

## **WHAT EVER HAPPENED TO TRUSTCANNA – THE CERTIFICATION TO SOLVE ALL?**

1. The recent news<sup>1</sup> that Mike Harlington, the now ex-Chairman of the CTA, has been ousted by the organisation's board (now led by Tom Whettem) was reported by *The Canna Consultants* [here](#). The news led us to take a delve into TrustCanna... and what did we find?
2. Trust Canna was the vehicle much championed by the two men that was to be the saviour of credibility in the CBD-world because, under their stewardship, it is to certify CBD companies and products as and is robust enough for the public to be certain of the quality and safety of products which contain its markings.
3. Like many things CTA-linked one is left to question the reality when compared to the theory: the TrustCanna website proclaims, "Trusted Cannabis Products. The **official** TrustCanna register of certified cannabis products." We raise an eyebrow at the use of "official" and "certified", because there is nothing official about the company or its right to issue a document or emblem to a company – although to put it in context, they are not the only three letter acronym'ed cannabinoid trade association who would have the public believe that they hold some form of official position or accreditation.
4. It is not only the outcomes of the entity which raise eyebrows, the whole history of its creation and transformation is murky and rather unusual given that the principle and theory behind it would appear to be rather simple. If you have a pen and paper and are able to make notes, welcome to the world of TrustCanna Ltd...

## **THE FORMATION, OWNERSHIP AND CONTROL OF WHAT BECAME TRUSTCANNA LTD**

5. When formed on 9<sup>th</sup> March 2018 the company originally had the name of "Health Foods Distribution **Regulation** Limited" (the purpose of adding the emphasis will become clear in due course). Its Directors at incorporation were Christopher Lambert-Dowell (CTA Finance Director) and Tom Whettem (CTA Compliance Director).
6. The Hemp Trades Association Limited (the corporate name of the Cannabis Trades Association) was a Relevant Legal Entity (RLE) that had the right to exercise, or actually exercised, significant influence or control over the company "HFDRL" and held over 75% of the voting rights in the company.

<sup>1</sup> See the link here to the breaking story on the [Business Cann](#) website.

### **SUBSEQUENT OWNERSHIP AND CONTROL OF TRUSTCANNA LTD**

7. The Hemp Trades Association Limited (the corporate name of the Cannabis Trades Association) ceased to be an entity with significant control of “HFDRL” on 15<sup>th</sup> March 2018, less than a week after it was created.
8. The CTA was replaced in that position on the same day by Health Food Distribution Ltd. (noting it being a different entity with a very similar name, omitting the “*Regulation*”).

### **HEALTH FOOD DISTRIBUTION LTD.**

*(NOT THE TRUSTCANNA ONE, BUT THE ONE THAT OWNS THE TRUSTCANNA ONE)*

9. According to Companies House documents, Health Food Distribution Ltd was created on 25<sup>th</sup> January 2018 and was controlled by Tom Whettem (CTA Compliance Director) and Christopher Lambert-Dowell (CTA Finance Director), each of whom were Directors.
10. The two men were also each shareholders, with Tom Whettem owning 82% (45 of 55 shares) and Christopher Lambert-Dowell owning 18% (10 of 55 shares) of the company stock.
11. Thus, in addition to Tom Whettem and Christopher Lambert-Dowell both being overt and acknowledged Directors of TrustCanna Ltd (as it was to become known), they also exerted control over the company through their shareholding of Health Food Distribution Ltd. and its control over TrustCanna Ltd. – Tom Whettem effectively having complete control over both companies through his 82% shareholding in the HFDL.

### **HEALTH FOODS DISTRIBUTION REGULATION LIMITED**

*(YES, BACK TO TRUSTCANNA LTD ONE - KEEP UP...)*

12. Tom Whettem resigned as a Director “HFDRL” (TrustCanna Ltd) on 25/5/18, being replaced by Fiona Pengilly, with her resigning her position on 29/10/18.
13. Hugh McKeown was appointed as a Director of “HFDRL” (TrustCanna Ltd) on 5/11/18.

14. Guy Coxall was appointed as a Director of “HFDRL” (TrustCanna Ltd) on 22/3/19;
15. The name of “HFDRL” was changed from Health Food Distribution **Regulation** Limited to “TrustCanna Ltd” on 24/7/19.

**BACK TO HEALTH FOOD DISTRIBUTION LTD.**

**(CORRECT, NOT THE TRUSTCANNA ONE, BUT THE ONE THAT OWNS THE TRUSTCANNA ONE)**

16. HFDL (*not the TrustCanna one, but the one owned and controlled by Tom Whettem (CTA Compliance Director), see above*) ceased to exert significant control over TrustCanna Ltd (it had by then changed its name) on 1/9/19. It is not known to whom the (minimum) 75% of the shares and/or the beneficial ownership in them were transferred.
17. On the same day (1/9/19), Tom Whettem resigned as a Director of HFDL and ceased to exert significant control over HFDL. Thus, on the face of it from then he no-longer owned or controlled either company, save to observe that we don't know who owns and controls TrustCanna Ltd. (see above).
18. However, what we do know is that on 1/10/19 the Directorship of and significant control over “HFDL” which had previously resided with Tom Whettem were both passed to Michael Harlington, who then held over 75% of the shares in the company.
19. On 19<sup>th</sup> March 2020 Health Food Distribution Ltd. changed its name to “Acoustinert Ltd”.
20. On 18<sup>th</sup> May 2020 it was declared that “Manor Drive LSH Ltd” now holds significant control over “Acoustinert Ltd.”, taking over as it did from Mike Harlington. However, in reality nothing has changed because “Manor Drive LSH Ltd” itself is controlled by:
  - a. Sarah Harlington (over 25% but less than 50%), since 20/5/20; and,
  - b. Michael Harlington (over 25% but less than 50%), since 20/5/20.

21. Manor Drive LSH Ltd has since changed its name (on 8/6/20) to “Manor Drive Audio Group Limited”, but it remains owned and controlled by the “Harlingtons”.
22. On 1<sup>st</sup> June 2020 Nicholas Will was appointed a Director of “Acoustinert Ltd.”. You may have seen his name before, being as he is a member of the CTA staff.
23. It is not known whether Acoustinert Ltd, or Mike Harlington, continue to exert ownership and/or control over TrustCanna Ltd, whether directly or through any other corporate vehicle.

### **HEALTH FOODS DISTRIBUTION REGULATION LIMITED**

*(YES, BACK TO TRUSTCANNA LTD ONE - KEEP UP...)*

24. Hugh McKeown resigned as a Director of TrustCanna Ltd on 26/4/20. Thus, the current Directors of Trust Canna are:
  - Guy Coxall; and,
  - Christopher Lambert-Dowell.
25. The last information filed with Companies House on the issue states that no-one owns or controls over 25% of the company, however, it is not known who does actually own or control TrustCanna Ltd., save for the two Directorships above.

### **SUMMARY OF OWNERSHIPS**

#### **TRUSTCANNA LTD. (PREVIOUSLY HEALTH FOOD DISTRIBUTION REGULATION LTD.)**

26. The Hemp Trades Association Limited (the corporate name of the Cannabis Trades Association) initially owned and controlled TructCanna Ltd., however, that only lasted for less than a week, by which time ownership and control had passed to “Health Food Distribution **Regulation** Ltd (“HFDRL”).

27. For 18 months between 15<sup>th</sup> March 2018 and 1<sup>st</sup> September 2019 “HFDRL”/TrustCanna was owned by Tom Whettem (CTA Compliance Director) and Christopher Lambert-Dowell (CTA Finance Director), not in their own names, but through their control and ownership of another corporate vehicle, “Health Food Distribution Ltd” (HFDL) (no **Regulation**).
28. On 1<sup>st</sup> September 2019 HFDL (the very similarly named corporate vehicle) ceased to exert significant control over TrustCanna Ltd. Thus, on the face of it from then on neither Tom Whettem nor Christopher Lambert-Dowell owned or controlled TrustCanna Ltd., save to observe that we don’t know who owns and controls it (see above).

#### HEALTH FOOD DISTRIBUTION LIMITED (THE VERY SIMILARLY NAMED CORPORATE VEHICLE)

29. On 1<sup>st</sup> October 2019 Tom Whettem relinquished both his Directorship of HFDL (the very similarly named corporate vehicle), and his ownership and control over it, passing both the Directorship and ownership and Significant Control to Michael Harlington.
30. On 10<sup>th</sup> March 2020 HFDL Ltd changed its name to “Acoustinert Ltd”. On 18<sup>th</sup> May 2020 Significant Control over Acoustinert Ltd was passed from Michael Harlington to “Manor Drive LSH Ltd”, which now owns and/or controlled over 50% and less than 75% of the company, but Manor Drive LSH Ltd (which has now changed its name again) is owned and controlled by Michael and Sarah Harlington.

#### WHAT DO WE KNOW ABOUT TRUSTCANNA LTD.?

31. According to its website, for the price of £200 per product (plus £50 for additional product “flavour”) TrustCanna Ltd will assess your documentation and product and pronounce you as “Official” and “Compliant”.
32. At the NEC CBD Expo in September 2019 **The Canna Consultants** were in attendance and watched a number of presentations by Mike Harlington and Tom Whettem, one a joint presentation on the benefits and processes of TrustCanna Ltd. – it was the next new hope/saviour for the CBD industry.

33. A quick look at the TrustCanna Ltd website in June 2020 shows that either:
- All of the CTA membership is non-compliant and TrustCanna Ltd. refused to certify them (if they ever submitted their products for Certification); or,
  - TrustCanna Ltd did not undertake the assessments and Certification exercise that it was said by the CTA that it was created to do.
34. We have yet to see any evidence of the large-scale testing that the CTA made compulsory for their membership last July which would “produce a publicly available report that would be supplied to each EU member state and the UK government”
35. We say this because of the one thousand or so Members of the CTA, TrustCanna Ltd. has managed to “Officially Certify” only a single company. The sole beneficiary of TrustCanna Certification is Canabidol (TrustCanna registration number 420012), owned by Tom Whettem, CTA Compliance Director and previous owner of TrustCanna Ltd. itself via the rather unexpected corporate vehicle, “Health Food Distribution **Regulation** Ltd (“HFDRL”).

### **WHY IS MY MERCHANT SERVICES PROVIDER UNHAPPY?**

36. What might be a cause of some concern to the CTA members are the expectations of their Merchant Services Provider.
37. We have recently been approached by a number of clients whose Merchant Services were withdrawn because of concerns by their provider of a failure to demonstrate compliance in relation to THC content, their approach to Novel foods and a failure to obtain a third party “Certification”.
38. Perhaps not surprisingly, given the fanfare that TrustCanna Certification was given by the CTA and its Board from the middle to the end of 2019, some Merchant Providers may have drawn the conclusion that the clients had failed to be awarded TrustCanna Certification and this has contributed to the withdrawal of their Merchant Service facilities.

39. Following our various engagements, we have been able to satisfy the respective Merchant Service Providers of our clients regulatory compliance, the validity of independently produced COA's organised by ourselves and reassured them that TrustCanna Ltd appears to have been a lot of noise for no output, save for the one company who can provide such Certification.

### **THE CANNA CONSULTANTS MERCHANT SERVICES**

40. Through our engagement with various Merchant Service Providers we have now agreed a format with the Providers for the volume, categories and quality of Due Diligence material that they require from ourselves in order for them to approve a client referred to them by ***The Canna Consultants***.

41. If you are having trouble with your Merchant Services Provider, or are looking to establish a relationship, please make contact and we will be happy to assist you in that regard.

***Remember What We Say: Be Careful Who You Listen To.***