

BEFORE THE CANNABIS CONTROL DIVISION
OF THE REGULATION AND LICENSING DEPARTMENT
FOR THE STATE OF NEW MEXICO

IN THE MATTER OF:

Embargo Order 2026-002

Primos Raw Organics, LLC
License No. VIC-2022-0065;
Ricardo Cantu.
Respondent.

SETTLEMENT AGREEMENT

WHEREAS, Primos Raw Organics, LLC, License No. VIC-2022-0065, with a controlling person of Ricardo Cantu (“Respondent”), was formerly licensed pursuant to the Cannabis Regulation Act, NMSA 1978, §§ 26-2C-1 to -43 (2021, as amended through 2025) (“CRA”), and is subject to the jurisdiction of the Cannabis Control Division (“CCD”) and the Enforcement Bureau (“EB”) of the Regulation and Licensing Department (“RLD”), and the rules promulgated by the CCD under Title 16, Chapter 8 NMAC (“Rules”);

WHEREAS, on February 11, 2026, the CCD issued Embargo Order No. 2026-002 pursuant to § 26-2C-43, restricting the movement of approximately 773.5 pounds of cannabis associated with Respondent’s expired License No. VIC-2022-0065;

WHEREAS, Respondent did not request an administrative hearing pursuant to § 26-2C-43(I) within the statutory time frame;

WHEREAS, Respondent has requested authorization to destroy the embargoed cannabis under the supervision of the CCD and applicable law enforcement authorities;

WHEREAS, the CCD has received a formal complaint alleging that Respondent has violated the CRA and the Rules;

WHEREAS, Respondent wishes to resolve this matter before the complaint is reviewed by the CCD’s administrative prosecutor for the issuance of formal charges through a Notice of Contemplated Action (“NCA”);

WHEREAS, the parties desire to resolve Embargo Order No. 2026-002 and the related alleged violations without further administrative proceedings;

WHEREAS, this Settlement Agreement (“Agreement”) is entered into voluntarily; and

WHEREAS, the CCD’s administrative prosecutor believes that this Agreement is appropriate and in the best interest of the RLD and the State;

THEREFORE, IT IS AGREED AS FOLLOWS:

1. **Jurisdiction:** Respondent was issued License No. VIC-2022-0065 by the CCD pursuant to the Cannabis Regulation Act and remains subject to the jurisdiction of the RLD and the CCD with respect to conduct occurring during the period of licensure and matters arising therefrom.
2. **Voluntary Agreement:** Respondent enters into this Agreement knowingly, voluntarily, and without duress or coercion, after having had a full opportunity to consult with legal counsel. Respondent understands that if this Agreement is rejected or not approved, this matter may be referred for administrative prosecution and could result in disciplinary action authorized by law.
3. **CCD Approval:** This Agreement requires approval by the CCD. If the CCD rejects this Agreement, the matter may be referred to the administrative prosecutor for further proceedings, including issuance of a Notice of Contemplated Action. Statements made in support of this Agreement shall not be used against Respondent in a subsequent administrative hearing. Approval shall be effective on the date this Agreement is signed by the Director of the CCD or the Director's designee.
4. **Waivers:** If this Agreement is accepted by the CCD, Respondent knowingly and voluntarily waives any and all rights under the Uniform Licensing Act, NMSA 1978, §§ 61-1-1 to -37 (1957, as amended through 2024), including but not limited to the right to notice of contemplated action, 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, with respect to the violations and Embargo Order No. 2026-002 addressed in this Agreement.
5. **Violations:** Respondent admits to the following violation(s) of the CRA and the Rules:

VIOLATION #1: Failure to Timely Renew License

RULE CITATION OF VIOLATIONS: § 61-1-3.2; § 16.8.2.14 NMAC

DESCRIPTION OF VIOLATIONS AS IT PERTAINS TO RULE:

Respondent was issued License No. VIC-2022-0065 authorizing commercial cannabis activities. Respondent failed to submit a completed renewal application with all required materials and fees at least thirty (30) calendar days prior to expiration as required by § 16.8.2.14 NMAC. The license expired on March 20, 2025.

Pursuant to § 61-1-3.2 and § 16.8.2.14 NMAC, failure to timely renew a license subjects the licensee to disciplinary action under the Uniform Licensing Act.

VIOLATION #2: Failure to Maintain Cannabis on Approved Licensed Premises and Failure to Properly Dispose of Cannabis Upon Discontinuance of Operations

RULE CITATION OF VIOLATIONS: § 16.8.2.15 NMAC

DESCRIPTION OF VIOLATIONS AS IT PERTAINS TO RULE:

Following expiration of License No. VIC-2022-0065 on March 20, 2025, Respondent failed to properly waste cannabis in accordance with § 16.8.2.15 NMAC.

On January 12, 2026, approximately 773.5 pounds of cannabis flower contained in forty-four (44) storage bins were located inside a self-storage unit in Clovis, New Mexico. The cannabis bore track-and-trace identifiers associated with Respondent's expired license.

The cannabis had been removed from the licensed premises without lawful transfer to another licensee and without being rendered unusable or unrecognizable as required by § 16.8.2.15 NMAC. The cannabis was not documented as wasted in the CCD's electronic tracking system. As a result, the cannabis fell outside of the regulated market and became subject to embargo pursuant to § 26-2C-43.

Accordingly, Respondent violated § 16.8.2.15 NMAC.

6. Sanctions and Conditions: Respondent agrees to the following disciplinary sanctions and conditions:

- i. Destruction Requirement and Conditional Civil Penalty.** Respondent shall coordinate with the RLD, the EB, the CCD, and the Clovis Police Department and shall conduct destruction of all cannabis and cannabis products currently in the custody of the Clovis Police Department and subject to Embargo Order No. 2026-002, in a manner approved in advance by the CCD.

Destruction shall be completed no later than thirty (30) calendar days after execution of this Settlement Agreement. If destruction is not completed within thirty (30) calendar days, a civil penalty of twenty thousand dollars (\$20,000.00) shall immediately become due and payable without further notice or administrative action, unless the RLD grants a written extension for good cause shown. Any request for extension must be submitted in writing prior to expiration of the original thirty (30) day period and must demonstrate circumstances outside Respondent's reasonable control, including documented scheduling limitations of the Clovis Police Department, court scheduling requirements related to condemnation proceedings, or other law enforcement logistical constraints. The RLD may grant one written extension not to exceed an additional thirty (30) calendar days.

Failure to complete destruction within any extended period shall result in immediate imposition of the civil penalty described herein. Completion of destruction in accordance with this Agreement shall constitute full resolution of Embargo Order No. 2026-002. All costs associated with coordination, transportation, supervision, security, and destruction of the cannabis subject to Embargo Order No. 2026-002 shall be borne solely by Respondent. The CCD, RLD, and the State of New Mexico shall not be responsible for any costs related to destruction.

- ii. **Release and Indemnification Regarding Destruction.** Respondent acknowledges and agrees that the cannabis and cannabis products subject to Embargo Order No. 2026-002 are subject to lawful destruction pursuant to this Agreement and § 26-2C-43. Respondent hereby releases, waives, and forever discharges the CCD, the RLD, the State of New Mexico, the Clovis Police Department, and their respective officers, employees, and agents from any and all claims, demands, damages, causes of action, or liability arising from or related to the seizure, embargo, custody, handling, or destruction of the cannabis subject to this Agreement. Respondent further agrees to indemnify and hold harmless the CCD, the RLD, the State of New Mexico, and their officers, employees, and agents from any third-party claims arising from Respondent's ownership, possession, storage, or transfer of the cannabis prior to its destruction
- iii. **License Revocation.** Respondent's License No. VIC-2022-0065, which expired on March 20, 2025, is hereby formally revoked pursuant to the CCD's disciplinary authority under § 26-2C-8(B)(4), and such revocation shall be entered into the CCD disciplinary records.


Effective upon issuance of this Order, neither Respondent nor any individual with a controlling interest in Respondent shall be eligible to apply for, obtain, or hold a cannabis license, or to hold a controlling interest in a cannabis license in the State of New Mexico, for a period of three (3) years from the date this Order is issued.

7. **Reportable Discipline:** Respondent understands that this Agreement DOES constitute formal disciplinary action by the CCD and shall be posted on the CCD's website.
8. **Non-Compliance:** Respondent understands and agrees that any failure to comply with the terms of this Agreement constitutes a material breach and may result in further enforcement action by the CCD. Upon determination by the CCD that Respondent has failed to comply with this Agreement, the CCD may issue and serve an administrative Notice of Contemplated Action pursuant to the Uniform Licensing Act, NMSA 1978, §§ 61-1-1 to -37, without the need for further investigation. Any Notice of Contemplated Action issued because of non-compliance with this Agreement shall identify the alleged failure to comply, the applicable statutory or regulatory provisions, and Respondent's rights under the Uniform Licensing Act, including the right to request an administrative hearing within the time prescribed by law. If Respondent fails to timely request a hearing, the CCD may take the contemplated action, which may include suspension, revocation, civil penalties, or other enforcement action authorized by law, and such action shall become final in accordance with § 61-1-4. If Respondent timely requests a hearing, the matter shall proceed in accordance with the Uniform Licensing Act and applicable CCD rules. Respondent's presentation at any such hearing shall be limited to evidence and argument concerning Respondent's alleged compliance or non-compliance with this Agreement. Nothing in this Agreement limits the CCD's authority to pursue additional or separate enforcement actions if the conduct constituting non-compliance also violates the Cannabis Regulation Act, the Uniform Licensing Act, or applicable rules.

- 9. **Contact Information:** Respondent shall notify the CCD within ten (10) calendar days of any change to Respondent's mailing address during the term of discipline or prior to completion of any conditions stated herein.
- 10. **Public Record:** This Agreement and the original complaint are public records and may be inspected upon request pursuant to the Inspection of Public Records Act, NMSA 1978, §§ 14-2-1 to -12 (1947, as amended through 2025). The CCD may also publish this Agreement or a summary thereof, including posting on the CCD's website.
- 11. **Full Compliance and Final Disposition:** Upon Respondent's satisfactory completion of the terms of this Agreement, this matter shall be deemed closed for administrative purposes without further administrative proceedings. However, this matter shall constitute disciplinary action for purposes of Respondent's record with the CCD as provided herein. If this Agreement is not executed within ten (10) calendar days, the matter shall be referred to the CCD's administrative prosecutor for issuance of a Notice of Contemplated Action.

I have read and understand this Agreement and enter into it knowingly, freely, and voluntarily. I understand that by entering into this Agreement, I am waiving my rights under the Uniform Licensing Act, including my right to an evidentiary hearing on the merits of the alleged violations addressed herein.

I further understand that if the CCD accepts this Agreement, I am required to comply with all terms stated herein. and that failure to comply may subject me to additional disciplinary action authorized by law.

Respondent 

 Respondent's Attorney (if any)


Date 3-10-26

 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, **are hereby ACCEPTED.**

Signed on this 11 day of March . 2026.



Todd Stevens
 Director, or Designee

Settlement Agreement EB No. 2026-002

Cannabis Control Division
NM RLD | Cannabis Control Division