

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

In the Matter of

Great Lakes Aqua Culture, LLC
dba White Flower Cannabis Company
License No. AU-P-000264

ENF No. 24-00350

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On May 20, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana processor license (no. AU-P-000264) of Great Lakes Aqua Culture, LLC, dba White Flower Cannabis Company (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 420.802(3)(b), Mich Admin Code, R 420.802(3)(f)(i), Mich Admin Code, R 420.802(3)(f)(ii), Mich Admin Code, R 420.802(3)(f)(iii), Mich Admin Code, R 420.802(3)(f)(v), and Mich Admin Code, R 420.803(1).

The executive director or designee reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the complaint. Therefore, the executive director or designee finds that the allegations contained in the complaint are true and that Respondent violated Mich Admin Code, R 420.802(3)(b), Mich Admin Code, R 420.802(3)(f)(i), Mich Admin Code, R 420.802(3)(f)(ii), Mich Admin Code, R 420.802(3)(f)(iii), Mich Admin Code, R 420.802(3)(f)(v), and Mich Admin Code, R 420.803(1).

Accordingly, for this violation, 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, money order, or online through Accela Citizen Access (ACA). CRA guidance on how to make compliance payments online is available under “Tips for Licensees” at www.michigan.gov/cra/bulletins. Checks or money orders shall be made payable to the State of Michigan with “ENF No. 24-00350” and “License No. AU-P-000264” clearly displayed on the check or money order and mailed to: Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, P.O. Box 30205, Lansing, Michigan 48909.

2. If Respondent fails to timely comply with the terms of this order, Respondent’s license shall be suspended until compliance is demonstrated.

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-CSS@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 may be subject to additional fines and/or other sanctions.

This order shall be effective 30 days from the date signed by the CRA’s executive director or designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: 8/23/2024

Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@miichigan.gov C = US O = CRA OU =
CRA
Date: 2024.08.23 16:29:33 -04'00'
By: _____
Executive Director Brian Hanna
or Designee
Cannabis Regulatory Agency

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 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 submitted an updated reporting form documenting material change on March 11, 2024, and has since passed semi-annual inspection from the CRA. Respondent is currently not using the equipment at issue until and unless it receives approval from the BFS.
 - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
4. The CRA's operations 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 operations 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:

Sara Hernandez

Digitally signed by: Sara Hernandez
DN: CN = Sara Hernandez email =
HernandezS1@michigan.gov C = US O = CRA
OU = LARA
Date: 2024.08.23 14:20:34 -0400

Desmond Mitchell
or Designee
Operations Director
Cannabis Regulatory Agency

Dated: 8/23/2024

Risa N. Hunt-Scully
Marrena S. Sambou

Risa Hunt-Scully (P58239)
Marrena S. Sambou (P79149)
Assistant Attorneys General
Attorneys for Cannabis Regulatory Agency
Dated: 8/22/24

AGREED TO BY:

Aaron White
Aaron White
Authorized Representative
On behalf of Respondent
Great Lakes Aqua Culture, LLC
dba White Flower Cannabis Company
Dated: 8-22-24

Devin Loker

Devin Loker (P79694)
Veritas Law Group
Attorney
Attorney for Respondent
Dated: 8-22-24

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

In the Matter of

Great Lakes Aqua Culture LLC
dba White Flower Cannabis Company
License No: AU-P-000264

ENF No: 24-00350

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Great Lakes Aqua Culture LLC dba White Flower Cannabis Company (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 processor in the state of Michigan.
4. Respondent operated at 39530 W. Red Arrow HWY, Paw Paw, Michigan, 49079,

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at 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 March 6, 2024, a CRA Regulation Officer (RO) conducted an onsite visit at Respondent's establishment.
- b. During the visit, the CRA RO noticed a black shipping extraction container (C1D1).
- c. The CRA RO was informed by Respondent's owner, A.W., that the shipping extraction container was received two weeks prior to the CRA RO's onsite visit. There was no reporting form submitted to the CRA.
- d. The CRA RO spoke with Respondent's attorney, D.L. about the shipping extraction container. D.L. claimed that he was not aware of the shipping extraction container onsite and that he would submit a reporting form.
- e. On March 24, 2024, a CRA Regulation Agent (RA) spoke with A.W. about the shipping extraction container. A.W. stated that he was not aware he had to get approval to make material changes.
- f. The C1D1 extraction container was in the process of being installed but was not operational. There was no inspection that was completed by the Bureau of Fire Services (BFS).

Count I

Respondent's actions as described above in paragraphs b, c, and e, demonstrate a violation of Mich Admin Code 420.802(3)(b) which states licensees shall report to the agency any proposed material changes to the marihuana business before making a material change. A proposed material change is any action that would result in alterations or changes being made to the marihuana business to effectuate

the desired outcome of a material change. Material changes, include, but are not limited to, the following: (b) Change of processing machinery or equipment.

Count II

Respondent's actions as described above in paragraph f demonstrate a violation of Mich Admin Code 420.802(3)(f)(i) which states any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the following: (i) Operational or method changes requiring inspection under these rules.

Count III

Respondent's actions as described above in paragraph b, c, e, and f demonstrate a violation of Mich Admin Code 420.802(3)(f)(ii) which states any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the following: (ii) Additions or reductions in equipment or processes.

Count IV

Respondent's actions as described above in paragraphs b, c, and, f demonstrate a violation of Mich Admin Code 420.802(3)(f)(i) which states any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the following: (iii) Increase or decrease in the size or capacity of the marihuana business.

Count V

Respondent's actions as described above in paragraphs e and f demonstrate a violation of Mich Admin Code 420.802(3)(f)(i) which states any change or

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modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the following: (v) Changes that impact security, fire safety, and building safety.

Count VI

Respondent's actions as described above in paragraphs c through f demonstrate a violation of Mich Admin Code 420.803(1) which states any change or modification to the marihuana business after licensure is governed by the standards and procedures set forth in these rules and any regulations adopted pursuant to the acts. Any material change or modification to the marihuana business must be approved by the agency before the change or modification is made.

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.

Pursuant to 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 administrative rules. A compliance conference request must be submitted to the CRA in writing.

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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: 5/20/2024

By: Alyssa A. Grissom
Digitally signed by Alyssa A. Grissom
Date: 2024.05.20 08:23:35 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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