

**WAC 314-55-520 Category I.** Violations of a severity that would make a license eligible for cancellation on a first offense. The board may not cancel a license for a single violation, unless it can prove a Category I violation by a preponderance of the evidence.

**Category I  
Violations of a Severity That Would Make a License Eligible for Cancellation on the First Offense**

Violation Type	1st Violation	2nd Violation in a Two-year Window
<b>Cannabis purchased from an unlicensed entity.</b> WAC 314-55-083(4)	License cancellation	
<b>Cannabis sold to an unlicensed, nonretail source. Illegal sales out of the licensed market place.</b> WAC 314-55-083(4)	License cancellation	
<b>Condition of suspension violation: Failure to follow any suspension restriction while cannabis license is suspended.</b> WAC 314-55-540	Original penalty plus 10-day suspension with no monetary option	License cancellation
<b>Transportation or storage of cannabis to or from an unlicensed source, diversion of product, or both.</b> WAC 314-55-083(4)	License cancellation	
<b>Transportation of cannabis outside of Washington state boundaries.</b> RCW 69.50.342 (1)(k) RCW 69.50.345(10) WAC 314-55-310(1)	License cancellation	
<b>True party of interest (TPI).</b> Allowing a person to exercise ownership or control if the person would not have qualified based on affiliation with a criminal enterprise as described in chapter 69.50 RCW. WAC 314-55-035(1)	License cancellation	
<b>Financier.</b> Receiving money from a financier that was not disclosed to or approved by the board when the financier has a criminal history demonstrating an affiliation with criminal enterprises, gangs, or cartels; or the money provided by a financier originated from criminal enterprises, gangs, or cartels. WAC 314-55-035(4)	License cancellation	

[Statutory Authority: RCW 69.50.342 and 2022 c 16 § 168. WSR 22-14-111, § 314-55-520, filed 7/6/22, effective 8/6/22. Statutory Authority: RCW 69.50.342, 69.50.345, and 2019 c 394. WSR 20-03-177, § 314-55-520, filed 1/22/20, effective 2/22/20. Statutory Authority: RCW 69.50.342 and 69.50.345. WSR 16-11-110, § 314-55-520, filed 5/18/16, effective 6/18/16; WSR 15-11-107, § 314-55-520, filed 5/20/15, effective 6/20/15. Statutory Authority: RCW 69.50.325, 69.50.331, 69.50.342, 69.50.345. WSR 13-21-104, § 314-55-520, filed 10/21/13, effective 11/21/13.]