

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

In the Matter of

GrassRootsMI, LLC
License No. AU-R-000626

ENF No. 23-00041

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 16, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer license (no. AU-R-000626) of GrassRootsMI, LLC (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 420.207(1), R 420.207(9)(j), R 420.505, and R 420.506(3).

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 420.207(1), R 420.207(9)(j), R 420.505, and R 420.506(3).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of twelve thousand and 00/100 dollars (\$12,000.00). This fine shall be paid within 120 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. 23-00041” and “License No. AU-R-000626” 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 after the date signed by the CRA’s executive director or designee, as set forth below.

Signed on: 07/02/2024

CANNABIS REGULATORY AGENCY

By: Brian Hanna
Executive Director Brian Hanna
or Designee
Cannabis Regulatory Agency

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O = CRA OU =
CRA
Date: 2024.07.02 10:09:04 -0400

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 candidly acknowledged conducting home deliveries without approval when speaking with the CRA's regulation agent during the investigation and immediately worked to rectify the situation. Respondent submitted a home delivery plan that was approved by the CRA on December 5, 2022.
 - 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: 2024.07.01 14:29:03 -0400

Desmond Mitchell
Operations Director
Cannabis Regulatory Agency

Dated: 07/01/2024

/s/ Risa Hunt-Scully

Risa Hunt-Scully (P58239)
Assistant Attorney General
Attorney for Cannabis Regulatory Agency
Dated: 06/26/2024

AGREED TO BY:

M. Lichocki

Michael Lichocki
Authorized Representative
On behalf of Respondent
GrassRootsMI, LLC
Dated: 6-24-24

Thomas Lavigne

Thomas Lavigne (P58395)
Cannabis Counsel Law Firm
Attorney for Respondent
Dated: 5/29/24

LF: 2023-0377258-A\GrassRootsMI, LLC, ENF No. 23-00041\Consent Order and Stipulation, 2024.04.16

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

In the Matter of

GrassRootsMI, LLC
License No.: AU-R-000626

ENF No: 23-00041

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against GrassRootsMI, 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 rule 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 26352 Lawrence Avenue, Center Line, MI 48015, 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:

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA
LARA is an equal opportunity employer/program

- a. On December 15, 2022, the CRA conducted an unannounced, onsite visit of Respondent's marijuana sales location based on a complaint that Respondent was conducting home deliveries without CRA approval. Respondent stated home delivery operations had resumed because it believed all appropriate documentation was submitted.
- b. Respondent conducted approximately 224 home deliveries sales between July 5, 2022, and December 14, 2022.
- c. The CRA informed Respondent that it had not received an approved home delivery inspection.
- d. Respondent stated it would cease delivery operations until the formal approval was received.
- e. During the investigation of the unapproved operations of the home deliveries, the CRA discovered:
 - i. Respondent was unable to produce delivery logs; and
 - ii. Between July 29, 2022, and November 30, 2022, Respondent made seven sales for more than 15 grams of concentrate according to the delivery manifests obtained from its point-of-sale system (POS).

Count I

Respondent's actions as described above in paragraphs 5.a., 5.b., and 5.c., demonstrate a violation of Mich Admin Code, R 420.207(1) which states, marijuana sales location licensee may engage in the delivery of a marijuana product for sale or transfer to marijuana customers upon approval by the agency of the licensee's delivery procedures.

Count II

Respondent's actions as described above in paragraph 5.e.i., demonstrate a violation of Mich Admin Code, R 420.207(9)(j) a marijuana delivery employee shall comply with all the following: (j) The marijuana delivery employee shall maintain a log that includes all stops from the time he or she leaves the

marihuana sales location to the time that he or she returns to the marihuana sales location, and the reason for each stop. The log must be turned in to the marihuana sales location when the marihuana delivery employee returns to the marihuana sales location. The marihuana sales location must maintain the log for a minimum of 1 year from the date of delivery and make it available upon request by the agency. The log may be maintained electronically.

Count III

Respondent's actions as described above in paragraph 5.e.ii., demonstrate a violation of Mich Admin Code, R 420.505 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: (d) The completed transfer or sale will not exceed the purchasing limit prescribed in R 420.506.

Count IV

Respondent's actions as described above in paragraph 5.e.ii., demonstrate a violation of Mich Admin Code, R 420.506(3) which states, a marihuana retailer, under the MRTMA, is prohibited from making a sale or transferring marihuana to an adult 21 years of age or older in a single transaction that exceeds 2.5 ounces., Not more than 15 grams of marihuana may be in the form of marihuana concentrate.

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

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: 3/16/23

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2023.03.16 09:16:06 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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