THE DISTRICT OF COLUMBIA
ALCOHOLIC BEVERAGE AND CANNABIS BOARD

IN THE MATTER OF	
AN ENFORCEMENT ACTION REGARDING	Case No. 26-ULC-00089 Unlicensed
KOSMIC TREATS	Board Order No. 2026-782

BEFORE: DONOVAN ANDERSON, *Chairperson*
SILAS GRANT, JR., *Board Member*
TERI JANINE QUINN, *Board Member*
RYAN JONES, *Board Member*
DAVID MEADOWS, *Board Member*
JAMES TURNER, *Board Member*

PARTIES: KOSMIC TREATS, *Respondent*

Latasha Lawerence, *Owner of Kosmic Treats, Respondent*

ORDER TO CEASE AND DESIST

On October 7th, 2026, the Alcoholic Beverage and Cannabis Board (Board) reviewed compelling evidence that Kosmic Treats engaged in a violation of Chapter 16B of Title 7 of the D.C. Official Code or permitted such illegal activity to occur. These persons and entities are hereby ordered to cease the illegal purchase, sale, exchange, delivery, or any other form of commercial transaction involving cannabis immediately.

FINDINGS OF FACT

The following statements represent the Board's findings of fact based on the evidentiary record.

1. The Board incorporates by reference the facts and evidence presented in Case Report No. 26-ULC-00089.

2. On September 19, 2026, Alcoholic Beverage and Cannabis Administration (ABCA) Supervisory Investigator (SI) Jason Peru and ABCA Investigator Demarcus Parker observed a vendor at the H Street Festival operating under the name Kosmic Treats with what appeared to have displays of cannabis products. *Case Report No. 26-ULC-00089*, at *Exhibit No. 1.* ABCA investigators also observed transactions involving those products between Kosmic Treats employees and customers. *Id*. Based on these observations, ABCA Investigators, along with other District agencies, initiated an undercover operation. *Id*. at 2.

3. During the operation, the undercover agent (UC) asked a Kosmic Treats employee for a cannabis pre-roll and cannabis gummies. *Id.* The Kosmic Treats employee sold both items to the UC and advised the UC that the vendor carried several additional cannabis-infused products. *Id.* Accordingly, the vendor was found to be engaged in illegal cannabis activity. *Id*.

4. SI Peru returned to Kosmic Treats' tent for a follow-up inspection. *Id*. at 2. Inside, he found that the vendor was in possession of unlicensed cannabis products containing tetrahydrocannabinol (THC). *Id*. *at Exhibit Nos. 3 and 4.*

5. There is no indication that the products being displayed for sale conform with Chapter 16B and the associated regulations' manufacturing, testing, labeling, and packaging requirements.

6. ABCA records indicate that Kosmic Treats has not been issued any license, permit, endorsement, or other authorization from the Board permitting commercial cannabis operations.

CONCLUSIONS OF LAW

7. Under § 7-1671.12a(a) of Chapter 16B of Title 7 of the D.C. Official Code,

> If the ABC Board, after investigation but before a hearing, has cause to believe that a person is violating a provision of this chapter and the violation has caused or may cause, immediate and irreparable harm to the public, the ABC Board may issue an order requiring the alleged violator to cease and desist immediately from the violation.

D.C. Code § 7-1671.12a(a). The Board may issue a cease-and-desist order when there is sufficient evidence for the Board to have cause to believe that a person is violating Chapter 16B to such extent that it has caused or may cause immediate and irreparable harm to the public. § 7-1671.12a(a). Similar to a preliminary injunction, § 7-1671.12a(a) commits the decision to grant or deny a cease-and-desist order to the sound discretion of the Board. *See Zirkle v. Dist. of Columbia*, 830 A.2d 1250, 1255 (D.C. 2003). Moreover, similar to a preliminary injunction, in order to uphold the cease-and-desist, the Borad must find that there is a "*substantial likelihood*" that a violation has occurred and that it has or will cause immediate and irreparable harm to the public. *Id*. (emphasis added).

8. A cease-and-desist order is not a criminal proceeding; therefore, it relies on a "less stringent standard[]" of proof than "the reasonable doubt standard." *See Rivas v. United States*, 783 A.2d 125, 133 (D.C. 2001); *In re R.G.*, 917 A.2d 643, 648 (D.C. 2007). Instead, the Board is merely required to base its decision on the "substantial evidence" contained in the record. 22-C DCMR § 9719.2. The substantial evidence standard requires the Board to rely on "such relevant evidence as a reasonable mind might accept as adequate to support a conclusion" or "more than a mere scintilla [of evidence]." *Clark v. D.C. Dep't of Employment Servs.*, 772 A.2d 198, 201 (D.C. 2001) *citing Children's Defense Fund v. District of Columbia Dep't of Employment Servs.*, 726 A.2d 1242, 1247 (D.C. 1999); *Rodriguez v. Filene's Basement Inc.*, 905 A.2d 177, 181 (D.C. 2006). It should be further noted that ". . . hearsay evidence is admissible in administrative proceedings" and may constitute "substantial evidence." *Compton v. Dist. of Columbia Bd. of Psychology*, 858 A.2d 470, 476 (D.C. 2004). In that vein, "The weight to be given to any piece of hearsay evidence is a function of its truthfulness, reasonableness, and credibility." *Id*. at 477.

9. Under § 7-1671.08(f),

> Beginning January 31, 2024, the ABC Board may issue the following fines to an unlicensed establishment that violates § 7-1671.06(c-1) or § 7-1671.06b(e), or has not filed an accepted and pending application with the ABC Board and knowingly engages or attempts to engage in the purchase, sale, exchange, delivery, or any other form of commercial transaction involving cannabis that is not purchased, sold, exchanged, or delivered in accordance with the provisions of this chapter or § 48-904.01.

D.C. Code § 7-1671.08(f).

10. Pursuant to § 7-1671.08(a),

Any person who manufactures, cultivates, possesses, administers, dispenses, distributes, or uses cannabis, or manufactures, possesses, distributes, or uses paraphernalia, in a manner not authorized by this chapter or the rules issued pursuant to § 7-1671.13 shall be subject to criminal prosecution and sanction under subchapter I of Chapter 11 of Title 48 [§ 48-1101 et seq.].

D.C. Code § 7-1671.08(a).

11. Under § 7-1671.06(b)(e)(1)-(3),

An unlicensed establishment shall not display signage or images advertising:
(1) The prices of cannabis or cannabis product in any window of the establishment;
(2) Cannabis or a cannabis product on the exterior of any window or on the exterior or interior of any door; or
(3) Cannabis or a cannabis product on the exterior or visible from the exterior of the unlicensed establishment or elsewhere in the District.

D.C. Code § 7-1671.06b(e)(1)-(3).

12. Under § 7-1671.08(h)(1),

ABCA or the Metropolitan Police Department may post signage at the site of the unlicensed establishment or licensed establishment indicating that activity that violates this chapter has been found to have occurred at the establishment.

D.C. Code § 7-1671.08(h)(1).

13. Under § 7-1671.12e(a),

Any building, ground, or premises where cannabis is sold, exchanged as part of a commercial transaction, delivered, or permitted to be consumed by an unlicensed establishment shall be a nuisance, except any building, ground, or premises of an applicant that filed an accepted and pending application with the Board during the 90-calendar day open application period.

D.C. Code § 7-1671.12e(a).

14. The Board is persuaded that Kosmic Treats and its agents operate an unlicensed establishment or allowed an unlicensed establishment to operate and engage in the illegal sale and distribution of cannabis. *Supra*, at ¶¶ 2-3. In this case, the amount and manner in which cannabis is displayed for sale to the public shows that the business engages in the commercial distribution of cannabis at the H Street Festival, without a license issued by ABCA. *Supra*, at ¶ 2. Therefore, the Board is satisfied that the operations observed by ABCA Investigators on September 19, 2026 constitute a violation of § 7-1671.08(f).

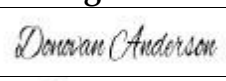
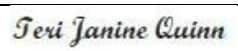
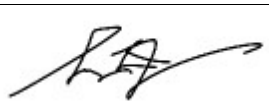
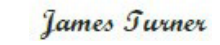
15. The Board further notes that the sale and distribution of illegal cannabis immediately threatens the health and safety of the public because unregulated product may contain inappropriate and harmful substances (e.g., pesticides, other narcotics). In addition, unlicensed businesses are at risk of selling cannabis to persons that should not have access to cannabis, such as minors. Finally, such activity constitutes a nuisance under D.C. Official Code § 7-1671.12e. *See also Com. ex rel. Preate v. Danny's New Adam & Eve Bookstore*, 625 A.2d 119, 122 (1993) (It is well-settled that even a lawful business may be enjoined from operation if it is shown that, under the particular circumstance, its operation constitutes a public nuisance); *Camp v. Warrington*, 227 Ga. 674, 674, (1971) ("where it is made to appear with reasonable certainty that irreparable harm and damage will occur from the operation of an otherwise lawful business amounting to a continuing nuisance, equity will restrain the construction, maintenance or operation of such lawful business."). Therefore, the immediate cessation of all cannabis activity at the premises is appropriate under § 7-1671.12a(a).

ORDER

Therefore, the Board, on this 7th day of October 2026, hereby **ORDERS Kosmic Treats** and their agents to immediately **CEASE AND DESIST** the illegal export, import, purchase, sale, exchange, delivery, or any other form of commercial transaction involving cannabis or allowing or permitting such activity to occur.

The parties are also **ADVISED** that information obtained as part of ABCA's investigation or hearings related to these proceedings may be shared with other law enforcement agencies or used in future administrative, civil, and criminal proceedings.

The ABCA shall deliver a copy of this order to the Parties by hand delivery or certified mail in accordance with D.C. Official Code § 7-1671.12a(a).

OFFICIAL VOTE ON THE ORDER OF THE DISTRICT OF COLUMBIA ALCOHOLIC BEVERAGE AND CANNABIS BOARD		
Board Members	**Decision**	**Signature**
DONOVAN ANDERSON, *Chairperson*	Approve	
SILAS GRANT, JR.	Approve	
TERI JANINE QUINN	Approve	
RYAN JONES	Approve	
DAVID MEADOWS	Approve	
JAMES TURNER	Approve	
Concurrences or Dissents: N/A		

NOTICE

Pursuant to D.C. Official Code § 7-1671.12a(b)(1), "[t]he alleged violator [or violators] may, within 15 days after the service of the order, submit a written request to the ABC Board to hold a hearing on the alleged violation." D.C. Code § 7-1671.12a(b)(1). Upon receipt of the request, the Board will provide the requestor with a "a hearing in accordance with the procedures set forth in Chapter 5 of Title 2" to challenge the cease and desist and the Board shall "issue a decision within 90 days after the hearing." D.C. Code § 7-1671.12a(b)(2). The requestor may also request an expedited hearing if they submit a written request "within 10 days after the service of an order" and "request [that] the ABC Board [hold] an expedited hearing on the alleged violation." D.C. Code § 7-1671.12a(c)(1). If a timely request for an expedited hearing is made, the "Board shall conduct a hearing within 10 days after the date of receiving the request and shall deliver to the alleged violator at their last known address a written notice of the hearing by any means guaranteed to be received at least 5 days before the hearing date." D.C. Code § 7-1671.12a(c)(2). After the expedited hearing, the Board shall issue a decision within 30 days. D.C. Code § 7-1671.12a(c)(3).

Please note that the failure to request a hearing shall result in the order being deemed final. Please further note that if you fail to comply with the order of the Board, the Board may file a petition against you with the Superior Court of the District of Columbia and seek compliance by judicial order in addition to other enforcement actions permitted by law. D.C. Code § 7-1671.12a(f)(3).

If you request a hearing, you may appear at the virtual hearing unless other instructions to appear are provided, and you and the establishment, may be represented by legal counsel. You have the right to produce witnesses and evidence on your behalf and to cross-examine witnesses. You may examine evidence produced. All hearings are conducted in the English language. If you, any

corporate officer, or any witnesses to be called are deaf, have a hearing impediment, or cannot readily understand or communicate the spoken English language, an application may be made to the Board for the appointment of a qualified interpreter.

Your failure to appear at the time and place set for the hearing, if requested, either in person or through counsel, or both, will not preclude the Board from proceeding in this matter. Should you have any questions, contact the Alcoholic Beverage and Cannabis Administration at abca.legal@dc.gov or 202-442-4423.

Finally, pursuant to section 11 of the District of Columbia Administrative Procedure Act, Pub. L. 90-614, 82 Stat. 1209, D.C. Code § 2-510 (2001), and Rule 15 of the District of Columbia Court of Appeals, any party adversely affected has the right to appeal this Order by filing a petition for review, within thirty (30) days of the date of service of this Order, with the District of Columbia Court of Appeals, 430 E Street NW, Washington, DC 20001. However, the timely filing of a Motion for Reconsideration stays the time for filing a petition for review in the District of Columbia Court of Appeals until the Board rules on the motion. *See* D.C. App. Rule 15(b) (2004).