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6 Woodland, California 95695
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FILED
YOLO SUPERIOR COURT
MAR 09 2018
BY M. Flaum
DEPUTY

8 *Attorneys for the People of the State of California*

9
10 SUPERIOR COURT OF CALIFORNIA
11 COUNTY OF YOLO

12 THE PEOPLE OF THE STATE OF CALIFORNIA,) Case No. CV 17-1703
13)
Plaintiff,)
14)
v.) ~~PROPOSED~~ FINAL JUDGMENT AND
PERMANENT INJUNCTION PURSUANT
15) TO STIPULATION
GREEN DREAM FARMS, INC., a California)
16 corporation; CLOUD NIRVANA, a California)
corporation; STILLWATER TRUST, a California)
17 Trust; SPENCER MANNERS, individually and as an)
Officer of Green Dream Farms, Inc.; JOHN ROTH,)
18 individually and as an Officer of Cloud Nirvana, Inc.;)
MIKE ROTH, as the Trustee of Stillwater Trust,)
19)
Defendants.)
20)

21
22
23 Plaintiff, the People of the State of California, by and through Jeff W. Reisig, District
24 Attorney of Yolo County, and Defendants GREEN DREAM FARMS, INC., a California
25 corporation; CLOUD NIRVANA, INC., a California corporation; STILLWATER TRUST, a
26 California Trust; SPENCER MANNERS, individually and as an Officer of Green Dream Farms,
27 Inc.; JOHN ROTH, individually and as an Officer of Cloud Nirvana, Inc.; MIKE ROTH, as Trustee
28 for Stillwater Trust, generally appearing through their attorneys, Mitch Abdallah and Chuck Post,

1 have stipulated to entry of this Final Judgment Pursuant to Stipulation (“Final Judgment”) to resolve
2 all the matters alleged in the People’s Complaint.

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

7 JURISDICTION AND VENUE

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

10 INJUNCTIVE RELIEF

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

14 a. Violating any of the provisions of Yolo County Code section 5-20 *et seq.* and any
15 of its updated versions to include:

- 16 1) Violating the provisions of Yolo County Code that require a license before
17 cultivating commercial cannabis.
- 18 2) Violating the provisions of Yolo County Code section that require
19 participation in the track-and-trace program for cannabis cultivation.
- 20 3) Failing to pay all applicable cannabis cultivation fees in full and on time as
21 designated by the Yolo County Department of Agriculture for the
22 cultivation of cannabis.
- 23 4) Removing, selling, giving away, donating, dispensing, or otherwise
24 distributing any cannabis unless and until full compliance with laboratory
25 testing and outcome requirements.
- 26 5) Failing to input and activate all stamps and tags associated with all
27 cannabis plants and products into the County and State track-and-trace
28 programs for cannabis cultivation.

6) Maintaining any buildings or operations that are unpermitted under Yolo County Code.

a. Defendants have submitted building plans and documents to the County and are awaiting plan approval by County agencies for the as-built metal building identified in Exhibit A as permit number BP2017-1125 and located on Assessor's Parcel Number 027-280-017. During the period pending this building permit approval, Defendants may not use the building for unpermitted purposes.

b. Allowing unlawful habitation on Defendants' properties in violation of Yolo County Code section 8-2.1013.

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

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

e. Failing to adhere to existing and duly amended or adopted California Department of Food and Agriculture legal and regulatory requirements related to cultivation of cannabis.

f. Failing to adhere to existing and duly amended or adopted California Department of Public Health legal and regulatory requirements related to manufacturing of cannabis if allowed in Yolo County.

g. Failing to adhere to existing and duly amended or adopted California Department Consumer Affairs legal and regulatory requirements related to distribution, retail, laboratory testing, and microbusinesses if allowed in Yolo County.

h. Failing to adhere to existing and duly amended or adopted California Department

of Insurance legal and regulatory requirements related to workers' compensation coverage and any other worker safety requirements.

- i. Failing to adhere to existing and duly amended or adopted California Department of Pesticide Regulation or Yolo County Agricultural Commissioner legal and regulatory requirements related to pesticides and worker safety requirements.
- j. Failing to adhere to existing and duly amended or adopted California Department of Fish and Wildlife legal and regulatory requirements related to water pollution and streambed alteration.
- k. Failing to adhere to existing and duly amended or adopted legal and regulatory requirements related to hazardous materials and hazardous waste laws of California.

3. Because Defendants have each applied for their 2018 licenses for commercial cultivation of medicinal cannabis in Yolo County, the People agree to meet and confer with Defendants before taking any action to enforce the injunctive provisions.

CIVIL PENALTIES AND COST RECOVERY

I. COST RECOVERY

4. Defendants must pay the Yolo County Department of Agriculture THIRTY-ONE THOUSAND FIVE HUNDRED DOLLARS (\$31,500.00) for partial reimbursement of costs of inspections and other costs of enforcement.

5. Defendants must pay the Yolo County County Counsel ONE THOUSAND ONE DOLLARS (\$1,001.00) for reimbursement for partial reimbursement of costs of enforcement.

6. Defendants must pay the Yolo County District Attorney's Office FIFTEEN THOUSAND THREE HUNDRED SEVENTY-FIVE DOLLARS (\$15,375.00) for reimbursement of costs of investigation and other costs of enforcement.

II. CIVIL PENALTIES

7. Defendants must pay TWO HUNDRED TWENTY-FOUR THOUSAND and TWENTY-EIGHT DOLLARS (\$224,028.00) as civil penalties pursuant to Business and Professions Code section 17206.

8. Defendants are further liable for an additional ONE HUNDRED THIRTY-TWO THOUSAND DOLLARS (\$132,000.00) as civil penalties pursuant to Business and Professions Code section 17200 et seq. However, it is stipulated by all parties that the entire ONE HUNDRED THIRTY-TWO THOUSAND DOLLARS (\$132,000.00) in civil penalties shall be stayed for a period of five (5) years from the filing of this document, on the following condition:

a. Defendants have not violated Paragraph 2 of this Final Judgment.

9. The ONE HUNDRED THIRTY-TWO THOUSAND DOLLARS (\$132,000.00) described in Paragraph ⁸ ~~7~~ ^{SC} above, shall immediately be due and payable if the Yolo County District Attorney's Office files a declaration that Defendants have violated Paragraph 2 above, and this Court finds by a preponderance of the evidence that the violation did in fact occur.

10. If all conditions listed in Paragraph ⁹ ~~7~~ ^{SC} above are met, then five (5) years from the date of this document, the stayed penalty shall be suspended permanently.

11. Within 21 days of a Court order finding Defendants have materially violated any requirement of this Final Judgment, Defendants must pay amounts owed under Paragraph ¹⁰ ~~7~~ ^{SC} in the total amount of ONE HUNDRED THIRTY-TWO THOUSAND DOLLARS (\$132,000.00). Defendants must pay the amount in one business or cashier's check made payable to the Treasurer of Yolo County pursuant to Business and Professions Code section 17206.

III. PAYMENTS

12. Defendants must pay amounts owed under Paragraphs ¹¹ ~~3-6~~ ^{SC} in the total amount of TWO HUNDRED SEVENTY-ONE THOUSAND NINE HUNDRED FOUR DOLLARS (\$271,904.00).

a. One business or cashier's check for THIRTY-TWO THOUSAND SIXTY-NINE DOLLARS (\$32,069.00) on or before January 31, 2018 made payable to the Treasurer of Yolo County.

b. One business or cashier's check for THIRTY-ONE THOUSAND FIVE HUNDRED DOLLARS (\$31,500.00) on or before January 31, 2018 made payable to the Yolo County Department of Agriculture.

c. One business or cashier's check for ONE THOUSAND ONE DOLLARS

(

1 (\$1,001.00) on or before January 31, 2018 made payable to Yolo County Counsel.

2 d. One business or cashier's check for FIFTEEN THOUSAND THREE HUNDRED
3 SEVENTY-FIVE DOLLARS (\$15,375.00) on or before January 31, 2018 made
4 payable to the Yolo County District Attorney's Office.

5 e. One business or cashier's check for SEVENTY-NINE THOUSAND NINE
6 HUNDRED FORTY-FIVE DOLLARS (\$79,945.00) on or before February 28,
7 2018 made payable to the Treasurer of Yolo County.

8 f. One business or cashier's check for ONE HUNDRED TWELVE THOUSAND
9 FOURTEEN DOLLARS (\$112,014.00) on or before June 1, 2018 made payable
10 to the Treasurer of Yolo County.

11 13. Defendants must deliver all payments required in Paragraph ¹² 12 above to the District
12 Attorney's Office for the County of Yolo, Attention David J. Irey, Assistant Chief Deputy District
13 Attorney, 301 Second Street, Woodland, CA 95695.

14 MATTERS COVERED BY THIS FINAL JUDGMENT AND PERMANENT INJUNCTION

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

18 15. Any claim, violation, or cause of action that is not a Covered Matter is a "Reserved
19 Claim." Reserved Claims include, without limitation, any unknown violation, any violation that
20 occurs after the filing of this Final Judgment and Permanent Injunction, and any violation outside the
21 scope of the allegations set forth in the People's Complaint. People reserve the right to pursue any
22 Reserved Claim, and Defendants reserve their defenses against any Reserved Claim. Nothing in this
23 paragraph limits People's ability to enforce the terms of this Final Judgment.

24 16. In any subsequent action that the People may bring based on any Reserved Claim,
25 Defendants cannot assert that failing to pursue any Reserved Claim as part of this action constitutes
26 claim-splitting.

27 17. Defendants' potential civil and administrative claims against the People or any agency
28 of the State of California, county or city in the State of California, or local agency (collectively,

1 “Agencies”), or against any of the People or Agencies’ officers, employees, representatives, agents
2 or attorneys, arising out of or related to any Covered Matter are hereby merged into and extinguished
3 by this Final Judgment and Permanent Injunction; provided, however, that if any Agencies initiate
4 claims against Defendants, Defendants reserve any and all rights, claims, demands, and defenses
5 against such Agencies.

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

11 NOTICES

12 19. All submissions and notices required by this Final Judgment must be sent to:

13 For Defendants:

14 For GREEN DREAM FARMS, INC.
15 P.O. Box 8343
16 Woodland, CA 95776

17 For SPENCER MANNERS
18 P.O. Box 8343
19 Woodland, CA 95776

20 For CLOUD NIRVANA, INC.
21 854 Purdue Drive
22 Woodland, CA 95695

23 For JOHN ROTH
24 854 Purdue Drive
25 Woodland, CA 95695

26 For STILLWATER TRUST
27 9075 Old Davis Road
28 Davis, CA 95616

With a copy to:

Mitch Abdallah
Abdallah Law Group
555 Capitol Mall, Suite 766
Sacramento, CA 95814

1 Chuck Post
2 Weintraub Tobin
3 400 Capitol Mall, 11th Floor
4 Sacramento, CA 95814

5 For the People:

6 Ashley Harvey
7 Deputy District Attorney
8 Office of the District Attorney, Yolo County
9 Consumer Fraud and Environmental Protection Division
10 301 Second Street
11 Woodland, CA 95695

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

19 EFFECT OF FINAL JUDGMENT AND PERMANENT INJUNCTION

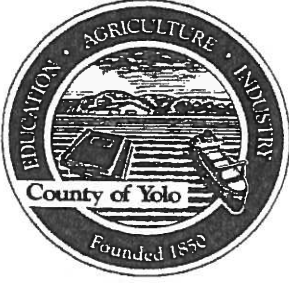
20 21. Except as expressly provided in this Final Judgment and Permanent Injunction,
21 nothing in this Final Judgment and Permanent Injunction is intended nor may it be construed to
22 preclude the People from exercising their authority under any law, statute, or regulation. Except as
23 expressly provided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

25 FUTURE REGULATORY CHANGES

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

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RECEIPT

YOLO COUNTY
PLANNING & PUBLIC WORKS
292 WEST BEAMER STREET
WOODLAND, CA 95695
PHONE: (530) 666-8775

13500 CR 100
Woodland, CA 95776
COMMERCIAL/INDUSTRIAL

Permit No: BP2017-1125
Receipt No: 82083

Fee Description	Account	Fee Amount
PLAN REVIEW	01002029716350400310-0000	\$1,528.37
PLANNING TECHNOLOGY FEE	12622029716320400330-0000	\$9.24
SOIL REVIEW	01002029716350400310-0000	\$130.00
CONSTRUCTION DEMOLITION REV	50212044016630400310-0000	\$158.00
LANDFILL TECHNOLOGY FEE	12622029716320400310-0000	\$9.48
DISABLED ACCESS	01002029716350400310-0000	\$352.70
CALGREEN PLAN REVIEW	01002029716350400310-0000	\$352.70
TITLE 24	01002029716350400310-0000	\$235.13
<u>BUILDING PERMIT PLANNING FEE</u>		
BUILDING PERMIT PLANNING FEE MINOR	01002029716300400330-0000	\$154.00
<u>ENVIRONMENTAL HEALTH - BUILDING</u>		
EH PLAN REVIEW FEE	01302040136726400359-0000	\$311.00

Total Fees Paid: **\$3,240.62**

Date Paid: 12/13/2017
Paid By: SEAN FREITAS
Pay Method: CHECK 3856
Received By: SCOTT DOOLITTLE

Customer