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

In the Matter of

TRC Lapeer LLC
dba House of Dank - Lapeer
License No.: AU-R-000352

ENF No.: 25-00167

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 5, 2025, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer establishment license (AU-R-000352) of TRC Lapeer LLC dba House of Dank - Lapeer (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 420.209(3), R 420.802(3)(f)(i), R 420.802(3)(f)(iv), R 420.802(3)(f)(v), and R 420.803(1).

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 420.209(3), R 420.802(3)(f)(i), R 420.802(3)(f)(iv), R 420.802(3)(f)(v), and R 420.803(1).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of two thousand and 00/100 dollars ($2,000.00). 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). 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 "ENF-

25-00167" and license number "AU-R-000352" 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. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.

3. Within 30 days of the effective date of the consent order, Respondent must submit a standard operating procedure that promotes compliance with the administrative rules regarding reporting material changes.

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 section7(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 formal complaint 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: 6/2/2025

By: Brian Hanna Digitally signed by: Brian Hanna DN: CN = Brian Hanna email = hannab@michigan.gov C = US O = CRA OU = CRA Date: 2025.06.02 11:12:05 -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 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 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 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 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: 2025.05.28 13:03:55 -04'00'

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

Dated: 5/28/2025

AGREED TO BY:

Prince Yousif, Authorized Officer
on behalf of Respondent
TRC Lapeer LLC
dba House of Dank-Lapeer

Dated: 5-27-25

Michael Paul DiLaura, P63958
Attorney for Respondent

Dated: 5-27-25

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

In the Matter of

TRC Lapeer LLC
dba House of Dank - Lapeer
License No: AU-R-000352
_____/

ENF No: 25-00167

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against TRC Lapeer LLC dba House of Dank - Lapeer (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 retailer establishment in the state of Michigan.

4. Respondent operated at 200 East Genesee Street, Units 1 & 2, Lapeer, Michigan

48446, at all times relevant to this complaint.

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

a. On November 21, 2024, a CRA Regulation Officer (RO) conducted an inspection and found a new material change that had not been reported to or approved by the CRA and the Michigan Bureau of Fire Services (BFS).
b. The RO observed Respondent had installed a new security cage and sliding gate in front of a doorway leading to the sales floor, that was not on Respondent's approved floor plan.
c. The RO further observed a security guard inside the cage checking identification and admitting customers to the sales floor through the sliding gate. The gate was not locked between customers.
d. Respondent's security manager, A.D., said she thought Respondent already submitted the required reporting form for these material changes.
e. The RO confirmed Respondent did submit a reporting form on October 9, 2024, for an enlarged sales floor and related changes and improvements, but it did not mention the new security cage and sliding gate, and they were not depicted on the amended floor plan.
f. Later that day, Respondent submitted a new reporting form for the new security cage and sliding gate.
g. On December 3, 2024, the BFS inspected and approved these new material changes.
h. On December 10, 2024, the RO reinspected and also approved these new material changes.
i. On January 28, 2025, a CRA Regulation Agent (RA) visited the establishment and confirmed the sliding gate was locked, and customers had to be buzzed in to enter the sales floor.

Count I

Respondent's actions as described above in paragraph b and i demonstrate a violation of Mich Admin Code, R 420.209(3), which states a licensee shall securely lock the marihuana business, including interior rooms as required by the agency, windows, and points of entry and exits, with commercial-grade, nonresidential door locks or other electronic or keypad access.

Count II

Respondent's actions as described above in paragraphs a, c, d, e, f, g, and h demonstrate a violation of Mich Admin Code, R 420.802(3)(f)(i), which states in material part, Licensees shall report to the agency any proposed material changes to the marihuana business before or after licensure that were not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to: (i) Operational or method changes requiring inspection under these rules.

Count III

Respondent's actions as described above in paragraphs a, c, d, e, f, g, and h demonstrate a violation of Mich Admin Code, R 420.802(3)(f)(iv), which states in material part, Licensees shall report to the agency any proposed material changes to the marihuana business before or after licensure that were not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to: (iv) Alterations of ingress or egress.

Count IV

Respondent's actions as described above in paragraphs a, c, d, e, f, g, and h demonstrate a violation of Mich Admin Code, R 420.802(3)(f)(v), which states in material part, Licensees shall report to the agency any proposed material changes to the marihuana business before or after licensure that were not preinspected, inspected, or part of the marihuana business location plan or final inspection,

including, but not limited to: (v) Changes that impact security, fire safety, and building safety.

Count V

Respondent's actions as described above in paragraphs a, c, d, e, f, g, and h demonstrate a violation of Mich Admin Code, R 420.803(1), which states in relevant part, any material change or modification to the marihuana business must be approved by the agency before it is made.

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

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: 3/5/25

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom Date: 2025.03.05 13:30:05 -05'00'

Alyssa A. Grissom
Legal Division Director
Cannabis Regulatory Agency