

IN RE MIMD OPERATING 1, LLC, \* BEFORE THE MARYLAND  
D/B/A COOKIES BALTIMORE \* CANNABIS ADMINISTRATION  
Respondent \*  
License No. D-17-00016 \* Case Nos. 23-000185, 23-00189, 23-00194  
\* \* \* \* \*

**CONSENT ORDER LIFTING SUMMARY SUSPENSION**

Based on information received subsequent investigation by the Maryland Cannabis Administration (the "Administration" or "MCA") pursuant to the Cannabis Reform Act found at Alcoholic Beverages & Cannabis § 36-101, et seq. (the "Act"), as well as Code of Maryland Regulations (COMAR) 10.26, the MCA issued an **Order of Summary Suspension** to Respondent **MIMD Operating 1, LLC, d/b/a Cookies Baltimore** ("Respondent") on June 2, 2023. Specifically, the Administration determined that reliable evidence demonstrated that a threat to the public health, safety or welfare required emergency action pursuant to State Gov't § 10-226(c)(2). In addition, the pertinent violations of the Act are 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 cannabis registrations, whether active, expired, or surrendered, or impose any other penalty authorized by this title or any regulation adopted under this title[.]

(Emphasis added.)

**§ 36-903 Prohibitions on advertising; age verification**

- (a)(1) This subsection does not apply to an advertisement placed on property owned or leased by a dispensary, grower, or processor.
- (2) An advertisement for a cannabis license, cannabis product, or cannabis-related service may not:

- (iii) contain a design, an illustration, a picture, or a representation that:
  - 1. ....includ[es] a cartoon character, a mascot....;
  - 2. displays the use of cannabis, including the consumption, smoking, or vaping of cannabis;
  - 3. encourages or promotes cannabis for use as an intoxicant [...]
- (2) An advertisement placed on social media or a mobile application shall include a notification that an individual must be at least 21 years old to view the content.
- (4) A cannabis licensee may not allow the use of the licensee's trademarks, brands, names, locations, or other distinguishing characteristics for third-party use for advertisements that do not comply with this subtitle.
- (c) The Administration shall adopt regulations to establish procedures for the enforcement of this section.

Further, the MCA found violations of the following provisions of COMAR<sup>1</sup>:

#### 10.62.27

##### .07 Video Surveillance Requirements

A. A licensee shall maintain a motion-activated video surveillance recording system at the premises that:

- (1) Records all activity in images of high quality and high resolution capable of clearly revealing facial detail;
- (2) Operates 24-hours a day, 365 days a year without interruption;
- (3) Provides a date and time stamp for every recorded frame; and
- (4) Retained for a minimum of 90 calendar days.

F. Any recording of security video surveillance shall be made available to the [Administration] or law enforcement agency for just cause as requested -within 48 hours.

G. Violation.

(1) Failure to provide the [Administration] with any recording of video surveillance within 48 hours of a request from the [Administration] is a violation of COMAR 10.62.34.01.

(2) Each day of recording that a licensee fails to provide to the [Administration], within the minimum of 90 calendar days that shall be retained, constitutes a separate violation.

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<sup>1</sup> Pursuant to the Cannabis Reform Act, the Maryland Medical Cannabis Commission has been replaced by the Maryland Cannabis Administration, and thus the references herein to the Commission have been replaced with reference to the Administration.

**10.62.33**

**.06 Action Upon Findings in Inspection.**

A. In the event that an inspector has reasonable suspicion of an operational failure or of conditions that create a likelihood of diversion, contamination, or a risk to the public health:

(1) An inspector may:

(a) Suspend the distribution of some or all medical cannabis from the licensed or registered premises;

(b) Order immediate evacuation of the premises and seal the entry door; or

(c) Quarantine some or all medical cannabis;

**10.62.34**

**.01 Operational Failure Risking Diversion or Endangering Health**

A. A licensee, registrant, agent, or employee may not divert or contaminate medical cannabis, or otherwise risk the health of a patient or any other individual.

B. A licensee, registrant, agent, or employee who violates §A of this regulation is subject to a fine of up to **\$10,000 per violation**. The licensee, registrant, agent, or employee may:

(1) Elect to pay the imposed fine; or

(2) Request a hearing not later than 30 days after receipt of notice of the fine.

C. In accordance with the hearing provisions of Regulation .05 of this chapter, the [Administration] may deny, suspend, or revoke the license or registration of a licensee, registrant, agent, or employee who violates §A of this regulation.

(Emphasis added.)

**.06 Summary Suspension**

A. The [Administration] shall order the summary suspension of a license or registration if the [Administration] determines that the threat to public health, safety, or welfare requires the immediate suspension of the license or registration.

Respondent timely requested a Show Cause Hearing, which took place on June 8, 2023.

Thereafter the parties agreed to enter into this Consent Order Lifting Summary Suspension in lieu of continuing the suspension and proceeding to an evidentiary hearing.

**FINDINGS OF FACT**

1. Respondent obtained its license to operate a medical cannabis facility in Baltimore, Maryland, on or about May 15, 2023.

2. Respondent does not presently hold a Maryland license authorizing adult use cannabis sales, nor does any other current Maryland cannabis licensee.
3. Respondent's dispensary opened on May 27, 2023.
4. On May 27, 2023, the Administration viewed publicly available video and information on social media and posted to Respondent's Instagram account stories which purported to take place at Respondent's opening.
5. The video appeared to show large plumes of medical cannabis smoke being blown from a large plastic smoke inhalation device into the mouths of persons outside the dispensary prior to opening. The device contained a sticker with a Cookies logo on it. Respondent's staff requested the individual stop, and he complied. The video also captured images of this individual inside Respondent's dispensary, albeit without the device.
6. Respondent removed this video from its Instagram profile on the same day, within minutes after being notified of its existence by a member of the public.
7. Further, Respondent previously posted an advertisement, which was circulated on social media, to include LinkedIn and Instagram, that are in violation of the Act's provisions, specifically Alc. Bev. & Cann. § 36-903, in at least the following ways:
  - a. It contained the likeness of two celebrities;
  - b. It contained cartoons depicting two human likenesses and several local mascots;
  - c. It uses at least three publicly known non-cannabis trademarks; and
  - d. It displayed the use of cannabis by three individuals in the ad.
8. In addition, "[a]n advertisement placed on social media or a mobile application shall include a notification that an individual must be at least 21 years old to view the content",

but the advertisement at issue did not contain such a notification. Alc. Bev. & Cann. § 36-903(b)(2). Respondent's ad contained no such statement.

9. The Administration's investigators conducted an inspection of Respondent's location on May 30, 2023, and requested numerous items from Respondent, including Respondent's surveillance footage from outside its dispensary on May 27, 2023, as well as inside its patient area.
10. Respondent was unable to recover the requested footage at the time of such inspection, but it did provide relevant substitute footage within one business day after receiving a written request for the same. Respondent's inability to deliver the security footage as and when requested is attributable to a technical malfunction with the security equipment at Respondent's facility.
11. Respondent informed the Administration's investigator that, although it could not deliver its video surveillance footage as required, Respondent was able to view still images and provided the same to the inspector.
12. Administration investigators returned to Respondent's dispensary on May 31, 2023, again attempted to obtain the requested video footage, and noted a missing required secure door between Respondent's service area and its operations area. This constitutes a security and safety violation.
13. This failure to maintain video surveillance footage constitutes an operational failure risking diversion and endangering the public's health because if Respondent's statements are true, it is impossible to accurately identify who was coming and going in the dispensary and if any product was diverted.

14. Respondent's failure to keep a secure door between its service and operational areas also creates a risk of operational failure risking diversion because the purpose of the door is to help monitor and limit the number of cannabis agents with access to all parts of Respondent's operation.
15. In addition, Respondent's advertisement content may have created confusion between the medical and adult use markets, the latter having not launched yet in Maryland.
16. On May 31, 2023, Administration investigators inspected Respondent's dispensary and informed its agents it would need to close until in compliance with the Act. Respondent immediately complied by ceasing its operations as requested.
17. On June 2, 2023, the Administration issued an Order of Summary Suspension to Respondent and delivered a formal request for documents.
18. On June 5, 2023, Respondent delivered to the Administration documents and information in response to its requests from the Administration.
19. The Administration held a Show Cause Hearing before a hearing officer of the Administration on June 8, 2023 to allow Respondent the opportunity to show cause as to why its actions/omissions did not cause a threat to the public health, safety, or welfare of the public and why the summary suspension should be lifted.
20. At the Show Cause Hearing, Respondent proffered that: (a) Respondent did not intentionally violate any applicable regulations; (b) it responded in good faith and with due diligence to remedy all concerns raised by Administration staff; (c) the violations that occurred were inadvertent and largely caused by technological malfunctions which have been corrected; and (d) it is committed to ensuring fully compliant operations.

21. For Respondent's dispensary operations prior to May 31, 2023, Respondent is able to view the surveillance footage of its operations on a frame-by-frame basis.
22. Respondent asserts it hired a reputable security vendor to provide video surveillance services as required by the Administration. Respondent's contract with the security vendor includes off-site retention of video surveillance recordings for a minimum of 90 days.
23. Following the Administration's inspection, Respondent took prompt action to notify the security vendor and identify the technological malfunction it deemed responsible for the incident described herein.
24. On June 14, 2023, the Administration's investigator was able to verify that Respondent's camera system is currently operational and capturing all required images in compliance with applicable regulations.
25. Further, the investigator observed that a door between Respondent's service area and secure room is currently installed and in place as required by applicable regulations.

#### CONCLUSIONS OF LAW

Based on the foregoing findings of fact, and in consideration of the aforementioned mitigating factors, the Administration concludes as a matter of law that the Respondent violated Md. Code Ann., Alc. Bev. & Can. §§ 36-202, 36-903, and COMAR 10.62.27.07, and 10.62.34.

#### ORDER

Based on agreement of the parties, it is this 14th day of June, 2023, hereby

**ORDERED** that the **SUMMARY SUSPENSION** of Respondent's license to operate a medical cannabis dispensary in the State of Maryland under license number **D-17-00016** is hereby **LIFTED** because Respondent's dispensary no longer poses a threat to public health, safety or well-being, pursuant to the terms set forth herein; and it is further

**ORDERED** that Respondent's medical cannabis dispensary license (or converted adult use license) shall be placed on **PROBATION** for a period of no less than **ONE YEAR** during which time Respondent shall:

1. Pay a fine to the Administration no later than 10 days from the date of this Order in the amount of \$81,500, in quarterly installments if necessary, to be apportioned as follows:
  - a. For violations relating to Respondent's video surveillance footage, \$35,000; and
  - b. For advertising violations, \$41,500; and
  - c. For those security violations pertaining to the Respondent's lack of a secure door between its service area and secure room, \$5,000.
2. Provide monthly reports to the Administration from its video surveillance contractor demonstrating its compliance with COMAR;
3. Formally adopt, train staff on, and follow Standard Operating Procedures related to crowd control and behavior during large events, including any events on July 1, 2023, as approved by the Administration on June ~~X~~<sup>25</sup>, 2023, and comply with the same unless and until a replacement SOP has been approved by the Administration;
4. Formally adopt, train staff on, and follow Standard Operating Procedures related to the use of key card security as approved by the Administration on June ~~X~~<sup>25</sup>, 2023, and comply with the same unless and until a replacement SOP has been approved by the Administration;



5. Formally adopt, train staff on, and follow Standard Operating Procedures related advertising as approved by the Administration on June 7, 2023 and comply with the same unless and until a replacement SOP has been approved by the Administration;
6. Undergo a complete inventory audit in conjunction with the Office of Compliance and Regulation and Metrc (as necessary) no later than June 15, 2023; and it is further

**ORDERED** that Respondent shall, no later than June 15, 2023 provide the Administration with evidence that it has removed the advertisements referenced herein from publication on all online platforms where Respondent has placed them; and it is further

**ORDERED** that Respondent may petition for termination of its probation no earlier than six months from the start date of its probation, and Respondent's probation may only be terminated upon evidence that it has complied with the terms and conditions of this Order; and be it further

**ORDERED** that Respondent shall at all times cooperate with the Administration in the investigation of Respondent's compliance with the terms and conditions of this Consent Order, including that Respondent shall, in good faith, cooperate with the Administration regarding the identification of the individual with the smoke inhalation device; and be it further,

**ORDERED** that Respondent's failure to fully cooperate with the Administration shall be deemed a violation of this Consent Order; and be it further,

**ORDERED** that in the event the Administration finds in that Respondent has violated any of the terms or conditions of this Consent Order, the Administration may impose further disciplinary action against Respondent's license, including but not limited to revoking


Respondent's license, provided that Respondent is first given the opportunity for a hearing; and be it further,

**ORDERED** that Respondent shall bear any and all of its own expenses associated with this Order, and none shall be attributable to the Administration; and be it further

**ORDERED** that this **CONSENT ORDER** is a **Public Document** pursuant to Md. Code Ann., Gen. Prov. §§ 4-101 *et seq.* (2021).

06/25/2023

Date

  
William Tilburg, Acting Director  
Medical Cannabis Administration

## CONSENT

I, Recardo Saco, am the Vice President of Operations of MIMD Operating 1, LLC, d/b/a Cookies Baltimore (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 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 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.

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SIGNATURE PAGE FOLLOWS

June 19<sup>th</sup>, 2023

Date



Respondent

Recardo Saco

On behalf of MI MD Operating 1 LLC,  
d/b/a Cookies Baltimore

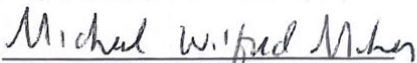
**NOTARY**

STATE OF MICHIGAN

COUNTY OF WAYNE

I HEREBY CERTIFY that on this 19TH day of June 2023, before me, a Notary Public of the State and County aforesaid, personally appeared Recardo Saco, on behalf of MIMD Operating 1, LLC, d/b/a Cookies Baltimore, and gave oath in due form of law that the foregoing Consent Order was his voluntary act and deed.

AS WITNESS, my hand and Notary Seal.



Michael Wilfred Maher

Notary Public, State of Michigan

County of WAYNE

My commission expires: June 20, 2025

Acting in the county of OAKLAND

