

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

In the Matter of

NTK Investments, LLC
License No.: AU-G-C-001345

ENF No.: 24-00950

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On October 30, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana Class C grower establishment license (AU-G-C-001345) of NTK Investment, 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) 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) and R 420.304(2)(b).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of seven thousand and 00/100 dollars (\$7,000.00). 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 "24-00950" and license number "AU-G-C-001345" clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and

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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: 6/6/2025

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O = CRA OU = CRA
Date: 2025.06.06 10:31:57 -04'00'

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

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STIPULATION

The parties stipulate to the following:

1. Respondent does not contest the allegations of fact and law in the formal complaint. By pleading no contest, Respondent does not admit the truth of the allegations but agrees that the CRA's executive director or designee may enter an order treating the allegations as true for purposes of resolving the formal complaint.
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 documentation which states it has conducted a comprehensive review of its internal processes and implemented a series of corrective actions designed to prevent future occurrences.
 - b. Respondent provided updated standard operating procedures (SOPs) and log sheets. The SOPs promote compliance with the administrative rules regarding tracking marijuana or marijuana product in statewide monitoring system (Metrc). The SOPs provide, in part, multiple updates:
 - i. Respondent restructured dry and curing room schedules to during harvest and trim by having one designated dry room per harvest batch throughout the drying process. Further, it has reduced the number of strains assigned to each room and reorganized its scheduling.

- ii. Respondent implemented the use of door logs for each dry and cure room, which include information such as strain, plant counts, and critical dates for all harvests. Also, weekly room schedules and plant counts have been reorganized.
 - iii. Respondent implemented weighing each harvest batch at least twice.
 - iv. Respondent implemented the use of trim log sheets to record waste and finished weights.
 - v. Respondent implemented sending notification of harvest batch size and required sample percentages information to the safety compliance facility before sampling events occur.
 - c. Respondent provided documentation that it conducts weekly inventory audits. During audits, tracking software and RFID scanners are used.
 - d. Respondent provided documentation which states that its compliance manager has again completed the advanced training on the Metrc Learn platform, including the Cultivation Journey (parts 1-3), Michigan Advanced Cultivator Metrc Training, and Michigan New Business Training, and received training regarding weight discrepancies and package adjustments. The compliance manager is scheduled to complete this training every six months or sooner.
 - e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - f. Respondent has been licensed as a Class C grower since 2023 and has no prior discipline against its license.
4. The CRA's legal division 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 legal division 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:

Alyssa A. Grissom

Digitally signed by Alyssa A. Grissom
Date: 2025.06.05 12:28:39 -04'00'

Alyssa Grissom, Director
Legal Division
or her designee
Cannabis Regulatory Agency

Dated: 6/5/2025

AGREED TO BY:

Johne Mammo

Johne Mammo (May 28, 2025 11:13 EDT)

Johne Mammo, Authorized Officer
on behalf of Respondent
NTK Investments, LLC

Dated: 5-28-2025

Denise Pollicella

Denise A. Pollicella, P55629
Attorney for Respondent

Dated: 5-29-2025

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

In the Matter of

NTK Investments, LLC
License No.: AU-G-C-001345

ENF No.: 24-00950

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against NTK Investments, 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 processor establishment in the state of Michigan.

4. Respondent operated at 21680 West Eight Mile Road, Southfield, Michigan, 48075, 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 August 1, 2024, the CRA Operations Support Section referred a complaint stating that Respondent did not accurately track two packages of marijuana in Metrc.
- b. On August 8, 2024, a CRA RA reviewed the referral document and observed that Respondent adjusted two packages with statewide monitoring system (Metrc) tags 1A40503000448E1000001219 (tag number ending -1219) and 1A40503000448E1000001243 (tag number ending -1243) after testing and noted that the packages were not accurately tracked and tested.
- c. The CRA RA observed in Metrc that the package with tag number ending -1219 contained 1,086 grams. The package tag number ending -1219 was adjusted up by 431 grams after testing. The stated reason for the adjustment was “waste.”
- d. The package with tag number ending -1243 contained 9,800 grams. The package tag number ending -1243 was adjusted up by 2,975 grams after testing. The stated reason for the adjustment was “package got adjusted wrong previously and became negative.”
- e. On August 13, 2024, the CRA RA conducted an unannounced visit at Respondent’s establishment and met with Respondent’s Compliance Manager, S.D., and requested an explanation for the inaccurate tracking for the packages in Metrc. S.D. admitted that the harvest batch must have been inaccurately tracked, which caused the package with tag number ending -1219 to have an inaccurate weight.
- f. The CRA RA observed on a document that outlined the harvest batch that the package ending with tag number -1219 contained 1,040 grams of dry buds, however, S.D. indicated the tag had 1,086 grams per Metrc. The

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package with tag number ending -1219 should have contained an additional 454 grams of shake/trim, which would have made the total package weight 1,540 grams. For this package, the laboratory should have collected 7.7 grams, but collected 30 grams, 0.5% of the weight of the harvest batch.

- g. S.D. stated that an error was made while logging in Metrc and that S.D. missed a note which reminded S.D. to “adjust 1086 to include shake before entering in Metrc”. S.D. was unable to explain why the package adjustment was made.
- h. The document also indicated that the package with tag number ending -1243 contained 8,986 grams of dry buds, which was 814 grams less than the 9,800 grams that was listed in Metrc. S.D. stated that the 9,800 grams starting weight was the wrong weight for the package with tag number ending -1243. S.D. stated that the harvest sheet stated 15,077 grams as the original harvest weight and the remaining 2,299 grams was moisture loss. For this package, the laboratory should have collected 75.38 grams, but only collected 58 grams, 0.5% of the weight of the harvest batch. S.D. was unable to explain why the package adjustment was made.

Count I

Respondent’s actions as described above in paragraphs b, c, d, e, f, g and h demonstrate a violation of Mich Admin Code R 420.102(7), which states a marihuana 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 paragraphs f and h 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

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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:

By Mail: Department of Licensing & Regulatory Affairs
 Cannabis Regulatory Agency
 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: 10/30/24

By: Alyssa A. Grissom
Digitally signed by Alyssa A. Grissom
Date: 2024.10.30 08:30:18 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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