

IN THE MATTER OF	*	BEFORE THE MARYLAND
HMS SALES, LLC d/b/a	*	MEDICAL CANNABIS COMMISSION
ZENITY WELLNESS,	*	
Respondent	*	
License No.: D-18-00014	*	Case No.: 19-00031

* * * * *

CONSENT ORDER

On August 22, 2019, members of the Maryland Medical Cannabis Commission (the “Commission”) held a pre-charge Case Resolution Conference (“CRC”) with HMS Sales, d/b/a Zenity Wellness (the “Respondent”), license number D-18-00014, pursuant to its authority to regulate medical cannabis dispensaries under Md. Code Ann., Health-Gen. § 13-3301 *et seq.* (2015 Repl. Vol. and 2018 Supp.). The purpose of the CRC was to attempt to reach resolution of a case alleging that the Respondent violated applicable regulations in lieu of proceeding to formal charges and a hearing.

The pertinent provisions of the relevant statute provides the following:

§ 13-3307. Dispensary License Requirements

(f) The Commission shall establish requirements for security and product handling procedures that a dispensary must meet to obtain a license under this section, including a requirement for a product-tracking system.

(g) The Commission may inspect a dispensary licensed under this section to ensure compliance with this subtitle.

(h) The Commission may impose penalties or rescind the license of a dispensary that does not meet the standards for licensure set by the Commission.

The pertinent regulations under the Code of Maryland Regulations (COMAR) in effect at the time of inspection¹ for which the Respondent's license is being disciplined provide as follows:

10.62.27.08 Licensed Dispensary Premises Organization

G. All medical cannabis, other than that being displayed, being processed, or being dispensed during business hours, shall be kept in a secure room.

10.62.34.01 Operational Failure Risking Diversion or Endangering Health

In the event the Commission finds there is a reasonable likelihood of diversion, contamination of medical cannabis, or any risk to the health of a patient or any other individual, after written notice and a hearing in accordance with the State Government Article, §§10-201—10-226, Annotated Code of Maryland, the Commission may:

- A. Impose a fine of up to \$10,000 per violation on a licensed grower, licensed processor, licensed dispensary or registered independent testing laboratory;
- B. Deny the license or registration;
- C. Suspend the license, licensee, agent, employee, registration or registrant; or
- D. Revoke the licenses, licensee, agent, employee, registration or registrant.

10.62.34.03 Violation of Requirements

In the event the Commission finds that a licensee, registrant, agent or employee violated a requirement of this subtitle, after written notice and a hearing in accordance with the State Government Article, §§10-201—10-226, Annotated Code of Maryland, the Commission may:

- A. Impose a fine of up to \$5,000 per violation on a licensed grower, licensed processor, licensed dispensary or independent testing laboratory;
- B. Suspend the license, registration, licensee, registrant, employee or agent; or
- C. Revoke the license or registration.

¹ The Division of State Documents first published the regulations in force at the time on July 1, 2017.

In lieu of proceeding with an evidentiary hearing in this matter, the parties agreed to the following Findings of Fact, Conclusions of Law and Order as set forth herein.

FINDINGS OF FACT

The Commission finds that:

1. The Respondent was initially licensed to dispense medical cannabis on February 22, 2018, license number D-18-00014, and operates a dispensary in Gaithersburg, Maryland.
2. On January 31, 2019, a Commission investigator completed an unannounced inspection at the Respondent's dispensary. While inspecting the processing area, the investigator noticed a steel bowl covered in a paper towel. Within the bowl, the investigator found about 18 grams of ground cannabis flower, intended for pre-rolled joints, which had been left out in the open air and had become stale and unusable.
3. Based on a review of surveillance footage, the investigator determined that the bowl containing ground cannabis had been left out since January 28, 2019, three days before the inspection.
4. The investigator questioned the dispensary manager about this omission. The dispensary manager explained that on January 28, 2019 he had directed a dispensary agent who had been making pre-rolled joints "to help on the dispensary floor." The manager stated that this agent must have forgotten to return to the processing area to properly store the ground cannabis.
5. The investigator noted that, aside from the incident described above, the Respondent was fully compliant with applicable regulations on January 31, 2019. The investigator

further noted that as of the date of the CRC, Respondent remained fully compliant with applicable regulations.

6. The Respondent disposed of the stale cannabis as green waste within a week of the January 31, 2019 inspection.

MITIGATING CIRCUMSTANCES

7. The Commission's investigators previously completed several inspections of the Respondent's dispensary in Gaithersburg. During these inspections, the Commission's investigators noted that the Respondent consistently complied with all applicable laws, regulations, and bulletins.

CONCLUSIONS OF LAW

Based on the foregoing Findings of Fact, the Commission concludes as a matter of law that there are grounds for discipline of the Respondent's medical cannabis dispensary license pursuant to COMAR 10.62.27.08, 10.62.34.01, and 10.62.34.03.

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law by the Commission, it is hereby

ORDERED that within 30 days of the date of this Order, the Respondent shall pay to the Commission a fine of **\$1,000**; and it is further

ORDERED that the Respondent shall incur all costs associated with this Consent Order; and it is further

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ORDERED that this Consent Order is a **PUBLIC DOCUMENT** pursuant to Md. Code
Ann., Gen. Prov. § 4-401 *et seq.* (2014).

9-26-19
Date


Brian Lopez
Commission Chair

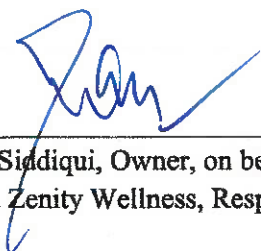
CONSENT

I, Shakil H. Siddiqui, am the Owner of HMS Sales, LLC d/b/a Zenity Wellness (hereinafter "Respondent"), and have legal authority to enter into this agreement on behalf of the Respondent. Respondent acknowledges that it has had the opportunity to seek advice of counsel in this matter. By this Consent, Respondent agrees and accepts to be bound by this Consent Order and its conditions and restrictions. Respondent waives any rights it may have had to contest the Findings of Fact and Conclusions of Law.

Respondent acknowledges the validity of this Consent Order as if entered into after the conclusion of a formal evidentiary hearing in which it would have had the right to counsel, to confront witnesses, to give testimony, to call witnesses on my own behalf, and to all other substantive and procedural protections as provided by law. Respondent acknowledges the legal authority and the jurisdiction of the Commission to initiate these proceedings and to issue and enforce this Consent Order. Respondent also affirms that it is waiving my right to appeal any adverse ruling of the Commission that might have followed any such hearing.

I sign this Consent Order with authority on behalf of Respondent after having had the opportunity to consult counsel, without reservation, and I fully understand and comprehend the language, meaning and terms of this Consent Order. I voluntarily sign this Order and understand its meaning and effect.

10/14/19
Date



Shakil H. Siddiqui, Owner, on behalf of HMS Sales,
LLC d/b/a Zenity Wellness, Respondent

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NOTARY

STATE OF Maryland
CITY/COUNTY OF: Frederick

I HEREBY CERTIFY that on this 14th day of October 2019, before me, a Notary Public of the State and County aforesaid, personally appeared Shakil H. Siddiqui, on behalf of HMS Sales d/b/a Zenity Wellness, and gave oath in due form of law that the foregoing Consent Order was his voluntary act and deed.

AS WITNESS, my hand and Notary Seal.

Brenda L. Smith

Notary Public

My commission expires: 11/8/22

