STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS REGULATION
JOHN O. PASTORE CENTER, BLDGS. 68-69
1511 PONTIAC AVENUE
CRANSTON, RI 02920

IN THE MATTER OF:

1011 ASSOCIATES, LLC D/B/A C-3 CONSULTANTS, LLC

RESPONDENT

_________________________________________________________

DBR No. 20MM002

CONSENT AGREEMENT

The Department of Business Regulation, Office of Cannabis Regulation ("Department") and 1011 Associates, LLC d/b/a C-3 Consultants, 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 0060 (the "Application") on April 24, 2017.

2. On August 11, 2017, the Department issued a conditional approval letter ("Conditional Approval Letter 1"), which specified certain express conditions, including but not limited to a preliminary inspection of the proposed location of its facility at [redacted] Charlestown, RI 02813 ("Location 1").


4. On September 25, 2018, the Applicant informed OCR that Location 2 was untenable and requested an extension to secure a different facility location, which was not granted.

5. On February 11, 2019, the Applicant communicated via e-mail that it had secured a facility location in North Kingstown and additionally updated certain investor information.

6. On March 25, 2019, OCR issued a third application conditional approval letter ("Conditional Approval Letter 3") for the Applicant's proposed location of its facility at [redacted] North Kingstown, RI 02852 ("Location 3").

[Signature]
7. The proposed facility location in North Kingstown was withdrawn by the Applicant approximately one month after Conditional Approval Letter 3 was issued.

8. On December 31, 2019, approximately eight (8) months after its last location update, OCR received a package of documents from the Applicant, containing updated Forms 1-5, Articles of Organization from the RI Secretary of State’s Office for C-3 Consultants, LLC, the C-3 Consultants LLC Operating Agreement, certain related tax documents and informing OCR of yet another proposed facility location ("Location 4"), the complete address of which absent from any of the aforementioned documents.

9. On January 14, 2020, OCR sent the Respondent a letter ("Denial Letter") informing it that it was formally rescinding its conditional approval of the Application and informing the Respondent of its right to a hearing.

10. On January 28, 2020, the Department received a request for an administrative hearing from Respondent’s Counsel.

11. On February 7, 2020, the Department issued an Order to Show Cause ("Order") in conformity with Respondent’s Counsel’s request for a hearing.

12. It is the Department’s position that Respondent has not demonstrated to OCR why good cause exists for additional time to complete the prerequisites for issuance of the License as required under 230-RICR-80-5-1, Rules and Regulations Related to the Medical Marijuana Program Administered by the Department of Business Regulation ("MMP Rules"), § 1.5(B)(2).¹

13. Respondent’s position is that it has demonstrated sufficient good cause for its request for an extension in order to pursue and complete the necessary pre-requisites for its License at Location 4, which was updated by Respondent and received by OCR on April 28, 2020 ("amended Location 4").

14. 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 Respondent and the Department agree to resolve the matter based upon the Respondent’s representations set forth below in this Section 14 and satisfaction of the following terms and conditions:

¹ The reference in this Section 12 to the MMP Rules is to those which were in effect from January 1, 2017 to March 25, 2020, including the date on which the Order to Show Cause was issued.
a) Respondent represents and affirms that amended Location 4 is located at [redacted] in Warwick, RI, and that Respondent's proposed use of the property, including the cultivation of medical marijuana, is a permitted use and in compliance with applicable zoning laws. Respondent will provide the Department with evidence of such zoning compliance concurrently with the execution of this Consent Agreement.

b) Respondent represents and affirms that amended Location 4 is not within 1,000 feet of a preexisting public or private school and Respondent will provide the Department with evidence of same concurrently with the execution of this Consent Agreement.

c) Within seven (7) days of the execution of this Consent Agreement, Respondent will provide to the Department a copy of Respondent's business plan for the cultivation facility including satisfactory evidence of all funds for capitalization and funding of the business plan.

d) Within seven (7) days of the execution of this Consent Agreement, Respondent will provide to the Department (1) a completed updated Form 2 including information regarding all interest holders (as defined in the Regulations), and (2) the name and contact information of Respondent's compliance officer.

e) On or before October 3, 2020, Respondent will provide the Department with a copy of (1) a recorded deed evidencing Respondent's ownership of amended Location 4, or (2) a lease or letter of intent executed by Respondent and the property owner confirming Respondent's lease of amended Location 4 and the owner/landlord's consent to permit the cultivation of medical marijuana at the premises.

f) On or before October 3, 2020, Respondent will provide the Department with (1) a copy of Respondent's detailed diagram and plans for the cultivation facility at amended Location 4 including all proposed improvements for the construction and operation of a cultivation facility, and (2) written confirmation from Respondent and Respondent's construction contractor that they will diligently pursue construction of the improvements for completion in accordance with the timetable set forth herein.

g) On or before November 1, 2020, Respondent will provide the Department with a copy of Respondent's operations manual for the cultivation operation including all policies and procedures for training personnel, cultivation, pesticide use, security and safety, record keeping and records retention, and all other matters required under the Regulations.

h) Respondent will complete all construction at amended Location 4 necessary for the satisfaction of the prerequisites for its License issuance pursuant to MMP Rules § 1.3(F)² by December 10, 2020, specifically including but not limited to the following:

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1 Any reference in paragraph 14 to the MMP Rules are to those which are currently in effect, beginning March 25, 2020.
(1) Any and all framing, plumbing, HVAC, electrical, carpentry, and other work represented in the proposed plans and construction documents that Respondent delivered to OCR via e-mail on August 3, 2020;

(2) 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);

(3) Issuance of the registry identification cards pursuant to MMP Rules § 1.4;

(4) Installation of any grow lights expected to be used for its cultivation of medical marijuana; and

(5) Compliance with all building and fire code requirements and issuance of a Certificate of Occupancy by the City of Warwick.

i) The DBR Pre-License Inspection pursuant to MMP Rules § 1.3(F)(4) will occur and the License fee will be paid on or before December 10, 2020;

j) Respondent will submit progress updates on amended Location 4's facility construction via e-mail to Peter Squatrito, OCR Inspector (Peter.Squatrito@dbr.ri.gov) and Erica Ferrelli, Senior Analyst (Erica.Ferrelli@dbr.ri.gov) by the close of business every Monday and said reports shall include any activity that occurred at amended Location 4's facility in the seven (7) days prior to the date of its submission and such reporting shall continue from the date of execution of this Consent Agreement until OCR issues Respondent its License but not later than December 10, 2020; and

k) Respondent will supply OCR with any and all supplemental materials requested for verification of any representation or assertion made in any weekly report submitted to OCR as a result of Respondent's compliance with paragraph 14(j) of this Consent Agreement.

15. The parties agree that this Consent Agreement and its terms represent the final determination of this matter.

16. 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 light to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35.1, et seq.

17. 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.

18. 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.
For the Department:

Signature
Erica Ferrelli
Senior Economic & Policy Analyst
Date: 9.23.2020

Respondent: 1011 Associates, LLC
d/b/a C-3 Consultants, LLC

Signature
Name: Thomas E. Affriddo
Title: President
Date: Sept. 23, 2020

Signature
William J. Lynch, Esq.
Counsel for the Respondent
Date: Sept. 23, 2020