

IN THE MATTER OF FARMALOGICS * BEFORE THE NATALIE M. LAPRADE
HEALTH AND WELLNESS, LLC * MEDICAL CANNABIS COMMISSION
and * *
DURJAYA, LLC * *
Respondents * *
License Nos. D-18-00038 and D-19-00009 * Case Nos. 22-00316
*** * * * * * * * * * * * * * * ***

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 Farmalogics Health and Wellness, LLC, license number D-18-00038 (“Farmalogics”), and Durjaya, LLC, license number D-19-00009 (“Durjaya”, and together with Farmalogics, the “Respondents”) enter into this Consent Order in order to resolve violations under the Act. These violations were the subject of a pre-charge Case Resolution Conference (“CRC”) held on September 23, 2022, which gave the parties the opportunity 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:

10.62.25.11

- (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.

10.62.25.12

- (D) In the case of material change to a management agreement, including a change of ownership or control of the management company, the licensee shall:
- (1) Provide any relevant records, files, or information to the Commission; and
 - (2) Receive Commission approval prior to the material change to the management agreement taking effect.

FINDINGS OF FACT

1. Farmalogics and Durjaya were each awarded pre-approvals for dispensary licenses on December 9, 2016.
2. Farmalogics was awarded License Number D-18-00038 by the Commission on July 26, 2018.
3. Durjaya was awarded License Number D-19-00009 by the Commission on June 27, 2019.
4. On February 21, 2018, the Commission issued Bulletin 2018-003, which required that pre-approved or licensed entities obtain written approval of proposed management agreements from the Commission.

5. Bulletin 2018-003 also required that any licensed or preapproved entity with an executed management agreement in place prior to February 21, 2018 submit the same to the Commission by March 12, 2018.
6. On March 13, 2018, Farmalogics and Durjaya submitted copies of executed management agreements between the respective licensed entities and Maryland Health Management, LLC ("MHM") to the Commission.
7. The management agreement between Farmalogics and MHM was entered into on March 8, 2018. The management agreement between Durjaya and MHM was entered into on March 12, 2018.
8. On September 4, 2019, Commission staff approved the proposed change to MHM's ownership that resulted in an ownership structure as follows: 25% owned by Devi Holdings Inc.; 56.875% owned by Multi Nine, LLC; and 18.125% owned by Alison Mia, LLC.
9. The Commission has not received any request to change ownership or control of MHM since September 4, 2019.
10. On June 22, 2021, Farmalogics and Durjaya each submitted the annual organization, ownership and control disclosures. The corporate structure charts submitted with these disclosures showed that each Respondent was managed by MHM and that the ownership structure of MHM was as follows: 56.875% owned by Multi Nine, LLC and 43.125% owned by Devi Holdings, Inc.
11. Nearly a year later, on June 14, 2022, Blue Mountain Care, LLC (License Number D-18-00029) and Blu Pharms, LLC (License Number D-19-00003) submitted requests for a change of management from their previously approved manager to MHM. A

capitalization table for MHM was submitted in support of these transfer requests, along with MHM's 2018, 2019 and 2020 tax returns.

12. This capitalization table indicated that Devi Holdings, Inc. held a 100% ownership interest in MHM, and that Devi Holdings, Inc. acquired this interest on January 1, 2018.
13. However, as described herein, documentation previously submitted to the Commission indicated that Devi Holdings, Inc. acquired an initial ownership interest of 25% in MHM sometime on or after August 12, 2019, in accordance with the parties' Interest Transfer and Exchange Agreement.
14. Moreover, MHM's tax returns indicated that Devi Holdings, Inc.'s ownership interest in MHM increased from 25% at the end of the 2019 tax year to 100% by the end of the 2020 tax year.
15. On July 1, 2022, Farmalogics and Durjaya each submitted the annual organization, ownership and control disclosures. The corporate structure chart submitted with these disclosures shows that both Farmalogics and Durjaya are managed by MHM and that Devi Holdings, Inc. held a 100% ownership interest in MHM.

CONCLUSIONS OF LAW

16. The annual organization, ownership and control disclosures submitted on behalf of Farmalogics and Durjaya on June 22, 2021 contained inaccurate and misleading information about the ownership structure of MIIM, in violation of COMAR 10.62.25.11(B).
17. Sometime between June 28, 2019 and June 14, 2022, Devi Holdings, Inc.'s ownership interest in MHM increased from 25% to 100%, 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 Farmalogics' license (D-18-00038) and Durjaya's license (D-19-00009) shall each receive a **REPRIMAND**; and it is further

ORDERED that within 10 days of the effective date of this Order, Farmalogics shall pay a fine to the Commission's Compassionate Use Fund in the amount of \$7,000; and it is further

ORDERED that within 10 days of the effective date of this Order, Durjaya shall pay a fine to the Commission's Compassionate Use Fund in the amount of \$7,000; and it is further

ORDERED that within 10 days of the effective date of this Order, each Respondent shall submit a request that the Commission retroactively approve a material change to its management agreement with MIIM (the material change being the change in majority ownership/control of MIIM), pursuant to COMAR 10.62.25.12, including a one-time, \$7,000 fee, that would have otherwise been required in accordance with the applicable COMAR provisions.

ORDERED that no request to further transfer the ownership interests of either Respondent shall be considered until such time that the conditions set forth herein are satisfied; and it is further

ORDERED that Respondents 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).

4/10/2023

Date


Dr. C. Obi Onyewu
Chair


CONSENT

I, Kalpeh Shah, am the MD Market Manager of Farmalogics Health and Wellness, LLC and have legal authority to enter into this agreement on behalf of Farmalogics Health and 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.

2/2/22
Date


Representative for Farmalogics Health and Wellness, LLC


CONSENT

I, Kalpek Shah, am the MD Market manager of Durjaya, LLC and have legal authority to enter into this agreement on behalf of Durjaya, 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.

2/23/21
Date


Representative for Durjaya, LLC

NOTARY

STATE OF Maryland

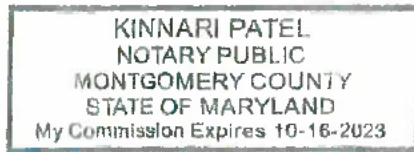
CITY/COUNTY OF: Montgomery

I HEREBY CERTIFY that on this 23rd day of February 2023
before me, a Notary Public of the State and County aforesaid, personally appeared
Kulresh Shah on behalf of
_____, 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

Kinnari Patel



My commission expires:

10-16-2023

NOTARY

STATE OF Maryland

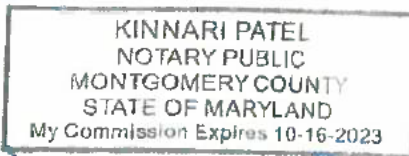
CITY/COUNTY OF: Montgomery

I HEREBY CERTIFY that on this 23rd day of February 2022,
before me, a Notary Public of the State and County aforesaid, personally appeared
Kalpesh Shah on behalf of
_____, 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

Kinnari Le. Patel



My commission expires: 10-16-2023