

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

In the Matter of

Ka Ulu Ana, LLC
License No. AU-G-C-000573

ENF No. 24-00099

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On February 16, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana class C grower license (no. AU-G-C-000573) of Ka Ulu Ana, 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 420.20.

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 420.20.

Accordingly, for this violation, IT IS ORDERED:

1. Respondent shall submit a completed fiscal year 2023 annual financial statement via Accela within 30 days of the effective date of this order.
2. Respondent must pay a fine in the amount of three thousand, three hundred thirty-three 00/100 dollars (\$3,333.00). This fine shall be paid within

90 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. 24-00099” and “License No. AU-G-C-000573” 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.

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

4. 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.

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

6. 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: 07/26/2024

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 =
hannab@michigan.gov C = US O = CRA OU
= CRA
Date: 2024.07.26 16:56:47 -04'00'

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. This consent order and stipulation is part of a comprehensive resolution of the CRA's formal complaints against Ka Ulu Ana, LLC's licenses under ENF no. 24-00098 (license no. GR-C-000658), ENF no. 24-00099 (license no. AU-G-C-000573), and ENF no. 24-00100 (AU-G-C-000574).
 - 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: 2024.07.23 13:42:10 -04'00'

Desmond Mitchell
Operations Director
or Designee
Cannabis Regulatory Agency

Dated: 07/23/2024

/s/ Marrena S. Sambou

Marrena S. Sambou (P79149)
Adam M. Leyton (P80646)
Assistant Attorneys General
Attorneys for Cannabis Regulatory Agency
Dated: 07/22/2024

AGREED TO BY:



Breanna Saagman
Authorized Representative
On behalf of Respondent
Ka Ulu Ana, LLC

Dated: 7-22-24



Jacqueline Langwith (P79600)
Pollicella, Langwith & Gertsberg, PLLC
Attorney for Respondent

Dated: 7-22-24

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

In the Matter of

KA ULU ANA, LLC
License No.: AU-G-C-000573

ENF No. 24-00099

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Ka Ulu Ana, LLC dba Highlands Grow (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.* 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. Pursuant to Mich Admin Code, R 420.20, Respondent was required to transmit to the CRA financial statements of its licensed operations by 30 days after the due date provided by the CRA.
3. Respondent's annual financial statement for fiscal year 2023 was due on or before December 31, 2023.
4. As of the date of this formal complaint, Respondent has failed to file its complete annual financial statement. On December 1, 2023, Respondent submitted a deficient filing. On January 2, 2024, the CRA notified Respondent that the filing was not accepted due to deficiencies.

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

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5. Respondent's failure to timely file the Annual Financial Statement is a violation of Mich Admin Code, R 420.20.

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.

A licensee 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. See Mich Admin Code, R 420.704(3) and R 420.808(2)(b). A request for a hearing must be submitted to the CRA in writing within 21 days after service of this complaint. Mich Admin Code, R 420.704(2) and R 420.808(3). Notice served by certified mail is considered complete on the business day following the date of the mailing.

Respondent may also be given an opportunity to meet with the CRA to negotiate a settlement or demonstrate compliance with the MRTMA and administrative rules prior to a contested case hearing. Mich Admin Code, R 420.704(1) and R 420.808(2)(a). A request for a compliance conference request must be submitted to the CRA in writing within 21 days after service of this complaint. Mich Admin Code, R 420.808(3).

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

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If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter. Mich Admin Code, R 420.808(3).

Questions about this complaint should be directed to the Cannabis Regulatory Agency at (517) 284-8599 or CRA-LegalHearings@michigan.gov.

Dated: 02/16/2024

By: Alyssa A. Grissom

Digitally signed by Alyssa
A. Grissom
Date: 2024.02.16
13:59:29 -05'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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