

## SETTLEMENT AGREEMENT

Effective this 2<sup>nd</sup> day June 2022, the State of Maine Department of Administrative and Financial Services ("DAFS") and Grace Charland of Lebanon, Maine (collectively "the Parties") enter in this Settlement Agreement.

Whereas the Petitioner Appellant in this matter was a registered caregiver and registered caregiver assistant pursuant to the Maine Medical Use of Marijuana Act, and on April 11, 2022, Michael W. Field, Director of Compliance for the Office of Cannabis Policy at DAFS sent Ms. Charland a letter notifying her that DAFS was revoking her registry identification ("ID") cards effective three (3) days after the date of the letter; and

Whereas revocation is subject to an informal hearing pursuant to 22 M.R.S. §2430-F and then potentially to judicial review pursuant to 5 M.R.S. Chapter 375 and M.R.Civ.P. 80C, and Ms. Charland exercised her right to request an informal hearing in this matter.

Now therefore, as the Parties wish to settle this matter in consideration of the mutual promises set forth herein rather than continue the appeals process, the parties agree as follows:

1. OCP, DAFS hereby rescinds the revocation of Ms. Charland's registry ID card (CGR26839) once this agreement is signed. Instead, Ms. Charland's registry ID card is suspended from April 14, 2022 to February 14, 2023.
2. The suspension of Ms. Charland's registry ID cards is based on Ms. Charland's conduct as stated in the April 11, 2022 letter including: failing to verify customers were qualifying patients and selling medical marijuana herself and through registered assistants, to persons who were not qualifying patients or otherwise authorized to have harvested marijuana; failure to use tamper evident packaging; advertising and selling products that would cause a reasonable consumer confusion as to whether the marijuana is a trademarked product including such items as Nerds and Wonka products; and which are designed to

appeal particularly to a person under 21 years of age; selling tobacco products including vape cartridges without a tobacco retail license; making a wholesale transaction with a person not authorized to do so; failing to report a burglary to OCP, though it was reported to the police; and failing to maintain adequate business records including records of all transfers of harvested marijuana and patient transaction logs.

3. During the suspension, Ms. Charland will not participate in the Maine Medical Use of Marijuana Program, including having or holding any direct or indirect financial interest in a business, caregiver or dispensary registered under this program, except to the extent that she has a marital interest in the store. Allowing medical marijuana to be grown on any property in which she has or holds any ownership interest during this period of suspension would violate this agreement, except for the medical marijuana plants grown by household members as medical marijuana patients and except that Brian Charland, so long as he is a registered caregiver, may operate the caregiver retail store at 1104 Carl Broggi Highway, Lebanon, ME, under the conditions that Ms. Charland shall have no access to, or any financial interest in, the store, except to the extent that she has a marital interest in the store, the marijuana plants or harvested marijuana (which includes marijuana concentrate and marijuana products) produced or possessed by Brian Charland.
4. During the suspension, Ms. Charland will not participate in the Adult Use Marijuana Program, including applying for an adult use individual identification card or an adult use marijuana establishment license under the Marijuana Legalization Act; and having or holding any direct or indirect financial interest in an adult use marijuana establishment. Allowing adult use marijuana to be grown on any property in which she has or holds any ownership interest during this period of suspension would violate this agreement, except that she and her household members may grow their own personal adult use marijuana plants in accordance with 28-B M.R.S. § 1502.
5. After the period of suspension ends on February 14, 2023, Ms. Charland will

have to apply anew for a caregiver registry ID card and will also be eligible to apply for other participation in the Maine Medical Marijuana Program and the Adult Use Marijuana Program.

6. After February 14, 2023, this suspension will not be considered a bar to Ms. Charland's participation in either the Maine Medical Marijuana Program or the Adult Use of Marijuana Program.
7. Ms. Charland agrees to take corrective action as outlined below, in addition to complying with all other requirements of program participation when she participates in the Maine Medical Marijuana Program after February 14, 2023:
  - a. Ms. Charland shall keep adequate business records. All records, including patient transaction logs, shall be kept for the time required by law and available for DAFS inspections upon demand.
  - b. Ms. Charland shall ensure that she and any of her caregiver assistants properly verify whether a customer is a qualifying patient and shall only sell harvested marijuana to qualifying patients.
  - c. Ms. Charland shall not buy, advertise, or sell any marijuana in packaging that imitates or copies any trademarks, tradenames, characters, logos or designs of well-known candy, snack foods, or the like; or any items designed to appeal particularly to people under the age of 21. Any such items in her possession, or under her control, shall be destroyed and such destruction shall be witnessed by an inspector from OCP. Ms. Charland will attest that she has no ownership interest in, or any control over, any more such product. Any internet advertising for such products, whether on Ms. Charland's website or any other internet platform shall be taken down.
  - d. Ms. Charland shall insure that she has any necessary authorizations in place before selling covered items such a retail tobacco license if selling retail tobacco products.
  - e. Ms. Charland, when purchasing wholesale marijuana and marijuana product, shall only engage in such transactions with registered

caregivers, registered dispensaries, or their registered assistants.

- f. Ms. Charland shall use packaging that is tamper evident.
  - g. Ms. Charland shall report any burglaries to the OCP.
  - h. Ms. Charland and Brian Charland shall ensure that only one of them operates the caregiver retail store, and their paperwork with the OCP shall clearly reflect who is operating the caregiver retail store.
8. Wind-down plan: Ms. Charland has transferred any authorized harvested marijuana or products or plants to another registered caregiver.
  9. DAFS reserves the right to take any appropriate action if Ms. Charland is found engaging in conduct not authorized by, or in violation of, the law or this Settlement Agreement.
  10. This Settlement Agreement sets forth the entire agreement of the Parties, and any amendment hereof shall be in writing. Representations that are not contained in the Agreement or subsequent written amendment shall have no effect. The parties agree that once this agreement is signed the informal hearing is no longer necessary.
  11. The Parties acknowledge that this Agreement and its reduction to final written form is the result of good faith negotiations between the Parties; said Parties and their respective counsel have carefully reviewed and examined this Agreement before execution by said Parties; any statute or rule of construction that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
  12. This Settlement Agreement shall be governed by the laws of the State of Maine.
  13. The signatory for DAFS represents that he is duly authorized and empowered to execute this Settlement Agreement on behalf of DAFS, and that her signature is enough to legally bind DAFS to the terms of the Settlement Agreement.
  14. Ms. Charland represents that she is duly authorized and empowered to execute this Settlement Agreement on her behalf, and her signature is enough to legally bind herself, including any ownership interest she has in medical marijuana plants or harvested marijuana due to having been a registered caregiver, to the

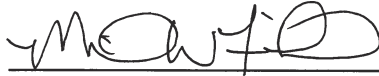
terms of the Settlement Agreement.

**IN WITNESS WHEREOF**, the duly authorized representative of DAFS, and Ms. Charland have signed this Agreement below:

DocuSigned by:  
  
790DB52AE8E449D

Grace Charland

Date: 5/30/2022



Michael F. Field, Director of Compliance, OCP, DAFS

Date: 6/2/2022