

<b>IN THE MATTER OF</b>	*	<b>BEFORE THE</b>
<b>GROWING VENTURES, LLC</b>	*	<b>MARYLAND MEDICAL</b>
<b>(d.b.a. GREENHOUSE WELLNESS)</b>	*	<b>CANNABIS COMMISSION</b>
<b>Respondent</b>	*	
	*	
<b>License No.: D-17-00009</b>	*	<b>Case No.: 22-00328</b>

\* \* \* \* \*

**PRE-CHARGE CONSENT ORDER**

Pursuant to the Natalie LaPrade Medical Cannabis Commission Act (the “Act”), codified at Md. Code Ann., Health-Gen. (“Health Gen.”) § 13-3301 et seq. (2019 Repl. Vol. and 2021 Supp.), the Maryland Medical Cannabis Commission (the “Commission” or “MMCC”) and **Growing Ventures, LLC, d/b/a Greenhouse Wellness** (the “Respondent”), license number **D-17-00009**, enter into this Pre-Charge Consent Order in order to resolve violations under the Act.

The Commission issued a Letter of Non-Compliance for the violations on September 27, 2022, and on October 21, 2022, the parties met for a pre-charge Case Resolution Conference (“CRC”) wherein they agreed to resolve this matter without the need for formal administrative charges or a hearing. Thus, the parties have agreed to the Findings of Fact, Conclusions of Law and Order set forth herein.

The pertinent provisions of the Act and corresponding Code of Maryland Regulations (“COMAR”) are as follows:

**10.62.25.08**

(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;
- (3) The transferee has paid the required fee specified in COMAR 10.62.35; and
- (4) The ownership interest is 5 percent or more, and the transferee has provided the criminal history record information and an audited financial statement to the Commission of the transferee.

#### **10.62.25.11**

(A) Each licensee shall submit a table of organization, ownership, 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.

(B) The table of organization, ownership, and control shall identify the management structure, ownership, and control of the licensee, including the:

- (1) Name of each owner or principal officer and any other individual or entity with the authority to control the licensee;
- (2) The office or position held, if any; and
- (3) The percentage of ownership interest, if any.

(C) If the licensee is a business entity with publicly traded stock, the identification of ownership shall include:

- (1) The name and percentage of ownership interest of each individual or business entity with ownership of more than 5 percent of the voting shares of the entity, to the extent such information is known or contained in 13D or 13G Securities and Exchange Commission filings; and
- (2) To the extent known, the names and percentage of interest of ownership of persons who are relatives of one another and who together exercise control over or own more than 10 percent of the voting shares of the entity.

(D) A licensee that is owned or controlled, in whole or in part, by another entity shall disclose to the Commission:

- (1) The relationship between the licensee and the parent or affiliate; and
- (2) Each owner, board member, or officer and any other individual with control or management authority over those entities owning or controlling the license.

## FINDINGS OF FACT

1. The Maryland Medical Cannabis Commission (the “Commission”) received Respondent’s Stage 2 Application for a Dispensary License and accompanying exhibits on May 26, 2017.
2. Exhibit 1(f) of the Stage 2 Application identified Thyme Out Maryland, LLC as a “holding company in which Gina Dubbé’s interests are held,” and described Thyme Out Maryland, LLC as “organized and existing to hold the interests of Gina Dubbé.”
3. Exhibit 7(a) of the Stage 2 Application identified Gina Dubbé as the beneficial owner of 108 Class A units of Respondent (equal to a 69.68% ownership interest). It further provided that “the foregoing units are held by Thyme Out Maryland, LLC,” and indicated that Thyme Out Maryland, LLC acquired these units on December 16, 2016.<sup>1</sup>
4. On November 20, 2017, the Commission voted to award License Number D-17-00009 to Respondent based on the information reported in its Stage 2 Application.
5. On February 21, 2018, the Commission issued Bulletin 2018-003, which provided that:

*[L]icensed growers, processor, and dispensaries must (1) notify the Commission of any proposed transfer of 5 percent or more of an ownership interest, (2) submit criminal history information and audited financial information of the potential owner or transferee to the Commission, (3) obtain written approval of the transfer from the Commission, and (4) pay the required transfer fee.*
6. On July 13, 2020, Respondent submitted its 2020 annual organization, ownership and control disclosure (required under COMAR 10.62.25.11), which included a capitalization table indicating that Gina Dubbé directly held a 69.68% ownership interest in Respondent and that Ms. Dubbé acquired this interest in November of 2017. Thyme Out Maryland,

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<sup>1</sup> Records available through SDAT’s online database indicates that Thyme Out Maryland, LLC (W17912718) was formed on April 4, 2017. SDAT records further indicate that Thyme Out Maryland, LLC is currently in good standing and authorized to do business in Maryland.

LLC was not listed on the capitalization table. Respondent also submitted a document containing an attestation that “Growing Ventures LLC dba Greenhouse Wellness (D-17-00009) has no parent, holding, affiliate, or subsidiary companies and no management companies.”

7. On June 29, 2021, Respondent submitted its 2021 annual organization, ownership and control disclosure, which also contained a capitalization table indicating that Ms. Dubbé directly held a 69.68% ownership interest in Respondent and that Ms. Dubbé acquired this interest in November of 2017. Thyme Out Maryland, LLC was not listed on the capitalization table. Again, Respondent also submitted a document containing an attestation that “Growing Ventures LLC dba Greenhouse Wellness (D-17-00009) has no parent, holding, affiliate, or subsidiary companies and no management companies.”
8. On May 3, 2022, Respondent submitted a request to transfer Ms. Dubbe’s 69.68% ownership interest to GLD Holdings Trust. The pre-transfer cap table submitted with the request reported that Ms. Dubbé currently holds a 69.68% ownership interest in Respondent directly. Thyme Out Maryland, LLC was not listed on the pre-transfer cap table.
9. Respondent provided the Commission with a copy of its fully executed “First Amendment to Greenhouse Wellness’s Operating Agreement”, with an effective date of May 10, 2017 (the “First Amendment”). It includes the following recital:

*WHEREAS, as of the date hereof, Gina Dubbé owns and holds sixty-nine and sixty-eight hundredths (69.68%) of the outstanding Class A Membership Interests of the Company, and she desires to assign, transfer, and delegate all of her Class A Membership Interests to Thyme Out Maryland, LLC pursuant to one of the Assignment of Interest Agreement documents incorporated herein by this reference and collectively attached hereto as Exhibit 1...*

10. Exhibit 1 to the First Amendment included a fully executed Assignment of Interest Agreement that purports to transfer all of Gina Dubbé’s right, title, and interest in Respondent to Thyme Out Maryland, LLC.
11. However, Respondent contends that the First Amendment is inoperable, despite the fact that it has not been superseded by a subsequent amendment to its Operating Agreement. In support of this assertion, Respondent submitted an “Amended and Restated Written Consent on Behalf of Growing Ventures, LLC,” dated May 6, 2022 and executed by the Board of Managers and Thyme Out Maryland, LLC (the “Written Consent”).
12. The Written Consent provides:

*[T]he Board hereby approves, authorizes, ratifies and adopts these resolutions as an affirmation that GINA L. DUBBÉ owns a 69.68% interest in the Company (as stated in the Company’s business records and prior annual filings to the MMCC) and that THYME OUT MARYLAND, LLC owns no interest in the Company...*

*THYME OUT MARYLAND, LLC hereby consents to this Amended and Restated Written Consent and further hereby specifically renounces any membership interest it had, has or may have in Growing Ventures, LLC in favor of Gina L. Dubbé (individually).*

13. The second provision from the Written Consent quoted above states that Thyme Out Maryland, LLC sought to irrevocably and without condition extinguish any residual ownership interest in Respondent that it may still own.
14. Respondent’s made the following assertions in an email to the Commission’s Final Review Subcommittee on May 9, 2022:
- The First Amendment effective as of May 10, 2017 (“First Amendment to Operating Agreement”), states that the ownership interest of Ms. Dubbé was previously assigned to Thyme Out Maryland, LLC, a Maryland limited liability Licensee that was to have been owned solely by Gina Dubbé;

- At all times since the initial adoption of the Operating Agreement, Respondent's business records identify Gina Dubbé (individually) as the owner of her 69.68% ownership interest in Respondent, and all Members have treated Gina Dubbé (individually) as the owner of her interest in Respondent;.
- Thyme Out Maryland, LLC never acted as a member of Respondent and at all times acted as if the assignment to it of a membership interest in Respondent as stated in the First Amendment had never occurred;
- Ms. Dubbé (individually) at all relevant times acted as the sole owner of the membership interest at issue and as if the First Amendment had never occurred, and
- Under the Written Consent, to the extent Thyme Out Maryland, LLC had or has any ownership interest in Respondent, it renounced such interest in favor of Ms. Dubbé, who accepted such interest in her individual capacity.

15. Pursuant to COMAR 10.62.35.01.M, the total amount of fees to be submitted with each transfer request where the transferee is an entity is \$7,000, and the fee for each transfer request when the transferee is an individual is \$500.

### **CONCLUSIONS OF LAW**

16. Notwithstanding Respondent's good faith intent to comply with its applicable reporting obligations, Respondent's annual organization, ownership and control disclosures contained inaccurate information and inconsistent statements about its ownership structure, in violation of COMAR 10.62.25.11(B).

17. Respondent's prior actions in submitting its 2020 and 2021 annual organization, ownership and control disclosures effectively sought to transfer a majority ownership interest without approval from the Commission, in violation of COMAR 10.62.25.12(D).

### **ORDER**

Based on the foregoing Findings of Fact and Conclusions of Law, by an affirmative vote of a quorum of the Commission, it is hereby

ORDERED Respondent's license shall receive a **REPRIMAND**; and it is further

ORDERED that within 10 days of the effective date of this Order, Respondent shall pay a fine to the Commission's Compassionate Use Fund in the amount of \$5,000; and it is further


ORDERED that within 10 days of the effective date of this Order, Respondent shall submit a request that the Commission retroactively approve a change in ownership and pay the requisite \$500 fee in accordance with the applicable COMAR provisions.

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).

11/30/2022

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Tiffany Randolph, Chair

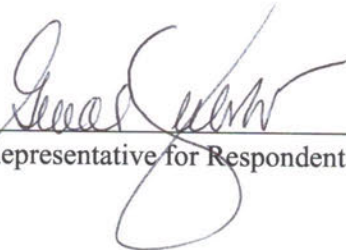
**CONSENT**

I, GINA Dubbe am the CEO of Growing Ventures dba Greenhouse Wellness and have legal authority to enter into this agreement on behalf of Growing Ventures dba Greenhouse Wellness (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.

11/29/22  
Date

  
\_\_\_\_\_  
Representative for Respondent



NOTARY

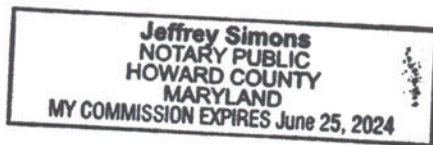
STATE OF Maryland

CITY/COUNTY OF: Howard

I HEREBY CERTIFY that on this 25th day of October 2022,  
before me, a Notary Public of the State and County aforesaid, personally appeared  
Gina BUBBE, on behalf of  
Growing Ventures, 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:

