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

IN THE MATTER OF:	)	
Mammoth, Inc.	)	**DBR No.: 24OCR0018**
Respondent.	)	

CONSENT AGREEMENT

Reference is made to the Edward I. Hawkins and Thomas C. Slater Medical Marijuana Act, Rhode Island General Laws §21-28.6 *et seq.* (the "Medical Marijuana Act") and the Rhode Island Cannabis Act, Rhode Island General Laws §21-28.11 *et seq.* (the "Cannabis Act") (together, the "Acts"), 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-80-05-1 *et seq.* (the "Regulations"). The Department of Business Regulation, Office of Cannabis Regulation (respectively, the "Department" or "OCR") and Mammoth, Inc., a Rhode Island Domestic Profit Corporation ("Respondent"), hereby consent and agree that:

1. On or about January 27, 2017, Respondent's Cultivator and Hybrid Application Number MMP CV0017 ("Application") was approved by the Department for a Cultivation located in Warwick, Rhode Island.

2. To date, Respondent has timely renewed its Cultivation and Hybrid Approved License on July 5, 2024.

3. Beginning in September 2022, the Department issued guidance regarding the requirement that licensees need to be credentialed in and utilize Metrc, the Department's new cannabis seed-to-sale track and trace system (the "System"), in order to cultivate, maintain, and transfer cannabis and cannabis products and make sales compliantly.

4. All licensees were notified by the Department and by Metrc, through a series of e-mailed bulletins, that they were required to be credentialed in and utilize the Metrc System for inventory no later than December 1, 2022, in order to continue compliant cultivation, maintenance, transfer, and sales of cannabis and cannabis products.

5. All licensees were required to transfer all plant and product inventory information from their previously approved inventory tracking system into the Metrc System no later than December 1, 2022.

6. In their use of the System, licensees are required to utilize and maintain Metrc-issued RFID plant and product tags on *all* cannabis plants and products from and after December 15, 2022, in order to ensure tracking and accurate and compliant records of plant and product inventory.

7. On May 1, 2023, the Department issued RI Metrc Combined Guidance which included specific requirement for quality control and trade sampling, which was further amended on February 29, 2024.

8. Pursuant to the RI Metrc Combined Guidance:

> Quality Control Sampling – licensees may adjust out "quality control samples" of designated adult-use products only to registered employees of their licensed entity. Consumption of cannabis is prohibited on licensed premises. This adjustment should occur once the product is in its final form and **has undergone all compliance testing. Quality Control Samples shall not be more than the 1-ounce possession limit or its equivalent allowable for adult-use consumers.** In Metrc, a quality control sample may be adjusted from its parent package following these steps:
>
> - Select the package you would like to adjust, then select "Adjust".
> - Complete the "Adj Quantity" and "New Quantity" fields.
> - For reason, select "Quality Control Sample".
> - In "Required Note" please include the employee's badge number.
> - Complete the date field.
> - Finish by selecting the green "Adjust Package Button".
> - Each product and employee should have their own line.

(Emphasis added).

9. A Metrc audit was conducted by our OCR Economic and Policy Analyst for the time period July 1, 2023 through and including February 20, 2024.

10. The OCR Metrc audit identified the following noncompliant transactions as part of its review of Respondent's self-reported Metrc records:

    a. Quality Control Samples were given exceeding 28 grams;
    b. Quality Control Samples were given prior to receiving passing results for all enforced testing requirements;

c. Quality Control Samples were given with quantities and weights that do not have determinable associations to any employees.

Applicable Law

11. Pursuant to §21-28.6-16(d) of the Thomas C. Slater and Edward O. Hawkins Medical Marijuana Act, R.I. Gen. Laws §21-28.6-1 *et seq.*(the Medical Marijuana Act"), "[e]very marijuana plant possessed by a licensed medical marijuana cultivator must be accompanied by a valid medical marijuana tag issued by the department of business regulation pursuant to §21-28.6-15 or catalogued in a seed-to-sale inventory tracking system in accordance with regulations promulgated by the department of business regulation."

12. Pursuant to §21-28.6-16(f) of the Medical Marijuana Act, "[m]edical marijuana cultivators shall be subject to any regulations promulgated by the department of health or department of business regulation that specify how marijuana must be tested for items, including, but not limited to, potency, cannabinoid profile, and contaminants."

13. Pursuant to §21-28.11-7(h) of the Rhode Island Cannabis Act, R.I. Gen. Laws §21-28.11-1 *et seq.* (the "Cannabis Act"). "[e]very individual cannabis plant possessed by a licensed cannabis cultivator shall be catalogued in a seed-to-sale inventory tracking system."

14. Pursuant to §21-28.11-7(q) of the Cannabis Act, "[n]o cannabis or cannabis product shall be sold or otherwise marketed pursuant to this chapter that has not first been tested by a cannabis testing laboratory and determined to meet the commission's testing protocols issued pursuant to §21-28.11-11."

15. Pursuant to Section 1.11(A) of the Regulations, "All marijuana products must undergo and comply with all required testing as stated on the DOH Testing Regulations in order to be designated as medical and be offered for sale by a licensed compassion center. Until the product is designated a medical or upon a recall of a medical product, all marijuana and marijuana products shall be quarantined in accordance with §1.11 of this Part."

16. Pursuant to Section 1.11(B) of the Regulations, "Product that has yet to be sampled for testing:

    1. Prior to required testing samples being taken from a batch of marijuana plant material and/or a batch of processed concentrate or extract, a licensee must store the batch in one or more sealed containers enclosed on all sides, so as to:

        a. Prevent the product from being tampered with, transferred, or sold prior to sampling and compliant test results being reported; and

b. Be able to be easily located.

2. Each container in which plant material and/or a batch of processed concentrate or extract is stored must be affixed with a label that includes the following information:

   a. The licensee's license number and tradename or business name;
   b. The unique identifier generated by the Medical Marijuana Program Tracking System;
   c. Strain name or product name (waste excluded);
   d. The quantity of the product; and
   e. In bold capital letters, no smaller than 12-point font, "PRODUCT NOT SAMPLED FOR TESTING"."

17. Pursuant to Section 1.11(C) of the Regulations, "Product that is awaiting/pending test results:

   1. After required testing samples have been taken from a batch of marijuana plant material and/or a batch of processed concentrate or extract, a licensee must store the batch in one or more sealed containers enclosed on all sides, so as to:

      a. Prevent the product from being tampered with, or transferred, or sold prior to compliant test results being reported; and
      b. Be able to be easily located.

   2. Each container in which the marijuana product is stored must be affixed with a label that includes the following information:

      a. The licensee's license number and tradename or business name;
      b. The batch number generated by the Medical Marijuana Program Tracking System;
      c. Name and registry identification card number of the person who took the samples;
      d. Name and license number of the testing facility that will perform the tests;
      e. The test sample(s) unique identification number;
      f. The quantity of product;
      g. The date the samples were taken; and
      h. In bold, capital letters, no smaller than 12-point font, "PRODUCT NOT TESTED"."

18. Pursuant to Section 1.11(D) of the Regulations, "Failed Test Batches:

1. If a sample's result exceeds an action level in 216-RICR-60-05-6 or as otherwise adopted by DOH, the testing facility must report to DBR and to the licensee that the sample failed the test for which the result exceeds the action level.
2. The licensee may then request in writing for permission from DBR to have the lab retest the sample.
3. If the sample is approved by DBR for a retest, the laboratory must follow the retesting guidelines outlined in §1.11(E) of this Part.
4. If a retest is not granted, if the sample failed the retest, or if the batch is not approved for remediation, the batch that the sample was taken from must be immediately destroyed by the licensee.
5. The destruction of the failed test batch must be logged in the Medical Marijuana Program Tracking System."

19. Pursuant to Section 1.11(E), "Retesting:

1. In the event of a retest, the following protocol shall be followed:

    a. If there is enough remaining material for the initial sample to retest, the testing facility will use that sample material.
    b. If there is not enough material from the initial sample, the laboratory sample collector will collect another sample from the same batch using the same collection process.
    c. If the sample passes the retest, the sample will be deemed to have passed that test and the passing results will apply.
2. Within two (2) business days from issuance of final test results, the lab must upload results into the Medical Marijuana Program Tracking System if this system is currently in operation or submit the certificate of analysis to DBR as directed by DBR."

20. Pursuant to Section 1.11(F), "Remediation:

1. In the event a testing facility determines that a sample has failed testing, the compassion center or licensed cultivator may request from DBR in writing an opportunity to remediate the batch before requesting the batch be re-tested. DBR shall review and determine in its sole discretion whether the request to remediate will be approved.

2. The compassion center or licensed cultivator requesting an opportunity for remediation must demonstrate to DBR that the issues identified by the testing facility are of the kind that can be remediated.

3. In determining if remediation is appropriate, DBR shall consider the public health and safety consequences of remediation, as well as the frequency and history of failed tests from the requesting licensee.

4. Any testing of a remediated batch must be conducted by the same testing facility that originally determined that the sample failed testing.

5. No remediated harvest, lots or batches may be hold or transported until the completion and successful passage of quality assurance testing as required in 216-RICR-60-05-6 or as otherwise adopted by DOH."

21. Pursuant to Section 1.11(G), "Recalls:

1. DBR or DOH may require a licensee to recall any marijuana or marijuana product that the licensee has sold or transferred upon a finding that circumstances exist that pose a risk to public health, safety and welfare.

   a. The recall must be initiated by the licensee immediately as determined by their approved recall plan; and
   b. The licensee must comply with any additional instructions made by DBR.

2. A recall may be based on, without limitation, evidence that the marijuana, marijuana product, or medical marijuana product:

   a. Contains unauthorized pesticide(s);
   b. Failed a mandatory test and was not mitigated pursuant to testing protocols;
   c. Is contaminated or otherwise unfit for human use, consumption or application;
   d. Is not properly packaged or labeled;
   e. Was not cultivated, processed or manufactured by a licensee or otherwise is not in accordance with the Act, DBR regulations or DOH regulations; or
   f. Otherwise poses a threat to public health or safety as determined by DBR or DOH.

3. DBR may at any time require the destruction of medical marijuana product or marijuana product upon a finding that circumstances exist that pose a risk to public safety and health.

4. If DBR finds that a recall is required, DBR:

   a. Must notify the public and licensees of the recall;
   b. Must affect an administrative hold on all affected medical marijuana and/or medical marijuana products in the tracking system;

c. May require a licensee to place all marijuana, marijuana product, medical marijuana and medical marijuana product in quarantine itself or with a third-party custodian at the licensee's expense.
d. May require a licensee to notify all individuals to whom such medical marijuana or a medical marijuana product was sold; and
e. May require that the licensee destroy the recalled product."

22. In an effort to effect 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. Respondent agrees and acknowledges that it expressly selected resolution of this matter by Consent Agreement, rather than proceeding through the administrative hearing process.

23. Pursuant to §1.13(D) of the Regulations, Respondent shall remit an administrative penalty in the amount of $8,000.00 made payable to the "General Treasurer, State of Rhode Island" with $4,000 to be paid upon Respondent's signing of this Consent Agreement and $4,000 to be paid at the time Respondent renews its Cultivation and Hybrid License on July 5, 2025.

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

25. *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.*

26. *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.

27. *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 or any other governmental agency.

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SIGNATURE PAGE

For the Department:

Signature
Erica Ferrelli
Chief, Office of Cannabis Regulation

Date 11/26/2024

Respondent:
Mammoth, Inc.

Signature
Spencer Blier
Title: President and CEO

Date: 11/22/24