

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. 25-00126

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On February 7, 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).

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).

Accordingly, for this violation, 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). 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. 25-00126” 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 15:05:24 -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 it missed removing three products that had been placed on administrative hold from the sales floor when speaking with the CRA's regulation agent during the investigation. Respondent immediately worked to rectify the situation by conducting a store-wide compliance training reiterating the importance of identifying and isolating products on administrative hold.
 - 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 represents that the incident stemmed from its own mistakes, rather than an intentional disregard of applicable rules.
 - d. 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 00:26:24 -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: 25-00126

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 Marijuana 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
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
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 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 #1A4050300020B0F000135906 (tag number ending – 5906) and #1A4050300020B0F000135621 (tag number ending –5621), on administrative hold during a pending investigation.
- b. On November 3, 2024, Respondent made one sale that included two units from tag number ending -5906, while on administrative hold.
- c. On November 5, 2024, Respondent made one sale that included one unit from tag number ending -5621, while on administrative hold.
- d. On December 1, 2024, the CRA Operations Support Section (OSS) conducted a statewide monitoring system (Metrc) audit of Respondent's sales.
- e. OSS found Respondent made two sales of products that were placed on administrative hold that was still in effect for November 2024.
- f. On December 19, 2024, two CRA Regulation Agents (RAs) conducted an onsite visit for Respondent's establishment and met with Respondent's General Manager, N.S
- g. N.S. stated that not all the products were removed from the sales floor which resulted in the products being sold.

Count I

Respondent's actions as described above in paragraphs a, b, c, e and g 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.

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

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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: 2/7/25

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2025.02.07
08:22:27 -05'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency