

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

In the Matter of

Parkhurst Services LLC
dba Winewood Organics
License No.: AU-MB-000105

ENF No.: 22-00699

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 20, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana microbusiness establishment license (AU-MB-000105) of Parkhurst Services 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 420.303a(3)(a) and R 420.306(2).

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 420.303a(3)(a) and R 420.306(2).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of twenty-five thousand and 00/100 dollars (\$25,000.00). 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. Check or money orders shall be made payable to the State of Michigan with enforcement number "22-00699" and license number "AU-MB-000105" clearly displayed on the check

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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. 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, R 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:

7/19/2024

By:

Brian Hanna

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email = bhanna@michigan.gov, C = US O = CRA OU = CRA
Date: 2024.07.19 11:35:50 -0400

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 self-reported the incident.
 - b. Respondent stated that the incident arose from a misunderstanding of the remediation requirements for testing failed marijuana products.
 - c. After the notice of noncompliance, the marijuana product at issue did ultimately pass compliance testing.
 - d. Respondent provided multiple standard operating procedures (SOPs) which promote compliance with the administrative rules regarding sales of marijuana products and testing remediated marijuana products.
 - e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - f. Respondent has been licensed as a microbusiness since 2021 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

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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 13:54:33 -04'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

Dated: 07/17/2024

AGREED TO BY:



Eric Parkhurst, Authorized Officer
on behalf of Respondent
Parkhurst Services LLC

Dated: 5/28/24



Lance Boldrey, P53671
Attorney for Respondent

Dated: 5/28/24

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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
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In the Matter of

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ENF No: 22-00699

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against Parkhurst Services LLC dba Winewood Organics (“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 microbusiness establishment in the state of Michigan.
4. Respondent operated at 2394 Winewood Ave., Ann Arbor, Michigan 48103, 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. Between August 18th and 31st, 2022, Respondent made numerous sales from statewide monitoring system (Metrc) package tag 1A405030001F39E000000760, which was marked as retest failed in Metrc.
- b. Respondent self-reported the sales and explained they were misinformed on the remediation requirements that failed marijuana products must pass two separate tests with new samples consecutively to be eligible for sale.

Count I

Respondent's actions as described above in paragraph a and b demonstrate a violation of Mich Admin Code, R 420.303a(3)(a), which states a marijuana sales location may sell or transfer a marijuana product only to a marijuana customer under both of the following conditions: (a) The marijuana product has received passing results for all required safety tests in the statewide monitoring system.

Count II

Respondent's actions as described above in paragraph a and b demonstrate a violation of Mich Admin Code, R 420.306(2), which states a failed marijuana product must pass 2 separate tests with new samples consecutively to be eligible to proceed to sale or transfer.

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: 3/20/23

Alyssa A. Grissom
By: Grissom

Digitally signed by Alyssa
A. Grissom
Date: 2023.03.20
15:17:52 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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