

**BEFORE THE CANNABIS CONTROL DIVISION  
FOR THE STATE OF NEW MEXICO**

**IN THE MATTER OF:**

**Case No. 2025-001**

**Bluebonnet Labs LLC;  
License No. TSTL-2024-0004-PRM-0001;  
Joshua Dunlap & Mark Bowman**

**Respondent(s).**

## SETTLEMENT AGREEMENT

**WHEREAS**, Bluebonnet Labs, LLC (Respondent) is a business entity licensed pursuant to the Cannabis Regulation Act, 26-2C-1 *et seq.* NMSA 1978 (CRA) and is subject to jurisdiction of the Cannabis Control Division (CCD) of the Regulation and Licensing Department (Department), and the rules promulgated by the CCD according to the Act, 16.8.1 *et seq.* NMAC (Rules).

**WHEREAS**, the CCD performed an inspection of Respondent's premises and found sufficient evidence to refer the matter to its counsel and request that a Notice of Contemplated Action ("NCA") be issued against Respondent;

**WHEREAS**, an NCA was issued pursuant to the Uniform Licensing Act, 61-1-1 *et seq.* NMSA 1978 (“ULA”), which stated that the CCD had sufficient evidence which, if not rebutted or satisfactorily explained, would justify the Department taking disciplinary action against Respondent up to and including license revocation;

**WHEREAS**, Respondent is willing to resolve this matter without the need for, and time and expense of, a formal hearing to be conducted; and

**WHEREAS**, the CCD's administrative prosecutor believes that this proposed Settlement Agreement (Agreement) is appropriate and in the best interest of the Department and the State, and Respondent has accepted the Agreement in the interest of bringing this proceeding to an acceptable conclusion.

**THEREFORE, IT IS AGREED AS FOLLOWS:**

1. **Authority:** Respondent acknowledges that the CCD has the statutory, administrative, and regulatory authority and thereby jurisdiction to investigate and adjudicate allegations of violations of the Act, pursuant to 26-2C-8(A) and (B) NMSA 1978. Respondent, at all times material to the allegations set forth in the citation(s), was licensed under the Act and is subject to the disciplinary authority of the CCD. Therefore, the CCD has disciplinary authority over the Respondent and the subject matter. Upon execution of this Agreement, Respondent releases the CCD from any and all claims potentially arising out of the CCD's decision to investigate the complaint and take the actions described herein.

2. **Voluntary Agreement:** Respondent enters into this Agreement knowingly and voluntarily, without duress or coercion, and after a full opportunity to consult an attorney. Respondent understands that if they reject this agreement the Hearing Officer will issue a Recommended Decision, including Findings of Fact and Conclusions of Law, that will reflect his understanding of the case, and which may result in penalties different or exceeding those set forth in this Agreement.
3. **CCD Approval:** This Agreement requires approval by the CCD. If the CCD rejects this Agreement, the terms of this Agreement or statements made by the Respondent in support of this Agreement shall not be used against Respondent in any subsequent proceeding. The approval shall be effective the date this Agreement is signed by the CCD Director.
4. **Violations:** Respondent acknowledges that this disciplinary action pertains to allegations of violations cited in Case Number 2025-001 and is related to the statutory and regulatory provisions under the Act and the related rules and regulations of the New Mexico Administrative Code, 16.8.1 et seq. NMAC. Respondent admits to Violations Nos. 1-3 and 5-11 but makes no admission as to Violation No. 4, and the same shall not be considered part of this agreement.
5. **Waivers:** If this Agreement is accepted by the CCD, Respondent agrees to waive any and all rights in Case Number 2025-001 under the Uniform Licensing Act, Sections 61-1-1 through -35 NMSA 1978 (as amended through 2024), including but not limited to the right to an evidentiary hearing, the right to discovery, the right to present evidence, the right to call and cross examine witnesses, and the right to judicial review. Respondent's waiver of these rights, as related to the violations referenced in Section 4 of this Agreement, is made knowingly, intentionally, and voluntarily.
6. **Discipline:** The Respondent understands that this Agreement constitutes formal disciplinary action by the CCD against the Respondent. Respondent understands and acknowledges the CCD's schedule of civil monetary penalties found in 16.8.12.13 NMAC which provides that each violation of the rules and regulations may result in fines from one thousand dollars (\$1,000) to ten thousand dollars (\$10,000) per violation and may also include suspension or revocation of a license. The Rules also provide that any portion of the penalties described in 16.8.12.13 NMAC may be enhanced or suspended, depending on the particular facts and circumstances of the individual case. *See*, 16.8.12.13(B) NMAC.
7. **Conditions of Settlement:** The CCD shall take no further administrative action against Respondent with respect to the matters in this subject case, provided Respondent complies completely with the following:
  - Respondents license, TSTL-2024-0004-PRM-0001 is hereby considered revoked in accordance with § 26-2C-8(B)(4) NMSA 1978 and § 26-2C-7(H) NMSA 1978, effective upon the date this Order is issued. As such, Respondent and its ineligible

to apply for or have a controlling interest in a cannabis license in New Mexico for three (3) years from the date this Order is issued.

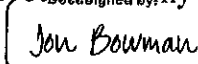
- No later than fourteen (14) calendar days after the final execution date of this Agreement, Respondent shall surrender their license by certified mail to the CCD. All certified mail shall be sent to 2550 Cerrillos Rd., P.O. Box 25101, Santa Fe, NM 87504, ATTN: Cannabis Control Division.
  - Respondent shall pay the CCD a fee of seventy thousand dollars (\$70,000.00), the fee is to be paid no later than April 1, 2025 by 5:00 pm.
  - Respondent understands, acknowledges, and stipulates that any violations of this Agreement and/or failure to comply with the terms and conditions of this Agreement shall be separate and independent grounds for disciplinary action by the CCD against Respondent and, at the discretion of the CCD, shall constitute a violation of the Act. In the event Respondent fails to comply with any provisions of this Agreement, the CCD may impose any and all lawful sanctions at its disposal including but not limited to revocation, suspension, or denial of Respondent's license, restrictions on the operation of their license, imposition of fees, penalties and costs and/or any other disciplinary action authorized pursuant to the New Mexico Cannabis Regulation Act and the New Mexico State Statutes.
  - None of the foregoing conditions shall deprive Respondent of its due process rights under the Uniform Licensing Act, 61-1-1 NMSA 1978, *et seq.*, for future violations.
8. This Agreement is binding upon the CCD and the Respondent only after it is signed by the Respondent and the attending order ("Order") validating the terms of the Agreement is signed by the CCD Director or a designee.
9. This Agreement is a settlement of the New Mexico Regulation and Licensing Department – Cannabis Control Division, for Case Number 2025-001, and only for the specific allegations contained therein. This Agreement does not set precedent and only applies to the facts and circumstances of the referenced citation.
10. Upon fulfillment of the above requirements, the CCD shall consider this matter closed and resolved unless violations of the agreed-upon terms listed in Section 7 are violated. However, the CCD may consider these improper activities as evidence of a pattern of conduct in the event that similar or other violations are proven against the Respondent in the future. Additionally, the CCD may consider the fact that discipline was imposed through this Agreement and Order as a factor in determining appropriate discipline, which may include enhanced penalties as set forth in 16.8.12.13(B) NMAC, should any further violations be proven against Respondent in the future.
11. Respondent affirmatively states that they have read this entire document and understands their responsibilities and duties in reference to the settlement of this matter.

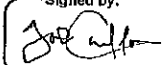
Respondent agrees and stipulates to all of the terms of this Agreement. Respondent knowingly, intentionally, and voluntarily enters into and executes this Agreement and affirms that no promises or representations have been made to them other than the terms and conditions expressly stated herein.

12. This Agreement is effective on the date the CCD Director or designee has approved and signed the Order.

I understand and have read this document and hereby agree to the terms of this Agreement freely and voluntarily. I understand that by entering into this Agreement I am giving up my rights under the Uniform Licensing Act, including my right to an evidentiary hearing on the merits of the alleged violations.

I understand that if the CCD accepts this Agreement, I am required to comply with the terms stated herein, and that failure to comply with the Agreement may subject me to further discipline, including revocation of my license(s).

  
\_\_\_\_\_  
Respondent 3/27/2025  
\_\_\_\_\_  
Date

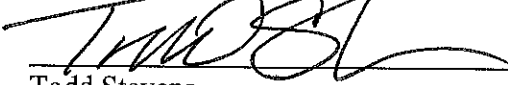
  
\_\_\_\_\_  
Respondent's Attorney (if any) 3/27/2025  
\_\_\_\_\_  
Date

### ORDER OF THE DIVISION

**THIS MATTER** having come before the Cannabis Control Division and after review and careful consideration of the facts, finds that the terms of this Settlement Agreement, as reached by the parties stated above and indicated by their signatures, **IS ACCEPTED.**

**IT IS SO ORDERED** and upon completion of the terms as set forth in this Agreement, this matter shall be closed.

Signed on this 27 day of March, 2025.

  
\_\_\_\_\_  
Todd Stevens  
Director, or Designee  
Cannabis Control Division  
NM RLD | Cannabis Control Division