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

In the Matter of

Riley Partners, LLC dba The Gummie Joint License No.: AU-P-000310

ENF No.: 24-00893

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On October 16, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana processor establishment license (AU-P-000310) of Riley Partners, LLC dba The Gummie Joint (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 420.208(6)(b)(i), R 420.208(6)(b)(iii), and R 420.208(6)(b)(iv).

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 420.208(6)(b)(ii), R 420.208(6)(b)(iii), and R 420.208(6)(b)(iv).

Accordingly, for these violations, IT IS ORDERED:

 Respondent must pay a fine in the amount of four-thousand and 00/100 dollars (\$4,000.00). 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 <u>www.michigan.gov/cra</u>. Check or money orders shall be made payable to the State of Michigan with enforcement number "24-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 00893" and license number "AU-P-000310" 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. Within 30 days of the effective date of this order, Respondent must provide an updated standard operating procedure (SOP) related to material changes, including submitting reporting forms to CRA and Bureau of Fire Services (BFS) and scheduling inspections as required by CRA and BFS.
- 3. 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>.
- 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 section7(1)(c) of the MRTMA, MCL 333.27957, 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.

CONTINUED ONTO NEXT PAGE

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 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: 5/1/2025

Brian Hanna By: Brian Hanna By: Brian Hanna By: Digitally signed by: Brian Hanna By: CN = Bri

> 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 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. On March 3, 2025, Respondent changed its dba from Seed 2 Soul Labs to The Gummie Joint.
 - b. Respondent received conditional approval from BFS for multiple pieces of equipment identified in the formal complaint which required follow up inspection for final approval.
 - i. After Plan Review Reports for the material changes were provided to Respondent in April 2024, the BFS inspector

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 assigned to these plan reviews was changed. The subsequent BFS inspection on June 12, 2025, was a semi-annual inspection and not a follow up inspection to approve equipment related to plan review.

- c. Required reporting forms for BFS deficiencies identified in the formal complaint were submitted and approved by CRA and BFS.
 - i. SOPs and equipment specifications were provided for the use of Dichloromethane (DCM) as part of the reporting form approval.
 - ii. Respondent provided required third-party review, hazard analysis, and technical reports.
 - iii. BFS conducted inspections approving the material changes as part of the reporting form approval.
- d. In addition to the inspections approving the reporting forms for material changes, Respondent received a passing semi-annual inspection from BFS on November 25, 2024.
- e. 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.

CONTINUED ONTO NEXT PAGE

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 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: 2025.04.18 12:54:40 -04'00'

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

Dated: <u>4/18/2025</u>

AGREED TO BY:

Michael Butcher, Authorized Officer on behalf of Respondent Riley Partners, LLC dba The Gummie Joint

Dated: 4/15/2025

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

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

In the Matter of

Riley Partners, LLC dba Seed 2 Soul Labs License No: AU-P-000310 ENF No: 24-00893

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Riley Partners, LLC dba Seed 2 Soul Labs (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 processor establishment in the state of Michigan.

4. Respondent operated at 4463 South Dort Highway, Building B, Burton, Michigan

48529, at all times relevant to this complaint.

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

- a. On June 12, 2024, a Bureau of Fire Services (BFS) inspector conducted a fire safety inspection at Respondent's establishment.
- b. The BFS inspector observed unapproved extraction equipment (2-100L Batch Reactors, 2-50L Rotary Evaporators, a CDU 1000 Distillation Unit, a Short Path Distillation Unit) and a solvent (Dichloromenthane) that Respondent failed to have inspected or approved by BFS prior to use.
- c. On August 28, 2024, a CRA Regulation Agent (RA) emailed Respondent's establishment, requesting information regarding the unapproved equipment and Dichloromenthane.
- d. On August 28, 2024, Respondent's Organizational Development Representative, K.C., responded that the Rotary Evaporators, Distillation Unit, and Short Path Distillation Unit were previously submitted for approval.
- e. On August 29, 2024, the CRA RA emailed the BFS inspector, R.R., regarding the unapproved equipment and Dichloromenthane.
- f. On August 30, 2024, R.R. emailed the CRA RA confirming that BFS neither inspected nor approved the abovementioned equipment or Dichloromenthane.
- g. On September 4, 2024, R.R. conducted a follow-up inspection at Respondent's establishment. Following the inspection, R.R. issued an inspection report stating that a separate inspection for the abovementioned equipment and Dichloromenthane would be required before granting approval.

<u>Count I</u>

Respondent's actions as described above in paragraphs b, f, and g demonstrate a violation of Mich Admin Code, R 420.208(6)(b)(i), which states in addition to meeting all the requirements in subrules (1) to (5) of this rule, cultivators, producers, marihuana microbusinesses, class A marihuana microbusinesses, and designated consumption establishments shall also comply with all of the following: (b) have a fire safety inspection conducted, in addition to any inspections required under the acts and these rules, if any of the following occur: (i) modifications to the grow areas, rooms and storage, extraction equipment and process rooms, or marihuana-infused product processing equipment within a marihuana business.

<u>Count II</u>

Respondent's actions as described above in paragraphs b, f, and g demonstrate a violation of Mich Admin Code, R 420.208(6)(b)(iii), which states in addition to meeting all the requirements in subrules (1) to (5) of this rule, cultivators, producers, marihuana microbusinesses, class A marihuana microbusinesses, and designated consumption establishments shall also comply with all of the following: (b) have a fire safety inspection conducted, in addition to any inspections required under the acts and these rules, if any of the following occur: (iii) material changes to a new or existing cultivator, producer, marihuana microbusiness, class A marihuana microbusiness, or designated consumption establishment including changes made prelicensure and post-licensure.

Count III

Respondent's actions as described above in paragraphs b, f, and g demonstrate a violation of Mich Admin Code, R 420.208(6)(b)(iv), which states in addition to meeting all the requirements in subrules (1) to (5) of this rule, cultivators, producers, marihuana microbusinesses, class A marihuana microbusinesses, and designated consumption establishments shall also comply with all of the following: (b) have a

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

Formal Complaint ENF No.: 24-00893 CRA 5052 fire safety inspection conducted, in addition to any inspections required under the acts and these rules, if any of the following occur: (iv) changes in extraction methods and processing or grow areas and building structures.

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

In Person: Department of Licensing & Regulatory Affairs

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 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.

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

Dated: _10/16/24

Alyssa A. Grissom By:

> 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