

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY¹

In the Matter of

Green Mitten Agricultural Corporation
AU-ER No. 000498
License No. AU-G-C-000212
ENF No. 21-00320

CMP No. 21-000973

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On September 9, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult use class C marihuana grower license (no. AU-G-C-000212) of Green Mitten Agricultural Corporation (Respondent) under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.212(1) and R 420.102(7).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the complaint. Therefore, the executive director finds that the allegations contained in the complaint are true and that Respondent violated Mich Admin Code, R 420.212(1) and R 420.102(7).

¹ The Marijuana Regulatory Agency was renamed the Cannabis Regulatory Agency under Executive Reorganization Order No. 2022-1, effective April 13, 2022. MCL 333.27002(1)(a).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of five thousand and 00/100 dollars (\$5,000.00). This fine shall be paid within 60 days of the effective date of this order by check or money order made payable to the State of Michigan with "ENF No. 21-00320" clearly displayed on the check or money order. Respondent shall mail the payment to: Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, P.O. Box. 30205, Lansing, Michigan 48909.
2. If Respondent fails to timely pay the fine, Respondent's license shall be suspended until payment is received.
3. Unless otherwise specified in this order, Respondent shall direct any communications to the CRA regarding the terms of this order to CRA-legalhearings@michigan.gov.
4. If Respondent violates any term or condition set forth in this order, Respondent may be subject to additional fines and/or other sanctions.

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

CANNABIS REGULATORY AGENCY

Signed on: 6/14/22

By: Andrew Brisbo
Andrew Brisbo, Executive Director
Cannabis Regulatory Agency

Digitally signed by: Andrew Brisbo
DN: CN = Andrew Brisbo email =
brisboa@michigan.gov C = US O = Marijuana
Regulatory Agency
Date: 2022.06.14 14:14:20 -04'00'

STIPULATION

The parties stipulate to the following:

1. Respondent does not contest the allegations of fact and law in the complaint. By pleading no contest, Respondent does not admit the truth of the allegations but agrees that the CRA's executive director may enter an order treating the allegations as true for purposes of resolving the complaint.

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 charges set forth in the complaint by presentation of evidence and legal authority and to present a defense to the charges.

3. The parties considered the following in reaching this agreement:

- a) According to a member blog² published on the National Cannabis Industry Association's website, cannabis stored in suboptimal conditions is susceptible to moisture evaporation. Respondent maintains that this moisture evaporation accounted for the weight discrepancy of the product at issue in the complaint.
- b) Respondent provided a document published by METRC that is intended to guide licensees through the process of tagging and reporting their adult use *beginning* inventory in METRC. The document provides, in relevant part, that "[t]he weight of the product is reported based on the weight at harvest." Notwithstanding this language, which Respondent avers it relied on, Respondent now understands that the product at issue in the complaint was no longer "beginning inventory" and that it needed to re-weigh and re-tag the product prior to its transfer

² Available at <https://thecannabisindustry.org/member-blog-evaporation-is-costing-the-cannabis-industry-millions-heres-everything-you-need-to-know/>.

following the approximately six-month delay described in the complaint.

- c) Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

4. The CRA's enforcement division director or designee must approve this proposed agreement before it is forwarded to the CRA's executive director or 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 enforcement division director, executive director, or 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.

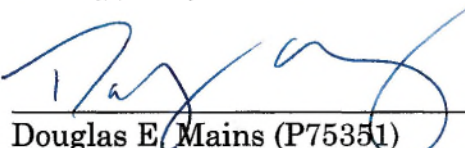
AGREED TO BY:


Julie Kluytman
Digitally signed by Julie Kluytman
DN: CN = Julie Kluytman email =
Kluytmanj@michigan.gov C = US O = Marijuana
Regulation Agency OU = Enforcement Division
Date: 2022.06.13 19:50:07 -04'00'

Julie Kluytman
Enforcement Division Director
Cannabis Regulatory Agency
Dated: _____

/s/ Adam M. Leyton
Erika N. Marzorati (P78100)
Adam M. Leyton (P80646)
Assistant Attorneys General
Attorneys for Cannabis Regulatory Agency
Dated: 06/09/2022

AGREED TO BY:


Douglas E. Mains (P75351)
Honigman LLP
Attorney for Respondent
Dated: 6/8/22


Narmin Jarrous
Authorized Representative
Green Mitten Agricultural Corp.
Dated: 06/08/2022

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

In the Matter of

Green Mitten Agricultural Corporation
AU-ER No.: 000498
License No.: AU-G-C-000212
ENF No.: 21-00320

CMP No.: 21-000973

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Green Mitten Agricultural Corporation (“Respondent”) alleging upon information and belief as follows:

1. The Marijuana Regulatory Agency (MRA) is authorized under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), 2018 IL1, *et seq.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MRTMA and the Administrative Rule 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 marihuana establishment operations.

3. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marihuana establishment operations.

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA

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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

4. Respondent holds an active state license under the MRTMA to operate an adult use grower class C establishment in the state of Michigan.
5. Respondent operated at 34041 County Road 681, Arlington Township, Michigan, 49013, at all times relevant to this complaint.
6. Following an investigation, the MRA determined that Respondent violated the MRTMA and/or Administrative Rules promulgated thereunder as set forth below:
 - a. On May 26, 2021, Respondent shipped statewide monitoring system (METRC) package tag number 1A405030000D5AE000000021 (tag #0021) to a licensed adult-use marihuana processor establishment via METRC manifest #000064651.
 - b. The shipped weight for tag #0021 on the manifest was 630,922.88 grams.
 - c. The received weight for tag #0021 on the manifest was 556,029.17 grams.
 - d. The difference between the weights is 74,893.71 grams, or approximately 165 pounds.
 - e. Respondent admitted that it waited approximately 6 months to ship this package to the receiving establishment.
 - f. Respondent admitted that it did not reweigh the package prior to shipping and the weight used was from when the package was created.
 - g. Respondent also admitted that it did not properly store the fresh frozen marijuana product prior to shipment.
 - h. Respondent failed to identify and track consistently its inventory in the statewide monitoring system in violation of Mich Admin Code, R 420.212(1).
 - i. Respondent did not enter all transactions, current inventory, and other information into the statewide monitoring system as required in violation of Mich Admin Code, R 420.102(7).

THEREFORE, based on the above, the MRA 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.

Under MCL 333.27957 (1)(c) and Mich Admin Code, R 420.704(2), any party aggrieved by an action of the MRA 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 MRA 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 Emergency Rules. A compliance conference request must be submitted to the MRA 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
Marijuana Regulatory Agency
P.O. Box 30205
Lansing, Michigan 48909

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

By Email: MRA-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 Marijuana Regulatory

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www.michigan.gov/MRA

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Agency's legal section at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: 9/9/21

By: Claire Patterson
Claire Patterson, Manager
Scientific and Legal Section Manager
Enforcement Division
Marijuana Regulatory Agency

Digitally signed by Claire
Patterson
Date: 2021.09.09
08:21:35 -04'00'

MARIJUANA REGULATORY AGENCY
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