

STATE OF RHODE ISLAND
CANNABIS CONTROL COMMISSION
560 JEFFERSON BOULEVARD
WARWICK, RHODE ISLAND 02886

In the Matter of:

Green Room Organics, LLC,

Respondent.

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22OCR003

DECISION RE: MOTION FOR PARTIAL SUMMARY JUDGMENT

I. INTRODUCTION

The above-entitled matter came for hearing pursuant to an Order to Show Cause Why Respondent's Medical Marijuana Cultivator License Should be Denied, Notice of Hearing and Appointment of Hearing Officer ("Order to Show Case") issued on May 5, 2022 by the Department of Business Regulation ("Department") to Green Room Organics, LLC ("Respondent"). At the time the Order to Show Cause was issued, the Department had authority over the regulation and licensing of cannabis. Pursuant to R.I. Gen. Laws § 21-28.11-10.1, as of May 1, 2025, the Cannabis Control Commission ("Commission") assumed all authority in the regulation and licensing of cannabis included all licensing and enforcement matters previously handled by the Department.¹ The parties engaged in discovery. During the pendency of this matter, there was ongoing Superior Court litigation related to various parties and the Respondent. By order dated May 27, 2025, the Order to Show Cause was amended ("Amended Order to Show Cause"). On July 11, 2025, the Commission via the Cannabis Office ("Cannabis Office") filed a motion for partial summary judgment ("Motion"). The Respondent did not file an objection.

¹ This transition includes this matter which originated with the Department. The undersigned continued to serve as the appointed hearing officer pursuant to the statutory transition. R.I. Gen. Laws § 21-28.11-4(g)(3) (P.L. 2025, ch. 278, § 3) and § 1.3(17) of 560-RICR-10-05-1 *Administration, Procedures and Enforcement* allow for the delegation of hearings to a hearing officer (Presiding Officer).

II. JURISDICTION

The administrative process was held pursuant to R.I. Gen. Laws § 21-28.6-1 *et seq.*, R.I. Gen. Laws § 21-28.11-1 *et seq.*, R.I. Gen. Laws § 42-35-1 *et seq.*, and 560-RICR-10-05-01, *Administration, Procedures and Enforcement* (“Regulation”).²

III. ISSUE

Whether to grant the Cannabis Office’s Motion.

IV. STANDARD OF REVIEW

Section 1.12(A)³ of the Regulation provides that the type of motions allowed to be filed in an administrative hearing are those allowed by said regulation and the Rhode Island Superior Court Rules of Civil Procedure (“Super. R. Civ. P.”). Super. R. Civ. P. Rule 56⁴ allows for the filing a motion for summary judgment whereby a party moves “to show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as matter of law.”

² The provisions in the Regulation are very similar to the Department’s *Rules of Procedure for Administrative Hearings*, 230-RICR-10-00-2 (“Department Rules”) that were in effect at the time of the issuance of the Order to Show Cause.

³ Section 1.12(A) of the Regulation provides as follows:

A. General. Any party may request that the Presiding Officer enter any order or action not inconsistent with law or this regulation. The types of motions made shall be those which are permissible under this regulation and the Rhode Island Superior Court Rules of Civil Procedure (“Super. R. Civ. P.”).

Section 2.11 of the Department’s Rules has the identical provision.

⁴ Super. R. Civ. P. Rule 56 provides as follows:

(a) For Claimant. A party seeking to recover upon a claim, counterclaim, or cross-claim or to obtain a declaratory judgment may, at any time after the expiration of twenty (20) days from the commencement of the action or after service of a motion for summary judgment by the adverse party, move with or without supporting affidavits for a summary judgment in the party’s favor upon all or any part thereof.

(b) For Defending Party. A party against whom a claim, counterclaim, or cross-claim is asserted or a declaratory judgment is sought may, at any time, move with or without supporting affidavits for summary judgment in the party’s favor as to all or any part thereof.

(c) Motion and Proceedings Thereon. The motion shall be served at least ten (10) days before the time fixed for the hearing. The adverse party prior to the day of hearing may serve opposing affidavits. The judgment sought shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as matter of law. ***

Summary judgment is a “drastic remedy and should be cautiously applied.” *Steinberg v. State*, 427 A.2d 338, 339-40 (R.I. 1981) (citation omitted). “Thus, '[s]ummary judgment is appropriate when, viewing the facts and all reasonable inferences therefrom in the light most favorable to the nonmoving party, the [C]ourt determines that there are no issues of material fact in dispute, and the moving party is entitled to judgment as a matter of law.’” *Quest Diagnostics, LLC v. Pinnacle Consortium of Higher Educ.*, 93 A.3d 949, 951 (R.I. 2014). However, only when the facts reliably and indisputably point to a single permissible inference can this process be treated as a matter of law. *Steinberg*, at 340. The party who opposes the motion for summary judgment “carries the burden of proving by competent evidence the existence of a disputed material issue of fact and cannot rest on allegations or denials in the pleadings or on conclusions or legal opinions.” *Accent Store Design, Inc. v. Marathon House, Inc.*, 674 A.2d 1223, 1225 (R.I. 1996).

V. UNDISPUTED MATERIAL FACTS

The Respondent did not file an objection to the Motion. Thus, the facts as alleged by the Cannabis Office in its Motion and the Amended Order to Show Cause are undisputed. The facts are summarized as follows:

1. On January 24, 2017, the Respondent submitted its medical marijuana cultivator application, Application No. MMP CV 0022 ("Application"), with respect to a proposed medical marijuana facility to be located at 20 (and 22) Frontage Rd., Westerly, Rhode Island ("Proposed Premises").
2. On or about October 19, 2021, the Respondent still not having been licensed, the parties executed a Consent Agreement, entitled *In The Matter of Green Room Organics, LLC*, 21OCR004.
3. This matter began on May 5, 2022, with the filing of the Order to Show Cause, generally alleging violations of the Consent Agreement in 21OCR004, in that the Respondent had not fulfilled its licensure requirements, among other allegations.
4. On May 23, 2025, the Cannabis Office filed a Motion to Amend the Order to Show Cause, regarding mainly the addition of new paragraphs 34-54. The content of the additional paragraphs concerned the foreclosure on the Proposed Premises, the sale of which occurred on

November 15, 2024,⁵ and the original Application's (Exhibit Two (2) of the Cannabis Office's Motion) answers demonstrating that the Proposed Premises was the only location conditionally approved and contemplated for Respondent's proposed medical marijuana cultivation facility.

5. On May 27, 2025, the Hearing Officer granted the Amended Order. The Respondent had no objection to the Amended Order ("Amended Order to Show Cause").

6. As a result of the foreclosure sale, the Proposed Premises was purchased and is now owned by Saybrook Investment Trust, LLC, and Flower Pot Associates, LLC, both of whom were in *pari passu* for first position as secured creditors in the bankruptcy petition filed by another entity, Pinnacle Holdings, LLC ("Pinnacle") and Pinnacle's authorized agent, Harold Panciera, III. The recorded deed for the Proposed Premises was fully executed as of March 11, 2025, and was attached as Exhibit Three (3) to Cannabis Office's Motion.

The facts included in the Amended Order to Show Cause⁶ that are relevant to this Motion are as follows:

1. The Respondent's Application for a proposed medical marijuana cultivation facility, signed by Harold Panciera III on January 19, 2017, (page 2 of 92) states that the street address of the Proposed Premises is: "20 Frontage Rd., Westerly, RI... PLAT39/LOT36."

2. The Application (page 34 of 92) states: "Pinnacle Holdings LLC is purchasing the property at 20 Frontage Rd and is leasing said premises to Green Room Organics, Inc. for the purposes of growing and processing medical marijuana. See attached documents showing agreements to purchase said property, the proposed boundaries of the property, and the zoning schedule currently in effect for the property, which already allows for the cultivation of medical marijuana on the premises."

3. The Application (page 71 of 92) states: Proposed Layout at 20 Frontage Rd., Westerly, R.I. 02891.

4. The Application (page 72 of 92) states: "Draft Proposed subdivision layout for Plat 39, Lot 36, Westerly, R.I."

5. The Application (page 76 of 92) is the document entitled "Unanimous Consent of Owners" of Pinnacle Holdings, LLC ("Pinnacle") to vote in favor of purchasing 20 Frontage Rd., Westerly, dated January 10, 2017.

6. On or about April 20, 2018, the Respondent's Application received its Conditional Approval, pending completion of the prerequisites for licensure at the Proposed Premises.

7. On or about August 14, 2018, Pinnacle purchased 20 Frontage Rd., Westerly, R.I.⁷

⁵ The Amended Order to Show Cause erroneously lists the foreclosure as taking place in 2023 rather than 2024.

⁶ These facts come from paragraphs 34 to 54 of the Amended Order to Show Cause.

⁷ The Proposed Premises eventually came to include the street address of 22 Frontage Road, Westerly, R.I. after completion of the building constructed thereon.

8. The Application did not contain, and was never supplemented with, evidence of Respondent's lease or rental agreement for the Proposed Premises.

9. The Proposed Premises was the only proposed facility location for the Respondent's cultivation facility stated by the Application; the Respondent never submitted, and neither the Department or the Cannabis Office ever approved, a variance for a different location for Respondent's proposed medical marijuana cultivation facility.

10. As of the execution of the Amended Order to Show Cause, neither the Department nor the Cannabis Office had issued, and the Respondent had not received, a medical marijuana cultivator's license.

11. Pinnacle's 2024 Annual Report filed with the Secretary of State's office states that Pinnacle is registered as a limited liability company with a principal business address of 22 Frontage Rd., Westerly, R.I. 02891, that the character of its business is "Commercial Real Estate Rental," and states that Harold Panciera III is Pinnacle's "CEO, Manager, Agent."

12. On November 14, 2023, the Proposed Premises was sold by foreclosure sale to a third party.

13. As a result of the foreclosure sale, Pinnacle no longer owns the Proposed Premises.

14. The Respondent does not have a lease with the current owner of the Proposed Premises.

15. The Respondent is not the owner or lessee of the Proposed Premises.

16. On or about June 10, 2024, the Office of the Secretary of State sent Respondent a Certificate of Revocation of Certificate of Organization/Registration and revoked the Certificate of Organization/Registration of the Respondent to transact business in this state.

17. The Respondent, a former purported lessee of the owner of the Proposed Premises, cannot now provide evidence of either ownership of the Proposed Premises or an agreement with the Proposed Premises' current owner to allow Respondent's operation of a proposed cultivator at the Proposed Premises.

18. Without satisfactory evidence of Respondent's ownership of the Proposed Premises, or a current rental or lease agreement therefor, the Application would not have received conditional approval from the DBR.

Additionally, it was undisputed the Proposed Premises' location was a single asset held by Pinnacle which planned to lease it to the Respondent. The Proposed Premises' location was ordered to be sold to satisfy Pinnacle's creditors at the conclusion of Pinnacle's bankruptcy

proceedings. The Proposed Premises' location was sold during a foreclosure sale on November 14, 2024 and was sold to two entities, neither of which are the Respondent or Pinnacle. No lease or rental agreement had ever been provided for the Proposed Premises. Since the foreclosure sale, the Respondent has not provided to the Department or Cannabis Office a current lease for the Proposed Premises. The Proposed Premises was the only proposed facility location for the Respondent as indicated in its Application, and the Respondent never sought a variance and no variance was ever approved by the Cannabis Office for another location. See affidavit of Erica A. Ferrelli, Chief of Strategic Planning, Monitoring and Evaluation, attached to the Motion.

VI. DISCUSSION

A. Legislative Intent

The Rhode Island Supreme Court has consistently held that it effectuates legislative intent by examining a statute in its entirety and giving words their plain and ordinary meaning. *In re Falstaff Brewing Corp.*, 637 A.2d 1047 (R.I. 1994). If a statute is clear and unambiguous, “the Court must interpret the statute literally and must give the words of the statute their plain and ordinary meanings.” *Oliveira v. Lombardi*, 794 A.2d 453, 457 (R.I. 2002) (citation omitted). The Supreme Court has also established that it will not interpret legislative enactments in a manner that renders them nugatory or that would produce an unreasonable result. See *Defenders of Animals v. DEM*, 553 A.2d 541 (R.I. 1989) (internal citation omitted). In cases where a statute may contain ambiguous language, the Supreme Court has consistently held that the legislative intent must be considered. *Providence Journal Co. v. Rodgers*, 711 A.2d 1131 (R.I. 1998). The statutory provisions must be examined in their entirety and the meaning most consistent with the policies and purposes of the legislature must be effectuated. *Id.*

B. Relevant Statutes

As stated above, R.I. Gen. Laws § 21-28.6-1 *et seq.* provides for the licensing of cultivators. More specifically, R.I. Gen. Laws § 21-28.6-16 and § 1.3 of the *Rules and Regulations Related to the Medical Marijuana Program Administered by the Office of Cannabis Regulation at the Department of Business Regulation*, 230-RICR-80-05-1 (“Department Regulation”) set forth the requirements to apply and hold a cultivator license. Pursuant to R.I. Gen. Laws § 21-28.6-16, cultivators are only allowed to grow at a single location and the license expires one (1) year after being issued. R.I. Gen. Laws § 21-28.6-16 provides in part as follows:

Licensed medical marijuana cultivators. (a) A licensed medical marijuana cultivator licensed under this section may acquire, possess, manufacture, cultivate, deliver, or transfer medical marijuana to licensed compassion centers, to another licensed medical marijuana cultivator. A licensed medical marijuana cultivator shall not be a primary caregiver cardholder registered with any qualifying patient(s) and shall not hold a cooperative cultivation license. Except as specifically provided to the contrary, all provisions of this chapter (the Edward O. Hawkins and Thomas C. Slater medical marijuana act), apply to a licensed medical marijuana cultivator unless they conflict with a provision contained in this section.

(i) Medical marijuana cultivators shall only be licensed to grow marijuana at a single location registered with the department of business regulation and the department of public safety. The department of business regulation may promulgate regulations governing where cultivators are allowed to grow. Medical marijuana cultivators must abide by all local ordinances, including zoning ordinances.

R.I. Gen. Laws § 21-28.6-9 provides in part as follows:

Enforcement. ***

(e) (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:

(i) 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.

Section 1.3(E) of the Department Regulation provides in part as follows:

1.3 E. Application for Cultivator License

1. DBR will evaluate applicants based upon the information provided by applicants on the application forms/submissions and otherwise obtained during the application process.

4. Pursuant to R.I. Gen. Laws § 21-28.6-16(i), cultivators shall only be licensed at a single location registered with DBR and RISP. ***

Section 1.3(F) of the Department Regulation provides in part as follows:

F. Prerequisites to Issuance of Cultivator License and Commencement of Operations

1.If an applicant seeking to operate as a licensed cultivator is notified that its application has been approved by DBR, it shall complete the below steps before a cultivator license will be issued.

3. Final Information and Documentation to be Supplied. The applicant must provide any updates to previously submitted application information and the following additional items to DBR:

a. A sufficient description of the final physical location of the cultivator premises (by plat and lot number, mailing address, etc.).

b. Evidence of complete compliance of the facility with the local zoning laws in the form of certificate or letter from an authorized zoning official of the municipality and certification by an authorized officer of the applicant as to compliance with any other applicable local ordinances.

d. A current Certificate of Occupancy (or equivalent document) to demonstrate compliance of the cultivator facility with the relevant provisions of R.I. Gen. Laws Chapters 23-28.1 and 23-27.3 [Fire Safety Code and State Building Code, respectively].

e. Evidence of either ownership of property or agreement by owner of property to allow the operation of a licensed cultivator on the property.

Section 1.3(H) of the Department Regulation provides in part as follows:

H. Variance Requests - Changes in Licensed Premises, Activities, Ownership and Control

1. A cultivator license shall not be assigned or otherwise transferred to other persons or locations, unless pre-approved in accordance with the below paragraphs.

3. The licensed cultivator must seek pre-approval from DBR by means of requesting a variance for all material changes to the approved cultivator application or any materials or plans approved thereafter by DBR. DBR may deny the variance if it determines that such variance will cause harm to public health and safety or cause the

applicant to be in violation of the Act or any regulations promulgated thereunder, or otherwise would have caused the licensee to not have qualified for licensure originally.

4. A licensed cultivator shall submit to DBR a written request for a variance for any proposed change described below at least sixty (60) calendar days prior to the proposed effective date of the change:

f. Proposed changes in the approved licensed cultivator premises;

While the Department Regulation was in effect at the time of the Respondent's Application and the issuance of the Order to Show Cause, § 1.10.5(D)(6) of 560-RICR-10-10-1 of the *Cannabis Establishment Applications, Licensing and Renewals Regulations* ("Cannabis Regulation") promulgated by the Commission and effective as of May 1, 2025 also requires that a cultivator applicant provide, "[e]vidence of property ownership or agreement by owner of property to allow the operation of a licensed cultivator on the property."

C. Arguments

The Cannabis Office moved for partial summary judgment in relation to paragraphs 34 through 54 of the Amended Order. It relied on documents obtained during the discovery conducted between the parties and from publicly available government agency websites. It also relied on affidavits as allowed for by Super. R. Civ. P. Rule 56(a).

The Cannabis Office argued that as to paragraphs 34 to 54 in the Amended Order to Show Cause, there is no genuine issue of material fact that is disputed between the parties since the Respondent lacks ownership, lease or rental of the Proposed Premises location. The Cannabis Office relied on *In the Matter of Hope Harvest, LLC*, DBR No. 22OCR001 (7/26/22) to argue the loss of an approved location as in *Hope Harvest* was fatal to that prospective licensee's application which is the same situation in this matter. It argued that because the facts of paragraphs 34-54 are undisputed, it is entitled a partial summary judgment as to these paragraphs.

D. Whether the Motion for Summary Judgment Should be Granted

Pinnacle no longer owns the Proposed Premises. In the Application, the Respondent was to lease the Proposes Premises from Pinnacle. No lease or rental agreement had ever been provided for the Proposed Premises either before or after the November 14, 2024 foreclosure sale. The Respondent no longer has control of the Proposed Premises.

Under the statute and the Department Regulation, cultivators may only grow at one location. Section 1.3(H)(4)(f) of the Department Regulation requires that a licensed cultivator must submit to the Department a written request for changes to approved licensed cultivator premises. The Respondent has not been licensed. The statute and Regulation require a premise for a licensed location. R.I. Gen. Laws § 21-28.6-16(i) and § 1.3(H)(4). No variance or change of location has been requested, and no variance has been granted in relation to the Proposed Premises.

The Respondent applied for a marijuana cultivator license. As discussed in *In the Matter of Hope Harvest, LLC*, a physical location is a prerequisite for the issuance of cultivator license. Thus, a cultivator license applicant cannot fulfil a condition of licensing if it lacks a physical location. The Respondent cannot fulfill a condition of licensing as it does not currently have a premise. Section 1.3(F) of the Department Regulation details the requirements that a physical premise must have that are a prerequisite for the issuance of a license. E.g. description of location, evidence of zoning compliance, certificate of occupancy. A requirement of being licensed as a cultivator is having physical location which complies with the zoning of the town/city where it is located. Indeed, a cultivator could not fulfill its licensed functions without a physical location. Without a location, the Respondent is not in compliance with the requirements for licensing. Section 1.3(F). It is undisputed the Respondent no longer has a premise. The Respondent cannot be licensed as it does not have a premise. *In the Matter of Hope Harvest, LLC*.

E. Conclusion

Based on the foregoing, there are no issues of material fact in dispute regarding the Respondent's lack of a physical location so that the Cannabis Office's Motion should be granted.

While the Motion only related to paragraphs 34 to 54 of the Amended Order to Show Cause, the Respondent's failure to comply with the condition of licensing by not having a physical location means the Respondent cannot comply with a condition licensing so that its Application for a marijuana cultivator license should be denied.

VII. FINDINGS OF FACT

1. On May 5, 2022, the Department issued the Order to Show Case to the Respondent.
2. On July 11, 2025, the Cannabis Office filed a motion for partial summary judgment to which the Respondent did not object.
3. The facts contained in Section V and VI are reincorporated by reference herein.

VIII. CONCLUSIONS OF LAW

Based on the testimony and facts presented:

1. The Commission has jurisdiction over this matter pursuant to R.I. Gen. Laws § 21-28.6-1 *et seq.*, R.I. Gen. Laws § 21-28.11-1 *et seq.*, R.I. Gen. Laws § 42-35-1 *et seq.*, and the Regulation.
2. Pursuant to R.I. Gen. Laws § 21-28.6-1 *et seq.* and the Department Regulation (and its successor regulation), a licensed cultivator requires a physical location. The Respondent failed to comply with that statutory and regulatory licensing requirement.

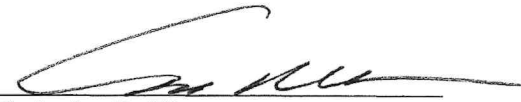
IX. RECOMMENDATION

Based on the foregoing, there are no issues of material fact in dispute regarding the Respondent's lack of a physical location so that the Cannabis Office's Motion is granted.

Pursuant to R.I. Gen. Laws § 21-28.6-1 *et seq.*, and the Department Regulation (and its successor regulation), the Respondent cannot comply with a condition of licensing without a physical location.

While the Motion only related to paragraphs 34 to 54 of the Amended Order to Show Cause, the Respondent's failure to comply with the condition of licensing by not having a physical location means the Respondent cannot comply with a condition licensing so that its Application for a marijuana cultivator license is denied.

Dated: August 4, 2025

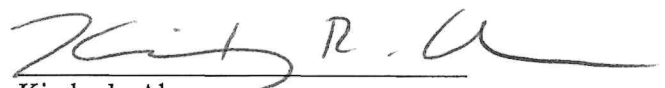

Catherine R. Warren
Presiding Officer

FINAL ORDER

I have read the Hearing Officer's Recommended Order in this matter, and I hereby take the following action with regard to the Recommendation:

X ADOPT
 REJECT
 MODIFY

Dated: 8/7/25

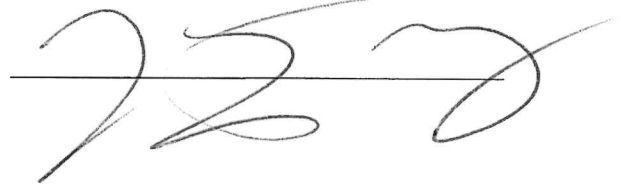

Kimberly Ahern
Chairperson for Commission

NOTICE OF APPELLATE RIGHTS

THIS DECISION CONSTITUTES A FINAL ORDER OF THE CANNABIS CONTROL COMMISSION PURSUANT TO R.I. GEN. LAWS § 42-35-12. PURSUANT TO R.I. GEN. LAWS § 42-35-15, THIS ORDER MAY BE APPEALED TO THE SUPERIOR COURT SITTING IN AND FOR THE COUNTY OF PROVIDENCE WITHIN THIRTY (30) DAYS OF THE MAILING DATE OF THIS DECISION. SUCH APPEAL, IF TAKEN, MUST BE COMPLETED BY FILING A PETITION FOR REVIEW IN SUPERIOR COURT. THE FILING OF THE COMPLAINT DOES NOT ITSELF STAY ENFORCEMENT OF THIS ORDER. THE AGENCY MAY GRANT, OR THE REVIEWING COURT MAY ORDER, A STAY UPON THE APPROPRIATE TERMS.

CERTIFICATION

I hereby certify on this 7th day of August, 2025 that a copy of the within Decision and Notice of Appellate Rights was sent by first class mail, postage prepaid and by electronic mail to the following: Daniel P. McKiernan, Esquire, 9 Thurber Blvd., Suite D, Smithfield, R.I. 02917 dmckiernan@rilawcpa.com and by electronic delivery to the following: Harold Panciera at HTPMGT@gmail, Erica Ferrilli, Chief Cannabis Office, at erica.ferelli@ccc.ri.gov, Michelle Reddish, CO Administrator, at michelle.reddish@ccc.ri.gov, Suzannah Skolnik, Esquire at Suzannah.F.Skolnik@ccc.ri.gov, and Sara Tindall-Woodman, Esquire, at Sara.K.TindallWoodman@dbr.ri.gov.

A handwritten signature in dark ink, appearing to be 'JZD', is written over a horizontal line.