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

In the Matter of

TRCOL OF NILES LLC
dba TriMed Farms
License No.: GR-C-001131
_____/

ENF No.: 23-00741

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On October 17, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana Class C grower facility license (GR-C-001131) of TRCOL OF NILES 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 section 405 of the MMFLA, MCL 333.27405, Mich Admin Code, R 420.209(11), R 420.802(2), R 420.802(3)(b), R 420.802(3)(f)(ii), and R 420.208(6)(b)(i).

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 of the allegations contained in the formal complaint are true and that Respondent violated section 405 of the MMFLA, MCL 333.27405, Mich Admin Code, R 420.209(11), R 420.802(2), R 420.802(3)(b), R 420.802(3)(f)(ii), and R 420.208(6)(b)(i).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of two thousand one hundred sixty-seven dollars and 00/100 dollars ($2,167.00). 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 "23-00741" and license number "GR-C-001131" 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. Respondent must provide a standard operating procedure (SOP) that requires the licensee to report all proposed material changes according to the administrative rules within 30 days of the effective date of this order.

3. The CRA will review the SOP(s) and, if necessary, issue a deficiency notice. Respondent must correct any deficiencies identified by the CRA within 30 days of receipt of the deficiency notice unless agreed upon by the CRA in writing.

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

5. 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.

6. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.

7. If Respondent violates any term or condition set forth in this order, Respondent shall be subject to fines and/or other sanctions under section 407(1) of the MMFLA, MCL 333.27407(1), and Mich Admin Code, R 420.808.

8. 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.

CONTINUED ONTO NEXT PAGE

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: 2/22/2024

By: Brian Hanna

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email = hannab@michigan.gov C = US O = CRA OU = CRA
Date: 2024.02.22 12:49:01 -05'00'

Brian Hanna, Executive Director
or his 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 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 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. The violations at issue arose out of an inspection of the facility.
    b. Respondent provided an updated SOP regarding the surveillance requirements found in the administrative rules and included increased reviews and checks of the systems to ensure compliance.
    c. Respondent provided a SOP regarding processes and procedures for employee screenings to ensure compliance with the administrative rules.

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 Class C grower since 2022 and has no prior discipline against its license.

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.

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: 2024.02.22 08:30:32 -05'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

Dated: 02/22/2024

AGREED TO BY:

Michael E. Gelatka

Michael Gelatka, Authorized Officer
on behalf of Respondent
TRCOL OF NILES LLC

Dated: 02.15.2024

Kristina Munsters, P74507
Attorney for Respondent

Dated: 02.15.2024

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

In the Matter of

TRCOL OF NILES LLC dba TriMed Farms ENF No: 23-00741
License No(s).: GR-C-001131
_____/

FORMAL COMPLAINT

The Cannabis Regulatory Agency ("CRA") files this formal complaint against TRCOL of Niles LLC dba TriMed Farm ("Respondent") alleging upon information and belief as follows:

1. The 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.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

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

4. Respondent operated at 1271 Eden Way, Chesaning, Michigan 48616, at all times relevant to this complaint.

5. Following an investigation, the CRA determined that Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

a. On July 25, 2023, two CRA Regulation Agents (RA) spoke with Respondent's manager, A.Z., Respondent's owner, J.B., and a representative of TriMedFarm.
b. The CRA RA asked about hiring an employee that had a felony-controlled substance conviction within the last 10 years and why it was not reported to the CRA.
c. J.B. indicated he thought that the required reporting was only 5 years and admitted to the mistake.
d. J.B. indicated he terminated the employee as soon as he discovered that his employment was not in compliance.
e. While onsite, the CRA RAs also observed disassembled equipment outside of the facility.
f. When questioned about the equipment, J.B. stated that the equipment was not a part of the original floor plan. He also indicated that the equipment was not working, so it was disassembled and removed from the facility around December 2022.
g. The CRA RA also reviewed Respondent's video surveillance during the inspection and found that Respondent was only able to retain 18 days of surveillance footage, going back to July 7, 2023.

Count I

Respondent's actions as described above in paragraphs b, c, and d, demonstrate a violation of MCL 333.27405 of the Medical Marihuana Facilities Licensing Act which states, before hiring a prospective employee, the holder of a licensee shall conduct a background check of the prospective employee. If the background check indicates a pending charge or conviction within the past 10 years for a controlled substance-related felony, a licensee shall not hire the prospective employee without written permission of the board.

Count II

Respondent's actions as described above in paragraph g demonstrates a violation of Mich Admin Code R 420.209(11) which states a licensee shall keep surveillance recordings for a minimum of 30 calendar days, except in instances of investigation or inspection by the agency in which case the licensee shall retain the recordings until the time the agency notifies the licensee that the recordings may be destroyed.

Count III

Respondent's actions as described above in paragraphs e and f, demonstrate a violation of Mich Admin Code R 420.802(2) which states licensees shall report to the agency any changes to the marihuana business operations that are required in the acts and these rules, as applicable.

Count IV

Respondent's actions as described above in paragraphs e and f, demonstrate a violation of Mich Admin Code R 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 alternations 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 V

Respondent's actions as described above in paragraphs e and f, demonstrate a violation of Mich Admin Code R 420.802(3)(f)(ii) 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 alternations 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: (f) 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 VII

Respondent's actions as described above in paragraphs e and f, demonstrate a violation of Mich Admin Code R 420.208(6)(b)(i) which states in addition to meeting all the requirements in subrules (1) to (5) of this rule, cultivators, producers, marihuana microbusinesses, class A marihuana microbusinesses, and designated consumption establishments shall also comply with all of the following: (b) have a fire safety inspection conducted, in addition to any inspections required under the acts and these rules, if any of the following occur: (i) modifications to the grow areas, rooms and storage, extraction equipment and process rooms, or marihuana-infused product processing equipment within a marihuana business.

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 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 CRA-LegalHearings@michigan.gov.

Dated: 10/17/2023

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom Date: 2023.10.17 10:19:05 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency