

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

In the Matter of

MLKJ VENTURES LLC dba Mood Cannabis  
License No.: AU-R-000410

ENF No.: 23-01042

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

CONSENT ORDER

On January 23, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer establishment license (AU-R-000410) of MLKJ VENTURES LLC dba Mood Cannabis (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 420.209(11), R 420.802(2), R 420.802(3), & R 420.802(11).

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 420.209(11), R 420.802(2), R 420.802(3), & R 420.802(11).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of one-thousand five-hundred and 00/100 dollars (\$1,500.00). This 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). 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

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[www.michigan.gov/CRA](http://www.michigan.gov/CRA)  
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“23-01042” and license number “AU-R-000410” clearly displayed on the check 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](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: 6/27/2024

By: Brian Hanna  
Digitally signed by: Brian Hanna  
DN: CN = Brian Hanna email = hannab@michigan.gov, C = US, O = CRA, OU = CRA  
Date: 2024.06.27 16:45:46 -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 did not have approval to install additional cameras and a network video recorder (NVR) prior to installation and use. Respondent stated that the additional, redundant cameras and NVR were added to upgrade the facility's monitoring. All originally installed cameras had the full 30 days of footage retention.
  - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
  - c. Respondent has been licensed as a retailer 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 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: 2024.06.26 13:32:36 -04'00'

Sara Hernandez, CSD Director  
or her designee  
Cannabis Regulatory Agency

Dated: 06/26/2024

AGREED TO BY:



Lynn Seidman, Authorized Officer  
on behalf of Respondent  
MLK VENTURES LLC

Dated: 6/11/24



Jacqueline Langwith, P79600  
Attorney for Respondent

Dated: 6-13-24

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

In the Matter of

MLKJ VENTURES, LLC  
dba Mood Cannabis Jackson  
License No.: AU-R-000410

ENF No.: 23-01042

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against MLKJ VENTURES, LLC, dba Mood Cannabis Jackson (“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 retail establishment in the state of Michigan.

4. Respondent operated at 3141 Page Avenue, Jackson, Michigan 49203, 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. On October 30, 2023, a CRA RO conducted a Semi-Annual Inspection at Respondent's establishment. The CRA RO observed that the facility did not have 30 days of surveillance recordings as required by the CRA.
- b. Respondent was only able to access 20 days of surveillance recordings between October 10, 2023, to October 30, 2023, on approximately one half of its cameras, while the other half of the cameras had the required 30 days of recordings.
- c. The CRA RO observed that Respondent installed a new NVR surveillance storage system without CRA authorization. Respondent failed to submit a reporting form to the CRA confirming the change.
- d. A CRA Regulation Agent (RA) conducted an investigation and followed up with Respondent's Manager/Owner K.S., who stated that Respondent did not file the required Notification and Reporting form because it was not aware of the requirement.
- e. K.S. explained that the I.T. specialist felt that the surveillance footage loss was caused by a power outage followed by a system backup glitch.

### **Count I**

Respondent's actions as described above in paragraph a demonstrates a violation of Mich Admin Code R 420.209(11), which states 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 case the licensee shall retain the recordings until the time as the agency notifies the licensee that the recordings may be destroyed.

### **Count II**

Respondent's actions as described above in paragraphs b, c, and d demonstrate a violation of Mich Admin Code R 420.802(2), which states a licensees shall report to the agency any changes to the marihuana business operations that are required in the acts and these rules, as applicable.

### **Count III**

Respondent's actions as described above in paragraphs b, c, and d demonstrate a violation of Mich Admin Code R 420.802(3), which states a licensee shall report to the agency any proposed material changes to the marihuana business before making a material change. A proposed material change is any action that would result in alterations or changes being made to the marihuana business to effectuate the desired outcome of a material change. Material changes, include, but are not limited to, the following: (f) Any change or modification to the marihuana business before or after licensure that was not pre-inspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the following: (v) Changes that impact security, fire safety, and building safety.

### **Count IV**

Respondent's actions as described above in paragraphs b, c, and d demonstrate a violation of Mich Admin Code R 420.802(11), which states failure to timely provide notifications or reports to the agency pursuant to this rule may result in sanctions or fines, or both.

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: 1/23/24

By: Alyssa A. Grissom  
Digitally signed by Alyssa A. Grissom  
Date: 2024.01.23 10:42:01 -05'00'

Alyssa A. Grissom  
Legal Section Manager  
Cannabis Regulatory Agency