

BEFORE THE DIVISION OF INSURANCE
DEPARTMENT OF LABOR AND REGULATION
STATE OF SOUTH DAKOTA

IN THE MATTER OF)	
EMERALD HEALTH PHARMACEUTICALS, INC.)	CONSENT ORDER
)	

In resolution of the above matter and in lieu of issuance of a Notice of Hearing and a formal hearing, the undersigned parties do hereby agree to the following:

EMERALD HEALTH PHARMACEUTICALS, INC. ("EMERALD HEALTH") whose address of record is 5910 Pacific Center Blvd., Suite 300, San Diego, CA 92121 is a corporation based in the state of California;

EMERALD HEALTH is aware that the South Dakota Division of Insurance ("Division") has conducted an investigation into their securities activities and sales in South Dakota;

The Division has alleged the following:

- 1) On April 16, 2019 the Division received EMERALD HEALTH'S Reg. A-Tier 2 Notice filing, along with the accompanying filing fee. Additionally, the Division received the required late filing fee from EMERALD HEALTH on April 24, 2019;
- 2) In reviewing EMERALD HEALTH'S filings, it was discovered that EMERALD HEALTH sold and/or solicited securities in South Dakota before it made its Reg. A-Tier 2 Notice filing and failed to make the required filings 21 days prior to its initial sale, in violation of SDCL § 47-31B-302 and ARSD 20:08:07:42;
- 3) The above-cited conduct may be grounds for the denial, suspension, and revocation of EMERALD HEALTH's registration and the issuance of a monetary penalty of up to \$10,000 per violation, pursuant to SDCL §§ 47-31B-306 and 47-31B-602;

EMERALD HEALTH is aware of and understand the nature of the charges and have been informed that it has the right to notice, hearing, and appeal, and that by agreeing to and signing this Consent Order, agree to the waiver of these rights;

In return for EMERALD HEALTH agreeing to the provisions of this Consent Order, the Division agrees not to proceed to a formal hearing and agrees that this Consent Order will constitute an informal disposition of this matter pursuant to SDCL § 1-26-20;

EMERALD HEALTH agrees to a monetary penalty in the amount of \$1,000 pursuant to SDCL § 47-31B-604, in lieu of contesting this matter formally; and

EMERALD HEALTH further agrees to conduct itself in accordance with the securities laws and regulations of the State of South Dakota; and

EMERALD HEALTH further agrees that this Consent Order may be considered for the purpose of determining an appropriate sanction in any future actions with the Division for any violations of the laws or regulations of the State of South Dakota or for failing to abide by any order of the Director;

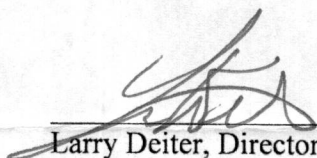
Wherefore, good cause appearing from the foregoing, it is hereby ORDERED that EMERALD HEALTH will pay a monetary penalty in the amount of \$1,000 payable to "South Dakota Division of Insurance" for deposit in the general fund of the State of South Dakota; and it is further

ORDERED that EMERALD HEALTH will abide by the agreements made by it in this Consent Order; and it is further

ORDERED that this consent order is necessary and appropriate in the public interest and for the protection of investors and is consistent with the purposes fairly intended by the policy and provisions of SDCL 47-31B; and it is further

ORDERED that the provisions of this Consent Order shall be effective from the date the Director signs this Order.

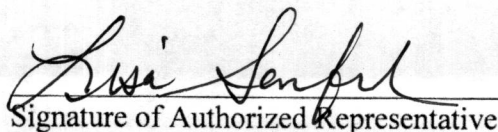
Dated at Pierre, South Dakota this 23rd day of May, 2019.



Larry Deiter, Director
South Dakota Division of Insurance

The undersigned, on behalf of EMERALD HEALTH, represents that it understands the terms of this Consent Order and the waiver of its due process rights and voluntarily enters into this Consent Order.

Dated this 13th day of May, 2019.


Signature of Authorized Representative

Lisa Sanford
Printed Name

CFO
Title