



### Culta Consent Order - J Havens

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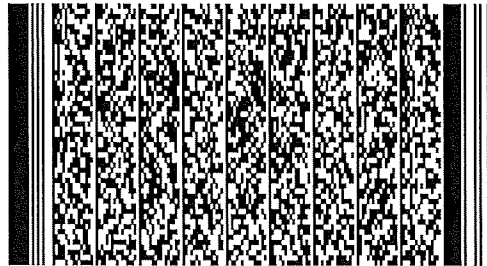
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#### E-Signature Summary

**E-Signature 1: Mackie Barch (MAB)**  
 September 24, 2021 11:53:05 -8:00 [0B86CC80AD1D] [76.17.136.144]  
 mackie@culta.io (Principal)

**E-Signature Notary: Nancy Lewer (NL)**  
 September 24, 2021 11:53:05 -8:00 [95BF09F88C2C] [76.17.136.144]  
 nancy.lewer@saul.com  
 I, Nancy Lewer, did witness the participants named above electronically sign this document.





IN THE MATTER OF

Culta, LLC  
License no. G-17-00014

Respondent

\* \* \* \* \*

\* BEFORE the  
\*  
\* MARYLAND MEDICAL  
\*  
\* CANNABIS COMMISSION  
\*  
\*  
\* Case no. 19-00344  
\*  
\*

**CONSENT ORDER**

After the Maryland Medical Cannabis Commission’s (“Commission”) Bureau of Enforcement and Compliance developed information indicating certain violations of the Act and applicable provisions of the Code of Maryland Regulations (“COMAR”), Culta, LLC, License no. G-17-00014 (“Respondent”) and the Commission agreed to resolve the matter as set forth in this Consent Order and agree to the following Findings of Fact, Conclusions of Law and Order.

The Commission is authorized to regulate medical cannabis growers under the Natalie M. LaPrade Medical Cannabis Commission Act (the “Act”) codified at Md. Code Ann., Health-Gen. § 13-3301 *et seq.* (2015 Repl. Vol. and 2018 Supp.). The pertinent provisions of the Act, found at Md. Code Ann., Health-Gen. § 13-3306, state as follows:

**Requirements for security and the manufacturing process**

(e) The Commission shall establish requirements for security and the manufacturing process that a grower must meet to obtain a license under this section, including a requirement for a product-tracking system.

**Inspection of licensed growers**

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

**Penalties or rescission of license**

(g) The Commission may impose penalties or rescind the license of a grower that does

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not meet the standards for licensure set by the Commission.

The pertinent provisions of the COMAR (March 2019 ed.) states as follows:

**COMAR 10.62.33.02. Consent to Inspection.**

Submission of an application to be a licensed grower, licensed processor, or licensed dispensary, [...] irrevocably gives the Commission consent to conduct all inspections necessary to ensure compliance with State law and regulations.

**COMAR 10.62.10.03. Additional Provisions for Field or Greenhouse Cultivation Premises.**

- A. Licensed premises for field cultivation of medical cannabis shall be situated to maintain the greatest achievable level of privacy and security.
- B. Physical Security. An area of cultivation shall be securely surrounded by fencing and gates constructed to prevent unauthorized entry.
- C. Fencing and gates shall be equipped with a security alarm system that:
  - (1) Covers the entire perimeter;
  - (2) Is continuously monitored; and
  - (3) Is capable of detecting power loss.
- D. The premises shall be protected by a video surveillance recording system to ensure:
  - (1) Surveillance of the entire perimeter of the area of cultivation;
  - (2) Surveillance over all portions of the security fence and all gates; and
  - (3) Adherence to the video surveillance requirements of this chapter.

...

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

**FINDINGS OF FACT**

The Commission finds as follows:

1. Respondent (license no. G-17-00014) is a licensed grower with its premises in Cambridge, Maryland.





2. On June 6, 2019, Respondent's representatives, in accordance with COMAR 10.62.10.02.D, informed the Commission of its intention to expand its facilities by constructing a new outdoor grow area for the cultivation of medical cannabis. Commission representatives instructed Respondent to contact the Commission to arrange for a Commission inspection of the new outdoor grow area before beginning cultivation.

3. On July 25, 2019, the Commission's investigators confirmed by visual inspection that the Respondent had begun cultivation of medical cannabis in the new outdoor grow area before Commission investigators inspected the new outdoor grow area and before the Commission approved the use of the new outdoor grow area.

4. On August 5, 2019, Commission investigators inspected Respondent's new outdoor grow area and observed approximately 1,500 cannabis plants being cultivated. Although Commission investigators found that the new outdoor grow area conformed to several applicable regulations, the investigators also noted several significant deficiencies.

5. Although Respondent's new outdoor grow area was equipped with a security alarm system, the alarm's notification system was not online at the time of inspection. According to the investigator's assessment, this alarm system would have been otherwise compliant with COMAR 10.62.10.03.C(1). The Commission's investigators noted that despite this deficiency, Respondent had security officers in several locations around the facility who coordinated to monitor and guard the outdoor grow.

6. The Commission's investigators observed that although the new outdoor grow area was protected by a video surveillance system, the system did not comply with COMAR 10.62.10.03.D. Respondent did not ensure that the system provided surveillance over all portions







of the security fence and all gates. In one monitored area, a pile of soil partially obstructed the camera system's view of the outdoor grow's perimeter fence.

### MITIGATING FACTORS

7. Respondent has had a record of consistent compliance with applicable regulations since its initial licensure by the Commission.

8. Respondent took prompt action to identify the employee that it deemed principally responsible for initiating the grow operation before the Commission's inspection of the new grow area and terminated this employee. Respondent then hired additional staff to improve security and regulatory compliance measures.

9. There was physical security of Respondent's outdoor grow facility, including, but not limited to security officers in several locations around the facility who coordinated to monitor and guard the outdoor grow facility, as well as fencing of the facility.

10. Had the outdoor facility's alarm system been online at the time of the Commission's inspection, it would have otherwise been compliant with COMAR 10.62.10.03.C(1).

### CONCLUSIONS OF LAW

11. Based on the foregoing Findings of Fact, the Commission concludes that Respondent has violated COMAR 10.62.10.03.C. and COMAR 10.62.10.03.D(2).

### ORDER

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





**ORDERED** that within twelve (12) months, Respondent shall pay a fine of \$125,000.00 in monthly, proportional installments or as a single consolidated fine for the violations noted above;

**ORDERED** that Respondent's Maryland medical cannabis grower's license number G-17-00014 is placed on PROBATION for a period of TWELVE (12) MONTHS beginning on the effective date of this Consent Order, subject to the following terms and conditions:

- The status of Respondent's medical cannabis grower's license number G-17-00014 be listed in the Commission's records as being on "PROBATION";
- For the period of Respondent's probation, Respondent's Maryland medical cannabis grower's license number G-17-00014 shall comply with all regulatory requirements including but not limited to those relating to the location of live plants within the grower facility, and a licensee's obligation to seek and receive the Commission's final approval of any major renovation or modification undertaken pursuant to COMAR 10.62.10.03.D(2); and
- Should Respondent's Maryland medical cannabis grower's license number G-17-00014 be found to have committed any new acts or omissions in violation of the Commission's requirements during the period of probation, the Commission may take additional action against Respondent's Maryland medical cannabis grower's license number G-17-00014;
- If Respondent's fine has been paid in full, Respondent may submit a written petition to the Commission requesting that probation be terminated no fewer than SIX (6) MONTHS from the effective date of this Consent Order. After considering the written petition and any relevant information relating to Respondent's conduct during probation, the Commission may terminate Respondent's probation through an order if Respondent has fully and satisfactorily complied with all of the terms and conditions of probation and this Consent Order;





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

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

9/28/21  
Date



Brian Lopez  
Commission Chair



