

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

In the Matter of

Green Mitten Agriculture Corporation
License No.: GR-C-000530

ENF No.: 23-00353

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On June 6, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana Class C grower facility license (GR-C-000530) of Green Mitten Agriculture 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 420.209(5), R 420.209(6)(a)(i), R 420.209(6)(a)(ii), R 420.209(6)(a)(iv), R 420.209(6)(b), R 420.209(7), R 420.209(11), and R 420.209(12).

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 420.209(5), R 420.209(6)(a)(i), R 420.209(6)(a)(ii), R 420.209(6)(a)(iv), R 420.209(6)(b), and R 420.209(11).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of eight hundred and 00/100 dollars (\$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 orders

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shall be made payable to the State of Michigan with enforcement number “23-00353” and license number “GR-C-000530” 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. Respondent must provide a written standard operating procedure (SOP) which details all operational steps necessary for compliant surveillance, including regular checks to verify 30 days of video is saved for every camera. The Respondent must provide the written SOP to the CRA within 30 days of the effective date of this order.
3. The CRA will review the SOP and, if necessary, issue a deficiency notice. Respondent must correct any deficiencies identified by the CRA within 30 days of receipt of the deficiency notice unless agreed upon by the CRA in writing.
4. If Respondent fails to timely comply with the terms of this order, Respondent’s license shall be suspended until compliance is demonstrated.
5. The alleged violations of Mich Admin Code, R 420.209(7) and R 420.209(12) are DISMISSED.
6. 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.
7. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
8. 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.

9. 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.

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: 5/23/2024

By: Brian Hanna

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email = hanna@brianhanna.com,
gov C = US O = CRA OU = CRA
Date: 2024.05.23 08:42:32 -04'00'

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

STIPULATION

The parties stipulate to the following:

1. 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 provided a letter to the CRA from its video surveillance vendor stating that some of Respondent's cameras went down due to a blizzard in late December of 2022. The vendor fixed Respondent's cameras at the vendor's first opportunity on January 14, 2023.

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- b. Respondent provided a second letter from the video surveillance vendor stating that while a small number of Respondent's security cameras did go down, Respondent had over 120 video cameras which were functioning at the facility during the outage.
 - c. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
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.

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

AGREED TO BY:

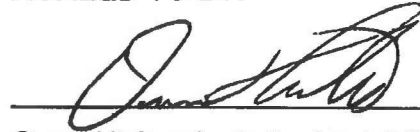
Sara
Hernandez

Digitally signed by: Sara Hernandez
DN: CN = Sara Hernandez email =
HernandezS1@michigan.gov C =
US O = CRA OU = LARA
Date: 2024.05.14 16:52:34 -04'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

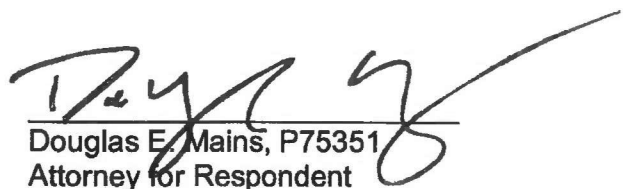
Dated: 05/14/2024

AGREED TO BY:



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

Dated: 05/02/2024



Douglas E. Mains, P75351
Attorney for Respondent

Dated: 5/2/2024

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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-000530

ENF No: 23-00353

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 establishment 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:

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- a. On January 24, 2023, a CRA Regulation Agent (RA) visited Respondent's grower facility in response to a complaint that Respondent's video surveillance system was inoperable.
- b. The CRA RA observed that the surveillance camera for the entrance and exit of Respondent's grower facility was only able to retain 4 days of surveillance recordings, going back to January 19, 2023.

Count I

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.209(5), which states a licensee shall have a video surveillance system that, at a minimum, consists of digital or network video recorders, cameras capable of meeting the recording requirements in this rule, video monitors, digital archiving devices, and a color printer capable of delivering still photos.

Count II

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.209(6)(a)(i), which states a licensee shall ensure the video surveillance system does all the following: (a) records, at a minimum, the following areas: (i) any areas where marihuana products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the marihuana business.

Count III

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.209(6)(a)(ii), which states a licensee shall ensure the video surveillance system does all the following: (a) records, at a minimum, the following areas: (ii) limited access areas and security rooms. Transfers between rooms must be recorded.

Count IV

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.209(6)(a)(iv), which states a licensee shall ensure the video surveillance system does all the following: (a) records, at a minimum, the following areas: (iv) the entrances and exits to the building, which must be recorded from both indoor and outdoor vantage points.

Count V

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.209(6)(b), which states a licensee shall ensure the video surveillance system does all the following: (b) records images effectively and efficiently of the area under surveillance with a minimum of 720p resolution.

Count VI

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.209(7), which states a licensee shall ensure that each camera is permanently mounted and in a fixed location. Each camera must be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the marijuana business and allows for the clear and certain identification of any person, including facial features, and activities, including sales or transfers, in all areas required to be recorded under these rules.

Count VII

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.209(11), which states a licensee shall keep surveillance recordings for a minimum of 30 calendar days, except in instances of investigation or inspection by the agency in which case the licensee shall retain the recordings until the time as the agency notifies the licensee that the recordings may be destroyed.

Count VIII

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.209(12), which states surveillance recordings of the licensee are subject to inspection by the agency and must be kept in a manner that allows the agency to view and obtain copies of the recordings at the marihuana business immediately upon request.

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:

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

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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: 6/6/23

By: Alyssa A. Grissom

Digitally signed by Alyssa A.
Grissom
Date: 2023.06.06 11:24:53 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency