

<b>IN THE MATTER OF</b>	*	<b>BEFORE THE MARYLAND</b>
<b>PHARMACANN, INC., dba</b>	*	
<b>PC CULTIVATOR LLC</b>	*	<b>CANNABIS ADMINISTRATION</b>
	*	
<b>Respondent</b>	*	
<b>License No. GA-23-00017</b>	*	<b>Case No. 24-00129</b>

\* \* \* \* \*

**CONSENT ORDER**

The Maryland Cannabis Administration (the “Administration” or “MCA”) and Respondent **PHARMACANN, INC. dba PC CULTIVATOR LLC** (“Respondent”), pursuant to the Cannabis Reform Act, codified at Md. Code Ann. Alcoholic Beverages & Cannabis §§ 36-408 and 36-501 ( the “Act”), as well as Code of Maryland Code of Maryland Regulations (COMAR) 14.17 (2023) and COMAR 10.26 (2021)<sup>1</sup>, hereby enter into this Consent Order in order to resolve violations of the Act and COMAR without the need for formal proceedings, to include an evidentiary hearing.

The pertinent provisions of the Act in place at the time of the events set forth herein is as follows:

**§ 36-202. Powers and duties of Administration**

(a) The Administration shall:

7) after a determination that a violation of this title or a regulation adopted under this title has occurred, suspend, fine, restrict, or revoke cannabis licenses and

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<sup>1</sup> The predecessor agency to the MCA was the Maryland Medical Cannabis Commission (MMCC). The regulations applicable to the MMCC are in COMAR 10.62. On July 1, 2023, the MCA published emergency regulations found in COMAR 14.17. Pursuant to COMAR 14.17.02 E, the regulations are considered supplemental to COMAR 10.62.01 - 10.62.37. COMAR 14.17 prevails only to the extent that COMAR 10.62.01 - 10.62.37 conflicts or is inconsistent with COMAR 14.17. To the extent the provisions of COMAR 10.62 are referenced herein, the word “Commission” has been replaced with “Administration”.

cannabis registrations, whether active, expired, or surrendered, or impose any other penalty authorized by this title or any regulation adopted under this title;

The pertinent provisions of COMAR in place at the time of the allegations set forth herein are as follows:

**10.62.12.**

\* \* \*

**.09 Theft or Diversion**

A. If the Licensee finds evidence of a theft or diversion, the licensee shall report the theft or diversion to the Administration and to the Maryland State Police within 1 business day.

B. Within 30 business days of discovering the theft or diversion, the licensee shall:

- (1) Complete an investigation,
- (2) Amend the licensee's standard operating procedures, if necessary; and
- (3) Send a report of the investigation to the Administration.

**14.17.10 Cannabis Grower Operations**

\* \* \*

**.03 Cannabis Grower Controls**

A licensed grower facility shall

A. Grow cannabis in accordance with 10.62.11

**COMAR 10.62.11.03 Horticultural Controls**

\* \* \*

I. Green Waste. A licensee shall weigh, document, and destroy all green waste in accordance with standard operating procedure.

**14.17.14 Complaints, Enforcement, Record Keeping and Inspection of Cannabis Businesses**

\* \* \*

**.04 Discipline and Enforcement.**

A. Diversion.

(1) A licensee, registrant, agent, or employee may not:

(c) Fail to accurately track, tag, or otherwise record inventory in the seed-to-sale tracking system;

\* \* \*

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.

**.05 Fines, Hearings, and Suspension.**

A. A licensee, registrant, agent, or employee who violates Regulation .04A—B of this chapter is subject to a fine of up to \$10,000 per violation.

**14.17.15.04 Termination**

\* \* \*

B. Within one business day of the termination of a registered agent, the licensee shall:

(1) Notify the Administration:

(a) Of the termination and the circumstances of the termination;

**FINDINGS OF FACT**

The parties agree to the following statement of facts:

1. Respondent holds license number **GA-23-00017** in order to operate a cannabis grower facility in Lothian, Maryland (the "Facility").
2. At all times referenced herein, Respondent employed Agent S.C.<sup>2</sup> as a registered cannabis agent.
3. S.C. received his agent registration and was hired by Respondent on November 14, 2022.

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<sup>2</sup> Agents' full names have been withheld from this document to protect their privacy but may be revealed to the Respondent by the Administrative Prosecutor.

4. J.B., Director of Security and Legal, contacted MCA on March 7, 2024 regarding issues with inventory controls at the Facility and S.C.'s theft of product at the Facility.
5. On September 5, 2023, MCA received an email stating: "Agent [S.C.] was separated from Pharmacann service for reasons other than suspected loss, theft, or diversion."
6. Respondent's incident report (the "IR") dated September 1, 2023 stated that its security personnel had observed S.C. taking cannabis flower multiple times while working in the trim room. Specifically, the IR stated they had seen "[S.C.] grabbing a handful of weed and moving it to the left side of the tumbler."<sup>3</sup>
7. Respondent's security staff then explained to S.C. what they had seen and escorted him to his locker, where they found seven nitrite gloves, used by agents in the trim room, filled with cannabis flower.
8. S.C. was subsequently escorted off the property.
9. Respondent's agents then weighed the stolen cannabis flower, and it weighed 168.35 grams. The cannabis flower was photographed and placed in a sealed bag and then placed in a vault.
10. Respondent's IR described the incident as "theft" under "type of incident" Moreover, security guard K.K. refers to the incident as "theft" in his written statement.
11. Respondent's Standard Operating Procedure ("SOP") for Day and Night Shift Security Guards states: "When an event occurs that involves possible theft, diversion or patient health/safety, communication will be made by the on duty security officer utilizing the established phone tree. The phone tree is: Initial notification is to the PharmaCann Director of Security." Security personnel followed the SOP in reporting the incident.
12. MCA obtained emails and statements from various employees confirming the incident.

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<sup>3</sup> A tumbler is a machine used to trim leaves from cannabis flower.

13. MCA also obtained a documented chat conversation between two additional employees, who discussed that the incident would be reported internally as a “misappropriation” and not “theft.”
14. On April 8, 2024, MCA obtained a Notice of Termination for S.C., dated September 8, 2023, documenting the incident and which S.C. refused to sign. In the Notice, the incident noted S.C.’s actions are violations of the Company’s Code of Conduct, most notably: “Theft, misappropriation, or unauthorized possession or use of property, document records, product, or funds belonging to PharmaCann, or any patient or employee.”
15. Respondent’s SOP - Handling Agent Termination states that within one business day of termination of a registered agent, a licensed grower shall notify the [MCA] of a termination and that the circumstances of the termination are required when the termination is the result of the company’s dismissal and not when a termination is voluntary.
16. While Respondent sent MCA an agent departure email on September, 5, 2023, Respondent failed to notify MCA of the circumstances of the agent’s departure as required by COMAR and Respondent’s SOP.
17. Moreover, the email was deceptive in that the sender stated S.C. was separated from employment “for reasons other than suspected loss, theft, or diversion.” Thus, Respondent failed to comply with COMAR requirements of reporting and investigating theft or diversion.

18. On March 15, 2024, J.H., Regional Manager of Operational Compliance for Pharmacann, initiated a telephone conversation with the investigator during which he said Respondent does not view the incident as a theft because the cannabis flower never left the building.
19. While Respondent green-wasted the product they retrieved from S.C.'s locker, they failed to record the cannabis flower into the seed-to-sale tracking system and failed to weigh and document the green waste as required by COMAR and their Green Waste SOP.
20. In reviewing video surveillance from October 3, 2023, the investigator observed an agent green-wasting the cannabis flower without using personal protective equipment including a mask and gloves as required by their SOP.
21. Respondent failed to make adjustments in METRC for the disposal of cannabis flower as required by COMAR and Respondent's SOP for Disposing of Green Waste.

#### **CONCLUSIONS OF LAW**

22. Respondent's conduct constitutes violations of Alc. Bev. § 36-202 *et seq.*
23. Respondent's conduct constitutes two violations of the requirements in COMAR 10.62.12.09.
24. Respondent's conduct constitutes a violation of the requirements in COMAR 14.17.10.03A.
25. Respondent's conduct constitutes a violation of the requirements in COMAR 14.17.14.04A(1)(c).
26. Respondent's conduct constitutes a violation of the requirements in COMAR 14.17.15.04B.
27. Respondent's conduct constitutes two violations of COMAR 14.17.14.04C.

**ORDER**

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

ORDERED that Respondent shall, within 10 days of this Order, pay a fine in the amount of \$17,500 for the aforementioned violations; and it further

ORDERED that failure to comply with the terms of this Consent Order may be deemed a violation of the Maryland Cannabis Reform Act and may result in additional enforcement action, including suspension of Respondent's license; and be it 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.).

3/12/2025  
Date



Alex D. Young, Chief of Staff  
o/b/o Tabatha Robinson, Director  
Maryland Cannabis Administration

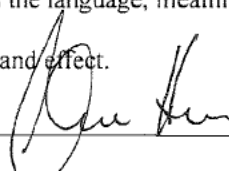
CONSENT

I, Joshua Horn, am counsel for PHARMACANN, INC. dba PC CULTIVATOR LLC and I have legal authority to enter into this agreement on behalf of PHARMACANN, INC. dba PC CULTIVATOR LLC (hereinafter Respondent"). Respondent acknowledges that he 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 he 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 he 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.

3/13/2025  
Date

  
\_\_\_\_\_  
Counsel, on behalf of Respondent



Pennsylvania

NOTARY

[insert state]

Sworn to and subscribed before me, this 13<sup>th</sup> day of March 2025, by Joshua Horn, on behalf of PHARMACANN, INC. dba PC CULTIVATOR LLC, and gave oath in due form of law that the foregoing Consent Order was his voluntary act and deed. He has produced a Driver's License as identification.

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Notary Public

Heidi Ratcliffe  
My Commission Expires: \_\_\_\_\_

Commonwealth of Pennsylvania - Notary Seal  
HEIDI RATCLIFFE - Notary Public  
Philadelphia County  
My Commission Expires March 21, 2026  
Commission Number 1416438