

IN THE MATTER OF	*	BEFORE THE NATALIE M.
CURIO CULTIVATION, LLC	*	LAPRADE MEDICAL CANNABIS
License No. G-17-00004,	*	COMMISSION
CURIO MANUFACTURING, LLC	*	
License No. P-17-00003, and	*	Case No. 23-00135
CURIO DISPENSARY BC, LLC	*	
License No. D-18-00012	*	

* * * * *

CONSENT ORDER

Pursuant to the Natalie LaPrade Medical Cannabis Commission Act (the “Act”), codified at Md. Code Ann., Health-Gen. §§ 13-3301 - 13-3316 (2015 Repl. Vol. and 2018 Supp.), the Maryland Medical Cannabis Commission (the “Commission” or “MMCC”) and **Curio Cultivation, LLC**, license number G-17-00004, **Curio Manufacturing, LLC**, license number P-17-00003, and **Curio Dispensary BC, LLC**, license number D-18-00012, enter into this Pre-Charge Consent Order in order to resolve this matter lieu of proceeding to formal charges and an evidentiary hearing.

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

10.62.08.08 Transfer of Ownership Interest in a License.

A. No ownership interest [in a medical cannabis grower license] 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) [If] 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.

10.62.19.07 Transfer of Ownership Interest in a [Processor] License.

A. No ownership interest [in a medical cannabis processor license] shall be assignable or transferable unless:

- (1) The Commission has received notice in a matter determined by the Commission 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) [If] 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.

10.62.25.08 Transfer of Ownership Interest in a License

(A) No ownership interest [in a medical cannabis dispensary license] 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) [If] 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 Disclosure of Ownership and Control¹

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.

¹ The parties agree that the regulations provide identical reporting requirements for grower licensees, processor licensees, and dispensary licensees. See, COMAR 10.62.08.12 and 10.62.19.10.

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

The parties agree upon the following findings of fact:

1. Curio Cultivation, LLC is a licensed Maryland medical cannabis grower, license number G-17-00004. Curio Manufacturing, LLC is a licensed Maryland medical cannabis

processor, license number P-17-00003. Curio Dispensary BC, LLC is a licensed Maryland medical cannabis dispensary, license number D-18-00012. Curio Cultivation, LLC, Curio Manufacturing, LLC, and Curio Dispensary BC, LLC (collectively "Respondents") are each wholly owned subsidiaries of Curio Wellness Corporation ("Curio Wellness"), a privately held corporation.

2. On November 1, 2021, Curio Wellness issued 109,375 shares to Barbara Grimsley. On January 31, 2022, Curio Wellness issued 15,625 shares to Barbara Grimsley. Neither of these transfers was submitted for review and approval by the Commission.
3. On July 1, 2022, Curio Wellness issued 25,000 shares to Solomon Snyder. This transfer was not submitted for review and approval by the Commission. This ownership interest was not reflected on Respondents' 2022 Annual Ownership Disclosures, which were submitted by Respondents on July 21, 2022.
4. On July 1, 2022, Curio Wellness issued 9,375 shares to Blu Hill Farm Trust. This transfer was not submitted for review and approval by the Commission. This ownership interest was not reflected on Respondents' 2022 Annual Ownership Disclosures, which were submitted by Respondents on July 21, 2022.
5. On September 30, 2022, Curio Wellness issued 2,344 shares to Blue Hill Farm Trust. This transfer was not submitted for review and approval by the Commission.
6. On December 30, 2022, Curio Wellness issued 2,344 shares to Blu Hill Farm Trust. This transfer was not submitted for review and approval by the Commission.
7. Each of the above-referenced transfers of ownership in the parent company also constitutes a transfer of ownership in each of the wholly owned subsidiaries, and specifically constitutes a transfer of ownership in Respondents.

8. Collectively, the transferred ownership interests set forth in Paragraphs 2-6 above represent a de minimis ownership percentage in Curio Wellness. Each transfer was made pursuant to an equity incentive plan for employees and consultants of Curio Wellness and without payment to Curio Wellness.
9. On March 17, 2023, an entity holding a Maryland medical cannabis dispensary license submitted a request for approval of transfer of ownership. The proposed transferee in that application is Far & Dotter CC, LLC, a wholly owned subsidiary of Curio Wellness. In connection with this application, a capitalization table for Far & Dotter CC, LLC was submitted. Upon review of this document, MMCC staff identified a number of inconsistencies between the table submitted in support of the transfer and the most recent table on file for Curio Wellness.
10. The transfers set forth in Paragraphs 2-6 above require MMCC approval.
11. 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.

Curio Wellness otherwise remains in good standing with the Commission.

CONCLUSIONS OF LAW

Respondent **Curio Cultivation, LLC**, has violated COMAR 10.62.08.08 on six separate occasions by transferring an ownership interest in license number G-17-00004 without Commission approval. Respondent **Curio Manufacturing, LLC** has violated COMAR 10.62.19.07 on six separate occasions by transferring an ownership interest in license number P-17-00003. Respondent **Curio Dispensary BC, LLC**, has violated COMAR 10.62.25.08 on six separate occasions by transferring an ownership interest in license number D-18-00012 without

Commission approval. Respondents collectively violated COMAR 10.62.08.12, 10.62.19.10, and 10.62.25.11 by submitting inaccurate 2022 annual reports on ownership and control.

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 that within 10 days of this Order, Respondent shall pay a fine to the Commission's Compassionate Use Fund in the amount of \$7,500, representing a fine of \$1,000 for each of the six transactions that constituted an unauthorized transfer in each of the three licenses held by Respondents collectively, and a fine of \$500 for each of the three licensee's failure to submit an accurate ownership report for 2022; and it is further

ORDERED that within 10 days of this Order, Respondents shall submit requests that the Commission retroactively approve the changes in ownership set out above and pay any fees required by the Commission in connection with those requests; 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).

4/26/2023
Date


C. Obi Onyewu, Chair

CONSENT

I, Brian Logan, am the Chief Financial Officer and Treasurer of the Curio Wellness Corporation and have legal authority to enter into this agreement on behalf of Curio Cultivation, LLC, Curio Manufacturing, LLC, and Curio Dispensary BC, LLC (collectively "Respondents"). Respondents acknowledge that they have had the opportunity to seek advice of counsel in this matter. By this Consent, Respondents agree and accept to be bound by this Consent Order and its conditions and restrictions. Respondents waive any rights they may have had to contest the Findings of Fact and Conclusions of Law.

Respondents acknowledge the validity of this Consent Order as if entered into after the conclusion of a formal evidentiary hearing in which the Respondents would have had the right to counsel, to confront witnesses, to give testimony, to call witnesses on their own behalf, and to all other substantive and procedural protections as provided by law. Respondents acknowledge the legal authority and the jurisdiction of the Commission to initiate these proceedings and to issue and enforce this Consent Order. Respondents also affirm that they are waiving their rights 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 Respondents 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.

9/25/23
Date


Representative for Respondent

NOTARY

STATE OF MARYLAND

CITY/COUNTY OF: Baltimore County

I HEREBY CERTIFY that on this 25th day of April 2023, before me, a Notary Public of the State and County aforesaid, personally appeared Brian Logan, on behalf of Curio Wellness Corporation, 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.

Sevren Chwang
Notary Public



My commission expires: