

**ADMINISTRATIVE PROCEEDING  
BEFORE THE  
SECURITIES COMMISSIONER OF SOUTH CAROLINA**

**IN THE MATTER OF:**

**Dublin Finance Associates, LLC;  
Thomas W. Janes;**



## V. FINDINGS OF FACT

### i. The Investment Opportunity

7. Janes and Porter met approximately ten years ago through a mutual acquaintance during a business transaction.

8. In 2018, Janes and Porter discussed a business opportunity regarding the purchasing and processing of raw hemp into cannabidiol ("CBD") products for resale.

9. As part of this business opportunity, Janes formed Dublin on October 31, 2018, for the sole purpose of financing Commonwealth's operations (i.e., the purchasing, transporting, and processing of raw hemp into CBD products).

10. Beginning in or around October 2018, Janes spoke with potential noteholders about a business opportunity regarding the purchasing and manufacturing of raw hemp into CBD products for resale.



18. On or around December 3, 2018, Commonwealth and Dublin entered into a Loan

\$380,000.00. The Supply Agreement acknowledged that the cost of the purchase would be fulfilled on Commonwealth's behalf by Dublin.

24. On or around December 5, 2018, Commonwealth entered into a Manufacturing Agreement (the "Manufacturing Agreement") with LabCanna Biosciences, Inc. ("LabCanna") whereby LabCanna agreed to manufacture the raw hemp provided to it by Commonwealth into THC-removed CBD isolate.

25. The Manufacturing Agreement acknowledged that Dublin would advance funds due from Commonwealth to LabCanna on behalf of Commonwealth and that Dublin would have a first lien security interest in the raw hemp materials, the materials during the work in progress stages, and the finished products.

26. The Manufacturing Agreement also acknowledged that Dublin, on behalf of Commonwealth, would pay LabCanna \$300,000.00 upon delivery of the raw hemp.

27. On December 3, 2018, and December 6, 2018, Dublin wired a total of \$22,500.00 to a transportation service for the delivery of the raw hemp purchased from the party farm to LabCanna.

28. On December 5, 2018, Dublin wired \$380,000.00 to the party farm pursuant to the Supply Agreement.

29. On December 6, 2018, Dublin wired \$285,000.00 to LabCanna pursuant to the Manufacturing Agreement.

30. On December 21, 2018, Commonwealth filed a UCC filing with the State of South Carolina securing Dublin's interest in Commonwealth's present and future right, title, and interest in all of the underlying raw materials, work in progress, and finished products derived from the raw materials.

31. On December 31, 2018, LabCanna wired \$185,000.00, purportedly from the sale of products derived from Commonwealth's raw hemp, to Dublin pursuant to the Manufacturing Agreement. LabCanna deducted \$15,000 from its distribution because LabCanna was initially only paid \$285,000 of the \$300,000 required manufacturing

32. Subsequently, on January 2, 2019, Dublin wired the noteholder their first interest payment pursuant to the Dublin Notes.

33. On February 7, 2019, LabCanna wired \$30,000.00 to Dublin.

34. Subsequently, on February 7, 2019, Dublin wired select noteholder their second interest payment pursuant to the Dublin Notes.

35. On March 14, 2019, LabCanna wired \$35,000.00 to Dublin.

36. Once again, on or around March 14, 2019, Dublin wired select noteholder their third interest payment pursuant to the Dublin Notes.

37. On March 28, 2019, a third party purchaser wired \$100,000.00 to Dublin on behalf of LabCanna purportedly in connection with the purchase of products produced pursuant to the Manufacturing Agreement.

38. On March 28, 2019, Dublin wired the remaining noteholder their interest payments that totaled the amount of the prior two missed interest payments. Furthermore, on April 12, 2019, Dublin wired one noteholder their interest payment.

39.

43. On or around May 31, 2019, Dublin wired select noteholder interest payments pursuant to the Dublin Notes.

iii. Default and Settlement

44. After LabCanna's wire to Dublin on December 31, 2018, LabCanna began partial payments and not complete payments as required by the Manufacturing Agreement with Commonwealth.

45. As a result of LabCanna's default, Commonwealth failed to perform pursuant to the Commonwealth Agreement, Commonwealth Note, and Consulting Agreement entered into with Dublin; therefore, Dublin was unable to make complete interest payments to Dublin's noteholders pursuant to the Dublin Notes. Despite Commonwealth's default, Dublin continued to make select interest payments to noteholders.

46. As a result of Commonwealth's default, or around June 2019, Janes and Dublin proposed to noteholders an amendment to the Dublin Notes (the "Proposed Amendment").

47. The Proposed Amendment provided that the Proposed Amendment (the "Proposed Amendment") would be effective as of the date of its execution by the parties.



51. Pursuant to the Dublin-Commonwealth Settlement Agreement, Dublin and Commonwealth agreed that Dublin's secured interest in the raw hemp and products derived therefrom, represented a substantial opportunity to protect Dublin's economic interests and constituted substantial valuable consideration.

52. The Dublin-Commonwealth Settlement Agreement transferred, conveyed, assigned, and delivered to Dublin the secured interest in the raw hemp materials and any work in progress or finished products derived therefor for the benefit of Dublin and its noteholders.

53. The Dublin-Commonwealth Settlement Agreement ensured that Dublin maintained the sole interest in the raw materials, work in progress, and completed products.

54. On January 29, 2020, despite the Dublin-Commonwealth Settlement Agreement, and unbeknownst to Janes and Dublin, Commonwealth and Porter entered into a settlement agreement with LabCanna (the "LabCanna Settlement Agreement") for purposes of settling LabCanna's breach of the Manufacturing Agreement.

55. Unbeknownst to Janes and Dublin, the breach that Porter sought to settle related solely to LabCanna's nonpayment to Commonwealth that would have gone, in whole or in part, to making Commonwealth's payments to Dublin pursuant to the Commonwealth Agreement and Commonwealth Note and thus back to the noteholder.

56. The terms of the LabCanna Settlement Agreement required LabCanna to transfer 270 shares of LabCanna common stock to Commonwealth and appoint Porter as an assignable seat on LabCanna's advisory board for a term of 24 months from the formation of an advisory board. The LabCanna Settlement Agreement also provided that Commonwealth and Porter would fully indemnify LabCanna from all possible claims brought by Dublin pursuant to the Manufacturing Agreement.

57. The LabCanna Settlement Agreement included provisions preventing Commonwealth from transferring ownership of the shares of common stock to any individual or entity other than Porter in his individual capacity.

58. The LabCanna Settlement Agreement also included the option for LabCanna to repurchase the shares of common stock for \$825,000.00 within the first year; \$1,000,000.00 within the second year; and \$1,350,000.00 within the third year.

iv. Misappropriation of Investor Funds

59. Starting on November 14, 2018, Janes began making payments, wire transfers, and withdrawals of noteholders' funds, totaling approximately \$80,000.00, from Dublin's bank account.

60. On November 14, 2018, Janes wired \$18,200.00 from Dublin's bank account to his child's private school for tuition.

61. On November 15, 2018, Janes purchased a certified check for \$9,000.00 payable to his exspouse.

62. On November 16, 2018, Janes withdrew \$22,808.00 from Dublin's bank account.

63. On November 23, 2018, Janes withdrew \$10,000.00 from Dublin's bank account.

64. On December 17, 2018, Janes withdrew \$15,000.00 from Dublin's bank account.

65. During the Relevant Period, LabCanna wired a total of \$395,000.00 to Dublin pursuant to the Manufacturing Agreement.

66. During the Relevant Period, Dublin returned approximately \$267,500.00 in interest and repayment of principal to noteholder

67. During the Relevant Period, Janes made a number of withdrawals, wire transfers, and charges from Dublin's bank account.

68. On December 31, 2018, Janes withdrew a total of \$27,008.00 from Dublin's bank account.

69. On January 2, 2019, Janes withdrew \$9,000.00 from Dublin's bank account and wired \$50,000.00 to Commonwealth from Dublin's bank account

70. On January 14, 2019, Janes purchased a certified check for \$5,000.00 for his child's private school tuition.

71. On January 22, 2019, Janes withdrew \$5,000.00 from Dublin's bank account.

72. On February 13, 2019, Janes withdrew \$3,500.00 from Dublin's bank account.

73. On March 28, 2019, Janes withdrew \$5,900.00 from Dublin's bank account.

74. On April 5, 2019, Janes withdrew \$10,008.00 from Dublin's bank account for his child's private school tuition.

75. On May 16, 2019, Janes withdrew \$1,000.00 from Dublin's bank account.

76. On May 17, 2019, Janes purchased a certified check for \$4,500.00 for his ex-spouse.

77. On May 30, 2019, Janes withdrew \$2,500.00 from Dublin's bank account.

78. Overall, of the distributions received from LabCanna pursuant to the Manufacturing Agreement, Janes withdrew approximately \$130,000.00 for personal expenses

79. Janes has represented to the Division that during the Relevant Period he deposited \$10,221.49 of his personal funds into Dublin's bank account. Furthermore, Janes has represented that he incurred approximately \$30,000.00 in business expenses on behalf of

v. Misrepresentations and Omissions

80. Dublin and Janes failed to disclose to noteholders Dublin's and Janes' relationship with Commonwealth and Porter. Specifically, Dublin and Janes failed to disclose to noteholders

that Dublin entered into the Commonwealth Agreement, the Commonwealth Note, and the

continued to make partial payments to Dublin, which in turn made partial payments to noteholders, through June 2019.

86. The Respondents failed to disclose to noteholders that on June 28, 2019, Dublin and Commonwealth entered into the Dublin-

or artifice to defraud; (2) to make an untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or (3) to engage in an act, practice, or course of business that operates or would operate as a fraud or deceit upon another person.

94. The conduct of Respondents Dublin and Janes, as alleged in paragraphs 1-81 and 84-85, supra, constitutes a violation of S.C. Code Ann. § 35-1(2).

95. The conduct of Respondents Dublin and Janes, as alleged in paragraphs 1-81 and 80, supra, constitutes a violation of S.C. Code Ann. § 35-1(2).

96. The conduct of Respondents Dublin and Janes as alleged in paragraphs 1-82, supra, constitutes a violation of S.C. Code Ann. § 35-1(2).

97. The conduct of Respondents Dublin and Janes, as alleged in paragraphs 1-83 supra, constitutes a violation of S.C. Code Ann. § 35-1(2).

98. The conduct of Respondents Dublin and Janes, as alleged in paragraphs 1-83 and 78, supra, constitutes a violation of S.C. Code Ann. § 35-1(3).

99. The conduct of Respondents Dublin and Janes, as alleged in paragraphs 1-83 and 65 supra, constitutes a violation of S.C. Code Ann. §



Section V(f), agrees to waive pursuit, enforcement, or collection of the costs referenced in Section VI(g), and agrees to reduce the amount of the civil penalty referenced in Section VI(d) to five thousand dollars (\$5,000.00) subject to the following conditions:


- a. Janes has not made any material misrepresentations regarding his financial condition in disclosures made to the Division in anticipation of this Consent Order
- b. Janes produces to the Division his federal tax returns within fifteen days upon filing with the Internal Revenue Service f(s)-1 (a2)4 (l2 ( )-10 (O)p(s) (c)4 (e)4 ((e)4 (n n3 T1e)
- c.



Nothing in this paragraph shall be construed to prevent any respondent from making any statements in the context of defending themselves against any criminal or administrative action, or from asserting any of the terms of this Consent Order. Notwithstanding the foregoing, the Respondent shall not be permitted to take direct or indirect action to

This Consent Order shall not be interpreted to constitute (i) criminal cause of action, (ii) private cause of action that may be asserted against the Respondent, or (iii) other causes of action that may result from activities of a respondent not detailed in this Consent Order.

ENTERED this 22 day of January, 2023 24 7:16 pm

  
ALAN WILSON  
Securities Counsel  
State of South Carolina

Respondent Dublin Finance Associates, LLC

By: [Signature]  
Dublin Finance Associates, LLC

Date: 12/15/22

Respondent Thomas W. James, Consent Order

[Signature]  
Thomas W. James

Date: 12/15/22

Reviewed by Counsel for Plaintiff  
Associates, LLC

[Signature]  
Megan A. Siddall  
Mincer Siddall LLP  
101 Federal Street  
Boston, MA 02110

Date: 12/15/22

The Securities Division of the Office of the South Carolina Attorney General at Consent  
above Consent Order

By: [Signature]  
Jonathan B. Williams  
Assistant Deputy Attorney General

Date: 12/15/22