

IN THE MATTER OF * **BEFORE THE MARYLAND**
KIND THERAPEUTICS USA * **CANNABIS ADMINISTRATION**
and JUAN PAYNE *

Respondents *

License No. P-17-00007 * **Case No. 23-00178**

Application No. 23-3530284 *

* * * * *

NOTICE OF INTENT TO DENY AGENT REGISTRATION APPLICATION

The Maryland Cannabis Administration (“MCA”), pursuant to the Cannabis Reform Act (the “Act”), codified at Alcoholic Beverages and Cannabis Article, §36-501, hereby issues this **NOTICE OF INTENT TO DENY** the agent registration application submitted by **KIND THERAPEUTICS** on behalf of applicant **JUAN PAYNE** (collectively, “Respondents”), license number **P-17-00007** and application number **23-3530284**, respectively, for the reasons set forth herein.

The pertinent provisions of the Act are as follows:

§36-202. Medical and Adult Use Cannabis.

(A) The Administration shall:

- (2) Conduct financial and criminal background investigations of any person who submits an application for a cannabis license or a cannabis licensee, as required under this title.

§36-501. Agent, Owner, and License Transfer Requirements.

(A) Each cannabis agent shall be registered with the division administration before the agent may volunteer or work for a cannabis license or cannabis licensee or cannabis registrant.

(B) A cannabis agent registration is valid for 2 years.

(C) To be eligible to register as a cannabis agent with the division administration, a cannabis agent an individual must:

(1) Be at least 21 years old, and

(2) If the records are legally accessible, obtain a State and National criminal history records check in accordance with § 36-505 of this subtitle..

(D) The division administration may not register as a cannabis agent an individual who:

(1) Does not meet the criteria established under subsection C) of this section; or

(2) Has been convicted of or pleaded *nolo contendere* to a crime involving moral turpitude, whether or not any appeal or other proceeding is pending to have the conviction or plea set aside.

(E) The division administration may not deny a cannabis agent registration based on any cannabis-related offenses occurring before July 1, 2023.

Md. Code Ann., Alcoholic Beverages & Cannabis (2023 Supp.)

Allegations of Fact¹

The Administration bases its charges on the following facts that the Administration has reason to believe are true:

1. Respondent was originally awarded a license to operate a medical cannabis processor on October, 3 2017, under license number **P-17-00007**, located in Hagerstown, Maryland.
2. On or about May 4, 2023, Respondent submitted an application for an individual, Juan Payne, to become a registered agent at its processor location under application number **23-3530284**.
3. Pursuant to the Act, MCA conducted a criminal background check of Mr. Payne.
4. Mr. Payne's criminal background includes convictions for crimes of moral turpitude as follows:

¹ The allegations set forth in these charges are intended to provide Respondents with notice of the Administration's action. They are not intended as, and do not necessarily represent, a complete description of the evidence, either documentary or testimonial, to be offered against Respondents in connection with these charges.

a. In 2013, using or displaying a firearm in the commission of felony, for which he was sentenced to three years in prison, following by supervised probation;

b. In 2013, robbery, for which he was a 15 year sentence was imposed with all by 11 years, six months suspended;

c. In 2017, possession of synthetic marijiuna;

d. In 2018, contempt of court for failure to appear;

e. In 2020, possession of a Schedule I or Schedule II drug; and possession of the precursors to manufacture methamphetamine.

5. Thus, Mr. Payne is not qualified to serve as a registered agent at Respondent's processor location.

Notice of Possible Sanctions

If, after a hearing, the Administration finds that there are grounds for action under Md. Code Ann., Alcoholic Beverages & Cannabis §36-501(2023 Supp.) as set forth herein, the Administration may impose disciplinary sanctions against the Respondents' license and application, respectively, including denial or placing the Respondents on probation.

Notice of Opportunity for a Hearing

In accordance with the Act and the Administrative Procedures Act, codified at Md. State Gov't Code Ann. § 10-101 *et seq.*, the Administration hereby notifies Respondents of an opportunity for a hearing **BEFORE** the Administration makes a final decision in this case. The Respondents must request a hearing in writing **WITHIN THIRTY DAYS** of the receipt of this notice. The written request should be made to:

Anthony Grover, Chief, Office of Compliance & Regulation
Maryland Cannabis Commission
agrover@maryland.gov

with carbon copies to:

Francesca Gibbs, Assistant Attorney General
Administrative Prosecutor
Office of the Attorney General
francesca.gibbs@maryland.gov

Heather Nelson, Assistant Attorney General
Administration Counsel
Office of the Attorney General
heather.nelson1@maryland.gov

If a request for a hearing is made, a hearing will be scheduled before the Administration or may be delegated to the Office of Administrative Hearings. If the Administration does not receive a written request for a hearing within thirty days of receipt of this Notice, the Administration will issue an Order Denying Application for Cannabis Registration Application. The Order will be a public document pursuant to Md. Code Ann., Gen. Prov. §§ 4-401 et seq. (2014).

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KIND THERAPEUTICS USA
and JUAN PAYNE

* BEFORE THE MARYLAND
* CANNABIS ADMINISTRATION

Respondents

License No. P-17-00007

* Case No. 23-00178

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* * * * *

ORDER

Based on the foregoing Findings of Fact and Conclusions of Law, it is this 15 day of ~~May~~ ^{Sept.} 2023 hereby:

ORDERED that Respondents' application on behalf of an agent registration for Mr. Payne, Application No. 23-3530284 is **DENIED**; 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).

9/15/2023
Date


William Tilburg, Director