

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

In the Matter of

13775 Buena Vista, LLC
dba Empire Brands
License No.: GR-C-000022

ENF No.: 23-00615

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On October 18, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana class C grower facility license (GR-C-000022) of 13775 Buena Vista, LLC dba Empire Brands ("Respondent") under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated Mich Admin Code, R 420.108(8), R 420.206a(2), and R 420.303(5).

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 420.108(8), R 420.206a(2), and R 420.303(5).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of twenty-nine thousand and 00/100 dollars (\$29,000.00). 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 "23-00615" and license number "GR-C-000022" 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.
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 407(1) of the MMFLA, MCL 333.27407(1), 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: 6/10/24

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email = hannab@michigan.gov
C = US O = CRA OU = CRA
Date: 2024.06.10 16:05:17 -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 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 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 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 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
OU = LARA
Date: 2024.05.30 10:34:21 -04'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

Dated: 5/30/24

AGREED TO BY:

Rif Hamade-Moubarak

Rif Hamade-Moubarak,
Authorized Officer
on behalf of Respondent
13775 Buena Vista, LLC
dba Empire Brands

Dated: 5/28/24

Hassan Zaarour

Hassan Zaarour & P 83043
Attorney for Respondent

Dated: 5/28/24

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

In the Matter of

13775 Buena Vista, LLC dba Empire Brands
License No.: GR-C-000022

ENF No: 23-00615

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“CRA”) files this formal complaint against 13775 Buena Vista, LLC dba Empire Brands (“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 13775 Buena Vista Street, Detroit, Michigan 48227, 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. On June 8, 2023, a CRA Operations Support Section (OSS) Analyst observed in the statewide monitoring system (Metrc) that Respondent's harvest on April 5, 2023 from room six ("4.5.23 rm 6") was created from three different strains, specifically, Bacio, GMO x Sherbert, and Snowman.
- b. During an investigation, a CRA Regulation Agent (RA) observed in Metrc that Respondent created Metrc tag number 1A4050100003842000007135 (tag number ending -7135) from harvest "4.5.23 rm 6" and had tag number ending -7135 broken down into the following packages and strains:
 - i. 1A4050100003842000007172 (Gelato)
 - ii. 1A4050100003842000007173 (Strain # 8)
 - iii. 1A4050100003842000007167 (Strain # 7)
 - iv. 1A4050100003842000007168 (Ice Cream Sherbert)
 - v. 1A4050100003842000007161 (Space Runtz)
- c. The CRA RA observed in Metrc that the abovementioned packages were then transferred to a medical marijuana provisioning center in May and June 2023.
- d. The CRA RA also observed in Metrc that Respondent also created Metrc tag number 1A4050100003842000007134 (tag number ending -7134) from harvest "4.5.23 rm 6" and that tag number ending -7134 did not have a strain name recorded in Metrc.
- e. The CRA RA observed that Respondent transferred tag number ending -7134 to its adult-use grower license via an affiliated medical to adult-use transfer in May 2023.
- f. On July 31, 2023, the CRA RA emailed Respondent's Manager, H.Z., requesting information regarding transferring multi-strained packages as well as Respondent's standard operating procedure (SOP) for harvesting and creating packages.
- g. On August 6, 2023, H.Z. emailed the CRA RA stating that Respondent's SOP was not readily available to send via email.

- h. On August 8, 2023, the CRA RA visited Respondent's facility and met with H.Z. H.Z. acknowledged that tag number ending -7135 was broken down into the abovementioned packages and transferred to a medical marijuana provisioning center. H.Z. stated that Respondent's grower facility would have one strain per harvest batch going forward.
- i. On August 9, 2023, H.Z. emailed the CRA RA Respondent's SOP.
- j. After a full review of Metrc, the CRA RA observed 54 multi-strain harvests in Respondent's harvest history.

Count I

Respondent's actions as described above in paragraphs a, b, d, h, and j 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 f, g, and i demonstrate a violation of Mich Admin Code, R 420.206a(2), which states standard operating procedures must be made available to the agency upon request.

Count III

Respondent's actions as described above in paragraphs a, b, c, d, e, and h demonstrate a violation of Mich Admin Code, R 420.303(5), which states, in part, a cultivator may not transfer or sell marihuana under this rule to a marihuana sales location if the package contains more than 1 harvest batch.

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

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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: 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 at (517) 284-8599 or CRA-LegalHearings@michigan.gov.

Dated: 10/18/23

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2023.10.18 10:06:59 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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