

Agreement on Continuance of Proceedings,
Waiver of Sixty-Day Hearing Requirement, and
Conditional Authorization for Movement and
Destruction of Recalled Product
Recall Order No. 2026-001

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

IN THE MATTER OF:

Recall Order No. 2026-001

GH, LLC dba Paragon Labs
License No.: VIC-2025-0030
Respondent(s).

**AGREEMENT ON CONTINUANCE OF PROCEEDINGS, WAIVER OF SIXTY-DAY
HEARING REQUIREMENT, AND CONDITIONAL AUTHORIZATION FOR
MOVEMENT AND DESTRUCTION OF RECALLED PRODUCT**

This Stipulated Agreement (“Agreement”) is entered into by and between the Cannabis Control Division (“CCD”) of the New Mexico Regulation and Licensing Department (“RLD”) and GH, LLC dba Paragon Labs (“GH, LLC”), collectively the “Parties”, for the purposes of permitting conditional movement and destruction of recalled product, facilitating the CCD’s evaluation of compliance, and supporting the potential administrative resolution of Recall No. 2026-001. The Parties enter into this Agreement without prejudice to any procedural defense or right not expressly addressed herein.

I. PROCEDURAL POSTURE

1. CCD issued Order Restricting Movement and Recall No. 2026-001 on February 26, 2026, pursuant to NMSA 1978, Section 26-2C-43.
2. GH, LLC timely requested a hearing, and CCD issued a Notice of Hearing on March 24, 2026, pursuant to NMSA 1978, Section 61-1-4(F).
3. Absent GH, LLC’s waiver of the statutory hearing requirement, CCD is required to hold a hearing within the timeframe mandated by NMSA 1978, Section 61-1-4(F);

upon agreement of the Parties a hearing has been set for the date of May 21, 2026.

4. Except as expressly waived herein, GH, LLC retains the right to an administrative hearing in accordance with applicable law.

II. WAIVER OF SIXTY-DAY RULE

For the purposes of facilitating the movement and destruction of products subject to recall under Recall No. 2026-001 and supporting the potential administrative resolution of that Recall, GH, LLC knowingly and voluntarily waives any right to seek dismissal of this matter based on the requirement that a hearing be commenced within sixty (60) days under NMSA 1978, Section 61-1-4(F).

III. CONDITIONAL AUTHORIZATION FOR MOVEMENT AND DESTRUCTION

1. Notwithstanding the movement restrictions contained in Recall Order No. 2026-001, CCD hereby authorizes GH, LLC to transport and destroy products subject to Recall Order No. 2026-001 ("Affected Products"), subject to the conditions set forth herein.
2. Notwithstanding the movement restrictions contained in Recall Order No. 2026-001, CCD hereby authorizes person(s) holding a current and valid license issued pursuant to the Cannabis Regulation Act ("CRA"), §26-2C-1 NMSA 1978 *et seq.*, to transport Affected Products currently in such licensee's possession to GH, LLC for the sole purpose of ensuring the destruction of those Affected Products, subject to the conditions set forth herein.
3. GH, LLC is further authorized to receive Affected Products currently in the possession of other CRA licensees from such other CRA licensees so that GH, LLC may carry out the destruction of those Affected Products.
4. Movement of Affected Products is permitted solely for the purpose of destruction and for no other purpose.

5. Each downstream licensee in possession of recalled product may dispose of the product through one of the following methods, at the licensee's election: (i) return the product to GH, LLC for destruction; or (ii) destroy the product in the licensee's own permitted destruction facility, or through the licensee's existing destruction protocols, in accordance with state inventory tracking system disposition procedures, and provide GH, LLC and CCD with a written certification of destruction.
6. GH, LLC's obligations under this Agreement extend only to: (i) Affected Product currently in the possession, custody, or control of GH, LLC; and (ii) Affected Product returned to GH, LLC by downstream licensees. The Parties acknowledge that GH, LLC has no legal authority to compel destruction of Affected Product held by independently licensed third-party retailers, distributors, or other downstream licensees.

IV. CONDITIONS ON MOVEMENT AND DESTRUCTION

1. All movement and destruction of Affected Products shall:
 - i. be recorded in the state inventory tracking system;
 - ii. be supported by transport manifests and chain-of-custody documentation; and
 - iii. comply with all applicable CCD rules and regulations.
2. GH, LLC shall not transfer Affected Products to any third party except as necessary to effectuate destruction in compliance with CCD requirements.
3. GH, LLC shall submit written interim reports regarding destruction activities to the CCD every thirty (30) days summarizing destruction progress, aggregating any destruction certifications received from downstream licensees pursuant to Section III (above) and any destruction performed directly by GH, LLC.
4. Upon completion of its destruction activities, GH, LLC shall submit a written

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certification to CCD confirming:

- i. the total quantity of Affected Products destroyed;
- ii. the dates and methods of destruction; and
- iii. any Affected Product known to GH, LLC that has not been destroyed, including the name and address of any downstream licensee in possession of such Affected Product.

V. DEADLINE FOR COMPLETION OF DESTRUCTION

1. GH, LLC shall complete all movement and destruction of Affected Products within ninety (90) days of the Effective Date of this Agreement (the "Destruction Period").
2. GH, LLC shall submit the certification required under Section IV (4) no later than ten (10) days after the expiration of the Destruction Period.
3. The 90-day period may be extended by mutual written agreement of the Parties for delay attributable to licensed transporter availability, destruction facility capacity, downstream licensee scheduling, or other reasonable cause, which shall not be unreasonably withheld.
4. Failure to complete destruction within the Destruction Period, absent prior written agreement from CCD, shall constitute non-compliance with this Agreement and may result in the matter being reset for administrative hearing.

VI. EFFECT ON PROCEEDINGS

1. This Agreement provides GH, LLC an opportunity to complete destruction of Affected Products in lieu of proceeding to the administrative hearing currently set for May 21, 2026.
2. This matter shall remain pending before CCD and may be reset for administrative hearing consistent with this Agreement and applicable law. The CCD will fully consider all good

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faith efforts undertaken by GH, LLC in any evaluation of compliance with this agreement and will not unreasonably refuse or deny acknowledgement of compliance by GH, LLC.

3. Upon receipt of GH, LLC's certification of compliance and supporting documentation, within twenty (20) days the CCD will conduct a review and if GH, LLC is found to have complied with the terms of this Agreement will issue an Order of Closure of Recall Order No. 2026-001.
4. If GH, LLC does not maintain compliance with the terms of this Agreement, the CCD may issue an Amended Notice of Hearing, and the matter will proceed to a hearing as per the terms of applicable law.

VII. RESERVATION OF AUTHORITY

Nothing in this Agreement limits the Division's authority to pursue additional enforcement based on conduct or future violation by GH, LLC that is materially independent of the Affected Product and the matters resolved by this Agreement. Information submitted by GH, LLC solely in performance of this Agreement, including state inventory tracking system entries, transport manifests, interim reports, downstream licensee certifications, and the final certification, shall not, standing alone, form the basis for any new enforcement action.

VIII. NO ADMISSION

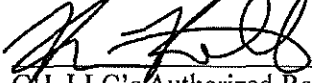
This Agreement does not constitute an admission of liability, violation, or wrongdoing by GH, LLC.

IX. EFFECTIVE DATE

This Agreement shall not become effective unless and until it is approved and executed by both GH, LLC and the CCD and shall remain in effect through the completion of the Destruction Period, unless earlier terminated as provided in this Agreement or as required by law.

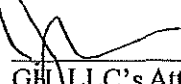
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AGREED TO AND ACCEPTED BY:



GH, LLC's Authorized Representative

5/11/2026
Date



GH, LLC's Attorney

5/11/2026
Date

**APPROVED AND ACCEPTED BY THE CANNABIS CONTROL DIVISION
OF THE NEW MEXICO REGULATION AND LICENSING DEPARTMENT**

By: 

Name: Todd Stevens, Director
Title: Cannabis Control Division

Date: 5/12/2026