

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

In the Matter of

DF Michigan One Inc.
License No. PR-000303

ENF Nos. 22-00635, 23-00057 & 23-00119

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On April 26, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana processor facility license (no. PR-000303) of DF Michigan One Inc. (Respondent) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.112a(1), R 420.112a(2), R 420.18(1), R 420.802(3)(f)(ii), R 420.803(3)(f)(v) R 420.803(1), and R 420.602(2)(h).

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 Code, R 420.18(1), R 420.802(3)(f)(ii), R 420.803(3)(f)(v) R 420.803(1), and R 420.602(2)(h).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of twelve thousand five hundred and 00/100 dollars (\$12,500.00). This fine shall be paid within 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 Nos. 22-00635, 23-00057 & 23-00119” and “License No. PR-000303” 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. Counts I and II of the complaint, alleging a violation of Mich Admin Code, R 420.112a(1) and R 420.112a(2), are 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.

CANNABIS REGULATORY AGENCY

Signed on: 5/12/2025

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

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O = CRA OU = CRA
Date: 2025.05.12 14:43:43 -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 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 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 advised that in response to the CRA's concerns regarding Good Manufacturing Practices (G) compliance, Respondent installed new and additional sinks, changed to a wire screen basket for drainage of the equipment at issue, and implemented a new policy and provided training to its employees for compliance with GMPs.
 - b. Respondent admitted to removing two pre-rolls machines and shelving from inside the facility without prior CRA approval. Respondent advised that the pre-roll machines were never used

and that BFS advised Respondent to remove during the May 2022 BFS pre-licensure inspection.

- c. 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.

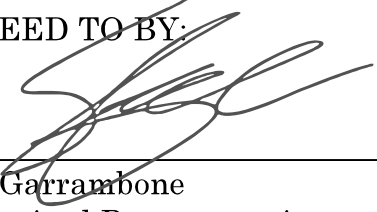
AGREED TO BY:

Alyssa A. Grissom

Digitally signed by Alyssa A. Grissom
Date: 2025.05.09 10:22:29 -04'00'


Alyssa A. Grissom
Legal Division Director
or Designee
Cannabis Regulatory Agency
Dated: 5/9/2025

AGREED TO BY:


Scot Garrambone
Authorized Representative
On behalf of Respondent
DF Michigan One Inc.
Dated: 4/16/2025

/s/ Risa Hunt-Scully

Risa Hunt-Scully (P58239)
Assistant Attorney General
Attorney for Cannabis Regulatory Agency
Dated: April 17, 2025


Benjamin M. Sobczak (P73567)
Attorney for Respondent

Dated: 4.17.25

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

In the Matter of

DF Michigan One Inc.
License No.: PR-000303

ENF Nos: 22-00635, 23-00057 & 23-00119

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“CRA”) files this formal complaint against DF Michigan One Inc. (“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 processor facility in the state of Michigan.

4. Respondent operated at 1727 E. 8 Mile Road, Hazel Park, Michigan 48030, 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:

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA

LARA is an equal opportunity employer/program

ENF 22-00635

- a. On September 6, 2022, the CRA contacted Respondent and requested the licensing agreement between Respondent and a national brand (Jeeter Brand). Respondent produces marijuana product under the Jeeter brand.
- b. Respondent admitted they had not submitted a licensing agreement to the CRA because they didn't believe it was required.

Count I

Respondent's actions as described above in paragraphs a and b demonstrate a violation of Mich Admin Code, R 420.112a(1), which states a licensee may contract with another party to use the other party's intellectual property or for the other party to provide management or other services necessary for the operation of the licensee pursuant to a licensing or management agreement approved by the agency.

Count II

Respondent's actions as described above in paragraphs a and b demonstrate a violation of Mich Admin Code, R 420.112a(2), which states a licensee shall submit a complete, unredacted, signed copy of the licensing, management, or other agreement to the agency for review and approval prior to performance under the agreement. Approval by the agency indicates an agency determination that it does not appear based upon the information provided that the other party meets the definition of applicant.

ENF 23-00057

- a. On November 7, 2022, the Bureau of Fire Services (BFS) conducted a semi-annual inspection at Respondent's medical marijuana processor facility.

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA
LARA is an equal opportunity employer/program

- b. The BFS inspector observed changes made to the internal floor plan, specifically, the removal of equipment and the addition of two exterior trailers.
- c. Respondent admits the changes and modifications were made without notification or approval by the CRA.
- d. Respondent did not submit the appropriate change forms to the CRA until November 28, 2022.

Count III

Respondent's actions as described above in paragraphs b and c demonstrate a violation of Mich Admin Code, R 420.18(1), which states any change or modification to the marihuana business after licensure is governed by the standards and procedures set forth in these rules and any regulations adopted pursuant to the acts. Any material change or modification to the marihuana business must be approved by the agency before the change or modification is made.

Count IV

Respondent's actions as described above in paragraphs b and c demonstrate a violation of Mich Admin Code, R 420.802(3)(f)(ii), which states licensees shall report to the agency any proposed material changes to the marihuana business before making a material change. A proposed material change is any action that would result in alterations or changes being made to the marihuana business to effectuate the desired outcome of a material change. Material changes, include, but are not limited to, the following: (f) Any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the following: (ii) Additions or reductions in equipment or processes.

Count V

Respondent's actions as described above in paragraphs b and c demonstrate a violation of Mich Admin Code, R 420.802(3)(f)(v), which states licensees shall report to the agency any proposed material changes to the marihuana business before making a material change. A proposed material change is any action that would result in alterations or changes being made to the marihuana business to effectuate the desired outcome of a material change. Material changes, include, but are not limited to, the following: (f) Any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the following: (v) Changes that impact security, fire safety, and building safety.

Count VI

Respondent's actions as described above in paragraphs b and c demonstrate a violation of Mich Admin Code, R 420.803(1), which states any change or modification to the marihuana business after licensure is governed by the standards and procedures set forth in these rules and any regulations adopted pursuant to the acts. Any material change or modification to the marihuana business must be approved by the agency before the change or modification is made.

ENF 23-00119

- a. On February 15, 2023, CRA and the Michigan Department of Agriculture and Rural Development (MDARD) inspectors conducted a compliance visit at Respondent's medical marijuana processor facility.
- b. The inspector's determined Respondent was not compliant with Current Good Manufacturing Practice, 21 CFR part 1107.

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA

LARA is an equal opportunity employer/program

- c. Handwashing sinks were not provided for convenient use by employees throughout the production areas. Specifically, there are no handwashing sinks provided in the grind/process/infusion room and the Jeeter assembly area. One handwashing sink was observed next to the jar sanitation station. This handwashing sink was not equipped with hand soap or paper towel. This is a violation of 21 CFR 117.10(b)(3).
- d. Equipment identified as clean was not being stored in a clean, dry location. Specifically, micron screens used for the Resinator were observed stored in a closed container that had standing water in the bottom. The improper storage of clean equipment may allow contamination before their intended use. Contamination can be caused by moisture from absorption. This is a violation of 21 CFR 117.80(c)(1).
- e. Employees were observed wearing jewelry, such bracelets, and watches, which were in direct contact with product in the Jeeter pre-roll assembly area. Jewelry may collect soil and the construction of the jewelry may hinder routine cleaning. As a result, the jewelry may act as a reservoir of pathogenic organisms that could contaminate equipment or product. This is a violation of 21 CFR 117.10(b)(4).

Count VII

Respondent's actions as described above in paragraphs b, c, d and e demonstrate a violation of Mich Admin Code, R 420.602(2)(h), which states a licensee shall comply with all of the following: (h) Ensure that employees handle marihuana product in compliance with Current Good Manufacturing Practice, Hazard Analysis, and Risk Based Preventative Controls for Human Food, 21 CFR part 1107, as specified in these rules.

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA

LARA is an equal opportunity employer/program

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
Lansing, Michigan 48906

By Email: CRA-LegalHearings@michigan.gov

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA
LARA is an equal opportunity employer/program

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: 4/26/23

Alyssa A.
By: Grissom

Digitally signed by Alyssa
A. Grissom
Date: 2023.04.26
13:45:56 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA

LARA is an equal opportunity employer/program