

STATE OF NEW YORK  
OFFICE OF CANNABIS MANAGEMENT  
OFFICE OF ADMINISTRATIVE HEARINGS

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**OFFICE OF CANNABIS MANAGEMENT,**

Petitioner,

-against-

**DECISION**

**Complaint No. 137202405210003**

**Leaf Bar Corporation**

Respondent.

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The Office of Cannabis Management requested a hearing, for an inspection which occurred on May 21, 2024. The hearing was held on January 14, 2026.

The Respondent failed to appear, and as such was not represented by counsel at the hearing

The Office of Cannabis Management (hereinafter “OCM”) was represented by Assistant Counsel Anthony Pitnell, Esq.

Investigative Specialist 3 Joshua Coons testified on behalf of OCM.

Laurie J. Cartwright, Esq. was the presiding Administrative Law Judge (hereinafter “ALJ”)

**I. ISSUE**

The allegations set forth in the Notice of Violation and Order to Cease Unlicensed Activity and Notice of Hearing (hereinafter “NOV”) allege that the Respondent was offering cannabis products, as defined by Cannabis Law § 3, for sale without an appropriate registration, license, or permit. This allegation was based upon observations made during a regulatory inspection which was conducted at 269 West 23<sup>rd</sup> Street, New York, NY 10011.

## II. APPLICABLE LAW

Cannabis Law Article 6 § 125(1): Prohibits the sale, cultivation, or distribution of cannabis or cannabis products without the appropriate license or registration.

The law states that “[n]o person shall cultivate, process, distribute for sale or sell at wholesale or retail or deliver to consumers any cannabis, cannabis product, medical cannabis or cannabinoid hemp or hemp extract product, or any product marketed or labeled as such, within the state without obtaining the appropriate registration, license, or permit therefor required....”

Cannabis Law Article 6 § 138-A: provides that “The board or the Office of Cannabis Management shall, in accordance with the authority otherwise conferred in this chapter, have the authority to: 1. order any person who is unlawfully cultivating, processing, distributing or selling cannabis, cannabis product, cannabinoid hemp or hemp extract product, or any product marketed or labeled as such in this state without obtaining the appropriate registration, license, or permit therefor, or engaging in an indirect retail sale to cease such prohibited conduct. 2. seize any cannabis, cannabis product, cannabinoid hemp or hemp extract product, or any product marketed or labeled as such, found in the possession of a person engaged in the conduct described in subdivision one of this section.”

Cannabis Law Article 6 § 138-A(2): Authorizes the OCM to order any person engaged in unlicensed activity to cease such conduct and permits the seizure of unlawful cannabis products.

The law states that “The board or the Office of Cannabis Management shall, in accordance with the authority otherwise conferred in this chapter, have the authority to: 1. order any person who is unlawfully cultivating, processing, distributing or selling cannabis, cannabis product, cannabinoid hemp or hemp extract product, or any product marketed or labeled as such in this state without obtaining the appropriate registration, license, or permit therefor, or engaging in an indirect retail sale to cease such prohibited conduct. 2. seize any cannabis, cannabis product, cannabinoid hemp or hemp extract product, or any product marketed or labeled as such, found in the possession of a person engaged in the conduct described in subdivision one of this section.”

Cannabis Law § 132(1)(a): Permits the imposition of a civil penalty up to \$10,000 per day for unlawful sales.

The law provides that any person who sells cannabis, or cannabis products, or any product marketed or labeled as such, without having an appropriate registration, license, or permit therefor, may be subject to a civil penalty of not more than ten thousand dollars for each day during which such violation continues.

Cannabis Law § 132(1)(c): Requires penalties to be proportionate to the nature of the violation.

The law requires that any civil penalties assessed “shall take into consideration the nature of such violation and shall assess a penalty that is proportionate to the violation...”

9 NYCRR 133.16 (3) provide that, “If a party fails to appear at the hearing and no adjournment has been requested and granted for cause, the administrative law judge shall recommend a default order.”

### III. FINDINGS OF FACT

1. On August 18, 2025, a conference in this matter was held before Administrative Law Judge Joshua Pennel.
2. Prior to the conference, a Notice of Hearing and Official Notice of Conference dated August 5, 2025 was mailed to the Respondent notifying them that a conference would be held on August 18, 2025. This mailing was returned to sender as of August 11, 2025.
3. At the inception of the hearing on January 14, 2026, Petitioner introduced documents as part of Exhibit D to show proof of proper service. Exhibit D included an affidavit of service stating that on November 25, 2025, OCM employee Alicia Pasos, served the associated Notice of Violation, Notice of Conference and/or Hearing, Respondent Response Form, and Notice of Language Access and Administrative Hearing Rights on the corporation via both certified mail return-receipt to the store and through the New York State Department of State. The exhibit also included a receipt from the Department of State confirming their service of the documents. The Notice of Conference/Hearing Request specified that the hearing would take place virtually on “January 14, 2026 at 11:00 AM.” It further went on to notify the Respondent of the consequences of not attending, namely: “[y]our attendance at the Proceedings is required and failure to appear may result in a default judgement with financial penalties of up to and including ten thousand dollars (\$10,000) as authorized under Cannabis Law § 138-a.” (Exhibit D-3). As such, I deem service to have been properly effectuated by serving the corporation’s registered agent, the Department of State. (*See Exhibit D*).
4. Petitioner asked that I take judicial notice of the documents, which I declined. Instead, based on the signed affidavit of service by an OCM employee, and they were admitted as self-authenticating documents.
5. Petitioner then presented their sole witness Investigative Specialist 3 Joshua Coons.
6. Investigator Coons testified that he was a supervising investigator for OCM. He explained that his duties and responsibilities include supervising senior investigators and investigators in the enforcement division. He explained that his training included a combination of classroom training and on the job training in the areas of product identification, the cannabis law, and the manner in which regulatory inspections are conducted and paperwork is completed.
7. Investigator Coons also testified that he used signs, symbols, menus, and price tags on products to determine if there was unlicensed activity. Once inside, he also identified products based on whether they were marketed and labeled as cannabis.
8. Investigator Coons stated that the business did not have a cannabis license, and that their hemp license had expired.

9. Petitioner introduced the Notice of Violation, Order to Seal, and Order to Cease Unlicensed Activity issued on May 22, 2024, into evidence. (*See Exhibit A*). The document alleges that the investigator observed cannabis products in the form of cannabis flower, edibles, and concentrate in violation of Cannabis Law § 125, 138-A, 101, and 9 NYCRR §§ 120(i) and 114.14(d)(1).
10. Investigator Coons said product was being sold via a menu showing different strains of cannabis flower and the prices associated with each of those strains. (*See Exhibit B*). The majority of cannabis products identified by Investigator Coons appear to be in glass cases seen in Exhibit B4. Part of Investigator Coons process by which he identified products as cannabis products, was using external markings such as cannabis warning labels.
11. The following products, featured in Exhibit B, per the testimony of Investigator Coons, were offered for sale in violation of the Cannabis Law and regulations:
  - a. Exhibit B5: Menu featuring strains of cannabis:
    - i. Purple Ghost
    - ii. Pink Runtz
    - iii. Candy Oreo Cake
    - iv. Cereal Milk<sup>1</sup>
    - v. Ice Volcano
    - vi. White Gumbo
    - vii. Black Phantom
  - b. Exhibit B6: Menu stating “3 PRE-ROLLS \$25,” “Buy 3 Eights-> +1 for FREE,” “Buy \$40 Flower-> 1 Free PreRoll,” and “Ask About our Weekly Special House Pre-Rolls 1.G 1.5G”
  - c. Exhibit B7: Cannabis Flower
    - i. Andy Runtz- Hybrid
    - ii. Cereal Milk- Indica Hybrid
    - iii. White Volcano-Sativa
  - d. Exhibit B8: Cannabis Flower
    - i. Lemon...-Hybrid
    - ii. White Truffle
    - iii. Premium Pre-Rolls- \*1 \$10 \*3 \$25- Sativa, Hybrid, Indica
  - e. Exhibit B9: Flower with concentrate: Approximately 6 Sherbinskis (2 of which were Aranciata-Sativa and Black Sesame-Indica); 4 Snow Brand Diamond Infused Flowers (Pink Guava- 58.82% THC, Lemon Cherry Gelato- 56.62% THC, Tropical Runtz- 57.98% THC, .... Zkittles- 56.49%).
  - f. Exhibit B10: Cannabis Flower
    - i. “Watermelon Gummiez” Cannabis Flower
    - ii. “Banana Split Sundae” Cannabis Flower
    - iii. “Hawaiian Ice” Cannabis Flower

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<sup>1</sup> The strain “Cereal Milk” is featured on the menu in Exhibit B5 and in Exhibit B7, and B5 may refer to the product seen in B7.

- g. Exhibit B11-B12: 6 packs of cannabis flower with various brands/strains such as: Strw Gelato, White Cherry Runtz, Purple Cream, Black Phantom, White Guava Gelato, and an unknown strain from White Rabbit. The packs also had medical cannabis stickers placed on them.
  - h. Exhibit B13- 3 or more packages of cannabis flower and 3 packages of Punch brand cannabis edibles
  - i. Exhibit B14: Mad Labs cannabis vape, edibles in various flavors such as Fruity Pebbles, Capn Crunch, Wonka Bar, and Punch Bar.
  - j. Exhibit B15: 3 Sauce Classic Cannabis Concentrate in Granddaddy Purp Indica
  - k. Exhibit B16-B17: Approximately 9 tubes of cannabis pre-rolls, 4 packs of Big Chief Pre-rolls each containing 3 pre-rolls
  - l. Exhibit B18: 12 jars of cannabis product made with Live Diamonds in various strains and concentrations such as Zoap 57% Hybrid Total Active Cannabinoid, Cactus Jack 58% Sativa Total Active Cannabinoid, RS11 56% Hybrid Total Active Cannabinoid, King Louis OG 58% Total Active Cannabinoid and 2 packs of Sherbinskis pre-rolls.
  - m. Exhibit B19: 3 jars Runtz pre-rolls
  - n. Exhibit B20: 5 cannabis Infused Punch Bars: 2 Tangerine Dark Chocolate, 1 Mint Dark Chocolate, 1 Milk Chocolate, 1 Dark Chocolate Raspberry
  - o. Exhibit B21: Pre-roll filling machine with cannabis residue
  - p. Exhibit B22: Rolling tray containing cannabis residue.
12. At the conclusion of the inspection OCM Investigators issued a Notice of Violation and Order to Seal to Seidi Kahtan of Leaf Bar Corporation. Investigator Coons handed a copy of the NOV and OTS, to the employee on site Mounir Tamar. The paper containing those documents was posted outside of the store front as seen in Exhibit C.

#### **IV. ANALYSIS & CONCLUSIONS OF LAW**

##### ***Service and Notice***

OCM regulations dictate the service requirements for the NOV, preliminary conference, and hearing. OCM regulation §133.14 states that service of notices and papers connected with a hearing, should be made by electronic mail or regular first-class mail. Service of the Notice of Hearings, per §133.10(f) should be made at least 45 days prior to the scheduled hearing and sent either by certified or registered mail, or by a method that is consistent with CPLR article 3. CPLR §311 prescribes the process by which corporations should be served. Personal service is to be made upon, “an officer, director, managing or general agent, or cashier or assistant cashier or to any other agent authorized by appointment or by law to receive service. A business corporation may also be served pursuant to section three hundred six or three hundred seven of the business

corporation law...” §306(b)(1) of the Business Corporation allows for service of process on the secretary of state as an agent for the corporation. It requires that service by this method be completed by delivering the items to be served to the “secretary of state or a deputy, or with any person authorized by the secretary of state to receive such service, at the office of the department of state in the city of Albany.”

In this case, a notice for the preliminary conference was sent out by certified mail-return receipt requested to the Respondent’s place of business. The place of business had been padlocked by OCM. The first Notice of Conference was returned to sender on approximately August 11, 2025. Nevertheless, Respondent was properly served by service on their agent, the Department of State, pursuant to §306(b)(1) of the Business Corporation on November 25, 2025. (Exhibit D-10). As such, a default was granted and the hearing moved on to inquest. A default does not establish liability. It waives only Respondent’s right to contest the evidence. OCM must still prove, by a preponderance of the evidence, (i) the statutory violations alleged and (ii) penalty authority and proportionality. The matter therefore properly proceeded as a default inquest.

### ***Validity of the Regulatory Inspection & Determination Concerning Notice of Violation***

During the instant hearing, Petitioner presented evidence of the cannabis products on display at the premises during the regulatory inspection on May 21, 2024. Investigator Coons testified that various products present at the location were identified as cannabis products, in part due to the out of state cannabis symbols present on many of the labels or the labels identifying them as cannabis products.

Cannabis Law §125 prohibits the sale of any product that is or is marketed and labeled as: cannabis, cannabis product, cannabinoid hemp, or hemp extract product. Cannabis Law § 138-a allows OCM to order an entity that is unlawfully selling cannabis or products marketed or labeled as such to cease selling and allows OCM to seize the unlawful products found at their business. Neither Cannabis Law § 138-A nor §125 require there to be an imminent threat to public health or a large volume or variety of product for a violation to be upheld. However, there was a large variety of cannabis brands, strains, and products, present and commercially displayed at the location, which indicates the products were being offered for sale. Additionally, there was strong evidence of cannabis processing taking place at the location.

### ***Penalty***

Therefore, I find by a preponderance of the evidence that Leaf Bar Corporation was offering cannabis for sale. There were signs advertising multiple strains of cannabis flower and cannabis pre-rolls, the presence of pre-packaged cannabis edibles and pre-rolls. There was also cannabis residue present on equipment commonly used for cannabis processing. However, Petitioner did not present photographic evidence of the loose cannabis specifically used for processing, nor did

the testimony clearly outline the number and variety of products vouchered. Overall, there was a moderate amount of product present on site and offered for sale, which in addition to evidence of processing warrants a moderately large fine.

V. **DECISION**

The Respondent engaged in the sale of illicit cannabis and cannabis products without a license, registration, or permit to do so, at the location, 269 W. 23<sup>rd</sup> St., New York, NY 10011. In so doing, Respondent violated Cannabis Law Article 6 and is ordered to pay a fine of \$ 8,500.

1. The Notice of Violation and Order to Cease Unlicensed Activity is hereby **AFFIRMED**.
2. Respondent is found to have violated Cannabis Law §§ 125(1) and 132(1)(a).
3. A civil penalty of \$8,500 is assessed under Cannabis Law § 132(1)(c).

**WHEREFORE, PURSUANT TO CANNABIS LAW ARTICLE 6 § 132(1), THE RESPONDENT IS HEREBY ORDERED TO PAY A \$8,500 FINE, AS A PROPORTIONATE PENALTY FOR THE UNLICENSED SALE OF CANNABIS AND CANNABIS MARKETED PRODUCTS ON MAY 21, 2024.**

This constitutes the final decision of the Office of Administrative Hearings. A copy of this decision shall be served upon the parties.

  
Laurie Cartwright  
Administrative Law Judge

Dated: March 19, 2026

This decision was sent via email on March 19, 2026 to the following:

Anthony Pitnell, Esq.  
Nickolas Perry  
Sheila Wagner  
Celena Ditchev, Esq.

This decision was sent via certified mail on March 19, 2026 to the following:

Leaf Bar Corporation  
d/b/a Leaf Bar  
269 W 23<sup>rd</sup> St  
New York, NY 10011