

STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
OFFICE OF CANNABIS REGULATION
560 JEFFERSON BLVD., SUITE 204
WARWICK, RHODE ISLAND 02886

IN THE MATTER OF:

GREEN ROOM ORGANICS, LLC,

RESPONDENT.

DBR No. 21OCR004

CONSENT AGREEMENT

Reference is made to the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, Rhode Island General Laws § 21-28.6-1 *et seq.*, as amended by Rhode Island Public Laws 2019, ch. 088, Article 15 (as so amended, the "Act") and Rules and Regulations Related to the Medical Marijuana Program Administered by the Office of Cannabis Regulation at the Department of Business Regulation, 230-RICR-80-5-1 *et seq.* (the "Regulations"). The Department of Business Regulation through its Office of Cannabis Regulation (the "Department" or "OCR") and Green Room Organics, LLC, a Rhode Island limited liability company ("Respondent"), hereby consent and agree that:

1. On January 24, 2017, Respondent submitted its medical marijuana cultivator application, Application No. MMP CV 0022 ("Application"), with respect to a proposed medical marijuana facility to be located in Westerly, Rhode Island (the "Facility" or the "Premises").
2. On or about April 20, 2018, the Department issued a preliminary conditional approval letter (the "Conditional Approval") with respect to the Application subject to satisfaction of the terms and prerequisites for licensure ("Prerequisites") stated therein within nine (9) months of the Department's preliminary inspection (*i.e.*, on or before January 20, 2019).
3. On or about January 4, 2019, Respondent submitted its first extension request seeking an extended deadline of October 4, 2019.
4. On January 28, 2019, the Department granted a first extension of the Conditional Approval until August 30, 2019 to satisfy the Prerequisites.
5. On or about September 5, 2019, Respondent submitted its second extension request seeking an extended deadline of March 31, 2020.
6. On September 13, 2019, the Department granted a second extension of the Conditional Approval until March 31, 2020 to satisfy the Prerequisites.

7. On or about April 27, 2020, Respondent submitted its third extension request seeking an extended deadline of August 31, 2020.
8. On May 12, 2020, the Department granted a third extension of the Conditional Approval until August 31, 2020 to satisfy the Prerequisites.
9. On or about August 24, 2020, Respondent submitted its fourth extension request seeking an extended deadline of December 18, 2020.
10. October 3, 2020, the Department, via issuance of a letter noting "Final Extension," granted a fourth extension of the Conditional Approval until December 1, 2020 to satisfy the Prerequisites.
11. On October 21, 2020, the Department issued an updated letter with respect to the fourth extension reflecting the Prerequisites that had been satisfied and the prerequisites that remain unsatisfied.
12. Respondent did not meet the December 1, 2020 deadline to satisfy the Prerequisites.
13. On or about January 30, 2021, the Department communicated via telephone with Respondent's then-counsel with a discussion focused on Respondent's potential ability to obtain licensure by entering into the Department's proposed consent agreement.
14. On or about January 30, 2021, the Department sent its proposed consent agreement to Respondent's then-counsel via e-mail.
15. For several months thereafter, the parties communicated but Respondent declined to enter into a consent agreement.
16. On July 22, 2021, after the Department receiving no communication from Respondent's agents since March 2021, Respondent's CEO sent the Department an e-mail requesting a conference call or virtual meeting between Respondent and the Department.
17. On August 16, 2021, representatives of the Department met virtually with Respondent and Respondent's newly-retained counsel.
18. During the August 16, 2021 meeting, the Department expressed significant concerns surrounding the status of Respondent's pending cultivation application and noted several items which would need to be addressed by Respondent.
19. As of the date hereof, Respondent has failed to complete the outstanding Prerequisites in accordance with the terms of the Conditional Approval.
20. Based upon the foregoing, the Department believes it has sufficient cause to pursue administrative action in the form of rescission of Respondent's Conditional Approval of the Application in accordance with *Rules and Regulations Related to the Medical Marijuana*

Program Administered by the Office of Cannabis Regulation at the Department of Business Regulation ("Regulations") § 1.3(C)(1), as Respondent has failed to timely satisfy the prerequisites for licensure and issuance of a medical marijuana cultivator license (the "License") pursuant to the requirements detailed in the Regulation, § 1.3(F) and as further outlined in the Conditional Approval.

21. Respondent represents to the Department that it has encountered unforeseen delays in completing and satisfying the prerequisites for licensure and has proposed that the Department afford Respondent one last opportunity to complete the requirements for issuance of the License.
22. In an effort to affect a timely and amicable resolution of the issues raised in this Consent Agreement without an administrative hearing, the Department 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 Department agrees to abstain from pursuing rescission of its Conditional Approval and affording Respondent one fifth and final extension to satisfy all prerequisites for issuance of the License, and subject to satisfaction of the following terms and conditions as set forth in this ¶ 23:
 - a) Respondent affirms, agrees and represents that in connection with this Consent Agreement it is solely responsible for obtaining all Town of Westerly planning/zoning/fire/building and other state and local permits and approvals with respect to the Facility and operation thereof and satisfying all terms and conditions set forth therein to the satisfaction of the applicable issuing authority by the deadline set forth in ¶ 23(g) below (the "Permits and Approvals") and that any delay in Respondent's obtaining the Permits and Approvals will not be acceptable grounds for extension of any deadlines as set forth in this Consent Agreement;
 - b) Respondent will provide to the Department, specifically Peter Squatrito (Peter.Squatrito@dbr.ri.gov), OCR Inspector, and Erica Ferrelli (Erica.Ferrelli@dbr.ri.gov), OCR Principal Economic & Analyst, on or before last business day of each week, an update of the list described below in ¶ 23(c)(i) together with copies of any and all correspondence between Respondent or any third-party working on Respondent's behalf, and the Town of Westerly until the Department issues Respondent its License but in no event any later than **December 31, 2021**;
 - c) **Concurrently with the execution of this Consent Agreement**, Respondent will provide to OCR the following:
 - i. A written list detailing all completed and pending Facility construction and improvements and all finally issued and pending Permits and Approvals and the status of same (including deadlines and timetables), and
 - ii. A list of names, addresses and dates of birth of all persons who will be employees or agents of the Respondent as a licensed cultivator at inception;

- a. This list shall also identify the name and qualifications of Respondent's appointed compliance officer who shall be an on-site employee of Respondent.
 - iii. An administrative penalty in the amount of five thousand dollars (\$5,000.00) by a check or money order made payable to the "Rhode Island General Treasurer;"
 - iv. An updated Form 2, and corporate documents, confirming the LLC member/manager divestitures and changes that Respondent recently informed OCR have occurred; and
 - v. Documentation evidencing Respondent's appointment of a Compliance Officer satisfactory to the Department. The Compliance Officer shall be available at the licensed premises during all Department inspections.
- d) In connection with ¶ 23(e) of this Consent Agreement, the annual cultivator licensing fee of \$35,000 pursuant to § 1.3(F)(2) of the Regulations shall be paid on or before **December 31, 2021**.
- e) Respondent shall diligently pursue and complete all construction and improvements at the Facility and satisfy all prerequisites for issuance of the License pursuant to § 1.3(F) of the Regulations no later than **December 31, 2021** specifically including but not limited to the following:
- i. Any and all construction and improvements in the list and monthly updates to same delivered by the Respondent to the Department described in ¶ 23(b) and 23(c)(1) hereof;
 - ii. Installation and successful operation of Respondent's video surveillance system and remote access to its continuous live feed to OCR pursuant to § 1.6.5(D) of the Regulations;
 - iii. Divestiture of any prohibited material financial interests or control, including relinquishment of any caregiver registrations or cooperative cultivation licenses;
 - iv. National criminal background checks completed for all officers and directors (or managers/members for an LLC), employees and agents and issuance of the registry identification cards pursuant to § 1.4 of the Regulations;
 - v. Delivery to OCR of copies of all final Permits and Approvals including a Certificate of Occupancy, together with a letter or other satisfactory written confirmation from each applicable issuing authority that all terms and conditions set forth therein have been satisfied.
- f) The OCR Pre-License Inspection pursuant to § 1.3(F)(4) of the Regulations will occur on or before **December 31, 2021**.

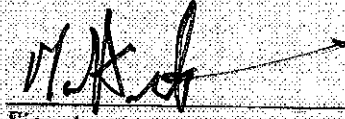
- g) Respondent acknowledges, understands and agrees that OCR will not issue any further extensions of time to Respondent for the completion of any pre-requisites for issuance of the License beyond the date of **December 31, 2021**.
23. The parties agree that this Consent Agreement and its terms represent the final determination of this matter.
24. *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.*
25. *Enforcement.* If the 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 Department shall be entitled to immediately take enforcement or other action in accordance with applicable law.
26. *Compliance Laws.* Compliance with the terms of this Consent Agreement does not relieve the Respondent of any obligation to comply with other applicable laws or regulations administered by or through the Department or any other governmental agency.

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Signature Page

For the Department:

Respondent

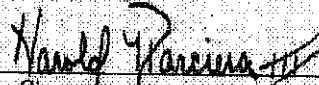


Signature

Name: Matthew Santacrose

Title: Chief, OCR

Date: 10/19/21



Signature

Name: Harold T. Panicker III

Title: CEO/manager

Date: 10/7/21



Signature

Date: 10/7/21

Counsel for the Respondent

Richard Nicholson
Nicholson & Assoc, LLC
9 Thurber Blvd, Suite D
Smithfield, RI 02917