

**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

**Salt Pond Medicinal Pathways, LLC,
Respondent.**

DBR No.: 24OCR0044

CONSENT AGREEMENT

On or about March 13, 2020, the Department of Business Regulation, Office of Cannabis Regulation (respectively, the "Department" or "OCR") issued to Salt Pond Medicinal Pathways, LLC ("Respondent") Medical Marijuana Cultivator License Number MMP CV 0029 (the "Medical Marijuana Cultivator License") for the cultivation and wholesale of medical marijuana at a licensed cultivation facility located in South Kingstown, Rhode Island.

1. Thereafter, Respondent's Medical Marijuana Cultivator License was renewed annually in 2021, 2022, and most recently on March 13, 2023.
2. Respondent applied for and the Department issued Respondent a Hybrid Cannabis Cultivator License (the "Hybrid License") on September 13, 2022.
3. Respondent most recently renewed its Hybrid Cultivator License on March 13, 2024.
4. On June 14, 2024, Respondent's representative, Therman Richard, contacted Senior Economic and Policy Analyst Carter Wells and Chief of Inspections Peter Squatrito at the Department's Office of Cannabis Regulation ("OCR") with the following inquiry:

Good morning Peter and Carter, I need to submit a floor plan change. What info is needed? I have the application from a year or so ago but I'm not sure if the process has changed. Any guidance would be appreciated.

5. On June 27, 2024, OCR Inspectors performed an inspection of Respondent's licensed premises with Respondent's employee, Catherine Cabral. OCR Inspectors followed Cabral through the facility and observed that construction had already begun on a vault, changing room, and break room and additional walls constructed on the second floor. OCR Inspectors did not observe and were not shown a tent or cannabis grinder machine within the licensed premises, or cannabis plants, flower, or products located in the garage space.
6. On June 28, 2024, Respondent submitted a change request/variance for a floor plan change,

which did not include a tent, a cannabis grinder machine or any proposed location for such machine, and/or any reference to Respondent's use of the garage space.

7. On August 9, 2024, OCR Senior Economic and Policy Analyst Carter Wells conditionally approved the change request via e-mail as follows:

Your floor plan change request has been conditionally approved. Please advise once the work has been finalized and we can have Peter and his team come back to the facility for a final inspection and approval. Thanks.

8. On August 20, 2024, OCR Inspectors performed a final inspection for Respondent's change request/variance. According to an August 21, 2024 OCR inspection memorandum, "[t]he rooms were built out and cameras were in all rooms, except the room provided for employees to change clothes. Room was ready for use by the facility."
9. OCR issued final approval for Respondent's floor plan change through the OCR licensing portal, MTX, on August 20, 2024.
10. On August 26, 2024, Respondent's representative, Therman Richard, contacted OCR as follows:

Good morning guys, just writing to check the status of our floor plan.

Thank you,

Therman

11. On August 27, 2024, OCR Senior Economic and Policy Analyst Carter Wells responded:

Good afternoon Therman, OCR had issued a final approval for this change as of 8/20/2024. You ought to have received an email from the licensing portal indicating such. Please advise if you did not receive such an email.

12. On October 15, 2024, OCR received a voicemail complaint from Catherine Cabral, formerly employed by Respondent. The message transcript is as follows:

Hello my name is Catherine Cabral I'm a former employee at [Salt Pond Medicinal Pathways] LLC. It is a . . . in Rhode Island in Kingston Rhode Island and I've just been trying to call to contact somebody just to talk to maybe Kevin because he used to come visit the facility because it's a very big free for all down there and I do have some information that I'm not sure if you guys should be notified about or if it's at the top of your list but I do think that somebody should call me back if you guys are interested 401-743-2995. Again I'm a former employee at [Salt Pond Medicinal Pathways, LLC. Thank you very much bye bye.

13. On October 16, 2024, the OCR Inspectors conducted an on-site inspection of Respondent's licensed premises.

14. During the October 16th inspection, OCR Inspectors Chris Mahoney, Kevin Kretchman, Derek Ducharme, and Jacob Crisafulli entered the newest section of the cultivation facility, as a floor plan change had been recently approved by the Department. In one of the second story storage rooms constructed as part of the floor plan change, OCR Inspectors observed a tent with a cannabis grinder machine inside. The storage room contained a surveillance camera, but there was no camera inside the tent. OCR Inspectors further observed that the cannabis grinder machine was connected to the wall, which divided the storage room from a garage area without video surveillance cameras.
15. After observing the cannabis grinder machine connected to the wall in the new storage room described in Paragraph 13, OCR Inspectors next inspected the garage space on the other side of the storage room wall. In the garage space, OCR Inspectors observed a metal tube or chute coming out of the second story storage room, where the cannabis grinder machine is located, leading into the garage space, and terminating on the floor of the garage where the tube connected to a cannabis trim collection bag.
16. In addition to the OCR Inspectors' observations detailed in Paragraphs 13 and 14, the OCR Inspectors further noted that no video surveillance cameras were located in the garage space and that there were two plastic totes containing untagged cannabis trim, two bags containing untagged cannabis trim, and four containers of untagged cannabis kief located in the garage space.
17. During the September 16th inspection, OCR Inspectors observed a makeshift door between Respondent's kitchen and the garage space. The garage access is opened and closed with a piece of the wall that is estimated at 12 ft in size.
18. The Approved Variance contained neither the garage chute from the second story storage room nor the makeshift door between the Respondent's garage and kitchen space found during the September 16th inspection.
19. On November 14, 2024, the Department issued an Order to Show Cause Why Licenses Should Not Be Revoked or Otherwise Sanctioned, Notice of Pre-Hearing Conference, and Appointment of Hearing Officer (the "OSC") in the matter captioned *In the Matter of Salt Pond Medicinal Pathways, LLC*, DBR No. 24OCR044.
20. On January 7, 2025, Respondent filed a Complaint and Motion for Temporary Restraining Order in Rhode Island Superior Court in a case captioned *Salt Pond Medical Pathways, LLC et al. v. Elizabeth Kelleher Dwyer et al.*, CA No. WC-2025-001 (the "Superior Court Matter").
21. On January 13, 2025, the Department moved to Amend the OSC.

Applicable Law

22. Section 21-28.6-9(e) of the Thomas C. Slater and Edward O. Hawkins Medical Marijuana Act, § 21-28.6-1 *et seq.* (the "Medical Marijuana Act") provides as follows:

- (1) Notwithstanding any other provision of this chapter, if the director of the Department of Business Regulation, or his or her designee, has cause to believe that a violation of any provision of this chapter or the regulations promulgated thereunder has occurred by a licensee or registrant under the department's jurisdiction, or that any person or entity is conducting any activities requiring licensure or registration by the Department of Business Regulation under this chapter or the regulations promulgated thereunder without such licensure or registration, or is otherwise violating any provisions of this chapter, the director, or his or her designee, may, in accordance with the requirements of the Administrative Procedures Act, Chapter 35, of Title 42:

With the exception of patient and authorized purchaser registrations, revoke or suspend any license or registration issued under Chapter 26, of Title 2 or this chapter:

- (i) Levy an administrative penalty in an amount established pursuant to regulations promulgated by the department of business regulation;
- (ii) Order the violator to cease and desist such actions;
- (iii) Require a licensee or registrant or person or entity conducting any activities requiring licensure or registration under this chapter to take those actions as are necessary to comply with this chapter and the regulations promulgated thereunder; or (iv) Any combination of the above penalties.
- (iv) Require a licensee or registrant or person or entity conducting any activities requiring licensure or registration under this chapter to take those actions as are necessary to comply with this chapter and the regulations promulgated thereunder; or (v) Any combination of the above penalties.

(2) If the director of the department of business regulation finds that public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in his or her order, summary suspension of license or registration and/or cease and desist may be ordered pending proceedings for revocation or other action. These proceedings shall be promptly instituted and determined.

23. Pursuant to Section 21-28.6-16(l) of the Medical Marijuana Act, "[i]f a licensed medical marijuana cultivator or cultivator cardholder violates any provision of this chapter or regulations promulgated thereunder, as determined by the department of business regulation, his or her card and the issued license may be suspended or revoked."

24. Pursuant to §21-28.11-7(b) of the Rhode Island Cannabis Act, §21-28.11-1 *et seq.* (the "Cannabis Act"):

On August 1, 2022 and thereafter, any medical marijuana cultivator licensed or approved pursuant to the provisions of §21-28.6-16, upon payment of an additional license fee, shall be permitted to cultivate, manufacture and process cannabis as a hybrid cannabis cultivator for both adult use and medical use. The amount of the additional license fee shall be determined by the Office of Cannabis Regulation during the transitional period established by §21-28.11-10 and shall be subject to review by the commission pursuant to the final rules and regulations.

25. Pursuant to §21-28.11-10.1(e) of the Cannabis Act, "[n]otwithstanding the foregoing provisions of this section, all prospective and approved applicants for hybrid cannabis retailer and cultivator licenses under this chapter shall maintain compliance with the existing provisions of chapter 28.6 of this title of the general laws and the regulations promulgated thereunder until final issuance of the commission's rules and regulations ..."

26. Pursuant to § 21-28.11-18(a)(l) of the Cannabis Act, "[n]otwithstanding any other provision of this chapter, if the commission has cause to believe that a violation of any provision of chapters 21-28.6 or 21-28.11 or any regulations promulgated thereunder has occurred by a licensee that is under the commission's jurisdiction pursuant to chapters 21-28.6 or 21-28.11, or that any person or entity is conducting any activities requiring licensure or registration by the commission under chapters 21-28.6 or 28.11 or the regulations promulgated thereunder without such licensure or registration, the commission may, in accordance with the requirements of the administrative procedures act, chapter 35 of title 42:

- (i) With the exception of patients and authorized purchasers, revoke or suspend a license or registration;
- (ii) Levy an administrative penalty in an amount established pursuant to law or regulations promulgated by the cannabis control commission;
- (iii) Order the violator to cease and desist such actions;
- (iv) Require a licensee or registrant or person or entity conducting any activities requiring licensure or registration under chapters 21-28.6 or 21-28.11 to take such actions as are necessary to comply with such chapter and the regulations promulgated thereunder; or
- (v) Any combination of the penalties authorized by this section.

(2) If the commission finds that emergency action imperative to public health, safety, or welfare is required, and incorporates a finding to that effect in its order, summary suspension of license or registration and/or cease and desist may be ordered pending proceedings for revocation or other action. Any such proceedings shall be promptly instituted and determined pursuant to the provisions of § 21-28.11-5(a)(32).

27. Pursuant to Section 1.6.1(A) 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-10-05-1 *et seq.* (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 of to its approved vendor."

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

29. Pursuant to Section 1.6.2(b) of the Regulations, "[a]ll immature plants, usable marijuana, medical marijuana products and waste must be tagged with the following information unless otherwise approved by DBR:

1. The licensee's license number and tradename/business name;

2. The unique identifier generated by the Medical Marijuana Program Tracking System;
 3. Strain name or product name (waste excluded);
 4. The quantity of the product; and
 5. Any other information or technical functions DBR deems appropriate.”
30. 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.”
31. Pursuant to Section 1.6.5(D) of the Regulations, “[e]ach compassion center or licensed cultivator must have a fully operational video surveillance and camera recording system with appropriate protocols, which shall, at a minimum, comply with all of the below requirements:
- a. Video surveillance equipment shall, at a minimum, consist of digital or network video recorders, video monitors, and digital archiving devices capable of playback quality sufficient to identify and monitor all individuals (including sufficient clarity of facial features) and activities in the monitored areas.
 - b. The recording system must record in digital format.
 - c. The date and time must be embedded on the recording without significantly obscuring the picture. Time is to be measured in Eastern Standard Time.
 - d. All video surveillance systems must be equipped with a failure notification system that provides prompt notification of any surveillance interruption and/or the complete failure of the surveillance system. Said notification must be routed to compassion center or licensed cultivator personnel specifically designated by management and to DBR.
 - e. All video surveillance equipment shall have sufficient battery backup to support a minimum of four (4) hours of recording in the event of a power outage.
 - f. Video recordings must be archived in a format and maintained in a manner that ensures authentication of the recording as legitimately-captured video and guarantees that no alteration of the recorded image has taken place.
 - g. Remote access to a continuous live feed video on a real time basis must be available at all times to compassion center or licensed cultivator personnel specifically designated by management and to DBR. Additionally, all video surveillance records and recordings must be made available upon request to DBR. DBR employees and representatives will hold video surveillance records and recordings of point-of-sale areas confidential except for authorized release in accordance with applicable law.
 - h. The system must include a color printer or similar equipment capable of printing still photos of a quality sufficient to identify individuals and activities in the monitored areas.
 - i. The licensee must ensure that DBR has continuous access to live feed video. Failure to maintain ongoing access by DBR may result in enforcement proceedings pursuant to § 1.13 of this Part.

32. Pursuant to Section 1.6.5(E) of the Regulations titled, "Placement of Cameras and Required Camera Coverage" provides as follows:

1. Camera coverage is required for all areas where marijuana and marijuana products are grown, cultivated, stored, weighed, packaged, processed, manufactured or sold, including all areas of ingress and egress thereto, point-of-sale areas, security rooms (as defined below), all points of ingress and egress to the exterior of the compassion center or licensed cultivator, and any computer or other digital access points.
2. Camera views of required coverage areas shall be continuously recorded twenty (24) hours a day, (7) seven days per week.
3. Camera placement shall be capable of identifying activity occurring within twenty (20) feet of all points of ingress or egress and shall allow for the clear and certain identification of any individual and activities on the licensed premise.
4. All entrances and exits to the facility shall be recorded from both indoor and outdoor vantage points.
5. The system shall be capable of recording all pre-determined surveillance areas in any lighting conditions.

33. Pursuant to Section 1.6.3(A) of the Regulations, "[l]icensed cultivators shall only sell to and receive medical marijuana and marijuana products from Rhode Island licensed compassion centers and Rhode Island licensed cultivators, as authorized by R.I. Gen. Laws § 21-28.6-16(a).

34. Pursuant to Section 1.6.5(B)(1) of the Regulations, "[e]ach compassion center or licensed cultivator shall implement appropriate security and safety measures to deter and prevent the unauthorized entrance into areas containing medical marijuana and the theft of marijuana.

35. Pursuant to Section 1.6.5(B)(5) of the Regulations, "[e]ach compassion center or licensed cultivator shall ensure that the storage of marijuana and any marijuana products is in a locked area. At all points of ingress and egress, the compassion center or licensed cultivator shall ensure the use of a working commercial-grade, non-residential door lock.

36. Pursuant to Section 1.13(A) of the Regulations,

A. Inspections and Audits

1. Marijuana establishment licensees are subject to reasonable inspection by DBR. 2. DBR and its authorized representatives have authority to enter

a marijuana establishment licensee's premises at reasonable times to inspect in a reasonable manner the premises and all equipment, materials, containers, and other things therein, including without limitation all records, files, financials, sales, transport, pricing and employee data, research, papers, processes, controls and to inventory any stock of marijuana, labels, containers, packages, paraphernalia and other materials and products.

...

C. Discipline and Penalties

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4. Possession of Marijuana in Violation of the Act or the DBR Regulations

a. Pursuant to R.I. Gen. Laws § 21-28.6-15(b)(3), if any patient cardholder, primary caregiver cardholder, licensed cooperative cultivation, compassion center, licensed medical marijuana cultivator, or any other person or entity is found to have marijuana plants or marijuana material without valid medical marijuana plant tag certificates or which are not tracked in accordance with the DBR Regulations, DBR shall impose an administrative penalty in accordance with the DBR Regulations on the patient cardholder, primary caregiver cardholder, licensed cooperative cultivation, compassion center, licensed medical marijuana cultivator, or any other person or entity for each untagged marijuana plant or unit of untracked marijuana material.

37. Beginning in September 2022, the Department issued guidance regarding the requirement that licensees must utilize the Metrc Track and Trace System for all inventory no later than December 1, 2022, in order to continue compliant cultivation, maintenance, transfer, and sales of cannabis and cannabis products and licensees were thereafter required to utilize and maintain Metrc-issued RFID plant and product tags on all cannabis plants and products in order to ensure tracking and accurate and compliant records of plant and product inventory.

38. 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 as set forth in Paragraphs 13 through 17 and subject to satisfaction of the following terms and conditions set forth in this Paragraph 24:

a. Respondent neither admits nor denies the Department's factual allegations set forth in paragraphs 1 through 20 of this Consent Agreement.

b. Pursuant to § 1.13(D)(1) of the Regulations, Respondent shall remit to the Department an administrative penalty in the amount of Thirty-Seven Thousand Five Hundred (\$37,500) Dollars payable in four (4) equal quarterly installments of Nine Thousand, Three Hundred, and Seventy-Five (\$9,375) Dollars with the first payment being made April 5, 2025, and continuing until the administrative penalty is paid in full. Said payments shall be made payable to the "General Treasurer, State of Rhode Island";

c. No later than April 1, 2025, Respondent shall destroy, under OCR supervision, all untagged or improperly tagged cannabis plants, products, and materials located at its licensed premises ;

d. Concurrently with the execution of this Consent Order, the Department shall withdraw with prejudice the administrative action captioned *In the Matter of Salt Pond Medicinal Pathways, LLC, DBR No. 24OCR044* and Respondent shall withdraw with prejudice the complaint captioned *Salt Pond Medical Pathways, LLC et al. v. Elizabeth Kelleher Dwyer et al., CA No. WC-2025-0015*;

e. No later than April 1, 2025, Respondent shall install additional video surveillance and security cameras in accordance with a diagram provided by OCR and obtain a satisfactory inspection report from OCR;

f. Beginning April 5, 2025, through June 5, 2025, Respondent shall suspend all sales and transfers of cannabis, cannabis products, and cannabis materials from its licensed premises. Respondent may continue to operate its facility during the suspension period, including cultivating, maintenance, harvesting, and processing cannabis plants, products, and materials in accordance with all applicable laws and regulations;

g. Execution of this Consent Agreement and the factual allegations set forth herein shall not have an adverse effect on Respondent's annual renewal of its Medical Marijuana Cultivator License and Hybrid License, provided that Respondent remains compliant with all applicable laws and regulations. Respondent's renewal application shall be reviewed and assessed in accordance with the Regulations.

h. 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.

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

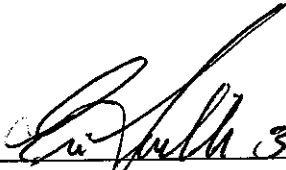
40. *Waiver of Hearing and Appeal.* By agreeing to resolve this matter through the execution of this Consent Agreement, Respondent knowingly and voluntarily waives any right to an administrative hearing and waives any right to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1, et seq.
41. *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.
42. *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.

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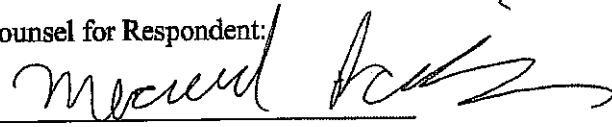
SIGNATURE PAGE

For the Department:

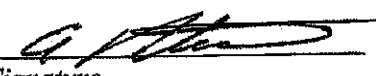
Respondent:
Salt Pond Medicinal Pathways, LLC


Signature
Erica Ferrelli
Chief, Office of Cannabis Regulation

Date: _____

Counsel for Respondent:

Signature
Michael Resnick, Esq.

Date: 3-14-25


Signature
Alexander J. Petrucci
Title: Member

Date: 3.14.25