

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

IN THE MATTER OF:)
)
DONOVAN OBAIR, LLC)
d/b/a LOUD,)
Respondent.)

CCC No.: 25-0023

CONSENT AGREEMENT

Reference is made to the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, R.I. Gen. Laws § 21-28.6-1 *et seq.* (the “Medical Marijuana Act”) and the Rhode Island Cannabis Act, R.I. Gen. Laws § 21-28.11-1 *et seq.* (the “Cannabis Act”) (together, the “Acts”), and the Rules and Regulations promulgated thereunder, RICR Title 560 Chapter 10 (the “Regulations”). The Cannabis Office and Donovan Obair, LLC d/b/a LOUD, a domestic limited liability company (“Respondent”), hereby consent and agree as follows:

1. On or about June 27, 2019, Respondent was issued a medical marijuana cultivator license, # CV 0112 (the “Medical Marijuana Cultivator License”), for the cultivation and wholesale of medical marijuana at a licensed cultivation facility located in Warwick, Rhode Island (“the Premises”). Thereafter, Respondent’s Medical Marijuana Cultivator License was renewed annually, most recently on August 26, 2024.

2. Beginning in September 2022, the Office of Cannabis Regulation (“OCR”)¹ issued guidance regarding the requirement that all licensees commence utilizing Metrc, the State’s approved seed-to-sale tracking system, no later than December 1, 2022. Thereafter, licensees were required to utilize and maintain Metrc-issued RFID plant and product tags on all cannabis plants and products in order to ensure accurate tracking and compliant records of plant and product inventory.

¹ On May 1, 2025, all powers, duties and responsibilities of the Department of Business Regulation (the “Department”) and the Office of Cannabis Regulation (“OCR”) with respect to enforcement of the Acts transferred to the Cannabis Control Commission and the Cannabis Office. R.I. Gen. Laws § 21-28.11-10.1. 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).

3. On March 5, 2024, OCR and Respondent entered into a Deficiency Correction Agreement, which identified the following violations of the Acts and Regulations by Respondent:

- Sixteen (16) samples were taken from Respondent's Premises that exceeded the 28g daily possession limit;
- Seven (7) samples were taken from Respondent's Premises prior to passing laboratory testing.

Pursuant to the terms of the Deficiency Correction Agreement, Respondent agreed to take "all actions necessary to cure the above-cited violations" within ten (10) days, and paid an administrative penalty in the amount of \$11,500.

4. On July 24, 2025, the Cannabis Office conducted an inspection of Respondent's Premises, as well as Unit 3, an adjacent unit that is not currently included in the licensed Premises, pursuant to R.I. Gen. Laws § 21-28.11-18(c).²

5. During the inspection of Unit 3, Inspectors from the Cannabis Office (the "Inspectors") observed LOUD packaging and labeling materials, LOUD employee lockers, and a breakroom for LOUD employees. Inspectors observed that there were no security cameras in Unit 3.

6. During the inspection of Unit 3, the Inspectors further observed the following cannabis products, which Respondent stated were samples:

- a. Twenty-eight (28) grams of cannabis in a clear sandwich bag, which were not tagged and which therefore could not be tracked in Metrc at the time of the inspection.
- b. Ten (10) packages of cannabis gummies, which were not properly recorded in Metrc at the time of inspection, in a locker labeled with the name "Mike."

Applicable Law

7. Pursuant to § 21-28.11-18(a)(1) of the Cannabis Act, "Notwithstanding 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;

² The Cannabis Office was granted access to Unit 3 by Michael Kasabian, an employee of Respondent.

- (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.”
8. Pursuant to 560-RICR-10-05-1.5(C)(4)(b), “If any licensed cannabis establishment or any key person or employee thereof is found to have cannabis plants or cannabis material which are not tracked in accordance with these regulations, the Commission shall impose an administrative penalty in accordance with these regulations on the licensed cannabis establishment or any other person or entity for each untagged cannabis plant or unit of untracked cannabis material.”
9. Pursuant to 560-RICR-10-10-2.9(A), “Upon direction by the Commission and in accordance with R.I. Gen. Laws §§ 21-28.11-5(b)(12), 21-28.6-12(g)(3), and 21-28.6-16(d) each licensed cannabis establishment shall be required to utilize the state approved cannabis seed-to-sale tracking system to document and monitor compliance with the Cannabis Act, the Medical Marijuana Act and all regulations promulgated thereunder. Applicable licensees may be required to pay costs associated with use of the cannabis seed-to-sale tracking system which may be assessed on an annual, monthly, per use, or per volume basis and payable to the state or to its approved vendor.”
10. Pursuant to 560-RICR-10-10-2.9(B), “All information related to the acquisition, propagation, cultivation, transfer, manufacturing, processing, testing, storage, destruction, wholesale and/or retail sale of all cannabis plants and inventory possessed by licensees and/or distributed at retail to consumers in accordance with the Cannabis Act, the Medical Marijuana Act and these regulations must be kept up to date in the cannabis seed-to-sale tracking system, including but not limited to:
- 1. At least one owner and one compliance manager identified as administrators of the licensee’s system;
 - 2. Employee access to the system and permission levels;
 - 3. All areas in which cannabis will be cultivated, stored, processed, manufactured, dispensed, and/or sold;
 - 4. Planting and propagation of plants;
 - 5. Transition of immature to mature plants;
 - 6. Harvest dates with yield documentation;
 - 7. Destructions of immature plants, mature plants and cannabis products;

8. Transportation of immature plants, mature plants, and cannabis products;
9. Remediation of cannabis and cannabis products;
10. Theft of immature plants, mature plants, cannabis and cannabis products;
11. Adjustment of product quantities and/or weights;
12. Samples, including but not limited to quality control and trade samples;
13. Conversion of product types including waste documentation;
14. Required test results as reported by a licensed cannabis testing laboratory;
15. Retail and wholesale transaction data;
16. A complete inventory, including but not limited to:
 - a. Batches or lots of cannabis;
 - b. Batches or lots of concentrates;
 - c. Batches or lots of extracts;
 - d. Batches or lots of cannabis infused products;
 - e. Immature plants;
 - f. Mature plants; and
 - g. Cannabis waste;
17. Product compliance data; and
18. Any other information or technical functions the Commission deems appropriate.”

11. Pursuant to 560-RICR-10-10-2.9, “All cannabis inventory, including but not limited to immature plants, seeds, cannabis, cannabis derivatives, cannabis currently being processed, cannabis products and waste must be tagged with the following information unless otherwise approved by the Commission:

1. The licensee’s license number and tradename/business name;
2. The unique identifier generated by the cannabis seed-to-sale tracking system;
3. Strain name, if applicable;
4. Product name;
5. Product type;
6. The quantity of the product; and
7. Any other information or technical functions the Commission deems appropriate.”

12. Pursuant to 560-RICR-10-10-2.10(E):

1. Licensees shall utilize the cannabis seed-to-sale tracking system to dispense cannabis for quality control sampling purposes so long as the quality control sample:
 - a. Is dispensed only to an employee of the licensed cannabis establishment with an active and valid commercial card.
 - b. Is from a batch in which the cannabis product is in its final form and the cannabis seed-to-sale tracking system has been updated to reflect passing enforced compliance test results by a licensed testing facility in accordance with RIDOH Testing Regulations, 216-RICR-60-05-6.
2. No cannabis establishment shall dispense quality control samples to any individual commercial cardholder of the licensed cannabis establishment in excess of one (1) ounce of dried cannabis or its equivalent per month.

3. No individual commercial cardholder shall be dispensed an amount of cannabis in the form of quality control samples or trade samples which combined totals more than one (1) ounce of dried cannabis or its equivalent.

4. No cannabis establishment shall dispense quality control samples of cannabis that total more than one (1) ounce of dried cannabis or its equivalent per day.

13. Pursuant to 560-RICR-10-10-2.13(E), "Camera coverage is required for all areas where cannabis and cannabis products are grown, cultivated, stored, weighed, packaged, processed, manufactured or sold, including all areas of ingress and egress thereto, point of sale areas, security rooms (as defined below), all points of ingress and egress to the exterior of the licensed cannabis establishment, and any computer or other points of access to the cannabis seed-to-sale tracking system."

Terms and Conditions

14. Based upon the foregoing, it is the Cannabis Office's position that Respondent has violated the Acts and Regulations by failing to comply with the inventory track and trace requirements, and by failing to comply with the quality control sample requirements.

15. In an effort to reach a timely and amicable resolution of the issues raised in this Consent Agreement 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 the issues set forth in Paragraphs 5-6 above, subject to satisfaction of the following terms and conditions set forth in this Paragraph.

a. Respondent acknowledges and agrees that if the Cannabis Office presented its factual allegations as set forth in this Consent Agreement at a hearing on the matter without proof to the contrary, the Cannabis Office would have demonstrated sufficient evidence to overcome its burden of proof to demonstrate a violation of the Acts and/or Regulations governing medical and adult use cannabis.

b. Respondent agrees that from and after the date hereof, all cannabis materials and products cultivated and located at and/or sold or transferred from the Premises will be properly tagged, tracked and recorded in Metrc, in compliance with the Regulations, including 560-RICR-10-10-2.9.

c. Respondent agrees that from and after the date hereof, all quality control samples will be properly tracked and recorded in Metrc, in compliance with the Regulations, including 560-RICR-10-10-2.9 and 560-RICR-10-10-2.10(E).

d. No later than November 1, 2025, Respondent shall develop or update Standard Operating Procedures regarding Quality Control Sampling in compliance with Rhode

Island Metrc Guidance and 560-RICR-10-10-2.10(E). See “CCC Metrc Guidance,” available at <https://ccc.ri.gov/cannabis-office/bulletins-and-guidance> (amended September 2, 2025).

e. Within thirty (30) days of execution of this Consent Agreement, Respondent shall submit a variance for a floor plan change via the Cannabis Licensing Portal to reflect that Unit 3 shall henceforth be included in Respondent’s licensed Premises and shall be subject to inspection by the Cannabis Office pursuant to R.I. Gen. Laws § 21-28.11-18(c). Within thirty (30) days of execution of this Consent Agreement, Respondent shall install security cameras in Unit 3 in accordance with the requirements enumerated at 560-RICR-10-10-2.13(D) (“Video Surveillance Requirements”) and 2.13(E) (“Placement of Cameras and Required Camera Coverage”).

f. Pursuant to R.I. Gen. Laws § 21-28.11-18(a)(1) and 560-RICR-10-05-1.5(C)(4)(b), Respondent shall remit to the Cannabis Office an administrative penalty in the amount of eight hundred dollars (\$800) payable to “General Treasurer, State of Rhode Island,” upon execution of this Consent Agreement.

16. 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.

17. *Final Determination.* The parties agree that this Consent Agreement and its terms represent the final determination of this matter.

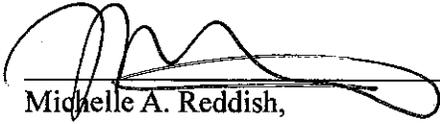
18. *Waiver of Hearing and Appeal.* By agreeing to resolve this matter through the execution of this Consent Agreement, Respondent knowingly and voluntarily waives any right to an administrative hearing and waives any right to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1, *et seq.*

19. *Enforcement.* If Respondent fails to comply with any term or condition of this Consent Agreement within any applicable time period set forth herein, 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.

20. *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 Office or any other governmental agency.

[SIGNATURES ON NEXT PAGE]

For the Cannabis Office:



Michelle A. Reddish,
Administrator

Date: 10/20/2025

For Respondent:

DocuSigned by:
Peter Kasabian
A6D81C81EDBB42B

Signature

Peter Kasabian

Printed name

President

Title

Date: 10/7/2025