

**IN THE MATTER OF**

**Farmalogics Health & Wellness, LLC**

Respondent

\* **BEFORE the**  
\*  
\* **MARYLAND MEDICAL**  
\*  
\* **CANNABIS COMMISSION**  
\*  
\* Case nos. 20-00140; 20-00211;  
20-00254; 20-00260  
\*

\* \* \* \* \*

**CONSENT ORDER**

Pursuant to its authority to regulate medical cannabis dispensaries 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 Maryland Medical Cannabis Commission (“Commission”) issues the following consent order.

After the Commission’s Bureau of Enforcement and Compliance developed information indicating several violations of the Act and applicable provisions of the Code of Maryland Regulations (“COMAR”), Farmalogics Health & Wellness, LLC (“Respondent”) was invited to appear before a panel of Commission members for a Case Resolution Conference. Following the Case Resolution Conference, the Commission and Respondent agreed to resolve this matter as set forth herein.

The pertinent provisions of the COMAR states as follows:

**10.62.30.03. Procedure for Dispensing Medical Cannabis**

B. Before any distribution of medical cannabis, a dispensary agent shall query the Commission data network using a unique log-in that identifies the registered dispensary agent and verify that:

- (1) The qualifying patient or caregiver is currently registered;
- (2) A certifying provider issued a valid written certification to the qualifying patient; and

(3) The amount of medical cannabis that has already been dispensed pursuant to the written certification.

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. The Respondent operates a licensed dispensary in Ellicott City, Maryland.
2. During several audits that took place between February 2020 and August 2020, the Commission's investigators queried the Marijuana Enforcement Tracking Reporting & Compliance ("METRC") system for information on Respondent's sale of medical cannabis products to certified patients.
3. The Commission's investigators found that during this period the Respondent made several individual sales to patients that exceeded the patient's monthly allotment in at least 42 instances between February and August 2020. The majority of these oversales were for amounts lesser than 5 grams over a patient's monthly allotment.
4. According to the METRC system, the Respondent has not oversold medical cannabis to a patient since August 2020.

### **MITIGATING FACTORS**

5. In May 2020, the Commission notified the Respondent of this issue. In August 2020, the Commission's audits of Respondent determined that the Respondent no longer oversold to individual patients.

6. The Respondent produced records detailing the Respondent's efforts to resolve the oversale issue. Respondent found that its point-of-sale software ("POS") system, used by Respondent's agents to register purchases of medical cannabis at the dispensary, did not adequately synchronize with METRC, creating a window of time in which the point-of-sale software did not accurately reflect an accurate measure of the patient's remaining monthly allotment.

7. Upon notification of the oversale issue, the Respondent immediately began retraining staff on pertinent standard operating procedures and assigned agents to regularly review and reconcile point-of-sale data with METRC manually instead of relying on the software's automatic feature.

8. The Respondent's executive officers subsequently engaged the services of a third-party software engineer to create a solution, at significant expense. The Respondent fully implemented this newly engineered software solution to ensure an accurate indication at the of patients' remaining monthly allotments by August 2020.

#### **CONCLUSIONS OF LAW**

9. Based on the foregoing Findings of Fact, the Commission concludes that the Respondent has violated COMAR 10.62.30.03.

#### **ORDER**

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

**ORDERED** that the Respondent's dispensary license is hereby placed on **PROBATION** for a period of twelve (12) months during which Respondent shall not have any further pattern of oversales, beginning on the date this Order goes into effect; and it is further


**ORDERED** that the Respondent may bring a petition to the Commission to terminate its probation after six (6) months;

**ORDERED** that within 60 days of this Order the Respondent shall pay a single fine of \$15,000 for all oversales noted above in Paragraph 3;

**ORDERED** that the 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).

6-7-2021  
Date

  
Brian Lopez  
Commission Chair

**CONSENT**

I, Steven Croteau, am the Chief Operating Officer of Farmalogics Health & Wellness, LLC, and have legal authority to enter into this agreement on behalf of Farmalogics Health & Wellness, LLC (hereinafter "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 the Respondent would have had the right to counsel, to confront witnesses, to give testimony, to call witnesses on its 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 its 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 Consent Order and understand its meaning and effect.

06/03/2021  
Date

  
[Signature]

Steven Croteau, COO  
[Print name, title]  
Representative for Respondent

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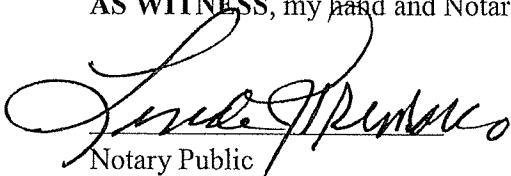
NOTARY

STATE OF ARIZONA

CITY/COUNTY OF: MARICOPA

I HEREBY CERTIFY that on this 3rd day of JUNE 2021, before me, a Notary Public of the State and County aforesaid, personally appeared STEVE GROVEAU on behalf of Farmalogics Health & Wellness LLC 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.

  
Notary Public



My commission expires: February 17, 2024