

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

In the Matter of

ICE Processing Corp
License No. AU-P-000443

ENF No. 24-01287

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On December 18, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult use processor license (no. AU-P-000443) of ICE Processing Corp (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 420.103(3), R 420.210(1), R 420.201(2), R 420.602(1), and R 240.602(2)(b).

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 420.103(3), R 420.210(1), R 420.201(2), R 420.602(1), and R 240.602(2)(b).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of twenty two thousand and 00/100 dollars (\$22,000.00). 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. 24-01287” and “License No. AU-P-000443” 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: 6/17/2025

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

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhannab@michigan.gov C = US O = CRA OU = CRA
Date: 2025.06.17 14:53:08 -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 the violations when speaking with the CRA's regulation agent during the investigation and immediately worked to rectify the situation. Respondent made Metrc adjustments while the CRA was on-site to bring their inventory into compliance and obtained missing compliance tags from their vendor.
 - b. Respondent quarantined the untagged product away from vault inventory, and there is no evidence that the products referenced in the complaint entered the supply chain or were made available to consumers.
 - c. Respondent voluntarily destroyed package tags -4969, -4970, -4967, -4968, a package of 16 faulty distillate vape carts, and a package of 213 faulty vapes under the supervision of the CRA during the investigation.
 - d. Respondent is now fully aware that temporary workers are required to be logged in Metrc and that it must conduct its own background checks. Respondent implemented a standard operating procedure for Employee Onboarding that was approved by the CRA on 05/06/25.
 - e. Respondent implemented revised standard operating procedures regarding tagging, production sheets, package breakdowns, and

security measures, including Production of Inhalable Products-Infused Pre-Rolls (Rosin Donuts), Security Measures and Video Surveillance, Inhalable Compound Concentrate Products, Lab Samples for Testing, Standard 1g Pre-Rolls, 1g Rosin Production, 3.5g Pre-Packaged Flower Production, and Vape Filling, that are intended to prevent future recurrences and were approved by the CRA on 05/06/25.

- f. Respondent represents that the incident stemmed from its own misunderstandings, rather than an intentional disregard of applicable rules.
- g. Respondent states that it has learned from this situation, completed a thorough review of the applicable statutes and administrative rules in light of this matter, and made staffing adjustments regarding the use of temporary workers, to avoid future recurrences.
- h. 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: 2025.06.17 11:09:48 -04'00'

Alyssa A. Grissom
Legal Division Director
or Designee
Cannabis Regulatory Agency
Dated: 6/17/2025

Erika S. Julien

Erika S. Julien (P63124)
Assistant Attorney General
Attorney for Cannabis Regulatory Agency
Dated: 5/21/2025

AGREED TO BY:

Anton Ivezaj

Anton Ivezaj
Authorized Representative
On behalf of Respondent
ICE Processing Corp
Dated: May 21 2025 13:53 EDT

Scott Roberts

Scott F. Roberts (P74324)
Attorney for Respondent
Dated: May 15 2025 13:23 EDT

LF: 2025-0424795-A/ICE Processing Corp, AU-P-000443, ENF 24-01287/Consent Order and Stipulation 2025-05-15

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

In the Matter of

Ice Processing Corp
License No: AU-P-000443

ENF No: 24-01287

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Ice Processing Corp (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 processor establishment in the state of Michigan.
4. Respondent operated at 21445 Hoover Road, Suite 310, Warren, Michigan 48089, 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 April 29, 2024, the CRA received a complaint from Respondent's former employee alleging discrepancies between Respondent's statewide monitoring system (Metrc) inventory and Respondent's physical inventory onsite.
- b. On June 17, 2024, three CRA Regulation Agents (RAs) visited Respondent's establishment and met with Respondent's Onsite Contact, A.I.
- c. During the visit, the CRA RAs, accompanied by A.I., observed the following:
 - i. 72 boxes of Donut pre-rolls without Metrc tags located in the production room. The CRA RAs were able to trace the pre-rolls to Metrc.
 - ii. Three brown boxes containing vape cartridges without Metrc tags affixed located in the vault. "Grape Gas" was written in black marker on all three boxes. The CRA RAs traced the product to Metrc tag number 1A405030004199D000015986 (tag number ending -5986), Grape Gas Live Rosin. The CRA RAs observed 433 eaches of tag number ending -5986 physically onsite. However, Metrc indicated that Respondent was in possession of only 272 eaches of tag number ending -5986.
 - iii. Six brown boxes containing vape cartridges without Metrc tags affixed located in the vault. "Holy Grail" was written in black marker on all 6 boxes. The CRA RAs traced the product to Metrc tag number 1A405030004199D000015987 (tag number ending -5987), Holy Grail Live Rosin. The CRA RAs observed 1,120 eaches of tag number ending -5987 physically onsite. However, Metrc indicated

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- that Respondent was in possession of only 909 eaches of tag number ending –5987.
- iv. 228 grams of Cap Junky marijuana flower, Metrc tag number 1A4050300023669000007089 (tag number ending –7089), located in the vault. 228 grams of tag number ending –7089 were physically onsite. However, Metrc indicated that tag number ending –7089 was finished.
 - v. One box containing at least 50 Permanent Marker pre-rolls without Metrc tags affixed located in the vault. The CRA RAs traced the pre-rolls to Metrc tag number 1A4050300023669000008616.
 - vi. One box containing several Canal St Runtz pre-rolls without Metrc tags affixed located in the vault. The CRA RAs traced the pre-rolls to Metrc tag number 1A4050300023669000007079.
 - vii. Two bins containing Truffle Cake x Holy Grail infused pre-rolls, Metrc tag number 1A405030004199D000017445 (tag number ending –7445) located in the vault. The CRA RAs observed 168 eaches of tag number ending –7445 physically onsite. However, Metrc indicated that Respondent was in possession of 185 eaches of tag number ending –7445.
 - viii. One bin containing Grape Gas x Cap Junky Donut infused pre-rolls, Metrc tag number 1A405030004199D000016822 (tag number ending –6822) located in the vault. The CRA RAs observed 200 eaches of tag number ending –6822 physically onsite. However, Metrc indicated that Respondent was in possession of 214 eaches of tag number ending –6822.
 - ix. One bin containing Carbon Fiber x Cap Junky Donut infused pre-rolls, Metrc tag number 1A405030004199D000016839 (tag number ending –6839) located in the vault. The CRA RAs observed 100

eaches of tag number ending –6839 physically onsite. However, Metrc indicated that Respondent was in possession of only 86 eaches of tag number ending –6839.

- x. One bin containing Carbon Fiber x Banaconda BH infused pre-rolls, Metrc tag number 1A405030004199D000017442 (tag number ending –7442) located in the vault. The CRA RAs observed 8 eaches of tag number ending –7442 physically onsite. However, Metrc indicated that tag number ending –7442 was finished.
- xi. Several brown boxes containing Sherb Banger, Grape Gas, and Super Runtz pre-packaged marijuana flower without Metrc tags affixed located in the vault. The CRA RAs were able to trace the packages of flower to Metrc tag numbers 1A4050300023669000012774 (Sherb Banger), 1A4050300023669000012769 (Grape Gas), and 1A4050300023669000012750 (Super Runtz).
- xii. Two small white boxes containing 74 eaches of Canal St Runtz vape cartridges without Metrc tags affixed located in the vault. The CRA RAs traced the product to Metrc tag number 1A405030004199D000004967.
- xiii. 11 small white boxes containing 549 eaches of Carbon Fiber vape cartridges without Metrc tags affixed located in the vault. The CRA RAs traced the product to Metrc tag number 1A405030004199D000004968.
- xiv. 4 small white boxes containing 169 Banaconda vape cartridges without Metrc tags affixed located in the vault. The CRA RAs traced the product to Metrc tag number 1A405030004199D000004969.

- xv. 6 small white boxes containing 298 Banoreoz vape cartridges without Metrc tags affixed located in the vault. The CRA RAs traced the product to Metrc tag number 1A405030004199D000004970.
- xvi. One brown box containing 213 vape cartridges without Metrc tags affixed located in the vault. The CRA RAs were unable to trace the untagged vape cartridges to Metrc.
- d. During the June 17, 2024 visit, the CRA RAs reviewed Respondent's employee timecards for June 2024. The CRA RAs observed that A.K., B.N., H.F., I.S., M.M., N.K., N.K., V.D., and Y.K. worked at Respondent's establishment from June 3, 2024 through June 17, 2024 but were not entered as employees in Metrc.
- e. Additionally, the CRA RAs observed that Respondent ordered criminal history background checks for employees A.I., B.G., C.J., D.D., D.G., J.T., L.K., M.L., M.L., R.E., S.B., S.B., S.D., and T.F after the employees were hired.

Count I

Respondent's actions as described above in paragraph c demonstrate a violation of Mich Admin Code, R 420.103(3), which states a marihuana processor 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 c demonstrate a violation of Mich Admin Code, R 420.210(1), which states except for designated consumption establishments or temporary marihuana events licensed under the MRTMA, a marihuana business must not have marihuana products that are not identified and recorded in the statewide monitoring system pursuant to these rules.

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Count III

Respondent's actions as described above in paragraph c demonstrate a violation of Mich Admin Code, R 420.210(2), which states except for a designated consumption establishment or temporary marihuana event licensed under the MRTMA, a marihuana business must not have any marihuana product without a batch number or identification tag or label pursuant to these rules. A licensee shall immediately tag, identify, or record as part of a batch in the statewide monitoring system any marihuana product as provided in these rules.

Count IV

Respondent's actions as described above in paragraph e demonstrate a violation of Mich Admin Code, R 420.602(1), which states a licensee shall conduct a criminal history background check on any prospective employee before hiring that individual. A licensee shall keep records of the results of the criminal history background checks for the duration of the employee's employment with the licensee. A licensee shall record confirmation of criminal history background checks and make the confirmation available for inspection upon request by the agency.

Count V

Respondent's actions as described above in paragraph d demonstrate a violation of Mich Admin Code, R 420.602(2)(b), which states a licensee shall comply with all of the following: (b) enter in the statewide monitoring system an employee's information and level of statewide monitoring system access within 7 business days of hiring for the system to assign an employee identification number. The licensee shall update in the statewide monitoring system employee information and changes in status or access within 7 business days.

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.

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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.

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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: 12/18/24

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2024.12.18 08:17:30 -05'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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