



JEANNINE M. PACIONI
District Attorney

CEO PAUL KING ORDERED TO PAY \$2.4 MILLION FOR GROWING CANNABIS WITHOUT PROPER STATE LICENSES

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Monterey, California- Monterey County District Attorney Jeannine M. Pacioni announced today that the District Attorney's Office obtained a default judgment against Salinas based cannabis businesses Fuji Farms, Inc., and Hands on Faith Association, as well as their former CEO Paul King. The District Attorney's Office also entered a stipulated judgment with Salinas based cannabis operation California New Wave, and associated companies, for their involvement in this case.

Between 2018 and 2019, Fuji Farms operated a 75,000 square foot outdoor cannabis cultivation; however, they never obtained state licenses or local permits to engage in cannabis activity. During the relevant time period of this case, the company harvested and processed thousands of illegal cannabis plants. King always held himself out as the CEO and CFO of the company while it operated without licenses.

Hands on Faith is also a Salinas based cannabis cultivation. In early 2019, its temporary cannabis cultivation licenses expired. Shortly thereafter, Paul King acquired the company and continued cultivating and engaging in other cannabis activity without renewing the licenses and permits. During this time, Paul King sold over \$1 million worth of illegal cannabis grown at Hands on Faith through his licensed business, California New Wave.

Investigators learned of the violations in this case while conducting routine regulatory inspections, as is authorized under state law and county regulation. All illegal cannabis discovered during these inspections was confiscated and will be destroyed.

The Monterey County District Attorney's Consumer Protection Unit initially filed charges in this case in 2019. After 3 years of negotiations and litigation, Judge Wills entered a default judgment against Paul King, Fuji Farms, and Hands on Faith on August 11, 2022. Fuji Farms was ordered to pay \$375,760, and Hands on Faith Association was ordered to pay \$2,038,424.20. Paul King is personally liable for the entire judgment based on his role as CEO in the company and his involvement in the day-to-day operations and violations.

California New Wave eventually ousted Paul King as CEO from all its associated companies, and their operations in Salinas are now under new management and ownership. Additionally, California New Wave agreed to pay \$150,000 in civil penalties as part of its negotiated stipulated judgment with the District Attorney's Office.

This case was investigated by Monterey County District Attorney Investigators Steven Guidi, Oliver Minnig, Julie Lombardi, Ben Draeger, Jennifer Mendoza, and Leo Gomez.

The Monterey County District Attorney's Office consumer protection unit is committed to ensuring fair competition in the licensed cannabis industry.



(Image 1: Ousted California New Wave CEO Paul King.)



(Images 2 & 3: *LEFT*-Mature plants in cultivation at Fuji Farms, LLC, on September 21, 2018, without any state license or local permit. *RIGHT*- cultivating young illegal cannabis plants at Hands on Faith on June 10, 2019.)