

**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:

**GREEN WAVE CC, INC.
Respondent.**

)
)
)
)
)

DBR No.: 22OCR007

CONSENT ORDER

1. Pursuant to § 21-28.6-12(c) of The Edward O. Hawkins and Thomas C. Slater Medical Marijuana Act, R.I. Gen. Laws § 21-28.6-1 et seq. (the “Act”) and § 1.2 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 (the “Regulations”), the Department established a five-month application period from July 17, 2020 through 3:00 PM on December 15, 2020 (the “Application Period”) for submission of applications for six new compassion center licenses in six geographic zones to be selected through a qualification and random lottery selection process.

2. On July 17, 2020, the Department posted on its website a notice announcing the opening of the Application Period along with the Department’s prescribed Application form, which states in Part 1 “SECTION A: Application Period”:

The period for submission of applications will be from 10:00 a.m. on July 17, 2020, through 3:00 p.m. on December 15, 2020 (the “Application Submission Deadline”). Updates regarding the application period will be posted on the Department’s website: <https://dbr.ri.gov/>.

If you would like to be added to the interested parties list for the Compassion Center Application process, please email DBR.MMPCompliance@dbr.ri.gov, with a subject line “New Compassion Center Application Interested Parties List.”

It is Applicant’s responsibility to ensure that its application is complete and submitted before the close of the Application Submission Deadline. Incomplete applications will be deficient and will not be accepted for review and evaluation, and the application fee will not be refunded. The Department will not accept or consider applications tendered after the Application Submission Deadline.

3. The Department’s prescribed Application form, in Part 1 “SECTION B: General Instructions”, states:

Read this Application carefully. Answer each question completely. Do not leave blank spaces.

• **All application materials that require a signature must be signed by an “authorized signatory” of Applicant. An “authorized signatory” means a person that is authorized by the corporation/company to attest to the accuracy of all application information, materials and content submitted to the Department of Business Regulation.**

- If a question does not apply, write “N/A.” If the correct answer to a particular question is “None” write “None.”
- All Forms, Annexes, Exhibits, Documents and Deliverables on the Checklist are mandatory and must be submitted **at the time of filing this Application** in order for your Application to be complete and eligible for review.
- Applicant is under a **continuing duty to promptly notify** the Department of Business Regulation if there is a change in the information provided to the Department.
- All entries on the Application Forms, Annexes, Exhibits, Documents and Deliverables should be single spaced and typed in 12-point Calibri or Times New Roman font.
- Do not misstate or omit any material fact(s).
- The submittal of an Application constitutes acceptance of the requirements, administrative stipulations, and all of the terms and conditions of this Application. All costs and expenses incurred in submitting an Application will be borne by Applicant.

- **Definitions:** Please refer to the “Definitions” set forth in R.I. Gen. Laws § 21-28.6- 3 and the “Definitions” in the Regulations, § 1.1.1, which are applicable to all compassion center license applications.

4. The Department’s prescribed Application form, in Part 1 “SECTION D: Application Requirements and Procedures”, states in relevant part:

Review and Evaluation Criteria

The Department of Business Regulation shall review and evaluate the submitted Applications based upon the criteria set forth in R.I. Gen. Laws § 21-28.6-12(c)(3) and § 1.2 of the Regulations. All Applicants that are deemed “qualified” by the Department shall be eligible for selection.

Denial or Disqualification of Application

The Department of Business Regulation may disqualify or deny any Application or decline to issue a license under any of the following circumstances:

- Applicant fails to submit a complete Application, hard copies, and electronic copies including all Forms, Annexes, Exhibits, Documents and Deliverables set forth on the Checklist in Part 2 and the copies with required redactions set forth in Part 3 of this Application.
- The Application contains a material misstatement, omission, misrepresentation, or untruth.
- Applicant fails to submit the Application by the Application Submission Deadline.
- Applicant fails to pay the \$10,000 Application fee prior to the Application Submission Deadline.
- The payment of taxes due in any jurisdiction is in arrears.
- Applicant fails to demonstrate to the Department’s satisfaction that it adequately meets the qualifications and requirements outlined in this application, the Act, and the Regulations.
- Applicant fails to pay the \$500,000 license fee pursuant to R.I. Gen. Laws § 21-28.6-12(c)(5)(ii)(A).
- Applicant fails to implement policies, procedures or actions indicated in its Application.

5. “Part 5 – Compassion Center Application Required Exhibits” of the Department’s prescribed Application form includes the following required “CC Exhibit F – Premises Requirements” in relevant part:

CC Exhibit F – Compassion Center Premises Requirements

Attach hereto as CC Exhibit F, per § 1.2(C)(4)(f) of the Regulations, is all the information responsive to paragraphs (i) through (vi) below.

Is the applicant proposing alternative locations in the same zone under this application?

Yes No

If “Yes”, then Application must provide a complete response to paragraphs (i) through (vi) below for each proposed location.

Applicant’s response must demonstrate its understanding of, and ability to comply with, the requirements under the Act and the Regulations and include without limitation:

- i. A description of the proposed Licensed Premises, including street address, plat/lot number and zoning district.
- ii. Evidence of compliance for the location(s) with the local zoning laws in the form of a certificate or letter from an authorized zoning official;
- iii. Evidence that the physical location is not located within one thousand feet (1,000’) of the property line of a preexisting public or private school in compliance with R.I. Gen. Laws § 21-28.6-12(f)(2) as demonstrated by a GIS Map or other similar municipal map showing Applicant’s property, and the 1,000 foot distance from the property line of any schools;
- iv. A draft diagram, shown to scale, no smaller than 8.5” by 11” and no larger than 11" X 17", of the proposed facilities showing:
 1. Where medical marijuana will be stored, processed, packaged, manufactured and dispensed;
 2. The restricted-access areas, limited-access areas, walls, partitions, entrances, exits and location of security alarms, cameras, and surveillance recording equipment locations;
 3. Patient access areas including areas designated for patient enrollment, waiting, and education;
 4. Any public transportation services nearby;
 5. A diagram of all proposed on-site and off-site parking capacity (including spaces for persons with disabilities);
 6. How the facility will provide ADA-compliant access for persons with disabilities; and

- 7. The location of the facility relative to streets and other public areas, and any other relevant information;
- v. A description of objective parameters (such as distances from streets and public areas) and/or proposed measures (such as black-out window shades) that ensure that marijuana at the premises shall not be visible from the street or other public areas; and
- vi. Documents evidencing either ownership of property or lease agreement with owner of property to allow the operation of a compassion center on the property, if property has already been purchased or leased at the time of the application or a signed letter of intent for such a sale or lease.

Exhibit F Signature page

[ATTACH AND SIGN BELOW]

Signature of Authorized Signatory

Date

Printed Name
Print Title:
Print Name of Applicant/Licensee:

- 6. Respondent submitted its medical marijuana compassion center application for Zone 3 signed and dated December 14, 2020, by Christopher D. Sands, Respondent's Vice President (the "Application") to the Department before the Application Period deadline.
- 7. The Application identified the property located at 187 Danielson Pike Foster, RI 02825, Plat 10, Lot 0025B, as the proposed licensed premises for the purpose of operating the Respondent's proposed medical marijuana compassion center (the "Danielson Pike Property").
- 8. In response to the following prompt and instruction on CC Exhibit F - "Is the applicant proposing alternative locations in the same zone under this application? Yes No If "Yes", then Application must provide a complete response to paragraphs (i) through (vi) below for each proposed location." - the Respondent checked "No".

9. The Application's CC Exhibit F contained required information as to the proposed premises including a copy of a Commercial Lease Letter of Intent dated November 18, 2020, with respect to a 2,900 square foot building at the Danielson Pike Property for a three-year term executed by Robert Paolissi, as lessor, and Respondent, as lessee. Also included in CC Exhibit F was a Zoning Certificate as to the Danielson Pike Property dated November 30, 2020, which in "Part I. Application" named Robert Paolissi, as owner, and Respondent, as lessee, and was executed by Robert Paolissi and, in "Part II. Certificate," was executed by the Foster Zoning Official.
10. By letter dated April 30, 2021, based upon the Department's review in accordance with R.I. Gen. Laws §§ 21-28.6-12, 42-35-1 et seq., and the Regulations, the Department notified Respondent that the Application was conditionally qualified and eligible for inclusion in the Zone 3 lottery selection in accordance with § 1.2(E) of the Regulations.
11. On October 29, 2021, at the lottery selection conducted by the Department, Respondent's application was selected for licensure in Zone 3 for premises located at the Danielson Pike Property subject to satisfaction of the prerequisite conditions for licensure within nine (9) months as provided in Section 1.2(F) of the Regulations. The Department confirmed this conditional selection and approval by letter to Respondent dated October 29, 2021, which specifically identified the "Premises Address" as "187 Danielson Pike, Foster, Rhode Island 02825". The letter listed the prerequisites for issuance of the license, including numerous requirements that must be satisfied as to the compassion center premises, stating that Respondent would have nine (9) months from the date of the letter to complete the prerequisites for licensure.
12. On November 29, 2021, Counsel for Respondent submitted a status update to the Department in which several "[r]isks, threats, [and] obstacles" affecting certain licensure requirements were identified, including that (1) the Last Will and Testament of the Danielson Pike Property owner had not yet been probated in the Providence Probate Court, (2) an executor had not yet been appointed for the estate which prevented Respondent from obtaining a valid lease agreement, and (3) the Last Will and Testament could remain the subject of a prolonged will contest. According to the November 29th status update, Robert Paolissi was not the owner of record of the Danielson Pike Property.
13. On December 30, 2021, Respondent's counsel submitted another status update to the Department in which "[r]isks, threats, [and] obstacles" were again identified, including that (1) the proceedings in the Providence Probate Court related to the

Last Will and Testament described in ¶ 12 have been pending for more than eight years, and (2) that Respondent would not be able to obtain municipal approvals for property development at the Danielson Pike Property until Respondent “has control of the property” and “the estate has redeemed the property from tax sale this past September.”

14. On February 14, 2022, Respondent’s counsel submitted a document entitled “Interim Update” on the status of Respondent’s development of the Danielson Pike Property. Respondent’s update acknowledged that limited progress had been made and identified the following five (5) areas of obstacles to Respondent’s development of the proposed premises: probate matters constraining Respondent’s ability to obtain a valid lease, failures in negotiations of lease terms, tax sale consequences, delays in the Town permitting application process, and DEM requirements for a new well and septic system as a result of the existence of wetlands, recently discovered by Respondent, at the Danielson Pike Property.
15. In the February 14th communication, Respondent’s counsel indicated that, due to the various and ongoing issues associated with the Danielson Pike Property, Respondent planned to submit a variance request to the Department requesting approval of an alternate location at 737 Centre of New England Boulevard in the Town of West Greenwich (“Proposed New Site B”).
16. On March 1, 2022, Respondent’s counsel submitted to the Department a memorandum providing a series of updates “concerning infirmities related to” the Danielson Pike Property. According to the March 1st memorandum, Respondent identified these infirmities, including that the letter of intent signed by Robert Paolissi for the Danielson Pike Property did not afford site control to Respondent, when it retained counsel following the lottery selection. Respondent’s counsel acknowledged “concerns about whether Green Wave can even negotiate in good faith with [the purported landlord] going forward” and that the “site- specific issues are problematic, time consuming and cost prohibitive on their own ”
17. On March 31, 2022, the Department received an update from Respondent’s counsel detailing Respondent’s stymied development efforts at the Danielson Pike Property and informing the Department that Respondent had identified an alternate location in Foster (“Proposed New Site C”). Respondent’s update acknowledged that “no material progress has occurred in the month of March . . . due to continued ownership and site control issues due to the ongoing contested estate matter and failure of the estate to redeem the property from tax sale.” As a consequence, no valid lease for the Danielson Pike Property could be executed and no permitting applications could be processed.

18. By letter dated May 6, 2022, Respondent submitted to the Department a variance request seeking to change Applicant's proposed location from the Danielson Pike Property to Proposed New Site C. Respondent's letter included a purchase and sale agreement for Proposed New Site C, a zoning certificate for compassion center use, GIS measurements, and a letter of support from the Foster Police Chief.
19. On July 7, 2022, Respondent sent the Department a copy of a memorandum dated June 3, 2022, by Northeast Water Solutions, Inc. ("Northeast") documenting its contaminant threat evaluation for the Proposed New Site C ("Northeast Evaluation"). The evaluation revealed a "combination of prior contamination and current potential threats on or around the [Proposed New Site C], [which] represent a significantly elevated risk that would likely result in a denial of approval of a public well on the [Proposed New Site C]." Based on its evaluation, Northeast recommended that Respondent "NOT pursue a public well on [Proposed New Site C] as it is highly likely that any application would be denied."
20. On July 7, 2022, the Department received another status update from Respondent's counsel relative to Respondent's ongoing search for a suitable location for its proposed medical marijuana compassion center following the unfavorable results of the Northeast Evaluation. The update indicated that Respondent would be submitting another variance request for relocation to Proposed New Site B.
21. According to the July 7th communication from Respondent's counsel, a surveyor was contracted to prepare a radius map for Proposed New Site B, and another counsel was engaged to represent Respondent in its application for the necessary Special Use Permit¹, a letter of intent regarding a lease was obtained from the receiver of Proposed New Site B, and drawings and floor plans were completed. Respondent's counsel stated that Respondent would be seeking a variance and extension from the Department to allow for relocation to Proposed New Site B and for additional time to complete the compassion center.
22. On July 22, 2022, Respondent submitted a request for extension of the nine (9) month deadline for Respondent's completion of the prerequisites for compassion center licensing. Respondent requested an extension until January 1, 2023, to meet the licensure requirements set forth in the Regulations. As grounds for the extension

¹ The July 7, 2022, communication indicated that a previously issued Special Use Permit for Proposed New Site B has expired.

request, Respondent asserted that additional time was warranted to satisfy the licensure requirements based on unforeseeable events.²

23. As of August 24, 2022, Respondent had not submitted to the Department a variance request seeking to change the proposed licensed premises from the Danielson Pike Property to Proposed New Site B.
24. By letter dated August 5, 2022, the Department notified Respondent that due to its failure to satisfy all prerequisites for licensure within nine (9) months and failure to show cause why additional time should be granted, Respondent's conditional application approval was rescinded, and its extension request dated July 22, 2022, was denied, and of Respondent's right to request an administrative hearing.
25. By letter dated August 12, 2022, Respondent's counsel requested an administrative hearing.
26. As a result of Respondent's August 12, 2022 request for an administrative hearing, on August 26, 2022, the Department issued an Order to Show Cause Why Denial of Extension Request and Recission of Conditional Application Approval Should Not Be Affirmed, Notice of Hearing and Appointment of Hearing Officer ("Order to Show Cause").
27. The Department and the Respondent, each represented through counsel, engaged in multiple Pre-Hearing Conferences with the Hearing Officer, ultimately exchanging discovery materials during the administrative hearing process. A dispute arose during the discovery process regarding the Respondent's Motion to Compel the disclosure of certain information and the Department's Motion to Amend the Order to Show Cause.
28. On March 29, 2023, the Hearing Officer issued an Order denying the Respondent's Motion to Compel and granting the Department's Motion to Amend, which the Respondent appealed to the Superior Court on April 27, 2023 by filing a Complaint in *Green Wave, CC Inc. v. State of Rhode Island Department of Business Regulation, Case No. PC-2023-01963*. A hearing on the Department's Motion to Dismiss the Respondent's Complaint in PC-2023-01963 and the Respondent's Motion to Stay the Decision is scheduled for February 20, 2024.

² Respondent informed the Department that, in addition to Proposed New Sites B, and C, Respondent made inquiries about three other locations in Foster (Zone 3), but Respondent had determined the locations were unsuitable for development for environmental reasons or otherwise unavailable.

Applicable Law

29. Pursuant to R.I. Gen. Laws § 21-28.6-12(b)(8): “If at any time on or after January 1, 2019, fewer than nine (9) compassion centers are holding valid licenses in Rhode Island, the department of business regulation shall accept applications for new compassion centers and shall continue the process until nine (9) licenses have been issued by the department of business regulation.”
30. Pursuant to R.I. Gen. Laws § 21-28.6-12(c)(1), each application for a compassion center shall be submitted in accordance with regulations promulgated by the Department and shall include information regarding the center’s incorporation, the proposed location and facility premises, principal officers and board members, security and safety measures, policy and procedure manuals, and recordkeeping procedures.
31. Section 1.2(B)(1) of the Regulations provides that “[a]pplications for compassion centers may only be submitted to DBR for consideration during an open application period announced by DBR.”
32. Section 1.2(C)(3) of the Regulations provides that “DBR will evaluate applications based upon the information provided by applicants on the application forms/submissions and otherwise obtained during the application process.”
33. Section 1.2(C)(4)(f) of the Regulations requires, in relevant part, that the submitted compassion center application include “[t]he proposed physical location of the compassion center by plat and lot number, street address and zoning district.”
34. Section 1.2(C)(4)(f)(1) of the Regulations requires that the submitted compassion application include “[e]vidence of compliance for the location(s) with the local zoning laws in the form of a certificate or letter from an authorized zoning official.”
35. Section 1.2(C)(4)(f)(5) of the Regulations requires that the submitted compassion center application include “[d]ocuments evidencing either ownership of property or lease agreement with owner of property to allow the operation of a compassion center on the property, if property has already been purchased or leased at the time of the application or a signed letter of intent for such a sale or lease.”
36. Section 1.2(C)(5) of the Regulations provides that “[o]nly applications which DBR has determined to be complete (i.e., which satisfy all applicable application requirements including but not limited to those above) shall be eligible and accepted for further evaluation and review. Incomplete applications will be

deficient and will not be considered further and the application fee will not be refunded.”

37. Section 1.2(E)(1) of the Regulations provides that “[o]nce DBR completes its review of all applications, DBR will notify all qualified applicants and publicly announce the date, time, and manner of randomly selecting qualified applicants for approval in each available zone.”
38. Section 1.2(E)(3) of the Regulations provides that “DBR will select a qualified applicant for each available zone. After the qualified applicant(s) have been selected for each available zone, any applicant selected for multiple zones must accept a single zone and reject the other zones. After each applicant, if any, which has been selected for multiple zones accepts a single zone and rejects all others, another applicant will be drawn and selected for any rejected zone(s). This process shall continue until there is a separate and distinct qualified applicant selected for each available zone. Once a zone selection has been made, the decision is final and cannot thereafter be amended or altered. Any applicant selected for multiple zones who chooses which single zone they would like to be licensed in, may not thereafter alter that decision or change zones at any time.”
39. Section 1.2(E)(4) of the Regulations provides, in relevant part, that “[t]he selected applicants shall not change or alter their proposed location to another location within the same zone without prior DBR approval.”
40. Section 1.2(E)(5) of the Regulations provides that “[t]he selected applicants shall be deemed approved conditionally, subject to satisfaction of all requirements for final licensure.”
41. Section 1.2(F)(1) of the Regulations requires that “[u]pon notification by DBR, the approved applicant must take reasonable and documented efforts to complete the prerequisites for issuance of the license. If satisfaction of all requirements for licensure takes longer than nine (9) months, the approved applicant must show good cause to DBR why additional time should be granted and the application approval should not be rescinded.”
42. In an effort to effect a timely and amicable resolution of the issues raised in this Consent Order 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 further enforcement action(s) surrounding Respondent’s site control issues relative to its Application as set forth in Paragraphs 6 through 23 and subject to satisfaction of the following terms and conditions set forth in this Paragraph 42:

- a. No later than September 3, 2024, Respondent shall satisfy all compassion center licensure requirements for the property located at 187 Danielson Pike, Foster, Rhode Island, pursuant to Sections 1.2(F)-(H) of the Regulations; for good cause shown and if compassion center licensure requirements have been substantially completed, Respondent may request a one-time extension of thirty (30) days with no further extension requests to be made by Respondent or granted by the Department;
- b. Respondent shall not seek the Department's approval of an alternative proposed licensed premises, within five (5) years of the issuance of the License. This will not preclude the Respondent from applying for additional retail licenses if they become available subject to all applicable law and regulations;
- c. Respondent may petition the Department, pursuant to R.I. Gen. Laws Section 21-28.6-12 and § 1.2(I)(6) for substitution of stakeholders, principal officers, and board members and seek a change in status from non-profit to profit, which application shall be timely approved by the Department provided that all Department regulations are satisfied, and all Parties are fully vetted by the Department pursuant to the regulations;
- d. Upon completion and satisfaction of all compassion center licensure requirements as set forth in the Regulations and in paragraph 42(a) of this Consent Order, the Department shall issue Respondent a license to operate a medical marijuana compassion center;
- e. Concurrently with the execution of this Consent Order, Respondent shall voluntarily dismiss with prejudice the Superior Court matter captioned *Green Wave, CC Inc. v. State of Rhode Island Department of Business Regulation, Case No. PC-2023-01963*;
- f. Concurrently with the execution of this Consent Order, Respondent shall withdraw with prejudice the administrative appeal captioned *In the Matter of Green Wave CC, Inc. DBR No. 22OCR007*; and
- g. 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.

43. *Final Determination.* The parties agree that this Consent Agreement and its terms represent the final determination of this matter.
44. *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.*
45. *Enforcement.* If 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.
46. *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 Department of any other governmental agency.

THIS SPACE INTENTIONALLY LEFT BLANK


SIGNATURE PAGE

For the Department:

Signature
Erica Ferrelli
Chief, Office of Cannabis Regulation

Date: _____

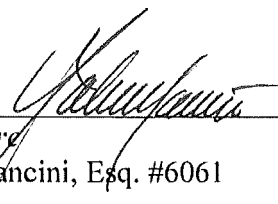
Respondent Green Wave CC, Inc.



Signature
By: Christopher Sands
Title: President

Date: 2/23/2024

Counsel for Respondent Green Wave
CC, Inc.:



Signature
John Mancini, Esq. #6061

ManciniCarter, PC

56 Pine St, 3rd Floor

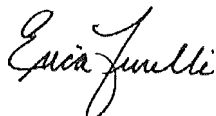
Providence, RI 02903

Date: 2/23/2024

SIGNATURE PAGE

For the Department:

Respondent Green Wave CC, Inc.



Signature
Erica Ferrelli
Chief, Office of Cannabis Regulation

Date: 02/23/2024_____

Signature
By: Christopher Sands
Title: President

Date:_____


Counsel for Respondent Green Wave
CC, Inc.:

Signature
John Mancini, Esq. (#6061)

ManciniCarter, P.C.
56 Pine St, 3rd Floor
Providence, RI 02903

Date: _____

Dated: February 23rd, 2024

/s/ 
Catherine R. Warren, Esquire
Hearing Officer