

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

In the Matter of

Green Acres Collective, LLC
License No.: AU-R-001008

ENF No.: 24-00427

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On May 31, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer establishment license (AU-R-001008) of Green Acres Collective, 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 420.104(3)(b).

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)(b).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of one thousand and 00/100 dollars (\$1,000.00). 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 www.michigan.gov/cra. Check or money orders shall be made payable to the State of Michigan with enforcement number "24-00427" and license number "AU-R-001008" clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and

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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.
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 standard days after the date signed by the CRA's executive director or his designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: 10/23/2024

By: Brian Hanna

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email = hannah@michigan.gov C = US O =
CRA OU = CRA
Date: 2024.10.23 10:41:33 -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 provided a standard operating procedure (SOP) detailing its process for entering inventory into Metrc and tracking inventory.
 - b. Respondent provided an SOP, signed by a manager, with names and positions of all relevant employees trained, and dates of completion for each.
 - c. Respondent made a single transaction that initiated the violation.
 - d. Respondent immediately reprimanded the employee responsible for the incident and conducted one-on-one training with that employee.
 - e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - f. Respondent has been licensed as an adult-use marijuana retailer establishment since 2023 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

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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:

AGREED TO BY:

Sara Hernandez

Digitally signed by: Sara Hernandez
DN: CN = Sara Hernandez email =
sarahernandez31@gmail.com, U = US, OU = LARA, OU = LARA
Date: 2024.10.11 11:16:21 -0400

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

Dated: 10/11/2024

Ali Mazloun

Ali Mazloun, Authorized Officer
on behalf of Respondent
Green Acres Collective, LLC

Dated: 10-10-2024

Hassan Zaarour

Hassan Zaarour, P83043
Attorney for Respondent

Dated: 10-10-2024

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

In the Matter of

Green Acres Collective, LLC
License No.: AU-R-001008

ENF No.: 24-00427

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Green Acres Collective, 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 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 marijuana establishment in the state of Michigan.
4. Respondent operated at 1444 Inkster Road, Inkster, Michigan 48141, at all times relevant to this complaint.
5. Following an investigation, the CRA determined that Respondent violated the

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MRTMA and/or administrative rules promulgated thereunder as set forth below:

- a. On February 14, 2024, the CRA placed marijuana product Watermelon 1g Infused PreRoll Metrc tag number 1A4050300038CFE000020798 on administrative hold in the statewide monitoring system (Metrc).
- b. On February 21, 2024, Respondent made one sale from receipt number 122944379 with Metrc tag number ending in -0798.
- c. That one sale from the package with Metrc tag number ending in -0798 totaled \$11.25.
- d. On May 9, 2024, a CRA Regulation Agent (RA) reviewed the Metrc history for the package with Metrc tag number ending in -0798 and discovered that the administrative hold had not been removed on February 21, 2024, at the date and time of the sale.
- e. On May 9, 2024, the CRA RA emailed Respondent's Attorney, H.Z., and requested an explanation for the sale.
- f. On May 13, 2024, the CRA RA conducted an unannounced visit to Respondent's establishment and spoke with Respondent's store manager, C. R-L., who said that Respondent was aware that a sale was reflected in Metrc that Respondent's marijuana product was on administrative hold. C.R-L. further claimed that this was a misunderstanding as Respondent's budtender picked the wrong marijuana product when selling the same marijuana product with a different Metrc ID. However, the customer was given the correct marijuana product which was not on administrative hold.
- g. On May 15, 2024, the CRA RA received a response from H.Z. to the email sent on May 9, 2024. H.Z. explained that C.R-L. mistakenly moved the quarantined marijuana product back to the sales floor in the third-party point-of-sale system, although the physical marijuana products still remained in quarantine in a safe in Respondent's office.

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- h. Additionally, H.Z. confirmed C.R-L. claimed the budtender failed to follow policy and scan the marijuana product, but instead searched for the product by name in its third-party point-of-sale system. Thus, choosing the wrong product in the third-party point-of-sale system that was on administrative hold.

Count I

Respondent's actions as described above in paragraphs b, c, d and g demonstrate a violation of Mich Admin Code R 420.104(3)(b), which states 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.

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

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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 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.

Dated: 5/31/24

By: Alyssa A. Grissom
Digitally signed by Alyssa A. Grissom
Date: 2024.05.31 13:58:26 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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