

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

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In the Matter of: )	
Unknown Entity )	Case No.: 24-ULC-00003
t/a Hotbox )	License No.: N/A
Cease and Desist )	Order No.: 2024-474
at premises )	
1564 Wisconsin Avenue, N.W. )	
Washington, D.C. 20007 )	
_____ )	

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

**PARTIES:** Henry Egbarin  
1564 Wisconsin Avenue, N.W.  
Washington, D.C. 20007

RS Holdings, LLC  
12602 Noble Victory Lane  
Reston, VA 20191-5832

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**ORDER TO CEASE AND DESIST**

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On July 3, 2024, the Alcoholic Beverage and Cannabis Board (Board) reviewed compelling evidence that Hotbox, Henry Egbarin, and RS Holdings, LLC, 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 and to cease illegally and falsely claiming compliance with the District’s cannabis decriminalization laws.

**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. 24-ULC-00003.

2. On March 20, 2024, Alcoholic Beverage and Cannabis Administration (ABCA) Supervisory Investigator (SI) Jason Peru with ABCA and other District agencies inspected Hotbox related to illegal cannabis activities at 1564 Wisconsin Avenue, N.W. *Case Report No. 24-ULC-00003*, at 1. The premises were being occupied and run by a business identifying itself as Hotbox. *Id.* The landlord of the premises is RS Holdings, LLC. *Id.* at 1. During the inspection, 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. 2.*

3. On June 27, 2024, SI Peru returned to the premises for a follow up inspection. *Id.* Inside, he found that the establishment was continuing to sell cannabis products containing tetrahydrocannabinol (THC). *Id.* For example, one photo shows a product labelled “Jelly Bites” with a THC content of “600 MG.” *Id.* at *Exhibit No. 4.* He also observed signage outside claiming that the business was “I-71” and “I-81 . . . COMPLIANT” despite appearing to be possessing more cannabis than permitted by law. *Id.* at *Exhibit No. 1.* The photos further show various similar products displayed on the store’s shelves in a manner consistent with retail operations. *Id.* at *Exhibit Nos. 4-6.*

4. There is no indication that the products being displayed for sale conform with Chapter 16B and the associated regulation’s manufacturing, testing, labeling, and packaging requirements. The products also appear to be marketed to children using cartoon characters similar to those used on commonly known children’s cereals such as Frosted Flakes and Fruity Pebbles. *Id.* at *Exhibit No. 6.*

5. There is no indication in ABCA’s records that 1564 Wisconsin Avenue, N.W., has been issued any license, permit, endorsement, or other authorization from the Board that would authorize commercial cannabis operations. There is also no indication that the business has a pending application with the Board to obtain authorization for such activity.

### CONCLUSIONS OF LAW

6. 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).

7. Under § 7-1671.08(f), it is a violation for an “unlicensed establishment” that “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.” D.C. Code § 7-1671.08(f).

8. An “Unlicensed establishment” is

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

- (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. Official Code § 7-1671.01(22).

9. It is further a violation for an licensed or unlicensed “cultivation center, manufacturer, retailer, or internet retailer to represent that goods or services or the business is compliant with the Legalization of Possession of Minimal Amounts of Marijuana for Personal Use Initiative of 2014, effective February 26, 2015 (D.C. Law 20-153; D.C. Official Code § passim) . . .” D.C. Code § 7-1671.06(c-1).

10. The Board is persuaded that Hotbox and its agents operate an unlicensed establishment 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 1564 Wisconsin Avenue, N.W., without a license issued by ABCA. Moreover, the business illegally and falsely claimed compliance with the District’s cannabis decriminalization laws. *Supra*, at ¶ 3. Therefore, the Board is satisfied that the operations observed by SI Peru on June 27, 2024 constitute a violation of § 7-1671.08(f) and § 7-1671.06(c-1).

11. 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 3rd day of July 2024, hereby **ORDERS** Hotbox, Henry Egbarin, and RS Holdings, LLC to **CEASE AND DESIST** immediately the illegal purchase, sale, exchange, delivery, or any other form of commercial transaction involving cannabis and to **CEASE** illegally advertising or claiming compliance with the District's cannabis decriminalization laws.

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).

District of Columbia  
Alcoholic Beverage and Cannabis Board

eSigned via SeamslessDocs.com  
*Donovan Anderson*  
Key: ac430b9b59d5f0e4b730060d1dccc8

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Donovan Anderson, Chairperson

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

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James Short, Member



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Silas Grant, Jr., Member

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, and have subpoenas issued on your behalf to require the production of witnesses and evidence.

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 ABRA Adjudication Specialist Danette Walker at 202-442-4418.

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, 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).