 2018  
YOLO COUNTY DISTRICT ATTORNEY

FILED  
YOLO SUPERIOR COURT  
JAN 23 2018  
BY A. TRUITT  
DEPUTY

*Attorneys for the People of the State of California*

SUPERIOR COURT OF CALIFORNIA  
COUNTY OF YOLO

THE PEOPLE OF THE STATE OF CALIFORNIA, ) Case No. CV 17-1793  
 )  
Plaintiff, )  
 )  
v. ) ~~PROPOSED~~ FINAL JUDGMENT AND  
 ) PERMANENT INJUNCTION PURSUANT  
 ) TO STIPULATION  
VIRGROW ORGANICS, INC., a California )  
corporation; NS CONSULTING, LLC, a California )  
limited liability company; LOUCHIO SAELEE, )  
individually and as an Officer of Virgrow Organics, )  
Inc.; SEAN RUIZ, individually and as an Officer of )  
Virgrow Organics, ) *Exempt from fees per Gov. Code § 6103*  
Defendants. )

Plaintiff, the People of the State of California, by and through Jeff W. Reisig, District Attorney of Yolo County, and Defendants VIRGROW ORGANICS, INC., a California corporation; NS CONSULTING, LLC, a California limited liability company; LOUCHIO SAELEE, individually and as an Officer of Virgrow Organics, Inc., through their attorneys, Law Offices of Derek Soriano, by Derek David Soriano, and Defendant SEAN RUIZ, individually and as an Officer of Virgrow Organics, Inc., have stipulated to entry of this Final Judgment and Permanent Injunction Pursuant to Stipulation ("Final Judgment and Permanent Injunction") to resolve all the matters alleged in the People's Complaint.

1 NOW THEREFORE, the Court having considered the Stipulation for Entry of Final  
2 Judgment and Permanent Injunction reached between the parties, and the Court having considered  
3 the Final Judgment and Permanent Injunction, IT IS HEREBY ORDERED, ADJUDGED, AND  
4 DECREED as follows:

5 JURISDICTION AND VENUE

6 1. The Superior Court of California, County of Yolo, has subject matter jurisdiction over  
7 the matters alleged in this action and personal jurisdiction over the parties to this Final Judgment and  
8 Permanent Injunction.

9 INJUNCTIVE RELIEF

10 2. Pursuant to Business and Professions Code section 17203, Defendant and their agents,  
11 servants, employees, representatives, and successors are permanently enjoined from engaging in the  
12 following acts or practices in California:

- 13 a. Violating any of the provisions of Yolo County Code section 5-20 *et seq.* and any  
14 updated versions to include:
- 15 1) Violating the provisions of Yolo County Code section that require a permit  
16 before cultivating commercial cannabis.
  - 17 2) Violating the provisions of Yolo County Code section that require  
18 participation in the track-and-trace program for cannabis cultivation.
  - 19 3) Failing to pay all applicable cannabis cultivation fees in full and on time as  
20 designated by the Yolo County Department of Agriculture for the  
21 cultivation of cannabis.
  - 22 4) Planting, cultivating, storing, maintaining, watering, moving, harvesting or  
23 otherwise tending to any cannabis plants that are not a permitted cannabis  
24 grow as determined by Yolo County Department of Agriculture.
  - 25 5) Removing, selling, giving away, donating, dispensing, or otherwise  
26 distributing any cannabis without full compliance with laboratory testing  
27 and outcome requirements.
  - 28 6) Failing to input and activate all stamps and tags associated with all

1 cannabis plants and products into the County and State track-and-trace  
2 programs for cannabis cultivation.

3 7) Maintaining any buildings or operations that are unpermitted under Yolo  
4 County Code.

5 8) Failing to allow members of Yolo County or other law enforcement or  
6 governmental regulatory officials on-site to effectuate service of and  
7 ensure compliance with court order(s) and for reasonable compliance  
8 inspections of the cultivation area during reasonable hours, in violation of  
9 Yolo County Code.

10 b. Failing to contact the Cannabis Task Force and fully cooperate if and when  
11 Defendants have knowledge of illegal cannabis activities by anyone in Yolo  
12 County and/or the State of California.

13 c. Failing to adhere to Yolo-Solano Air Quality Management District rules related  
14 to air pollution including agricultural burns.

15 d. Failing to adhere to existing and to be determined California Department of Food  
16 and Agriculture legal and regulatory requirements related to cultivation of  
17 cannabis.

18 e. Failing to adhere to existing and to be determined California Department of  
19 Public Health legal and regulatory requirements related to manufacturing of  
20 cannabis if allowed in Yolo County.

21 f. Failing to adhere to existing and to be determined California Department  
22 Consumer Affairs legal and regulatory requirements related to cannabis  
23 distribution, retail, laboratory testing, and microbusinesses if allowed in Yolo  
24 County.

25 g. Failing to adhere to existing and to be determined California Department of  
26 Insurance legal and regulatory requirements related to workers' compensation  
27 coverage and any other worker safety requirements.

28 h. Failing to adhere to existing and to be determined California Department of

1 Pesticide Regulation or Yolo County Agricultural Commissioner legal and  
2 regulatory requirements related to pesticides and worker safety requirements.

3 i. Failing to adhere to existing and to be determined California Department of Fish  
4 and Wildlife legal and regulatory requirements related to water pollution and  
5 streambed alteration.

6 j. Failing to adhere to existing and to be determined legal and regulatory  
7 requirements related to hazardous materials and hazardous waste laws of  
8 California.

9 CIVIL PENALTIES AND COST RECOVERY

10 I. COST RECOVERY

11 3. Defendants must pay the Yolo County Department of Agriculture SIX THOUSAND  
12 THREE HUNDRED NINETY DOLLARS (\$6,390.00) for partial reimbursement of costs of  
13 inspections and other costs of enforcement.

14 4. Defendants must pay the Yolo-Solano Air Quality Management District THREE  
15 THOUSAND DOLLARS (\$3,000.00) for partial reimbursement of costs of inspections and other  
16 costs of enforcement.

17 5. Defendants must pay the Yolo County District Attorney's Office TWENTY-ONE  
18 THOUSAND ONE HUNDRED NINETY DOLLARS (\$21,190.00) for partial reimbursement of  
19 costs of investigation and other costs of enforcement.

20 6. Defendants must pay the Yolo County Department of Agriculture FORTY-SIX  
21 THOUSAND FOUR HUNDRED EIGHTY-FIVE DOLLARS and TWELVE CENTS (\$46,485.12)  
22 for outstanding cannabis cultivation fees.

23 II. CIVIL PENALTIES

24 7. Defendants must pay ONE HUNDRED EIGHT THOUSAND TWENTY-EIGHT  
25 DOLLARS and EIGHTY CENTS (\$108,028.80) as civil penalties pursuant to Business and  
26 Professions Code section 17206.

27 III. PAYMENTS

28 8. Defendants must pay amounts owed under Paragraphs 3-7 in the total amount of ONE

1 HUNDRED EIGHTY-FIVE THOUSAND NINETY-THREE DOLLARS and NINETY-TWO  
2 CENTS (\$185,093.92).

- 3 a. One business or cashier's check for FORTY-SIX THOUSAND FOUR  
4 HUNDRED EIGHTY-FIVE DOLLARS and TWELVE CENTS (\$46,485.12) on  
5 or before January 31, 2018 made payable to the Yolo County Department of  
6 Agriculture.
- 7 b. One business or cashier's check for SIX THOUSAND THREE HUNDRED  
8 NINETY DOLLARS (\$6,39.00) on or before January 31, 2018 made payable to  
9 the Yolo County Department of Agriculture.
- 10 c. One business or cashier's check for THREE THOUSAND DOLLARS  
11 (\$3,000.00) on or before January 31, 2018 made payable to the Yolo-Solano Air  
12 Quality Management District.
- 13 d. One business or cashier's check for TWENTY-ONE THOUSAND ONE  
14 HUNDRED NINETY DOLLARS (\$21,190.00) on or before January 31, 2018  
15 made payable to the Yolo County District Attorney's Office.
- 16 e. One business or cashier's check for ONE HUNDRED EIGHT THOUSAND  
17 TWENTY-EIGHT DOLLARS and EIGHTY CENTS (\$108,028.80) on or before  
18 January 31, 2017 made payable to the Treasurer of Yolo County.

19 9. Defendants must deliver all payments required in Paragraph 8 above to the District  
20 Attorney's Office for the County of Yolo, Attention David J. Irej, Assistant Chief Deputy District  
21 Attorney, 301 Second Street, Woodland, CA 95695.

22 MATTERS COVERED BY THIS FINAL JUDGMENT AND PERMANENT INJUNCTION

23 10. This Final Judgment and Permanent Injunction is a final and binding resolution and  
24 settlement of all claims, violations, and causes of action expressly alleged by the People in their  
25 Complaint against Defendants ("Covered Matters").

26 11. Any claim, violation, or cause of action that is not a Covered Matter is a "Reserved  
27 Claim." Reserved Claims include, without limitation, any unknown violation, any violation that  
28 occurs after the filing of this Final Judgment and Permanent Injunction, and any violation outside the

1 scope of the allegations set forth in the People’s Complaint. People reserve the right to pursue any  
2 Reserved Claim, and Defendants reserve their defenses against any Reserved Claim. Nothing in this  
3 paragraph limits People’s ability to enforce the terms of this Final Judgment and Permanent  
4 Injunction.

5 12. In any subsequent action that the People may bring based on any Reserved Claim,  
6 Defendants cannot assert that failing to pursue any Reserved Claim as part of this action constitutes  
7 claim-splitting.

8 13. Defendants’ potential civil and administrative claims against the People or any agency  
9 of the State of California, county or city in the State of California, or local agency (collectively,  
10 “Agencies”), or against any of the People or Agencies’ officers, employees, representatives, agents  
11 or attorneys, arising out of or related to any Covered Matter are hereby merged into and extinguished  
12 by this Final Judgment and Permanent Injunction; provided, however, that if any Agencies initiate  
13 claims against Defendants, Defendants reserve any and all rights, claims, demands, and defenses  
14 against such Agencies.

15 14. Nothing in this Final Judgment and Permanent Injunction deprives those individuals  
16 harmed by Defendants’ acts, as alleged in the People’s Complaint, of any right or remedy that they  
17 may otherwise be entitled to by law. Nor does anything in this Final Judgment and Permanent  
18 Injunction relieve Defendants of any obligation they may have to those individuals harmed by  
19 Defendants’ acts, as alleged in the People’s Complaint.

20 NOTICES

21 15. All submissions and notices required by this Final Judgment and Permanent  
22 Injunction must be sent to:

23 For Defendants:

24 VIRGROW ORGANICS, INC.  
25 11010 County Road 116B  
26 Woodland, CA 95776

27 NS CONSULTING, LLC  
28 2051 O’Neil Way  
Sacramento, CA 95822

1 LOUCHIO SAELEE  
2 11010 County Road 116B  
3 Woodland, CA 95776

4 SEAN RUIZ  
5 11010 County Road 116B  
6 Woodland, CA 95776

7 Attorney for Defendants Virgrow Organics, Inc., NS Consulting, LLC, and Louchio  
8 Saelee:

9 Derek David Soriano  
10 2485 Notre Dame Blvd, Ste 320-263  
11 Chico, CA 95928

12 For the People:

13 Matt Bogoshian  
14 Deputy District Attorney  
15 Office of the District Attorney, Yolo County  
16 Consumer Fraud and Environmental Protection Division  
17 301 Second Street  
18 Woodland, CA 95695

19 16. Any Party may change its notice name and address by informing the other Party in  
20 writing, but no change is effective until it is received. All notices and other communications required  
21 or permitted under this Final Judgment and Permanent Injunction that are properly addressed as  
22 provided in this paragraph are effective upon delivery if delivered personally or by overnight mail, or  
23 are effective five (5) days following deposit in the United States mail, postage prepaid, if delivered  
24 by mail, or the day that electronic mail is sent if sent before 5:00 p.m. to the electronic mail addresses  
25 of the designated recipients for notice concurrent with sending the notice by overnight mail.

26 EFFECT OF FINAL JUDGMENT AND PERMANENT INJUNCTION

27 17. Except as expressly provided in this Final Judgment and Permanent Injunction,  
28 nothing in this Final Judgment and Permanent Injunction is intended nor may it be construed to  
preclude the People from exercising their authority under any law, statute, or regulation. Except as  
expressly provided in this Final Judgment and Permanent Injunction, Defendants retain all of their  
defenses to the People's exercise of the aforementioned authority.

FUTURE REGULATORY CHANGES

1 18. Nothing in this Final Judgment and Permanent Injunction excuses Defendants from  
2 meeting any more-stringent requirements that may be imposed by applicable law or by any change in  
3 the applicable law. To the extent any future statutory or regulatory change makes Defendants'  
4 obligations less stringent than those provided for in this Final Judgment and Permanent Injunction,  
5 Defendants' compliance with the changed law will be deemed compliance with this Final Judgment  
6 and Permanent Injunction.

7 WAIVER

8 19. The People's failure to enforce any provision of this Final Judgment and Permanent  
9 Injunction may neither be deemed a waiver of such provision nor in any way affect the validity of  
10 this Final Judgment and Permanent Injunction. The People's failure to enforce any such provision  
11 does not preclude them from later enforcing the same or any other provision of this Final Judgment  
12 and Permanent Injunction. Except as expressly provided in this Final Judgment and Permanent  
13 Injunction, Defendants retain all defenses allowed by law to any such later enforcement.

14 CONTINUING JURISDICTION

15 20. The Court will retain continuing jurisdiction to enforce the terms of, and to address  
16 any other matters arising out of or regarding, this Final Judgment and Permanent Injunction.

17 MODIFICATION

18 21. This Final Judgment and Permanent Injunction may be modified only on noticed  
19 motion by one of the Parties with approval of the Court, or upon written consent by all of the parties  
20 and the approval by the Court.

21 EFFECTIVE DATE

22 22. The effective date of this Final Judgment and Permanent Injunction is the date of the  
23 signature of the Court entering this Final Judgment and Permanent Injunction. The parties need not  
24 file a Notice of Entry of Judgment.

25 **IT IS SO ORDERED.**

26  
27 Dated: JAN 23 2018

28 By: JANET GAARD  
JUDGE OF THE SUPERIOR COURT