

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

In the Matter of

586 Ventures, LLC dba Puff Sturgis
License No. AU-R-000767

ENF No. 25-00344

_____/ **CONSENT ORDER AND STIPULATION**

CONSENT ORDER

On March 25, 2025, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult use retailer license (no. AU-R-000767) of 586 Ventures, LLC dba Puff Sturgis (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 420.502(3), R 420.502(5), and R 420.505(1)(a).

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 420.502(3), R 420.502(5), and R 420.505(1)(a).

Accordingly, for these violations, **IT IS ORDERED:**

1. Respondent must pay a fine in the amount of five hundred and 00/100 dollars (\$500.00). 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). 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. 25-00344” and “License No. AU-R-000767” 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. 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 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.

CANNABIS REGULATORY AGENCY

Signed on: 6/26/2025

By: Brian Hanna
Executive Director Brian Hanna
or Designee
Cannabis Regulatory Agency

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O = CRA OU = CRA
Date: 2025.06.26 15:04:21 -0400

STIPULATION

The parties stipulate to the following:

1. The facts alleged in the formal complaint are true and constitute a violation of the MRTMA and administrative rules promulgated thereunder.
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 candidly acknowledged an employee sold one product that had been placed on administrative hold when speaking with the CRA's regulation agent during the investigation and had proactively terminated the employee prior to the CRA's investigation.
 - b. Respondent conducted additional training sessions and moved products on hold from the flower storage room to keep them more separated and easier to identify, in order to prevent future incidents.
 - c. Respondent provided evidence that it regularly reviews employee performance and terminates employees who do not adhere to their established SOPs to avoid future recurrences.
 - d. Respondent represents that the incident stemmed from its own mistakes, rather than an intentional disregard of applicable rules.
 - e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

4. The CRA's Legal Division 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 Legal Division 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:

Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2025.06.25 00:25:39 -04'00'

Alyssa A. Grissom
Legal Division Director
or Designee
Cannabis Regulatory Agency
Dated: 6/25/2025

Erika S. Julien

Erika S. Julien (P63124)
Assistant Attorney General
Attorney for Cannabis Regulatory Agency
Dated: 6/20/2025

AGREED TO BY:

Justin Elias

Justin Elias
Authorized Representative
On behalf of Respondent
586 Ventures, LLC dba Puff Sturgis
Dated: 6/17/25

Nickolas Hannawa

Nickolas Hannawa (P78298)
Attorney for Respondent
Dated: 6/17/25

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

In the Matter of

586 Ventures, LLC dba Puff Sturgis
License No.: AU-R-000767

ENF No.: 25-00344

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against 586 Ventures, LLC dba Puff Sturgis (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.

3. Mich Admin Code, R 420.16(4) provides that the CRA is authorized to place an administrative hold on marijuana product during a pending investigation for an alleged violation of the MRTMA or the administrative rules.

4. R 420.805(5) provides that the CRA may take disciplinary action against licensees that sell or transfer marijuana product that has been placed on administrative hold.

CANNABIS REGULATORY AGENCY
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www.michigan.gov/CRA

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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

5. Respondent holds an active state license under the MRTMA to operate an adult use marijuana retailer establishment in the state of Michigan.

6. Respondent operated at 651 Wade Street, Sturgis, Michigan 49091, at all times relevant to this complaint.

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

- a. On October 18, 2024, the CRA placed statewide monitoring system (Metrc) tag number 1A405030002786E000182450 (tag number ending – 2450), on administrative hold during a pending investigation.
- b. On January 23, 2024, Respondent made one sale from tag number ending -2450, while on administrative hold.
- c. Respondent failed to verify in Metrc that the package was on administrative hold prior to the sale of the marijuana product.

Count I

Respondent’s actions as described above in paragraphs a and b demonstrate a violation of Mich Admin Code R 420.502(3), which states in relevant part, a marihuana business shall not sell or transfer a marihuana product that has been placed on administrative hold.

Count II

Respondent’s actions as described above in paragraphs a, b and c demonstrate a violation of Mich Admin Code R 420.502(5), which states in relevant part, prior to selling or transferring a marihuana product, a marihuana business must verify in the statewide monitoring system that the product has not been placed on an administrative hold.

Count III

Respondent's actions as described above in paragraphs a, b and c demonstrate a violation of Mich Admin Code R 420.505(1)(a), which states in relevant part, a marihuana sales location shall verify prior to selling or transferring marihuana product to a marihuana customer that the product has not been placed on administrative hold.

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

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2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
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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: 3/25/25

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2025.03.25 13:56:45 -04'00'

Alyssa A. Grissom
Legal Division Director
Cannabis Regulatory Agency