ORDER OF SUMMARY SUSPENSION

IN THE MATTER OF MARIJUANA BUSINESS LICENSES ISSUED TO AJS FEDERAL LLC; AJS EVANS LLC; SWEET LEAF LLC; DGP 38TH LLC; HERBAL WELLNESS; FEDERAL CORRIDOR LLC; DGP WALNUT LLC; DGP SMITH LLC; AND DGP ELATI LLC, ALL DOING BUSINESS AS SWEET LEAF:

RETAIL MARLIUANA STORE LICENSES:

BUSINESS FILE #2017-BFN-0002513, AJS FEDERAL LLC, 468 S. FEDERAL BLVD BUSINESS FILE #2013-BFN-1068876, DGP ELATI LLC, 4125 N. ELATI STREET BUSINESS FILE #2015-BFN-0002743, HERBAL WELLNESS, 4400 E. EAVANS AVE BUSINESS FILE #2013-BFN-1069648, DGP 38^{TH} LLC, 2647 W. 38^{TH} AVE. BUSINESS FILE #2013-BFN-1069644, DGP WALNUT, 2609 WALNUT STREET BUSINESS FILE #2013-BFN-1070077, SWEET LEAF LLC, 5100 W. 38^{TH} AVE.

RETAIL MARIJUANA CULTIVATION FACILITY LICENSES:

BUSINESS FILE #2013-BFN-1069504, DGP SMITH LLC, 7200 E. SMITH ROAD BUSINESS FILE #2013-BFN-1070425, SWEET LEAF LLC, 136 N. YUMA STREET BUSINESS FILE #2013-BFN-1069645, DGP WALNUT, 2609 WALNUT STREET BUSINESS FILE #2013-BFN-1068877, DGP ELATI, 4125 N. ELATI STREET BUSINESS FILE #2013-BFN-1068879, DGP ELATI, 4715 N. COLORADO BLVD BUSINESS FILE #2015-BFN-0007352, HERBAL WELNESS, 1475 S. ACOMA STREET

MEDICAL MARIJUANA CENTER LICENSES:

BUSINESS FILE #2010-BFN-1045792, DGP WALNUT STREET, 2609 WALNUT STREET BUSINESS FILE #2010-BFN-1045809, SWEET LEAF LLC, 5100 W. 38TH AVE. BUSINESS FILE #2015-BFN-0008409, AJS FEDERAL LLC, 468 S. FEDERAL BLVD. BUSINESS FILE #2010-BFN-1045627, HERBAL WELLNESS, 4400 E. EVANS AVE. BUSINESS FILE #2014-BFN-0003315, AJS EVANS, 4379 N. TEJON STREET BUSINESS FILE #2010-BFN-1048434, DGP 38TH LLC, 2647 W. 38TH AVE.

MEDICAL MARIJUANA OPTIONAL PREMISES CULTIVATION LICENSES: BUSINESS FILE #2016-BFN-0004042, AJS FEDERAL LLC, 136 N. YUMA STREET BUSINESS FILE #2012-BFN-1061861, SWEET LEAF LLC, 136 N. YUMA STREET BUSINESS FILE #2014-BFN-0004770, DGP 38TH LLC, 124 N. YUMA STREET BUSINESS FILE #2015-BFN-0000384, FEDERAL CORRIDOR INC, 1475 S. ACOMA STREET BUSINESS FILE #2012-BFN-1060600, HERBAL WELLNESS, 1475 S. ACOMA STREET BUSINESS FILE #2014-BFN-0003959, AJS EVANS LLC, 1011 W. 45TH AVE. BUSINESS FILE #2012-BFN-1060642, DGP WALNUT, 2609 WALNUT STREET

MEDICAL MARIJUANA-INFUSED PRODUCTS MANUFACTURING LICENSE: BUSINESS FILE #2013-BFN-1068155, SWEET LEAF LLC, 136 N. YUMA STREET

The Denver Revised Municipal Code (the "D.R.M.C.") §32-22(8) states that the Director may, upon her own motion or upon Complaint, suspend or revoke a license after an opportunity for a hearing where "[t]he licensee, or any of the agents, servants or employees of the licensee, have violated any ordinance of the city or any state or

federal law on the premises or have permitted such a violation on the premises by any other person...." However, D.R.M.C. §6-219(d) provides that "[w]hen the director has reasonable grounds to believe that a licensee has engaged in deliberate and willful violation of any applicable law or regulation, or that the public health, safety, or welfare requires emergency action, the director may enter a summary suspension order for the immediate suspension of such license pending further investigation." See also D.R.M.C. §24-514(d)(applicable to medical marijuana licensees).

Article XVII, Section 16(3) of the Colorado State Constitution ("Amendment 64"), allows for the personal use of marijuana, and specifically allows the possession, use, display, purchase, and transport of one ounce or less of marijuana. The Colorado Revised Statutes ("C.R.S."), §18-18-406(2)(b)(I) makes it unlawful for any person to possess marijuana or marijuana product in excess of the amounts in Amendment 64. Furthermore, C.R.S. §12-43.4-901(2)(a) states that it is unlawful for anyone to "[b]uy, sell, transfer, give away, or acquire retail marijuana or retail marijuana products except as allowed pursuant to [the Colorado Retail Marijuana Code, C.R.S. §12-43.4-101 et seq.] or section 16 of article XVIII of the state constitution." See also C.R.S. §12-43.4-102. Finally, under Colorado law, any business entity is guilty of an offense if "[t]he conduct constituting the offense consists of an omission to discharge a specific duty of affirmative performance imposed on the business entity by law;" or such conduct is "authorized, solicited, requested, commanded, or knowingly tolerated by the governing body or individual authorized to manage the affairs of the business entity or by a high managerial agent acting within the scope of his or her employment or in behalf of the business entity." C.R.S. §18-1-606(1). An "agent" is defined as "any director, officer, or employee of a business entity, or any other person who is authorized to act in behalf of the business entity, and "high managerial agent" means an officer of a business entity or any other agent in a position of comparable authority with respect to the formulation of the business entity's policy or the supervision in a managerial capacity of subordinate employees." C.R.S. §18-1-606(2)(a).

The Director of the Department of Excise and Licenses, having reviewed an investigation completed by the Denver Police Department, and upon information received from the Denver Police Department's lead investigator, hereby finds as follows:

Reasonable grounds and probable cause exists to believe that Respondents have engaged in deliberate and willful violations of state and local laws or regulations, and/or that the public health, safety, and welfare requires emergency action.

Therefore, pursuant to the D.R.M.C. §§ 6-219(d) and 24-514(d), the Director hereby ORDERS the summary suspension of each of the above-listed licenses.

It is **FURTHER ORDERED** that, pending the outcome of forthcoming disciplinary proceedings for suspension or revocation, and in order to prevent theft or other diversion of marijuana or marijuana product in the possession or control of Respondents, Respondents shall comply with all of requirements and restrictions of the D.R.M.C., the Retail Marijuana Code (C.R.S. § 12-43.4-101 et seq.) and rules promulgated thereunder (1 CCR 212-2), the Medical Marijuana Code (C.R.S. § 12-43.3-101 et seq.) and rules promulgated thereunder (1 CCR 212-1). Specifically, in addition to all other requirements imposed by law or rule, Respondents shall comply with all requirements and restrictions for security alarm systems, lock standards, and video surveillance. During the period of the summary suspension, Respondents shall not permit the selling, serving, giving away, distribution, manufacture, sampling, acquisition, purchase, transfer, transport, removal, or unauthorized destruction of marijuana or marijuana product on any of the licensed premises identified above, nor shall Respondents allow customers to enter such licensed premises, without written permission from the Department or pursuant to an official action or investigation by a state or local agency.

A hearing on the matter shall be scheduled by the Department within thirty (30) days of the date of this Order.

SO ORDERED this 14th day of December, 2017.

Ashley Kilroy, Executive Director

Department of Excise and Licenses

CERTIFICATE OF MAILING

The undersigned hereby states and certifies that one true copy of the foregoing Order was sent email on the day of ______, 2017 to the following:

Christian Johnson, Owner christian@sweetleafmail.com

Matthew Aiken, Owner Matthewaiken22@gmailcom

Anthony Suaro, Owner anthony@sweetleafmail.com

CERTIFICATE OF SERVICE

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