

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

In the Matter of

Algonquin Technologies, LLC
License No.: AU-G-C-000938

ENF No.: 24-00742

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On August 29, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana class C grower establishment license (AU-G-C-000938) of Algonquin Technologies, 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 420.102(7), R 420.212(1), and R 420.304(2)(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 420.102(7), R 420.212(1), and R 420.304(2)(b).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of twelve thousand and 00/100 dollars (\$12,000.00). 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. Check or money orders shall be made payable to the State of Michigan with enforcement number "24-00742" and license number "AU-G-C-000938" clearly displayed on the check or

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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.
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: 1/9/2025

By: Brian Hanna  Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O = CRA OU = CRA
Date: 2025.01.09 10:30:27 -0500

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 determined that completing a scale calibration is necessary prior to each use to ensure accuracy of product weighing.
 - b. Respondent provided revised standard operating procedures (SOPs) on Cannabis Harvesting, Cannabis Lab Testing & Sampling, Cannabis Packaging, and Cannabis Trimming to promote better compliance with the rules.
 - 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 an adult-use marijuana class C grower 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.

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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:

Alyssa A.
Grissom

Digitally signed by Alyssa A.
Grissom
Date: 2025.01.07 09:54:04 -0500'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

Dated: 1/7/2025

AGREED TO BY:



Philip M. Pitters, Authorized Officer
on behalf of Respondent
Algonquin Technologies, LLC.

Dated: 12/30/24

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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY

In the Matter of

Algonquin Technologies, LLC
License No.: AU-G-C-000938

ENF No.: 24-00742

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Algonquin Technologies, 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 marijuana grower class C establishment in the state of Michigan.

4. Respondent operated at 12800 Kercheval Street, Suite A, Detroit, Michigan 48215, at all times relevant to this complaint.

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5. Following an investigation, the CRA determined that Respondent violated the MRTMA and/or administrative rules promulgated thereunder as set forth below:

- a. On July 12, 2024, Respondent created a package with statewide monitoring system (Metrac) tag number 1A405030003965D000000703, with a weight of 8,736 grams before testing.
- b. On August 3, 2024, after testing, Respondent adjusted the package with tag number ending in -0703 by a weight of 2,348 grams, which increased the total weight of the package to 11,084 grams.
- c. On August 8, 2024, a CRA Regulation Agent (RA) received a referral from CRA Operations Support Section, which conducted a package adjustment review and found discrepancies in the weights of the marijuana product before and after testing.
- d. On August 8, 2024, the CRA RA emailed Respondent's Owner, P.P., and requested an explanation for the discrepancies with the package adjustment. Respondent's Head Grower, A.R. responded and explained that a post-harvest manager conducted an initial inventory audit and found that the physical and the Metrac weights were at variance. The post-harvest manager then made an adjustment to the package tag with number ending in -0703.
- e. On August 12, 2024, the CRA RA conducted an onsite visit at Respondent's establishment and met with A.R., who demonstrated to the CRA RA how the error occurred when weighing the marijuana product to create the package adjustment.
- f. A.R. stated that the package with tag number ending in -0703 was adjusted by 2,348 grams because of a missed tare used on the receptacle post-harvest. Additionally, the receptacles used were HDX 27-gallon storage totes and "Bake Bag" 44x20 turkey bags as bin liners that had a combined weight of 2300 grams plus or minus 100 grams.

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- g. Upon reviewing the package adjustment process, the CRA RA observed that the scale was not tared out properly prior to weighing the package with tag number ending in -0703.
- h. The CRA RA observed that Respondent did not take a sufficient sample size of the total weight of the package with tag number ending in -0703 because after weighing the package, Respondent provided sample package tag number 1A405030003965D000000711 with a weight of 44.6 grams for testing.
- i. Respondent failed to provide the full batch so the lab could collect the appropriate sample size of 0.5% of the weight of the batch of the marijuana product for testing as required by the administrative rules.
- j. Respondent was required to provide the entire batch so the lab could collect a minimum sample of 55.42 grams of the total weight for testing.
- k. Respondent failed to appropriately track in Metrc the entry error for the package with tag number ending in -0703, while making the package adjustment.

Count I

Respondent's actions as described above in paragraphs a, b, c, and d demonstrate a violation of Mich Admin Code R 420.102(7), which states a marijuana grower must 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 k demonstrates a violation of Mich Admin Code R 420.212(1), which states all marijuana products must be stored at a marijuana business in a secured limited access area or restricted access area and must be identified and tracked consistently in the statewide monitoring system under these rules.

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Count III

Respondent's actions as described above in paragraphs h, i and j demonstrate a violation of Mich Admin Code R 420.304(2)(b), which states a laboratory shall collect samples of a marihuana product from another marihuana business, and that marihuana business shall not interfere or prevent the laboratory from complying with all of the following requirements: (b) Except otherwise required by the agency, the laboratory shall collect a sample size that is sufficient to complete all required analyses, and not less than 0.5% of the weight of the harvest batch.

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:

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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: 8/29/24

By: Alyssa A. Grissom
Digitally signed by Alyssa A. Grissom
Date: 2024.08.29 14:41:47 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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