

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

In the Matter of

Southeast Provisioning Center, LLC
License No.: PC-000582

ENF No.: 23-00312

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On May 6, 2024, the Cannabis Regulatory Agency (CRA) issued an amended formal complaint (formal complaint) against the medical marijuana provisioning center facility license (PC-000582) of Southeast Provisioning Center, LLC (“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 420.203(2)(b)(i), R 420.203(2)(b)(ii), and MCL 333.27504(4)(d).

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 420.203(2)(b)(i), R 420.203(2)(b)(ii), and MCL 333.27504(4)(d).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of twenty thousand and 00/100 dollars (\$20,000.00). 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. Check or money orders shall be made payable to the State of Michigan with enforcement number “23-00312” and license number “PC-000582” 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. Within 30 days of the effective date of this order, Respondent must provide the CRA standard operating procedures (SOP) regarding the prohibition of the consumption of food, marijuana products and marijuana, and alcohol at a licensed facility.
3. The CRA will review the SOPs 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. 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.
6. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
7. 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.
8. 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: 5/20/2024

By: Brian Hanna

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email = hannaab@michigan.gov, C = US, O = CRA, OU = CRA
Date: 2024.05.20 11:15:14 -0400

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 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

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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:

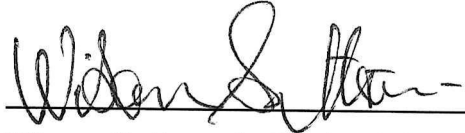
Sara Hernandez

Digitally signed by: Sara Hernandez
DN: CN = Sara Hernandez email =
HernandezS1@michigan.gov C = US O =
CRA OU = LARA
Date: 2024.04.24 14:18:17 -04'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

Dated: 04/24/2024

AGREED TO BY:



Wisam Sattam, Authorized Officer
on behalf of Respondent
Southeast Provisioning Center, LLC

Dated:

04/10/2024



Mohamed A. Ghaith, P84343
Attorney for Respondent

Dated:

04/10/2024

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

In the Matter of

Southeast Provisioning Center, LLC
License No.: PC-000582

ENF No: 23-00312

AMENDED FORMAL COMPLAINT

The Cannabis Regulatory Agency (Complainant) files this amended formal complaint against Southeast Provisioning Center, LLC (Respondent) due to an error in the citation of administrative rules and a non-substantive error in the factual allegations within the formal complaint issued on August 21, 2023.

Upon information and belief, the CRA alleges 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 processing center in the state of Michigan.

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4. Respondent operated at 14470 Livernois Avenue, Suite A, Detroit, Michigan 48238, 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. Respondent's general manager, M.S., made multiple posts publicly on social media advertising an unlicensed event at Respondent's medical marijuana provisioning center facility. The posts stated:
 - a. "Join us on 4/20" "Big give away"
 - b. "Come meet Craft Farmer on 4/20" "14470 Livernois Ave., Detroit"
 - c. "Leaf and Bud Exclusively Presents 1st Time in Michigan" "Join the Party Wednesday 4:20" "14470 Livernois Ave. Detroit, MI 48238"
- b. On April 20, 2022, Respondent hosted the unlicensed event in the parking lot of its licensed provisioning center facility. Video footage from the event shows food trucks, outdoor tables, music, and a bus called the Cannabus parked in Respondent's parking lot.
- c. The Cannabus is advertised as a mobile marijuana consumption lounge. The Cannabus is not licensed by the CRA.
- d. On April 21, 2022, the Cannabus posted on social media with M.S. tagged, stating that Cannabus thanks M.S. for partnering with the Cannabus.
- e. On January 12, 2023, the CRA contacted Respondent regarding the unlicensed event and the Cannabus.
- f. On January 19, 2023, in response to the CRA's inquiries, Respondent stated that the Cannabus was on Respondent's property on April 20, 2022, and that ownership and employees of Respondent entered the Cannabus. Additionally, Respondent indicated that it had no contract or agreement with the Cannabus.

- g. Video footage from inside the Cannabus during the event on April 20, 2022, at Respondent's facility, shows bottles of alcohol, Cannabus employees serving drinks from those bottles, as well as individuals drinking and smoking, including Respondent's general manager, M.S, who was only observed drinking.
- h. Respondent's actions were outside of the authority of its license as a provisioning center facility.
- i. Respondent did not apply for or obtain a temporary marijuana event license or a designated consumption establishment license from the CRA for the event on April 20, 2022.

Count I

Respondent's actions as described above in paragraph(s) b and g demonstrate a violation of Mich Admin Code, R 420.203(2)(b)(i), which states, a licensee shall comply with all of the following: (b) a marihuana business shall not allow onsite or as part of the marihuana business any of the following: (i) sale, consumption, or serving of food except as provided in these rules unless the business is a designated consumption establishment or a temporary marihuana event that has obtained any required authorizations from other federal, state, or local agencies.

Count II

Respondent's actions as described above in paragraph b and g demonstrates a violation of Mich Admin Code, R 420.203(2)(b)(ii), which states, a licensee shall comply with all of the following: (b) a marihuana business shall not allow onsite or as part of the marihuana business any of the following: (ii) consumption, use, or inhalation of a marihuana product unless the licensee has been granted a designated consumption establishment or temporary marihuana event license under the MRTMA, and these rules.

Count III

Respondent's actions as described above in paragraph b and g demonstrates a violation of MCL 333.27504(4)(d), which states, (4) a provisioning center shall comply with all of the following: (d) not allow the sale, consumption, or use of alcohol or tobacco products on the premises.

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

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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

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

Dated: 5/6/2024

By: Alyssa A. Grissom Digitally signed by
Alyssa A. Grissom
Date: 2024.05.06
08:55:43 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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