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

In the Matter of

Man-Sing, LLC dba Paisley Trees License No.: AU-G-C-000871 ENF No.: 23-00942

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On December 15, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana class C grower establishment license (AU-G-C-000871) of Man-Sing, LLC dba Paisley Trees ("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 420.102(1)(c).

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 420.102(1)(c).

Accordingly, for these violations, IT IS ORDERED:

 Respondent must pay a fine in the amount of five-hundred and 00/100 dollars (\$500.00). 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 <u>www.michigan.gov/cra</u>. Check or money orders shall be made payable to the State of Michigan with enforcement number "ENF-23-00942" and license number "AU-G-C-000871" 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.
- Unless otherwise specified in this order, Respondent shall direct any communications to the CRA that are required by the terms of this order to <u>CRA-</u> <u>CSS@michigan.gov</u>.
- 4. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
- If Respondent violates any term or condition set forth in this order, Respondent shall be subject to fines and/or other sanctions under section7(1)(c) of the MRTMA, MCL 333.27957, and Mich Admin Code, 420.808.
- 6. 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: <u>5/3/2024</u>

Digitally signed by: Brian Hanna Brian Hanna Br CN = Brian Hanna email = hannab@michigan. By:

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.
- 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 provided standard operating procedures (SOP) to create oversight redundancies for the purpose of ensuring plant counts are accurate and under the total allowance in the statewide monitoring system.
 - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - c. Respondent has been licensed as a class C grower since 2022.
- 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 = Hernandez51@michigan.gov C = US O = CRA OU = LARA Pate: 2024.05.02 14:25:14 -04'00'

Sara Hernandez, CSD Director or her designee Cannabis Regulatory Agency

Dated: _____

AGREED TO BY:

Heath Tichenor, Authorized Officer on behalf of Respondent Man-Sing, LLC

Dated: 5-1-2024

Devin Loker, P79694 Attorney for Respondent

Dated: 5-1-24

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

In the Matter of

ENF No.: 23-00942

Man-Sing, LLC dba Paisley Trees License No.: AU-G-C-000871

FORMAL COMPLAINT

The Cannabis Regulatory Agency ("Complainant") files this formal complaint against Man-Sing, LLC d/b/a Paisley Trees ("Respondent") alleging upon information and belief as follows:

1. The Cannabis Regulatory Agency (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 cultivator establishment in the state of Michigan.

4. Respondent operated at 21736 Bedford, Battle Creek, Michigan 49017, at all times relevant to this complaint.

5. Following an investigation, the CRA determined that Respondent violated the

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

- a. On July 24, 2023, Respondent cancelled three of four adult use licenses, AU-G-C-000872, AU-G-C-000873, and AU-G-C-000874 and converted these to new medical licenses. Respondent kept one adult use license under license number AU-G-C-000871.
- b. Prior to cancelling three of its adult use grower licenses, Respondent's four adult use licenses allowed Respondent to possess up to 8,000 plants.
- c. On July 24, 2023, the CRA Regulation Agent (RA) generated a Metrc plant count report that showed Respondent had 8,130 plants under license number AU-G-C-000871, 130 plants over the limit.
- d. On October 4, 2023, the CRA RA met with Respondent's Director of Cultivation, M.M. and asked him about the plant overage. M.M. did not give any explanation as to the 130-plant overage prior to the license changes.
- e. Following the license changes, Respondent's adult use grower class C license AU-G-C-00871, is allowed only 2,000 plants per CRA administrative rules.

On October 4, 2033, the CRA RA visited the Respondent establishment, and was unable to physically locate the excess 130 plants as they had already been batched and harvested.

<u>Count I</u>

Respondent's actions as described above in paragraph c, d and e demonstrate a violation of Mich Admin Code R 420.102(1)(c), which states a marihuana grower license authorizes the marihuana grower to cultivate not more than the following number of marihuana plants under the indicated license class for each marihuana grower license the marihuana grower holds in that class: (c) Class C – 2,000 marihuana plants.

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: <u>CRA-LegalHearings@michigan.gov</u>

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 <u>CRA-LegalHearings@michigan.gov.</u>

Dated: <u>12/15/23</u>

Alyssa A. Grissom Legal Section Manager Cannabis Regulatory Agency