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

In the Matter of

Pure Green, LLC dba Glorious Cannabis Company License No. GR-C-000600 ENF No. 23-01020

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On January 23, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana grower license (no.GR-C-000600) of Pure Green, LLC (Respondent) under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.108(8) and R 420.212(1).

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 420.108(8) and R 420.212(1).

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 30 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

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under "Tips for Licensees" at <u>www.michigan.gov/cra/bulletins</u>. Checks or money orders shall be made payable to the State of Michigan with "ENF No. 23-01020" and "License No. GR-C-000600" 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 <u>CRA-CSS@michigan.gov</u>.

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.

CANNABIS REGULATORY AGENCY

Signed on: ______ 06/27/2024 By: _____

Digitally signed by: Brian Hanna DM: CN = Brian Hanna email = rannab@michigan.gov C = US O = CRA OU = CRA Date: 2024.06.27 16:43:25 -04'00'

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 states that it has learned from this situation, provided additional staff training, and conducts regular compliance team meetings to avoid future recurrences.
 - 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 DM: CN = Sara Hernandez email = Hernandez 1@miclingan.gov C = US O = CRA QU = LARA Date: 2024.06.26 13:55:38 -0400'

Desmond Mitchell Operations Director or Designee Cannabis Regulatory Agency

Dated: 06/26/2024

Sarah (Huyser

Sarah E. Huyser (P70500) Assistant Attorney General Attorney for Cannabis Regulatory Agency Dated: _____<u>June 25, 2024</u>_____ AGREED TO BY:

John Brueck Authorized Representative On behalf of Respondent Pure Green, LLC dba Glorious Cannabis Company Dated:

R. Lance Boldrey (P53671) Attorney for Respondent

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Dated:

LF: 2024-0394389-A/Purc Green dba Glorious Cannabis Co., ENF 23-01020/Pure Green (23-01020) Consent Order and Stipulation 2024-06-20

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

In the Matter of

Pure Green, LLC dba Glorious Cannabis Company License No: GR-C-000600 ENF No: 23-01020

FORMAL COMPLAINT

The Cannabis Regulatory Agency ("CRA") files this formal complaint against Pure Green, LLC dba Glorious Cannabis Company ("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 class C grower facility in the state of Michigan.

4. Respondent operated at 2497 E Huron Road, Au Gres, Michigan 48703, 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:

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- a. During a review of Respondent's Annual Financial Statement for FY 2023, a CRA Financial Compliance Section Analyst identified that between February 2022 and October 2022, Respondent incorrectly recorded over 20 marijuana transfers to unaffiliated licenses in the statewide monitoring system (Metrc) as med-affiliated transfers instead of infusion transfers and wholesale transfers.
- b. On November 7, 2023, a CRA Regulation Agent (RA) emailed Respondent's Director of Compliance, H.D., regarding the transfers.
- c. On November 27, 2023, H.D. emailed the CRA RA admitting that the medaffiliated transfer type was selected in error.

<u>Count I</u>

Respondent's actions as described above in paragraphs a and c demonstrate a violation of Mich Admin Code, R 420.108(8), which states a grower shall accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in the MMFLA, these rules, and the marihuana tracking act.

Count II

Respondent's actions as described above in paragraphs a and c demonstrate a violation of Mich Admin Code, R 420.212(1), which states, in part, all marihuana products must be identified and tracked consistently in the statewide monitoring system under these rules.

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

By Email: <u>CRA-LegalHearings@michigan.gov</u>

If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter.

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Dated: 1/23/24

Alyssa A. Grissom By:

> Alyssa A. Grissom Legal Section Manager Cannabis Regulatory Agency

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