STATE OF MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CANNABIS REGULATORY AGENCY¹

In the Matter of

High Quality Provisioning Center, LLC ERG No. 000249 License No. PC-000174 CMP No. 22-000022 ENF No. 22-00111

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On April 4, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana provisioning center license (no. PC-000174) of High Quality Provisioning Center, LLC (Respondent) under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.111(4)(b), R 420.212(1), and R 420.505(2).

The executive director or designee reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the complaint. Therefore, the executive director or designee finds that the allegations contained in the complaint are true and that Respondent violated Mich Admin Code, R 420.111(4)(b), R 420.212(1), and R 420.505(2).

¹ The Marijuana Regulatory Agency was renamed the Cannabis Regulatory Agency under Executive Reorganization Order No. 2022-1, effective April 13, 2022. MCL 333.27002(1)(a).

² The administrative rules cited throughout this consent order and stipulation refer to the administrative rules filed with the Secretary of State on June 22, 2020, which were in effect at all times relevant to the conduct at issue in the formal complaint.

Accordingly, for these violations, IT IS ORDERED:

- 1. Respondent must pay a fine in the amount of seven thousand five hundred and 00/100 dollars (\$7,500.00). This fine shall be paid within 120 days of the effective date of this order by check, money order, or online through Accela Citizen Access (ACA). CRA guidance on how to make compliance payments online is available under "Tips for Licensees" at www.michigan.gov/cra/bulletins. Checks or money orders shall be made payable to the State of Michigan with "ENF No. 22-00111" and "License No. PC-000174" clearly displayed on the check or money order and mailed to: Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, P.O. Box 30205, Lansing, Michigan 48909.
- 2. 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.
- 3. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
- 4. If Respondent violates any term or condition set forth in this order, Respondent may be subject to additional fines and/or other sanctions.

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

	CANNABIS REGULATORY AGENCY
Signed on: <u>5/2/2024</u>	Brian Hanna Digitally signed by: Brian Hanna DN: CN = Brian Hanna email = DN: CN = Brian Hanna email = Anannab@michigan.gov C = US O = CRA OU = CRA Date: 2024.05.02 10:40:41 -04'00'
	Executive Director Brian Hanna
	or 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 charges set forth in the complaint by presentation of evidence and legal authority and to present a defense to the charges.
 - 3. The parties considered the following in reaching this agreement:
 - a. The medical marijuana provisioning center license (PC-000174) at issue in the complaint expired on October 29, 2021, and the facility is no longer operating. Respondent's owner contemporaneously owned and operated an adult-use marijuana retailer business (AU-R-000158) at the same location, but the adult-use license expired on January 21, 2023 and is no longer operating.
 - b. During its investigation, the CRA's regulation agent inspected Respondent's facility (operating under AU-R-000158) and did not observe any of the medical marijuana products at issue on the premises. Additionally, Respondent's owner maintained that some of the products had been destroyed and provided the CRA's regulation agent with photographs to that effect.
 - c. Respondent acknowledges that it was responsible for familiarizing itself with, understanding, and complying with all statutory requirements and rules applicable to its business.
 - d. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

The CRA's operations director or designee must approve this proposed 4. agreement before it is forwarded to the CRA's executive director or 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 operations director, executive director, or 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.

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Desmond Mitchell DN; CN = Desmond Mitchell email = Mitchelld@michigan.gov C = US O = Cannabis Regulatory Agency OU = Directors Office
Date: 2024.05.02 07:58:46 -04'00'

Desmond Mitchell **Operations Director** Cannabis Regulatory Agency

Dated: 5/2/2024

/s/ Adam M. Leyton

Adam M. Leyton (P80646) Assistant Attorney General

Attorney for Cannabis Regulatory Agency

Dated: <u>05/01/2024</u>

AGREED TO BY:

Shannon Patterson

Authorized Representative

On behalf of Respondent

High Quality Provisioning Center, LLC 04/30/2024

Dated:

Renette Jackson (P69002)

Attorney for Respondent

4/30/2024 Dated:

LF: 2024-0393996-A / High Quality Provisioning Center ENF No. 22-00111 / Consent Order and Stipulation / 2024-04-23

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

In the Matter of

High Quality Provisioning Center, LLC

ERG No.: 000249

License No.: PC-000174

ENF No.: 22-00111

FORMAL COMPLAINT

The Marijuana Regulatory Agency ("Complainant") files this formal complaint

against High Quality Provisioning Center, LLC ("Respondent") alleging upon information

and belief as follows:

1. The Marijuana Regulatory Agency (MRA) 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 MRA's authority to impose sanctions on the license.

Section 206(c) of the MMFLA provides that the administrative rules must ensure

the health, safety, and security of the public and integrity of the marihuana facility

operations.

4. Respondent's conduct as described below is a risk to public health and safety

and/or the integrity of marihuana facility operations.

MARIJUANA REGULATORY AGENCY 2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909

Formal Complaint

CMP No.: 22-000022

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

5. Respondent holds an active state operating license under the MMFLA to operate

a medical marihuana provisioning center facility in the state of Michigan.

6. Respondent operated at 4700 N Huron Rd. Suite 1, Pinconning, Michigan 48650,

at all times relevant to this complaint.

7. Following an investigation, the MRA determined that Respondent violated the

MMFLA and/or administrative rules promulgated thereunder as set forth below:

a. On October 29, 2021, Respondent's medical marihuana provisioning center

facility license expired.

b. On December 28, 2021, The MRA informed Respondent the 60 days to

renew their license had expired and that all inventory in the statewide

monitoring system (Metrc) must removed and destroyed by January 3,

2022.

c. On January 20, 2022, the MRA visited Respondent's marihuana facility, still

operating as an adult use retailer, to inquire about the (19) packages of

medical marihuana products still present in Metrc as inventory of the

medical marijuana provisioning center license.

d. A representative of Respondent alleges all medical marihuana products

were sold or destroyed prior to their medical license expiration. A physical

inspection was performed, no medical marihuana products were observed

on the sales floor or in the vault.

e. Respondent failed to enter all transactions and current inventory into Metro

in violation of Mich Admin Code, R 420.111(4)(b), which states a

provisioning center shall enter all transactions, current inventory, and other

information into the statewide monitoring system as required in the medical

marihuana facilities licensing act, these rules, and the marihuana tracking

act.

MARIJUANA REGULATORY AGENCY 2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909 f. Respondent's Metrc inventory and physical inventory are not consistent,

Respondent failed to track its inventory consistently in Metrc in violation of

Mich Admin Code, R 420.212(1), which states all marihuana products

must be stored at a marihuana business in a secured and limited access

area or restricted access area and must be identified and tracked

consistently in the statewide monitoring system under these rules.

g. Respondent is also in violation of Mich Admin Code, R 420.505(2), which

states a marihuana sales location shall enter all transactions, current

inventory, and other information required by these rules in the statewide

monitoring system in compliance with the acts and these rules. The

marihuana sales location shall maintain appropriate records of all sales or

transfers under the acts and these rules and make them available to the

agency upon request.

THEREFORE, based on the above, the MRA 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 MRA 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 MRA 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 MRA in writing.

MARIJUANA REGULATORY AGENCY 2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909 Hearing and compliance conference requests must be submitted in writing by one of the following methods:

By Mail: Department of Licensing & Regulatory Affairs

Marijuana Regulatory Agency

P.O. Box 30205

Lansing, Michigan 48909

In Person: Department of Licensing & Regulatory Affairs

Marijuana Regulatory Agency

2407 North Grand River Lansing, Michigan 48906

By Email: MRA-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 Marijuana Regulatory Agency at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: 4/4/2022

By:

| Julie | Diglally signed by: Julie Kluytman | DN/CN = Julie Kluytman | CN = Julie Cluytman | DN = Julie Cluytma

Julie Kluytman, Director Enforcement Division Marijuana Regulatory Agency