

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

In the Matter of

Alchemy Wellness, LLC
License No.: GR-C-001144

ENF No.: 23-00445

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On August 21, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana class C grower license (no. GR-C-001144) of Alchemy Wellness, LLC (Respondent) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.18(1), R 420.802(3)(d), and R 420.803(1).

The executive director or designee reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the complaint. Therefore, the executive director or designee finds that the allegations contained in the complaint are true and that Respondent violated Mich Admin Code, R 420.18(1), R 420.802(3)(d), and R 420.803(1).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of six hundred and sixty-six and 66/100 dollars (\$666.66). 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). CRA guidance on how to make compliance payments online is available

under “Tips for Licensees” at www.michigan.gov/cra/bulletins. Checks or money orders shall be made payable to the State of Michigan with “ENF No. 23-00445” and “License No. GR-C-001144” 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.

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 may be subject to additional fines and/or other sanctions.

This order shall be effective as of the date signed by the CRA’s executive director or designee, as set forth below.

Signed on: 5/2/2024

CANNABIS REGULATORY AGENCY

By: **Brian Hanna**
Executive Director Brian Hanna
or Designee
Cannabis Regulatory Agency

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O = CRA OU =
CRA
Date: 2024.05.02 16:20:49 -04'00'

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 charges set forth in the complaint by presentation of evidence and legal authority and to present a defense to the charges.
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.
 - b. The violations stem from conduct concerning Respondent's license renewal process during 2023.
 - c. Respondent indicated that the individual purportedly responsible for the violations is no longer employed by the business, as of January 1, 2024.
 - d. Respondent reverted back to its original status as a limited liability company (LLC) once the CRA raised the reporting issue.
 - e. This consent order and stipulation is part of a comprehensive resolution of 14 related formal complaints against Alchemy Wellness, LLC's medical marijuana class C grower licenses concerning the same conduct.
4. The CRA's operations director or designee must approve this proposed agreement before it is forwarded to the CRA's executive director or 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 operations director, executive director, or 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:

Desmond Mitchell

Digitally signed by: Desmond Mitchell
DN: CN = Desmond Mitchell email =
MitchellD6@michigan.gov C = US O = Cannabis
Regulatory Agency OU = Directors Office
Date: 2024.05.02 15:51:37 -04'00'

Desmond Mitchell
Operations Director,
Cannabis Regulatory Agency

Dated: 5/2/2024

/s/ Jeffrey W. Miller

Jeffrey W. Miller (P78786)
Assistant Attorney General
Attorney for Cannabis Regulatory Agency
Dated: 05/01/2024

AGREED TO BY:



Joe Gordhamer
Authorized Representative
On behalf of Respondent
Alchemy Wellness, LLC

Dated: 4/30/24



Joslin Monahan (P77362)
Megan Callahan-Krol (P83802)
Attorneys for Respondent
Dated: _____

LF: 2023-0388200-A / Alchemy Wellness, LLC / Consent Order and Stipulation / 2024-04-30

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

In the Matter of

Alchemy Wellness LLC
License No.: GR-C-001144

ENF No: 23-00445

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“CRA”) files this formal complaint against Alchemy Wellness LLC (“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 21319 Kelsey Lake Street, Cassopolis, Michigan 49031, 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 9, 2023, a CRA Regulation Agent (RA) contacted Respondent regarding a complaint for failure to notify the CRA of a material change to the business.
- b. Respondent admitted to converting its domestic limited liability company to a domestic profit corporation and thereby changing its name from Alchemy Wellness, LLC to Alchemy Wellness, Inc. as of April 3, 2023.
- c. The CRA did not receive Respondent's amendment to change its name until June 12, 2023.

Count I

Respondent's actions as described above in paragraphs b and c demonstrate a violation of Mich Admin Code, R 420.18(1), which states, in part, that any material change or modification to the marihuana business must be approved by the agency before the change or modification is made.

Count II

Respondent's actions as described above in paragraphs b and c demonstrate a violation of Mich Admin Code, R 420.802(3)(d), which states that licensees 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: (d) change in entity name.

Count III

Respondent's actions as described above in paragraphs b and c demonstrate a violation of Mich Admin Code, R 420.803(1), which states, in part, that any material change or modification to the marihuana business must be approved by the agency before the change or modification is made.

THEREFORE, based on the above, the CRA gives notice of its intent to impose

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finances 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 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

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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: 8/21/23

By: Alyssa A. Grissom
Digitally signed by Alyssa A. Grissom
Date: 2023.08.21 14:57:45 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency