

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

In the Matter of

Ocean Capital, LLC
dba Gatsby Cannabis Co.
License No.: AU-R-001000

ENF No.: 25-00716

/ **CONSENT ORDER AND STIPULATION**

CONSENT ORDER

On August 29, 2025, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer license (AU-R-001000) of Ocean Capital, LLC dba Gatsby Cannabis Co. (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 420.804(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 420.804(1).

Accordingly, for these violations, **IT IS ORDERED:**

1. Respondent must pay a fine in the amount of two thousand five hundred and 00/100 dollars (\$2,500.00). This 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). 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 "25-00716" and license number "AU-R-001000" clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and

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Regulatory Affairs, Cannabis Regulatory Agency, PO BOX 30205, Lansing,
Michigan 48909.

2. Respondent must provide the following within 30 days of the effective date of the consent order:
 - a. A CRA reporting form for the criminal activity identified in the formal complaint. If the CRA identifies a deficiency in the submitted forms/documents, it will notify Respondent. Respondent must correct any deficiencies within 10 days of receipt of the notice of deficiency.
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.
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 ON TO 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: 12/29/2025

By: Brian Hanna
Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O = CRA OU =
CRA
Date: 2025.12.29 09:13:34 -05'00'

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 provided a standard operating procedure (SOP) related to CRA reporting requirements during investigation.
 - i. Specifically, the SOP includes language indicating that Respondent shall notify the agency within 24 hours of becoming aware of, or within 24 hours of when the licensee should have been aware of, criminal activity at the marihuana business.

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- 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 retailer since 2023 and has no prior discipline against its license.
4. The CRA's legal division 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 legal division director, executive director, or their designees reject the proposed consent order.

AGREED TO BY:

Alyssa A.
Grissom

Digitally signed by Alyssa A.
Grissom
Date: 2025.12.22 15:02:57 -05'00'

Alyssa Grissom, Director
Legal Division
or her designee
Cannabis Regulatory Agency

Dated: 12/22/2025

AGREED TO BY:



Ricky Manjo, Authorized Officer
on behalf of Respondent
Ocean Capital, LLC
dba Gatsby Cannabis Co.

Dated: 12/18/2025



Mike Bahoura, P80205
Attorney for Respondent

Dated: 12/18/2025

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

In the Matter of

Ocean Capital, LLC
dba Gatsby Cannabis Co.
License No: AU-R-001000

ENF No: 25-00716

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Ocean Capital, LLC dba Gatsby Cannabis Co. (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 in the state of Michigan.

4. Respondent operated at 15530 11 Mile Road, Battle Creek, Michigan 49014, at

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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 May 20, 2025, the Chikaming Township Police Department conducted a traffic stop and seized marijuana products that were purchased from Respondent's establishment. The products were in excess of 200 grams of marijuana concentrate and 2,000 grams of marijuana flower.
- b. On May 21, 2025, the CRA received the police report from the Chikaming Township Police Department regarding the seized marijuana product.
- c. On May 22, 2025, a CRA Regulation Agent (RA) went to the Chikaming Township Police Department and observed the seized marijuana products.
- d. On May 23, 2025, the CRA RA reviewed Respondent's Metrc transaction history report and found that all the seized marijuana products were sold by Respondent to the customer in the May 20th traffic stop.
- e. Respondent failed to notify the CRA criminal activity of the customer after the sales in excess of the legal possession limit.
- f. On May 27, 2025, The RA went to Respondent's establishment and reviewed Respondent's surveillance recordings to observe the transactions of the seized marijuana products. The RA observed through video surveillance the customer leaving the store with the same box that was seized by the Chikaming Township Police Department and observed the employee who completed the transactions exiting the store with a trash bag containing marijuana that was also purchased by the customer.

Count I

Respondent's actions as described above in paragraphs a, d, e, and f demonstrate a violation of Mich Admin Code R 420.804(1) which states licensees shall notify the agency and local law enforcement authorities within 24 hours of becoming aware

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of, or within 24 hours of when the licensee should have been aware of, the theft or loss of any marihuana product or criminal activity at the marihuana business.

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.

Respondent has the right to request a compliance conference under Mich Admin Code, R 420.704(1) and R 420.808(4). 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.

Alternatively, a Respondent has a right to a contested case hearing regarding the allegations in this complaint. Under Mich Admin Code, R 420.704(2), 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 may choose to be represented by a Michigan State Bar licensed attorney regarding this formal complaint. If so, Respondent's attorney must file an appearance with the CRA with the compliance conference or hearing request, or as soon as applicable.

Compliance conference and hearing requests, as well as attorney appearances, 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

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 at (517) 284-8599 or CRA-LegalHearings@michigan.gov.

Dated: 8/29/25

By: Alyssa A. Grissom

Digitally signed by Alyssa
A. Grissom
Date: 2025.08.29
15:58:53 -04'00'

Alyssa A. Grissom, Director
Legal Division
Or her designee
Cannabis Regulatory Agency

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