

IN THE MATTER OF	*	BEFORE THE MARYLAND
SEVEN POINTS AGRO	*	CANNABIS ADMINISTRATION
THERAPEUTICS, LLC	*	
License Nos. PA-23-00004 and GA-23-00009	*	
Respondent	*	Case No. 23-00234
	*	

* * * * *

CONSENT ORDER

The Maryland Cannabis Administration (the “Administration” or “MCA”) and Respondent **Seven Points Agro Therapeutics, LLC** (the “Respondent”), license numbers **PA-23-00004 and GA-23-00009**¹ respectively, pursuant to the Cannabis Reform Act, found at Md. Code Ann. Alcoholic Beverages & Cannabis § 36-503, and the Natalie LaPrade Medical Cannabis Commission Act (the “Act”), formerly codified at Md. Code Ann., Health-Gen. (“Health Gen.”) § 13-3301 et seq. (2019 Repl. Vol. and 2021 Supp.)² as well as Code of Maryland Code of Maryland Regulations (COMAR) 10.26, hereby enter into this Consent Order in order to resolve violations of the Act without the need for formal proceedings, to include an evidentiary hearing.

The pertinent provisions of COMAR are as follows:

10.62.08.12 Disclosure of Ownership and Control

A. Each licensee shall submit a table of organization, and control with the Commission:

- (1) On or before July 1 of each year;
- (2) Within 10 business days of any change in ownership interest or control; and
- (3) Upon request by the Commission.

¹ The prior license numbers were P-18-00001 and G-21-00005.

² Although the Cannabis Reform Act, codified at Alcoholic Beverages and Cannabis Article, §36-501, Annotated Code of Maryland and effective May 3, 2023, established the Maryland Cannabis Administration, this document references the Natalie LaPrade Medical Cannabis Commission Act as it was the governing statute at the time of the allegations set forth herein.

B. The table of organization, ownership, and control shall identify the management structure, ownership, and control of the license, including

...

(3) The percentage of ownership, if any.

10.62.08.08 Transfer of Ownership Interest in a License

A. No ownership interest shall be assignable or transferable unless:

(1) The Commission has received notice of the intent of the owner of the interest, or of the estate of the owner of the interest, to transfer or assign an ownership interest in a license to another party;

(2) The Commission approves the transfer or assignment; and

(3) The transferee has paid the required fee specified in COMAR 10.62.35.

FINDINGS OF FACT

The parties agree to the following statement of facts:

1. Respondent was initially awarded a medical cannabis processor license, P-18-00001, license on April 10, 2018.
2. When Respondent's processor license was originally issued, Respondent was owned in equal shares by Mr. Reginald Alston, Mr. Arrington Herry and Dr. Michele Dozier.
3. Respondent was also awarded a medical cannabis grower license, G-21-00005, on April 27, 2021.
4. At the time of issuance and at all times since, the grower license has been owned entirely by Seven Points Agro, LLC, which was and is owned 100% by Agro Therapeutics Holdings, LLC ("Agro Therapeutics").
5. On May 24, 2018, Respondent received its pre-approval for a grower license, and Articles of Organization were filed with the Maryland State Department of Assessments and Taxation to form Agro Therapeutics.

6. On May 25, 2018, Agro Therapeutics acquired from Mr. Herry, Mr. Alston and Dr. Dozier an aggregate 100% interest in Respondent's processor license, PA-23-00004, which had been operational for only about one month.
7. Also, neither Respondent nor Agro Therapeutics filed a request with the Maryland Medical Cannabis Commission ("MMCC", the predecessor agency to the MCA) seeking approval of the transfer requests, although MMCC approval was required for any transfer of a cannabis license in 2018.
8. Given that the beneficial interest in the licenses remained the same, it is possible the MMCC would have viewed a transfer request as a permitted restructuring had a formal request for such approval been submitted, and it is possible the MMCC would have approved the request.
9. Another unauthorized transfer of Respondent was the subject of a May 2021 Consent Order regarding Respondent's cultivation license (MMCC Case No. 20-00316) ("2021 Order").
10. The facts section of the 2021 Order (item 5 on page 3) references that at such time Respondent was owned by Agro Therapeutics, which in turn was owned at such time equally by Arrington Herry, Reginald Alston and Michele Dozier.
11. In addition, beginning in 2020, all cannabis licensees (growers, processors and dispensaries) were required to submit annual disclosures accurately reporting their ownership pursuant to COMAR 10.62.25.11.
12. The annual capitalization (cap) tables submitted for Respondent's processor license reflect the following:

- a. 2020: This cap table states that Respondent is owned in equal thirds by Michele Dozier, Reginald Alston and Arrington Harry. This cap table does not disclose ownership by nor make any reference to Agro Therapeutics.
 - b. 2021: This cap table accurately reflects Respondent's 100% ownership by Agro Therapeutics (which was, at the relevant time, an LLC whose members were Dozier, Alston and Herry).
13. The cap table submitted for Respondent's grower license for 2022 states that Respondent is owned 100% by Story of Maryland, LLC. This cap table does not disclose ownership by nor make any reference to Agro Therapeutics.
 14. Failure of licensees to accurately report their true ownership makes it difficult, if not impossible, for the MCA to determine whether a particular licensee owns a prohibited number of licenses.
 15. In each annual report and cap table submission, Respondent should have reported it was owned entirely by Agro Therapeutics but did not.

CONCLUSIONS OF LAW

Respondent violated COMAR 10.62.08.08 by failing to submit transfer requests prior to executing transfers of ownership interest as set forth herein. Further, Respondent violated COMAR 10.62.08.12 by failing to submit accurate Annual Reports as described herein.

ORDER

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

ORDERED that within 10 days of this Order, Respondents shall pay a fine to the Administration's Compassionate Use Fund in the amount of \$3,000 (for its inaccurate reporting in its Annual Reports) and \$10,000 for its unauthorized restructuring of ownership; and it is further

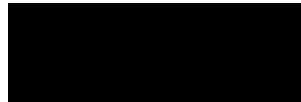
ORDERED within 10 days of this Order, Respondent shall submit a Request for Retroactive Approval of a Transfer of the unauthorized transfer set forth herein, including transfer fees in the amount of \$7,000; and it is further

ORDERED that Respondent shall be responsible for the costs associated with complying with this Order; and it is further

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

11/14/2023

Date



William Tilburg, Acting Director
Maryland Cannabis Administration


CONSENT

I, Joseph Sai, am the Manager of Seven Points Agro, Therapeutics, LLC and have legal authority to enter into this agreement on behalf of Seven Points Agro Therapeutics, 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 Administration 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 Administration 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.

10-26-23
Date



Representative for Seven Points Agro Therapeutics, LLC

NOTARY

STATE OF Arizona

CITY/COUNTY OF: Maricopa

I HEREBY CERTIFY that on this 26th day of October 2023,
before me, a Notary Public of the State and County aforesaid, personally appeared
Joseph Sai, on behalf of
Seven Points Agro Therapeutics, 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:

