

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

In the Matter of

Cherry Industries, LLC  
License No.: AU-G-C-000925

ENF No.: 23-00780

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On November 14, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana class C grower establishment license (AU-G-C-000925) of Cherry Industries, 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 420.102(7) and R 420.206a(1).

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 Mich Admin Code, R 420.102(7) and R 420.206a(1).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of eight thousand and 00/100 dollars (\$8,000.00). 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](http://www.michigan.gov/cra). Check or money orders shall be made payable to the State of Michigan with enforcement number "23-00780" and license number "AU-G-C-000925" clearly displayed on the check or

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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: 7/26/2024

By: Brian Hanna  
Digitally signed by: Brian Hanna  
DN: CN = Brian Hanna email = hannab@michigan.gov C = US O = CRA OU = CRA  
Date: 2024.07.26 16:46:36 -04'00'  
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 the standard operating procedures that were requested during the investigation.
  - b. Respondent provided an affidavit outlining its training for its employees and employees' acknowledgement of that training.
  - c. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
  - d. 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: 2024.07.23 13:58:40 -0400

Sara Hernandez, CSD Director  
or her designee  
Cannabis Regulatory Agency

Dated: 07/23/2024

AGREED TO BY:



Clint Cerny, Authorized Officer  
on behalf of Respondent  
Cherry Industries, LLC

Dated: 7/12/24

Ariel Goldstein

Ari Goldstein, P85057  
Attorney for Respondent

Dated: 07/18/2024

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

In the Matter of

Cherry Industries, LLC  
License No.: AU-G-C-000925

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ENF No.: 23-00780

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against Cherry Industries, LLC (“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), 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 class C grower establishment in the state of Michigan.
4. Respondent operated at 6387 East Nevada Street, Detroit, Michigan 48234, 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:

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- a. On July 19, 2023, Respondent had statewide monitoring system (Metrc) tag number 1A4050300032259000000872 (tag number ending -0872) fail research and development (R&D) testing for Chlorofenpyr at 2.012 ppm (action limit is 1 ppm) and Bifenthrin at 1.178 ppm (action limit is 0.2 ppm).
- b. Aries Analytic, LLC (Aries) is the marijuana safety compliance facility which tested the sample that resulted in the banned chemical residue failure. On September 11, 2023, CRA Regulation Agents (RAs) completed a site visit at Aries. CRA RAs met with owner, D.S., and employee, B.G.
- c. During the onsite visit of Aries, the CRA RA reviewed the chain of custody information relating to the package in METRC sample tag number 1A4050300032259000000877 (tag number ending in -0877). CRA RA observed that both the manifest number 0002217723 and METRC were consistent and indicated that the item strain was listed as “house trim”, while the name on the package was categorized as “wet whole plants”.
- d. CRA RA asked Respondent’s owner C.C. about the discrepancy created on manifest number 0002217723 that incorrectly categorized the product as “wet whole plants”. C.C. stated that the sample package batch number- 0877 submitted for testing should not have been identified as “wet whole plants”, but instead shake/trim because it was the same package that was tested from source package number 1A4050300032259000000872. C.C. said that the package should have been classified as “house shake trim”, which was from a combination of strains.
- e. On September 14, 2023, a CRA RA emailed Respondent’s head grower, B.F., requesting Respondent’s standard operation procedure (SOP) for chemical and pesticide applications. On September 18, 2023, B.F. responded that Respondent did not have an SOP.
- f. On September 14, 2023, the CRA RAs conducted an unannounced onsite visit to Respondent’s establishment and met with Respondent’s owner, C.C.



C.C. confirmed that the package tag number ending -0872 was shake/trim, also referred to as “house shake trim” which was created from a combination of strains.

### **Count I**

Respondent’s actions as described above in paragraphs a, c, d, and f demonstrate a violation of Mich Admin Code R 420.102(7), which states a marihuana grower must accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.

### **Count II**

Respondent’s actions as described above in paragraph e demonstrates 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.

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.

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](mailto: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](mailto:CRA-LegalHearings@michigan.gov).

Dated: 11/14/2023

By: Alyssa A. Grissom  
Digitally signed by Alyssa A. Grissom  
Date: 2023.11.14 14:27:47 -05'00'

Alyssa A. Grissom  
Legal Section Manager  
Cannabis Regulatory Agency

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