

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

In the Matter of

GrassRootsMI, LLC
License No. PC-000574

ENF No. 23-00042

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 16, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana provisioning center license (no. PC-000574) of GrassRootsMI, LLC (Respondent) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.207(1) and R 420.207(9)(j).

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) and R 420.207(9)(j).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of nine thousand and 00/100 dollars (\$9,000.00). 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. 23-00042” and “License No. PC-000574” 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

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O = CRA OU =
CRA
Date: 2024.07.02 10:09:41 -0400

By: _____
Executive Director Brian Hanna
or 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 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 =
Sara.Hernandez31@michigan.gov C = US O = CRA
OU = LARA
Date: 2024.07.01 14:29:40 -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: 5/29/2024

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

In the Matter of

GrassRootsMI, LLC
License No.: PC-000574

ENF No: 23-00042

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“CRA”) files this formal complaint against GrassRootsMI, LLC (“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 provisioning center 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 MMFLA and/or administrative rules promulgated thereunder as set forth below:

CANNABIS REGULATORY AGENCY
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www.michigan.gov/CRA

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- 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 five home delivery sales between August 3, 2022, and November 21, 2022.
- c. Respondent stated it would cease delivery operations until the formal approval was received.
- d. During the investigation of the unapproved operations of the home deliveries, the CRA discovered that Respondent was unable to produce delivery logs.

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.d., 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 marijuana sales location to the time that he or she returns to the marijuana sales location, and the reason for each stop. The log must be turned in to the marijuana sales location when the marijuana delivery employee returns to the marijuana sales location. The marijuana 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.

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

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA

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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: 3/16/23

By: Alyssa A. Grissom  Digitally signed by Alyssa A. Grissom
Date: 2023.03.16 09:16:48 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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