

SETTLEMENT AGREEMENT

Effective April 29, 2024 (the “Effective Date”), the State of Maine Department of Administrative and Financial Services (“DAFS” or “the Department”) and Licensee, East Coast Gold, Inc. (AMF 185 and AMS 1317), (collectively, “the Parties”) enter into this Settlement Agreement (the “Agreement”).

The Licensee, East Coast Gold, Inc. (“East Coast Gold”) owns two adult use cannabis establishments, a manufacturing facility (AMF 185) and a store (AMS 1317). East Coast Gold is owned by Avi Ruimy.

On February 7, 2024, Michael W. Field, Director of Licensing, Office of Cannabis Policy (“OCP”), DAFS, issued two Notices of Administrative Action, concerning the licenses AMF 185 and AMS 1317 pursuant to the Cannabis Legalization Act, 28-B M.R.S. §§ 101-1102 (the “CLA”), and Maine Adult Use Cannabis Program Rules, 18-691 C.M.R. Ch. 1 (the “AUCPR”).

These actions are subject to an administrative hearing pursuant to 28-B M.R.S. §801 and in accordance with the Maine Administrative Procedure Act, 5 M.R.S. §§ 9051-9064, and then potentially to judicial review pursuant to 5 M.R.S. §§ 11001-11002 and M.R. Civ. P. 80C.

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. In September 2023, OCP received and investigated a complaint regarding certain cannabis infused drinks manufactured by East Coast Gold and sold in their store as well as other stores. The drinks were designed, packaged and labeled in a manner that did not meet the standards of the adult use rule. Specifically, they contained 100 mgs of THC per serving which was presented as an 8-ounce drink; the bottles were not tamper evident; there was no specification on the label of how much would constitute an acceptable single serving of 10 mgs; and there was no measuring device to ensure a serving containing the 10mg serving limit. East Coast Gold had been manufacturing these drinks for several months in this manner before the investigation and selling them in their store with exit packaging that was

not child resistant.

2. East Coast Gold cooperated with OCP by designing packaging and labeling that did meet the requirements of the MLA and AUCPR. The Department is withdrawing its request for fines except for \$10,000 for the manufacturing violations including exceeding the THC limit per serving, and \$2,500 for selling this product from their store without child resistant packaging. The amount of \$12,500.00 shall be the total fine amount paid by East Coast Gold. The fine shall be paid in full by July 22, 2024.
3. This Agreement sets forth the entire agreement of the Parties in relation to the conduct described above and in the Notices dated February 7, 2024, and any amendment hereof shall be in writing. Representations that are not contained in the Agreement or subsequent written amendment shall have no effect.
4. The Parties agree that once this agreement is signed the appeals process, including administrative hearing, is concluded.
5. The Parties acknowledge that this Agreement and its reduction to final written form is the result of good faith negotiations between the Parties. The Parties and their respective counsel (if applicable) have carefully reviewed and examined this Agreement before execution by said Parties. Any statute or rule of construction that requires ambiguities to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
6. This Agreement shall be governed by the laws of the State of Maine.
7. The Parties agree that this Agreement is binding upon, and inures to the benefit of, the Parties and their successors and assigns.
8. The signatory for DAFS, Michael W. Field, represents that he is duly authorized and empowered to execute this Agreement on behalf of DAFS, and that his signature is enough to legally bind DAFS to the terms of this Agreement.
9. The signatory for the Licensee, East Coast Gold, represents that he is duly authorized and empowered to execute this Agreement on behalf of Licensee and that his signature is enough to legally bind Licensee to the terms of this Agreement.

IN WITNESS WHEREOF, the duly authorized representative of DAFS, and Avi Ruimy, have signed this Agreement below:

EAST COAST GOLD, INC.



By its Owner, Avi Ruimy

Date: 4/29/2024

DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES

Michael W. Field

By Michael W. Field, Director of Compliance,
Office of Cannabis Policy

Date: 4/30/2024