

**STATE OF NEW MEXICO  
REGULATION AND LICENSING DEPARTMENT  
CANNABIS CONTROL DIVISION**

**IN THE MATTER OF:**

Case No. 2023-009

High Valley Cannabis Co. LLC,  
License No. CCD-2022-0915,  
CCD-MICB-2022-0187

Respondent(s).

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**SETTLEMENT AGREEMENT**

**WHEREAS**, High Valley Cannabis Co. 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 (“Division”) of the Regulation and Licensing Department (“Department”), and the rules promulgated by the Division according to the Act, 16.8.1 *et seq.* NMAC (“Rules”).

**WHEREAS**, the Division received formal complaints alleging that Respondents have violated the Act and the Rules promulgated thereto;

**WHEREAS**, the Division 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 Division 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 Division’s administrative prosecutor believes that this proposed Settlement Agreement (“Agreement”) is appropriate and in the best interest of the Department and the State:

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

- 1. Authority:** Respondent acknowledges that the Division 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 Division. Therefore, the Division has disciplinary authority over the Respondent and the subject matter. Upon execution of this Agreement,

Respondent releases the Division from any and all claims potentially arising out of the Division's decision to investigate the complaint and take the actions described herein, and other than as set forth in this Agreement.

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 Division will conduct a formal evidentiary hearing which could result in the Division imposing discipline that is more or less severe than the sanctions considered herein.
3. **Division Approval:** This Agreement requires approval by the Division. If the Division rejects this Agreement, the Division may proceed with a full evidentiary hearing on a date scheduled by the Division in a subsequent notice. If the Division 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 a subsequent hearing. The approval shall be effective the date this Agreement is signed by the Division Director.
4. **Violations:** Respondent acknowledges that this disciplinary action is for violations cited in Case Number 2023-009 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.
5. **Waivers:** If this Agreement is accepted by the Division, Respondent agrees to waive any and all rights under the Uniform Licensing Act, Sections 61-1-1 through -35 NMSA 1978 (as amended through 2021), 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 citations 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 Division against the Respondent. Respondent understands and acknowledges the Division'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 Division shall take no further action against Respondent with respect to the matters in this subject case, provided Respondent complies completely with the following:
  - Respondent shall pay the Division a fee of seven thousand dollars (\$7,000) for the violation of unlicensed consumption listed in Respondent's NCA to be paid no later than 30 calendar days from the date of execution of this Agreement.
  - If Respondent is found to violate the same provisions within two years from the

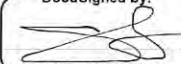
date this Agreement is executed, Respondent shall suspend all commercial cannabis operations for a period of seven (7) calendar days to be effective beginning the date of a signed final decision and order by the Cannabis Control Division.

- If Respondent is found to violate another cannabis consumption provision within two years from the date this Agreement is executed, an automatic fine of \$10,000 will be levied against Respondent to be paid within 30 calendar days from the date of a final decision in conformance with the Uniform Licensing Act, 61-1-1 NMSA 1978, *et seq.*
8. This Agreement is binding upon the Division 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 Division Director or a designee.
  9. This Agreement is a settlement of the New Mexico Regulation and Licensing Department – Cannabis Control Division, for Case Number 2023-009, 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 Division shall consider this matter closed and resolved unless violations of the agreed-upon terms listed in Section 7 are violated. However, the Division 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, Division 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 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 Division against Respondent and, at the discretion of the Division, shall constitute a violation of the Act. In the event Respondent fails to comply with any provisions of this Agreement, the Division 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.
  12. 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. Respondent understands that by signing this Agreement the following rights have been waived:
    - a. The right to a full administrative hearing as provided in Section 26-2C-8(E) NMSA 1978,

as related to the citations reference in Section 4 of this Agreement; and  
b. All rights to appeal this matter to the District Court for review.

**13.** Respondent acknowledges that if the terms are violated or Respondent fails to comply with the terms and conditions of this Agreement, the Division may impose the original penalties and fees in addition to charges for failure to comply with this Order, if applicable.

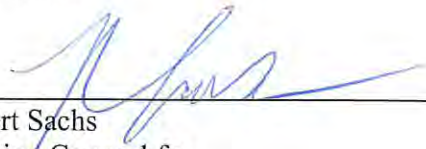
This Stipulated Agreement is effective on the date the Division Director or designee has approved and signed the Order.

DocuSigned by:  
  
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4/1/2024

\_\_\_\_\_  
Jose Sanchez  
Owner or Resident Agent for  
Respondent

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Robert Sachs  
Division Counsel for  
Division

4/8/2024  
\_\_\_\_\_  
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 8<sup>th</sup> day of April, 2024.



Todd Stevens  
Director  
Cannabis Control Division  
NM RLD | Cannabis Control Division

DIVISION USE ONLY   FINE DUE: \$ _____		Payments:		
Received on: _____	Receipt No. _____	Amount \$ _____	CHECK/ MO/ CC _____	Balance: _____
Received on: _____	Receipt No. _____	Amount \$ _____	CHECK/ MO/ CC _____	Balance: _____
Received on: _____	Receipt No. _____	Amount \$ _____	CHECK/ MO/ CC _____	Balance: _____
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Received on: _____	Receipt No. _____	Amount \$ _____	CHECK/ MO/ CC _____	Balance: _____

Resolved:
Final Payment Received on: _____
Suspension Served on: _____