

BEFORE THE EXECUTIVE DIRECTOR, DEPARTMENT OF REVENUE
STATE LICENSING AUTHORITY
STATE OF COLORADO

STIPULATION, AGREEMENT, AND ORDER

IN THE MATTER OF:

Advance Cure for Vera Bestura, LLC
Medical Marijuana Store License No. 402-00789

Advance Cure for Vera Bestura, LLC
Medical Marijuana Cultivation Facility License No. 403-01195

Peter Lavern Marsh
Owner License No. M21856

Licensees.

MED Complaint No: 2019-0340

THIS STIPULATION, AGREEMENT, AND ORDER (“Order”) between the Department of Revenue, Marijuana Enforcement Division (“Division”), Advance Cure for Vera Bestura, LLC (Medical Marijuana Store License No. 402-00789 and Medical Marijuana Cultivation Facility License No. 403-01195), and Peter Lavern Marsh (Owner License No. M21856) (Advance Cure for Vera Bestura, LLC and Peter Lavern Marsh are collectively referred to herein as “Advance Cure” or “Licensees”), is offered for the purposes of settlement and to avoid the uncertainty and cost of future administrative action. The Division and Licensees agree as follows:

1. The Executive Director of the Department of Revenue as the State Licensing Authority (“State Licensing Authority”) has jurisdiction over the Licensees and the subject matter herein pursuant to the provisions of subsection 44-10-201(1)(a), C.R.S.
2. Pursuant to subsection 44-10-202(1)(b), C.R.S., the State Licensing Authority has the authority to: grant or refuse state licenses for the cultivation, manufacture, distribution, sale, hospitality, and testing of Regulated Marijuana and Regulated Marijuana Products as provided by law; suspend, fine, restrict, or revoke such licenses, whether active, expired, or surrendered, upon violation of article 10 of title 44, C.R.S., or any rule promulgated pursuant

to article 10 of title 44, C.R.S.; and impose any penalty authorized by article 10 of title 44, C.R.S. or any rule promulgated pursuant to article 10 of title 44, C.R.S.

3. Peter Lavern Marsh (“Marsh”), Owner License No. M21856, is the ██████% Controlling Beneficial Owner of Licensees.
4. Advance Cure holds the following Regulated Marijuana Business licenses issued by the State Licensing Authority, located at 2755 Ore Mill Road, Units 13 and 14, Colorado Springs, Colorado 80904.
 - a. Medical Marijuana Store, License No. 402-00789, (“Medical Store”); and
 - b. Medical Marijuana Cultivation Facility License No. 403-01195, (“Medical Cultivation”).
5. Advance Cure’s Regulated Marijuana Business Licenses located at 2755 Ore Mill Road, Units 13 and 14, Colorado Springs, Colorado 80904 are referred to collectively as the “Licensed Premises.”
6. Licensees have been the subject of an investigation conducted by the Division. The Division alleges violations of the Colorado Medical Marijuana Code, sections 44-11-101 *et seq.*, C.R.S. (“Medical Marijuana Code”) and the rules promulgated pursuant to the Medical Marijuana Code at 1 CCR 212-1 (“Medical Marijuana Rules”).
7. Pursuant to subsection 44-10-901(1), C.R.S., the State Licensing Authority has the power, on its own motion or on complaint, after investigation and opportunity for a public hearing at which the licensee(s) shall be afforded an opportunity to be heard, to fine, suspend, or revoke a license or impose any other sanction authorized by the Colorado Marijuana Code or Marijuana Rules, for a violation by the licensee or any of the agents or employees of the licensee.
8. The Division and Licensees have come to a mutual agreement and understanding to jointly propose to the State Licensing Authority a resolution of the allegations in lieu of proceeding through the administrative process to determine the merits of such allegations contained in the Division investigation.
9. The terms and conditions of this Order are subject to approval by the State Licensing Authority.
10. Licensees admit to the following facts and violations:

- a. On August 13, 2019, Investigators for the Division conducted a targeted inspection at the Licensed Premises and discovered the following:
 - i. Non-compliant Exit Package labels. Exit Package labels created at the Licensees' point-of-sales failed to include all required information pursuant to the Medical Marijuana Rules, including but not limited to, the "Universal Symbol."
 - ii. Failure to maintain Pesticide logs. Licensees failed to maintain an accurate record of Pesticide spray application at the Medical Cultivation. The Medical Cultivation's Pesticide logs had not been updated since May 26, 2019.
 - iii. Failure to maintain waste logs. Licensees failed to maintain or produce waste and/or Fibrous Waste logs upon request at the time of the inspection.
- b. At the August 13, 2019 targeted inspection, Marsh informed the Investigators that he had entered into an asset purchase agreement to sell the Medical Store and Medical Cultivation to Wellness Centers of Colorado, LLC, on May 15, 2019.
 - i. As of June 1, 2019, Marsh had stopped operating the Medical Store and Medical Cultivation.
 - ii. The Medical Store and Medical Cultivation were operated by employees of Wellness Centers of Colorado, LLC.
 - iii. Marsh never informed, or obtained prior approval from, the state or local licensing authorities to transfer ownership of the Medical Store or Medical Cultivation to Wellness Centers of Colorado, LLC.
 - iv. Wellness Centers of Colorado, LLC, had operational control over the Medical Store and Medical Cultivation prior to state or local licensing authority approval.
 - v. Wellness Centers of Colorado, LLC had an unapproved Financial Interest in the Medical Store and Medical Cultivation.
 - vi. Employees for Wellness Centers of Colorado, LLC made operational decisions for the Medical Store and Medical Cultivation, including, purchasing supplies, ordering new

products, conducting sales, and accessing and operating Licensees' marijuana inventory tracking system ("METRC").

- vii. Marsh received a twenty-two thousand, five hundred dollars (\$22,500.00) down payment from Wellness Centers of Colorado, LLC, prior to submitting a transfer of ownership application to the state and local licensing authorities and prior to obtaining state and local licensing authority approval to transfer ownership.
 - c. Licensees violated Medical Marijuana Rule M1001-1(B)(2)(a-g), 1 CCR 212-1, by failing to comply with the minimum packaging and labeling requirements prior to Transferring Medical Marijuana, Medical Marijuana Concentrate, and Medical Marijuana-Infused Product.
 - d. Licensees violated Medical Marijuana Rule M504(E)(5), 1 CCR 212-1, by failing to document and maintain a record on the Licensed Premises any Pesticide or agricultural chemicals applied to a Medical Marijuana plant.
 - e. Licensees violated Medical Marijuana Rule M901(A)(3)(g), 1 CCR 212-1, by failing to maintain books and records that fully account for the transactions of the business including, (g) Waste logs – comprehensive records regarding all waste and Fibrous Waste material that accounts for, reconciles, and evidences all waste and Fibrous Waste activity related to the disposal of marijuana.
 - f. Licensees violated Medical Marijuana Rule M205(A)(8), 1 CCR 212-1, by allowing proposed transferees, Wellness Centers of Colorado, LLC, to operate the Medical Store and Medical Cultivation prior to obtaining written approval by the Division.
 - g. Licensees violated Medical Marijuana Rule M204.5(B), 1 CCR 212-1, by permitting Wellness Centers of Colorado, LLC to hold or exercise a Financial Interest in the Medical Store and Medical Cultivation prior to approval by the Division.
20. The Division and Licensees agree, in lieu of proceeding with an administrative hearing and subsequent proceedings, to the following:
- a. Licensees agree to pay, and to be jointly and severally responsible for the payment of a **ten-thousand dollars and zero cents (\$10,000.00) fine**. The fine shall be paid by certified check or money order, made payable to the Colorado Department of Revenue **within thirty (30) days** following service of a copy of the fully executed Order, as reflected in the Certificate

of Service below. Licensees shall contact Jasmin Quijano at the Division at jasmin.quijano@state.co.us to discuss procedures for delivery and payment of the fine. Failure to pay the fine when due under this paragraph shall result in loss of the right to file or obtain approval of any pending Change of Controlling Beneficial Owner (“CCBO”) application pursuant to this Order, and shall trigger the voluntary surrender of the Licensees’ Regulated Marijuana licenses identified in paragraph 4 above and the obligation to voluntarily surrender and destroy all Regulated Marijuana and Regulated Marijuana Product pursuant to paragraph 20(b)(iii) of this Order.

- b. The Division will process the pending CCBO application for the Regulated Marijuana Business licenses identified in paragraph 4 above within thirty (30) days following service of the fully executed Order under the following conditions:
 - i. If the CCBO application is denied by the State Licensing Authority, Licensees shall have sixty (60) days from the final agency action regarding that denial to submit a new CCBO application. If a new CCBO application is not received by 5:00 p.m. Mountain Time on the sixtieth (60) day following the final agency action or if the new CCBO application is denied by a final agency action, or withdrawn by the Licensees, the Licensees agree that the Regulated Marijuana license for which the CCBO application was denied or withdrawn shall be deemed as voluntarily surrendered.
 - ii. Nothing in this Order shall act as an approval or guarantee that the Division will approve any CCBO application. Any CCBO application approved by the Division following service of a copy of this fully executed Order is, initially, a “Conditional Approval” of the transfer of the state Regulated Marijuana business license and is subject to approval by the relevant local licensing jurisdiction. Only after the Division has issued its Conditional Approval, and received documentation evidencing that the relevant local licensing jurisdiction has issued its approval, will the Division issue a new Regulated Marijuana business license. Issuance of the new Regulated Marijuana business license shall act as the Division’s “Final Approval” of the CCBO application.
 - iii. In the event that there is a denial or withdrawal of the CCBO application(s) that results in the voluntary surrender of any license, all remaining Regulated Marijuana and/or Regulated Marijuana Product inventory pertaining to such license(s) shall

be voluntarily surrendered and destroyed in conformance with Rule 3-230 – Waste Disposal, 1 CCR 212-3, under the supervision of a representative of the Division. Licensees shall contact Ralph Rodriguez at the Division at ralph.rodriguez@state.co.us within seven (7) days after any denial or withdrawal of the CCBO application(s) that results in the voluntary surrender, to make arrangements for the voluntary surrender and destruction of all such Regulated Marijuana and/or Regulated Marijuana Product inventories, if any, pertaining to the license deemed to have been voluntarily surrendered. Licensees will be responsible for all expenses related to the destruction of Regulated Marijuana and/or Regulated Marijuana Product inventory conducted pursuant to this Order.

- iv. Licensees shall comply with all of the requirements and restrictions of the Marijuana Code and Marijuana Rules promulgated thereunder, until such time as either the CCBO application has reached Final Approval allowing the new owner(s) to take control of the business, or all Regulated Marijuana and Regulated Marijuana Product at the Licensed Premises have been surrendered for destruction, including, but not limited to, the requirements for submitting renewal applications set forth in Rule 2-225, 1 CCR 212-3. To monitor compliance, the Division shall be granted access to all Licensed Premises during all business hours and other times of apparent activity pursuant to section 44-10-1001, C.R.S. The Division shall retain all available remedies pursuant to the Marijuana Code and Marijuana Rules against the Licensees for any violations of or failure to comply with the terms of this Order, the Marijuana Code and the Marijuana Rule promulgated thereunder.
 - v. Licensees certify that all Regulated Marijuana business-related taxes are current and agree to maintain tax compliance. Failure to maintain tax compliance during the CCBO application review process, if applicable, will delay a decision on any pending CCBO application.
- c. Marsh agrees to voluntarily surrender his Owner License, License No. M21856. Unless otherwise ordered by the State Licensing Authority, the voluntary surrender is accepted, approved, and effective upon Final Approval of, or final agency action regarding, the last CCBO application, or upon failure to pay the fine required by paragraph 20(a) of this Order. **Within seven (7) days** of Final Approval of the CCBO application, or final agency action regarding the CCBO application, Marsh shall provide

documentation of the physical destruction of his Division-issued badge to Jasmin Quijano at the Division at jasmin.quijano@state.co.us.

- d. Marsh agrees that the facts and circumstances leading to this Order make it inappropriate to reissue his Owner License pursuant to subsection 24-4-104(12), C.R.S. for a period of two (2) years from the date Marsh's Owner's License is voluntarily surrendered according to paragraph 20(c) above.
- e. Marsh agrees that following the voluntary surrender of his Owner License:
 - i. Marsh, individually or through an interest in any business entity, is prohibited from applying for or holding an "Owner License" or being a "Controlling Beneficial Owner" as defined in section 44-10-103, C.R.S., and/or Rule 1-115, 1 CCR 212-3, of a Colorado Regulated Marijuana Business for two (2) years from the date Marsh's Owner's License is voluntarily surrendered according to paragraph 20(c) above.
 - ii. Marsh, by executing this Order, affirms that he has read section 44-10-103, C.R.S., and Rule 1-115, 1 CCR 212-3, and agrees that he will not individually, or through an interest in a business entity, possess an "Indirect Financial Interest" in a Colorado Regulated Marijuana Business for two (2) years from the date Marsh's Owner's License is voluntarily surrendered according to paragraph 20(c) above.
 - iii. Marsh, individually or through an interest in any business entity, is prohibited from applying for or being a "Passive Beneficial Owner" of a Colorado Regulated Marijuana Business as defined by section 44-10-103, C.R.S. and Rule 1-115, 1 CCR 212-3, for two (2) years from the date Marsh's Owner's License is voluntarily surrendered according to paragraph 20(c) above. Marsh may not have any control over the decisions made by any Colorado Regulated Marijuana Business licensee, provide consulting services for any Regulated Marijuana Business within the State of Colorado, or engage with any Colorado Regulated Marijuana Business licensee in a manner that would rise to a level which requires a license in Colorado.
 - iv. Marsh is prohibited from applying for or holding an "Employee License" in Colorado, as defined by section 44-10-103, C.R.S., and Rule 1-115, 1 CCR 212-3, for two (2) years from the date Marsh's

Owner's License is voluntarily surrendered according to paragraph 20(c) above.

21. Licensees acknowledge receipt of sufficient notice, advisement of rights, and wish to resolve all issues, which were the subject of the investigation or in any way related to the investigation, by entering into this Order.
22. Except as reflected in this Order, neither the facts nor circumstances relating to the underlying complaint or investigation that formed the basis for this Order against Licensees nor any defenses that Licensees may have to such complaint and/or investigation shall be at issue in a proceeding against Licensees for failing to comply with the terms of this Order.
23. Licensees agree that if Licensees apply for a new license, or seek reissuance or reinstatement of any license, registration, or permit pursuant to the Marijuana Code, or any successor to such Code, the Division may consider the facts and circumstances surrounding this Order. Further, this Order and related circumstances shall be admissible as evidence at any future hearing before the State Licensing Authority and may be used in connection with any future actions by the State Licensing Authority.
24. Licensees agree that Licensees entered into this Order knowingly and voluntarily. The terms of this Order were mutually negotiated and agreed upon. Licensees understand Licensees have the right to be represented by counsel of their choosing at Licensees' expense, and Licensees affirm that Licensees wish to proceed without legal counsel. Licensees have read this Order and fully understands its nature, meaning, and content. Licensees agree that upon execution of this Order, no subsequent action or claim or assertion shall be maintained or pursued by Licensees asserting the invalidity in any manner of this Order.
25. Licensees further understand and knowingly and voluntarily waive the following rights:
 - a. The right to a public hearing on the merits of the matters forming the basis of this Order;
 - b. The right to cross-examine all witnesses against Licensees at a public hearing;
 - c. The right to subpoena witnesses and documents, to present evidence and to testify on Licensees' behalf at a public hearing;

- d. The right to engage in pre-hearing exchange of evidence with the Division, and to review the Division's evidence prior to hearing; and
 - e. The right to file exceptions and seek administrative review of an initial decision.
26. By signing this Order, Licensees consent to the terms and conditions described herein and agree to waive the right to judicial review of this Order pursuant to section 24-4-106, C.R.S.
27. Upon execution by all parties, this Order shall have the same force and effect as an order entered after a formal hearing pursuant to sections 24-4-105 and 44-10-901, C.R.S., except that it may not be appealed. Failure to comply with the terms of this Order may be sanctioned by the State Licensing Authority as set forth in the Marijuana Code.
28. Upon execution by all parties, this Order shall represent the entire and final agreement of the parties. In the event that any provision of this Order is deemed unenforceable by a court of competent jurisdiction, or, if challenged, the State Licensing Authority determines that a provision is unproven, such provision shall be severed, unless material to the Order, and the remainder of this Order shall be given full force and effect.
29. This Order shall be binding upon Licensees, individually or through an ownership interest in an entity, and shall inure to the benefit of the parties to this Order and their respective successors and assigns, and shall be construed in accordance with and governed by the laws of the State of Colorado.
30. All costs and expenses incurred by Licensees to comply with this Order shall be the sole responsibility of the Licensees, and shall not in any way be the obligation of the Division. Costs for which Licensees are exclusively responsible include, but are not limited to, litigation costs, costs incurred by Licensees for any court appointee(s), attorneys' fees, and costs incurred by Licensees for any other professional expenses.
31. Upon approval and order of the State Licensing Authority, this Order shall become a permanent part of the record and shall be open to public inspection and published pursuant to the Division's standard policies and procedures and applicable law.
32. This Order shall be effective on the date this Order is served upon the parties as set forth in the attached Certificate of Service. Should the State Licensing Authority reject the terms hereof, Licensees may withdraw the admissions

herein, and engage in renegotiation of the terms, or agree to proceed with an administrative action.

33. This Order may be executed by electronic means (facsimile, e-mail, DocuSign etc.), and any signatures delivered electronically will be deemed to be as valid as an original signature.
34. For the purpose of addressing any future violations of the Order, the Marijuana Code and/or the Marijuana Rules shall hereby include all later adopted codes, rules, or regulations that are in effect at the time of the violation(s).
35. This Order constitutes the entire agreement and understanding between the parties, and supersedes all prior agreements and promises related to the allegations, facts, and issues that are the subject of this Order, written or oral between the parties, which modify, interpret, construe or affect this Order. Any other allegations, facts and issues not specifically raised or addressed in this Order have not been considered by the parties and are not made a part of this Order.

SIGNATURE PAGE FOLLOWS

Stipulation, Agreement, and Order
Advance Cure for Vera Bestura, LLC and Peter Lavern Marsh

<p>Dominique D. Mendiola Digitally signed by Dominique D. Mendiola Date: 2022.09.15 09:47:39 -06'00'</p> <hr/> <p>Dominique Mendiola Senior Director Marijuana Enforcement Division</p> <p>Dated in Electronic Signature Above</p>	<p>Digitally signed by Peter Marsh Date: 2022.09.09 07:36:51 -06'00'</p> <hr/> <p>Peter Lavern Marsh, individually and as [REDACTED] % owner of Advance Cure for Vera Bestura, LLC, Owner License No. M21856</p> <hr/> <p>Date</p>
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APPROVED and ORDERED on the date set forth in the electronic signature below.


Mark Ferrandino Digitally signed by Mark Ferrandino
Date: 2022.09.20 09:05:29 -06'00'

Mark Ferrandino
Executive Director/CEO
Department of Revenue
State Licensing Authority

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing **STIPULATION, AGREEMENT, AND ORDER** was duly placed in the United States Mail, first class postage pre-paid and sent via electronic mail, on the date set forth in the electronic signature below, addressed as follows:

<p>Peter Lavern Marsh [REDACTED] E-mail: [REDACTED]</p>	<p>John B. Viverito Senior Assistant Attorney General Colorado Department of Law Marijuana, Liquor & Bankruptcy Unit Revenue & Utilities Section Ralph L. Carr Colorado Judicial Center 1300 Broadway, 8th Floor Denver, Colorado 80203 E-mail: john.viverito@coag.gov jade.darnell@coag.gov <i>Attorney for the Marijuana Enforcement Division</i></p>
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By: **Alexandra Prichard**  Digitally signed by Alexandra Prichard
Date: 2022.09.21 10:26:06 -06'00'

Alexandra Prichard