

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

In the Matter of

HLF Chesaning, LLC
License No.: GR-C-002637

ENF No: 24-00927

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On October 17, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana grower class C facility license (GR-C-002637) of HLF Chesaning, LLC (Respondent) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated Mich Admin Code, R 420.108(1)(c).

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 the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.108(1)(c).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of three hundred thirty-three and 32/100 dollars (\$333.32). 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 "24-00927" and license number "GR-C-002637" 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 407(1) of the MMFLA, MCL 333.27407(1), 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: 2/28/2025

By: Brian Hanna

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O = CRA OU = CRA
Date: 2025.02.28 14:27:14 -05'00'

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 MMFLA.
2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MMFLA, 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. The first instance in which Respondent was over its allotted plant count, on July 9, 2024 occurred during Respondent's first 30 days of licensure.
 - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - c. Respondent has been licensed as a medical marijuana grower class C since 2024 and has no prior discipline against its license.
4. The CRA's discipline resolution section manager 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 discipline resolution section manager, executive director, or their designees reject the proposed consent order.

CONTINUED ONTO NEXT PAGE

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: 2025.02.27 09:41:44 -05'00'

Alyssa Grissom, DRS Manager
or her designee
Cannabis Regulatory Agency

Dated: 2/27/2025

AGREED TO BY:



Ben Celani, Authorized Officer
on behalf of Respondent
HLF Chesaning, LLC

Dated: 2/20/25



R. Lance Boldrey P53671
Attorney for Respondent

Dated: 2/20/25

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

In the Matter of

HLF Chesaning, LLC
License No.: GR-C-002637

ENF No: 24-00927

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against HLF Chesaning, LLC (Respondent) alleging upon information and belief as follows:

1. The CRA is authorized under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MMFLA 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 MMFLA or administrative rules.

2. Section 402(12) of the MMFLA provides that the expiration of a license does not terminate the CRA's authority to impose sanctions on the license.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

3. Respondent holds an active state operating license under the MMFLA to operate a medical marijuana grower class C facility in the state of Michigan.

4. Respondent operated at 15403 Sharon Road, Suites A, B, and C, Chesaning, Michigan, 48616, at all times relevant to this complaint.

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

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- a. On July 2, 2024, CRA Enforcement received a notification from CRA Operations Support Section (OSS) that Respondent had more plants than allowed under its medical class C grower license.
- b. The CRA OSS reviewed Respondent's plant inventory and found that Respondent was over its allotted plant count. The allowed limit of plants for a medical class C grower license is 1,500 plants.
- c. Respondent owns six co-located medical class C grower licenses (GR-C-002633, GR-C-002634, GR-C-002635, GR-C-002636, GR-C-002637, and GR-C-002638) which allows for a total of 9,000 plants.
- d. On July 9, 2024, a CRA Regulation Officer (RO) conducted an inspection at Respondent's facility. Before the inspection, the CRA RO reviewed Respondent's statewide monitoring system report (Metrc) and found Respondent possessed 11,443 marijuana plants among its co-located licenses, and that all 11,443 plants were consolidated under GR-C-002633 in Metrc, exceeding Respondent's total plant allowance by 2,433 plants.
- e. On July 26, 2024, a CRA Regulation Agent (RA) made an onsite visit with the CRA RO to ensure that Respondent was still in compliance with their plant count. At the time of the visit, Respondent had 8,992 plants recorded in Metrc. However, after a physical plant count, Respondent possessed 9,315 plants.
- f. On August 2, 2024, the CRA RA reviewed a new Metrc report which showed Respondent possessed 9,237 plants.

Count I

Respondent's actions as described above in paragraphs a through f, demonstrate a violation of Mich Admin Code, R 420.108(1)(c), which states, a grower license authorizes the grower to grow not more than the following number of marihuana

plants under the indicated license class for each license the grower holds in that class: (c) Class C – 1,500 marihuana plants.

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 333.27407(4) and 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 MMFLA 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

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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 at (517) 284-8599 or CRA-LegalHearings@michigan.gov.

Dated: 10/17/24

By: Alyssa A. Grissom

Digitally signed by Alyssa
A. Grissom
Date: 2024.10.17
08:22:16 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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