

IN THE MATTER OF	*	BEFORE THE
Hippocratic Growth, LLC	*	MARYLAND MEDICAL
Respondent	*	CANNABIS COMMISSION
	*	
License No. D-18-00005	*	Case No. 21-00182

PRE-CHARGE CONSENT ORDER

Pursuant to its authority to regulate medical cannabis dispensaries under the Natalie M. LaPrade Medical Cannabis Commission Act (the “Act”) codified at Md. Code Ann., Health-Gen. § 13-3301 *et seq.* (2015 Repl. Vol. and 2018 Supp.), the Maryland Medical Cannabis Commission (“Commission”) requires a dispensary that wishes to transfer ownership of its dispensary license to submit a request to the Commission for prior approval.

The regulations pertinent to this Order are set forth at Code of Maryland Regulations (COMAR) as follows:

COMAR 10.62.25.08 Transfer of Ownership Interest in a [Dispensary] License.

- A. No ownership interest shall be assignable or transferable unless:
 - (1) The Commission has received notice of the intent of the owner of the interest, or of the estate of the owner of the interest, to transfer or assign an ownership interest in a license to another party;
 - (2) The Commission approves the transfer or assignment;
 - (3) The transferee has paid the required fee specified in COMAR 10.62.35;
 - ...

10.62.25.11 Disclosure of Ownership and Control.

- A. Each licensee shall submit a Table of Organization, Ownership & 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.

On November 17, 2021, the parties participated in a pre-charge case resolution conference in this matter. In lieu of proceeding with the issuance of charges and 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 as follows:

1. Hippocratic Growth, LLC (hereinafter “Respondent”) received a dispensary license on or about January 25, 2018, and holds license number D-18-00005.2. Respondent’s Stage One dispensary application, received by the Commission on November 8, 2015, lists the name of the applicant as “Hippocratic Growth, LLC DBA – Ash & Ember.”³ The Articles of Organization submitted with the Stage One application indicates the name “Hippocratic Growth, LLC.”
2. The beneficial owners/investors listed on the Stage One dispensary application are: Ashley Colen; Paige Colen; Stephen Meehan, William Knight and Bobbi Hickman.
3. Respondent's Maryland State Department of Assessment and Taxation (SDAT) registration number is in the name “Hippocratic Growth, LLC” is W16689044.
4. Respondent’s Stage Two application, submitted on October 20, 2017, lists the beneficial owners of the license as Ashley Colen, Paige Colen, Stephan Meehan, and Hiram Hollomon¹. Respondent’s physical file of the Stage Two application in its possession reflects that

¹ Mr. Holloman was not listed on the Stage One application. However, Mr. Holloman submitted all required background checks in the Stage Two application, and none of the beneficial owners of

Respondent submitted a Joint Venture Agreement with the Stage Two application, wherein it was disclosed to the Commission that the dispensary would be owned and operated by the Joint Venture between Hippocratic Growth, LLC, and Hiram Hollomon, an individual.² The Commission has no record of this submission.

5. Despite disclosure that the license should be in the name of the Joint Venture, the Respondent submitted the Stage Two application still naming Hippocratic Growth, LLC, as the proposed licensee, not the joint venture. The Stage Two application identified the name of the business as “Hippocratic Growth, LLC d/b/a Ash + Ember.”

6. The Joint Venture Agreement states that the license is owned 90% by Hippocratic Growth, LLC (the improperly named license holder) and 10% by Hiram Hollomon. In the Stage Two application, the ownership of Hippocratic Growth, LLC (the intended 90% owner of the license) was Ashley Colen (40%), Paige Colen (40%) and Stephen Meehan (20%).

7. Respondent contends that the license should have been in the name of the Joint Venture, and not in the name of Hippocratic Growth, LLC.

8. On October 14, 2020, Respondent submitted an Annual Disclosure Report of the licensee’s Organization, Ownership & Control, that was due by July 1, 2020. The disclosure again named the licensee as Hippocratic Growth, LLC, d/b/a Ash + Ember. The reports and cap table provided indicated the beneficial owners of the license were: Ashley Colen (35%); Paige Colen (35%); Stephen Meehan (20%); and Hiram Hollomon (10%). On this cap table, the date each of the owners/investors acquired their respective shares is January 21, 2018, contrary to the date of the acquisition that was previously reported.

the dispensary license has an ownership interest in or the right to control a statutorily prohibited number of dispensary licenses in the State.

² The Joint Venture agreement is dated July 28, 2017.

9. The 2020 Annual Disclosure Report also disclosed that the dispensary was owned and operated by a joint venture between Hippocratic Growth, LLC, and Hiram Hollomon with Hippocratic Growth, LLC, owning 90% of the Joint Venture and Hiram Hollomon owning 10% of the Joint Venture. The organizational chart and cap tables were consistent with the ownership percentages disclosed to the Commission in its Stage Two application.

10. Because the dispensary license was awarded to the entity named as the applicant on the Stage One and Stage Two Applications, instead of being awarded to the Joint Venture, the Respondent's subsequent disclosures and reporting that stated that the license was owned by the Joint Venture was inconsistent with the Commission's award of the license to Hippocratic Growth, LLC.

11. On June 7, 2021, in response to an inquiry from the Commission, a representative of Respondent sent the Commission a letter indicating that Hippocratic Growth, LLC and Hiram Hollomon created Hippocratic Growth Holdings, LLC in 2019 as a pass-through entity consisting of the Hippocratic Growth Joint Venture members to account for the dispensary operations mirroring the joint venture agreement ownership percentages created on July 28, 2017 and what was submitted with Respondent's Stage Two application.

12. Hippocratic Growth Holdings, LLC is registered with SDAT number W19480052.15. On July 2, 2021 while awaiting guidance from the Commission, one of Respondent's principals submitted an Annual Ownership, Organization and Control Disclosure which was due by July 1, 2021, wherein the licensed entity is listed as "Hippocratic Growth Joint Venture." An updated cap table listing the business name "Hippocratic Growth Joint Venture t/a Ash+Ember Dispensary" was also submitted and shows the ownership/investors as Hippocratic Growth, LLC (90%) and Hiram Hollomon (10%).

13. On July 5, 2021, the same representative submitted a “revised” 2020 Annual Ownership, Organization and Control Disclosure (originally submitted on October 14, 2020). This revision lists the licensee name as “Hippocratic Growth Joint Venture” and includes two cap tables. One states the business name is “Hippocratic Growth, LLC” with owners as follows: Ashley Colen (40%); Paige Colen (40%); and Stephen Meehan (20%). The second cap table states the business name is “Hippocratic Growth Joint Venture t/a Ash+Ember Dispensary” with owners as follows: Hippocratic Growth, LLC (90%) and Hiram Hollomon (10%).

14. On July 8, 2021, Respondent’s representative rescinded the two 2021 Annual Ownership, Organization and Control Disclosures he had submitted on July 2, 2021, and submitted a revised Annual Ownership, Organization and Control Disclosure and two additional cap tables. This report lists the business name as “Hippocratic Growth, LLC/Ash+Ember.” One cap table lists the type of business as a joint venture and shows the owners as Ashley Colen (35%); Paige Colen (35%); Stephen Meehan (20%); and Hiram Hollomon Trust 10%. Another table titled “Trusts with 5% Ownership Interest in License; Overview -- Hiram Brown Holloman Trust” lists Hiram B. Brown (100%).

15. Further confusion arose when staff reviewed affidavits filed by Ms. Ashley Colen and Ms. Paige Colen in connection with litigation in *Hippocratic Growth, LLC v. The Natalie M. LaPrade Medical Cannabis Commission* in the Circuit Court for Queen Anne’s County on October 21, 2020. Both affidavits indicate the ownership of Hippocratic Growth LLC as follows: Ashley Colen (40%); Paige Colen (40%); and Stephan Meehan (20%).

16. The trade name of the dispensary, Ash + Ember, is owned and has been owned at all times relevant to this Order by Hippocratic Growth, LLC.

17. Respondent disclosed in its Stage Two application that the dispensary license would be owned and operated by a Joint Venture. Although the license was awarded to “Hippocratic Growth, LLC” instead of “Hippocratic Growth Joint Venture,” the beneficial owners of the dispensary license and their respective percentage ownership disclosed in the Stage Two application are exactly the same as of the date of this order.

CONCLUSIONS OF LAW

18. Respondent failed to provide notice to or obtain prior approval from the Commission before it transferred ownership in Respondent’s dispensary license from Hippocratic Growth, LLC, to Hippocratic Growth Holdings, LLC, in violation of the applicable provisions of COMAR 10.62.26.

19. Respondent failed to timely submit ownership and disclosure reports to the Commission on two separate occasions in violation of COMAR 10.62.25.11.

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 that within TEN (10) DAYS of the effective date of this Order, the Respondent shall submit a transfer of ownership interest form and the required fee of \$7,000.00 to the Commission for the transfer of the dispensary license from Hippocratic Growth, LLC, to Hippocratic Growth Holdings, LLC; and it is further

ORDERED that Respondent shall make a contribution in the amount of \$6,000 directly to the Commission’s Compassionate Use Fund; and it is further

ORDERED that upon receipt of Respondent’s transfer of ownership interest form and correspondence payments set forth herein, the Commission shall grant retroactive approval of

Respondent's transfer of ownership interest and shall issue Respondent a new license under the name Hippocratic Growth Holdings, LLC;

ORDERED that Respondent shall cooperate with Commission staff in the event new agent badges are required by current regulations; and it is further

ORDERED that Respondent shall transfer ownership of the trade name Ash + Ember from Hippocratic Growth, LLC to Hippocratic Growth Holdings, LLC with SDAT and provide proof of the same to the Commission; and it is further

ORDERED that Respondent shall incur all costs associated with this Consent 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).

Date

12/22/2021



Brian Lopez, Commission Chair


CONSENT

I, Ashley G. Colen, am the Chief Executive Officer of Hippocratic Growth Holdings, LLC, and have legal authority to enter into this agreement on behalf of Hippocratic Growth Holdings, 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.

12.20.21
Date



Ashley G. Colen,
Representative for Respondent

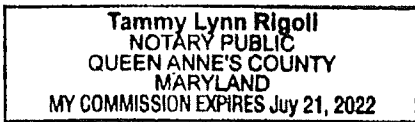
NOTARY

STATE OF MARYLAND

CITY/COUNTY OF QUEEN ANNE'S

I HEREBY CERTIFY that on this 20th day of 2021, before me, a Notary Public of the State and County aforesaid, personally appeared Ashley G. Colen, on behalf of Hippocratic Growth, LLC, 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.



A handwritten signature in cursive script, appearing to read "Tammy L. Rigoli".

Tammy L. Rigoli, Notary Public

My commission expires: July 21, 2022

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