

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

In the Matter of

SSA Holdings LLC
dba Processing Dept.
License No.: AU-P-000349

ENF No.: 24-01401

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On January 16, 2025, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana processor establishment license (AU-P-000349) of SSA Holdings LLC dba Processing Dept. (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 420.206(11).

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 420.206(11).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of seven-hundred-fifty and 00/100 dollars (\$750.00). 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 "24-01401" and license number "AU-P-000349" 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 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: 5/5/2025

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O = CRA OU = CRA
Date: 2025.05.05 12:05:40 -04'00'

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. Respondent stated that it identified conduct which led to unintentional cross-contamination and has updated its procedures to eliminate future incidents of cross contamination.
 - i. Respondent provided an updated standard operating procedure (SOP) related to vape cartridges which prohibits the utilization of beakers used for gummy production.
 - b. Respondent provided records of formulation, an ingredient list, and safety sheets related to the product that failed testing.
 - c. Respondent provided internal investigations related to the test failure to the CRA Regulation Agent (RA) during investigation.
 - d. Respondent indicated to the RA during investigation that the test failed product would be destroyed.
 - 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

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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 Digitally signed by Alyssa A. Grissom
Date: 2025.05.02 10:14:35 -04'00'

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

Dated: 5/2/2025

AGREED TO BY:

Sharbel Abouzeid

Sharbel Abouzeid, Authorized Officer
on behalf of Respondent
SSA Holdings LLC
dba Processing Dept.

Dated: 4/28/2025

Nickolas Calkins

Nickolas Calkins, P79512
Attorney for Respondent

Dated: 04.28.2025

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

In the Matter of

SSA Holdings LLC
dba Processing Dept.
License No: AU-P-000349

ENF No: 24-01401

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against SSA Holdings LLC dba Processing Dept. (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 9726 Peet Road, Chesaning, Michigan 48616, at all

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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 November 15, 2024, Respondent had Metrc package tag number 1A4050300037461000041200 fail safety compliance testing for Glycerol Tricaprylate (C8).
- b. On December 6, 2024, a CRA Regulation Agent (RA) visited Respondent's facility to follow up. Respondent's manager, B.L., stated Respondent uses medium chain triglyceride (MCT) oil in the production of edible gummies, but not in vape cartridges. However, he admitted that when Respondent had distillate left over from a run of gummies, staff added it to the vape distillate.
- c. Glycerol Tricaprylate (C8) is an MCT that has not been approved by the Food and Drug Administration (FDA) as an inactive ingredient for inhalants at any concentration.

Count I

Respondent's actions as described above in paragraphs a, b, and c demonstrate a violation of Mich Admin Code, R 420.206(11) which states, all non-marihuana inactive ingredients, other than botanically derived flavonoids, terpenoids, and terpenes that are chemically identical to the terpenes derived from the plant Cannabis sativa L., must be approved by the FDA for the intended use, and the concentration must be less than the maximum concentration listed in the FDA Inactive Ingredient database for the intended use.

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.

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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
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.

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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: 1/16/25

By: Alyssa A. Grissom

Digitally signed by Alyssa
A. Grissom
Date: 2025.01.16
09:22:18 -05'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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