

STATE OF MICHIGAN
DEPARTMENT OF REGULATORY AFFAIRS¹
MARIJUANA REGULATORY AGENCY

In the Matter of

AEY Capital, LLC dba Cookies Detroit
ERG No.: 000265
License No.: PC-000368
ENF No.: 20-00144

CMP No.: 20-001080

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On December 9, 2020, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the medical marijuana provisioning center facility license (PC-000368) of AEY Capital, LLC dba Cookies Detroit (“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 420.111(1).

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 the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.111(1).

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 30 days of the effective date of this order by check or money order made payable to the State of Michigan with enforcement number “20-00144” clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and Regulatory Affairs, Marijuana Regulatory Agency, PO BOX 30205, Lansing, Michigan 48909.
2. If Respondent fails to timely pay the fine, Respondent’s license shall be suspended until payment is received.

¹ Executive Reorganization Order 2019-2 created the Marijuana Regulatory Agency (MRA) as a Type I agency within the Department of Licensing and Regulatory Affairs (LARA). MCL 333.27001(1)(a)(d). The MRA exercises its statutory powers, duties, and functions independent of LARA’s direction. MCL 16.103.

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3. Unless otherwise specified in this order, Respondent shall direct any communications to the MRA that are required by the terms of this order to MRA-LegalHearings@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 will be subject to fines and/or other sanctions under section 407(1) of the MMFLA, MCL 333.27407(1), and Mich Admin Code, R 420.806.
6. Upon timely payment of the fine 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 on the date signed by the MRA's executive director or his designee, as set forth below.

MARIJUANA REGULATORY AGENCY

Signed on: 9/17/21

By:

Andrew Brisbo

Digitally signed by Andrew Brisbo
DN: CN = Andrew Brisbo email =
brisbo@michigan.gov C = US O =
Marijuana Regulatory Agency OU =
Executive Director
Date: 2021.09.17 10:33:29 -0400

Andrew Brisbo, Executive Director
Marijuana 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 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 MRA to prove the charges set forth in the formal 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's conduct was in response to an investigation into an identified public health and safety concern in 2 packages of product received from another licensee.
 - b. Respondent's conduct in response to the alleged public health and safety concern included contacting the MRA the same day as discovering the public health and safety concern, doing a joint internal investigation with the other licensee, updating the MRA regularly through the joint investigation, and doing a voluntary recall of the product.
 - c. Respondent, however, in response to that investigation, returned 10 packages to the licensee, 8 which had no identified risk to public health and safety after initial investigation.
 - d. Respondent was authorized by the MRA to return the 2 packages of product which had an identified risk to public health and safety.
 - e. Respondent believed that because it had determined that all of the product would need a full physical inspection to rule out public health and safety concerns, that return of all of the product would be allowed without seeking approval from the MRA.
 - f. Respondent believed that return of all of the product to the licensee for the purposes of furthering an investigation into the cause of the public health and safety concern would be allowed without seeking approval from the MRA.
 - g. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - h. Respondent and the MRA engaged in negotiations of the proposed penalties listed in the Consent Order.
 - i. Respondent has not had any previous disciplinary action issued against it.
4. The MRA's enforcement division director or her designee must approve this proposed agreement before it is forwarded to the MRA's executive director or his designee for review and issuance of the above consent order. The parties reserve the right to proceed to an

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administrative hearing without prejudice to either party, should the MRA's enforcement 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.

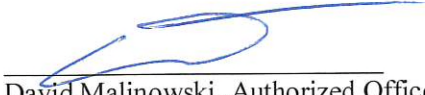
AGREED TO BY:

Julie Kluytman
Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email =
kluytmanj@michigan.gov C = US O =
Marijuana Regulatory Agency
Date: 2021.09.17 09:58:42 -0400

Julie Kluytman, Director
Enforcement Division
Marijuana Regulatory Agency

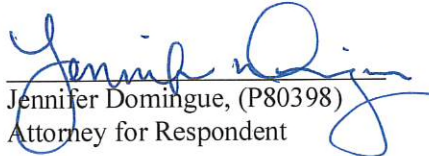
Dated: 9/17/21

AGREED TO BY:



David Malinowski, Authorized Officer
On behalf of Respondent
AEY Capital, LLC

Dated: 9/15/21



Jennifer Domingue, (P80398)
Attorney for Respondent

Dated: 9/15/21

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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MARIJUANA REGULATORY AGENCY

In the Matter of

AEY Capital, LLC dba Cookies Detroit
ERG No.: 000265
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FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against AEY Capital, LLC dba Cookies Detroit (“Respondent”) alleging upon information and belief as follows:

1. The Marijuana Regulatory Agency (MRA) is authorized under the Medical Marijuana 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 MRA’s authority to impose sanctions on the license.
3. Section 206(c) of the MMFLA provides that the administrative rules must ensure the health, safety, and security of the public and integrity of the marijuana facility operations.
4. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marijuana facility operations.

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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

5. Respondent holds an active state operating license under the MMFLA to operate a medical marihuana provisioning center in the state of Michigan.

6. Respondent operated at 6030 East 8 Mile Road, Detroit, Michigan, 48324 at all times relevant to this complaint.

7. Following an investigation, the MRA determined that Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

- a. In October 2020, Respondent determined that it did not want to sell Voila Brands products.
- b. Respondent had the following Voila Brands products in its inventory at that time:
 - I. Triangle Kush – source package #1A4050100007CA0000001344
quantity = 323 jars
 - II. Underdawg - source package #1A4050100007C9E000001391
quantity = 242 jars
 - III. Cornbread - source package #1A4050100007C9F000000245
quantity = 67 jars
 - IV. Vader - source package #1A4050100007C9F000000223
quantity = 218 jars
 - V. Fatso - source package #1A4050100007C9E000001395
quantity = 174 jars
 - VI. GG#4 - source package #1A4050100007C9E000001407
quantity = 299 jars
 - VII. Wifi - source package #1A4050100007C9F000000231
quantity = 347 jars
 - VIII. Atlantic Kush - source package #1A4050100007C9F000000105
quantity = 689 jars
 - IX. Key Lime Pie - source package #1A4050100007C9F000000213

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quantity = 216 jars

X. Chem I-95 - source package #1A4050100007C9E000001426

quantity = 33 jars

- c. On October 9, 2020, Respondent transferred the products listed above from its facility to the medical marijuana grower by Manifest Number 0000326422 in violation of Mich Admin Code R, 420.111(1), which only authorizes a provisioning center to sell or transfer marijuana to a registered qualifying patient or a registered primary caregiver.

THEREFORE, based on the above, the MRA 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 MRA 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 MRA 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 MRA 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
Marijuana Regulatory Agency
P.O. Box 30205
Lansing, Michigan 48909

By email: MRA-LegalHearings@michigan.gov

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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 Marijuana Regulatory Agency at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: 12/3/20

MARIJUANA REGULATORY AGENCY

By: Claire
Patterson

Digitally signed by: Claire Patterson
DN: CN = Claire Patterson email =
PattersonC8@michigan.gov C = US
O = MRA OU = LARA
Date: 2020.12.03 09:59:01 -05'00'

Claire Patterson, Scientific and Legal Section Manager
Enforcement Division

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