

IN THE MATTER OF

*

BEFORE THE MARYLAND

GREENLABS, Inc.,

*

MEDICAL CANNABIS COMMISSION

Respondent

*

License No.: D-18-00032

*

Case No.: 19-00120

* * * * *

PRE-CHARGE CONSENT ORDER

On August 20, 2019, members of the Maryland Medical Cannabis Commission (the “Commission”) held a pre-charge Case Resolution Conference (“CRC”) with GreenLabs, Inc. (the “Respondent”), license number D-18-00032, pursuant to its authority to regulate medical cannabis dispensaries under Md. Code Ann., Health-Gen. § 13-3301 *et seq.* (2015 Repl. Vol. and 2018 Supp.). The purpose of the CRC was to attempt to reach resolution of a case alleging that the Respondent violated applicable regulations.

The pertinent provision of the relevant statute provides as follows:

§ 13-3307. Dispensary License Requirements

...

(f) The Commission shall establish requirements for security and product handling procedures that a dispensary must meet to obtain a license under this section, including a requirement for a product-tracking system.

(g) The Commission may inspect a dispensary licensed under this section to ensure compliance with this subtitle.

(h) The Commission may impose penalties or rescind the license of a dispensary that does not meet the standards for licensure set by the Commission.

...

The pertinent regulations as set out in the Code of Maryland Regulations (“COMAR”) (2019) for which the Respondent’s license is being disciplined state as follows:

10.62.26.05 Termination.

...

B. Within 1 business day of the termination of a registered dispensary agent’s association with a licensee, the licensee shall:

(1) Notify the Commission:

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

(b) Whether the terminated registered dispensary agent has returned the agent’s identification card; and

(2) Initiate delivery of the terminated registered dispensary agent’s identification card to the Commission.

10.62.26.07 Registered Dispensary Agent Training.

...

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

10.62.27.07 Video Surveillance Requirements.

...

D. A surveillance camera shall capture activity at each entrance to an area where medical cannabis is packaged, tested, processed, stored or dispensed.

10.62.27.08 Licensed Dispensary Premises Organization.

A. A licensee shall divide the licensed dispensary premises between a public zone and an operations zone.

...

G. All medical cannabis, other than that being displayed, being processed, or being dispensed during business hours, shall be kept in a secure room.

10.62.27.09 Visitor to a Non-Public Area of the Premises.

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

- (1) Log the visitor in and out; ...

10.62.28.04 Sanitary Storage of Medical Cannabis.

A. A licensee shall maintain the cleanliness of any building or equipment used to store or display medical cannabis.

B. A registered dispensary agent shall:

- (1) Comply with the standard operating procedure to maintain the medical cannabis free from contamination; ...

In lieu of proceeding with an evidentiary hearing in this matter, the parties agreed to the following Findings of Fact, Conclusions of Law and Order as set forth herein.

FINDINGS OF FACT

The Commission finds that the Respondent dispensary violated several regulations as follows:

I. Operational failures

1. The Respondent was initially licensed to dispense medical cannabis on June 28, 2018, license number D-18-00032, and operates a dispensary in Baltimore, Maryland.
2. Commission investigators visited the Respondent dispensary on March 27, 2019 for an unannounced inspection.

3. While there, Commission investigators observed an unsecure, unmarked container of medical cannabis on an employee workstation, close to an open beverage container which exposed the medical cannabis to a risk of contamination.

4. The delivery entrance leading to the processing area, where medical cannabis is packaged under lab conditions, is occasionally used as an employee entrance, creating an additional risk of contamination.

5. The door to the Respondent's employee breakroom, when opened, obscures the surveillance camera that monitors a table where unlabeled cannabis is kept, contrary to regulation requiring that surveillance cameras record each area where medical cannabis is stored at all times.

6. While performing their inspection, Commission investigators witnessed a deliveryman enter a non-public area. Respondent's employees signed in the deliveryman upon his arrival but, contrary to regulatory requirements, did not sign him out when he left the dispensary.

II. Non-Compliance with Employee Regulations

7. Commission investigators requested several employee records from the Respondent's persons in charge, the chief information officer and the director of retail operations. The investigator noted that employee training records were inadequate to satisfy regulatory requirements in the following ways:

8. The persons in charge showed Commission investigators a document that listed dispensary agents who had undergone training under the Respondent's employ. However, this training log lacked specific information on the subject matter and dates of each employee training.

9. Furthermore, several current employee records indicate that employees did not receive required training books.

10. At the time of the inspection, the Respondent had in its possession the identification badges of twelve (12) former dispensary agent employees who had separated from employment with the Respondent before the time of the inspection. The Respondent had not, as required by applicable regulation, notified the Commission of the dispensary agents' departure or initiated return of the employee ID badges within one (1) business day.

11. When a Commission investigator asked the Respondent's director of retail operations about dispensary agents who were terminated or resigned, the director of retail operations informed the investigator that she was not aware that regulations required her to notify the Commission or return identification badges upon a dispensary agent's separation.

CONCLUSIONS OF LAW

Based on the foregoing Findings of Fact, the Commission concludes as a matter of law that the operational failures and omissions described above are grounds for disciplining the Respondent's medical cannabis dispensary license pursuant to COMAR 10.62.26.05, 10.62.26.07, 10.62.27.07, 10.62.27.08, 10.62.27.09, and 10.62.28.04.

ORDER

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

ORDERED that within 10 days of this Order, the Respondent shall designate the exterior door nearest the processing room to be used only as an emergency exit and to train all employees with access to this door to use it accordingly;

ORDERED that within 30 days of this Order, the Respondent shall revise its standard operating procedures relating to security, access, and sanitary practices and that the Respondent

shall submit these revised standard operating procedures to the Bureau of Enforcement and Compliance for final approval before implementing them;

ORDERED that within 30 days of this Order, the Respondent shall revise its training logs to include specific information on the dates of employee trainings, the subject matter of each employee training, and the names of each employee who completed the respective trainings;

ORDERED that within 30 days of this Order, the Respondent reorganize or reposition its dispensary surveillance cameras so that areas where medical cannabis is stored are visible to the surveillance cameras and recorded at all times and that the Respondent is fully compliant with the video surveillance requirements enumerated in COMAR 10.62.27.07;

ORDERED that within 120 days of this Order, the Respondent shall retrain all staff on COMAR provisions and standard operating procedures related to recordkeeping, sanitary methods, and security and access measures and it is **FURTHER ORDERED** that the Respondent shall submit logs of these trainings to the Bureau of Enforcement and Compliance upon completion of training;


ORDERED that within 90 days of this Order, the Respondent shall pay a **fine of \$8,500.00**, a total representing \$500.00 for each former employee for which the Respondent failed to provide notice or return a dispensary agent identification card in addition to \$2,500.00 for failing to properly log a visitor to the premises;

ORDERED that the Respondent shall incur all costs associated with this Consent Order; and it is further

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ORDERED that this Consent Order is a **PUBLIC DOCUMENT** pursuant to Md. Code
Ann., Gen. Prov. § 4-401 *et seq.* (2014).

9-26-19
Date


Brian Lopez
Commission Chair

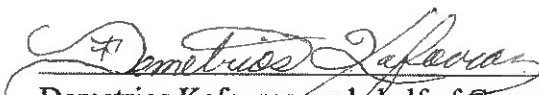
CONSENT

I, Demetrios Kafouros, am the Chief Executive Officer of GreenLabs, Inc., (hereinafter "Respondent"), and have legal authority to enter into this agreement on behalf of the 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 it would have had the right to counsel, to confront witnesses, to give testimony, to call witnesses on my 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 my 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 Order and understand its meaning and effect.

10/28/2019
Date


Demetrios Kafouros, on behalf of GreenLabs, Inc.,
Respondent

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NOTARY

STATE OF Maryland

CITY/COUNTY OF: Baltimore County

I HEREBY CERTIFY that on this 28th day of October 2019, before me, a Notary Public of the State and County aforesaid, personally appeared Demetrios Kafouros, on behalf of GreenLabs, Inc., and gave oath in due form of law that the foregoing Consent Order was her voluntary act and deed.

AS WITNESS, my hand and Notary Seal.

Craig S. Lofton
Notary Public

My commission expires:

Craig S. lofton
NOTARY PUBLIC
BALTIMORE CITY COUNTY
MARYLAND
MY COMMISSION EXPIRES September 10, 2023

Craig S. lofton
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