

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

In the Matter of

Upper Shelf Farms, LLC  
dba Elevated Exotics  
License No.: AU-R-000966

ENF No.: 24-00216

\_\_\_\_\_/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On April 1, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer establishment license (AU-R-000966) of Upper Shelf Farms, LLC, dba Elevated Exotics (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 420.502(3), R 420.502(5), and R 420.505(1)(a).

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 420.502(3), R 420.502(5), and R 420.505(1)(a).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of one thousand and 00/100 dollars (\$1,000.00). 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](http://www.michigan.gov/cra). Check or money orders shall be made payable to the State of Michigan with enforcement number "24-00216" and license number "AU-R-000966" clearly displayed on the check or

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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](mailto: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, 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: 7/18/2024

By: Brian Hanna

Digitally signed by: Brian Hanna  
DN: CN = Brian Hanna email = hannab@michigan.gov C =  
US O = CRA OU = CRA  
Date: 2024.07.18 15:26:32 -04'00'

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 provided updated standard operating procedures promoting compliance with administrative holds.
  - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
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 either party, should the CRA's centralized services director, executive director, or their designees reject the proposed consent order.

**CONTINUED ONTO THE NEXT PAGE**

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 OUI  
= LARA  
Date: 2024.07.17 13:51:47 -0400

Sara Hernandez, CSD Director  
or her designee  
Cannabis Regulatory Agency

Dated: 07/17/2024

AGREED TO BY:



Nilsson Davis, Authorized Officer  
on behalf of Respondent  
Upper Shelf Farms, LLC.

Dated: 07/16/2024

/s/ John Fraser

John Fraser (P79908)  
Attorney for Respondent

Dated: 7-16-24

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

In the Matter of

Upper Shelf Farms, LLC  
dba Elevated Exotics  
License No.: AU-R-000966

ENF No.: 24-00216

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“CRA”) files this formal complaint against Upper Shelf Farms, LLC dba Elevated Exotics (“Respondent”) alleging upon information and belief as follows:

1. The 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 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. 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 retailer in the state of Michigan.

4. Respondent operated at 923 Ludington Street, Escanaba, Michigan 49829, at all times relevant to this complaint.

5. Following an investigation, the CRA determined that Respondent violated the

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MRTMA and/or administrative rules promulgated thereunder as set forth below:

- a. On November 8, 2023, the CRA issued a Public Health and Safety Bulletin (Bulletin) for VBJG Mt. Clemens, LLC's voluntary recall of a single batch of Armada Cannabis Co. Cannabis Apple Cider (20mg), including statewide monitoring system (Metrc) package tag 1A40503000373FD000010383 (tag number ending -0383). The recall was issued as products were not compliantly produced. Also, there were reports of cans swelling and bursting due to the lack of a necessary ingredient to ensure shelf stability.
- b. On December 21, 2023, CRA Operations Support Section (OSS) reported to the CRA that Respondent sold one infused beverage tag number ending -0383 on November 13, 2023, which was five days after the product was recalled.
- c. On December 21, 2023, CRA Regulation Agent (RA) contacted Respondent's attorneys regarding sales information for one Armada Cannabis Co. marijuana-infused beverage sold on November 13, 2023.
- d. On December 26, 2023, Respondent destroyed the remaining product for tag number ending -0383 and updated its status on Metrc.
- e. On January 5, 2024, the CRA RA confirmed with Respondent that Armada Cannabis Co. product was sold to a customer on November 13, 2023, and Respondent's attorney, J.F. provided documentation of Respondent's sales information confirming the same.

### **Count I**

Respondent's actions as described above in paragraphs a, b, c, d and e demonstrate a violation of Mich Admin Code, R 420.502(3), which states a marijuana business shall not sell or transfer a marijuana product that has been placed on administrative hold, recalled, or ordered or otherwise required to be destroyed.

## **Count II**

Respondent's actions as described above in paragraph a demonstrate a violation of Mich Admin Code, R 420.502(5), which states prior to selling or transferring a marihuana product, a marihuana business must verify in the statewide monitoring system, that the marihuana product has not been placed on an administrative hold, recalled, or ordered to be destroyed.

## **Count III**

Respondent's actions as described above in paragraphs a, b, c, d, and e demonstrate a violation of Mich Admin Code, R 420.505(1)(a), which states a marihuana sales location shall verify all of the following prior to selling or transferring marihuana or a marihuana product to a marihuana customer: (a) The marihuana product has not been placed on administrative hold, recalled, or ordered or otherwise required to 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.

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: 4/1/24

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom  
Date: 2024.04.01 10:32:27 -04'00'

Alyssa A. Grissom  
Legal Section Manager  
Cannabis Regulatory Agency