

Maryland Cannabis Administration

Report

AUTHORITY: Alcoholic Beverages & Cannabis Article §36-202, Annotated

Code of Maryland

ADMINISTRATIVE FOLLOW-UP SUPPLEMENT COMPLAINT ANNOUNCED UNANNOUNCED

CASE #	23-00364
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Code of Maryland Regulations (COMAR) 10.62 and 14.14

<input checked="" type="checkbox"/> GROW	<input checked="" type="checkbox"/> PROCESSOR	<input checked="" type="checkbox"/> DISPENSARY	<input type="checkbox"/> ITL	<input type="checkbox"/> AGENT	<input type="checkbox"/> OTHER
Licensee / Agent Curaleaf Holdings, Inc.			License Number DA-23-00005 DA-23-00015 DA-23-00018 DA-23-00030 GA-23-00001 PA-23-00001		
DBA Curaleaf					
Address					
License Representative Samuel Tappa		Email samuel.tappa@curaleaf.com		Business Number	
Date September 14, 2023		Time			
Investigators Name [REDACTED]		Email [REDACTED]		Phone [REDACTED]	
Investigators Signature [REDACTED]				Date	

COMAR VIOLATION

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Violation Number	Description
1.	<p>COMAR 10.62.25.11C(C) - Dispensary License</p> <p>COMAR 10.62.19.10C91) - Processor License</p> <p>COMAR 10.62.08.12C(1) - Grow License</p> <p>Disclosure of Ownership and Control:</p> <p>Each licensee shall submit a table of organization, ownership, and control with the Administration on or before July 1 of each year. If the licensee is a business entity with publicly traded stock, the identification of ownership shall include: The name and percentage of ownership interest of each individual or business entity with ownership of more than 5 percent of the voting shares of the entity, to the extent such information is known or contained in 13D or 13G Securities and Exchange Division filings</p>

Narrative

Currently in Maryland there are six cannabis licenses that are wholly owned by Curaleaf Holdings. Curaleaf's corporate structure charts and cap table annual submissions were reviewed for each of the Curaleaf Holdings, Inc. owned licenses. The following is a summary of the ownership history related to the licenses owned by Curaleaf Holdings, Inc. based upon available information.

DA-23-00005; GA-23-00001; PA-23-000001 - Maryland Compassionate Care and Wellness LLC

On April 22, 2021, the Maryland Medical Cannabis Commission (MMCC, the predecessor agency to MCA) approved a transfer of ownership of the above referenced licenses to GR Companies, LLC. According to the submitted post transfer Cap Table, GR Companies LLC owns 100% of the

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licenses and is wholly owned by Curaleaf Holdings, Inc., a publicly traded British Columbia corporation. Investors holding a greater than 5% ownership in Curaleaf Holdings, Inc. were identified as Andrey Blokh (19.3%, varies) and Gociter Holdings Ltd. (Boris Jordan) (19.7%, varies).

Cap Table submissions for 2021, 2022 and 2023, continue to reflect ownership of the licenses by GR Companies, LLC, which is wholly owned by Curaleaf Holdings, Inc., a publicly traded company. Although no ownership detail is provided for ownership of Curaleaf Holdings, the corporate structure charts submitted with the annual Cap Table submissions reflect Andrey Blokh and Gociter Holdings Ltd. having an ownership interest in Curaleaf Holdings in excess of 5%.

DA-23-00015 Curaleaf MD LLC

This license is the only original license owned by Curaleaf Holdings, Inc. which was acquired on October 25, 2018. According to an undated Cap Table received by MMCC prior to 2020, Curaleaf MD LLC is wholly owned by Curaleaf, Inc., which is wholly owned by Curaleaf Holdings, Inc., a publicly traded company. Listed ownership in excess of 5% in Curaleaf Holdings, Inc. identified Gociter Holdings Ltd 24.3% and Andrey Blokh 23.8%.

Subsequent Cap Tables submitted for 2020, 2021, 2022 and 2023, are consistent and reflect ownership of the license with Curaleaf Holdings, Inc. Although the Cap Tables do not record any itemized ownership in excess of 5% in Curaleaf Holdings, Inc., submitted corporate structure charts identify that Gociter Holdings and Andrey Blokh maintain an ownership interest in Curaleaf Holding in excess of 5%.

DA-23-00018 - HMS Sales, LLC

On June 24, 2021, MMCC approved the transfer of ownership of this license to Curaleaf, Inc. which is wholly owned by Curaleaf Holdings, Inc., a publicly traded company. Investors identified as holding a greater than 5% interest in Curaleaf Holdings included: Gociter Holdings Ltd (MVS) 13.4%, Gociter Holdings Ltd (SVS) 4.9% (Combined 18.3%), and Andrey Blokh 18.10%.

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Subsequent Cap Table submissions for 2021, 2022 and 2023, reflect continued ownership of the license by Curaleaf Holdings, Inc., a publicly traded company. However, the Cap Tables do not record any itemized ownership in excess of 5% in Curaleaf Holdings, Inc. Corporate structure charts submitted with the Cap Tables reflect Andrey Blokh and Gociter Holdings Ltd. having an ownership interest in Curaleaf Holdings in excess of 5%.

DA-23-00030 - MI Health LLC

On August 26, 2021, MMCC approved the transfer of this license to Curaleaf, Inc. which is wholly owned by Curaleaf Holdings, Inc., a publicly traded company. Investors identified as holding a greater than 5% interest in Curaleaf Holdings included: Gociter Holdings Ltd (MVS) 13.4% and Gociter Holdings Ltd (SVS) 4.9% (Combined 18.3%); and Andrey Blokh 18.10%.

The licensee (MI Health LLC) in June 2021, prior to the transfer of ownership approval, submitted a Cap Table to MMCC accurately reflecting original ownership, and not ownership by Curaleaf Holdings. The 2022 and 2023 submitted Cap Tables (submitted after MMCC approval for transfer of ownership) reflect ownership of the license as Curaleaf Holdings; however, it is noted that the Cap Tables reflect that the ownership of the license was acquired by Curaleaf Holdings on June 24, 2021, two months before final Commission approval. The 2022 and 2023 Cap Tables also do not record any itemized ownership in excess of 5% in Curaleaf Holdings, Inc. Corporate structure charts submitted with the Cap Tables reflect Andrey Blokh and Gociter Holdings Ltd. having an ownership interest in Curaleaf Holdings in excess of 5% without further detail.

Summary

The scope of this review covered compliance with COMAR Title 10, Section 62, Chapter 08 (Grow Facility), Chapter 19 (Processor Facility) and Chapter 25 (Dispensary). The relevant chapters pertain to the application and the transfer of ownership in a license. The annual cap table submissions by the Curaleaf owned licensees are insufficient to meet the requirements of the above stated COMAR citations relative to the disclosure of ownership and control. The submitted Cap Tables and corporate structure charts fail to report interests held in excess of 5% in Curaleaf Holdings, a publicly traded company. The corporate structure charts submitted with the Cap Tables do identify Curaleaf Holdings, Inc. as a publicly traded company with ownership in excess

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of 5% held by Andrey Blokh and Boris Jordan through Gociter Holdings, Ltd. However, merely stating an ownership interest in excess of 5% is incomplete reporting as required by stated COMAR: **Each licensee shall submit a table of organization, ownership, and control with the Administration on or before July 1 of each year. If the licensee is a business entity with publicly traded stock, the identification of ownership shall include: The name and percentage of ownership interest of each individual or business entity with ownership of more than 5 percent of the voting shares of the entity, to the extent such information is known or contained in 13D or 13G Securities and Exchange Division filings.**

Note: The latest annual submissions for 2023 were received by MCA on June 21, 2023 for the listed dispensaries and processor facility. The annual submission for the listed grow facility was received on May 31, 2023.

List of Attachments/Exhibit

Number	Description
1.	Capitalization tables for each Curaleaf licensee 2020 through 2023

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Number	Description
2.	Capitalization tables provided to MMCC in support of transfer requests for Maryland Compassionate Care and Wellness and MI Health

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Number	Description
3.	Letters of approval from MMCC for the transfers of Maryland Compassionate Care and Wellness and MI Health

Supervisor Signature	[REDACTED]
Director Signature	[REDACTED]

Director Signature only required for CRC cases