

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

In the Matter of

Regency Specialties, Inc.
License No.: AU-P-000295

ENF No.: 24-01303

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 28, 2025, the Cannabis Regulatory Agency (CRA) issued a first superseding formal complaint (FSFC) against the adult-use marijuana processor establishment license (AU-P-000295) of Regency Specialties, Inc. (Respondent) under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and the administrative rules promulgated thereunder. The FSFC alleged Respondent violated Mich Admin Code, R 420.504(1)(a), R 420.504(1)(b), R 420.504(1)(c), R 420.504(1)(d), R 420.504(1)(e), R 420.504(1)(f), R 420.504(1)(g), R 420.504(1)(h), and R 420.508(7).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the FSFC. Therefore, the executive director finds that all of the allegations contained in the FSFC are true and that Respondent violated Mich Admin Code, R 420.504(1)(a), R 420.504(1)(b), R 420.504(1)(c), R 420.504(1)(d), R 420.504(1)(e), R 420.504(1)(f), R 420.504(1)(g), R 420.504(1)(h), and R 420.508(7).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of nine thousand six hundred twenty five and 00/100 dollars (\$9,625.00). This fine shall be paid within 90 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.

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Check or money orders shall be made payable to the State of Michigan with enforcement number “24-01303” and license number “AU-P-000295” 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. Within 90 days of the effective date of this order, Respondent shall submit to the CRA an updated standard operating procedure (SOP) the promotes compliance with the administrative rules regarding trade samples, including but not limited to, specifically detailing all the labeling requirements for trade samples.
3. If Respondent fails to timely comply with the terms of this order, Respondent’s license shall be suspended until compliance is demonstrated.
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, R 420.808.
7. Upon timely compliance of the terms of this order by Respondent, the matters set forth in the FSFC 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: 6/26/2025

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O = CRA OU = CRA
Date: 2025.06.26 15:36:01 -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 FSFC 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 FSFC 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 was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - b. Respondent has been licensed as a processor since 2022 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

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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: 2025.06.25 00:28:10 -04'00'

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

Dated: 6/25/2025

AGREED TO BY:



Hadrian Matti, Authorized Officer
on behalf of Respondent
Regency Specialties, Inc.

Dated: 6/7/25



Hillary Bahri, P84478
Attorney for Respondent

Dated: 06/07/2025

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

In the Matter of

Regency Specialties, Inc.
License No.: AU-P-000295

ENF No.: 24-01303

FIRST SUPERSEDING FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this first superseding formal complaint against Regency Specialties, Inc. (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.

3. Respondent's conduct as described below is a risk to public health and safety and/or the integrity of marijuana establishment operations.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

4. Respondent holds an active state license under the MRMTA to operate an adult use processor establishment in the state of Michigan.

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5. Respondent operated at 23705 Regency Park, Warren, Michigan 48089, at all times relevant to this complaint.

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

- a. On October 1, 2024, a CRA Regulation Officer (RO) conducted a post-licensure inspection at Rapid Fish LLC dba Noxx (Noxx). During the CRA RO's inspection of Noxx, the RO observed five trade samples that did not have statewide monitoring system (Metrc) tags on the packaging.
- b. The five trade samples were flower product that was produced by Gus's Exotics: "Full Flower Pre-Roll", "The Rizz", "Zaja Blast", "Zoot Roll-Ups", and "Real Exotic Permanent Sparker".
- c. "Full Flower Pre-Roll" did not have the following information on the label:
 - i. The name and the state license number of the cultivator or producer, including business or trade name, and package tag as assigned by the statewide monitoring system.
 - ii. The name and the marijuana license number of the licensee that packaged the product, including business or trade name, if different from the producer of the marijuana product.
 - iii. Date of harvest.
 - iv. Name of strain.
 - v. Concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.
 - vi. Activation time expressed in words or through a pictogram.
 - vii. The name of the laboratory that performed any passing compliance testing on the product in final form and any test analysis date.

- viii. The statement “TRADE SAMPLE NOT FOR RESALE” in bold, capital letters attached to the trade sample.
- d. “The Rizz” did not have the following information on the label:
 - i. The name and the state license number of the cultivator or producer, including business or trade name, and package tag as assigned by the statewide monitoring system.
 - ii. The name and the marihuana license number of the licensee that packaged the product, including business or trade name, if different from the producer of the marihuana product.
 - iii. Date of harvest.
 - iv. Name of strain.
 - v. Concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.
 - vi. The name of the laboratory that performed any passing compliance testing on the product in final form and any test analysis date.
 - vii. The statement “TRADE SAMPLE NOT FOR RESALE” in bold, capital letters attached to the trade sample.
- e. “Zaja Blast” did not have the following information on the label:
 - i. The name and the state license number of the cultivator or producer, including business or trade name, and package tag as assigned by the statewide monitoring system.
 - ii. The name and the marihuana license number of the licensee that packaged the product, including business or trade name, if different from the producer of the marihuana product.
 - iii. Date of harvest.
 - iv. Name of strain.

- v. Net weight in United States customary or metric units.
 - vi. Concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.
 - vii. The name of the laboratory that performed any passing compliance testing on the product in final form and any test analysis date.
 - viii. The statement “TRADE SAMPLE NOT FOR RESALE” in bold, capital letters attached to the trade sample.
- f. “Zoot Roll Ups” did not have the following information on the label:
- i. The name and the state license number of the cultivator or producer, including business or trade name, and package tag as assigned by the statewide monitoring system.
 - ii. The name and the marijuana license number of the licensee that packaged the product, including business or trade name, if different from the producer of the marijuana product.
 - iii. Date of harvest.
 - iv. Name of strain.
 - v. Net weight in United States customary or metric units.
 - vi. Concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.
 - vii. Activation time expressed in words or through a pictogram.
 - viii. The name of the laboratory that performed any passing compliance testing on the product in final form and any test analysis date.
 - ix. The statement “TRADE SAMPLE NOT FOR RESALE” in bold, capital letters attached to the trade sample.

- g. “Real Exotic Permanent Sparker” did not have the following information on the label:
- i. The name and the state license number of the cultivator or producer, including business or trade name, and package tag as assigned by the statewide monitoring system.
 - ii. The name and the marijuana license number of the licensee that packaged the product, including business or trade name, if different from the producer of the marijuana product.
 - iii. Date of harvest.
 - iv. Name of strain.
 - v. Net weight in United States customary or metric units.
 - vi. Concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.
 - vii. The name of the laboratory that performed any passing compliance testing on the product in final form and any test analysis date.
 - viii. The statement “TRADE SAMPLE NOT FOR RESALE” in bold, capital letters attached to the trade sample.
- h. The CRA RO reviewed Noxx’s visitor log and was unable to determine who delivered the trade samples to the establishment. Noxx’s General Manager, J.T., was unsure when the trade samples were delivered.
- i. On October 28, 2024, a CRA Regulation Agent (RA) visited Noxx to investigate the untagged trade samples.
- j. J.T. and the CRA RA went to the office to observe the trade samples. The CRA RA observed that the packages were untagged.
- k. On October 31, 2024, the CRA RA met with Respondent’s manager, H.M.

H.M stated that his establishment produces Gus's Exotics and delivered the product to the establishment. H.M. provided the manifest number for the package, #3293965.

- I. Before delivering the product, H.M. admitted he did not verify whether the Metrc tag was on the product. H.M. did not check if the trade sample that was delivered if the resale sticker was on the trade samples.

Count I

Respondent's actions as described above in paragraphs a, c(i), d(i), e(i), f(i), and g(i) demonstrate a violation of Mich Admin Code, R 420.504(1)(a), which states, before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information: (a) The name and the state license number of the cultivator or producer, including business or trade name, and package tag as assigned by the statewide monitoring system.

Count II

Respondent's actions as described above in paragraphs a, c(ii), d(ii), e(ii), f(ii), and g(ii) demonstrate a violation of Mich Admin Code, R 420.504(1)(b), which states, before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information: (b) The name and the marihuana license number of the licensee that packaged the product, including business or trade name, if different from the producer of the marihuana product.

Count III

Respondent's actions as described above in paragraphs a, c(iii), d(iii), e(iii),f(iii), and g(iii) demonstrate a violation of Mich Admin Code, R 420.504(1)(c), which states, before a marihuana product is sold or transferred to or by a marihuana sales

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location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information: (c) Date of harvest, if applicable.

Count IV

Respondent's actions as described above in paragraphs a, c(iv), d(iv), e(iv), f(iv), and g(iv) demonstrate a violation of Mich Admin Code, R 420.504(1)(d), which states, before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information: (d) Name of strain, if applicable.

Count V

Respondent's actions as described above in paragraphs a, e(v), f(v), and g(v) demonstrate a violation of Mich Admin Code, R 420.504(1)(e), which states, before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information: (e) Net weight in United States customary or metric units.

Count VI

Respondent's actions as described above in paragraphs a, c(v), d(v), e(vi), f(vi), and g(vi) demonstrate a violation of Mich Admin Code, R 420.504(1)(f), which states, before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information: (f) Concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.

Count VII

Respondent's actions as described above in paragraphs a, f(vi), and h(vii) demonstrate a violation of Mich Admin Code, R 420.504(1)(g), which states, before a marijuana product is sold or transferred to or by a marijuana sales location, the container, bag, or product holding the marijuana product must be sealed and labeled with all of the following information: (g) Activation time expressed in words or through a pictogram.

Count VIII

Respondent's actions as described above in paragraphs a, c(vii), d(vi), e(vii), f(viii), and g(viii) demonstrate a violation of Mich Admin Code, R 420.504(1)(h), which states, before a marijuana product is sold or transferred to or by a marijuana sales location, the container, bag, or product holding the marijuana product must be sealed and labeled with all of the following information: (h) name of the laboratory that performed any passing compliance testing on the product in final form and any test analysis date.

Count IX

Respondent's actions as described above in paragraph c(viii), d(vii), e(viii), , f(ix), and g(viii) demonstrates a violation of Mich Admin Code, R 420.508(7), which states, in addition to the information required in R 420.403, a trade sample must have a label containing the statement "TRADE SAMPLE NOT FOR RESALE" in bold, capital letters attached to the trade 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.

Under MCL 333.27957 (1)(c) and Mich Admin Code, R 420.704(2), any party aggrieved by an action of the CRA suspending, revoking, restricting, or refusing to

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renewal 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

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Agency's legal section at (517) 284-8599 or CRA-LegalHearings@michigan.gov.

The formal complaint filed against the Respondent on January 8, 2025, is hereby WITHDRAWN and replaced in full by this superseding complaint.

Dated: 3/28/2025

By: Alyssa A. Grissom  Digitally signed by Alyssa A. Grissom
Date: 2025.03.28 09:32:50 -04'00'

Alyssa A. Grissom, Director
Legal Division
Or her designee
Cannabis Regulatory Agency

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