

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

In the Matter of

MJC Development, LLC
dba Cannabis King
License No. AU-R-000512

ENF No. 24-00279

_____/ **CONSENT ORDER AND STIPULATION**

CONSENT ORDER

On April 10, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult use retailer license (no. AU-R-000512) of MJC Development, LLC dba Cannabis King (Respondent) under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.104(b), R 420.504(1)(a), R 420.504(1)(c), R 420.504(1)(d), and R 520.504(1)(h).

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 420.504(1)(a), R 420.504(1)(c), R 420.504(1)(d), and R 520.504(1)(h).

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 90 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. 24-00279” and “License No. AU-R-000512” 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. Count 1 of the complaint, alleging a violation of R 420.104(b) is dismissed.

3. If Respondent fails to timely comply with the terms of this order, Respondent’s license shall be suspended until compliance is demonstrated.

4. 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.

5. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.

6. 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 30 days after the date signed by the CRA’s executive director or designee, as set forth below.

Signed on: 10/22/2024

Brian Hanna
By: _____
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: 2024.10.22 13:07:57 -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 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 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 represents that the violation occurred as a result of an employee error in spelling the product name in the point-of-sale system.
 - b. Respondent candidly acknowledged the labeling error when speaking with the CRA's regulation agent during the investigation and immediately worked to rectify the situation. Respondent immediately corrected the product name in the point-of-sale system and printed a label for the RA's verification.
 - c. Although the product name was misspelled in the point-of-sale system, the product name was correctly spelled in METRC.
 - d. Respondent implemented a revised standard operating procedure and employee training program for product labeling that is intended to prevent future recurrences.
 - e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
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:

Sara Hernandez


Digitally signed by: Sara Hernandez
DN: CN = Sara Hernandez email =
HernandezS1@michigan.gov C = US O = CRA
OU = LARA
Date: 2024.10.15 09:50:49 -04'00'

Desmond Mitchell
Operations Director
or Designee
Cannabis Regulatory Agency

Dated: 10/15/24

Michael J. Trescone
Michael J. Trescone (P85263)
Adam M. Leyton (P80646)
Assistant Attorneys General
Attorneys for Cannabis Regulatory
Agency Dated: 10/14/2024

AGREED TO BY:


Christian Isso
Authorized Representative
On behalf of Respondent
MJC Development, LLC dba
Cannabis King

Dated: 10-07-2024

Hillary Bahri Allos
Hillary Bahri (P84478)
Attorney for Respondent

Dated: 10/8/2024

LF: 2024-0409530-A/ MJC Development dba Cannabis King, ENF 24-00279/Consent Order and Stipulation 2024-10-02

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

In the Matter of

MJC Development, LLC
dba Cannabis King
License No.: AU-R-000512

ENF No.: 24-00279

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“CRA”) files this formal complaint against MJC Development, LLC dba Cannabis King (“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 in the state of Michigan.

4. Respondent operated at 3309 Associates Drive, Burton, Michigan 48529, 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 13, 2024, a CRA Regulation Agent (RA) reviewed a photo of packaging provided by a complainant and observed it was non-compliant with CRA requirements. There was information on the left side of the white label that was “cut off” and not completely visible, nor readable on the label. The following required information on the label of the packaging was missing, incomplete, or incorrect:
 - i. The strain name that was not fully visible and is spelled differently than it was entered in statewide monitoring system (Metrc).
 - ii. The name of the testing lab and date of testing was missing.
 - iii. The name of the licensee that packaged the product was not fully visible.
 - iv. The harvest date was missing.
 - v. The name and license number of the grower were missing.
- b. On February 13, 2024, the CRA RA reviewed Metrc for tag 1A405030001E656000001541 and found the product with strain name, “Family Matterz Bud” was spelled differently in Metrc than on the package. The strain name on the package was not fully visible on the white label nor spelt the same as in Metrc. Metrc showed the strain was spelled with a “Z,” “Family Matterz,” the package label spells the strain with an “S,” as in “Family matters.”
- c. On March 1, 2024, the CRA RA made an unannounced visit to Respondent’s establishment and met with a budtender N. S. and Owner, A.Q.
- d. The CRA RA asked N.S. to perform a mock sale of the “Family Matters” flower at POS-Register 1. The information on the printed label was fully legible. However, it was missing the grower name and license number, harvest date, and testing lab name and license number.

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- e. The CRA RA asked N.S. to print a label for flower of another strain, Apples and Bananas. The label printed from POS-Register 1 contained the required information.
- f. Respondent identified that its POS-Register 3 cuts off the label on the left-hand side.
- g. On March 4, 2024, the CRA RA spoke with A.Q. regarding the strain name, "Family Matters" being spelled differently on the package label and the harvest date was different than in Metrc. A.Q. stated that an employee must have made the inaccurate entry. A.Q. stated that the label would be corrected.
- h. On March 4, 2024, A.Q. provided a photo of the white label with the corrected spelling of the strain name to reflect "Family Matterz" and the correct harvest date of October 8, 2024.

Count I

Respondent's actions as described above in paragraph b demonstrates a violation of Mich Admin Code, R 420.104(b), which states 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 a(iii, v) demonstrates a violation of Mich Admin Code, R 420.504(1), which states before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information: (a) The name and the state license number of the cultivator or producer, including business or trade name, and package tag as assigned by the statewide monitoring system.

Count III

Respondent's actions as described above in paragraph a(iv) demonstrates a violation of Mich Admin Code, R 420.504(1)(c), which states before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information:(c) Date of harvest, if applicable.

Count IV

Respondent's actions as described above in paragraph a(i) demonstrates a violation of Mich Admin Code, R 420.504(1)(d), which states before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information: (d) Name of strain, if applicable.

Count V

Respondent's actions as described above in paragraph a(ii) demonstrates a violation of Mich Admin Code, R 420.504(1)(h), which states before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information:(h) Name of the laboratory that performed passing compliance testing on the product in final form and any test analysis date.

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

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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 CRA-LegalHearings@michigan.gov.

Dated: 4/10/24

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2024.04.10 14:47:57 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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