

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

In the Matter of

Securecann II, Inc. dba Dacut
Licensing No. AU-R-000887

ENF No. 24-00744

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On September 10, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult use retailer license (no. AU-R-000887) of Securecann II, Inc. dba Dacut (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 420.6(5) and R 420.207(1).

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 R 420.207(1).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of five thousand and 00/100 dollars (\$5,000.00). 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. 24-00744” and “License No. AU-R-000887” 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. Count 1 – R 420.6(5) of the complaint, alleging a violation of the licensee’s continuing duty to provide information requested by the agency, is dismissed.

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 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.

Signed on: 6/6/2025

CANNABIS REGULATORY AGENCY

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

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
b.hanna@michigan.gov C = US O = CRA OU = CRA
Date: 2025.06.06 10:35:39 -0400

STIPULATION

The parties stipulate to the following:

1. The facts alleged in the formal complaint 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 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 acknowledged its errors in assuming the CRA's approval of their Medical home delivery plan extended to their Adult Use license. Upon learning of the violation during the investigation, Respondent submitted an Adult Use home delivery plan, which was approved by the CRA on 08/01/24.
 - b. Respondent represents that the incident stemmed from its own misunderstandings, rather than an intentional disregard of applicable rules.
 - c. Respondent acknowledges that it is responsible for familiarizing itself with, understanding, and complying with all statutory requirements and rules applicable to its business.
 - d. Respondent states that it has learned from this situation and completed a thorough review of the applicable statutes and administrative rules in light of this matter, to avoid future recurrences.
 - 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: 2025.06.05 12:25:18 -04'00'

Alyssa A. Grissom
Legal Division Director
or Designee
Cannabis Regulatory Agency
Dated: 6/5/2025

Erika S. Julien

Erika S. Julien (P63124)
Assistant Attorney General
Attorney for Cannabis Regulatory Agency
Dated: 6/3/2025

AGREED TO BY:



[Welton Sarkis \(Jun 3, 2025 11:18 EDT\)](#)

Welton Sarkis
Authorized Representative
On behalf of Respondent
Securecann II, Inc. dba Dacut
Dated: June 3, 2025

Denise Pollicella

Denise Pollicella (P55629)
Attorney for Respondent
Dated: June 3, 2025

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

In the Matter of

Securecann II, Inc. dba Dacut
License No.: AU-R-000887

ENF No.: 24-00744

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Securecann II, Inc. dba Dacut (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 retailer establishment in the state of Michigan.

4. Respondent operated at 12668 Gratiot Avenue, Detroit, Michigan 48205, 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 June 11, 2024, a CRA Regulation Agent (RA) reviewed an Annual Financial Statement (AFS) report submitted by the Respondent to the CRA-Financial Compliance Section (CRA-FCS). The CRA-FCS reviewed Accela and determined that Respondent had home delivery approval for its medical provisioning center license, however, Respondent did not have home delivery approval for the adult use retailer license.
- b. The CRA RA reviewed a statewide monitoring system (Metrc) sales delivery report for Respondent's adult use license and found that Respondent began delivering marijuana products on January 11, 2023, and discontinued the service on October 30, 2023.
- c. Additionally, the CRA RA observed in Metrc that between January 11, 2023, and September 19, 2023, Respondent completed 15,826 sales of marijuana products, 5,825 being adult use deliveries.
- d. On July 18, 2024, the CRA RA conducted an unannounced visit at Respondent's establishment and asked Respondent's General Manager, B.E., about the failure to seek home delivery approval for Respondent's adult use license.
- e. B.E. stated that Respondent received a home delivery approval for the provisioning center license, therefore, Respondent did not think it was necessary to submit a separate home delivery approval application for the adult use retailer license. B.E. admitted Respondent completed deliveries from Respondent's adult use license in 2023.
- f. The CRA RA requested documentation for the deliveries, but B.E. failed to produce documentation.
- g. On July 18, 2024, in a follow-up email, the CRA RA requested information regarding home delivery approval by COB on July 25, 2024.

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- h. On July 25, 2024, Respondent's Attorney, J. L., provided a home delivery plan submitted to the CRA, but was not yet been approved.
- i. J.L. stated that Respondent made total sales deliveries of \$324,454.61 for home deliveries from January 6, 2023, to September 19, 2023.
- j. J.L. stated that Respondent discontinued home delivery on September 19, 2023.
- k. On August 7, 2024, the CRA RA reviewed Respondent's adult use license in Accela and observed that RA Cutler completed a home delivery inspection on July 22, 2024. On August 1, 2024, Respondent received CRA approval for Respondent's adult use home delivery plan.

Count I

Respondent's actions as described above in paragraphs f and g demonstrate a violation of Mich Admin Code R 420.6(5), which states an applicant or licensee has a continuing duty to provide information requested by the agency and to cooperate in any investigation, inquiry, or hearing conducted by the agency.

Count II

Respondent's actions as described above in paragraphs a, b, c, d, e, h and i demonstrate a violation of Mich Admin Code R 420.207(1), which states a marihuana sales location licensee may engage in the delivery of a marihuana product for sale or transfer to marihuana customers upon approval by the agency of the licensee's delivery procedures.

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

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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.

CONTINUED ONTO NEXT PAGE

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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: 9/10/24

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2024.09.10 10:59:54 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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