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District Attorney Charges Defendants Running an Illegal Dispensary Business

More than \$1 Million Worth of Cannabis Products Seized

San Diego County District Attorney [Summer Stephan](#) announced charges today against four defendants who were illegally selling and distributing products containing marijuana. Jose Delahoz, 55, and Valeria Rada, 42, have been charged with child endangerment, maintaining a place for marijuana to be sold, tax evasion, and possession of marijuana for sale. They were arraigned today in San Diego Superior Court. If convicted of all charges, they face probation up to eight years in prison. Diego Delahoz, 30, and Edgar Delahoz, 29, have been charged with maintaining a place for marijuana to be sold, tax evasion and possession of marijuana for sale. They both face up to four years and four months in prison if convicted of all the charges.

On Wednesday, law enforcement served search warrants at multiple locations that resulted in the seizure of over \$1,100,000.00 of mislabeled product containing cannabis in various locations, including a home with young children.

“Illegal marijuana businesses that sell unregulated products are an underground economy that undercuts legal dispensaries who are following the law and undercuts the laws that protect children and teens from the potentially toxic effects of high THC cannabis,” said DA Stephan. “They also put consumers at risk because their products can pose a public health risk. Coordinating with our law enforcement partners, we will continue to hold individuals and these businesses accountable.”

The San Diego Police Department led the investigation, working with the San Diego County Sheriff’s Department, Chula Vista Police Department, District Attorney’s Office, and California Department of Taxation Administration.

The investigation focused on a store in Middletown, Canably, which is not permitted to sell marijuana but has been presenting itself as both a storefront and a distributor of products that contained THC, including thousands of edibles like gummies, peanut butter, beef jerky and 300 pounds of loose marijuana. Canably was selling and distributing cannabis and cannabis products within 1,000 feet of a school and residences. Over \$2,000 in cash was seized and an initial review of store receipts showed a minimum of \$4,000 of credit card sales were made in less than one day in the storefront. Additional searches were conducted in Rancho San Diego and Chula Vista at another smoke shops that purchased cannabis products from Canably.

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The residence of Canably's owners was also searched and 320 pounds of loose cannabis, \$5658 in cash, more than 10,000 in concentrates and more than 5,000 edibles were seized. In total, more than \$1,000,000.00 in cannabis product was seized from the home. The product was found in an attached garage converted into a workspace for the Canably business and a play area for the family's three children, ages 10 months, five years, and 14 years.

A shop called Elevated Smoke in Pacific Beach was also searched, resulting in a seizure of cannabis, a ghost gun, marijuana edibles and concentrates. The smoke shop had been selling edibles purchased from Canably and was operating within 1,000 feet of Pacific Beach Middle School.

"We're being told by health professionals at Rady Children's Hospital that they're seeing an 800 percent increase in marijuana-related overdoses in children in recent years which is unacceptable," said DA Stephan. "Edibles in particular pose a danger to young people who are being marketed to or find products like pot gummies and aren't aware of the overdose danger. It is unconscionable that parents would store such a large amount of marijuana in an area accessible to their children."

This case is being prosecuted by Deputy District Attorney Matthew Greco of the DA's Narcotics Division.

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About the San Diego County District Attorney's Office

The San Diego County DA's Office prosecutes all felony crimes in the county and misdemeanor crimes committed outside the City of San Diego. The office files about 40,000 criminal cases a year and balances prosecution with numerous crime prevention programs. District Attorney Summer Stephan leads the office of more than 1,000 dedicated employees who pursue fair and equal justice, and support victims daily across San Diego County.

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