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

In the Matter of

ENF No.: 25-00091

Man-Sing, LLC dba Paisley Trees License No.: GR-C-001758

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On February 5, 2025, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana Class C grower facility license (GR-C-001758) of Man-Sing, LLC dba Paisley Trees (Respondent) under the Medical Marihuana 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 420.209(3), R 420.209(11), R 420.209(12), R 420.209(13), and R 420.209(14)(a).

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 420.209(11), R 420.209(12), R 420.209(13), and R 420.209(14)(a).

Accordingly, for these violations, IT IS ORDERED:

 Respondent must pay a fine in the amount of one thousand four hundred and twenty-eight and 57/100 dollars (\$1,428.57). This fine shall be paid within 90 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 <u>www.michigan.gov/cra</u>. Check or money orders shall be made payable to the State of Michigan with CANNABIS REGULATORY AGENCY 2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING. MICHIGAN 48909 <u>www.michigan.gov/CRA</u> LARA is an equal opportunity employer/program

Page 1 of 4

enforcement number "25-00091" and license number "GR-C-001758" 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.
- Unless otherwise specified in this order, Respondent shall direct any communications to the CRA that are required by the terms of this order to <u>CRA-</u> <u>CSS@michigan.gov</u>.
- 4. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
- 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, R 420.808.
- 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: 5/5/2025

> 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 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. Respondent stated that the weather impacted exposed wires within the surveillance system, causing the failure of some of the security cameras.
 - b. Respondent provided a statement from its security system vendor which stated the intention to run fiber optic lines underground to the cameras once the ground thaws.
 - c. Respondent provided photographs of signage posted on establishment doors which state the door(s) must remain closed and locked.
 - d. 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 Date: 2025.04.28 15:22:38 -04'00'

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

Dated: 4/28/2025

AGREED TO BY:

Heath Tichenor, Authorized Officer on behalf of Respondent Man-Sing, LLC dba Paisley Trees.

Dated: 4-24-25

Devin Loker, P79694 Attorney for Respondent

21-24-25 Dated:

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

Page 4 of 4

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

In the Matter of

Man-Sing, LLC dba Paisley Trees License No.: GR-C-001758 ENF No.: 25-00091

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Man-Sing, LLC dba Paisley Tree (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 class C grower facility in the state of Michigan.

4. Respondent operated at 21736 Bedford Road, Battle Creek, Michigan 49017, 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:

- a. On October 29, 2024, the CRA Investigation Section received a referral from a CRA Regulation Officer (RO) alleging that Respondent failed to have 30 days of camera retention for eight cameras because the cameras failed to record the "wells storage barn" area and trails leading up to the barn from September 27, 2024, to October 27, 2024. Additionally, the cameras failed to record that the marijuana product was harvested and placed in the "wells barn" for drying.
- b. On November 26, 2024, a CRA Regulation Agent (RA) conducted an onsite visit to Respondent's facility and upon entering the facility, he observed an unlocked shed built into the fence that enclosed the facility. The CRA RA then entered through an unlocked door into a secured area, which led to a second door that he observed was propped open with a rock. The CRA RA continued to walk through a third unlocked door into another secure area in the facility.
- c. The CRA RA met with the facility manager, T.M. and asked him about the cameras failing to record the relevant areas of the facility. T.M. explained that Respondent was unaware of the cameras having issues until the CRA RO conducted an inspection on October 27, 2024. T.M. was also reminded to keep the doors to the facility always locked.
- d. During the investigation, the CRA RA discovered that on October 27, 2024, Integrity Tech Partners, the camera and IT company hired by Respondent, entered the facility to fix the camera issues. However, on a video sign in/out log, it showed that the last entry on September 13, 2024, was by the cultivation director and that Integrity Tech Partners did not sign the log.
- e. On November 27, 2024, the CRA RA contacted Integrity Tech Partners, and spoke with employee, J.L., who stated that a switch on the camera system died due to the weather. J.L. stated the notification was sent to the onsite

contact, M.M. However, he was no longer with Respondent and Respondent failed to update the contact information.

f. On December 20, 2024, the CRA RA received a return phone call from M. T., Respondent's Director of Production, who stated that before this issue with the cameras failing to record, Respondent was not checking its cameras for failure and relied only on Integrity Tech Partners to do so. M.T. explained that Integrity Tech Partners was responsible to notify Respondent of camera failures and would previously do so. However, when the CRA RA previously spoke with J. L. on November 27, 2024, he stated that Respondent was behind on payment, which is why Integrity Tech Partners did not complete the job as an emergency.

<u>Count I</u>

Respondent's actions as described above in paragraph b demonstrates 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. Locks on doors that are required for egress must meet the requirements of NFPA 1, local fire codes, and the Michigan building code, R 408.30401 to R 408.30499.

<u>Count II</u>

Respondent's actions as described above in paragraphs a, e and f demonstrate a violation of Mich Admin Code R 420.209(11), which states a licensee shall keep surveillance recordings for a minimum of 30 calendar days, except in instances of investigation or inspection by the agency in which case the licensee shall retain the recordings until the time as the agency notifies the licensee that the recordings may be destroyed.

Count III

Respondent's actions as described above in paragraphs a, e and f demonstrate a violation of Mich Admin Code R 420.209(12), which states surveillance recordings of the licensee are subject to inspection by the agency and must be kept in a manner that allows the agency to view and obtain copies of the recordings at the marihuana business immediately upon request. The licensee shall also send or otherwise provide copies of the recordings to the agency upon request within the time specified by the agency.

Count IV

Respondent's actions as described above in paragraphs c and f demonstrate a violation of Mich Admin Code R 420.209(13), which states a licensee shall maintain a video surveillance system equipped with a failure notification system that provides notification to the licensee of any interruption or failure of the video surveillance system or video surveillance system storage device.

Count V

Respondent's actions as described above in paragraph d demonstrates a violation of Mich Admin Code R 420.209(14)(a), which states a licensee shall maintain a log of the recordings, which includes all of the following: (a) The identity of the employee or employees responsible for monitoring the video surveillance system.

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

In Person: Department of Licensing & Regulatory Affairs Cannabis Regulatory Agency 2407 North Grand River Lansing, Michigan 48906

By Email: <u>CRA-LegalHearings@michigan.gov</u>

If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter.

CONTINUED ONTO NEXT PAGE

Questions about this complaint should be directed to the Cannabis Regulatory Agency at (517) 284-8599 or <u>CRA-LegalHearings@michigan.gov.</u>

Dated: 2/5/25

Alyssa A. Grissom Legal Section Manager Cannabis Regulatory Agency