

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

In the Matter of

Great Lakes Aqua Culture, LLC
License No.: AU-P-000264

ENF No.: 23-00540

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On August 7, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana processor establishment license (AU-P-00264) of Great Lakes Aqua Culture, 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 420.6(5), R 420.206(4), R 420.209(12), and R 420.305(11).

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 some of the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.6(5) and R 420.209(12).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of seven thousand five hundred and 00/100 dollars (\$7,500.00). 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. Check or money orders shall be made payable to the State of Michigan with enforcement number

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“23-00540” and license number “AU-P-000264” 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. The alleged violation of Mich Admin Code R 420.206(4) and R 420.305(11) are DISMISSED.
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 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.
7. 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.

CONTINUED ONTO NEXT PAGE

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: 10/29/2024

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O = CRA OU = CRA
Date: 2024.10.29 12:56:30 -04'00'

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

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 some video surveillance, but some video surveillance was not provided when requested.
 - b. Respondent provided an updated standard operating procedure to include instructions for backing up requested video surveillance recordings.
 - c. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

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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.

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: 2024.10.16 10:03:52 -0400'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

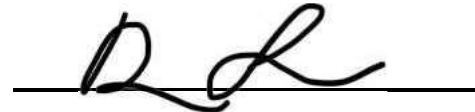
Dated: 10/16/2024

AGREED TO BY:



Aaron White, Authorized Officer
on behalf of Respondent
Great Lakes Aqua Culture, LLC

Dated: 10/15/24



Devin Loker, P79694
Attorney for Respondent

Dated: 10/15/2024

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

In the Matter of

Great Lakes Aqua Culture, LLC
dba White Flower Cannabis Company
License No.: AU-P-000264

ENF No: 23-00540

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against Great Lakes Aqua Culture, LLC dba White Flower Cannabis Company (“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 processor establishment in the state of Michigan.
4. Respondent operated at 39350 West Red Arrow Highway, Paw Paw, Michigan 49079, 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 16, 2023, Respondent had statewide monitoring system (Metrc) package tag 1A405030002B23D000003053 fail safety compliance testing for banned chemical residue for Myclobutanil at 0.364 ppm (action limit is 0.20 ppm).
- b. On February 20, 2023, Respondent had Metrc package tag 1A405030002B23D000003121 fail safety compliance testing for banned chemical residue for Myclobutanil at 0.327 ppm (action limit is 0.20 ppm).
- c. Myclobutanil is a banned chemical residue prohibited from use in the cultivation and production of marijuana plants.
- d. The CRA requested video surveillance from February 9, 2023 through February 15th. Surveillance footage was retrieved from Respondent by a CRA Regulation Agent (“RA”) on March 9, 2023.
- e. A CRA Intelligence Analyst (“IA”) reviewed the provided footage and found the contents submitted to be deficient, specifically, all camera angles for all time periods requested were not provided by Respondent.
- f. On April 12, 2023, the IA went to Respondent’s establishment to retrieve all footage originally requested by the CRA. Respondent stated to the IA that the requested footage was not saved and could not be provided.

Count I

Respondent’s actions as described above in paragraphs d, e, and f demonstrate a violation of Mich Admin Code, R 420.6(5), which states an applicant or licensee has a continuing duty to provide information requested by the agency and to cooperate in any investigation, inquiry, or hearing conducted by the agency.

Count II

Respondent’s actions as described above in paragraphs a, b, and c demonstrate a violation of Mich Admin Code, R 420.206(4), which states the agency shall publish a list of banned chemical residue active ingredients that are prohibited from use in

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the cultivation and production of marihuana plants and marihuana products to be sold or transferred in accordance with the acts or these rules.

Count III

Respondent's actions as described above in paragraphs d, e, and f 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. The licensee shall also send or otherwise provide copies of the recordings to the agency upon request within the time specified by the agency.

Count IV

Respondent's actions as described above in paragraphs a, b, and c demonstrate a violation of Mich Admin Code, R 420.305(11), which states for chemical residue and target analyte testing, the agency shall publish a list of quantification levels. Any result that exceeds the action limit is a failed sample.

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

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: 8/7/2023

By: Alyssa A. Grissom
Digitally signed by Alyssa A. Grissom
Date: 2023.08.07 14:31:51 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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