

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

In the Matter of

VB Chesaning, LLC dba High Life Farms
License No(s): AU-G-C-000117, AU-P-000107,
AU-G-C-000173, AU-G-C-000174, AU-G-C-000237,
AU-G-C-000238, AU-G-EX-000112, AU-G-EX-000113,
& AU-G-EX-000114

ENF No.: 22-00438

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On June 29, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana processor and grower establishment licenses (AU-G-C-000117, AU-P-000107, AU-G-C-000173, AU-G-C-000174, AU-G-C-000237, AU-G-C-000238, AU-G-EX-000112, AU-G-EX-000113, & AU-G-EX-000114) of VB Chesaning, LLC ("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 420.203(3)(a).

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 the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.203(3)(a).

¹ Executive Reorganization Order 2019-2 created the Marijuana Regulatory Agency (MRA) as a Type I agency within the Department of Licensing and Regulatory Affairs (LARA). MCL 333.27001(1)(a)(d). On April 13, 2022, the MRA became the Cannabis Regulatory Agency (CRA). The CRA exercises its statutory powers, duties, and functions independent of LARA's direction. MCL 16.103.

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of Two Thousand and 00/100 dollars (\$2,000). 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). The check or money order shall be made payable to the State of Michigan with enforcement number "22-00438" and license number "AU-G-C-000117, AU-P-000107, AU-G-C-000173, AU-G-C-000174, AU-G-C-000237, AU-G-C-000238, AU-G-EX-000112, AU-G-EX-000113, & AU-G-EX-000114" 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 license shall be suspended until payment is received.
3. 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.
4. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
5. If Respondent violates any term or condition set forth in this order, Respondent will be subject to fines and/or other sanctions under section 7(1)(c) of the MRTMA, MCL 333.27957, and Mich Admin Code, 420.806.
6. Upon timely payment of the fine by Respondent, the matters set forth in the formal complaint shall be deemed resolved and closed subject to this Consent Order.

This order shall be effective 5 days from the date signed by the CRA's executive director or his designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on:

10/19/2022

By:

Brian Hanna

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hanab@michigan.gov C = US O =
CRA OU = CRA
Date: 2022.10.19 13:09:15 -04'00'

Brian Hanna, Acting Executive Director
And/or his designee
Cannabis Regulatory Agency

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
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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 charges set forth in the formal 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. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - b. Respondent has been licensed as a processor and a grower since 2019 and has no prior discipline against its license.
4. The CRA's enforcement 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 enforcement division director, executive director, or their designees reject the proposed consent order.

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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: 2022.10.19 07:10:41 -04'00'

Desmond Mitchell, Operations Director
and/or his designee
Cannabis Regulatory Agency

Dated:

10/19/2022

AGREED TO BY:



Thomas Celani,
Authorized Officer
On behalf of Respondent
VB Chesaning, LLC

Dated:

10-12-22



R. Lance Boldrey, P#53671
Attorney for Respondent

Dated:

10/12/22

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

In the Matter of

VB Chesaning LLC dba High Life Farms ENF No: 22-00438
License No(s): AU-G-C-000117, AU-P-000107, AU-G-C-000173, AU-G-C-000174, AU-G-C-000237, AU-G-C-000238, AU-G-EX-000112, AU-G-EX-000113 & AU-G-EX-000114

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against VB Chesaning LLC dba High Life Farms (“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), 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.

^[1] Executive Reorganization Order 2019-2 created the Marijuana Regulatory Agency (MRA) as a Type I agency within the Department of Licensing and Regulatory Affairs (LARA). MCL 333.27001(1)(a)(d). On April 13, 2022, the MRA became the Cannabis Regulatory Agency (CRA). The CRA exercises its statutory powers, duties, and functions independent of LARA's direction. MCL 16.103.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

4. Respondent holds an active state license under the MRTMA to operate an adult use processor establishment, multiple class C grower establishments, and multiple excess marijuana grower establishments in the state of Michigan.

5. Respondent operated at 624 Brady Street Suite A, Chesaning, Michigan 48616, at all times relevant to this complaint.

6. Following an investigation, the CRA determined that Respondent violated the MRTMA and/or Administrative Rules promulgated thereunder as set forth below:

- a. On May 24, 2022, the Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD) issued Respondent (4) rule violations of R 336.1201(1) for the installation of process equipment without a permit.
- b. Respondent violating EGLE administrative rules is a violation of Mich Admin Code, R 420.203(3)(a), which states a marihuana business shall comply with all of the following: (a) The natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106. The agency may publish guidance in cooperation with the department of environment, great lakes, and energy.

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.

Under MCL 333.27957 (1)(c) and 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 Emergency 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

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

Dated:

6/29/2022

By:

Alyssa A.
Grissom

Digitally signed by Alyssa
A. Grissom
Date: 2022.06.29
10:28:38 -04'00'

Alyssa A. Grissom
Legal Section Manager
Enforcement Division
Cannabis Regulatory Agency

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