**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

<table>
<thead>
<tr>
<th>Violation Type</th>
<th>1st Violation</th>
<th>2nd Violation in a Two-year Window</th>
</tr>
</thead>
</table>
| Marijuana purchased from an unlicensed entity.  
WAC 314-55-083(4)                                                          | License cancellation   |                                                                         |
| Marijuana sold to an unlicensed, nonretail source. Illegal sales out of the licensed market place.  
WAC 314-55-083(4)                                                          | License cancellation   |                                                                         |
| Condition of suspension violation: Failure to follow any suspension restriction while marijuana license is suspended.  
WAC 314-55-540                                                               | Original penalty plus 10-day suspension with no monetary option | License cancellation |
| Transportation or storage of marijuana to or from an unlicensed source, diversion of product, or both.  
WAC 314-55-083(4)                                                           | License cancellation   |                                                                         |
| Transportation of marijuana outside of Washington state boundaries.  
RCW 69.50.342 (1)(k)  
RCW 69.50.345(10)  
WAC 314-55-310(1)                                                          | License cancellation   |                                                                         |
| True party of interest (TPI). 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   |                                                                         |
| Financier. 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   |                                                                         |