

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

In the Matter of

Flos, LLC
License No.: AU-G-C-001248

ENF No.: 25-00122

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On February 12, 2025, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana class C grower establishment license (AU-G-C-001248) of Flos, LLC (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 420.210(1), R 420.210(2), 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 420.210(1), R 420.210(2), 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 five-thousand and 00/100 dollars (\$5,000.00). 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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00122” and license number “AU-G-C-001248” 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: 5/12/2025

By: Brian Hanna

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O = CRA OU = CRA
Date: 2025.05.12 15:05:00 -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. At reinspection on December 4, 2024, the CRA Regulation Agent (RA) observed that all plants were tagged, and deficiencies noted in the November 27, 2024, inspection had been corrected.
 - b. Respondent stated that it has begun conducting weekly audits of its grow rooms to ensure accurate plant counts and statewide monitoring system (Metrc) data.
 - c. Respondent provided updated plant tagging and waste standard operating procedures (SOP).
 - d. Respondent provided training logs for the updated SOPs.
 - 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 2023 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

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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: 2025.05.09 10:40:28 -04'00'

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


Dated: 5/9/2025

AGREED TO BY:


Timothy Holton (May 8, 2025 08:56 GMT+1)

Timothy Holton, Authorized Officer
on behalf of Respondent
Flos, LLC

Dated: May 8, 2025


Craig Aronoff, P57997
Attorney for Respondent

Dated: 5/8/2025

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

In the Matter of

Flos, LLC
License No.: AU-G-C-001248

ENF No.: 25-00122

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Flos, LLC (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 104 West Park Drive, Kalkaska, Michigan 49646, 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 November 27, 2024, a CRA Regulation Officer (RO) conducted an unannounced inspection at Respondent's establishment and observed that Respondent had untagged marijuana plants onsite.
- b. The CRA RO observed that Respondent had immature plants that were over 8" x 8" and other mature marijuana plants that did not have statewide monitoring system (Metrc) tags.
- c. On December 4, 2024, a CRA Regulation Agent (RA) conducted a follow-up inspection and asked Respondent's Owner, T.M. about the untagged plants.
- d. T.M. told the CRA RA that he had records of all the plants, however, Respondent "didn't adjust in Metrc". T.M. stated that Respondent hired a consultant to help with the tagging of the plants and ended up retagging all the plants with new tags, including immature plants. T.M. was unable to say why the old tags were still attached to the plants. T.M. admitted that there was no internal record for 22 untagged marijuana plants because Respondent took immature plants to use as "mother plants" and failed to tag or move these marijuana plants into Metrc.
- e. T.M. admitted that the inaccuracies occurred when he failed to follow Respondent's procedure.

Count I

Respondent's actions as described above in paragraphs a, b and d demonstrate a violation of Mich Admin Code R 420.102(7), which states a marihuana grower must 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 d demonstrate a violation of Mich Admin Code R 420.210(1), which states except for designated consumption establishments or temporary marihuana events licensed under the MRTMA, a marihuana business must not have marihuana products that are not identified and recorded in the statewide monitoring system pursuant to these rules.

Count III

Respondent's actions as described above in paragraphs a, b, and d demonstrate a violation of Mich Admin Code R 420.210(2), which states except for a designated consumption establishment or temporary marihuana event licensed under the MRTMA, a marihuana business must not have any marihuana product without a batch number or identification tag or label pursuant to these rules. A licensee shall immediately tag, identify, or record as part of a batch in the statewide monitoring system any marihuana product as provided in these rules.

Count IV

Respondent's actions as described above in paragraphs a, b and d 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 V

Respondent's actions as described above in paragraphs a, b, d and e 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.

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

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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: 2/12/25

By: Alyssa A. Grissom
Digitally signed by Alyssa A. Grissom
Date: 2025.02.12 14:34:57 -05'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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