

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

IN THE MATTER OF

MAD, LLC,

RESPONDENT.

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DBR No. 20MM003

CONSENT AGREEMENT

The Department of Business Regulation (the “Department”) through its Office of Cannabis Regulation (“OCR”) and Respondent MAD, LLC (the “Respondent”) hereby agree to resolve the above-captioned matter pursuant to R.I. Gen. Laws § 42-35-9(d).

It is hereby agreed by and between the Department and the Respondent that:

1. Respondent submitted its medical marijuana cultivator renewal application (“Renewal Application”) for License No. MMP CV 0055 (“License”) on January 3, 2020.
2. On January 28, 2020, an OCR Chief Inspector (“Inspector”) conducted an inspection of the Respondent’s cultivation facility at [REDACTED] West Warwick (“Facility”) and confirmed that since January 3, 2019 there had not been any medical marijuana cultivation, processing, packaging, or manufacturing, and no other medical marijuana activities requiring a cultivator license pursuant to the Act, at the Facility.
3. On February 14, 2020, the Department issued a letter to Respondent denying (“Denial Letter”) its Renewal Application for non-use of its License for a period of approximately twelve (12) months and informing Respondent of its hearing and appellate rights.
4. By e-mail and letter dated February 24, 2020, the Department received a request for an administrative hearing from Respondent’s Counsel.
5. Respondent now requests that the Department consider its February 2020 transfer and cultivation of medical marijuana clones, the associated projected July 31, 2020 completion date for medical marijuana production, and its recent Facility upgrades to floors, walls and the electrical system with a completion date of May 31, 2020, as good cause for why the License should not be revoked.

Applicable Law

6. Pursuant to MMP Rules, § 1.5(B)(3), “Once the license has been issued, the licensed cultivator must take reasonable and documented efforts to launch licensed cultivator activities, which for purposes of this paragraph shall mean actual medical marijuana cultivation, processing, packaging, manufacturing, and/or other medical marijuana activities requiring a cultivator license pursuant to the Act. If such efforts take longer than six (6) months, the licensed cultivator must show good cause to DBR why the license should not be revoked for non-use.”
7. Pursuant to R.I. Gen. Laws § 42-35-15(b), “Whenever a licensee has made timely and sufficient application for the renewal of a license or a new license with reference to any activity of a continuing nature, the existing license does not expire until the application has been finally determined by the agency, and, in case the application is denied or the terms of the new license limited, until the last day for seeking review of the agency order or a later day fixed by order of the reviewing court.”

Conditions

8. The Department and the Respondent have agreed to an amicable resolution of this matter without an administrative hearing and its attendant time and costs. As such, the Department and the Respondent agree to the following:
 - a. Respondent admits and agrees that the representations made in paragraph two of this consent agreement are true;
 - b. Respondent’s Facility operation between February 24, 2020 and the date of execution of this agreement was in conformity with R.I. Gen. Laws § 42-35-15(b) and with OCR’s direct knowledge;
 - c. Consistent with paragraph five, Respondent’s Facility construction upgrades shall be completed by May 31, 2020;
 - d. Consistent with paragraph five, Respondent’s medical marijuana product shall be ready and available for purchase by July 31, 2020; and
 - c. Respondent shall pay to the Department an administrative penalty for the non-use of its License in the amount of one-thousand dollars (\$1,000) made payable to the “Rhode Island General Treasurer.”
9. The parties agree that this Consent Agreement and its terms represent the final determination of this matter.

Legal Effects of Consent Agreement

10. *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.*

11. *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.
12. *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.

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For the Division:



Signature

Date: 3.27.2020

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

For the Respondent:



Signature

Date: 3/13/20

MAD, LLC



Signature

Date: 3-24-2020

Lisa Holley, Esq.
Counsel for the Respondent