

## **LICENSE MODIFICATION AGREEMENT**

Pursuant to § 2-4-603(1), MCA, this License Modification Agreement (Agreement) is entered into by and between the Montana Department of Revenue (Department) and Nordic Labs, LLC (Licensee) holder of Montana Testing Laboratory License L-100440-001 (License).

### **RECITALS**

This Agreement is entered into based upon the following recitals:

1. Nordic Labs, LLC operates License L-100440-001, a marijuana testing laboratory.
2. On April 11, 2025, the Department conducted an audit of Licensee for the purpose of reviewing its pesticide method.
3. The audit revealed several deficiencies relating to Licensee's pesticide method.
4. On April 15, 2025, the Department expressed to Licensee that it should cease pesticide analysis until certain conditions occurred. Specifically:
  - a. The method validation with the new extraction procedure included has been provided to the Department and PJLA and all ARM 42.39.602(2)(h) requirements are satisfied along with Measurement Uncertainty evaluations as required by ISO17025:2017 Section 7.6.
  - b. An updated SOP with all extraction steps included along with a transition table that includes at a minimum the parent and daughter ions used and Retention Times (RTs) has been provided to the Department and PJLA.
  - c. WORK01 has been updated and all masses, volumes, standards used, etc. has been updated.
  - d. Reprocess raw data so a historical review of data from February and March can be conducted onsite to ensure data integrity is intact for the following Metrc samples and associated calibration and QC:



- a. Unvalidated Method Used. It was determined that the validated method approved by PJLA and provided to the Department was not the same method that was being used during the Departments onsite audit. This was uncovered during a discussion of the extraction procedure in SOP\_LCMS01.5a which was submitted with the original method validation. [REDACTED]

████████████████████. Data studies determining the effects on the method and an updated method validation study were not conducted.

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consistent data between Post Run, Browser, and Insight software.

[REDACTED]

When the Department tried to verify these calibration findings using the instrument software onsite, the data did not match. It was observed that instrument noise, rather than detected analyte response, was included in the calibration as peak area contributing to the curve for low level calibration points. The Department was unable to determine if those points had been included in the original calibration used to process samples due to the corruption of files allegedly from Insight. Additionally, the LOQs represented in file “Validation reports 2025-02-24 ACN Pesticides OR LIST” from the original method validation were much lower than what was possible in the 4/8/2025 calibration as many of those low calibration points needed to be removed due to instrument noise.

d. SOP & WORK01 Deficiencies.

- [REDACTED]
- [REDACTED]

7. On April 18, 2025, Perry Johnson Laboratory Accreditation, Inc., (hereafter “PJLA”) Licensee’s ISO accrediting body, indicated it would investigate Licensee’s pesticide methods.

## **AGREEMENT**

Based upon the foregoing and in consideration of the mutual promises herein, Licensee and the Department have now agreed to a modification of Licensee's license as provided herein.

### **SECTION ONE: Parties' Acknowledgments**

- 1.1 Licensee acknowledges that the Department has the authority to reprimand, suspend, revoke, or impose a civil penalty on a license under § 16-12-109, MCA.
- 1.2 Licensee acknowledges that the Department has the authority to suspend or modify a license or endorsement without advance notice upon a finding that presents an immediate threat to the health, safety, or welfare of consumers, employees of the licensee, or members of the public pursuant to § 16-12-210(7), MCA.
- 1.3 Licensee acknowledges that if the Department were to summarily suspend or modify its operations under § 16-12-210(7), MCA, the suspension would be posted on the Department's website and Licensee would be required to post written notice of its suspension visible to the public pursuant to ARM 42.39.508.
- 1.4 Licensee acknowledges that its unvalidated pesticide testing methods presents an immediate threat to the health, safety, or welfare of consumers.
- 1.5 The Department acknowledges that Licensee desires to work cooperatively with the Department and agreed to suspend pesticide testing as of April 15, 2025.

### **SECTION TWO: Conditions of Agreement**

- 2.1 The Department and Licensee agree to a modification of Licensee's license. Specifically, the removal of pesticide analysis from the Licensee's endorsement.
- 2.2 Licensee agrees to the modification in Section 2.1 until such time as the Department, in consultation with PJLA, determines that Licensee's pesticide testing method meets or exceeds the requirements of ARM and ISO17025:2017.

- 2.3 The Department agrees not to pursue a formal summary suspension under § 16-12-210(7), MCA, so long as Licensee operates in compliance with this Agreement.
- 2.4 If the Department discovers that Licensee has conducted pesticide testing in violation of this agreement, the agreement shall be void and the Department will proceed with a summary suspension pursuant to § 16-12-210(7), MCA.
- 2.5 The Department shall provide written confirmation to Licensee once it determines that the conditions of Section 2.2 have been satisfied, formally releasing Licensee from this Agreement.

#### **SECTION FOUR: Agreement Conclusive**

- 4.1 Licensee fully understands the nature of the violations and the terms and consequences of this Agreement.
- 4.2 Licensee understands that this Agreement constitutes the final agreement with the Department superseding any and all previous written or oral agreements with the Department.

#### **SECTION FIVE: Costs, Fees, Expenses, and Damages**

- 5.1 Each party shall bear its own costs, fees, and expenses, including attorney fees, arising from this dispute and each releases the other, its attorneys, employees, agents and assigns from any liability for such costs, fees, and expenses, and from any damages, known or unknown, liquidated or unliquidated, arising in any manner from this dispute.

#### **SECTION SIX: Choice of Law and Venue**

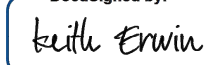
- 6.1 This Agreement is governed by the laws of Montana and any litigation concerning it must be brought in the First Judicial District Court in Lewis and Clark County, Montana.

#### **SECTION SEVEN: Warrant of Capacity to Execute Agreement**

- 7.1 Licensee and the Department represent and warrant that the undersigned individuals have the authority and capacity to execute this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date and year as indicated below and this Agreement shall become effective on the last date executed by a party or a party's representative.

**NORDIC LABS, LLC**

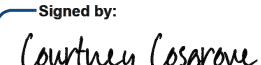
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Keith Erwin, Owner	Date

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Christina Johnson, Owner	Date

**MONTANA DEPARTMENT OF REVENUE**

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Kristan Barbour, Administrator Cannabis Control Division	Date

**APPROVED FOR LEGAL CONTENT FOR  
MONTANA DEPARTMENT OF REVENUE**

<div>Signed by:  25A4BC1A9807455...</div> <hr/>	<div>4/22/2025</div> <hr/>
Courtney Cosgrove, Legal Counsel Legal Services Office	Date