

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY

In the Matter of

Green Mitten Agricultural Corporation
License No.: GR-C-000527

ENF No.: 23-00656

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On September 11, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana Class C grower facility license (GR-C-000527) of Green Mitten Agricultural Corporation ("Respondent") under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated Mich Admin Code, R 420.8, R 420.18(1), R 420.206(1)(a), R 420.206a(1), R 420.206a(2), R 420.206a(3), R 420.210(1), R 420.210(2), R 420.211(1), R 420.211(2), R 420.211(6), R 420.211(8), R 420.212(1), R 420.803(1), and R 420.803(2)(b).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the formal complaint. Therefore, the executive director finds that some of the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.8, R 420.18(1), R 420.206(1)(a), R 420.210(2), R 420.211(1), R 420.211(2), R 420.211(6), R 420.803(1), and R 420.803(2)(b).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of three thousand eight hundred and 00/100 dollars (\$3,800.00). This fine shall be paid within 30 days of the effective date of this order by check, money order, or online through Accela Citizen Access (ACA). Instructions on how to make online payments can be found under the Tips for Licensees bulletin section at www.michigan.gov/cra. Check or money

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orders shall be made payable to the State of Michigan with enforcement number "23-00656" and license number "GR-C-000527" clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, PO BOX 30205, Lansing, Michigan 48909.

2. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.
3. The alleged violations of Mich Admin Code, R 420.206a(1), R 420.206a(2), R 420.206a(3), R 420.210(1), R 420.211(8), and R 420.212(1) are DISMISSED.
4. Unless otherwise specified in this order, Respondent shall direct any communications to the CRA that are required by the terms of this order to CRA-CSS@michigan.gov.
5. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
6. If Respondent violates any term or condition set forth in this order, Respondent shall be subject to fines and/or other sanctions under section 407(1) of the MMFLA, MCL 333.27407(1), and Mich Admin Code, R 420.808.
7. Upon timely compliance of the terms of this order by Respondent, the matters set forth in the formal complaint shall be deemed resolved and closed subject to this Consent Order.

CONTINUED ONTO NEXT PAGE

This order shall be effective 30 days after the date signed by the CRA's executive director or his designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: 5/1/2024

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O =
CRA OU = CRA
Date: 2024.05.01 16:49:48 -04'00'

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

STIPULATION

The parties stipulate to the following:

1. Some of the facts alleged in the formal complaint are true and constitute a violation of the administrative rules promulgated under the MMFLA.
2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MMFLA, administrative rules promulgated thereunder, and the Administrative Procedures Act of 1969, MCL 24.201 *et seq.*, to require the CRA to prove the violations set forth in the formal complaint by presentation of evidence and legal authority, and to present a defense to the violations.
3. The parties considered the following in reaching this agreement:
 - a. Respondent stated that the dryer machine at issue was not installed or in use, and it had received the machine to inspect and determine if it wanted to use the machine for harvesting.
 - b. Respondent stated that the non-compliance regarding the product storage room under construction resulted from a miscommunication of the scope of working being done.
 - c. Respondent stated that the thirty-six bags of freshly cut marijuana biomass was the waste from the trimming machines when emptied.

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Respondent stated daily marijuana biomass is weighed and then tagged.

- d. Respondent stated, and it was confirmed by the CRA, that the color-coded totes with no statewide monitoring system (Metrc) tags were all marijuana product that was harvested, trimmed, and tracked in Metrc, and no sales were made from this product.
 - e. Respondent stated destruction of marijuana waste is recorded in Metrc. Respondent provided Metrc waste documentation to the CRA during the investigation.
 - f. Respondent provided electronic copies of standard operating procedures at the time of the investigation.
 - g. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - h. Respondent has been licensed as a Class C grower since 2020 and has no prior discipline against its license.
4. The CRA's centralized services director or her designee must approve this proposed agreement before it is forwarded to the CRA's executive director or his designee for review and issuance of the above consent order. The parties reserve the right to proceed to an administrative hearing without prejudice to either party, should the CRA's centralized services director, executive director, or their designees reject the proposed consent order.

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By signing this stipulation, the parties confirm that they have read, understand, and agree with the terms of the consent order.

AGREED TO BY:

Sara
Hernandez

Digitally signed by: Sara Hernandez
DN: CN = Sara Hernandez email =
HernandezS1@michigan.gov C =
US O = CRA OU = LARA
Date: 2024.04.30 15:14:45 -04'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

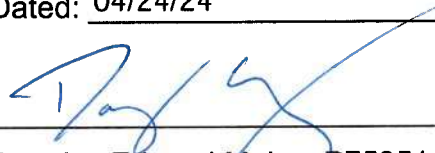
Dated: 04/30/2024

AGREED TO BY:



Omar Hishmeh, Authorized Officer
on behalf of Respondent
Green Mitten Agricultural Corporation

Dated: 04/24/24



Douglas Edward Mains, P75351
Attorney for Respondent

Dated: 4/24/24

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STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY

In the Matter of

Green Mitten Agricultural Corporation
License No.: GR-C-000527

ENF No: 23-00656

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“CRA”) files this formal complaint against Green Mitten Agricultural Corporation (“Respondent”) alleging upon information and belief as follows:

1. The CRA is authorized under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MMFLA and the administrative rules promulgated thereunder, take disciplinary action to prevent such violations, and impose fines and other sanctions against applicants and licensees that violate the MMFLA or administrative rules.

2. Section 402(12) of the MMFLA provides that the expiration of a license does not terminate the CRA’s authority to impose sanctions on the license.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

3. Respondent holds an active state operating license under the MMFLA to operate a medical marijuana class C grower facility in the state of Michigan.

4. Respondent operated at 34041 County Road 681, Bangor, Michigan 49013, at all times relevant to this complaint.

5. Following an investigation, the CRA determined that Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

- a. On November 1, 2022, CRA Regulation Agents (RAs) conducted a compliance visit at Respondent's medical marijuana class C grower facility.
- b. The CRA RAs observed 40-gallon black totes stacked from the floor to ceiling, filled with harvested marijuana products in a harvest room. Most of the totes were stickered with color coded dates but did not contain any statewide monitoring system (Metrc) tags.
- c. The RAs visited a large product storage room and discovered additional color coded, 40-gallon black totes stacked from the floor to ceiling and filled with harvested marijuana products. The room did not have video surveillance cameras and was in the 'finishing stages of construction'. The RAs asked Respondent for the CRA reporting forms and material change approval. Respondent admits the new footprint was one room built-in to three new rooms, one product storage room, one dry room and one non-product storage room. Respondent's owner, J.A., admitted to the RAs that Respondent did not submit the required CRA reporting forms before making the material changes to the building.
- d. The RAs then observed a large metal container approximately the size of a shipping container with a large blower installed. Respondent stated the machinery was the newest addition to the facility and was used to dry 400 pounds of marijuana per day. Respondent also admitted that it failed to submit the required CRA reporting forms before adding the container and machinery.
- e. The RAs inspected five large semi-trailer freezers. Of those, semi-trailers #1, 2, 4, & 5 contained large amounts of the 40-gallon black totes color coded with stickers and no visible Metrc tags, as well as large stickered bags of frozen marijuana biomass. Trailer #3 contained approximately 36 large black bags of freshly cut marijuana biomass, these bags were not stickered or marked in any fashion.
- f. The RAs located two large dumpsters of different sizes in the yard of the

facility. One dumpster had normal bagged garbage in it as well as fresh marijuana leaves, stems, and stalks. The other dumpster was nearly full of what appeared to be old stalks and marijuana waste. Respondent was asked how the waste was handled and disposed of properly. Respondent claimed destruction would be handled after the harvest. Respondent was unable to provide a waste log or the date of the last destruction event.

- g. The RAs asked Respondent for all standard operating procedures (SOPs) related to the cleaning of their machines, waste procedures, and the waste log. Respondent failed to provide any SOPs when requested onsite.

Count I

Respondent's actions as described above in paragraphs c and d demonstrate a violation of Mich Admin Code, R 420.8, which states any changes or modifications to the marihuana business location plan under this rule must be reported to the agency and may require preapproval by the agency.

Count II

Respondent's actions as described above in paragraphs c and d demonstrate a violation of Mich Admin Code, R 420.18(1), which states any change or modification to the marihuana business after licensure is governed by the standards and procedures set forth in these rules and any regulations adopted pursuant to the acts. Any material change or modification to the marihuana business must be approved by the agency before the change or modification is made.

Count III

Respondent's actions as described above in paragraph c demonstrate a violation of Mich Admin Code, R 420.206(1)(a), which states a cultivator shall not operate a marihuana business unless either of the following conditions is met: (a) The cultivator operations are within a building that meets the security requirements and

passes the inspections in these rules and has a building permit pursuant to R 420.208 and these rules.

Count IV

Respondent's actions as described above in paragraph g demonstrate a violation of Mich Admin Code, R 420.206a(1), which states a marihuana business must have up-to-date written standard operating procedures on site at all times.

Count V

Respondent's actions as described above in paragraph g demonstrate a violation of Mich Admin Code, R 420.206a(2), which states standard operating procedures must be made available to the agency upon request.

Count VI

Respondent's actions as described above in paragraph g demonstrate a violation of Mich Admin Code, R 420.206a(3), which states standard operating procedures must detail the marihuana business operations and activities necessary for the marihuana business to comply with the acts and these rules.

Count VII

Respondent's actions as described above in paragraphs b, c and e demonstrate a violation of Mich Admin Code, R 420.210(1), which states except for designated consumption establishments or temporary marihuana events licensed under the MRTMA, a marihuana business must not have marihuana products that are not identified and recorded in the statewide monitoring system pursuant to these rules. A licensee shall not transfer or sell a marihuana product that is not identified in the statewide monitoring system pursuant to these rules.

Count VIII

Respondent's actions as described above in paragraphs b, c and e demonstrate a violation of Mich Admin Code, R 420.210(2), which states except for a designated consumption establishment or temporary marihuana event licensed under the MRTMA, a marihuana business must not have any marihuana product without a batch number or identification tag or label pursuant to these rules. A licensee shall immediately tag, identify, or record as part of a batch in the statewide monitoring system any marihuana product as provided in these rules.

Count IX

Respondent's actions as described above in paragraph f demonstrate a violation of Mich Admin Code, R 420.211(1), which states a marihuana product that is to be destroyed or is considered waste must be rendered into an unusable and unrecognizable form through grinding or another method as determined by the agency that incorporates the marihuana product waste with the non-consumable solid waste specified in subdivisions (a) to (h) of this subrule so that the resulting mixture is not less than 50% non-marihuana product waste: (a) Paper waste. (b) Plastic waste. (c) Cardboard waste. (d) Food waste. (e) Grease or other compostable oil waste. (f) Fermented organic matter or other compost activators. (g) Soil. (h) Other waste approved in writing by the agency that will render the marihuana product waste unusable and unrecognizable.

Count X

Respondent's actions as described above in paragraph f demonstrate a violation of Mich Admin Code, R 420.211(2), which states a marihuana plant waste, including roots, stalks, leaves, and stems that have not been processed with a solvent must be rendered into an unusable and unrecognizable form through grinding or another method as determined by the agency that incorporates the marihuana plant waste with compostable waste specified in subdivisions (a) to (d) of this subrule so that the resulting mixture is not less than 50% non-marihuana plant waste: (a) Food

waste. (b) Yard waste. (c) Vegetable based grease or oils. (d) Other compostable wastes approved by the agency.

Count XI

Respondent's actions as described above in paragraph f demonstrate a violation of Mich Admin Code, R 420.211(6), which states a licensee shall dispose of marihuana product waste and marihuana plant waste in a secured waste receptacle using 1 or more of the following methods that complies with applicable state and local laws and regulations: (a) A licensed municipal solid waste landfill. (b) a registered composting facility that has specific approval under part 115 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11501 to 324.11554, to accept the material.

Count XII

Respondent's actions as described above in paragraph f demonstrate a violation of Mich Admin Code, R 420.211(8), which states a licensee shall maintain accurate and comprehensive records regarding marihuana product waste, and marihuana plant waste that accounts for, reconciles, and evidences all waste activity related to the disposal. The agency may publish guidance on marihuana product waste management.

Count XIII

Respondent's actions as described above in paragraphs b, c and e demonstrate a violation of Mich Admin Code, R 420.212(1), which states all marihuana products must be stored at a marihuana business in a secured limited access area or restricted access area and must be identified and tracked consistently in the statewide monitoring system under these rules.

Count XIV

Respondent's actions as described above in paragraphs c and d demonstrate a violation of Mich Admin Code, R 420.803(1), which states any change or

modification to the marihuana business after licensure is governed by the standards and procedures set forth in these rules and any regulations adopted pursuant to the acts. Any material change or modification to the marihuana business must be approved by the agency before the change or modification is made.

Count XV

Respondent's actions as described above in paragraphs c and d demonstrate a violation of Mich Admin Code, R 420.803(2)(b), which states any change of a location of a marihuana business after licensure requires notification to the agency prior to the change of location, must be approved by the agency, requires a new marihuana license application under these rules, and may include, but is not limited to, all of the following: (b) Additional inspections by the agency or BFS.

THEREFORE, based on the above, the CRA gives notice of its intent to impose fines and/or other sanctions against Respondent's license, which may include the suspension, revocation, restriction, and/or refusal to renew Respondent's license.

Under MCL 333.27407(4) and Mich Admin Code, R 420.704(2), any party aggrieved by an action of the CRA suspending, revoking, restricting, or refusing to renew a license, or imposing a fine, shall be given a hearing upon request. A request for a hearing must be submitted to the CRA in writing within 21 days after service of this complaint. Notice served by certified mail is considered complete on the business day following the date of the mailing.

Respondent also has the right to request a compliance conference under Mich Admin Code, R 420.704(1) A compliance conference is an informal meeting at which Respondent has the opportunity to discuss the allegations in this complaint and demonstrate compliance under the MMFLA and/or the administrative rules. A compliance conference request must be submitted to the CRA in writing.

Hearing and compliance conference requests must be submitted in writing by one of the following methods:

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By Mail: Department of Licensing & Regulatory Affairs
Cannabis Regulatory Agency
P.O. Box 30205
Lansing, Michigan 48909

In Person: Department of Licensing & Regulatory Affairs
Cannabis Regulatory Agency
2407 North Grand River
Lansing, Michigan 48906

By Email: CRA-LegalHearings@michigan.gov

If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter.

Questions about this complaint should be directed to the Cannabis Regulatory Agency at (517) 284-8599 or CRA-LegalHearings@michigan.gov.

Dated: 9/11/23

By: Alyssa A. Grissom
Digitally signed by Alyssa A. Grissom
Date: 2023.09.11 15:54:11 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency