

IN THE MATTER OF	*	BEFORE THE MARYLAND
CERES NATURALS, LLC	*	CANNABIS ADMINISTRATION
Respondent	*	
License No. PA-23-00022	*	Case No. 23-00370

CONSENT ORDER

The pertinent provisions of the Act are as follows:

(a) The Administration shall:

The pertinent provisions of the Act’s corresponding regulations are codified at Code of Maryland Regulations (“COMAR”) as follows:

.02 Cannabis Processor Premises

* * *

B. A licensed processor facility premises shall be secured in accordance with COMAR 10.62.21.03-10.62.21.07.

COMAR 10.62.21.07 Visitors to the Premises

A. When a visitor is admitted to a non-public area of the premises of a licensee, a registered processor agent shall:

- (1) Log the visitor in and out;
- (2) Retain with the log a photocopy of the visitor's government- issued identification;
- (3) Continuously visually supervise the visitor while on the premises; and
- (4) Ensure the visitor does not touch any plant or medical cannabis.

.03 Cannabis Processor Facility Operations

Licensed processor operations shall be conducted in accordance with COMAR 10.62.22.

COMAR 10.62.22.04

* * *

C. A licensee's standard operating procedure shall provide for disposal and segregated storage of any medical cannabis:

- (1) That is outdated, damaged, deteriorated, misbranded, or adulterated; or
- (2) Whose containers or packages have been improperly or accidentally opened.

COMAR 10.62.22.05 Equipment Sanitation Accuracy and Maintenance Logs

* * *

C. The licensee shall maintain an accurate log recording the:

- (1) Cleaning of equipment;
- (2) The maintenance of equipment; and
- (3) The calibration of equipment.

14.17.14 Complaints, Enforcement, Record Keeping, and Inspections Cannabis Businesses

* * *

.04 Discipline and Enforcement

* * *

C. A licensee or registrant may not substantially deviate or demonstrate a pattern of deviation from the standard operating procedures or terms set forth in the license.

14.17.15 Cannabis Business Agents

.02 Registration

- A. Each agent shall be registered with the Administration before the agent may volunteer or work for a licensee or registrant.

.03 Training

- A. The licensee shall train all registered agents on:
- (1) Federal and State cannabis laws and regulation and other laws and regulations pertinent to the agent's responsibilities;
 - (2) Standard operating procedures;
 - (3) The State alcohol and drug free workplace policy, as identified in COMAR 21.11.08.03;
 - (4) Detection and prevention of diversion of cannabis;
 - (5) Security procedures;
 - (6) Safety procedures including responding to:
 - (a) A medical emergency;
 - (b) A fire;
 - (c) A chemical spill;
 - (d) A threatening event such as:
 - (i) An armed robbery;
 - (ii) An invasion;
 - (iii) A burglary; and
 - (iv) Any other criminal incident.
- B. The licensee shall retain training materials and attendance records and make training materials available for inspection by the Administration.

14.17.14 Complaints, Enforcement, Record Keeping, and Inspections of Cannabis Businesses

.04 Discipline and Enforcement

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* * *

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 - (d) A threatening event such as:
 - (i) An armed robbery;
 - (ii) An invasion;
 - (iii) A burglary; and
 - (iv) Any other criminal incident.

B. The licensee shall retain training materials and attendance records and make training materials available for inspection by the Administration.

In lieu of proceeding to an evidentiary hearing on the Charges, the Parties hereby agree to resolve this matter by way of this Consent Order.

Findings of Fact

1. On or about July 1, 2023, MCA issued to Respondent license number PA-23-00022 to operate as a cannabis processor at 5330 Spectrum Drive, Suite H in Frederick, Maryland 21703 (the "Facility").

2. Patriot Medical Laboratories LLC d/b/a CIAN Diagnostics ("CIAN") executed a Lease Agreement with Ceres to sublease space for its cannabis processing facility ("Lease Agreement"). Under the Lease Agreement, CIAN agreed to provide water, heating and air conditioning, electrical current for building fixtures, and janitorial services to Processor. Respondent submitted a copy of the Lease Agreement to the MCA in connection with its final inspection for licensure.

3. On September 18, 2023, MCA investigators conducted an unannounced inspection of the Facility.

4. On October 25, 2023, MCA investigators conducted a follow-up unannounced inspection of the Facility.

September 18, 2023 Inspection

5. The investigators initially encountered R.H., an operations manager, outside the Facility, and he escorted them into the building. At that time, R.H. was the sole registered agent for the Respondent.

6. Upon entry, the investigators observed J.B. in an area of the Facility not open to the public. While J.B. obtained an MCA agent badge on September 25, 2023, J.B. was present in the Facility on September 18, 2023, without a badge and was not escorted by a registered agent in the non-public areas.

7. J.B. provided consulting services related to product marketing and market analysis for the benefit of Processor. J.B. was asked to “help out” at the Facility by the quality and compliance consultant, S.M.

8. Upon review of video footage from September 12, 2023, investigators observed two non-badged females working in Respondent’s facility filling vape cartridges. These individuals were badged on September 25, 2023.

9. R.H. informed the investigators that two female employees of CIAN Diagnostics (“CIAN”), the Covid lab partially owned by S.M. and located in the same building complex, are routinely sent to the Facility to work in the lab a couple days a week to “help out.”

10. R.H. told investigators the CIAN employees filled vape cartridges when at the Facility. They were not registered with the MCA nor badged to work at the Facility. Upon review of video footage from September 12, 2023, investigators observed the two individuals inside an active operations area filling cannabis vape cartridges.

11. S.M. acknowledged that the two women provided cleaning and packaging services

for the benefit of Respondent at the Facility.

12. Investigators reviewed and obtained copies of visitor logs, which revealed that these individuals did not sign the visitor log, had not provided a copy of their government-issued identification cards, and were inconsistently escorted within the Facility by R.H.

13. Investigators requested that R.H. provide documentation and training records for all cannabis agents to demonstrate compliance with required training pursuant to COMAR 21.11.08.03 and adherence to drug-free workplace requirements.

14. In addition to the CIAN employees referenced above, S.M. told investigators a cleaning company had access to clean the Facility three days a week, as outlined in the Lease Agreement. The cleaning staff were not registered cannabis agents, and they were neither recorded in the visitor log nor escorted around the Facility. The investigators reviewed video footage from September 15, 2023 and observed two cleaning staff enter through a rear door of the Facility. Presumably, they had an access card as no one was seen opening the door for them.

15. Upon the request of investigators, S.M. was unable to provide investigators the Facility's logs for cleaning, maintenance, or calibration of equipment.

16. Investigators observed and documented unsanitary and unsafe conditions in the processing area, including, but not limited to, dirty equipment and materials used for processing.

17. At the request of investigators, S.M. and/or R.H. were unable to provide the MCA with a physical copy of requested SOPs. While Respondent delivered the SOPs to the MCA on October 13, 2023, they were not available at the facility at the time of the inspection.

18. Investigators observed and documented unsanitary and unsafe conditions in the processing area, including, but not limited to, dirty equipment and materials.

19. In the secure room designated for cannabis product storage, investigators observed a box containing packaged vape cartridges along with two filled unpackaged vape cartridges

taped to a Metrc tag. R.H. indicated that these items were classified as green waste. However, investigators did not observe a green waste container in the room for the segregation and storage of green waste products..

20. As part of its standard process, MCA investigators provided an exit briefing regarding the violations observed during their inspection. Within 10 days of receipt of the inspection report, licensees are required to submit corrective action plans to address the violations therein. COMAR 14.17.14.03I(2). On or around October 4, 2023, Respondent submitted a Corrective Action Plan (CAPA CN-20231004-001) to address all identified deficiencies noted during the September 18, 2023 inspection. Respondent submitted the CAPA, including photo documentation to demonstrate good faith efforts to address the deficiencies, to the MCA via email. The MCA acknowledged receipt of the correspondence during the follow-up inspection on October 18, 2023.

21. Between September 18, 2023 and April 2024, R.H. communicated with an MCA investigator, wherein R.H. discussed concerns about the Respondent's compliance issues. At certain times relevant to these charges and at the request of the MCA, R.H. provided information to the investigator.

October 18, 2023 Follow-Up Inspection

22. During the follow-up inspection, investigators toured the facility, reviewed records, performed employee interviews, and observed employees during their work day. Investigators observed that Respondent had addressed certain deficiencies identified during the September 18, 2023 inspection. While efforts were being made, the investigators noted that R.H., the sole employee of Respondent at the time, had not yet completed training on certain SOPs, cannabis laws, regulations, safety or security pertaining to processor agents. Moreover, some onsite training records were incomplete, and the process to update them was ongoing. Additionally,

while cleaning, maintenance, and calibration logs had been created, they had not yet been completed. Investigators also noted additional sanitation concerns, such as unclear surfaces and trash on the floors.

23. On October 14, 2024, Respondent delivered a Corrective Action Plan (Case No. 23-00370) to the MCA to address all identified deficiencies noted during the September 18, 2023 and October 18, 2023 inspections. The submission included photo documentation demonstrating Respondent's good faith efforts to address the noted deficiencies. The MCA has since acknowledged receipt of the submission, and no further violations or deficiencies have been raised regarding these matters.

Conclusions of Law

24. Respondent's failure to register and badge J.B., the two individuals that filled vape cartridges, and the two cleaning company employees constitute violations of COMAR 14.17.15.02.

25. Respondent's failure to provide employee training documentation regarding standard operating procedures constitutes a violation of COMAR 14.17.15.05.

26. Respondent's failure to maintain a visitor log, obtain a copy of a visitor's government issued identification, or to maintain visual supervision of visitors at all relevant times at the Facility constitute violations of COMAR 14.17.11.02.

27. Respondent's failure to maintain the sanitation of equipment and maintain accurate logs recording the cleaning, maintenance, and calibration of equipment constitute violations of COMAR 14.17.11.03.

28. Respondent's failure to maintain segregated storage and disposal for outdated, deteriorated, misbranded, or adulterated cannabis, constitute violations of COMAR 14.17.11.03.

29. Respondent's deviations from the following standard operating procedures including Processor Agent Badging, Sanitation Process for Utensils and Equipment, Visitor Log, and Medical Cannabis Destruction and Disposal constitute violations of COMAR 14.17.14.04.

CONSENT ORDER

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

ORDERED that upon the Effective Date of this Order, Respondent shall pay a fine to the Commission's Compassionate Use Fund in the amount of **\$15,000** within 10 days, 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. (2019 Repl. Vol. and 2021 Supp.).

4/14/25

Date

Tabatha Robinson, Director
Maryland Cannabis Administration

CONSENT

I, Jonathan R. Wachs, am a representative of Ceres Naturals LLC, a Maryland limited liability company, and I have legal authority to enter into this agreement on behalf of Ceres Naturals LLC (hereinafter "Respondent"). Respondent acknowledges that it 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 and on behalf of Respondent and having consulted with counsel, Respondent fully understands and comprehends the language, meaning and terms of this Consent Order, without reservation, and understands its meaning and effect.

04/17/2025

Date

Jonathan R Wachs

Jonathan R. Wachs, Esq. o/b/o Ceres Naturals LLC

NOTARY

State of Michigan

IN THE COUNTY OF Washtenaw,

Sworn to and subscribed before me on this 17th day of April 2025, by Jonathan R. Wachs, on behalf of Ceres Naturals LLC, and gave oath in due form of law that the foregoing Consent Order was his voluntary act and deed. S/He has produced a Driver's License as identification.



Notary Public
Kelly Ann Armistead

KELLY ANN ARMISTEAD
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF LIVINGSTON
MY COMMISSION EXPIRES OCTOBER 2, 2030
ACTING IN THE COUNTY OF Washtenaw

My Commission Expires: 10/02/2030