

STATE OF MICHIGAN
DEPARTMENT OF REGULATORY AFFAIRS¹
CANNABIS REGULATORY AGENCY

In the Matter of

Green Skies – Healing Tree, LLC
ERG No.: 000438
ENF No.: 20-00230

CMP No.: 20-001330

/ CONSENT ORDER AND STIPULATION

PRE-COMPLAINT CONSENT ORDER

On December 23, 2020, the Cannabis Regulatory Agency (CRA) received information that Green Skies – Healing Tree, LLC (“Respondent”) who holds state operating license(s) under the Medical Marihuana Facilities Licensing Act (MMFLA) violated the MMFLA.

state operating license(s) under the Medical Marihuana Facilities Licensing Act (MMFLA).

Through the information provided and execution of this agreement, Respondent admits that it violated Section 701 of the MMFLA, MCL 333.27701.

The CRA is authorized under the 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.

¹ Executive Reorganization Order 2019-2 created the Marijuana Regulatory Agency (CRA) as a Type I agency within the Department of Licensing and Regulatory Affairs (LARA). MCL 333.27001(1)(a)(d). The CRA exercises its statutory powers, duties, and functions independent of LARA’s direction. MCL 16.103.

Section 402(12) of the MMFLA provides that the expiration of a license does not terminate the CRA's authority to impose sanctions against the Respondent.

Section 206(c) of the MMFLA provides that the administrative rules must ensure the health, safety, and security of the public and integrity of the marihuana facility operations.

Mich Admin Code R 420.805 and Mich Admin Code R 420.806² authorizes the CRA to impose sanctions against the respondent if it has been determined that the respondent violated the MMFLA and/or administrative rules promulgated thereunder.

The parties have stipulated that the CRA may enter this consent order for the purpose of resolving this matter without the filing of an administrative complaint against Respondent.

The Executive Director reviewed the stipulation contained in this document and agrees that the public interest is best served by resolution of this matter. Therefore, the Executive Director finds that the factual allegations and violations set forth in the stipulation are true and that Respondent violated Section 701 of the MMFLA, MCL 333.27701.

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of Ten Thousand and 00/100 dollars (\$10,000.00). This fine shall be paid within 14 days of the effective date of this order by check or money order made payable to the State of Michigan with enforcement number "20-00230" 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 pay the fine, Respondent's state operating license(s) shall be suspended until payment is received.

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-LegalHearings@michigan.gov. This order shall be effective on the date signed by the CRA's executive director or his designee, as set forth below.

² On March 7, 2022, the CRA enacted new administrative rules.

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

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CANNABIS REGULATORY AGENCY

Signed on: 10/12/2022

By:

Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O = CRA OU
= CRA
Date: 2022.10.12 08:28:16 -04'00'

Andrew Brisbo, Executive Director
and/or his designee
Cannabis Regulatory Agency

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STIPULATION

The parties stipulate to the following:

1. Respondent understands and agrees to return this signed stipulation within 7 days of the date of receipt to confirm the terms of this agreement.
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 charges set forth in this disciplinary action by presentation of evidence and legal authority, and to present a defense to the charges.
3. Respondent desires to resolve and settle all issues related to this matter, in lieu of disputing the disciplinary action in a contested case hearing.
4. The CRA shall report this resolution as a disciplinary proceeding as required by state or federal law. This consent order shall be subject to disclosure under the Michigan Freedom of Information Act, MCL 15.231, *et seq.*
5. Respondent admits to the following factual allegations and violations:
 - a. Respondent did not file the required Annual Financial Statement(s) by the deadline of October 31, 2020.
 - b. Respondent filed the required Annual Financial Statement on December 10, 2020.
 - c. Respondent provided a standard operating procedure for internal accounting.
 - d. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - e. Respondent has been licensed as a provisioning center since 2018.
6. The CRA's enforcement division director or her/his 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 enforcement division 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:

Desmond Mitchell	Digitally signed by Desmond Mitchell Date: 2022.10.12 07:22:39 -04'00'
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Desmond Mitchell
and/or his designee
Director of Operations
Cannabis Regulatory Agency
Dated: 10/12/2022

AGREED TO BY:

DocuSigned by: <i>Victor Kattoula</i> D0A68571349B41F...
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(Signature)

(Printed Name)
Victor Kattoula
Authorized Officer
On behalf of Respondent
Green Skies - Healing Tree, LLC
Dated: October 10, 2022