

BEFORE THE EXECUTIVE DIRECTOR, DEPARTMENT OF REVENUE
STATE LICENSING AUTHORITY
STATE OF COLORADO

ORDER TO SHOW CAUSE, NOTICE OF HEARING, AND NOTICE OF DUTY
TO ANSWER

IN THE MATTER OF:

CannLabs, Inc.
Retail Marijuana Testing Facility License No. 405R-00003

Genifer Anne Murray
Associated Key License No. M10036

Steven James Kilts
Associated Key License No. M10037

Heather Elaine Despres
Key License No. M10065

Respondents.

ORDER TO SHOW CAUSE

The Colorado Department of Revenue, State Licensing Authority, Marijuana Enforcement Division ("State Licensing Authority") believes and alleges that CannLabs, Inc. (retail marijuana testing facility, license number 405R-00003), Genifer Anne Murray (associated key license number M10036), and Steven James Kilts (associated key license number M10037), (together "Respondents"), have violated the Colorado Retail Marijuana Code, sections 12-43.4-101 et seq., C.R.S. ("Retail Code"), and the rules promulgated thereunder. Accordingly, the State Licensing Authority orders Respondents to show cause why their licenses should not be suspended, fined, restricted, or revoked, or subject to any other penalties authorized by the Retail Code, pursuant to Rule R 1301(A)(1), 1 CCR 212-2, subsection 12-43.4-202(2)(a) C.R.S., and subsection 12-43.4-601(1), C.R.S., on the basis of the following charges:

JURISDICTION AND FACTUAL ALLEGATIONS

1. Respondent CannLabs, Inc. ("CannLabs") is licensed by the State Licensing Authority to operate a retail marijuana testing facility (license number 405R-00003) located at 3888 East Mexico Avenue, #B50, Denver, Colorado 80207.
2. Respondent Genifer Anne Murray (Associated Key Licensee M10036) is a 50% owner of CannLabs.
3. Respondent Steven James Kilts (Associated Key Licensee M10037) is a 50% owner of CannLabs.
4. From September 10, 2014 to February 17, 2015, Respondent Heather Despres (Key Licensee M10065) was the Laboratory Director for CannLabs.
5. The State Licensing Authority has jurisdiction over Respondents pursuant to the Retail Code, and the State Administrative Procedure Act, sections 24-4-101 through 108, C.R.S.
6. Pursuant to subsection 12-43.4-202(2)(a), C.R.S., the State Licensing Authority has the authority to regulate and license the cultivation, manufacture, distribution, sale, and testing of retail marijuana in the state of Colorado.
7. Pursuant to subsection 12-43.4-601(1), C.R.S., the State Licensing Authority has the power, on its own motion or on complaint, after investigation and opportunity for a public hearing at which the licensee shall be afforded an opportunity to be heard, to suspend, fine, restrict, or revoke a license or impose any other sanction authorized by the Retail Code or the rules promulgated pursuant to the Retail Code, on any of the following grounds:
 - 1) A violation by the licensee or any of the agents or employees of the licensee of any of the provisions of the Retail Code;
 - 2) A violation by the licensee or any of the agents or employees of the licensee of any of the provisions of the rules promulgated pursuant to the Retail Code; or
 - 3) A violation by the licensee or any of the agents or employees of the licensee of any of the terms, conditions, or provisions of the license issued by the State Licensing Authority.

8. On September 10, 2014, an investigator for the Marijuana Enforcement Division ("Division") conducted an inspection of CannLabs.
9. On September 10, 2014, Respondents had committed, or were committing, violations of the Retail Code, including but not limited to the following:
 - 1) In violation of Rule R 301(A), 1 CCR 212-2, Respondents and/or their agents or employees failed to properly display their license badges in a plainly visible manner with the photo of the Licensee visible.
 - 2) In violation of Rule R 303, 1 CCR 212-2, Respondents made physical changes, alterations, or modifications of the Licensed Premises without the Division's prior written approval.
 - 3) In violation of Rule R 306(C)(1)-(2), 1 CCR 212-2, Respondents failed to have camera coverage at all Limited Access Areas and points of ingress and egress that allowed for the clear and certain identification of any individual and activity on the Licensed Premises.
 - 4) In violation of Rule R 306(C)(6), 1 CCR 212-2, Respondents failed to have camera coverage at all areas where retail marijuana was tested or stored that provided a clear unobstructed view of activity without sight blockage from lighting hoods, fixtures, or other equipment.
 - 5) In violation of Rule R 306(D)(3), 1 CCR 212-2, Respondents failed to keep a current list of all authorized employees and service personnel who have access to the surveillance system and/or room on the Licensed Premises.
 - 6) In violation of Rule R 710(B), 1 CCR 212-2, Respondents failed to establish processes to preserve required records for a minimum of three years.
 - 7) In violation of Rule R 901(A)(2), 1 CCR 212-2, Respondents failed to retain all required books and records to fully account for the business transactions conducted under their license.
10. On September 10, 2014, the Division issued Respondents a Written Warning for the violations.
11. On September 30, 2014, Respondents responded to the Written Warning issued by the Division.

12. Respondents' written response to the warning letter issued by the Division stated "[c]orrective action will be implemented within 90 days."
13. On December 22, 2014, The Colorado Department of Public Health and Environment ("CDPHE") conducted an inspection at CannLabs.
14. On December 22, 2014, CDPHE inspected CannLabs in order to determine Respondents' compliance with standards of performance.
15. On December 22, 2014, CDPHE informed Respondents that it identified substantial deficiencies in categories of marijuana microbial and residual solvent testing.
16. CDHPE informed Respondents of the following findings from the December 22, 2014 inspection:
 - 1) Respondents permitted unqualified staff to perform analytical processes.
 - 2) Respondents lacked a clear process for establishing and documenting training and competency.
 - 3) Respondents and/or their agents or employees are not following a quality assurance manual.
 - 4) Respondents and/or their agents or employees are not following instrument manufacturer guidelines.
 - 5) Respondents failed to fully validate analytical procedures.
 - 6) Respondents failed to establish standard operating procedures for various processes.
17. On December 22, 2014, Respondents' testing personnel failed to demonstrate acceptable performance on precision, accuracy, specificity, reportable ranges, blanks, and/or unknown challenge samples.
18. On December 22, 2014, Respondents failed to have a written and documented system to evaluate and document the competency in performing authorized tests for employees.
19. On December 22, 2014, Respondents failed to establish, monitor, and/or document the ongoing review of a quality assurance program sufficient to

identify problems in the laboratory pre-analytic, analytic, and post-analytic systems when they occur.

20. On December 22, 2014, Respondents failed to establish, monitor, and/or document on an ongoing basis their quality control measures to ensure the proper functioning of equipment, validity of standard operating procedures and accuracy of results reported.
21. On December 22, 2014, Respondents failed to establish procedures to ensure their results are accurate, precise, and scientifically valid prior to reporting.
22. On December 22, 2014, Respondents failed to establish standard operating procedures for all required processes.
23. On December 30, 2014, the Division investigator inspected Respondents' Inventory Tracking System account.
24. On December 30, 2014, the Division investigator inspected Respondents' business website.
25. On December 30, 2014, Respondents' website contained a page for pesticide testing, which stated "[g]ive your customers peace of mind with pesticide free cannabis..."
26. On December 30, 2014, Respondents' website contained a page for residual solvent testing that stated "[c]onfirm your cannabis is safe for consumption..."
27. On December 30, 2014, Respondents' website contained a page for microbial testing that stated "[h]elping keep your customers safe from harmful bacteria and mold..."
28. On December 30, 2014, Respondents' website contained a page for heavy metals testing that stated "[c]ertify your cannabis products are 100% free of toxic heavy metals..."
29. On December 30, 2014, Respondents' website included information on testing for microbial, residual solvents, pesticides and heavy metals with the intent of convincing the audience to use CannLabs for such testing.
30. On December 30, 2014, Respondents' website included information on testing for microbial, residual solvents, pesticides and heavy metals with the intent of making a profit.

31. On December 30, 2014, Respondents' website advertised for non-provisionally certified testing, including but not limited to testing microbial, residual solvents, pesticides, and heavy metals.
32. On December 30, 2014, Respondents were not provisionally certified by CDPHE for microbial, residual solvents, pesticides, and heavy metals testing of retail marijuana.
33. On December 30, 2014, Respondents' advertisement for non-provisionally certified testing failed to include a statement that such tests are only conducted for research and development purposes.
34. On December 30, 2014, Respondents' failure to include a statement on their website that microbial, residual solvents, pesticides, and heavy metals testing for marijuana are only conducted for research and development purposes was false or misleading.
35. On December 30, 2014, Respondents engaged in advertising that was false or misleading.
36. On February 17, 2015, an investigator for the Division conducted an inspection of CannLabs.
37. On February 17, 2015, Respondents were not provisionally certified for microbial testing of retail marijuana.
38. On February 17, 2015, Respondent Heather Despres (Key License Number M10065) informed a Division investigator that Respondents' non-provisionally certified marijuana testing information was not entered into the Inventory Tracking System.
39. Respondents conducted non-provisionally certified marijuana testing on retail marijuana received without a transportation manifest.
40. Respondents conducted non-provisionally certified marijuana microbial testing without entering information into the Inventory Tracking System.
41. Respondents informed Doctor's Order, LLC ("Doctor's Order"), a Retail Marijuana Cultivation Facility, (License Number 403R-00045) that Doctor's Order may transfer marijuana to Respondents' testing facility without a transportation manifest.

42. Respondents informed Doctor's Order that marijuana transferred to Respondents' testing facility without a transportation manifest would not be entered into the Inventory Tracking System.
43. Respondent informed Mountain High Suckers, LLC ("Mountain High Suckers"), a Retail Marijuana Products Manufacturing Facility (License Number 404R-00039) that Respondents would not enter microbial testing of Mountain High Suckers' retail marijuana products into the Inventory Tracking System.
44. On November 11, 2014, November 19, 2014, December 10, 2014, and January 6, 2015, Mountain High Suckers transported retail marijuana samples to Respondents for potency, homogeneity, and microbial testing.
45. Respondents' testing results in the Inventory Tracking System for Mountain High Suckers' retail marijuana samples omitted microbial testing information.
46. Respondents failed to fully and transparently account for all inventory tracking activities.
47. Respondents made misstatements and omitted data from their Inventory Tracking System account.
48. On February 17, 2015, Respondents' employee list did not accurately reflect all of Respondents' current employees.
49. As of February 17, 2015, Respondents failed to update or correct their employee list from the Division investigator's September 10, 2014 inspection.
50. On February 17, 2015, Respondents' employees failed to properly display their license badges in a plainly visible manner with the photo of the Licensee visible while in Limited Access Areas on the Licensed Premises.
51. On February 17, 2015, Respondents permitted employees to work in Limited Access Areas without properly displaying their license badges in a plainly visible manner with the photo of the Licensee visible.
52. As of February 17, 2015, Respondents failed to take corrective action from the Division investigator's September 10, 2014 inspection by ensuring Respondents properly displayed their license badges while in Limited Access Areas on the Licensed Premises.

53. On February 17, 2015, Respondents failed to post required signage in all Limited Access Areas.
54. As of February 17, 2015, Respondents failed to update or correct their Limited Access Areas signage from the Division investigator's September 10, 2014 inspection.
55. On February 17, 2015, Respondents failed to have camera coverage that provided a clear unobstructed view of all activity without sight blockage from lighting hoods, fixtures, or other equipment.
56. On February 17, 2015, Respondents failed to have camera placement capable of allowing for a clear and certain identification of any individual and activities on the Licensed Premises.
57. On February 17, 2015, Respondents' camera #12 was obstructed and unable to provide a clear view of all activity without sight blockage from fixtures and/or equipment.
58. On February 17, 2015, Respondents failed to have camera coverage for trash receptacles for retail and/or medical marijuana waste.
59. On February 17, 2015, Respondents waste receptacles for retail and/or medical marijuana waste were located outside of the Licensed Premises, unlocked and unsecured.
60. On February 17, 2015, Respondents waste receptacles for retail and/or medical marijuana waste were not in the possession and control of the Respondents.
61. On February 17, 2015, Respondents' employee Colby Roper (Support License Number M15735) demonstrated to a Division investigator a part of the chain of custody process in which he photographs retail marijuana samples before placing them in the "daily sample bin" for processing.
62. On February 17, 2015, Respondents failed to establish standard operating procedures that included the photographing of retail marijuana samples as part of their chain of custody process.
63. On February 17, 2015, Respondents failed to document employee Colby Roper as authorized personnel handling marijuana samples.

64. On February 17, 2015, Respondents failed to establish chain of custody and sample requirement instructions that listed all persons handling the original samples, aliquots, and/or extracts.
65. On February 17, 2015, Respondents failed to establish standard operating procedures that listed all authorized personnel handling retail marijuana samples.
66. On February 17, 2015, Respondents failed to establish chain of custody and sample requirement instructions that documented the condition of samples at the time of receipt.
67. On February 17, 2015, Respondents failed to establish a system to document the complete chain of custody for samples from receipt through disposal.
68. On February 17, 2015, Respondents failed to attach Inventory Tracking System tags and/or labels to their retail marijuana samples.
69. On February 17, 2015, Respondents possessed on the Licensed Premises two samples of "Tahoe OG shatter" which lacked Inventory Tracking System tags and/or labels.
70. On February 17, 2015, the two samples of "Tahoe OG shatter" lacked an assigned internal chain of custody number.
71. On February 17, 2015, the two samples of "Tahoe OG shatter" shatter were not secured and had been in the "daily sample bin" since December 22, 2014.
72. As of February 17, 2015, Respondents failed to correct violations identified in the September 10, 2014 warning letter the Division issued to Respondents.
73. On February 17, 2015 and February 20, 2015, CDPHE conducted an independent inspection of CannLabs.
74. On February 17, 2015 and February 20, 2015, CDHPE identified the following violations of the Retail Code:
 - 1) Respondents failed to have a written and documented system to evaluate and document the competency in performing authorized tests for employees.

- 2) Respondents and/or Respondents' laboratory director failed to demonstrate responsibility for the overall analytical operation and quality of the results reported.
- 3) Respondents and/or Respondents' laboratory director failed to ensure the laboratory met and maintained certification requirements or operational requirements.
- 4) Respondents and/or Respondents' laboratory director failed to establish and adhere to a written standard operating procedure used to perform the tests reported.
- 5) Respondents and/or Respondents' laboratory director failed to ensure that testing systems developed and used for each of the tests performed provide quality laboratory services for all aspects of test performance.
- 6) Respondents and/or Respondents' laboratory director failed to ensure that validation and verification test methods used were adequate to determine the accuracy, precision, and other pertinent performance characteristics of the method(s).
- 7) Respondents and/or Respondents' laboratory director failed to ensure that testing analysts performed test methods as required for accurate and reliable results.
- 8) Respondents and/or Respondents' laboratory director failed to ensure that quality control and quality assessment programs were established and maintained to assure the quality of laboratory services provided and to identify failure in quality as they occur.
- 9) Respondents and/or Respondents' laboratory director failed to ensure the establishment and maintenance of acceptable levels of analytical performance for each test system.
- 10) Respondents and/or Respondents' laboratory director failed to ensure that all necessary remedial actions were taken and documented whenever significant deviations from the laboratory's established performance specifications were identified, and that tests were reported only when the system was functioning properly.
- 11) Respondents and/or Respondents' laboratory director failed to ensure that prior to testing any samples, all testing analysts received the appropriate training for the type and complexity of tests performance,

and demonstrated and documented that they could perform all testing operations reliably to provide and report accurate results.

- 12) Respondents and/or Respondents' laboratory director failed to ensure that policies and procedures were established for monitoring individuals who conducted pre-analytical, analytical, and post-analytical phases of testing to assure they were competent and maintained their competency.
- 13) Respondents' policies and procedures failed to address remedial training or continuing education for individuals who conducted pre-analytical, analytical, and post-analytical phases of testing.
- 14) Respondents and/or Respondents' supervisory analyst failed to ensure the responsibilities delegated by the laboratory director were being maintained.
- 15) Respondents and/or Respondents' laboratory director failed to ensure that test methodologies selected had the capability of providing the quality of results required for the level of testing Respondents were certified to perform.
- 16) Respondents and/or Respondents' laboratory director failed to specify in writing the responsibilities and duties of each person engaged in the performance of pre-analytic, analytic, and post-analytic phases of testing.
- 17) Respondents' standard operating procedures failed to include procedures for specimen receiving, identifying and rejecting unacceptable specimens.
- 18) Respondents' standard operating procedures failed to include procedures for recording and reporting discrepancies.
- 19) Respondents' standard operating procedures failed to include procedures for disposal of specimens.
- 20) Respondents' standard operating procedures failed to include a protocol and criteria for accepting or rejecting the analytical procedure to verify the accuracy of the final report.

- 21) Respondents' standard operating procedures failed to include procedures for when specimens are requested for referral and testing by another certified laboratory.
 - 22) Respondents failed to perform and document competency assessments for all approved methods when modifications were made.
 - 23) Respondents failed to establish, monitor, and document the ongoing review of a quality assurance program that was sufficient to identify problems in the laboratory pre-analytic, analytic, and post-analytic systems when they occurred.
 - 24) Respondents failed to establish, monitor, and document on an ongoing basis the quality control measures taken by the laboratory to ensure the proper functioning of equipment, validity of standard operating procedures and accuracy of results reported.
 - 25) Respondents failed to establish an adequate chain of custody and sample requirement instructions that documented all persons handling original samples, aliquots, and/or extracts.
 - 26) Respondents failed to establish processes to preserve records for a minimum of three years for personnel records, analytical data, and electronic records.
 - 27) Respondents failed to establish processes to preserve records for a minimum of five years for raw data and electronic records.
 - 28) Respondents failed to establish required procedures to ensure results were accurate, precise, and scientifically valid prior to reporting.
 - 29) Respondents failed to keep a complete set of records necessary to show fully the business transactions of the licensee.
 - 30) Respondents failed to maintain a current employee list providing the full name and occupational license number of each employee and all non-employee owners.
75. This Order to Show Cause ("Order") constitutes Respondents' notice of suspension, restriction, revocation, fine, or other sanction pursuant to subsection 12-43.4-601(2), C.R.S., and includes the required notice of hearing. This Order shall be mailed to the address contained in each of the

Respondents' licenses and to the last address furnished to the State Licensing Authority by each Respondent, as set forth in the Certificate of Service below.

76. This Order is an administrative citation and is issued pursuant to Rule R 1301(A), 1 CCR 212-2.

77. If the violations alleged in this Order are sustained by final agency order following the administrative hearing and exceptions process, Respondents' licenses may be suspended, restricted, fined, revoked, or subject to other lawful sanction.

VIOLATIONS

First Violation

(Violation of section 12-43.4-105, C.R.S.)

78. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

79. Pursuant to section 12-43.4-105, C.R.S., a limited access area shall be a building, room, or other contiguous area upon the licensed premises where retail marijuana and retail marijuana products are cultivated, stored, weighed, packaged, or tested, under control of the licensee, with limited access to only those persons licensed by the state licensing authority. All areas of ingress and egress to limited access areas shall be clearly identified as such by a sign as designated by the state licensing authority.

80. Respondents violated section 12-43.4-105, C.R.S., subjecting them to discipline.

Second Violation

(Violation of subsection 12-43.4-701(1), C.R.S.)

81. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

82. Pursuant to subsection 12-43.4-701(1), C.R.S., each licensee shall keep a complete set of all records necessary to show fully the business transactions of the licensee, all of which shall be open at all times during business hours for the inspection and examination by the state licensing authority or its duly authorized representatives.

83. Respondents violated subsection 12-43.4-701(1), C.R.S., subjecting them to discipline.

Third Violation
(Violation of Rule R 301(A), 1 CCR 212-2)

84. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

85. Pursuant to Rule R 301(A), 1 CCR 212-2, all persons in a Limited Access Area as provided for in section 12-43.4-105, C.R.S., shall be required to hold and properly a current license badge issued by the Division at all times. Proper display of the license badge shall consist of wearing the badge in a plainly visible manner, at or above the waist, and with the photo of the Licensee visible.

86. Respondents violated Rule R 301(A), 1 CCR 212-2, subjecting them to discipline.

Fourth Violation
(Violation of Rule R 301(C), 1 CCR 212-2)

87. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

88. Pursuant to Rule R 301(C), 1 CCR 212-2, all areas of ingress and egress to Limited Access Areas on the Licensed Premises shall be clearly identified by the posting of a sign which shall be not less than 12 inches wide and 12 inches long, composed of letters not less than half inch in height, which shall state, "Do Not Enter - Limited Access Area - Access Limited to Licensed Personnel and Escorted Visitors."

89. Respondents violated Rule R 301(C), 1 CCR 212-2, subjecting them to discipline.

Fifth Violation
(Violation of Rule R 303(A), 1 CCR 212-2)

90. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

91. Pursuant to Rule R 303(A), 1 CCR 212-2, after obtaining a license, the Licensee shall make no physical change, alteration, or modification of the

Licensed Premises that materially or substantially alters the Licensed Premises or the usage of the Licensed Premises from the plans originally approved, without the Division's prior written approval and, written approval or written acknowledgement from the relevant local jurisdiction. The Licensee whose Licensed Premises are to be materially or substantially changed is responsible for filing an application for approval on current forms provided by the Division.

92. Respondents violated Rule R 303(A), 1 CCR 212-2, subjecting them to discipline.

Sixth Violation
(Violation of Rule R 306(C)(2), 1 CCR 212-2)

93. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

94. Pursuant to Rule R 306(C)(2), 1 CCR 212-2, camera placement shall be capable of identifying activity occurring within 20 feet of all points of ingress and egress and shall allow for the clear and certain identification of any individual and activities on the Licensed Premises.

95. Respondents violated Rule R 306(C)(2), 1 CCR 212-2, subjecting them to discipline.

Seventh Violation
(Violation of Rule R 307(G), 1 CCR 212-2)

96. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

97. Pursuant to Rule R 307(G), 1 CCR 212-2, a Licensee shall not dispose of Retail Marijuana and Retail Marijuana Product waste in an unsecured waste receptacle not in possession and control of the Licensee.

98. Respondents violated Rule R 307(G), 1 CCR 212-2, subjecting them to discipline.

Eighth Violation
(Violation of Rule R 309(A), 1 CCR 212-2)

99. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

100. Pursuant to Rule R 309(A), 1 CCR 212-2, a Retail Marijuana Establishment is required to use the Inventory Tracking System as the primary inventory tracking system of record.

101. Respondents violated Rule R 309(A), 1 CCR 212-2, subjecting them to discipline.

Ninth Violation
(Violation of Rule R 309(F)(1), 1 CCR 212-2)

102. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

103. Pursuant to Rule R 309(F)(1), 1 CCR 212-2, a Retail Marijuana Establishment and its designated Inventory Tracking System Administrator(s) and Inventory Tracking System User(s) shall enter data into the Inventory Tracking System that fully and transparently accounts for all inventory tracking activities. A Retail Marijuana Establishment is responsible for the accuracy of all information entered into the Inventory Tracking System. Any misstatements or omissions may be considered a license violation affecting public safety.

104. Respondents violated Rule R 309(F)(1), 1 CCR 212-2, subjecting them to discipline.

Tenth Violation
(Violation of Rule R 703(B)(3)(b), 1 CCR 212-2)

105. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

106. Pursuant to Rule R 703(B)(3)(b), 1 CCR 212-2, a Retail Marijuana Testing Facility must have a written and documented system to evaluate and document the competency in performing authorized tests for employees. Prior to independently analyzing samples, testing personnel must demonstrate acceptable performance on precision, accuracy, specificity, reportable ranges, blanks, and unknown challenge samples (proficiency samples or internally generated quality controls).

107. Respondents violated Rule R 703(B)(3)(b), 1 CCR 212-2, subjecting them to discipline.

Eleventh Violation
(Violation of Rule R 703(B)(9), 1 CCR 212-2)

108. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.
109. Pursuant to Rule R 703(B)(9), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish a system to document the complete chain of custody for samples from receipt through disposal.
110. Respondents violated Rule R 703(B)(9), 1 CCR 212-2, subjecting them to discipline.

Twelfth Violation
(Violation of Rule R 704(A), 1 CCR 212-2)

111. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.
112. Pursuant to Rule R 704(A), 1 CCR 212-2, the laboratory director is responsible for the overall analytical operation and quality of the results reported by the Retail Marijuana Testing Facility, including the employment of personnel who are competent to perform test procedures, and record and report test results promptly, accurately, and proficiently and for assuring compliance with the standards set forth in this rule.
113. Respondents violated Rule R 704(A), 1 CCR 212-2, subjecting them to discipline.

Thirteenth Violation
(Violation of Rule R 704(B), 1 CCR 212-2)

114. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.
115. Pursuant to Rule R 704(B), 1 CCR 212-2, the laboratory director may delegate the responsibilities assigned under this rule to a qualified supervisory analyst, provided that such delegation is made in writing and a record of the delegation is maintained. Despite the designation of a responsibility, the laboratory director remains responsible for ensuring that all duties are properly performed.

116. Respondents violated Rule R 704(B), 1 CCR 212-2, subjecting them to discipline.

Fourteenth Violation
(Violation of Rule R 704(C)(2), 1 CCR 212-2)

117. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

118. Pursuant to Rule R 704(C)(2), 1 CCR 212-2, the laboratory director must establish and adhere to a written standard operating procedure used to perform the tests reported;

119. Respondents violated Rule R 704(C)(2), 1 CCR 212-2, subjecting them to discipline.

Fifteenth Violation
(Violation of Rule R 704(C)(3), 1 CCR 212-2)

120. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

121. Pursuant to Rule R 704(C)(3), 1 CCR 212-2, the laboratory director must ensure that testing systems developed and used for each of the tests performed in the laboratory provide quality laboratory services for all aspects of test performance, which includes the preanalytic, analytic, and postanalytic phases of testing.

122. Respondents violated Rule R 704(C)(3), 1 CCR 212-2, subjecting them to discipline.

Sixteenth Violation
(Violation of Rule R 704(C)(5), 1 CCR 212-2)

123. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

124. Pursuant to Rule R 704(C)(5), 1 CCR 212-2, the laboratory director must ensure that test methodologies selected have the capability of providing the quality of results required for the level of testing the laboratory is certified to perform.

125. Respondents violated Rule R 704(C)(5), 1 CCR 212-2, subjecting them to discipline.

Seventeenth Violation
(Violation of Rule R 704(C)(6), 1 CCR 212-2)

126. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

127. Pursuant to Rule R 704(C)(6), 1 CCR 212-2, the laboratory director must ensure that validation and verification test methods used are adequate to determine the accuracy, precision, and other pertinent performance characteristics of the method.

128. Respondents violated Rule R 704(C)(6), 1 CCR 212-2, subjecting them to discipline.

Eighteenth Violation
(Violation of Rule R 704(C)(7), 1 CCR 212-2)

129. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

130. Pursuant to Rule R 704(C)(7), 1 CCR 212-2, the laboratory director must ensure that testing analysts perform the test methods as required for accurate and reliable results.

131. Respondents violated Rule R 704(C)(7), 1 CCR 212-2, subjecting them to discipline.

Nineteenth Violation
(Violation of Rule R 704(C)(9), 1 CCR 212-2)

132. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

133. Pursuant to Rule R 704(C)(9), 1 CCR 212-2, the laboratory director must ensure that the quality control and quality assessment programs are established and maintained to assure the quality of laboratory services provided and to identify failures in quality as they occur.

134. Respondents violated Rule R 704(C)(9), 1 CCR 212-2, subjecting them to discipline.

Twentieth Violation
(Violation of Rule R 704(C)(10), 1 CCR 212-2)

135. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.
136. Pursuant to Rule R 704(C)(10), 1 CCR 212-2, the laboratory director must ensure the establishment and maintenance of acceptable levels of analytical performance for each test system.
137. Respondents violated Rule R 704(C)(10), 1 CCR 212-2, subjecting them to discipline.

Twenty-first Violation
(Violation of Rule R 704(C)(11), 1 CCR 212-2)

138. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.
139. Pursuant to Rule R 704(C)(11), 1 CCR 212-2, the laboratory director must ensure that all necessary remedial actions are taken and documented whenever significant deviations from the laboratory's established performance specification are identified, and that test results are reported only when the system is functioning properly.
140. Respondents violated Rule R 704(C)(11), 1 CCR 212-2, subjecting them to discipline.

Twenty-second Violation
(Violation of Rule R 704(C)(15), 1 CCR 212-2)

141. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.
142. Pursuant to Rule R 704(C)(15), 1 CCR 212-2, the laboratory director must ensure that prior to testing any samples, all testing analysts receive the appropriate training for the type and complexity of tests performed, and have demonstrated and documented that they can perform all testing operations reliably to provide and report accurate results.
143. Respondents violated Rule R 704(C)(15), 1 CCR 212-2, subjecting them to discipline.

Twenty-third Violation
(Violation of Rule R 704(C)(16), 1 CCR 212-2)

144. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.
145. Pursuant to Rule R 704(C)(16), 1 CCR 212-2, the laboratory director must ensure that policies and procedures are established for monitoring individuals who conduct preanalytical, analytical, and postanalytical phases of testing to assure that they are competent and maintain their competency to process specimens, perform test procedures and report test results promptly and proficiently, and whenever necessary, identify needs for remedial training or continuing education to improve skills.
146. Respondents violated Rule R 704(C)(16), 1 CCR 212-2, subjecting them to discipline.

Twenty-fourth Violation
(Violation of Rule R 704(C)(18), 1 CCR 212-2)

147. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.
148. Pursuant to Rule R 704(C)(18), 1 CCR 212-2, the laboratory director must specify, in writing, the responsibilities and duties of each person engaged in the performance of the preanalytic, analytic, and postanalytic phases of testing, that identifies which examinations and procedures each individual is authorized to perform, whether supervision is required for specimen processing, test performance or results reporting, and whether consultant or laboratory director review is required prior to reporting test results.
149. Respondents violated Rule R 704(C)(18), 1 CCR 212-2, subjecting them to discipline.

Twenty-fifth Violation
(Violation of Rule R 705, 1 CCR 212-2)

150. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

151. Pursuant to Rule R 705, 1 CCR 212-2, a standard operating procedure manual must include, but need not be limited to procedures for:

- 1) Specimen receiving;
- 2) Specimen accessioning;
- 3) Specimen storage;
- 4) Identifying and rejecting unacceptable specimens;
- 5) Recording and reporting discrepancies;
- 6) Security of specimens, aliquots and extracts and records;
- 7) Validating a new or revised method prior to testing specimens to include: accuracy, precision, analytical sensitivity, analytical specificity (interferences), LOD, LOQ, and verification of the reportable range.
- 8) Aliquoting specimens to avoid contamination and carry-over;
- 9) Sample retention to assure stability for one year;
- 10) Disposal of specimens;
- 11) The theory and principles behind each assay;
- 12) Preparation and identification of reagents, standards, calibrators, and controls and ensure all standards are traceable to National Institute of Standards of Technology ("NIST");
- 13) Special requirements and safety precautions involved in performing assays;
- 14) Frequency and number of control and calibration materials;
- 15) Recording and reporting assay results;
- 16) Protocol and criteria for accepting or rejecting analytical Procedure to verify the accuracy of the final report;
- 17) Pertinent literature references for each method;

- 18) Current step-by-step instructions with sufficient detail to perform the assay to include equipment operation and any abbreviated versions used by a testing analyst;
- 19) Acceptability criteria for the results of calibration standards and controls as well as between two aliquots or columns;
- 20) A documented system for reviewing the results of testing calibrators, controls, standards, and subject tests results, as well as reviewing for clerical errors, analytical errors and any unusual analytical results. Are corrective actions implemented and documented, and does the laboratory contact the requesting entity; and
- 21) Policies and procedures to follow when specimens are requested for referral and testing by another certified laboratory.
152. Respondents violated Rule R 705, 1 CCR 212-2, subjecting them to discipline.

Twenty-sixth Violation
(Violation of Rule R 706(G)(4), 1 CCR 212-2)

153. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.
154. Pursuant to Rule R 706(G)(4), 1 CCR 212-2, a Retail Marijuana Testing Facility using other methodology or new methodology must: Testing analysts must have documentation of competency assessment prior to testing samples.
155. Respondents violated Rule R 706(G)(4), 1 CCR 212-2, subjecting them to discipline.

Twenty-seventh Violation
(Violation of Rule R 706(G)(5), 1 CCR 212-2)

156. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.
157. Pursuant to Rule R 706(G)(5), 1 CCR 212-2, a Retail Marijuana Testing Facility using other methodology or new methodology must: any

changes to the approved other or new methodology must be revalidated and documented prior to testing samples.

158. Respondents violated Rule R 706(G)(5), 1 CCR 212-2, subjecting them to discipline.

Twenty-eighth Violation
(Violation of Rule R 708(A), 1 CCR 212-2)

159. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

160. Pursuant to Rule R 708(A), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish, monitor, and document the ongoing review of a quality assurance program that is sufficient to identify problems in the laboratory preanalytic, analytic, and postanalytic systems when they occur and must include, but is not limited to:

- 1) Review of instrument preventative maintenance, repair, troubleshooting, and corrective actions documentation must be performed by the laboratory director or designated supervisory analyst on an ongoing basis to ensure the effectiveness of actions taken over time;
- 2) Review by the laboratory director or designated supervisory analyst of all ongoing quality assurance; and
- 3) Review of the performance of validated methods used by the Retail Marijuana Testing Facility to include calibration standards, controls and the Standard Operating Procedures used for analysis on an ongoing basis to ensure quality improvements are made when problems are identified or as needed.

161. Respondents violated Rule R 708(A), 1 CCR 212-2, subjecting them to discipline.

Twenty-ninth Violation
(Violation of Rule R 708(B), 1 CCR 212-2)

162. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

163. Pursuant to Rule R 708(B), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish, monitor and document on an ongoing basis the quality control measures taken by the laboratory to ensure the proper functioning of equipment, validity of standard operating procedures and accuracy of results reported.

164. Respondents violated Rule R 708(B), 1 CCR 212-2, subjecting them to discipline.

Thirtieth Violation
(Violation of Rule R 708(A)(1), 1 CCR 212-2)

165. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

166. Pursuant to Rule R 708(A)(1), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish, monitor, and document the ongoing review of a quality assurance program that is sufficient to identify problems in the laboratory preanalytic, analytic and postanalytic systems when they occur and must include, but is not limited to: Review of instrument preventative maintenance, repair, troubleshooting and corrective actions documentation must be performed by the laboratory director or designated supervisory analyst on an ongoing basis to ensure the effectiveness of actions taken over time.

167. Respondents violated Rule R 708(A)(1), 1 CCR 212-2, subjecting them to discipline.

Thirty-first Violation
(Violation of Rule R 708(A)(3), 1 CCR 212-2)

168. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

169. Pursuant to Rule R 708(A)(3), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish, monitor, and document the ongoing review of a quality assurance program that is sufficient to identify problems in the laboratory preanalytic, analytic and postanalytic systems when they occur and must include, but is not limited to: Review of performance of validated methods used by the Retail Marijuana Testing Facility to include calibration standards, controls and the Standard Operating Procedures used for analysis on an ongoing basis to ensure quality improvements are made when problems are identified or as needed.

170. Respondents violated Rule R 708(A)(3), 1 CCR 212-2, subjecting them to discipline.

Thirty-second Violation
(Violation of Rule R 708(B)(3), 1 CCR 212-2)

171. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

172. Pursuant to Rule R 708(B)(3), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish, monitor and document on an ongoing basis the quality control measures taken by the laboratory to ensure the proper functioning of equipment, validity of standard operating procedures and accuracy of results report. Such quality control measures must include, but shall not be limited to: Cleaning, maintaining, and calibrating as needed the analytical balances and in addition, verifying the performance of the balance annually using certified weights to include three or more weights bracketing the ranges of measurement used by the laboratory.

173. Respondents violated Rule R 708(B)(3), 1 CCR 212-2, subjecting them to discipline.

Thirty-third Violation
(Violation of Rule R 708(B)(4), 1 CCR 212-2)

174. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

175. Pursuant to Rule R 708(B)(4), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish, monitor and document on an ongoing basis the quality control measures taken by the laboratory to ensure the proper functioning of equipment, validity of standard operating procedures and accuracy of results report. Such quality control measures must include, but shall not be limited to: Annually verifying and documenting the accuracy of thermometers using a NIST traceable reference thermometer.

176. Respondents violated Rule R 708(B)(4), 1 CCR 212-2, subjecting them to discipline.

Thirty-fourth Violation
(Violation of Rule R 708(B)(5), 1 CCR 212-2)

177. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.
178. Pursuant to Rule R 708(B)(5), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish, monitor and document on an ongoing basis the quality control measures taken by the laboratory to ensure the proper functioning of equipment, validity of standard operating procedures and accuracy of results report. Such quality control measures must include, but shall not be limited to: Recording temperatures on all equipment when in use where temperature control is specified in the standard operating procedures manual, such as water baths, heating blocks, incubators, ovens, refrigerators, and freezers.
179. Respondents violated Rule R 708(B)(5), 1 CCR 212-2, subjecting them to discipline.

Thirty-fifth Violation
(Violation of Rule R 708(B)(6), 1 CCR 212-2)

180. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.
181. Pursuant to Rule R 708(B)(6), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish, monitor and document on an ongoing basis the quality control measures taken by the laboratory to ensure the proper functioning of equipment, validity of standard operating procedures and accuracy of results report. Such quality control measures must include, but shall not be limited to: Properly labeling reagents as to the identity, the concentration, date of preparation, storage conditions, lot number tracking, expiration date and the identity of the preparer.
182. Respondents violated Rule R 708(B)(6), 1 CCR 212-2, subjecting them to discipline.

Thirty-sixth Violation
(Violation of Rule R 709(3), 1 CCR 212-2)

183. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

184. Pursuant to Rule R 709(3), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish an adequate chain of custody and Sample requirement instructions that must include, but not be limited to: Document the condition and amount of Sample provided at the time of receipt.

185. Respondents violated Rule R 709(3), 1 CCR 212-2, subjecting them to discipline.

Thirty-seventh Violation
(Violation of Rule R 709(4), 1 CCR 212-2)

186. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

187. Pursuant to Rule R 709(4), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish an adequate chain of custody and Sample requirement instructions that must include, but not be limited to: Document all persons handling the original Samples, aliquots, and extracts.

188. Respondents violated Rule R 709(4), 1 CCR 212-2, subjecting them to discipline.

Thirty-eighth Violation
(Violation of Rule R 709(5), 1 CCR 212-2)

189. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

190. Pursuant to Rule R 709(5), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish an adequate chain of custody and Sample requirement instructions that must include, but not be limited to: Document all transfers of Samples, aliquots, and extracts referred to another certified Retail Marijuana Testing Facility Licensee for additional testing or whenever requested by a client.

191. Respondents violated Rule R 709(5), 1 CCR 212-2, subjecting them to discipline.

Thirty-ninth Violation
(Violation of Rule R 709(6), 1 CCR 212-2)

192. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

193. Pursuant to Rule R 709(6), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish an adequate chain of custody and Sample requirement instructions that must include, but not be limited to: Maintain a current list of authorized personnel and restrict entry to the laboratory to only those authorized.

194. Respondents violated Rule R 709(6), 1 CCR 212-2, subjecting them to discipline.

Fortieth Violation
(Violation of Rule R 709(10), 1 CCR 212-2)

195. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

196. Pursuant to Rule R 709(10), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish an adequate chain of custody and Sample requirement instructions that must include, but not be limited to: Ensure Samples are stored appropriately.

197. Respondents violated Rule R 709(10), 1 CCR 212-2, subjecting them to discipline.

Forty-first Violation
(Violation of Rule R 709(11), 1 CCR 212-2)

198. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

199. Pursuant to Rule R 709(11), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish an adequate chain of custody and Sample requirement instructions that must include, but not be limited to: Document the disposal of Samples, aliquots, and extracts.

200. Respondents violated Rule R 709(11), 1 CCR 212-2, subjecting them to discipline.

Forty-second Violation
(Violation of Rule R 710(B), 1 CCR 212-2)

201. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

202. Pursuant to Rule R 710(B), 1 CCR 212-2, a Retail Marijuana Testing Facility must establish processes to preserve records for a minimum of three years that includes, but is not limited to:

- 1) Test results;
- 2) Quality Control and Quality Assurance Records;
- 3) Standard Operating Procedures;
- 4) Personnel records;
- 5) Chain of Custody Records;
- 6) Proficiency Testing Records; and
- 7) Analytical Data to include printouts generated by the instrumentation.

203. Respondents violated Rule R 710(B), 1 CCR 212-2, subjecting them to discipline.

Forty-third Violation
(Violation of Rule R 711, 1 CCR 212-2)

204. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

205. Pursuant to Rule R 711, 1 CCR 212-2, a Retail Marijuana Testing Facility must establish procedures to ensure that results are accurate, precise and scientifically valid prior to reporting that include the following processes;

- 1) Report quantitative results that are only above the lowest concentration of calibrator or standard used in the analytical run;
- 2) Verify results that are below the lowest concentration of calibrator or standard and above the LOQ by using a blank and standard that falls below the expected value of the analyte in the sample in duplicate prior to reporting a quantitative result;
- 3) Qualitatively report results below the lowest concentration of calibrator or standard and above the LOD as either trace or using a non-specific numerical designation;
- 4) Adequately document the available external chain of custody information;
- 5) Ensure all final reports contain the name and location of the Retail Marijuana Testing Facility Licensee, name and unique identifier of

sample, submitting client, sample received date, date of report, type of specimen tested, test result, units of measure, and any other information or qualifiers needed for interpretation when applicable to the test method and results being reported, to include any identified and documented discrepancies;

- 6) Provide the final report to the submitting client in a timely manner; and
- 7) Provide copies of final reports to the Division when results of tested samples exceed maximum levels of allowable contamination within 72 hours of obtaining the final results.

206. Respondents violated Rule R 711, 1 CCR 212-2, subjecting them to discipline.

Forty-fourth Violation
(Violation of Rule R 1102, 1 CCR 212-2)

207. The allegations set forth in the paragraphs above are incorporated as if fully set forth herein.

208. Pursuant to Rule R 1102, 1 CCR 212-2, a Retail Marijuana Establishment shall not engage in Advertising that is deceptive, false or misleading. A Retail Marijuana Establishment shall not make any deceptive, false, or misleading assertions or statements on any product, any sign, or any document provided to a consumer.

209. Respondents violated Rule R 1102, 1 CCR 212-2, subjecting them to discipline.

Suspension, restriction, fine, or revocation of Respondents' licenses for the cultivation, manufacture, distribution, and sale of marijuana is warranted for Respondents' violations of the Retail Marijuana Code and the rules promulgated pursuant thereto.

NOW THEREFORE, you are hereby ordered to appear before a hearing officer of the Colorado Department of Revenue acting on behalf of the State Licensing Authority to show cause why your said licenses should not be suspended, fined, restricted, revoked, or subject to other sanction as provided by law.

NOTICE OF HEARING

YOU ARE HEREBY NOTIFIED that pursuant to section 12-43.4-601, C.R.S., Rule R 1304, 1 CCR 212-2, and section 24-4-105, C.R.S., a hearing regarding the matters addressed in the above Order will be held before a hearing officer in the Department of Revenue's Hearings Division, on a date to be set, for the purpose of determining whether your license(s) should be revoked, restricted, fined, suspended, or subject to other sanction.

The Hearings Division shall notify the parties of the date, place, time, and nature of the hearing regarding whether discipline should be imposed against your license(s) at least 30 days prior to the date of such hearing, unless otherwise agreed to by both parties. This notice shall be sent to the Respondents in writing by first-class mail to the last mailing address of record. Hearings shall be scheduled and held as soon as is practicable.

You are entitled to have an attorney represent you at the hearing, at your expense, or you may represent yourself.

At the hearing, you shall have the right to appear in person with or without legal counsel, to cross-examine any witness, to rebut any evidence presented by the Marijuana Enforcement Division, and to present evidence in your own defense. You may request the issuance of a subpoena in accordance with the procedures set forth in Rule R 1305, 1 CCR 212-2. A continuance of the hearing may be granted only for good cause shown. See Rule R 1304(D)(2)(b), 1 CCR 212-2.

Procedural provisions governing the hearing are set forth in Rules R 1304, 1305 and 1306, 1 CCR 212-2.

If the State Licensing Authority finds you in violation of any of the above-cited section(s) of the Retail Marijuana Code and/or the rules promulgated pursuant to the Retail Marijuana Code, the State Licensing Authority may consider, in selecting the sanction to be imposed against you, any mitigating or aggravating factors. See also Rule R 1307, 1 CCR 212-2.

NOTICE OF DUTY TO ANSWER

YOU ARE HEREBY NOTIFIED that, pursuant to subsection 24-3-105(2)(b), C.R.S., and Rule R 1304(C)(1), 1 CCR 212-2, unless otherwise agreed to by the parties, you are required to file a written answer to the Order to Show Cause with the Department of Revenue, Hearings Division, 1881 Pierce Street, Lakewood, Colorado 80214 and the Department of Revenue, Marijuana

Enforcement Division, 455 Sherman Street, Suite 390, Denver, Colorado 80203, within thirty (30) days after the mailing of this ORDER, as reflected by the Certificate of Service attached hereto. You must also simultaneously transmit by United States first class mail or personal delivery a copy of every such correspondence or document to the Assistant Attorney General assigned to this matter, Kelly Rosenberg, at the Department of Law, Ralph L. Carr Colorado Judicial Center, 1300 Broadway, 8th Floor, Denver, Colorado 80203.

If you fail to file your written answer within the applicable time period, or if you fail to appear at the hearing, an order entering a default decision may be issued against you. The order of default may be set aside only upon a showing of good cause. You are further advised that a default decision may result in the suspension, fine, restriction, or revocation of your license(s) or such other penalties as may be provided for by law, without further notice.

IT IS FURTHER ORDERED that a copy of this Order, Notice of Hearing and Notice of Duty to Answer shall be mailed or delivered to the above-named Respondent.

ORDERED AND APPROVED this 24th of August,
2015.

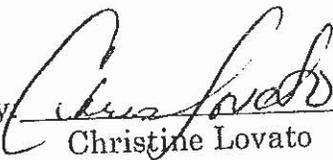


Barbara J. Brohl
Executive Director
Department of Revenue
State Licensing Authority

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing ORDER TO SHOW CAUSE, NOTICE OF HEARING, AND NOTICE OF DUTY TO ANSWER was duly placed in the United States Mail, first class postage pre-paid, on August 24th, 2015, addressed as follows:

CannLabs, Inc. 3888 East Mexico Avenue, B50 Denver, CO 80210	Genifer A. Murray 40 Ogden Street, #215 Denver, CO 80218
Steven J. Kilts 275 South Cherokee Street, #3101 Denver, CO 80223	Steven J. Kilts 7797 East 24 th Avenue Denver, CO 80238
Heather Elaine Despres 4878 E. Kentucky Avenue, Unit L Denver, CO 80246	

By 
Christine Lovato

STATE OF COLORADO
DEPARTMENT OF REVENUE
HEARINGS DIVISION

NOTICE TO SET

IN THE MATTER OF:

CannLabs, Inc.
Retail Marijuana Testing Facility License No. 405R-00003

Genifer Anne Murray
Associated Key License No. M10036

Steven James Kilts
Associated Key License No. M10037

Heather Elaine Despres
Key License No. M10065

Respondents.

The State Licensing Authority issued an Order to Show Cause against Respondents, which was served on August 24, 2015. A copy of the Order to Show Cause is attached.

The Marijuana Enforcement Division requests that this matter be set for hearing. The Division respectfully requests that the Hearings Division contact the parties at the earliest opportunity to schedule a setting conference. The parties to this matter may be contacted at the mailing addresses, e-mail addresses, and/or phone numbers listed below:

Attorney for Marijuana Enforcement Division:

Kelly A. Rosenberg
Ralph Carr Judicial Center
1300 Broadway, 8th Floor
Denver, CO 80203

720-508-6346
Kelly.Rosenberg@state.co.us

Respondents:

CannLabs, Inc.
3888 Est Mexico Avenue, B50
Denver, CO 80210
genifer@cannlabs.com

Genifer A. Murray
40 Ogden Street, #215
Denver, CO 80218
genifermurray@gmail.com

Steven J. Kilts
275 South Cherokee Street, #3101
Denver, CO 80223
steve@cannlabs.com

7797 East 24th Avenue
Denver, CO 80238

Heather Elaine Despres
4878 E. Kentucky Avenue, Unit L
Denver, Co 80246
heather@cannlabs.com

Submitted this 26th day of August, 2015.

CYNTHIA H. COFFMAN
Attorney General

s/ Kelly A. Rosenberg

KELLY A. ROSENBERG*

Assistant Attorney General

Revenue & Utilities Section

Attorney for the Marijuana Enforcement

Division

*Counsel of Record

CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing **NOTICE TO SET** was duly sent via U.S. Mail this 26th day of August, 2015, addressed as follows:

CannLabs, Inc. 3888 Est Mexico Avenue, B50 Denver, CO 80210	Genifer A. Murray 40 Ogden Street, #215 Denver, CO 80218
Steven J. Kilts 275 South Cherokee Street, #3101 Denver, CO 80223	Steven J. Kilts 7797 East 24 th Avenue Denver, CO 80238
Heather Elaine Despres 4878 E. Kentucky Avenue, Unit L Denver, Co 80246	

By: /s/ Kelly A. Rosenberg
Kelly A. Rosenberg