CANNABIS REGULATORY AGENCY

In the Matter of

HRS Agriculture, LLC
License No: AU-G-C-000720
ENF No.: 24-00096
_____/

Docket No.: 24-017133

FINAL ORDER

The Cannabis Regulatory Agency (CRA), by its authorized representative, Executive Director Brian Hanna, issues this final order in the above-referenced matter finding that:

1. On February 8, 2024, the CRA issued a formal complaint against the class C grower license (no. AU-G-C-000720) of HRS Agriculture, LLC (Respondent) under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and administrative rules promulgated thereunder.

2. The complaint alleged Respondent violated Mich Admin Code, R 420.20.

3. A contested case hearing was held on March 4, 2025, before an administrative law judge (ALJ) within the Michigan Office of Administrative Hearings and Rules (MOAHR).

4. On June 5, 2025, the ALJ issued a proposal for decision recommending that the Executive Director of the CRA issue a final order finding that Respondent violated Mich Admin Code, R 420.20.

5. A copy of the ALJ's proposal for decision is attached and is incorporated consistent with the findings and conclusions of this order.

6. Having reviewed the whole record before it, the CRA makes the following findings of fact and conclusions of law:

a. Findings of Fact:

1. The CRA accepts the ALJ's findings of fact as set forth in the proposal for decision.

b. Conclusions of Law:

1. The CRA accepts the ALJ's conclusions of law as set forth in the proposal for decision.

7. Based on the above, the CRA finds that Respondent violated Mich Admin Code, R 420.20.

8. Pursuant to MCL 333.27957, Executive Reorganization Order No. 2019-2, MCL 333.27001, and Mich Admin Code, R 420.806, the Executive Director has the authority to impose sanctions.

9. THEREFORE, IT IS ORDERED THAT:

a. Respondent must pay a fine in the amount of twenty-five hundred and 00/100 ($2,500.00) dollars. The fine shall be paid within 60 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 order payments online is available under "Tips for Licensees" at www.michigan.gov/cra/bulletins.Check or money orders shall be made payable to the State of Michigan with "ENF No. 24-00096" and "License No. AU-G-C-000720" 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.

b. 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.

c. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.

d. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this order.

If Respondent violates any term or condition set forth in this order, Respondent may be subject to additional fines and/or other sanctions.

This final order is a public record that will be published on the CRA's website and is subject to disclosure under the Freedom of Information Act, MCL 15.231 *et seq*.

This order shall be effective on the date signed by the CRA's Executive Director or his designee, as set forth below.

Dated: 8/12/25

Brian Hanna

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email = hannab@michigan.gov C = US O = CRA OU = CRA
Date: 2025.08.12 09:03:57 -04'00'

Brian Hanna, Executive Director
Or his designee
Cannabis Regulatory Agency

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

In the Matter of

HRS Agriculture, LLC
License No.: AU-G-C-000720
_____/

ENF No. 24-00096

FORMAL COMPLAINT

The Cannabis Regulatory Agency ("CRA") files this formal complaint against HRS Agriculture, LLC ("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*. 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. Pursuant to Mich Admin Code, R 420.20, Respondent is required to transmit to the CRA a financial statement of the licensee's total operations by 30 days after the due date provided by the CRA.

3. Respondent's annual financial statement for fiscal year 2023 was due on or before December 31, 2023.

4. As of the date of this formal complaint, Respondent has failed to file its annual financial statement for FY 2023.

5. Respondent's failure to timely file the required Annual Financial Statement is a violation of Mich Admin Code, R 420.20.

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.

A licensee 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. See Mich Admin Code, R 420.704(3) and R 420.808(2)(b). A request for a hearing must be submitted to the CRA in writing within 21 days after service of this complaint. Mich Admin Code, R 420.704(2) and R 420.808(3). Notice served by certified mail is considered complete on the business day following the date of the mailing.

Respondent may also be given an opportunity to meet with the CRA to negotiate a settlement or demonstrate compliance with the MRTMA and administrative rules prior to a contested case hearing. Mich Admin Code, R 420.704(1) and R 420.808(2)(a). A request for a compliance conference request must be submitted to the CRA in writing within 21 days after service of this complaint. Mich Admin Code, R 420.808(3).

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

If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter. Mich Admin Code, R 420.808(3).

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

Dated: 2/8/24

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom Date: 2024.02.08 11:26:33 -05'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency