



October 7, 2024

Curaleaf, Inc.
MC281255
RMD385-C
101 Accord Park Drive
Unit 102
Norwell, MA 02031

Case No. ENF-2022-0000001193

FINAL ORDER AND STIPULATED AGREEMENT

This Final Order and Stipulated Agreement (herein, "Order") between the Commonwealth of Massachusetts Cannabis Control Commission (the "Commission") and Curaleaf, Inc. (the "Respondent") is offered for the purposes of settlement and in lieu of further administrative action. The Commission finds that resolution of this matter serves the purposes of G.L. c. 94G, 935 CMR 500.360 and 501.360, and 935 CMR 500.500 and 501.500 because Respondent has accepted responsibility for the violations set forth in this Order, has cooperated with the Commission's investigation, and further, where contaminated Marijuana was destroyed.

Accordingly, the Commission and Respondent stipulate to the following facts of record, applicable law, findings, and remedies:

Legislative, Statutory, and Regulatory Authority

1. The Commission has jurisdiction over the conduct and operations of licensed Marijuana Establishments and licensed Medical Marijuana Treatment Centers (MTCs) and the subject matter herein pursuant to the provisions of the Commonwealth's marijuana laws, G.L. c. 94G, 935 CMR 500.000 *et seq.*, and 935 CMR 501.000 *et seq.*;
2. The Commission possesses all powers necessary or convenient to carry out and effectuate its purposes including conducting investigations to ensure compliance with Commission laws, imposing fines, or otherwise restricting a License for violations of G.L. c. 94G or any regulation promulgated by the Commission;



3. In accordance with its statutory mandate, the Commission has adopted regulations for the administration, clarification, and enforcement of laws regulating and licensing Marijuana Establishments and MTCs, which include:
 - a. requirements relative to the furnishing of information by licensees relating to the licensee's employees and maintenance of employee personnel records. *See* G.L. c. 94G, § 4(a½)(ix); *see also* 935 CMR 500.102(9)(d); and
 - b. health and safety standards for the cultivation of Marijuana including requirements that Marijuana Cultivators utilize best practices to limit contamination, including contamination by pesticides not approved for use on Marijuana. *See* G.L. c. 94G, § 4(a½)(xxiii); *see also* 935 CMR 500.120(9) and 501.120(9);
4. Pursuant to its authority under G.L. c. 94G §§ 4(a) and 4(a½), the Commission may issue a Notice of Fines to show cause as to why a fine or other financial penalty against a Licensee should not be imposed for any acts or omissions determined to be in violation of the state Marijuana laws. *See* 935 CMR 500.360 and 501.360;
5. Respondent was subject to an investigation by Commission investigators. From that investigation, the Commission alleges violations of Commission regulations, 935 CMR 500.000 and 935 CMR 501.000, relative to Respondent's cultivation operations at its facilities in Amesbury, Massachusetts and Webster, Massachusetts;
6. On November 3, 2023, the Commission issued a Letter of Enforcement Intent to Respondent;
7. On November 12, 2023, Respondent submitted a request for Informal Dispute Resolution;
8. An Informal Dispute Resolution conference was held on January 17, 2024;

Facts of Record

9. Respondent Curaleaf North Shore, Inc. is a Colocated Marijuana Operator located at 10 Industrial Way, Amesbury MA 01913, which includes a tier 5 cultivation facility, License No. MC281255 (the "Amesbury Facility");
10. Alternative Therapies Group ("ATG") originally owned the Amesbury Facility and received a medical license from the Department of Public Health ("DPH"). On December 13, 2018, the Commission granted ATG a final license to cultivate Marijuana for the adult-use market. ATG commenced operations under License MC281255 on May 20, 2019. In 2020, Respondent acquired the Amesbury Facility from ATG through a Change of Ownership and Control;



11. Respondent Curaleaf Massachusetts, Inc. is a Colocated Marijuana Operator located at 30 Worcester Park, Webster, MA 01570, which includes a tier 11 cultivation facility, License No. RMD385-C (the "Webster Facility");
12. Respondent received a medical license from DPH to cultivate Marijuana at the Webster Facility on July 27, 2016;
13. Both Curaleaf North Shore, Inc. and Curaleaf Massachusetts, Inc. are owned by Curaleaf, Inc., a wholly owned subsidiary of Curaleaf Holdings, Inc. Curaleaf, Inc. is a multi-state operator that holds cannabis licenses, either directly or via subsidiary companies, in at least 18 states;
14. In 2020, Respondent began maintenance on the exterior of its Amesbury Facility, which included general lawn maintenance. On April 6, 2020, as part of that maintenance, Respondent hired a third-party contractor that applied Talstar Professional, an insecticide registered with the Environmental Protection Agency ("EPA") (Registration No. 279-3206) containing the pesticide Bifenthrin as an active ingredient, on the exterior of its Amesbury Facility to treat for crawling insects on a monthly basis from May 2020 until September 2020;
15. On or about September 23, 2020, Respondent began construction to add additional parking at the Amesbury Facility, which required the removal of grass and soil that had been treated over the preceding five months with Talstar Professional;
16. From May 2020 until September 2020, Respondent completed additional work at the Amesbury Facility that resulted in exterior doors being propped open for extended periods of time and the disturbance of contaminated soil;
17. On December 17, 2020, an Independent Testing Laboratory (ITL) issued two Certificates of Analysis ("COAs") relative to plant samples originating from the Amesbury Facility. One COA detected the Bifenthrin at a concentration exceeding 10 parts per billion (ppb), and the second COA showed a detection of Bifenthrin Below the Quantification Limit (BQL);
18. On December 18, 2020, Respondent reported the test result indicating the presence of Bifenthrin in excess of 10 ppb to the Commission;
19. On December 29, 2020, after receiving the COAs indicating bifenthrin contamination on Marijuana grown at Respondent's Amesbury Facility, Respondent's employee performed a "full chemical inspection" of the Amesbury Facility and identified at least two unauthorized chemicals held on-site—Ancora, a microbial insecticide, and Kelp4Less, a



plant growth regulator;

20. Ancora is a microbial insecticide registered with the EPA (Registration No. 70051-19-59807) used to control insect and mite pests on vegetables, fruits, and other plants. Kelp4Less is a plant growth regulator that is not registered with the EPA. Both products are pesticides. At that time, neither product was approved for use on cannabis;
21. On January 6, 2021, Massachusetts Department of Agricultural Resources ("MDAR") and Commission investigators conducted a joint unannounced inspection at the Amesbury Facility;
22. During the inspection, MDAR staff collected samples from various locations at the Amesbury Facility for analysis by the Massachusetts Pesticide Analysis Laboratory ("MPAL");
23. At the Amesbury Facility, Commission investigators discovered pesticide application forms that documented Respondent's application of a mixture of ZeroTol 2.0 and CapSil in multiple flower rooms during various stages of growth;
24. ZeroTol 2.0 is a liquid bactericide and fungicide registered with the EPA (Registration No. 70299-12) used to treat and control plant pathogens. Its active ingredients are Hydrogen Peroxide and Peroxyacetic Acid. At the time of inspection, ZeroTol 2.0 was not approved for use on Marijuana;
25. CapSil is a nonionic spray adjuvant and surfactant that is not registered with the EPA;
26. During the inspection, Respondent's employees told MDAR and Commission staff that the ZeroTol 2.0 and CapSil mixture had been sprayed in multiple flower rooms while plants were present and at various stages of growth;
27. On January 19, 2021, MPAL issued its report of analysis regarding the wipe samples taken at the Amesbury Facility on January 6, 2021. The report showed a detection for Bifenthrin at a concentration of 0.32 micrograms (μg) per square foot on one wipe sample taken next to the entry door;
28. On April 6, 2021, after receiving COAs indicating that two test samples originating from the Webster Facility tested positive for the pesticide Imidacloprid, Respondent completed an internal report that identified several problems at the Webster Facility including Respondent's failure to properly seal gaps and leaks in doorways, improperly sealed ducts, leaving doors open for hours during harvesting, and allowing contractors to prop exterior doors open for several hours at a time;



29. On June 2, 2021, during an unannounced inspection of the Amesbury Facility, Commission Investigators asked to inspect personnel records for certain employees as part of its overall investigation into the pesticide contaminations at said facility;
30. On June 4, 2021, Respondent emailed Investigations staff to inform them that Respondent located written warnings for two employees—one of which had been a subject of investigators' request on June 2, 2021—that had not been included in their personnel records at the time of the inspection;
31. Said written warnings were issued to both employees for the application of Ortho Bed Bug Killer, an over-the-counter pesticide containing Bifenthrin that was not approved for use in the facility;

Applicable Law

32. The cultivation process shall use best practices to limit contamination including, but not limited to, mold, fungus, bacterial diseases, rot, pests. Pesticides not in compliance with 935 CMR 500.120(5) for use on Marijuana, mildew, and any other contaminant identified as posing potential harm. Best practices shall be consistent with state and local law including, but not limited to, the Commission's Guidance on Integrated Pest Management. 935 CMR 500.120(9);
33. State law defines Integrated Pest Management (IPM) as "a comprehensive strategy of pest control whose major objective is to achieve desired levels of pest control in an environmentally responsible manner by combining multiple pest control measures to reduce the need for reliance on chemical pesticides; more specifically, a combination of pest controls which address conditions that support pests and may include, but is not limited to, the use of monitoring techniques to determine immediate and ongoing need for pest control, increased sanitation, physical barrier methods, the use of natural pest enemies and a judicious use of lowest risk pesticides when necessary." 333 CMR 14.02;
34. The Commission's Guidance on IPM describes the basic concepts of effective IMP strategy as: 1. Knowledge; 2. Prevention; 3. Monitoring; and 4. Intervention. The four recommended primary strategies of pest and disease control are Cultural, Mechanical, Biological, and Chemical Control. Integrated Pest Management best practices further include keeping the cultivation facility clean and organized, including sealing potential points of entry for pests including cracks, crevices, and voids;
35. A lack of responsible operation of the Marijuana Establishment as shown by incompetent or negligent operations, constitutes full and adequate grounds for licensure suspension or revocation. 935 CMR 500.450(7)(f) and 501.450(7)(d);



36. Records of a Marijuana Establishment shall be available for inspection by the Commission, on request. Written records that are required and are subject to inspection include, but are not necessarily limited to, personnel records. 935 CMR 500.105(9)(d);
37. A personnel record for each Marijuana Establishment Agent shall be maintained for at least 12 months after termination of the individual's affiliation with the marijuana establishment and shall include, among other things, a record of any disciplinary action taken. 935 CMR 500.105(9)(d)2.f.;
38. Acceptance of a provisional or final license constitutes an agreement by the Marijuana Establishment that it will adhere to the practices, policies, and procedures that are described in its application materials, as well as all relevant laws, regulations, and any conditions imposed by the Commission as part of licensure. 935 CMR 500.103(2)(d);

Stipulated Findings

39. The Commission, through its Acting Executive Director, and Respondent have come to mutual agreement and understanding, and jointly propose to the Commission a resolution of the alleged violations in lieu of proceeding with an administrative hearing to determine the merits of such allegations. The terms and conditions of this Order are expressly subject to ratification by the full Commission. Pursuant to G.L. c. 10, § 76, three Commissioners shall constitute a quorum and the affirmative vote of three Commissioners shall be required for ratification of this Order;
40. Respondent admits to the stipulated findings set forth in Paragraphs 41 and 42, inclusive of all subparagraphs;
41. Respondent failed to utilize best practices to limit contamination of Marijuana, in violation of 935 CMR 500.120(9) and 501.120(9), and exhibited negligence in its cultivation operations at its Amesbury and Webster Facilities, in violation of 935 CMR 500.450(7)(f) and 501.450(7)(d):
 - a. On April 6, 2020, Respondent hired a third-party contractor to treat the exterior of its Amesbury Facility for crawling insects in connection with general lawn maintenance. During that maintenance a third-party contractor applied Talstar Professional, a pesticide containing Bifenthrin, on the exterior of the Amesbury Facility on a monthly basis from May 2020 until September 2020;
 - b. The Amesbury Facility was not properly sealed from outside contaminants. This failure led to the contamination of the Amesbury Facility and Marijuana cultivated therein, which risked the public health, safety, and welfare;
 - c. Respondent did not take any additional precautions to prevent the contamination of Marijuana cultivated at said facility while application of pesticides to the exterior of the building was ongoing;



- d. Respondent contracted a vendor to add additional parking to its Amesbury Facility in September 2020, which required the removal of grass and soil that had been treated over the preceding five months with Talstar Professional. The construction of the additional parking disturbed the contaminated soil, increasing the risk of contamination of Marijuana cultivated at said facility;
 - e. From May 2020 until September 2020, Respondent allowed additional work to be completed by other vendors at the Amesbury Facility. While this work was being performed, Respondent did not prevent the vendors from propping open exterior doors for extended periods of time risking contamination of Marijuana cultivated within the facility;
 - f. Respondent further held unauthorized chemicals on-site at its Amesbury Facility, which risked contamination of Marijuana cultivated at that facility;
 - g. Respondent's internal assessment identified several problems at the Webster Facility including Respondent's failure to properly seal gaps and leaks in doorways, improperly sealed ducts, leaving doors open for hours during harvesting, and allowing contractors to prop exterior doors open for several hours at a time;
 - h. Respondent's actions, including its failure to properly seal the Amesbury and Webster Facilities to prevent exterior contaminants from entering said facilities and failing to take additional precautions to limit contamination while pesticides were being applied to the exterior of the facility, represent a failure to maintain best practices to limit contamination of Marijuana at both cultivation facilities resulted in multiple pesticide detections on Marijuana originating from both facilities in violation of 935 CMR 500.120(9) and 501.120(9);
 - i. Respondent's actions amounted to negligent operation of these facilities that led to contamination of Marijuana cultivated at the Amesbury and Webster Facilities in violation of 935 CMR 500.450(7)(f) and 501.450(7)(d);
42. Respondent did not maintain Marijuana Establishment Agent personnel records in accordance with 935 CMR 500.105(9)(d)2.f.:
- a. As part of its investigation into the pesticide contaminations at Respondent's cultivation facilities, Commission Investigators asked to inspect personnel records for certain employees at the Amesbury Facility during an on-site, unannounced inspection on June 2, 2021;
 - b. Two days after said inspection, Respondent emailed Investigations staff to inform them that Respondent located written warnings for two employees that were not included in their personnel records at the time of the inspection;
 - c. The written warnings were both issued on January 19, 2021, 13 days after the Commission and MDAR performed a joint inspection of the Amesbury Facility;
 - d. The written warnings were issued to both employees for the unauthorized application of an over-the-counter pesticide containing Bifenthrin, in violation of Commission regulations;



- c. As a result the Agents' personnel records inclusive of the written warnings were not available for inspection, on request, which limited Commission investigators' ability to conduct a thorough inspection and consider relevant information to the ongoing investigation into pesticide contamination at the Amesbury Facility;
- f. By failing to include the written warnings, Respondent has failed to maintain Marijuana Establishment Agent personnel records in violation of 935 CMR 500.105(9)(d)2.f.;

Stipulated Remedy

- 43. In lieu of proceeding with an administrative hearing and subsequent proceedings, Respondent further agrees to the stipulated remedies and terms set forth in Paragraphs 44-52, inclusive of all subparagraphs;
- 44. Respondent agrees to pay a monetary fine in the amount of eighty thousand dollars (\$80,000.00) by check or money order and made payable to the Cannabis Control Commission Marijuana Regulation Fund;
- 45. Payments shall be postmarked within 30 calendar days from the date this Order is ratified by Commission vote and be mailed to the following addresses, as applicable:
 - a. Via USPS:
Cannabis Control Commission
PO Box 412144
Boston, MA 02241-2144
 - b. Via Courier/Overnight:
Bank of America Lockbox Services
Cannabis Control Commission 412144
MA5-527-02-07
2 Morrissey Boulevard
Dorchester, MA 02125
- 46. Respondent shall submit to a six-month probationary period (the "probationary period") for license nos. MC281255 and RMD385-C, which will take effect on the date this Order is ratified:
 - a. Any substantial noncompliance with any Commission laws by Respondent during the probationary period may constitute full and adequate grounds for license suspension or revocation;
 - b. Prior to enforcing this provision, the Investigations and Enforcement department agrees to send Respondent a Letter of Warning giving notice of the alleged substantial noncompliance and providing an opportunity for Respondent to correct the deficiencies;



47. During the probationary period any and all test results reporting the detection of pesticide contamination at a level other than Non-Detect, whether written or verbal, shall be reported by Respondent to the Commission within 24 hours;
48. During the probationary period, any pesticide contamination detection on Marijuana cultivated at either the Amesbury or Webster Facility shall result in an automatic penalty in accordance with the terms below:
- a. For any detection of pesticide contamination at or above 10 ppb, Respondent shall pay monetary fine of \$1,000.00;
 - b. For any detection of pesticide contamination at or above 25 ppb, Respondent shall pay monetary fine of \$1,500.00;
 - c. For any detection of pesticide contamination at or above 50 ppb, Respondent shall pay monetary fine of \$2,000.00;
 - d. Respondent waives its rights pursuant to Commission regulations or Massachusetts law to contest any fines imposed pursuant to this paragraph, other than as provided in Paragraph 49;
49. Upon receiving a demand for payment from the Commission in accordance with Paragraph 48, inclusive of all subparagraphs, Respondent shall provide such payment by check or money order payable to the Cannabis Control Commission Marijuana Regulation Fund within 30 days. Payments for penalties assessed against Respondent pursuant to this Paragraph shall be mailed to the following address, as applicable:
- a. Via USPS:
Cannabis Control Commission
PO Box 412144
Boston, MA 02241-2144
 - b. Via Courier/Overnight:
Bank of America Lockbox Services
Cannabis Control Commission 412144
MA5-527-02-07
2 Morrissey Boulevard
Dorchester, MA 02125
50. For any pesticide contamination detections, prior to remitting payment of a monetary fine in accordance with Paragraphs 48 and 49, Respondent may elect to seek a confirmatory test from a Commission-specified Independent Testing Laboratory;
51. During the probationary period, Respondent shall submit ten percent of its total test samples as duplicate or quality control samples in accordance with Section 5.4 of the *Protocol for Sampling and Analysis of Finished Marijuana and Marijuana Products for Marijuana Establishments, Medical Marijuana Treatment Centers, and Colocated Marijuana Operations* to a licensed Independent Testing Laboratory not currently or formerly utilized by Respondent and approved by the Commission;



52. During the probationary period, Commission staff may take random test samples at Respondent's cultivation facilities, in accordance with the Commission's authority pursuant to 935 CMR 500.160(3); 935 CMR 500.301(5); 935 CMR 501.160(3); and 935 CMR 501.301(5);
53. This Order may be admissible as evidence in any future hearing before the Commission or used in connection with any future licensure or administrative actions by the Commission;
54. Any issues relating to the underlying complaint and investigation that formed the basis for this Order against Respondent, and any defenses that Respondent may have to such complaint or investigation, shall not be at issue in a proceeding against Respondent for failing to comply with the terms of this Order;
55. Respondent agrees that the Commission may consider the Order and the facts and circumstances described therein in connection with review of an application for licensure, renewal of licensure, or suitability review;
56. Respondent acknowledges advisement of hearing rights and process of the proceedings and wishes to resolve all issues which were the subject of the investigation or in any way related to the investigation by entering into this Order;
57. If approved by the Commission and upon execution of all parties, this Order shall have the same force and effect as an order entered after formal hearing pursuant to 935 CMR 500.500(12), except that it may not be appealed. Failure to comply with the terms of this Order, including but not limited to failure to make a timely payment in accordance with Paragraphs 43-44 and Paragraphs 48-49 may constitute the basis for further administrative action against Respondent;
58. Respondent acknowledges that the Commission advised Respondent of its opportunity to consult with an attorney of their choosing and Respondent represents that they have had an opportunity to do so prior to signing the Order. Respondent acknowledges that they have been given a reasonable period of time in which to consider the terms of this Order before signing it. Respondent acknowledges and confirms that they have entered into this Order voluntarily and of their own free will, without duress or coercion, and that they are competent to enter into this Order. Respondent acknowledges that they have carefully read and fully understand the meaning and intent of this Order;
59. Respondent further understands and knowingly and voluntarily waives the following rights:
- a. The right to proceed with the adjudicatory proceeding;



- b. The right to cross-examine witnesses, subpoena witnesses, present evidence and testify on Respondent's own behalf at that hearing;
 - c. The right to appeal this Order;
60. Respondent consents to the terms and conditions described herein and agrees to waive its right to judicial review of this Order pursuant to G.L. c. 30A, § 14;
61. 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, such provision shall be severed, and the remainder of the Order shall be given full force and effect;
62. This Order shall be binding upon Respondent and shall inure to the benefit of the parties to this Order and their respective successors and assignees and shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts;
63. Upon ratification of this Order by the Commission, this Order shall become a permanent part of Respondent's record and shall be open to public inspection and disclosure pursuant to the Commission's standard policies and procedures or applicable law;
64. The Commission may reject the terms of this Order or otherwise deny ratification and entry of the Order. In such event, the terms of the Order shall be null and void, including but not limited to Respondent's admissions, and the parties will proceed to hearing;
65. This Order may be executed by e-mail and any signature delivered by either email or first-class mail shall be deemed to be as valid as an original signature;
66. All costs and expenses incurred by Respondent to comply with this Order shall be the sole responsibility of Respondent and shall not in any way be the obligation of the Commission; and
67. For purposes of addressing any future violations of the Order, the Commission regulations, 935 CMR 500.000, *et seq.*, shall include all later adopted regulations that are in effect at the time of the subsequent violation.

This Order is subject to ratification by the Commission. Upon ratification, this Order becomes binding on the Parties. Failure to comply with the above conditions may result in administrative action against Respondent up to and including suspension and/or revocation of registration.

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Respondent Curaleaf, Inc.



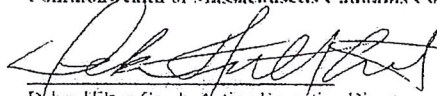
James Shorris, Chief Compliance Officer
and Counsel

October 7, 2024

Date Signed

Ratified by Commission vote (3, yes, 0 no, 0 abstain) on October 10, 2024.

Commonwealth of Massachusetts Cannabis Control Commission



Debra Hilton Creek, Acting Executive Director
and Chief People Officer

10/15/2024

Date Signed