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

In the Matter of

Cherry Industries, LLC
License No.: AU-G-C-001107
_____/

ENF No.: 24-00864

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On October 9, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult use marijuana class C grower license (no. AU-G-C-001107) of Cherry Industries, LLC (Respondent) under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.802(5).

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 420.802(5).

Accordingly, for this violation, IT IS ORDERED:

1. Respondent must pay a fine in the amount of one thousand and 00/100 dollars ($1,000.00). 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). 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 No. 24-00864" and "License No. AU-G-C-001107" 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. 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 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: 2/9/2026

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email = hannab@michigan.gov C = US O = CRA OU = CRA
Date: 2026.02.09 08:55:58 -05'00'

Executive Director Brian Hanna
or 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 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 was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

   b. This consent order and stipulation is part of a comprehensive resolution of five related formal complaints (ENF nos. 24-00864, 24-00867, 24-00869, 24-00871, and 24-00873) against Cherry Industries, LLC, concerning the same conduct.

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: 2026.02.05 20:10:39 -05'00'

Alyssa A. Grissom
Legal Division Director
or Designee
Cannabis Regulatory Agency
Dated: 2/5/2026

Audrey E. Elzerman

Audrey E. Elzerman (P82596)
Assistant Attorney General
Attorney for Cannabis Regulatory Agency
Dated: 2/3/2026

AGREED TO BY:

Clint Cerny
Authorized Representative
On behalf of Respondent
Cherry Industries, LLC
Dated: 2/2/26

Michael D. Stein (P71421)
Attorney for Respondent
Dated: 2/2/26

LF: 2025-0420196-A/Cherry Industries, AU-G-C-001107, ENF 24-00864/Consent Order and Stipulation 2025-11-19

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

In the Matter of

Cherry Industries, LLC
License No: AU-G-C-001107
_____/

ENF No: 24-00864

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Cherry Industries, 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 class C grower establishment in the state of Michigan.

4. Respondent operated at 6387 East Nevada Street, Detroit, Michigan 48234, 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 September 11, 2024, the CRA's License Maintenance Section submitted a referral to the CRA Legal Section after discovering that Respondent was a defendant in a lawsuit (case number 22-003612-CB) that was initiated on March 28, 2022 and concluded on April 25, 2024.
b. As of the date of this formal complaint, Respondent has failed to notify the CRA of the initiation and conclusion of the lawsuit.

Count I

Respondent's actions as described above in paragraphs a and b demonstrate a violation of Mich Admin Code, R 420.802(5), which states the licensee shall notify the agency within 10 business days of the initiation or conclusion of any new judgments, lawsuits, legal proceedings, charges, or government investigations, whether initiated, pending, or concluded, that involve the licensee.

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
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: 10/9/24

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom Date: 2024.10.09 09:06:28 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency