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.: GR-C-000010, GR-C-000011, GR-C-000012, GR-C-000013, & PR-000008 ENF No.: 22-00500

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On September 27, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana grower facility licenses and processor license (GR-C-000010, GR-C-000011, GR-C-000012, GR-C-000013, & PR-000008) of VB Chesaning, LLC ("Respondent") under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *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).

Accordingly, for these violations, IT IS ORDERED:

 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

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.

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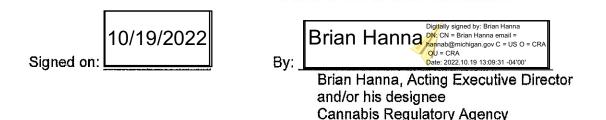
number "22-00500" and license number "GR-C-000010, GR-C-000011, GR-C-000012, GR-C-000013, & PR-000008" clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, PO BOX 30205, Lansing, Michigan 48909.

- 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 <u>CRA-LegalHearings@michigan.gov</u>.
- 4. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
- If Respondent violates any term or condition set forth in this order, Respondent will be subject to fines and/or other sanctions under section 407(1) of the MMFLA, MCL 333.27407(1), and Mich Admin Code, R 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 30 days after the date signed by the CRA's executive

CANNABIS REGULATORY AGENCY

director or his designee, as set forth below.



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ENF No. 22-00500 CRA 5044

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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 MMFLA.
- 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 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 grower and processor since 2018 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.

CANNABIS REGULATORY AGENCY 2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909 www.michigan.goy/CRA LARA is an equal opportunity employer/program By signing this stipulation, the parties confirm that they have read, understand, and

agree with the terms of the consent order.

AGREED TO BY:

AGREED TO BY:

Digitally signed by Desmond Mitchell Date: 2022.10.19 07:14:07 -04'00' Desmond Mitchell

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

10/19/2022 Dated:

Coloni

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

Dated: 10-12-22

R. Lance Boldrey, P#53671 Attorney for Respondent

Dated: (0/12/22

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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 License No(s).: GR-C-000010, GR-C-000011, GR-C-000012, GR-C-000013 & PR-000008 ENF No: 22-00500

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 Medical Marihuana Facilities Licensing Act (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.

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

3. 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 marijuana facility operations.

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4. Respondent's conduct as described below is a risk to public health and safety and/or the integrity of marijuana facility operations.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

5. Respondent holds an active state operating license under the MMFLA to operate a medical marijuana class C grower establishment in the state of Michigan.

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

7. Following an investigation, the CRA determined that Respondent violated the MMFLA 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.

Count I

Respondent's actions as described above demonstrate 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 333.27407(4) and Mich Admin Code, R 420.704(2), any party aggrieved

CANNABIS REGULATORY AGENCY 2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909 www.michigan.gov/CRA LARA is an equal opportunity employer/program 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 MMFLA and/or the administrative 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 at (517) 284-8599 or <u>CRA-LegalHearings@michigan.gov.</u>

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	9/27/2022
Dated:	JIZ II 2022

Alyssa A.	Digitally signed by Alyssa A. Grissom	7
By: Grissom	Date: 2022.09.27 10:41:26 -04'00'	

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

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