

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

In the Matter of

FPAW Michigan, LLC  
dba Ascend Cannabis Group  
License No.: AU-R-000125

ENF No.: 23-00264

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On August 2, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer establishment license (AU-R-000125) of FPAW Michigan, LLC dba Ascend Cannabis Group (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 420.18(1), R 420.802(3)(f)(iii), R 420.802(3)(f)(iv), and R 420.803(1).

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 420.18(1), R 420.802(3)(f)(iii), R 420.802(3)(f)(iv), and R 420.803(1).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of four thousand five hundred and 00/100 dollars (\$4,500.00). 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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“23-00264” and license number “AU-R-000125” 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, R 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: 10/24/2024

By: Brian Hanna

Digitally signed by: Brian Hanna  
DN: CN = Brian Hanna email = hanna@micrigan.gov C = US O =  
CRA OU = CRA  
Date: 2024.10.24 12:52:03 -0400

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 submitted one floor plan to the CRA when construction on the establishment began. However, necessary changes in the plans during the construction process were not reported to the CRA.
  - b. Respondent now utilizes new project management software to track details related to establishment modifications.
  - c. 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.

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By signing this stipulation, the parties confirm that they have read, understand, and agree with the terms of the consent order.

AGREED TO BY:

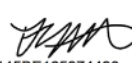
Sara Hernandez

Digitally signed by: Sara Hernandez  
DN: CN = Sara Hernandez email =  
SaraHernandezS1@michigan.gov C = US O = CRA OU =  
LARA  
Date: 2024.10.21 10:19:47 -04'00'

Sara Hernandez, CSD Director  
or her designee  
Cannabis Regulatory Agency

Dated: 10/21/2024

AGREED TO BY:

DocuSigned by:  
  
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Francis Perullo, Authorized Officer  
on behalf of Respondent  
FPAW Michigan, LLC.

Dated: 10/16/2024



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

In the Matter of

FPAW Michigan LLC dba Ascend Cannabis Group  
License No.: AU-R-000125

ENF No: 23-00264

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against FPAW Michigan LLC dba Ascend Cannabis Group (“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 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 establishment in the state of Michigan.
4. Respondent operated at 1096 East Main Street, Suite A, Morenci, Michigan 49256, 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 December 13, 2022, Respondent submitted a reporting form to the CRA in reference to proposed upgrades to Respondent's security system, additional cameras, and the installation of door key card readers.
- b. The last approved floor plan, submitted by Respondent on April 21, 2021, differed from the floor plan Respondent submitted with the December 13, 2022 reporting form, which included the addition of a door, corridor, and additional rooms.
- c. On January 5, 2023, a CRA Regulation Agent (RA) conducted an inspection at Respondent's establishment and observed the addition of a door that led down a corridor and into additional rooms. The CRA RA observed that Respondent did not submit a reporting form to the CRA for the addition of the door, corridor, and additional rooms.
- d. On January 11, 2023, Respondent's Compliance Manager, N.G., admitted that Respondent did not submit a reporting form for the proposed changes to the CRA nor receive CRA approval prior to making the material changes and modifications to its establishment.

### **Count I**

Respondent's actions as described above in paragraphs c and d demonstrate a violation of R 420.18(1), which states, in part, 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 c and d demonstrate a violation of Mich Admin Code, R 420.802(3)(f)(iii), which states 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: (f) any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the following: (iii) increase or decrease in the size or capacity of the marihuana business.

### **Count III**

Respondent's actions as described above in paragraphs c and demonstrate a violation of Mich Admin Code, R 420.802(3)(f)(iv), which states 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: (f) any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the following: (iv) alterations of ingress or egress.

### **Count IV**

Respondent's actions as described above in paragraphs c and d demonstrate a violation of Mich Admin Code, R 420.803(1), which states, in part, 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 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.

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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: 8/2/23

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom  
Date: 2023.08.02 11:45:48 -04'00'

Alyssa A. Grissom  
Legal Section Manager  
Cannabis Regulatory Agency