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

In the Matter of

NoBo Michigan, LLC dba NOBO License No.: AU-R-000523		ENF No.: 23-00330
	/	CONSENT ORDER AND STIPULATION

#### CONSENT ORDER

On August 1, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer establishment license (AU-R-000523) of NoBo Michigan, LLC dba NOBO ("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 420.104(3), R 420.212(1), and R 420.505(2).

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 420.104(3), R 420.212(1), and R 420.505(2).

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 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 <a href="www.michigan.gov/cra">www.michigan.gov/cra</a>. Check or money orders shall be made payable to the State of Michigan with enforcement number "ENF-23-00330" and license number "AU-R-000523" clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing

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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.
- 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.
- If Respondent violates any term or condition set forth in this order, Respondent shall be subject to fines and/or other sanctions under section7(1)(c) of the MRTMA, MCL 333.27957, and Mich Admin Code, 420.808.
- 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.

Signed on: 3/18/2024

Signed on: 4 Brian Hanna, Executive Director or his 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 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 (SOP)

that address receiving inventory into the statewide monitoring system.

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.

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CANNABIS REGULATORY AGENCY

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 DN: CN = Sara Hernandez DN: CN = Sara Hernandez email = Hernandez Edmirchigan.gov C = US O = CRA OU = LARA Date: 2024.03.15 09:09:27 -04'00'

Sara Hernandez, CSD Director or her designee Cannabis Regulatory Agency

Dated: 03/15/2024

AGREED TO BY:

Alan Bonsett, Authorized Officer on behalf of Respondent NoBo Michigan, LLC

Dated: 03/11/2024

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

In the Matter of

Nobo Michigan, LLC ENF No: 23-00330

dba NOBO

License No.: AU-R-000523

### FORMAL COMPLAINT

The Cannabis Regulatory Agency ("Complainant") files this formal complaint against Nobo Michgian, LLC ("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 retailer in the state of Michigan.
- 4. Respondent operated at 107 Water Street, Suite 207, Benton Harbor, Michigan 49022, at all times relevant to this complaint.
  - 5. Following an investigation, the CRA determined that Respondent violated the

Formal Complaint ENF No.: 23-00330 CRA 5052 MRTMA and/or administrative rules promulgated thereunder as set forth below:

a. On April 13, 2023, the CRA received a complaint that Respondent failed to

virtually accept a transfer of marijuana products in the statewide monitoring

system (Metrc) from a processor via Metrc manifest 0001755288.

b. The transfer included two packages on the manifest with Metrc tags

numbers 1A40503000278D1000041489 and

1A40503000278D1000041490.

c. On April 26, 2023, Respondent confirmed that the packages had been

accepted into its Metrc inventory on April 17, 2023, four days after it was

delivered to its establishment.

Count I

Respondent's actions as described above in paragraph c demonstrate a violation

of Mich Admin Code, R 420.104(3) which states that a marihuana retailer shall

comply with all of the following: (b) accurately enter all transactions, current

inventory, and other information into the statewide monitoring system as required

in these rules.

Count II

Respondent's actions as described above in paragraph c demonstrate a violation

of Mich Admin Code, R 420.212(1) which states that all marihuana products must

be stored at a marihuana business in a secured limited access area or restricted

access area and must be identified and tracked consistently in the statewide

monitoring system under these rules.

Count III

Respondent's actions as described above in paragraph c demonstrate a violation

of Mich Admin Code, R 420.505(2) which states that a marihuana sales location

shall enter all transactions, current inventory, and other information required by

these rules in the statewide monitoring system.

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www.michigan.gov/CRA

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

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www.michigan.gov/CRA

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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 <a href="mailto:CRA-LegalHearings@michigan.gov.">CRA-LegalHearings@michigan.gov.</a>

Dated: \_\_\_\_8/1/2023

Alyssa A. <sub>By:</sub> Grissom Digitally signed by Alyssa A. Grissom Date: 2023.08.01 16:07:48 -04'00'

Alyssa A. Grissom Legal Section Manager Cannabis Regulatory Agency