

**STATE OF RHODE ISLAND  
CANNABIS CONTROL COMMISSION  
CANNABIS OFFICE  
560 JEFFERSON BOULEVARD, SUITE 204  
WARWICK, RHODE ISLAND 02886**

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**IN THE MATTER OF:**

**THCBD, LLC  
Respondent.**

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**DBR No.: 24OCR001**

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**CONSENT ORDER**

1. On or about March 28, 2019, the Department of Business Regulation (the “Department”)<sup>1</sup> issued to Respondent Medical Marijuana Cultivator License Number MMP CV 0117 (the “Medical Marijuana Cultivator License”) for the cultivation and wholesale of medical marijuana at a licensed cultivation facility located in Hope Valley, Rhode Island.

Thereafter, Respondent’s Medical Marijuana Cultivator License was renewed annually in 2020, 2021, 2022, and most recently on August 17, 2023.

2. Respondent applied for and the Department issued Respondent a Hybrid Cannabis Cultivator License (the “Hybrid License”) on June 29, 2023.
3. On July 12, 2023, following an inspection by the Department’s Office of Cannabis Regulation (“OCR”) of Respondent’s cultivation facility on June 14, 2023, the Department issued a Post-Inspection Notice to Respondent which identified the following noncompliance:
- a. Respondent failed to properly record cannabis clones in Metrc; and

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<sup>1</sup>Pursuant to R.I. Gen. Laws § 21-28.11-10.1, all powers, duties and responsibilities of the Department and its Office of Cannabis Regulation with respect to the regulation, administration and enforcement of The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, R.I. Gen. Laws § 21-28.6-1 et seq., and the Rhode Island Cannabis Act, R.I. Gen. Laws § 21-28.11-1 et seq., transferred to the Cannabis Control Commission as of May 1, 2025. The Cannabis Act further provides that, upon final issuance of the Commission’s regulations, whenever the term “Office of Cannabis Regulation” appears in any general law or regulation, the term shall mean and refer to the Cannabis Office. R.I. Gen. Laws §§ 21-28.11-10.1(h) and 21-28.11-18.1(b).

- b. Respondent failed to properly combine all cannabis plant tags into package tags after harvest.
- 4. On October 23, 2023, following an OCR inspection of Respondent's cultivation facility on October 13, 2023, the Department issued a Deficiency Notice to Respondent which identified the following noncompliance:
  - a. Respondent failed to properly tag cannabis packages (e.g. Respondent applied medical cannabis plant tags to adult-use cannabis packages) which resulted in cannabis packages with inaccurate Metrc identification numbers.
- 5. On December 18, 2023, OCR Inspectors, Investigative Auditor, and Economic and Policy Analyst conducted an inspection at Respondent's premises. Upon arrival, Inspectors met with three of Respondent's employees. Due to a weather-related power outage and the failure of Respondent's generator, Respondent's premises was without power, which prevented OCR from conducting a full inventory inspection. However, OCR Inspectors performed a preliminary inspection.
- 6. On December 18, 2023, Respondent's premises contained the following:
  - a. Cloners:<sup>2</sup> There were two racks of cloners in the main hallway containing thirteen (13) plant batches of five hundred sixteen (516) clones that were not recorded in Metrc.
  - b. Cure Room/Vault: In freezer #5, there were thirteen (13) untagged jars of various sizes that contained cannabis, fifteen (15) untagged bags of various sizes with cannabis plant material, and one (1) untagged jar of kief and seven (7) untagged rosin pucks. OCR Inspectors were informed by Respondent's employee, Vicson Colas, that the untagged bags of plant material were cannabis waste that he planned to record as waste in Metrc.
  - c. Lab/Concentrates Room: In the refrigerator behind the door of the lab, there were nineteen (19) jars of untagged concentrate.
- 7. Due to the lack of power, OCR inspectors paused the inspection of Respondent's premises. On December 19 and December 20, 2023, respectfully, OCR informed Respondent in person and in writing not to alter inventory until a full inspection could be completed. The written notices stated as follows:

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a. "Good morning –

As discussed in our closing conversation yesterday afternoon. Please do not move/touch/alter any of the products we discussed which are noted as:

- (15) bags of untagged trim
- ALL jars of Kief in the freezer(s)
- ALL jars of Concentrate in the processing room mini fridge

We will be in touch soon to further review/discuss these product related issues.

Please respond to this email indicating that it was received and if you have any questions."

b. "The Office of Cannabis Regulation (OCR) is placing all inventory, plants, and products under a virtual quarantine via Metrc at your licensed facility. All physical plants and inventory onsite must also be quarantined immediately.

THCBD, LLC may continue to access the facility in order to tend to the quarantined plants. If plants are due to be harvested, THCBD, LLC must contact OCR Chief of Inspections, Pete Squatrito no less than 72 hours prior to the anticipated harvest date so that an Inspector may be present. If any product or plant needs to be destroyed, THCBD, LLC must contact OCR Chief of Inspections, Pete Squatrito no less than 72 hours prior to the anticipated destruction date so that an Inspector may be present. If THCBD, LLC has further questions pertaining to the product or plants currently quarantined, please reach out to OCR.

Please ensure that all surveillance recordings for a 60- day period are maintained and available for OCR review pursuant to § 1.6.5(H)(1)(e) of the rules and regulations. OCR inspectors will be onsite frequently to ensure compliance with the above requirements.

If the THCBD, LLC wishes to contest the above-referenced quarantine, this Notice is also being sent to provide notice of your right to an administrative hearing in accordance with the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1 et seq. and the Department's Rules of Procedure for Administrative Hearings 230-RICR-100-00-2. In order to exercise your right to an administrative hearing, you must submit a written request ("Request") for administrative hearing to the Department at the address listed above. The Request must be postmarked no later than the date that is ten (10) days from the date of this Notice. If you request an administrative hearing, further notice will be provided with the date and time of the scheduled hearing. A Hearing Officer will be appointed for the purpose of conducting a hearing and rendering a recommended decision in the matter. Subject to the Director's approval, the recommended decision will become a final order, which is public information on the Department's website.

If you do not request a hearing in accordance with the instructions herein, your right to a hearing will be deemed waived, and no further proceedings will be instituted.

If you have any questions regarding this letter, please contact us via email at [DBR.mmpcompliance@dbri.gov](mailto:DBR.mmpcompliance@dbri.gov)."

8. One of the cannabis product packages identified through the quarantine is a packaged eighth ounce of Respondent's cannabis flower (identified as "1A42A0100000AF1000000015- J + Loki" in Metrc) ("Loki Flower"). This flower was packaged from a larger batch of flower (identified as "1A42A0300000AF10000000232" in Metrc) ("Batch 0232"). On October 23, 2023, Respondent sent Batch 0232 for testing. On October 26, 2023, Respondent received passing test results for Batch 0232 and transferred the batch to Mother Earth Wellness compassion center ("Mother Earth") as "remediated transfer." Respondent incorrectly recorded the Batch as "remediated transfer" in Metrc instead of "remediated." Because Batch 0232 was inaccurately recorded as "remediated transfer," no further testing was performed following remediation by Mother Earth, which is required for all remediated products prior to wholesale transfer for retail sale. The result of Respondent's noncompliant track-and-trace in this instance was the planned transfer of Loki Flower to RISE compassion center for retail sale *without undergoing post remediation testing* as required by OCR.
9. The Metrc System records reflect that following the December 18, 2023 inspection and in contravention of OCR's written notice to Respondent, Respondent's Metrc data and inventory records were altered, on or after 3:00 PM on December 18, 2023, as follows:
  - a. Thirteen (13) plant batches containing five hundred and sixteen (516) clones in Metrc, representing the untracked clones previously identified by OCR in Respondent's cloners;
  - b. Five (5) unique packages of concentrates totaling twelve (12) ounces and representing some of the untagged concentrates previously identified by OCR in Respondent's Lab/Concentrates Room.
10. On December 20, 2023, OCR emailed a "virtual quarantine" order to Respondent. The complete text of the emailed order is as follows:

**"The Office of Cannabis Regulation (OCR) is placing all inventory, plants, and products under a virtual quarantine via Metrc at your licensed facility. All physical plants and inventory onsite must also be quarantined immediately.**

THCBD, LLC may continue to access the facility in order to tend to the quarantined plants. If plants are due to be harvested, THCBD, LLC must contact OCR Chief of Inspections, Pete Squatrito no less than 72 hours prior to the anticipated harvest date so that an Inspector may be present. If any product or plant needs to be destroyed,

THCBD, LLC must contact OCR Chief of Inspections, Pete Squatrito no less than 72 hours prior to the anticipated destruction date so that an Inspector may be present. If THCBD, LLC has further questions pertaining to the product or plants currently quarantined, please reach out to OCR.

Please ensure that all surveillance recordings for a 60-day period are maintained and available for OCR review pursuant to §1.6.S(H)(l)(e) of the rules and regulations. OCR inspectors will be onsite frequently to ensure compliance with the above requirements.

If the THCBD, LLC wishes to contest the above-referenced quarantine, this Notice is also being sent to provide notice of your right to an administrative hearing in accordance with the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1 et seq. and the Department's Rules of Procedure for Administrative Hearings 230-RICR-100-00-2. In order to exercise your right to an administrative hearing, you must submit a written request ("Request") for administrative hearing to the Department at the address listed above. The Request must be postmarked no later than the date that is ten (10) days from the date of this Notice. If you request an administrative hearing, further notice will be provided with the date and time of the scheduled hearing. A Hearing Officer will be appointed for the purpose of conducting a hearing and rendering a recommended decision in the matter. Subject to the Director's approval, the recommended decision will become a final order, which is public information on the Department's website."

11. On December 21, 2023, OCR Inspectors, Investigative Auditor, and Economic and Policy Analyst returned to Respondent's facility to complete a full inventory inspection. While on site, the OCR inspections team utilized a sticker system for identifying packaging issues. Red stickers were affixed to noncompliant inventory, yellow stickers were applied to noncompliant inventory requiring corrective action, and green stickers for compliant inventory.
12. OCR inspectors observed that Respondent's premises contained the following products which were not recorded and tracked in Metrc:
  - a. Cannabis Concentrates: 20.17 ounces
  - b. Cannabis Trim/Flower: 1,068.36 ounces
  - c. Clones: 516
13. OCR inspectors further observed that the following products were recorded in Metrc but were not physically located at Respondent's premises:
  - a. Bud/flower: 147 unique packages: 20,577.9 ounces
  - b. Cannabis Concentrates: 4 unique packages: 21.9 ounces
  - c. Wet/Whole Plant: 6 unique packages: 150.61 ounces

14. OCR's inspection revealed that the packages of the following products contained inaccurate weights and were improperly tagged and/or not recorded in Metrc:

a. Twelve (12) unique packages as follows:

i. Five (5) unique packages each with weight discrepancies of less than 300 grams

1. 1A42A0300000AF1000000257
2. 1A42A0300000AF1000000278
3. 2023-05-16-Cure Room-H
4. 1A42A0300000AF1000000199
5. 1A42A0300000AF1000000201

ii. Two (2) improperly tagged unique packages that were recorded as bud/flower in Metrc but which contained cannabis concentrate:

1. 1A42A0300000AF1000000209 = .5 ounces
2. 1A42A0300000AF1000000210 = 1.7 ounces

iii. Five (5) unique packages with weight discrepancies totaling 183.1 ounces:

1. 1A42A0300000AF1000000028
  - a. Physical weight: 1872g
  - b. Metrc weight: 4372g
2. 1A42A0300000AF1000000031
  - a. Physical weight: 738g
  - b. Metrc weight: 1781
3. 1A42A0300000AF1000000232
  - a. Physical weight: 705g
  - b. Metrc weight: 1355g
4. 1A42A0300000AF1000000237
  - a. Physical weight: 214g
  - b. Metrc weight: 803g
5. 1A42A0300000AF1000000279
  - a. Physical weight: 344g
  - b. Metrc weight: 754g

15. An OCR inspector's review of Respondent's Metrc system records reflected that between June 6, 2023, and December 1, 2023, Respondent processed twenty-five (25) quality control samples from packages containing cannabis products that were untested or for which testing was not yet complete, and that in four (4) instances registry card agents who performed the sampling were not properly identified within the control sample note.

16. During the December 18 and December 21, 2023, inspections, Respondent's licensed premises was disorganized and unsanitary with the following conditions present:

- a. Fallen cannabis bud on the floors and counters, in freezers, and on benches;
  - b. Respondent's employees, Dorran Wilson and Jordan Carlson, informed OCR Inspectors and Investigative Auditor that Personal Protective Equipment ("PPE") was not required because all flower was going to be remediated at Mother Earth Wellness, Inc. prior to testing. None of Respondent's staff were using any form of PPE while at Respondent's premises; and
  - c. An Amity Electric technician at the premises notified OCR inspectors and Respondent's employees that "large piles of mouse poop" were in the ceilings and that it appeared that mice had built "houses" in the ceiling, and Respondent should call an exterminator.
17. Respondent's Metrc inventory records failed to identify the locations of cannabis products in the packaging and processing rooms at Respondent's premises used to store cannabis products.
18. On December 23, 2023, Respondent's employee emailed OCR to request that the virtual quarantine be lifted for certain plants, and requested clarity on what work they could continue doing while the virtual quarantine was in place.
19. On December 26, 2023, OCR confirmed that the virtual quarantine was designed to prevent Respondent from selling or delivering any product, not just the allegedly non-compliant product inspected on December 18, 2023, and advised Respondent:
- "With the quarantine intact, you should be able to move all of this through Metrc within your facility. It will create a time stamp. The quarantine allows for you to move plants through growth phases (ie clones to veg, veg to flower). Its major purpose is to prevent anything from leaving the facility, or changing form."
20. On December 26, 2023, Respondent's attorney wrote to OCR: "Please let us know the timeline and process for exiting the quarantine period and resuming normal operations."
21. On December 27, 2023, OCR responded:
- "THCBD, LLC should refer to the email sent to them on December 20th regarding the virtual quarantine. While OCR continues its investigation, THCBD, LLC may reach out directly to Peter Squatrito (as they have been doing) with any questions related to their current operation."

22. On December 29, 2023, Respondent filed an appeal of the virtual quarantine. The notice of appeal stated:

“Said notice fails to notify THCBD, LLC with the reason(s) for the virtual quarantine, and further does not provide a process for exiting the quarantine period to resume normal operations and/or a timeline. THCBD, LLC has requested information from OCR on several occasions and OCR has failed and refused to provide the requested information.

THCBD, LLC has advised OCR that it will work cooperatively with OCR to address the issues of concern but needs to be provided with the requested information for them to do so.

The THCBD, LLC hereby appeals said Notice of Virtual Quarantine and **requests an administrative hearing on an expedited basis.**”

23. In addition, the email accompanying the appeal stated:

“[A]ttached is THCBD's Request for an Administrative Hearing in connection with the Virtual Quarantine Notice issued to THCBD on 12/20/23 at 4:18p. This Request is being sent because OCR has failed and refused to notify THCBD with regard to the reason(s) for the virtual quarantine, and further has failed to provide a timeline and/or the process for exiting the quarantine period in order to resume normal operations. THCBD will work cooperatively with OCR to address the issues of concern, but needs to be provided with the requested information for them to do so. Kindly acknowledge receipt of this email.”

24. On December 29, 2023, Respondent's attorney also emailed OCR's Legal Counsel, and stated:

“[T]his appeal can be easily resolved if OCR simply provides THCBD with reason(s) for the virtual quarantine, the process for exiting the quarantine period in order to resume normal operations and a timeline. What is the hang up? Your assistance in resolving this matter would be greatly appreciated.”

25. On December 18, 2023, OCR Inspectors were informed by Respondent's personnel and observed that one of THCBD's employees has been living on Respondent's premises. OCR Inspector's inspection of a trailer that was located on the premises confirmed at least one person residing in the trailer. Mr. Colas informed OCR Inspectors that the failure of Respondent's generator during a power outage may have been due to powering a trailer



located on the premises. Inspectors observed an extension cord running from an outlet in the cultivation facility building to the trailer through Respondent's back door.

26. At an OCR inspection on January 3, 2024, OCR Inspectors found that Respondent's premises contained packaging for a cannabis product called "Tony Tux," which has not been submitted to or approved by the Department. The packaging was black and white mylar bags, with the brand "Tony Tux" displayed and labeled for packaging flower measured in ounces.

27. On January 3, 2024, OCR Investigative Auditor and OCR Economic and Policy Analyst identified Respondent's sole Form-2 owner, Anthony Walker's, LinkedIn profile which included a link to Mr. Walker's "personal website": [REDACTED] is a self-described on the website as a "Weed Delivery Superstore." The [REDACTED] website includes an extensive "Frequently Asked Questions" section that states, among other things, the following:

- "We're a legit cannabis delivery service with a proven track record of customer satisfaction for over 20-years. Our products are the highest quality. Our customers love our excellent customer service, wide selection and our testing protocols. Most of our product is sourced from states with stringent legal/safety reporting.
- DELIVERY AREAS: We deliver in the 5 boroughs of New York City and parts of neighboring Long Island, New Jersey and Connecticut. areas such as Nassau, Westchester, Rockland, Bergen, Pascack, Hudson, Essex, and Union counties along with Greenwich, CT and Stamford, CT.
- We accept cash, credit cards, debit cards, Apple Pay, and Cash App. Electronic payments are made through invoices.
- You can order through our website, over the phone, or by texting us.
- Our brick and mortar dispensary is under construction near Barclays Center in Brooklyn. Currently, we offer curbside pickup.
- We offer same-day delivery in NYC's 5 boroughs with a \$100 minimum order. For areas outside NYC, such as New Jersey, Westchester, Connecticut and Long Island, there's a \$100 minimum and a \$15 delivery fee for same-day delivery. If you spend \$200 or more there is no fee. Orders placed after 2 PM may be delivered the following day.
- We offer global shipping and deliver within NYC through USPS. Standard domestic shipping costs \$15, while overnight domestic shipping ranges from \$40-\$60. International shipping costs \$30 or \$60, with the \$60 option being faster (usually within a week)."

28. On January 3, 2024, OCR Investigative Auditor conducted an internet search for Mr. Walker's phone number as provided on Respondent's Form 1 and Form 2 that resulted in a suggested associated address for "Walker Kitchen" located at [REDACTED]

[REDACTED]. Mr. Walker's mailing address as listed on the OCR licensing portal is [REDACTED]. The Gotham Meds website described in the preceding Paragraph includes an "Information" link that directs visitors to the following e-mail address: [REDACTED]

29. Previously, on July 6, 2023 the Office of Cannabis Regulation approved a logo/graphic for "GOTHAM" for Respondent submitted by Anthony Walker [REDACTED]

*Greetings,*

*The below logo/graphic has been approved for use. Please ensure it is of equal size or smaller than the required universal symbol when it appears on the packaging.*



*Thanks,*

***Erica Ferrelli***

*Chief of Strategic Planning, Monitoring, and*

*Evaluation State of Rhode Island*

*Department of Business Regulation Office of Cannabis Regulation*

*560 Jefferson Blvd. Suite 204*

*Warwick, RI 02886*

30. On December 18, 2023, OCR Investigative Auditor was informed by Respondent's employees, Vicson Colas and Dorran Wilson, that Respondent mixes cannabis waste with cannabis flower/trim intended to be remediated and then sold to retailers in order to meet the ten (10) pound remediation minimum required by another licensee. This cannot be accurately tracked in Metrc since per track and trace requirements, waste cannot be combined with any cannabis product, cannabis waste can only be destroyed.

31. On December 22, 2023, OCR Chief of Inspections received a voice message from National Security Fire Alarm Systems ("National Security") stating that THCBD, LLC was not in compliance with applicable rules and regulations. Chief of Inspections Peter Squatrito contacted National Security and was informed that Respondent had previously tampered with their system, was not in compliance with requirements for recording and maintaining video surveillance, that payment was owed in the amount of [REDACTED] to National Security, and that National Security had been in contact with Anthony Walker since May 2023 regarding the outstanding balance and that without payment National Security would be shutting down their security system.

32. On January 2, 2024, the Department issued a Notice of License Revocation to Respondent and, in an e-mail providing a digital copy of that notice, the Department advised Respondent that:

If THCBD, LLC chooses to exercise its right to an administrative appeal in this matter, the Department will prepare an Order to Show Cause for why the license should not be revoked which will incorporate the applicable grounds for virtual quarantine of cannabis plants and products at the licensed premises (sic) in order to consolidate any administrative proceedings.

33. On January 9, 2024, Respondent's attorney emailed OCR's Legal Counsel and stated:

"[M]y client has never been advised of the compliance violations which has resulted in OCR's quarantine order, notwithstanding my several requests over the past several weeks for this information as well as an expedited hearing.

Based on many communications from my client, OCR is aware that the quarantine order is significantly negatively impacting my client's business operations.

OCR's failure to notify my client of the alleged compliance violations and the failure to hold an expedited hearing have deprived my client of its due process rights.

Once again, on behalf of THCBD LLC, we are requesting (1) notice as to the reasons for the quarantine order and (2) an expedited hearing."

34. On January 10, 2024, the Department, responding to a request for more information from Respondent, again informed Respondent that:

The [ ] regulatory compliance violations that triggered the virtual Metrc quarantine imposed by OCR were identified, preliminarily, by OCR Inspectors

during the December 20, 2023, THCBD premises inspection and include, but are not limited to, material deficiencies in the following areas:

- Metrc track and trace reporting and recordkeeping;
- Surveillance camera coverage;
- Security system; and
- Untested quality control package sampling.

Pursuant to Sections 1.11 and 1.13 of the Regulations, the Department imposed a quarantine of THCBD's cannabis plants and products in order to effectuate a comprehensive investigation of same. The above noncompliance were identified in the Department's January 2nd License Revocation letter.

Given that your client has appealed both the virtual Metrc quarantine and the License Revocation, the Department is preparing an Order to Show Cause and Notice of a Prehearing Conference which will identify in detail all the facts and information leading the quarantine and license revocation.

35. On January 4, 2024, Respondent's security camera vendor, National Security, terminated service to Respondent's premises on account of non-payment. National Security notified the Department of the service termination by phone and e-mail. National Security notified Respondent at 1:30 pm on January 4, 2024, that the system was no longer active.
36. On January 5, 2024, Respondent notified the Department via e-mail that it would be contracting with an alternative security camera vendor, but that the Department's remote access to the security cameras would be interrupted for 1-2 weeks.
37. On January 8, 2024, National Security notified the Department that "[Respondent's] card access control system is also now disabled as we are not renewing the services due to nonpayment. This account is being turned over to our attorney this week for collection unless we receive a payment."
38. On January 22, 2024, the Department issued the Order to Show Cause Why Licenses Should Not be Revoked or Otherwise Sanctioned, Notice of Pre-Hearing Conference, and Appointment of Hearing Officer ("Order") to Respondent in response to Respondent appealing the virtual quarantine imposed by the Department and the Department's Notice of License Revocation.
39. Respondent submitted an initial calendar on January 22, 2024, to the Department identifying its plant-touching activities. The Department, in turn, undertook and completed a thorough review of the Respondent's calendar and identified multiple instances of noncompliance, inconsistency, and discrepancy, including but not limited to the following:

- a. Of the sixty-seven (67) cannabis plants included, twenty-nine (29) plants were recorded by Respondent as “destroyed” in Metrc earlier than the dates reported and calendared for cloning and destruction;
- b. Twenty-seven (27) cannabis plants were recorded by Respondent as “cloned” and then “destroyed” in Metrc on a later date than indicated on the calendar;
- c. Seven (7) cannabis plants were submitted to be “cloned” and “destroyed” by Respondent on January 11, 2024, and *were* recorded as destroyed in Metrc on January 11, 2024, but were *also* calendared to be cloned and destroyed by Respondent on January 18, 2024;
- d. Seven (7) cannabis plants were included to be cloned and destroyed on January 11, 2024, but in Metrc Respondent recorded that thirteen (13) plants were cloned on January 11<sup>th</sup>;
- e. Four (4) cannabis plants were scheduled for cloning and destruction on January 12, 2024, but in Metrc Respondent recorded that ten (10) plants were cloned on January 12<sup>th</sup>;
- f. Fourteen (14) cannabis plants scheduled by Respondent to be cloned from January 14<sup>th</sup> through January 16<sup>th</sup>, but there were 0 (zero) clones recorded in Metrc on these dates;
- g. Five (5) cannabis plants were scheduled to be cloned on January 17, 2024, however, Respondent’s Metrc records indicate that nine (9) plants were cloned on January 17<sup>th</sup>;
- h. On January 18, 2024, seven (7) cannabis plants were scheduled to be cloned, but only six (6) plants were cloned;
- i. On January 21, 2024, five (5) cannabis plants were scheduled to be cloned, but according to Respondent’s Metrc records, no plants were cloned on January 21<sup>st</sup>;
- j. On January 23, 2024, four (4) cannabis plants were scheduled to be cloned, but according to Respondent’s Metrc records, no plants were cloned on January 23<sup>rd</sup>;
- k. On January 24, 2024, five (5) cannabis plants were scheduled to be cloned, but according to Respondent’s Metrc records, eleven (11) plants were cloned;
- l. On January 25, 2024, five (5) cannabis plants were scheduled to be cloned, but according to Respondent’s Metrc records, only two (2) plants were cloned;

- m. On January 26, 2024, twelve (12) cannabis plants were cloned and recorded in Metrc but no plants were scheduled for cloning on January 26<sup>th</sup>;
  - n. On January 29, 2024, four (4) cannabis plants were cloned and recorded in Metrc but no plants were scheduled for cloning on January 29<sup>th</sup>;
  - o. On January 30, 2024, five (5) cannabis plants were cloned and recorded in Metrc, but no plants were scheduled for cloning on January 30<sup>th</sup>; and
  - p. On January 31, 2024, nine (9) cannabis plants were cloned and recorded in Metrc, but no plants were scheduled for cloning on the January 31<sup>st</sup>.
40. Following the issuance of the Order to Show Cause, the Department issued the following notice to Respondent:

OCR approves the below changes submitted on the UNTITLED SPREADSHEET calendar on 1/22/2024.

Harvests Added:

1/24/2024

1/25/2024

Harvests Removed:

1/29/2024

1/30/2024

1/31/2024

OCR is requesting on or before 1/29/2024 that THCBD, LLC submit its calendar of plant touching activities for February 2024. This one inclusive document should include all trimming events, cloning events, planned destruction events and harvest events. Once the February 2024 calendar has been approved, there should be no edits or amendments. However, if an unforeseen issue occurs and a plant touching activity not disclosed on the calendar must occur, OCR will require an updated calendar with a brief explanation of the changes in the body of the email submitted 72 hours prior to the event taking place. OCR will review the submission and provide an approval if the submission meets these requirements.

For any unplanned destruction of plants, please submit a request to OCR which includes the plant unique identifier and the anticipated date of destruction (at least 72-hours after the request has been made). This allows OCR to have an inspector onsite, if needed. You may then destroy the plants on the requested date unless OCR responds with further questions/inquiries. As with all events at THCBD, LLC, please ensure complete documentation is sent to OCR post trimming, harvest, cloning, destruction pursuant to the rules and regulations. As a reminder, the Department has moved to revoke THCBD's license and THCBD's premises, plants, and products remain under quarantine pending the outcome of the administrative appeal.

OCR is requesting an update regarding the camera system email Attorney Padwa sent on 1/5/2024 as no further information has been provided to OCR.

OCR is also requesting the registry card expiration date of Andrew Hunter who was included on a previous email sent to Erica Ferrelli from Vicson Colas on 1/22/2024.

Finally, because a formal administrative proceeding has been instituted in this matter, all communications between THCBD and OCR should be made through counsel. Hannah Pfeiffer represents the Department and can be reached at [Hannah.Pfeiffer@dbri.gov](mailto:Hannah.Pfeiffer@dbri.gov) and is copied here.

32. On January 31, 2024, the Department, having received no calendar delineating Respondent's planned plant-touching activities, sent the following message to Respondent:

Please be advised that the Department notified THCBD on January 23<sup>rd</sup> that its February calendar must be submitted no later than January 29<sup>th</sup> for OCR review. Specifically, OCR requested, **"on or before 1/29/2022 that THCBD, LLC submit its calendar of plant touching activities for February 2024. This one inclusive document should include all trimming events, cloning events, planned destruction events and harvest events. Once the February 2024 calendar has been approved, there should be no edits or amendments. However, if an unforeseen issue occurs and a plant touching activity not disclosed on the calendar must occur, OCR will require an updated calendar with a brief explanation of the changes in the body of the email submitted 72 hours prior to the event taking place. OCR will review the submission and provide an approval if the submission meets these requirements."**

33. On February 2, 2024, the Department undertook and completed a thorough review of the Respondent's calendar submitted on January 31, 2024, and identified multiple instances of noncompliance, inconsistency, and discrepancy, including but not limited to the following:
- a. Forty (40) of the submitted forty-three (43) plants for cloning and destruction during the month of February were destroyed in Metrc during the month of January. Metrc must be kept completely up to date so these plants should not physically exist after recorded as "destroyed" in Metrc. Any clipping taken from these plants would be considered noncompliant and would create additional noncompliant activity at THCBD;
  - b. Plant number 5882 was scheduled for cloning and destruction on February 7, 2024, and then again on February 23<sup>rd</sup> however, this plant was *already* destroyed in Metrc on January 26<sup>th</sup>; and

- c. The February calendar also indicates “wash”, “process hash” and “dry freeze” for every day of February 2024 and for three (3) days prior to February 1, 2024. Respondent did not provide an amended January calendar providing notice of washing, hash processing, or dry freezing for review. The Department has required 72-hour notice for all plant touching activities since all inventory and plants were placed on virtual quarantine pursuant to the December 20, 2023 notice.
34. On February 27, 2024, Respondent submitted a calendar for all plant-touching activities scheduled for March, which was amended on March 20, 2024, and resubmitted. No cloning or destruction of any cannabis plants was included for the Department’s review until the updated March calendar was submitted, but Respondent’s Metrc records show 546 clones were recorded in Metrc without being scheduled for the Department’s review. Further, of the seventeen (17) cannabis plants scheduled for cloning in the amended March calendar, only one (1) plant’s Metrc data accurately corresponded to the calendar schedule of physical events at the Licensed Premises.
35. On March 18, 2024, Respondent’s attorney emailed OCR the following communication:

“On behalf THCBD LLC, request is hereby made for the immediate appointment of a hearing officer and a hearing with regard to the December 20, 2023 “Virtual Quarantine” imposed by the Rhode Island Department of Business Regulation (DBR), Office of Cannabis Regulation (OCR) on THCBD LLC. The procedural history regarding this “Virtual Quarantine” is as follows:

  - On December 20, 2023, following a December 18, 2023 inspection by OCR, you emailed my client and informed it that: “The Office of Cannabis Regulation (OCR) is placing all inventory, plants, and products under a virtual quarantine via Metrc at your licensed facility. All physical plants and inventory onsite must also be quarantined immediately.” This notice did not contain any citation to 230-RICR-80-05-1, et. seq. (The Rules and Regulations Related to the Medical Marijuana Program) or any Rhode Island General Laws that authorize DBR or OCR to impose a Virtual Quarantine and did not cite any legal authority for imposing a Virtual Quarantine without a hearing. The notice also did not cite any underlying factual basis for the Virtual Quarantine.
  - While your December 20, 2023 notice did not cite any legal authority or factual basis, it did advise my client that:

“If the THCBD, LLC wishes to contest the above-referenced quarantine, this Notice is also being sent to provide notice of your right to an administrative hearing in accordance with the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1 *et seq.* and the Department’s Rules of Procedure for Administrative Hearings 230-RICR-100-00-2. In order to exercise your right to an administrative hearing, you must submit a written request (“Request”) for administrative hearing to the Department at the address listed above. The



Request must be postmarked no later than the date that is ten (10) days from the date of this Notice. If you request an administrative hearing, **further notice** will be provided with the date and time of the scheduled hearing. A Hearing Officer will be appointed for the purpose of conducting a hearing and rendering a recommended decision in the matter. Subject to the Director's approval, the recommended decision will become a final order, which is public information on the Department's website."

- As you know, on December 29, 2023, an appeal of the Virtual Quarantine was filed with OCR. As stated in the appeal, the Virtual Quarantine notice failed to notify THCBD of the reason(s) for the quarantine and also failed to provide a process for the resumption of normal business operations. The notice of appeal also documented that OCR had failed to respond to prior inquiries regarding the Virtual Quarantine.
- Following the December 29, 2023 appeal, and despite what was stated in your December 20, 2023 Virtual Quarantine notice, no "further notice" has been requested by OCR or provided to THCBD with the "date and time of the scheduled hearing." While Catherine R. Warren was appointed as Hearing Officer regarding the January 22, 2024 Order to Show Cause issued by OCR to THCBD, OCR has not requested or pursued the appointment of a Hearing Officer "for the purpose of conducting a hearing and rendering a recommended decision" regarding the Virtual Quarantine.

While the Virtual Quarantine allows THCBD to access its facility and engage in plant touching activities with OCR's approval, OCR has essentially shut down THCBD's business as THCBD is not allowed to sell the cannabis and cannabis products that it cultivates at its facility. The Virtual Quarantine, which prevents THCBD's from selling its cannabis and generating revenues, was imposed without any hearing, without any citation to legal authority, and without any citation to underlying facts that might justify the Virtual Quarantine. Individually and together these failures are a clear violation of my client's due process rights. As such, request is once again being made for the immediate appointment of a hearing officer, and a hearing to be held no later than March 28, 2024. In the event a hearing officer is not appointed, and a hearing date is not firmly scheduled by this Friday, March 22, 2024, THCBD will have no choice, but to seek injunctive relief in Providence County Superior Court.

Kindly acknowledge receipt of this communication."

#### **Applicable Law**

36. Section 21-28.6-9(e) of the Medical Marijuana Act provides as follows:

- (1) Notwithstanding any other provision of this chapter, if the director of the Department of Business Regulation, or his or her designee, has cause to believe that a violation of any provision of this chapter or the regulations promulgated thereunder has occurred by a licensee or registrant under the department's jurisdiction, or that any person or entity is conducting any activities requiring licensure or registration by the Department of Business Regulation under this chapter or the regulations promulgated thereunder without such licensure or registration, or is otherwise violating any provisions of this chapter, the director, or his or her designee, may, in accordance with the requirements of the Administrative Procedures Act, Chapter 35, of Title 42:

With the exception of patient and authorized purchaser registrations, revoke or suspend any license or registration issued under Chapter 26, of Title 2 or this chapter:

- (i) Levy an administrative penalty in an amount established pursuant to regulations promulgated by the department of business regulation;
    - (ii) Order the violator to cease and desist such actions;
    - (iii) Require a licensee or registrant or person or entity conducting any activities requiring licensure or registration under this chapter to take those actions as are necessary to comply with this chapter and the regulations promulgated thereunder;
    - (iv) Require a licensee or registrant or person or entity conducting any activities requiring licensure or registration under this chapter to take those actions as are necessary to comply with this chapter and the regulations promulgated thereunder; or (v) Any combination of the above penalties.
  - (2) If the director of the department of business regulation finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in his or her order, summary suspension of license or registration and/or cease and desist may be ordered pending proceedings for revocation or other action. These proceedings shall be promptly instituted and determined.
37. Pursuant to Section 21-28.6-16(d) of the Medical Marijuana Act, "[e]very marijuana plant possessed by a licensed medical marijuana cultivator must be accompanied by a valid medical marijuana tag issued by the department of business regulation pursuant to § 21-28.6-15 or catalogued in a seed-to-sale inventory tracking system in accordance with regulations promulgated by the department of business regulation."
  38. Pursuant to Section 21-28.6-16(l) of the Medical Marijuana Act, "[i]f a licensed medical marijuana cultivator or cultivator cardholder violates any provision of this chapter or regulations promulgated thereunder, as determined by the department of business regulation, his or her card and the issued license may be suspended or revoked."
  39. Pursuant to § 21-28.11-7(b) of the Rhode Island Cannabis Act, § 21-28.11-1 *et seq.* (the "Cannabis Act"):

On August 1, 2022 and thereafter, any medical marijuana cultivator licensed or approved pursuant to the provisions of § 21-28.6-16, upon payment of an additional license fee, shall be permitted to cultivate, manufacture and process cannabis as a hybrid cannabis cultivator for both adult use and medical use. The amount of the additional license fee shall be determined by the Office of Cannabis Regulation during the transitional period established by § 21-28.11-10 and shall be subject to review by the commission pursuant to the final rules and regulations. The fee shall be deposited in the social equity fund established in § 21-28.11-31. Sale of the cultivated cannabis shall be made directly to a licensee pursuant to the provisions of this chapter and chapter 28.6 of this title, subject to the following conditions:

- (1) The cultivator must be in good standing and maintain the cultivator license pursuant to the provisions of chapter 28.6 of this title; and
  - (2) The cultivator must make good faith efforts to ensure the adult use cannabis production portion of the cultivation operation has no significant adverse effect on the medical marijuana program and patient needs.
40. Pursuant to § 21-28.11-10.1(e) of the Cannabis Act, “[n]otwithstanding the foregoing provisions of this section, all prospective and approved applicants for hybrid cannabis retailer and cultivator licenses under this chapter shall maintain compliance with the existing provisions of chapter 28.6 of this title of the general laws and the regulations promulgated thereunder until final issuance of the commission’s rules and regulations ...”
41. Pursuant to § 21-28.11-18(a)(l) of the Cannabis Act, “[n]otwithstanding any other provision of this chapter, if the commission has cause to believe that a violation of any provision of chapters 21-28.6 or 21-28.11 or any regulations promulgated thereunder has occurred by a licensee that is under the commission's jurisdiction pursuant to chapters 21-28.6 or 21-28.11, or that any person or entity is conducting any activities requiring licensure or registration by the commission under chapters 21-28.6 or 28.11 or the regulations promulgated thereunder without such licensure or registration, the commission may, in accordance with the requirements of the administrative procedures act, chapter 35 of title 42:
- (i) With the exception of patients and authorized purchasers, revoke or suspend a license or registration;
  - (ii) Levy an administrative penalty in an amount established pursuant to law or regulations promulgated by the cannabis control commission;
  - (iii) Order the violator to cease and desist such actions;
  - (iv) Require a licensee or registrant or person or entity conducting any activities requiring licensure or registration under chapters 21-28.6 or 21-28.11 to take such actions as are necessary to comply with such chapter and the regulations promulgated thereunder; or

(v) Any combination of the penalties authorized by this section.

(2) If the commission finds that emergency action imperative to public health, safety, or welfare is required, and incorporates a finding to that effect in its order, summary suspension of license or registration and/or cease and desist may be ordered pending proceedings for revocation or other action. Any such proceedings shall be promptly instituted and determined pursuant to the provisions of § 21-28.15(a)(32).

42. Pursuant to 230-RICR-80-05-1.3(4)(A) “all principal officers, board members, employees, agents, and volunteers of a compassion center or licensed cultivator, and all primary caregivers shall apply for registry identification cards.”
43. Pursuant to Section 1.6.1(A) of the Regulations “[u]pon direction by the DBR and in accordance with R.I. Gen. Laws §§ 21-28.6-12(g)(3) and 21-28.6-16(d), each compassion center and licensed cultivator shall be required to utilize the state approved Medical Marijuana Program Tracking System to document and monitor compliance with the Act and all regulations promulgated thereunder. Applicable licensees may be required to pay costs associated with use of the Medical Marijuana Program Tracking System which may be assessed on an annual, monthly, per use, or per volume basis and payable to the state of to its approved vendor.”
44. Pursuant to Section 1.6.1(B) of the Regulations, “[a]ll information related to the acquisition, propagation, cultivation, transfer, manufacturing, processing, testing, storage, destruction, wholesale and/or retail sale of all marijuana and medical marijuana products possessed by licensees and/or distributed to registered cardholders is in accordance with the Act must be kept completely up-to-date in the Medical Marijuana Program Tracking System, including but not limited to:
  1. Planting and propagation of plants;
  2. Transition of immature to mature plants;
  3. Harvest dates with yield documentation;
  4. Destruction of immature plants, mature plants and medical marijuana products;
  5. Transportation of immature plants, mature plants, and medical marijuana products;
  6. Theft of immature plants, mature plants, and medical marijuana products;
  7. Adjustment of product quantities and/or weights;
  8. Conversion of product types including waste documentation;
  9. Required test results as reported by a cannabis testing laboratory;
  10. Retail and wholesale transaction data;
  11. Product compliance data;
  12. A complete inventory including, but not limited to:
    - a. Batches or lots of useable marijuana;
    - a. Batches or lots of concentrates;
    - b. Batches or lots of extracts;

- c. Batches or lots of marijuana infused products;
  - d. Immature plants;
  - e. Mature plants;
  - f. Marijuana waste; and
- 13. Any other information or technical functions DBR deems appropriate.”
- 45. Pursuant to Section 1.6.2(b) of the Regulations, “[a]ll immature plants, usable marijuana, medical marijuana products and waste must be tagged with the following information unless otherwise approved by DBR:
  - 1. The licensee’s license number and tradename/business name;
  - 2. The unique identifier generated by the Medical Marijuana Program Tracking System;
  - 3. Strain name or product name (waste excluded);
  - 4. The quantity of the product; and
  - 5. Any other information or technical functions DBR deems appropriate.”
- 46. Pursuant to Section 1.6.4(c) of the Regulations, “[u]pon direction by DBR, each compassion center and licensed cultivator shall utilize the state approved Medical Marijuana Program Tracking System for all inventory tracking from seed to sale as defined in §1.6.1 of this Part.”
- 47. Pursuant to Section 1.6.5(D) of the Regulations, “[e]ach compassion center or licensed cultivator must have a fully operational video surveillance and camera recording system with appropriate protocols, which shall, at a minimum, comply with all of the below requirements:
  - a. Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, video monitors, and digital archiving devices capable of playback quality sufficient to identify and monitor all individuals (including sufficient clarity of facial features) and activities in the monitored areas.
  - b. The recording system must record in digital format.
  - c. The date and time must be embedded on the recording without significantly obscuring the picture. Time is to be measured in Eastern Standard Time.
  - d. All video surveillance systems must be equipped with a failure notification system that provides prompt notification of any surveillance interruption and/or the complete failure of the surveillance system. Said notification must be routed to compassion center or licensed cultivator personnel specifically designated by management and to DBR.
  - e. All video surveillance equipment shall have sufficient battery backup to support a minimum of four (4) hours of recording in the event of a power outage.
  - f. Video recordings must be archived in a format and maintained in a manner that ensures authentication of the recording as legitimately-captured video and guarantees that no alteration of the recorded image has taken place.

- g. Remote access to a continuous live feed video on a real time basis must be available at all times to compassion center or licensed cultivator personnel specifically designated by management and to DBR. Additionally, all video surveillance records and recordings must be made available upon request to DBR. DBR employees and representatives will hold video surveillance records and recordings of point-of-sale areas confidential except for authorized release in accordance with applicable law.
  - h. The system must include a color printer or similar equipment capable of printing still photos of a quality sufficient to identify individuals and activities in the monitored areas.
  - i. The licensee must ensure that DBR has continuous access to live feed video. Failure to maintain ongoing access by DBR may result in enforcement proceedings pursuant to § 1.13 of this Part.
- 48. Pursuant to Section 1.6.5(C)(5) of the Regulations, “[i]f the compassion center or licensed cultivator suffers a failure of the security alarm system, due to loss of electrical support, mechanical function, or otherwise, that is expected to exceed an eight (8) hour period, in addition to the notice requirements provided in §§ 1.6.5(C)(3) and 1.6.5(I) of this Part, the compassion center or licensed cultivator must also close the authorized physical address(es) impacted by the failure/malfunction until the security alarm system has been restored to full operation, or, if approved by DBR, provide alternative security.”
- 49. Pursuant to Section 1.6.13(A) of the Regulations, “[e]ach compassion center and licensed cultivator shall be maintained in a safe, sanitary, and clean manner, with all operations in the cultivation, receiving, inspecting, transporting, segregating, preparing, manufacturing, packaging, and storing of medical marijuana and marijuana products conducted in accordance with adequate sanitation principles . . . .”
- 50. Pursuant to Section 1.6.13(F) of the Regulations, “[f]loors, walls, and ceilings shall be kept clean and in good repair, free from dust, debris, mold, mildew, and other contaminants and potentially hazardous materials.”
- 51. Pursuant to Section 1.6.16(E) of the Regulations, “(e)ach compassion center and licensed cultivators must maintain accurate and comprehensive records regarding waste material that accounts for, reconciles, and evidences all waste activity related to the disposal of marijuana and marijuana products (including any waste material produced through the trimming or pruning of a marijuana plant prior to harvest). DBR may mandate storage of any such records or summaries of such records to be through the Medical Marijuana Program Tracking System or any other electronic system DBR designates.”
- 52. Pursuant to Section 1.7(G) of the Regulations, “Medical marijuana product designation(s) may be withdrawn, denied or revoked by DBR if the product fails to satisfy any provision

of the Act or the DBR Regulations or if the product deviates or is altered from its previously approved form.”

53. Pursuant to Section 1.11(A) of the Regulations, “All marijuana products must undergo and comply with all required testing as stated in the DOH Testing Regulations in order to be designated as medical and be offered for sale by a licensed compassion center. Until the product is designated as medical or upon a recall of a medical product, all marijuana and marijuana products shall be quarantined in accordance with § 1.11 of this Part.”

54. Pursuant to Section 1.11(B) of the Regulations, Product that has yet to sampled for testing:

1. Prior to required testing samples being taken from a batch of marijuana plant material and/or a batch of processed concentrate or extract, a licensee must store the batch in one or more sealed containers enclosed on all sides, so as to:

a. Prevent the product from being tampered with, transferred, or sold prior to sampling and compliant test results being reported; and b. Be able to be easily located.

55. Pursuant to Section 1.11(G) of the Regulations:

1. DBR or DOH may require a licensee to recall any marijuana or marijuana product that the licensee has sold or transferred upon a finding that circumstances exist that pose a risk to public health, safety and welfare.

a. The recall must be initiated by the licensee immediately as determined by their approved recall plan; and  
b. The licensee must comply with any additional instructions made by DBR.

2. A recall may be based on, without limitation, evidence that the marijuana, marijuana product, or medical marijuana product:

a. Contains unauthorized pesticide(s);  
b. Failed a mandatory test and was not mitigated pursuant to testing protocols;  
c. Is contaminated or otherwise unfit for human use, consumption or application; d. Is not properly packaged or labeled;  
e. Was not cultivated, processed or manufactured by a licensee or otherwise is not in accordance with the Act, DBR regulations or DOH regulations; or  
f. Otherwise poses a threat to public health or safety as determined by DBR or DOH.

3. DBR may at any time require the destruction of medical marijuana product or marijuana product upon a finding that circumstances exist that pose a risk to public safety and health.

4. If DBR finds that a recall is required, DBR:

- a. Must notify the public and licensees of the recall;
- b. Must affect an administrative hold on all affected medical marijuana and/or medical marijuana products in the tracking system;
- c. May require a licensee to place all marijuana, marijuana product, medical marijuana and medical marijuana product in quarantine itself or with a third party custodian at the licensee's expense.
- d. May require a licensee to notify all individuals to whom such medical marijuana or a medical marijuana product was sold; and
- e. May require that the licensee destroy the recalled product

56. Pursuant to Section 1.13(A) of the Regulations,

A. Inspections and Audits

1. Marijuana establishment licensees are subject to reasonable inspection by DBR. 2. DBR and its authorized representatives have authority to enter a marijuana establishment licensee's premises at reasonable times to inspect in a reasonable manner the premises and all equipment, materials, containers, and other things therein, including without limitation all records, files, financials, sales, transport, pricing and employee data, research, papers, processes, controls and to inventory any stock of marijuana, labels, containers, packages, paraphernalia and other materials and products.

...

C. Discipline and Penalties

...

4. Possession of Marijuana 111 Violation of the Act or the DBR Regulations

a. Pursuant to R.I. Gen. Laws § 21-28.6-15(b)(3), if any patient cardholder, primary caregiver cardholder, licensed cooperative cultivation, compassion center, licensed medical marijuana cultivator, or any other person or entity is found to have marijuana plants or marijuana material without valid medical marijuana plant tag certificates or which are not tracked in accordance with the DBR Regulations, DBR shall impose an administrative penalty in accordance with the DBR Regulations on the patient cardholder, primary caregiver cardholder, licensed cooperative cultivation, compassion center, licensed medical marijuana cultivator, or any



other person or entity for each untagged marijuana plant or unit of untracked marijuana material.

57. Beginning in September 2022, the Department issued guidance regarding the requirement that licensees must utilize the Metrc Track and Trace System for all inventory no later than December 1, 2022, in order to continue compliant cultivation, maintenance, transfer, and sales of cannabis and cannabis products and licensees were thereafter required to utilize and maintain Metrc-issued RFID plant and product tags on all cannabis plants and products in order to ensure tracking and accurate and compliant records of plant and product inventory.
58. Pursuant to OCR Updated Metrc Guidance Document dated September 26, 2023, all quality control samples must to pass all required testing prior to being sampled.
59. In an effort to reach a timely and amicable resolution of the issues raised in this Consent Order without an administrative hearing, the Cannabis Office and the Respondent enter into this Consent Agreement solely for the purpose of avoiding the burdens and expenses of litigation. Based upon Respondent's representations and agreements set forth herein, the Cannabis Office agrees to abstain from pursuing further enforcement action(s) surrounding Respondent's track and trace issues as set forth in Paragraphs 3 through 34 and subject to satisfaction of the following terms and conditions set forth in this Paragraph 58:
  - a. Respondent neither admits nor denies the factual allegations set forth in this Consent Agreement.
  - b. No later than July 15, 2025, Respondent shall provide satisfactory documentation confirming its appointment of a Compliance Officer responsible for and prepared to manage all track and trace activities and ensure that Respondent's Metrc System records and data are accurate, timely, completely maintained and updated in accordance with Rhode Island cannabis industry standards as demonstrated to the satisfaction of the Cannabis Office through a revised standard operating procedure (SOP). The Compliance Officer shall prepare and submit to the Cannabis Office a revised SOP within thirty (30) days of hire, but in no event later than August 15, 2025;
  - c. Pursuant to § 1.13(D)(1) of the Regulations, Respondent shall remit to the Cannabis Office an administrative penalty in the amount of Eight Hundred Sixty-Nine Thousand Five Hundred (\$869,500) Dollars payable in twenty-four (24) equal monthly installments of \$36,229.16 with the first payment being made on September 1, 2025, and continuing until the administrative penalty is paid in full. Said payments shall be made payable to the "General Treasurer, State of Rhode Island";
  - d. No later than July 15, 2025, Respondent shall destroy, under the supervision of the Cannabis Office, all cannabis plants, products, and materials located at its licensed

premises, with the limited exception of (i) OCR-approved Metrc-tracked clones, and (ii) OCR-approved “green tagged” packages identified during the OCR inspection in December 2023.

- e. Concurrently with the execution of this Consent Order, Respondent shall withdraw with prejudice the administrative appeal captioned *In the Matter of THCBD, LLC, DBR No. 24OCR001* and shall withdraw with prejudice the complaint captioned *THCBD, LLC v. State of Rhode Island Department of Business Regulation, et al., PC-2024-02764*;
  - f. Concurrently with the execution of this Consent Agreement, Respondent shall install additional video surveillance and security cameras in accordance with a diagram provided by the Cannabis Office;
  - g. No later than July 15, 2025, Respondent shall either permanently seal with approval from the Office of the State Fire Marshal and/or shall develop security measures approved by the Cannabis Office for the interior loading dock access point identified and discussed during the December 2024 site visit; and
  - h. Respondent agrees and acknowledges that it expressly selected resolution of this matter by Consent Agreement, rather than proceeding through the administrative hearing process beginning with the issuance of an Order to Show Cause.
60. *Final Determination.* The parties agree that this Consent Agreement and its terms represent the final determination of this matter.
61. *Waiver of Hearing and Appeal.* By agreeing to resolve this matter through the execution of this Consent Agreement, Respondent knowingly and voluntarily waives any right to an administrative hearing and waives any right to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1, *et seq.*
62. *Enforcement.* If Respondent fails to comply with any term or condition of this Consent Agreement within any applicable time period set forth herein, the Respondent will be in violation hereunder and the Cannabis Office shall be entitled to immediately take enforcement or other action in accordance with applicable law.
63. *Compliance; Laws.* Compliance with the terms of this Consent Agreement does not relieve Respondent of any obligation to comply with other applicable laws or regulations administered by or through the Cannabis Control Commission, the Cannabis Office, or any other governmental agency.

**SIGNATURE PAGE**

For the Cannabis Office:



*Signature*  
Michelle Reddish, Administrator

Date: \_\_\_\_\_

Respondent THCBD, LLC.

DocuSigned by:  
*Anthony Walker*  
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*Signature*

By:  
Title:

Date: 5/21/2025

Counsel for Respondent THCBD, LLC:

Signed by:  
*Jeffrey Padwa*  
7302E38B52B14D4

*Signature*  
Jeffrey Padwa, Esq.

Date: 5/21/2025

Counsel for Respondent THCBD, LLC:

Signed by:  
*Joe Keough*  
BF042C0007804F4...

*Signature*  
Joseph Keough, Esq.

Date: 5/21/2025