

**STATE OF RHODE ISLAND  
DEPARTMENT OF BUSINESS REGULATION  
JOHN O. PASTORE CENTER, BLDG. 68-1  
1511 PONTIAC AVENUE  
CRANSTON, RHODE ISLAND 02920**

IN THE MATTER OF	:	
	:	
DONOVAN OBAIR, LLC,	:	DBR No. 20MM006
	:	
RESPONDENT.	:	
	:	

**CONSENT AGREEMENT**

The Department of Business Regulation (“Department”), Office of Cannabis Regulation (“OCR”) and Donovan Obair, LLC, a Rhode Island limited liability company (“Respondent”), hereby consent and agree that:

1. Respondent submitted its medical marijuana cultivator application, Application No. MMP CV 0112 (“Application”), on April 28, 2017 and on January 5, 2018, OCR issued to the Applicant a conditional approval letter (“Conditional Approval Letter 1”), which was issued for the location at [REDACTED] (“Facility Location 1”).
2. On or about October 16, 2018, the Applicant requested an extension because of the necessity for a special use permit for Facility location 1; that request for an extension was not granted.
3. On May 28, 2019, Respondent notified OCR that it had secured a new location of [REDACTED] and as a result, on June 25, 2019, OCR issued its second conditional approval letter for Respondent (“Conditional Approval Letter 2”) for the facility location at [REDACTED] (“Facility Location 2”).
4. On February 28, 2020, the Respondent sent OCR a request for the Application’s third facility location at [REDACTED] (“Proposed Facility Location 3”), in response to which OCR sent Respondent a letter on March 12, 2020, rescinding its Application approval and providing it notice of its right to an administrative hearing.
5. On March 19, 2020, Respondent’s Counsel provided OCR with supplemental information and requested an administrative hearing.
6. On April 14, 2020 the Department issued an Order to Show Cause (“Order”) to the Respondent, detailing the Department’s position that the Respondent failed to take reasonable efforts to complete the prerequisites for issuance of its medical marijuana cultivator license (“License”) under pursuant to 230-RICR-80-5-1, *Rules and Regulations*

*Related to the Medical Marijuana Program Administered by the Department of Business Regulation* (“MMP Rules”)<sup>1</sup> § 1.5(B)(2), including the essential facility and location specifications required by MMP Rules § 1.5(E), in the time allotted Respondent after the collective issuance of all of the Conditional Approval Letters and requiring rescission of the Application’s conditional approval.

7. It is the Respondent’s position that it has sufficiently demonstrated the good cause required for requesting an extension for completion of the license prerequisites under MMP Rules § 1.5(B)(2) and maintains its position that its modified request for Proposed Facility Location 3, involving an ownership change as to Respondent and its corresponding change to a new location at [REDACTED] (“amended Proposed Facility Location 3”) be approved.
8. Based on the FOREGOING, the Department believes it has sufficient cause to pursue administrative action against the Respondent in accordance with R.I. Gen. Laws § 21-28.6-9, MMP Rules §§ 1.5(B)(2) and (E), the *Rules of Procedure for Administrative Hearings*, 230-RICR-10-00-2, Section 2.4(B) and the Administrative Procedures Act § 42-35-1 *et seq.*
9. 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. The Department agrees to approve the Respondent’s change of ownership and final extension request for amended Proposed Facility Location 3, and abstain from pursuing rescission as outlined in the Order and to issue a medical marijuana cultivator license to Respondent with respect to amended Proposed Facility Location 3 (the “License”) upon the satisfaction of the following terms and conditions:
  - a) Concurrently with the execution of this Consent Agreement, Respondent will provide all items on the conditional approval letter relating to the amended Proposed Facility 3.
  - b) In connection with ¶9(a) of this Consent Agreement, the annual cultivator licensing fee pursuant to MMP Rules § 1.3(F)(2) shall be paid on or before **August 21, 2020**.
  - c) Concurrently with the execution of this Consent Agreement, Respondent will provide all documents on the Department’s *Change Request Checklist*, including but not limited to the *Change of Ownership* form and corporate documents and disclosures regarding both Donovan Obair, LLC and the new interest holder, Loud, LLC.
  - d) Concurrently with the issuance of the License, the non-residential medical marijuana cooperative cultivation license previously associated with the address of the

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<sup>1</sup> All references to the MMP Rules except those outlined in ¶9 of this Consent Agreement are those MMP Rules in effect from January 1, 2017 to March 25, 2020 and which can be located at: <https://rules.sos.ri.gov/regulations/part/230-80-05-1/8717>.

amended Proposed Facility Location 3 (“Cooperative”) shall be surrendered to the Department in conformity with R.I. Gen. Laws § 21-28.6-16(a).

- e) Concurrently with the issuance of the License, a verification letter from the members of the Cooperative stating their assent to the termination of the Cooperative and surrender of the Cooperative license must be submitted to the Department.
- f) Concurrently with the issuance of the License, any new interest holder that will be an owner, employee or key person in the Respondent entity as reflected in its *Form 2* and *Form 6* submitted to the Department on July 29, 2020 must surrender their/his/her current medical marijuana caregiver cards pursuant to R.I. Gen. Laws §21-28.6-16(a).
- g) Concurrently with the execution of this Consent Agreement, Respondent must provide to the Department a copy of the Agreement dated February 25, 2020 between Donovan Obair, LLC and Loud, LLC (“Agreement”) including an addendum that amends and rectifies the Agreement consistent with the Department’s e-mail to Respondent’s Counsel of July 16, 2020, ¶6(a)-(c).
- h) Consistent with MMP Rules § 1.6.4(B)(1) and §1.12, a one-time transfer of clones, immature plants and mature plants will be permitted with the issuance of a *No Action Letter* from the Department.
- i) Respondent must complete all preparations at amended Proposed Facility Location 3 necessary for the satisfaction of the prerequisites for its License issuance pursuant to MMP Rules § 1.3(F) by **August 21, 2020**, specifically including but not limited to the following:
  - i. Any and all tasks represented in the *Exhibit 8 Project Timeline Schedule*, delivered by the Respondent to the Department via e-mail on June 8, 2020 (2 pages);
  - ii. Installation and successful operation of Respondent’s video surveillance system and remote access to its continuous live feed to OCR pursuant to MMP Rules § 1.6.5(D);
  - iii. Issuance of the registry identification cards pursuant to MMP Rules § 1.4;
- j) The OCR Pre-License Inspection pursuant to MMP Rules § 1.3(F)(4) will occur on **August 21, 2020**.
- k) 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 its License beyond the date of **August 21, 2020**.

10. The parties agree that this Consent Agreement and its terms represent the final determination of this matter.
11. *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.*
12. *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.
13. *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.

[THIS SPACE INTENTIONALLY LEFT BLANK.]

For the Division:



Signature

Date: 8/12/2020

Ms. Erica Ferrelli  
Senior Economic and Policy Analyst  
Office of Cannabis Regulation

Respondent:



Signature

Date: 8/10/20

Donovan Obair, LLC



Signature

Date: 8/10/20

Jeffrey Padwa, Esq.

Counsel for the Respondent