

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

In the Matter of

MBVS Industries, LLC  
dba Meds Café  
License No.: AU-R-000741

ENF No.: 24-00023

/      CONSENT ORDER AND STIPULATION

CONSENT ORDER

On February 5, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer establishment license (AU-R-000741) of MBVS Industries, LLC dba Meds Café (Respondent) under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated Mich Admin Code, R 420.502(3) and R 420.505(1).

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 all of the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.502(3) and R 420.505(1).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of twenty-five thousand and 00/100 dollars (\$25,000.00). 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](http://www.michigan.gov/cra). Check or money orders shall be made payable to the State of Michigan with enforcement number “24-00023” and license number “AU-R-000741” clearly displayed on the check or

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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's license is suspended for 3 days commencing on the effective date of this order. Suspension is applicable during days of normal business operation and cannot be satisfied on days regularly scheduled for the licensed business to be closed.
3. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.
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](mailto: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 7(1)(c) of the MRTMA, MCL 333.27957, 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 THE NEXT PAGE**



This order shall be effective 10 days after the date signed by the CRA's executive director or his designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: 5/23/24

By: Brian Hanna  
Digitally signed by: Brian Hanna  
DN: CN = Brian Hanna email = hanna@micrigan.  
gov C = US O = CRA OU = CRA  
Date: 2024.05.23 13:23:05 -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 MRTMA.
2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MRTMA, 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 has updated its standard operating procedures to promote compliance with products placed on administrative hold.
  - b. Respondent improved the signage within the establishment to better ensure that marijuana product put into quarantine will not be moved by employees.

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- c. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
  - d. Respondent has been licensed as a retailer since 2022 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.

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: 2024.05.17 09:23:21 -04'00'

Sara Hernandez, CSD Director  
or her designee  
Cannabis Regulatory Agency

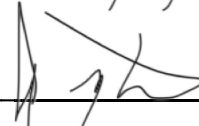
Dated: 5/17/24

AGREED TO BY:



Michael Atkins, Authorized Officer  
on behalf of Respondent  
MBVS Industries, LLC dba Meds Café

Dated: 5/16/24



Joshua Covert, P75733  
Attorney for Respondent

Dated: 5/16/24



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

In the Matter of

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ENF No.: 24-00023

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against MBVS Industries, LLC dba Meds Café (“Respondent”) alleging upon information and belief as follows:

1. The CRA is authorized under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951, *et seq.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MRTMA 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 MRTMA or administrative rules.
2. Section 8(1)(d) of the MRTMA provides that the administrative rules must ensure the health, safety, and security of the public and integrity of the marijuana establishment operations.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

3. Respondent holds an active state license under the MRTMA to operate an adult use retailer establishment in the state of Michigan.
4. Respondent operated at 427 West Campbell Street, Alpena, Michigan 49707, at all times relevant to this complaint.
5. Following an investigation, the CRA determined that Respondent violated the

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

- a. On August 30, 2023, the CRA placed an administrative hold on packages with statewide monitoring system (Metrc) tags  
1A405030002A5BD0000244782 (tag number ending in -4782);  
A405030002A5BD000024833 (tag number ending in -4833); and  
A405030002A5BD000022269 (tag number ending in -2269).
- b. Between October 19, 2023, and November 28, 2023, Respondent made 15 sales from package (-4782).
- c. Between October 13, 2023, and October 16, 2023, Respondent made three sales from package (-4833).
- d. On August 31, 2023, and September 3, 2023, Respondent made two sales from package (-2269).
- e. On December 27, 2023, the CRA Regulation Agent (RA) reviewed the document provided by the CRA Operations Support Section and discovered that there was a total of 20 sales made from three packages.
- f. On December 27, 2023, the CRA RA conducted an onsite visit to the Respondent's establishment and met with Manager J. H. The CRA RA reviewed the package page in Metrc for the facility and identified the packages that were on administrative hold. The review history for the packages showed sales after the packages were placed on administrative hold.

### **Count I**

Respondent's actions as described above in paragraphs a, b, c, e, d and f demonstrate a violation of Mich Admin Code R 420.502(3), which states a marihuana business shall not sell or transfer a marihuana product that has been placed on administrative hold, recalled, or ordered or otherwise required to be destroyed.



## **Count II**

Respondent's actions as described above in paragraphs b, c, d, e, f demonstrate a violation of Mich Admin Code R 420.505(1), which states a marihuana sales location shall verify all of the following prior to selling or transferring marihuana or a marihuana product to a marihuana customer: (a) The marihuana product has not been placed on administrative hold, recalled, or ordered or otherwise required to be destroyed.

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.

Pursuant to 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 MRTMA 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

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

By Email: [CRA-LegalHearings@michigan.gov](mailto: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's legal section at (517) 284-8599 or [CRA-LegalHearings@michigan.gov](mailto:CRA-LegalHearings@michigan.gov).

Dated: 2/5/24

By: Alyssa A. Grissom  
Alyssa A. Grissom  
Legal Section Manager  
Cannabis Regulatory Agency

Digitally signed by Alyssa A. Grissom  
Date: 2024.02.05 10:05:58 -05'00'