

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

In the Matter of

664 Vassar, LLC
dba Premier Saginaw III
License No.: AU-R-000547

ENF No.: 24-00301

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On April 22, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer establishment license (AU-R-000547) of 664 Vassar, LLC dba Premier Saginaw III (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 420.6(5), R 420.206a(1), R 420.206a(2), R 420.206a(3), R 420.502(4) & R 420.505(1)(b).

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 all the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.6(5), R 420.206a(1), R 420.206a(2), R 420.206a(3), R 420.502(4) & R 420.505(1)(b).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of four thousand eight hundred and 00/100 dollars (\$4,800.00). 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). Instructions on how to make online payments can be found under the Tips for Licensees bulletin section at www.michigan.gov/cra. Check or money orders shall be made payable to the State of Michigan with enforcement number

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"24-00301" and license number "AU-R-000547" 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 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 shall be subject to fines and/or other sanctions under section 7(1)(c) of the MRTMA, MCL 333.27957, and Mich Admin Code, 420.808.
6. Upon timely compliance of the terms of this order 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 director or his designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: 12/19/2024

By: Brian Hanna

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O = CRA OU = CRA
Date: 2024.12.19 10:23:01 -05'00'

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

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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 violations set forth in the formal complaint by presentation of evidence and legal authority, and to present a defense to the violations.
3. The parties considered the following in reaching this agreement:
 - a. Respondent provided an updated standard operating procedure (SOP) detailing its waste destruction process.
 - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
4. The CRA's centralized services 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 centralized services director, executive director, or their designees reject the proposed consent order.

CONTINUED ONTO NEXT PAGE

By signing this stipulation, the parties confirm that they have read, understand, and agree with the terms of the consent order.

AGREED TO BY:

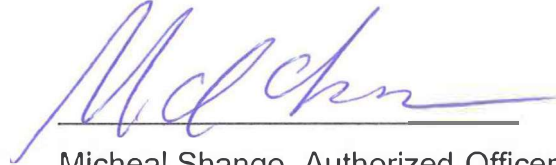
Sara Hernandez

Digitally signed by: Sara Hernandez
DN: CN = Sara Hernandez email =
HernandezS1@michigan.gov C = US O = CRA
OU = LARA
Date: 2024.12.17 16:17:33 -05'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

Dated: 12/17/2024

AGREED TO BY:



Micheal Shango, Authorized Officer
on behalf of Respondent
664 Vassar, LLC

Dated: 12.16.2024



Steven Kiousis P46573
Attorney for Respondent

Dated: 12/16/2024

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License No.: AU-R-000547

ENF No.: 24-00301

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against 664 Vassar, LLC dba Premier Saginaw III (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 retailer in the state of Michigan.
4. Respondent operated at 910 East Genesee Avenue, Saginaw, Michigan 48607,

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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 13, 2024, a CRA Regulation Officer (RO) performed a semi-annual inspection at Respondent's establishment and observed that marijuana product with statewide monitoring system (MetrC) number 1A405030000ADD6000014291, expired on December 27, 2023, but remained on the sales floor as of March 13, 2024.
- b. The CRA RO observed in MetrC that Respondent sold four packages of marijuana product, Fast Acting THC Cheese Balls – Jalapeño Cheddar (-4291), on three separate occasions after the expiration date of December 27, 2023:
 - i. On January 1, 2024, Respondent sold one each of 28.3391g, which totaled \$8.00.
 - ii. On January 1, 2024, Respondent sold two eaches of 28.3391g, which totaled \$16.00.
 - iii. On February 16, 2024, Respondent sold one each of 28.3391g, which totaled \$8.00.
- c. The CRA RO instructed Respondent to remove all four remaining packages of expired Fast Acting THC Cheese Balls – Jalapeño Cheddar (-4291) from the sales floor and secure them in the basement storage area.
- d. On March 26, 2024, a CRA Regulation Agent (RA) contacted Respondent and requested a written explanation for the expired edible marijuana products on the sales floor and for the sales after the expiration date.
- e. On March 26, 2024, the CRA RA requested a standard operating procedure (SOP) related to expired edibles by COB March 29, 2024.

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- f. On March 27, 2024, Respondent's onsite contact, R.M., explained to the CRA RA that neither Metrc nor the Respondent's point of sales system (POS) flagged the sale of the expired edible marijuana product. R.M. admitted that Respondent performs inventory audits and destroys expired items, but it made a mistake and missed the packages of tag number ending (-4291).
- g. On March 27, 2024, R. M. provided a copy of the Waste Disposal SOP, however, to date Respondent has not provided a SOP for expired products.

Count I

Respondent's actions as described above in paragraphs e and g demonstrate a violation of Mich Admin Code, R 420.6(5), which states an applicant or licensee has a continuing duty to provide information requested by the agency and to cooperate in any investigation, inquiry, or hearing conducted by the agency.

Count II

Respondent's actions as described above in paragraphs e and g demonstrate a violation of Mich Admin Code, R 420.206a(1), which states a marihuana business must have up-to-date written standard operating procedures on site at all times.

Count III

Respondent's actions as described above in paragraphs e and g demonstrate a violation of Mich Admin Code, R 420.206a(2), which states standard operating procedures must be made available to the agency upon request.

Count IV

Respondent's actions as described above in paragraphs e and g demonstrate a violation of Mich Admin Code, R 420.206a(3), which states standard operating

procedures must detail the marihuana business operations and activities necessary for the marihuana business to comply with the acts and these rules.

Count V

Respondent's actions as described above in paragraphs a, b, c and demonstrate a violation of Mich Admin Code, R 420.502(4), which states a marihuana business shall not sell or a transfer marihuana product after the printed expiration date on the package. An expired marihuana product must be destroyed except as provided in R 420.214c(2)(f).

Count VI

Respondent's actions as described above in paragraphs a and c demonstrate a violation of Mich Admin Code, R 420.505(1)(b), which states a marihuana sales location shall verify all of the following prior to selling or transferring marihuana or a marihuana product to a marihuana customer: (b) The marihuana product is not past its expiration date.

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

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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.

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: 4/22/24

By: Alyssa A. Grissom
Digitally signed by Alyssa A. Grissom
Date: 2024.04.22 16:16:06 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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