

**THE DISTRICT OF COLUMBIA  
ALCOHOLIC BEVERAGE AND CANNABIS BOARD**

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In the Matter of: )	
Life Luxee, LLC )	Case No.: 24-ULC-00007
t/a Cannabis Karma )	License No.: N/A
Cease and Desist )	Order No.: 2024-537
at premises )	
825 Upshur Street, N.W. )	
Washington, D.C. 20011 )	
_____ )	

**BEFORE:** Donovan Anderson, Chairperson  
James Short, Member  
Silas Grant, Jr., Member

**PARTIES:** Amber Maiden, Designated Representative on behalf of:  
Life Luxee, LLC, t/a Cannabis Karma  
Princess Mirabal and Davina Hale  
825 Upshur Street, N.W..  
Washington, D.C. 20011

Kenneth D. Morris  
425 Gold Mind Drive  
San Francisco, CA 94131-2527

Morris Center for Health and Wellness, LLC  
1717 N Street, N.W., STE 1  
Washington, D.C. 20036-2827

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**ORDER AFFIRMING BOARD ORDER NO. 2024-481**

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On July 10, 2024, in Board Order No. 2024-481, the Alcoholic Beverage and Cannabis Board (Board) reviewed compelling evidence that Life Luxee, LLC, t/a Cannabis Karma; Princess Mirabal (a.k.a. Nalia or Cannabis Karma); Davina Hale (hereinafter, collectively “Cannabis Karma”); Kenneth D. Morris; and the Morris Center for Health and Wellness, LLC,<sup>1</sup>

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<sup>1</sup> The Board notes that the Respondent disputed whether Life Luxee, LLC, was the violator in this case and attempted to argue that another entity “Nalia” was the seller or distributor of cannabis products. The Board notes that the distinction is irrelevant because the order is targeted at Princess Maribal in her personal capacity and applies to herself and all entities that she may own, control, or direct, whether it is Life Luxee LLC, or another entity, such

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 by Board Order were ordered to cease the illegal purchase, sale, exchange, delivery, or any other form of commercial transaction involving cannabis immediately.

On July 22, 2024, the Board held a hearing at the request of Princess Mirabal.<sup>2</sup> Based on the hearing, the Board maintains and affirms the cease-and-desist Order because prior illegal cannabis distribution and other related activity occurred at the premises, and the order is necessary to prevent future illegal cannabis distribution should such activity resume or be found to be still occurring. The Board further reminds the business that this order also prohibits the sale or distribution of cannabis online in the District of Columbia and so-called cannabis gifting.<sup>3</sup> Finally, this order does not prevent the business from selling non-cannabis products, such as T-shirts and stickers. The basis of the Board's decision may be found below:

### FINDINGS OF FACT

The following statements represent the Board's findings of fact based on the evidentiary record and replaces the facts found in the prior Order.

1. The Board incorporates by reference the facts and evidence presented in Case Report No. 24-ULC-00007.
2. On March 27, 2024, Alcoholic Beverage and Cannabis Administration (ABCA) Supervisory Investigator (SI) Jason Peru and other District agencies inspected 825 Upshur Street, N.W., related to illegal cannabis activities. *Case Report No. 24-ULC-00007*, at 1. The premises were being occupied and run by a business identifying itself as Life Luxee, LLC, and Cannabis Karma owned by Princess Mirabal and managed by Davina Hale. *Id.* The landlord of the premises are Kenneth D. Morris and the Morris Center for Health and Wellness, LLC. *Id.* During the inspection, the establishment was found to have engaged in illegal cannabis activity. *Id.* In response, a warning letter was issued advising of violations regarding the illegal sale and distribution of cannabis. *Id.* at *Exhibit No. 1*.
3. On July 2, 2024, SI Peru returned to the premises for a follow up inspection. *Id.* at 2. Inside, he found that the establishment was continuing to sell cannabis products containing tetrahydrocannabinol (THC). *Id.* For example, one photo shows beverages labelled as hemp and containing cannabidiol (CBD). *Id.* at *Exhibit No. 5*. A poster advertised a 21 and over event that

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as Nalia. As a result, the Order is sufficiently broad to cover the ownership of the store and whatever other entity has been set up to distribute cannabis.

<sup>2</sup> The Board notes that the landlords have not submitted a request for a hearing; as a result, the Order remains final and binding on the landlord.

<sup>3</sup> While not raised as a defense in this proceeding, the Board notes that requiring the purchase of a non-cannabis product or service to obtain cannabis as a so-called gift is not in fact a gift, but actually a transfer of cannabis with remuneration in violation of § 48-904.1(a)(1), as this behavior qualifies as a "tie-in sale" and shows that the gifting arrangement is really a subterfuge. Therefore, the Board warns unlicensed establishments that "cannabis gifting" will not likely be accepted as a defense.

offered to sell “High Tea” and “Hashish.” *Id.* The photos further show various similar products displayed on the store’s shelves in a manner consistent with retail operations. *Id.* at *Exhibit Nos.* 3-6. The photos further show that the Cannabis Karma sold and offered to sell cannabis products, such as a cannabis lemonade, which was offered for \$20, and cannabis products such as edibles, tinctures, and “Hashish” that were directly discounted. *Id.* at *Exhibit Nos.* 3-4. There is also no evidence that cannabis products were provided without remuneration. The Board further notes that the store’s website continues to operate and appears to at least offer cannabis products for sale online; however, the owner indicated the store does not intend to fulfill online cannabis orders at this time.

4. 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.<sup>4</sup>

5. ABCA’s records indicate that Cannabis Karma has not been issued any license, permit, endorsement, or other authorization from the Board that would authorize commercial cannabis operations. Cannabis Karma has an application for a retail license<sup>5</sup> filed with the Board.<sup>6</sup>

6. The District of Columbia Department of Health (DOH) previously advised in a 2018 guidance that “THC and CBD are legally considered Cannabis and hashish.” *Letter from LaQuandra S. Nesbitt, Director, D.C. Department of Health*, at 2 (Jul. 31, 2018). An opinion issued by the District of Columbia Office of the Attorney General in 2021, affirms DOH’s position, and indicates that federal exemptions for hemp products did not legalize hemp derived CBD products in the District of Columbia. *Legal Analysis – Whether CBD is Cannabis, District of Columbia Office of the Attorney General*, AL-21-222, 2-3 (Apr. 28, 2021). Likewise, under the same reasoning, other substances that may be derived from hemp, such as Delta 8 THC, have also not currently been legalized based on the reasoning provided in the memorandum. *See, e.g., id.* This means that under District law, products containing cannabis, hemp derived CBD, Delta 8 THC, or other substances derived from cannabis or cannabis classified as hemp cannot be commercially sold in the District of Columbia under the District of Columbia Uniform Controlled Substances Act of 1981 (effective Aug. 5, 1981 (D.C. Law 4-29; D.C. Official Code

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<sup>4</sup> The Board notes that licensed medical businesses in the District incur huge costs attempting to comply with extensive health, safety, and security regulations. As a result, the Board is not sympathetic to any financial arguments made by unlicensed establishments where they are directly profiting by circumventing important health and safety rules and undermining and undercutting numerous people, social equity applicants, and small businesses that have chosen to play by the rules, chosen to pay the costs associated with operating in a highly regulated market, and chosen to comply with the District’s medical cannabis laws.

<sup>5</sup> During the hearing that the owner indicated she had not intended to apply for a conditional license and had filed an amendment for a standard medical cannabis retailer. Nevertheless, this is irrelevant to the issue of lifting the cease and desist, as the continued operation would be barred by D.C. Official Code § 7-1671.08(a). It should also be noted that an application for a medical cannabis retail license at 825 Upshur Street, N.W., is currently blocked by the presence of another cannabis retailer, Bloom at North LLC / BLOOM @ NORTH, located at 827 Upshur Street, N.W.

<sup>6</sup> As of the date of this Order, the application is currently missing the required landlord affidavit and clean hands certification.

§ 48-901.02 et seq.) unless an appropriate medical cannabis license is obtained, as such products remain classified as cannabis or hashish.<sup>7</sup>

### 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).

8. 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.

9. Under § 48-904.1(a)(1),

Except as authorized by this chapter or Chapter 16B of Title 7 [§ 7-1671.01 et seq.], it is unlawful for any person knowingly or intentionally to manufacture, distribute, or possess, with intent to manufacture or distribute, a controlled substance. Notwithstanding any provision of this chapter to the contrary, it shall be lawful, and shall not be an offense under District of Columbia law, for any person 21 years of age or older to:

(A) Possess, use, purchase, or transport marijuana weighing 2 ounces or less; [or]

(B) Transfer to another person 21 years of age or older, without remuneration, marijuana weighing one ounce or less . . . .

D.C. Code § 48-904.1(a)(1).

10. An “Unlicensed establishment” is

a sole proprietorship, partnership, or other business entity that:

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<sup>7</sup> It was alleged during the hearing that the ownership relied on the assertions and assurances of third-party wholesalers of hemp and CBD products that such products were legal in the District. The Board notes that this is irrelevant to these proceedings and does not excuse the violation; especially, when clear guidance to the contrary has been available for years.

- (A) Sells, exchanges as part of a commercial transaction, or delivers cannabis and cannabis products;
- (B) Operates at or delivers from a specific location in the District; and
- (C) Is not licensed by ABCA as a cultivation center, retailer, internet retailer, manufacturer, courier, or testing laboratory.

D.C. Code § 7-1671.01(22).

11. Under § 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) (emphasis added).

12. 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).

13. The Board is persuaded that Life Luxee, LLC, t/a Cannabis Karma; Princess Mirabal (a.k.a. Nalia or Cannabis Karma); Davina Hale; Kenneth D. Morris; and the Morris Center for Health and Wellness, LLC, and their agents operate an unlicensed establishment and engaged 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 825 Upshur Street, N.W., without a license issued by ABCA. Therefore, the Board is satisfied that the operations observed by SI Peru on July 2, 2024, and before that date, constitute a violation of §§ 7-1671.08(f) and 7-1671.08(a).

14. In this case, the filing of the application does not prevent the imposition of the cease-and-desist order. There is no dispute that between March 2024 and July 2024, the business was engaged in illegal cannabis activity, such as possessing more cannabis at the store than permitted by § 48-904.1(a)(1) and selling cannabis products to the public without a medical cannabis license. *Supra*, at ¶ 3. As a result, based on the length of time the business engaged in illegal cannabis commerce in violation of § 7-1671.08(a), the imposition of a cease-and-desist is

warranted to prevent a recurrence of this illegal conduct at the store and the Board reserves the right to seek enforcement of this Order if additional cannabis activity is observed.

15. In reaching this determination, the Board considered Cannabis Karma’s defense that cannabis classified as hemp under federal law is legal in the District. As noted in paragraph 6, this is incorrect and not based in current District law, which is not impacted by the change in federal law. As such, this argument remains unpersuasive and cannot justify lifting the cease-and-desist order.

16. The Board further considered Cannabis Karma’s argument that another corporation controlled by the owner was engaged in cannabis activity, not Life Luxee, LLC. This is not persuasive as Life Luxee, LLC, and all other alleged entity or entities operate out of the same location and do not appear to operate with different personnel or management. Moreover, the order in this case targets Princess Maribel in her personal capacity and prohibits cannabis activity by her and any other entity that she may own, control, or direct, whether it is Life Luxee, LLC, or another entity. As a result, the Cannabis Karma cannot escape the consequences of the Board’s cease-and-desist order by playing a shell game with entities.

17. The Board is also not persuaded by Cannabis Karma’s argument that the evidence regarding the presence of cannabis and cannabis activity is circumstantial and should not be credited. As noted in *Bernard*, “Circumstantial evidence is not intrinsically inferior to direct evidence . . . and there is “. . . no distinction between direct and circumstantial evidence . . . .” *Bernard v. United States*, 575 A.2d 1191, 1193 (D.C. 1990). Indeed, “the amount of narcotics the defendant had in his possession, *like any element of any crime*, can be proven by circumstantial evidence.” *Id.* The Board further notes that the District of Columbia has adopted the “admission by party-opponent rule,” which provides that the following are admissible as evidence even if technically hearsay:

- (A) the party's own statement in either an individual or representative capacity or (B) a statement of which the party has manifested an adoption or belief in its truth, or (C) a statement by a person authorized by the party to make a statement concerning the subject, or (D) a statement by the party's agent or servant concerning a matter within the scope of the agency or employment, made during the existence of the relationship, or (E) a statement by a coconspirator of a party during the course of and in furtherance of the conspiracy.

*Harris v. United States*, 834 A.2d 106, 116 (D.C. 2003). In this case, the Board may credit advertisements and other materials that contain statements identifying products as cannabis and claiming such products were for sale, as these statements are deemed admissible hearsay because they were adopted by the ownership. Consequently, the Board is persuaded that the products were cannabis and that the ownership was offering cannabis for sale where products were identified as hashish—a form of cannabis—and the store provided prices and offers of discounts. *Supra*, at ¶ 3.

18. The Board is also not persuaded that it should lift the cease-and-desist order merely because the ownership has claimed it has stopped or will stop the illegal conduct. The Board

notes that given the length of time the store has operated illegally in the past and the potential presence of cannabis at the store, the current order is warranted in the case that operations are found to continue or resume in the future.

19. Finally, 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 § 7-1671.13e. *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 August 2024, hereby **ORDERS** Life Luxee, LLC; Princess Mirabal (a.k.a. Nalia or Cannabis Karma); Davina Hale; Kenneth D. Morris; and the Morris Center for Health and Wellness, LLC, to immediately **CEASE AND DESIST** the illegal purchase, sale, exchange, delivery, or any other form of commercial transaction involving cannabis. The Board notes that the term cannabis in this order includes all CBD and THC products, even if only derived from cannabis classified as hemp under federal law, as such products still constitute cannabis under District law.

The Board **ADVISES** Cannabis Karma that the Order does not prevent the sale of non-cannabis merchandise, such as T-shirts, ash trays, and gardening supplies.

The ABCA shall deliver a copy of this order to the Parties.

District of Columbia  
Alcoholic Beverage and Cannabis Board

eSigned via SeamlessDocs.com  
*Donovan Anderson*  
Key: ac430b9659d5f0e4b730060d1dccc8

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Donovan Anderson, Chairperson

eSigned via SeamlessDocs.com  
*James Short*  
Key: 547ac373f820de0ac8d1b3325d2049ec

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James Short, Member



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Silas Grant, Jr., Member

Pursuant to 22-C DCMR § 9723, any party adversely affected may file a Motion for Reconsideration of this decision within ten (10) days of service of this Order with the Alcoholic Beverage and Cannabis Administration, Reeves Center, 2000 14th Street, NW, 400S, Washington, D.C. 20009.

Also, 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, N.W., Washington, D.C. 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).