

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

In the Matter of

The Woods Cultivation, LLC
dba AHKI Canna
License No.: AU-G-C-000240

ENF No.: 25-00328

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 18, 2025, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana class C grower establishment license (AU-G-C-000240) of The Woods Cultivation, LLC dba AHKI Canna (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), R 420.108(8), R 420.303(2), and R 420.303(3).

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), R 420.108(8), R 420.303(2), and R 420.303(3).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of six-hundred and 00/100 dollars (\$600.00). 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 "25-

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00328" and license number "AU-G-C-000240" 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. 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, 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 =
bhanna@michigan.gov C = US O = CRA OU = CRA
Date: 2025.06.06 11:06:43 -0400

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

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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. All untagged plants observed by a CRA Regulation Officer (RO) at an onsite visit on January 8, 2025, were tagged by January 16, 2025.
 - b. All untagged plants observed by the CRA RO at an onsite visit on January 8, 2025, were traced to the statewide monitoring system (Metrc) at the time of the visit, but the plants were identified as immature plants.
 - i. Respondent subsequently moved the plant stage when tagging.
 - ii. Respondent provided a CRA Regulation Agent (RA) with Metrc screenshots of the tagged plant records, photographs of physically tagged plants, invoices for the Metrc tags, and destruction logs for plants destroyed prior to tagging.
 - c. Respondent provided an updated standard operating procedure (SOP) for plant tagging.
 - d. Respondent stated that its management team conducts a weekly review of its plant movement schedule to ensure a sufficient number of tags are ordered prior to moving plant stages.

- 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 2020 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.

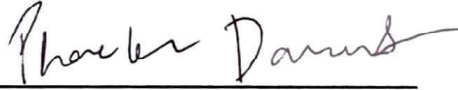
AGREED TO BY:

Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2025.06.05 12:31:00 -04'00'

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

Dated: 6/5/2025

AGREED TO BY:



Phoebe Domanus, Authorized Officer
on behalf of Respondent
The Woods Cultivation, LLC
dba AHKI Canna

Dated: 6/3/25

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

In the Matter of

The Woods Cultivation, LLC dba AHKI Canna
License No.: AU-G-C-000240

ENF No.: 25-00328

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against The Woods Cultivation, LLC dba AHKI Canna (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 class C grower establishment in the state of Michigan.

4. Respondent operated at 822 Schuster Avenue, Suite A, Kalamazoo, Michigan 49001, 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 January 8, 2025, a Regulation Officer (RO) conducted a semi-annual inspection at Respondent's establishment and found 880 untagged, mature marijuana plants, which required statewide monitoring system (Metrc) individual plant tags. However, Respondent recorded the plants in Metrc as immature plants.
- b. On January 13, 2025, a CRA Regulation Agent (RA) conducted an unannounced onsite visit to Respondent's establishment and spoke with Respondent's owner, R.T., and requested an explanation for the untagged marijuana plants.
- c. R.T. confirmed that there were 794 total marijuana plants in Flower Room 9, untagged and documented in Metrc as immature marijuana plants.
- d. The CRA RA observed that Respondent's standard operating procedure indicated once the marijuana plants are over 8 inches, they should receive a tag and be taken out of the vegetation phase.
- e. The CRA RA reviewed Metrc data which showed that in Flower Room 9 Respondent had untagged marijuana plants identified as 395 Glookies strain, 161 Sherbtang strain, and 238 Candy Cartel strain. None of these untagged, mature marijuana plants were recorded in Metrc as being in the flowering phase.
- f. The CRA RA further discovered in Flower Room 9 that the 794 untagged marijuana plants measured between 10 and 24 inches.
- g. On January 16, 2025, Respondent tagged all its untagged marijuana plants.

Count I

Respondent's actions as described above in paragraphs a, b and f demonstrate a violation of Mich Admin Code R 420.102(7), which states a marihuana grower must

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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 a, b and f demonstrate a violation of Mich Admin Code 420.108(8), which states a grower shall accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in the MMFLA, these rules, and the marihuana tracking act.

Count III

Respondent's actions as described above in paragraphs b, d and e demonstrate a violation of Mich Admin Code R 420.303(2), which states a cultivator shall tag each individual plant that is greater than 8 inches in height from the growing or cultivating medium or more than 8 inches in width with an individual plant tag and record the identification information in the statewide monitoring system.

Count IV

Respondent's actions as described above in paragraphs b, e and f demonstrate a violation of Mich Admin Code R 420.303(3), which states a cultivator shall separate the plants as the plants go through different growth stages and ensure that the plant tag is always identified with the plant throughout the growing cycle so that all plants can be easily identified and inspected. A cultivator shall ensure that identification information is recorded in the statewide monitoring system in accordance with the acts, the marihuana tracking act, and these rules.

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: 3/18/25

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2025.03.18 16:15:16 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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