



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
LANSING

MARLON I. BROWN, DPA  
DIRECTOR

## CANNABIS REGULATORY AGENCY

In the Matter of

The Goat Cannabis Co.  
License No: AU-R-000819  
ENF No.: 23-00066

MOAHR Docket No.: 23-033354

---

### FINAL ORDER

The Cannabis Regulatory Agency (CRA), by its authorized representative, Executive Director Brian Hanna, issues this final order in the above-referenced matter finding that:

1. On April 6, 2022, the CRA issued a formal complaint against the adult-use retailer license (no. AU-R-000819) of The Goat Cannabis Co. (Respondent) under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and administrative rules promulgated thereunder.
2. The complaint alleged Respondent violated Mich Admin Code, R 420.209.
3. A contested case hearing was held on January 4, 2024 before an administrative law judge (ALJ) within the Michigan Office of Administrative Hearings and Rules (MOAHR).
4. On January 11, 2024, the ALJ issued a proposal for decision recommending that the Executive Director of the CRA issue a final order finding that Respondent violated the Act and Mich Admin Code, R 420.209 in the Formal Complaint, dated April 4, 2023, and impose a reasonable sanction in proportion to the nature of the violation as authorized by Mich Admin Code, R 420.806.

CANNABIS REGULATORY AGENCY  
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909

[www.michigan.gov/cra](http://www.michigan.gov/cra)

LARA is an equal opportunity employer/program.

5. A copy of the ALJ's proposal for decision is attached and is incorporated consistent with the findings and conclusions of this order.

6. Having reviewed the whole record before it, the CRA makes the following findings of fact and conclusions of law:

a. Findings of Fact:

1. The CRA accepts the ALJ's findings of fact as set forth in the proposal for decision as follows:

a) Respondent holds an active state license under the Act to operate an adult use retail license in the state of Michigan.

b) Respondent operated at 752 US Highway 131, Three Rivers, Michigan, 49093, at all times relevant to this matter.

c) On November 29, 2022, the CRA conducted a semi-annual inspection of Respondent that revealed that Respondent did not have 30 days of video surveillance retained; Respondent had 22 days of surveillance video retained. [Pet. Exh. 1].

d) On January 23, 2023, the CRA conducted a follow-up visit at Respondent's location. Respondent stated that its video surveillance system was not capable of retaining 30 days of video due to insufficient hard drive space and the number of cameras in operation. [Pet. Exh. 1 and 2].

e) The ALJ specifically noted R 420.209(11) in the proposal for decision [Pg. 8].

b. Conclusions of Law:

1. The CRA accepts the ALJ's conclusions of law as set forth in the proposal for decision as follows.

a) Petitioner bears the burden of establishing, by a preponderance of the evidence, that sufficient grounds exist for the intended action to suspend, revoke, restrict or refuse to renew a license or to impose a fine. See Mich Admin Code, R 420.704(6).

b) A preponderance of evidence is evidence which is of a greater weight or more convincing than evidence offered in opposition to it. In other words, it is evidence which outweighs the evidence offered to oppose it. *Martucci v Detroit Commissioner of Police*, 322 Mich 270; 33 NW2d 789 (1948); *Bunce v Secretary of State*, 239 Mich App 218; 607 NW2d 372 (1999).

c) Under Section 78 of the APA, MCL 24.278, and Rule 134(1) of the Administrative Hearing Rules, Mich Admin Code R 792.10134(1), the failure of Respondent to attend the scheduled hearing after being properly served notice allows for disposition based on default. When a party defaults, all well-pleaded facts are taken as true. See, e.g., *Kalamazoo Oil Co v Boerman*, 242 Mich App 75, 78-79; 618 NW2d 75 (2000), and MCL 24.278(2).

d) Based upon the default ruling and the entire record, Petitioner has established, by a preponderance of the evidence, that Respondent violated the Act and Mich Admin Code, R 420.209, as alleged in the Formal Complaint, dated April 4, 2023.

7. Based on the above, the CRA finds that Respondent violated the Act and Mich Admin Code, R 420.209.

8. Pursuant to MCL 333.27957, Executive Reorganization Order No. 2019-2, MCL 333.27001, and Mich Admin Code, R 420.806, the Executive Director has the authority to impose sanctions.

9. THEREFORE, IT IS ORDERED THAT:

- a. Respondent must pay a fine in the amount of ten thousand and 00/100 (\$10,000.00) dollars. The fine shall be paid within 60 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 order payments online is available under “Tips for Licensees” at [www.michigan.gov/cra/bulletins](http://www.michigan.gov/cra/bulletins). Check or money orders shall be made payable to the State of Michigan with “ENF No. 23-00066” and “License No. AU-R-000819” 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.
- b. 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](mailto:CRA-CSS@michigan.gov).
- c. If Respondent fails to timely comply with the terms of this order, Respondent’s license shall be suspended until compliance is demonstrated.
- d. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this order.

If Respondent violates any term or condition set forth in this order, Respondent may be subject to additional fines and/or other sanctions.

This final order is a public record that will be published on the CRA’s website and is subject to disclosure under the Freedom of Information Act, MCL 15.231 *et seq*.

CANNABIS REGULATORY AGENCY  
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909  
[www.michigan.gov/cra](http://www.michigan.gov/cra)

LARA is an equal opportunity employer/program.

This order shall be effective 30 days from the date signed by the CRA's Executive Director or his designee, as set forth below.

Dated: 4/15/24

**Brian Hanna**  
Brian Hanna, Executive Director  
Cannabis Regulatory Agency

Digitally signed by: Brian Hanna  
DN: CN = Brian Hanna email = hannab@michigan.gov C = US O = CRA OU = CRA  
Date: 2024.04.15 13:08:24 -04'00'

Dated: \_\_\_\_\_

\_\_\_\_\_  
[Designee's Name, title]  
Cannabis Regulatory Agency

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

In the Matter of

The Goat Cannabis Co.  
License No.: AU-R-000819

ENF No.: 22-00066

---

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against The Goat Cannabis Co., (“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 retail license in the state of Michigan.

4. Respondent operated at 752 US Highway 131, Three Rivers, Michigan, 49093 , 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](http://www.michigan.gov/CRA)  
LARA is an equal opportunity employer

- a. On November 29, 2022, a semi-annual inspection by the CRA revealed that the licensee did not have 30 days of video surveillance retained. Respondent only had 22 days of surveillance video.
- b. On January 23, 2023, a follow-up visit by the CRA i was conducted. Upon discussion with Respondent regarding the video system retainment violation, Respondent stated that there was not enough hard drive space to retain 30 days of video with the number of cameras the establishment had.

### **Count I**

Respondent's actions as described in paragraphs a and b demonstrate a violation of Mich Admin R 420.209 which states that a licensee shall keep surveillance recordings for a minimum of 30 calendar days, except in instances of investigation or inspection by the agency in which the licensee shall retain the recordings until the time as the agency notifies that the recordings may be destroyed.

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.

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

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

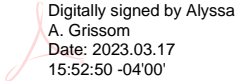
In Person: Department of Licensing & Regulatory Affairs  
Cannabis Regulatory Agency  
2407 North Grand River  
Lansing, Michigan 48906

By Email: [CRA-LegalHearings@michigan.gov](mailto: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](mailto:CRA-LegalHearings@michigan.gov).

Dated: 3/17/2023

By: Alyssa A. Grissom  Digitally signed by Alyssa A. Grissom  
Date: 2023.03.17 15:52:50 -04'00'

Alyssa A. Grissom  
Legal Section Manager  
Cannabis Regulatory Agency