

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

In the Matter of

Custom Built Properties, LLC
dba Green House of Walled Lake
License No.: PC-000129

ENF Nos.: 23-00012 & 23-00013

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On May 23, 2024, the Cannabis Regulatory Agency (CRA) issued a first superseding formal complaint (FSFC) against the medical marijuana PC-000129 facility license (PC-000129) of Custom Built Properties, LLC (Respondent) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and the administrative rules promulgated thereunder. The FSFC alleged Respondent violated Mich Admin Code, R 420.210(1), R 420.210(2), R 420.211(1), R 420.212(1), and R 420.802(5).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the FSFC. Therefore, the executive director finds that some of the allegations contained in the FSFC complaint are true and that Respondent violated Mich Admin Code, R 420.210(1), R 420.210(2), R 420.212(1), and R 420.802(5).

Accordingly, for these violations, IT IS ORDERED:

1. For ENF-23-00012, Respondent must pay a fine in the amount of one thousand five hundred and 00/100 dollars (\$1,500.00). 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

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enforcement number “23-00012” and license number “PC-000129” 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. For ENF-23-00013, Respondent must pay a fine in the amount seven hundred fifty and 00/100 dollars (\$750.00). 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 “23-00013” and license number “PC-000129” 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.
3. If Respondent fails to timely comply with the terms of this order, Respondent’s license shall be suspended until compliance is demonstrated.
4. The alleged violation of Mich Admin Code, R 420.211(1) is DISMISSED.
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.

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8. Upon timely compliance of the terms of this order by Respondent, the matters set forth in the FSFC 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: 7/18/2024

By: Brian Hanna

Digitally signed by: Brian Hanna
DN: cn = Brian Hanna email = hannab@michigan.gov, c = US, o = CRA, ou = CRA
Date: 2024.07.18 15:13:39 -0400

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

STIPULATION

The parties stipulate to the following:

1. Some of the facts alleged in the FSFC 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 FSFC 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 updated standard operating procedures that promote compliance with the administrative rules regarding wasting of marijuana.
 - b. Respondent provided a statement stating training occurred for its employees regarding the marijuana at issue.

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- 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 provisioning center since 2018 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:

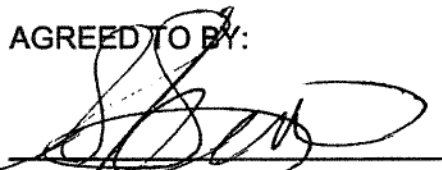
Sara Hernandez

Digitally signed by: Sara Hernandez
DN: CN = Sara Hernandez, email = HernandezS1@michigan.gov C = US O = CRA
OU = LARA
Date: 2024.07.17 13:48:50 -04'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

Dated: 07/17/2024

AGREED TO BY:



Nancy Slifco, Authorized Officer
on behalf of Respondent
Custom Built Properties, LLC

Dated: 5/29/2024



Daniel J. M. Schouman, P55958
Attorney for Respondent

Dated: 5-29-24

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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY

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ENF Nos.: 23-00012 & 23-00013

FIRST SUPERSEDING FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this first superseding formal complaint against Custom Built Properties, LLC (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 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 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 marihuana facility operations.

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

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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

5. Respondent holds an active state operating license under the MMFLA to operate a medical marijuana provisioning center in the state of Michigan.

6. Respondent operated at 103 E Walled Lake Drive, Walled Lake, Michigan 48390 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:

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- a. On December 21, 2022, a CRA Regulation Agency (RA) conducted a compliance visit at Respondent's medical marijuana provisioning center facility.
- b. The CRA RA discovered an untagged mason jar of marijuana flower labeled with a handwritten sticker, "Shame 10/22/22."
- c. Respondent stated the mason jar contained waste flower that had been on display or fell on the floor.

Count I

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.210(1), which states except for designated consumption establishments or temporary marihuana events licensed under the MRTMA, a marihuana business must not have marihuana products that are not identified and recorded in the statewide monitoring system pursuant to these rules.

Count II

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.210(2), which states except for designated consumption establishments or temporary marihuana events licensed under the MRTMA, a marihuana business must not have marihuana product without a batch

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number or identification tag or label pursuant to these rules. A licensee shall immediately tag, identify, or record as part of a batch in the statewide monitoring system any marihuana product as provided in these rules.

Count III

Respondent's actions as described above in paragraph c demonstrate a violation of Mich Admin Code, R 420.211(1), which states a marihuana product that is to be destroyed or is considered waste must be rendered into an unusable and unrecognizable form through grinding or another method as determined by the agency that incorporates the marihuana product waste with 1 or more of the following types of non-consumable solid waste so that the resulting mixture is not less than 50% non-marihuana product waste: (a) paper waste. (b) plastic waste. (c) cardboard waste. (d) food waste. (e) grease or other compostable oil waste. (f) fermented organic matter or other compost activators. (g) soil. (h) other waste approved in writing by the agency.

Count IV

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.212(1), which states all marihuana products must be stored at a marihuana business in a secured limited access area or restricted access area and must be identified and tracked consistently in the statewide monitoring system under these rules.

ENF-23-00013

- a. On November 10, 2022, the CRA received a complaint stating Respondent was involved in a lawsuit not reported to the CRA.
- b. On November 28, 2022, the CRA contacted Respondent to investigate the complaint. Respondent admitted to failing to notify the CRA that it was a party to three civil lawsuits.

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Count I

Respondent's actions as described above in paragraph a and b demonstrate a violation of Mich Admin Code, R 420.802(5), which states the licensee shall notify the agency within 10 business days of the initiation or conclusion of any new judgments, lawsuits, legal proceedings, charges, or government investigations, whether initiated pending, or concluded, that involve the licensee.

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 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

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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.

The formal complaint filed against the Respondent on May 12, 2023, regarding ENF-23-00012 and 23-00013 is hereby WITHDRAWN and replaced in full by this superseding complaint.

Dated: 5/23/2024

By: Alyssa A. Grissom
 Digitally signed by Alyssa A. Grissom
Date: 2024.05.23 14:12:36 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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