

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

\_\_\_\_\_  
IN THE MATTER OF  
  
MIVE, LLC,  
RESPONDENT.  
\_\_\_\_\_

DBR No.: 23OCR003

**CONSENT AGREEMENT**

Reference is made to the Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, Rhode Island General Laws § 21-28.6 *et seq.* (the "Act") and Rule 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 *et seq.* (the "Regulations"). The Department of Business Regulation, Office of Cannabis Regulation ("Department") and Mive, LLC, a Rhode Island limited liability company ("Respondent"), hereby consent and agree that:

1. The Respondent was licensed as a Medical Cultivator (Class Micro) No. CV 0062 ("License"), which was originally issued February 21, 2018, for the cultivation facility located in Warwick, Rhode Island ("Facility").
2. Thereafter, the Respondent submitted an annual renewal application, and the license was renewed in 2019, 2020, 2021 and most recently in 2022 for the period from February 21, 2022, through February 21, 2023.
3. The Respondent did not submit a renewal application to the Department prior to the expiration of the License on February 21, 2023.
4. After Respondent failed to submit a renewal application and the License expired, on March 30, 2023, OCR inspectors conducted an inspection of Respondent's licensed premises to assess the status of Respondent's cultivation.
5. On March 30, 2023, there existed no evidence of current or recent cultivation of any cannabis plants and no inventory or packaged cannabis product were present at the premises.

6. On March 30, 2023, more than 30 days after Respondent's renewal expired and while OCR inspectors were at the premises, Respondent gave one of the inspectors a check in the amount of [REDACTED] Dollars (\$ [REDACTED]) indicating that it was for Respondent's renewal.
7. Later in the day on March 30, 2023, the Department received an email submission including a Renewal Application, a copy of a visitor log and photos of registry identification cards for Norberto Daluz, Respondent's disclosed officer and owner, and Steven Daluz, Respondent's sole employee.
8. The visitor log submitted by Respondent with the Renewal Application was not only untimely, but it was incomplete and deficient in a number of respects, including, without limitation, that the visitor log did not include dates of visits, the name of the escorting registry card holder, or indication that a photocopy of a government issued ID was taken for first time visitors; and it did not include registry identification card renewal applications for the owner/officer and employee whose registry ID cards had expired on March 10, 2022.
9. Respondent's 2023 Renewal Application was due on or before February 21, 2023. Respondent's incomplete and deficient Renewal Application was dated March 10, 2023, but it was not submitted to the Department until March 30, 2023, over a month after the License had expired.
10. The registry identification cards for Norberto Daluz and Steven Daluz expired on March 10, 2022. To date, no registry identification card renewal applications, or associated fees, for either individual have been received by the Department.
11. As of the date of this Consent Agreement, Respondent does not have any owners, officers, or employees with active registry identification cards.
12. No cannabis cultivation or processing activities have occurred at Respondent's licensed premises during 2022 or 2023. During that period of time, well over a year, Respondent had never submitted to the Department a request for discontinuance as required under the Regulations.
13. No sales were made by Respondent to any licensed compassion center during 2022 or 2023.
14. Beginning in September 2022, the Department issued guidance regarding the requirement that licensees need to be credentialed in Metrc, the Department's new cannabis seed-to-sale track and trace system, in order to transfer cannabis and cannabis products and to make sales compliantly.
15. All licensees were notified by the Department and by Metrc, through a series of emailed bulletins, that they were required to be credentialed in the Metrc system for inventory no later than December 1, 2022, in order to continue compliant cultivation, transfer, and sales of cannabis and cannabis products.

16. All licensees were required to transfer all inventory information into Metrc by no later than December 1, 2022.
17. The Department allowed an additional grace period for licensees to complete their Metrc registration and integration with a final December 15, 2022, deadline to enter all inventory into Metrc.
18. As of May 15, 2023, Respondent had not submitted a required Metrc registration and is therefore not credentialed in Metrc and has not made any sales to a compassion center in 2022 or 2023.
19. As of May 15, 2023, Respondent had not made payment to Metrc during the five-month period since Metrc became operational in Rhode Island and, as a result, if Respondent now sought to obtain Metrc credentials it would be locked out of the system for nonpayment.
20. On Page 6 of the Renewal Application, under a section entitled, "General Instructions," applicants are advised as follows: "Failure to timely submit a Renewal Application with all of the mandatory questions completed may result in the expiration and/or revocation of your license."
21. On Page 8 of Respondent's purported 2023 Renewal application, which was signed and dated by Mr. Daluz, Sr., Respondent acknowledged and attested to the following: "Upon direction by the Department of Business Regulation, all licensed cultivators shall be required to use the state approved Medical Marijuana Program Tracking System (as defined and described in the Regulations). Licensed cultivators 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 or to its approved vendor. I understand that I will be required to use the state approved Medical Marijuana Tracking System in accordance with the Regulations and that access to and use of this system may come at an additional expense."
22. On May 17, 2023, the Department issued Respondent an *Order to Show Cause Why Notice of Non-Renewal and License Expiration Should Not be Affirmed, Notice of Hearing and Appointment of Hearing Officer* ("Order").
23. On June 7, 2023, a pre-hearing conference was held between the Department and Respondent's counsel to address the allegations outlined in the Order.
24. Pursuant to Section 21-28.6-2 of The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, R.I.G.L. 21-28.6-1 et seq. (the "Act"), "[i]t is in the state's interests of public safety, public welfare, and the integrity of the medical marijuana program to ensure that the possession and cultivation of marijuana for the sole purpose of medical use for alleviating symptoms caused by debilitating medical conditions is adequately regulated" and "[t]he goal of the medical marijuana program is to create a system that is transparent, safe, and responsive to the needs of patients. Consequently, the medical marijuana program

requires regulation and a comprehensive regulatory structure that allows for oversight over all suppliers of medical marijuana while ensuring both safety and patient access.”

25. Pursuant to Section 21-28.6-16(c) of the Act, “[a] licensed medical marijuana cultivator license issued by the department of business regulation shall expire one year after it was issued and the licensed medical marijuana cultivator may apply for renewal with the department in accordance with its regulations pertaining to licensed medical marijuana cultivators.”
26. Pursuant to Section 1.3(C)(2) 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 et seq. (the “Regulations”), “[o]nce the license has been issued, the licensed cultivator must take reasonable and documented efforts to launch cultivator activities, which for purposes of this paragraph shall mean actual medical marijuana cultivation, processing, packaging, manufacturing, and/or other medical marijuana activities requiring a cultivator license pursuant to the Act. If such efforts take longer than six (6) months, the licensed cultivator must show good cause to DBR why the license should be revoked for nonuse.”
27. Pursuant to Section 1.3(I) of the Regulations, “[t]he license shall be void and returned to DBR if the cultivator discontinues its operation, unless the discontinuance is on a temporary basis and approved by DBR.”
28. Pursuant to Section 1.3(J)(1)-(4) of the Regulations, “[c]ultivator licenses shall be issued for one-year terms,” “[a]nnual renewals shall be submitted on such forms and include such information as prescribed by DBR,” “[a]n annual inspection shall be part of the annual renewal process,” and “[a] licensed cultivator must submit to DBR an annual license fee....”
29. Pursuant to Section 1.4(A) of the Regulations, “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.”
30. Pursuant to Section 1.4(E) of the Regulations, “[r]egistry identification cards shall expire one year after issuance,” “[r]enewal applications shall be on such forms and through such submission mechanisms as directed by DBR,” “[r]enewal applications must be received by DBR prior to the expiration of the registry identification card,” and “[a]ny renewal of a registry identification card shall be subject to the same provisions and requirements covering issuance and denial of any card as originally issued.”
31. 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 or to its approved vendor.”

32. 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. Destructions 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;
  - b. Batches or lots of concentrates;
  - c. Batches or lots of extracts;
  - d. Batches or lots of marijuana infused products;
  - e. Immature plants;
  - f. Mature plants;
  - g. Marijuana waste; and
13. Any other information or technical functions DBR deems appropriate.”

33. 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.”

34. Pursuant to Section 1.6.5(H)(1)(d) of the Regulations, licensees must maintain “[v]isitor logs which shall include the name of each visitor, a photocopy of the visitor’s government issued ID upon first visit, the date and time of the beginning and end of the visit, the reason for the visit (i.e. maintenance, authorized pickup, etc.), and the name of the escorting registry identification cardholder.”

35. Based on the totality of the foregoing, the Department believes it has sufficient cause to pursue administrative action against the Respondent in accordance with Section 21-28.6-2 of The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, R.I.G.L. §21-

28.6-1 et seq. (the "Act"), and 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 (the "MMP Regulations"), §§1.3(C)(2), 1.3(I), 1.3(J)(1)-(4), 1.4(A), 1.4(E), 1.6.1(A), 1.6.1(B), 1.6.4(C), and 1.6.5(H)(1)(d).

36. In an effort to affect a timely and amicable resolution of the issues raised in this Consent Agreement and 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. The Parties agree that upon their execution hereof, the Respondent's Appeal of the Department's Notice of Non-renewal and License Expiration will be withdrawn, the expired License shall be null and void, and the Department will not pursue further enforcement action in connection with the facts described in Paragraphs 3-23.
37. The Parties agree that this Consent Agreement and its terms represent the final determination of this matter.
38. This Consent Agreement shall not prohibit Mive LLC's Form 2 interest holders from submitting applications in any future cannabis license application periods that may hereafter be noticed. OCR review of any such applications will be conducted in accordance with applicable statutes and regulations.
39. *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, Rhode Island General Laws §42-35-1, *et seq.*
40. *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.
41. *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:

Erica Ferelli  
Signature

Date: 8-2-2023

Erica Ferelli  
Chief, Office of Cannabis Regulation  
Date: 8-2-2023

Respondent Mive, LLC

Norberto Daluz  
Signature

Date: 7-29-23

Norberto Daluz,  
Owner

Respondent's Counsel:

Lisa S. Holley  
Signature  
Date: 7-29-23

Lisa Holley, Esq.