

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

In the Matter of

Fresh Coast Cannabis Group, LLC  
License No.: AU-G-C-001036

ENF No.: 24-00270

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On April 22, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana grow establishment license (AU-G-C-001035) of Fresh Coast Cannabis Group, LLC (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(5), R 420.209(6)(a)(i), R 420.209(6)(a)(ii), R 420.209(6)(a)(iv), R 420.209(6)(b), R 420.209(11), R 420.209(12), and R 420.211(8).

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(5), R 420.209(6)(a)(i), R 420.209(6)(a)(ii), R 420.209(6)(a)(iv), R 420.209(6)(b), R 420.209(11), R 420.209(12), and R 420.211(8).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of five thousand and 00/100 dollars (\$5,000.00). 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

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shall be made payable to the State of Michigan with enforcement number “24-00269” and license number “AU-G-C-001035” 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: 10/11/2024

By: Brian Hanna

Digitally signed by: Brian Hanna  
DN: cn = Brian Hanna email = hannah@michigan.gov C = US O = CRA  
OU = CRA  
Date: 2024.10.11 14:07:58 -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's video surveillance system was offline due to a power outage.
  - b. Respondent now has generators in place to prevent extended power outages in the future.
  - c. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
  - d. Respondent has been licensed as a grow since 2022 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.

**CONTINUED ONTO THE 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 =  
SaraHernandez51@michigan.gov c = US o = CRA OU = LARA  
Date: 2024.10.04 10:12:32 -0400

Sara Hernandez, CSD Director  
or her designee  
Cannabis Regulatory Agency

Dated: 10/04/2024

AGREED TO BY:

Signed by:

Paul Kountouriotis

A6D95E632064483...

Paul Kountouriotis, Authorized Officer  
on behalf of Respondent  
Fresh Coast Cannabis Group, LLC

Dated: 10/3/2024

DocuSigned by:

John Mackewich

1D95D5863A77490...

John Mackewich, P70120  
Attorney for Respondent

Dated: 10/3/2024

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

In the Matter of

Fresh Coast Cannabis Group, LLC  
License No: AU-G-C-001036

ENF No: 24-00270

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Fresh Coast Cannabis Group, LLC (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 the 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 4955 Charlotte Road, Charlotte, Michigan 48813, at all times relevant to this complaint.
5. Following an investigation, the CRA determined that Respondent violated the MRTMA and/or the administrative rules promulgated thereunder as set forth below:

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- a. On September 6, 2023, the CRA reviewed an anonymous complaint that alleged Respondent was not compliantly tracking and disposing of plant waste.
- b. On September 25, 2023, two CRA Regulation Agents (RAs) visited Respondent's establishment to follow up on this information. The RAs met with Respondent's director of operations and sales, J.Z., and owner, C.K.
- c. The RAs reviewed Respondent's digital waste log, which had blanks or non-identifying information in the following fields: employee that handled the destruction, room where the destruction took place, weight of the waste, method of destruction, and Metrc tag number of the product the waste was from.
- d. The RAs asked to view the destruction videos for certain entries. J.Z. said he could not locate the videos because both the waste log and Respondent's waste records in the statewide monitoring system (Metrc) only documented when waste was separated from the harvest or product. The physical waste was saved up until it could be destroyed in batches later, or when a harvest was completed. Neither the waste log nor the Metrc entries reflected the actual destruction dates and times.
- e. During this visit, the RAs learned that Respondent had a power outage lasting five days from around 9:10 pm on Thursday, August 24, 2023 to approximately 5:30 pm on Tuesday, August 29, 2023. J.Z. and C.K. admitted that Respondent's surveillance system was down, and no recordings were created or saved during the outage. They further admitted that Respondent continued operating while the surveillance system was down, and Respondent did not report the outage to the CRA.

### **Count I**

Respondent's actions as described above in paragraph e demonstrate a violation of Mich Admin Code, R 420.209(5), which states a licensee shall have a video surveillance system that, at a minimum, consists of digital or network video

recorders, cameras capable of meeting the recording requirements in this rule, video monitors, digital archiving devices, and a color printer capable of delivering still photos.

### **Count II**

Respondent's actions as described above in paragraph e demonstrate a violation of Mich Admin Code, R 420.209(6)(a)(i), which states a licensee shall ensure the video surveillance system does all the following: (a) records, at a minimum, the following areas: (i) any areas where marihuana products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the marihuana business.

### **Count III**

Respondent's actions as described above in paragraph e demonstrate a violation of Mich Admin Code, R 420.209(6)(a)(ii), which states a licensee shall ensure the video surveillance system does all the following: (a) records, at a minimum, the following areas: (ii) limited access areas and security rooms. Transfers between rooms must be recorded.

### **Count IV**

Respondent's actions as described above in paragraph e demonstrate a violation of Mich Admin Code, R 420.209(6)(a)(iv), which states a licensee shall ensure the video surveillance system does all the following: (a) records, at a minimum, the following areas: (iv) the entrances and exits to the building, which must be recorded from both indoor and outdoor vantage points.

### **Count V**

Respondent's actions as described above in paragraphs paragraph e demonstrate a violation of Mich Admin Code, R 420.209(6)(b), which states a licensee shall ensure the video surveillance system does all the following: (b) records images effectively and efficiently of the area under surveillance with a

minimum of 720p resolution.

### **Count VI**

Respondent's actions as described above in paragraphs paragraph e demonstrate a violation of Mich Admin Code R 420.209(11), which states that 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 VII**

Respondent's actions as described above in paragraph e demonstrate a violation of Mich Admin Code, R 420.209(12), which states surveillance recordings of the licensee are subject to inspection by the agency and must be kept in a manner that allows the agency to view and obtain copies of the recordings at the marihuana business immediately upon request.

### **Count VIII**

Respondent's actions as described above in paragraphs b, c, and d, demonstrate a violation of Mich Admin Code, R 420.211(8) which states in relevant part, a licensee shall maintain accurate and comprehensive records regarding marihuana product waste, and marihuana plant waste that accounts for, reconciles, and evidences all waste activity related to the disposal.

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

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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: 04/22/2024

By: Alyssa A. Grissom

Digitally signed by Alyssa  
A. Grissom  
Date: 2024.04.22  
13:47:26 -04'00'

Alyssa A. Grissom  
Legal Section Manager  
Cannabis Regulatory Agency

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