

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

In the Matter of

ALTERNATIVE GARDENS, LLC
dba Green Door Alternative
License No.: PC-000349

ENF No.: 21-00484

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On November 16, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana grow facility license PC-000340 of Alternative Gardens, LLC (Respondent) under the Medical Marijuana 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 420.210(1) and (2), R 420.212(1), R 420.504(1)(a), (b), (c), (d), (f), (g), (h), (i), (j), (k), (i), (ii), (iii) and (iv), and R 420.507(2).

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 420.210(1) and (2), R 420.212(1), R 420.504(1)(a), (b), (c), (d), (f), (g), (h), (i), (j), (k), (i), (ii), (iii) and (iv), and R 420.507(2).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of thirty-eight thousand and 00/100 dollars (\$38,000). 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 www.michigan.gov/cra. Check or money orders shall be made payable to the State of Michigan with

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enforcement number “21-00484” and license number “PC-000349” 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 60 days of the effective date of the consent order, Respondent must:
 - a. Provide a standard operating procedure (SOP) detailing all required procedures for compliant packaging and labeling at its facility.
 - b. Schedule a CRA inspection of its packaging and labelling operations and provide email confirmation that an inspection is scheduled. Respondent must comply with the inspection and correct any deficiencies within 30 days of being notified of the deficiency.
 - c. Schedule a CRA Metrc audit and provide email confirmation that an audit is scheduled. Respondent must comply with the audit and correct any deficiencies within 30 days of being notified of the deficiency.
3. If Respondent fails to timely comply with the terms of this order, Respondent’s license shall be suspended until compliance is demonstrated.
4. 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-LegalHearings@michigan.gov.
5. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
6. 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, 420.808.

7. 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.

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Signed on: 04/27/2023

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
haninab@michigan.gov C = US O =
CRA OU = CRA
Date: 2023.04.27 16:18:43 -0400'

Brian Hanna, Executive Director
and/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 violations of the cited 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 provided a contract and emails indicating it implemented a new point-of-sale system three months prior to the violations.
 - b. Respondent stated that some data did not get onboarded into the new point-of-sale system correctly, resulting in some incorrect labels and missing expiration dates.

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- c. Respondent provided Metrc employee records indicating that it hired a new compliance manager six months prior to the violations.
 - d. Respondent stated that the new compliance manager has since updated their procedures for labelling and packaging.
 - e. Respondent provided a new training guide detailing information that must appear on their printed package labels.
 - f. Respondent provided a new SOP requiring weekly spot checks of physical inventory, and removal of any products that are expired or have other compliance issues to a quarantine area.
 - g. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
4. The CRA's enforcement 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 enforcement division director, executive director, or their designees reject the proposed consent order.

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By signing this stipulation, the parties confirm that they have read, understand, and agree with the terms of the consent order.

AGREED TO BY:

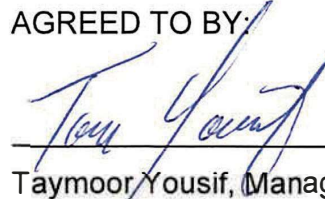
Desmond
Mitchell

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Desmond Mitchell
Date: 2023.04.27
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Desmond Mitchell, Operations Director
and/or his designee
Cannabis Regulatory Agency

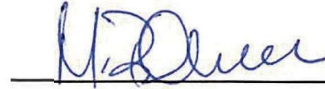
Dated: 04/27/2023

AGREED TO BY:



Taymoor Yousif, Manager
on behalf of Respondent
Alternative Gardens, LLC

Dated: 4/24/2023



Mike M, Bahoura (P80205)
Attorney for Respondent

Dated: 4/24/2023

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

In the Matter of

Alternative Gardens, LLC dba Green Door Alternative
ERG No.: 001250
License No.: PC-000349
ENF No.: 21-00484

CMP No.: 21-001239

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Alternative Gardens, LLC dba Green Door Alternative (“Respondent”) alleging upon information and belief as follows:

1. The Marijuana Regulatory Agency (MRA) 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 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 marihuana facility operations.

4. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marihuana 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 marijuana provisioning center in the state of Michigan.

6. Respondent operated at 7304 Michigan Ave., Detroit, Michigan 48210, 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. On September 2, 2021, the MRA received a patient complaint regarding Respondent selling expired marijuana product and marijuana product without the required labeling.
- b. The complainant provided pictures of the sales receipt, the expired PETRA Cinnamon Mints, and the improperly labeled GG4 flower that were purchased by the complainant on September 2, 2021.
- c. The MRA observed the final packaging of purchased GG4 flower in the photo did not contain the following items that are required to be on the label in violation of Mich Admin Code, R 420.504(1)(a)(b)(c)(d)(f)(g)(h)(i)(j)(k)(i)(ii)(iii) and (iv):
 - (a) The name and the state license number of the producer, including business or trade name, and tag and source number as assigned by the statewide monitoring system.
 - (b) The name and the marijuana license number of the licensee that packaged the product, including business or trade name, if different from the producer of the marijuana product.
 - (c) The unique identification number for the package or the harvest, if applicable.
 - (d) Date of harvest, if applicable.

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- (f) Net weight in United States customary and metric units.
 - (g) Concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.
 - (h) Activation time expressed in words or through a pictogram.
 - (i) Name of the laboratory that performed any test, and any test analysis date.
 - (j) The universal symbol for marijuana product published on the agency's website.
 - (k) A warning that states all the following:
 - o (i) "It is illegal to drive a motor vehicle while under the influence of marijuana."
 - o (ii) "National Poison Control Center 1-800-222-1222."
 - o (iii) For products being sold by a licensee under the medical marijuana facilities licensing act that exceed the maximum THC levels allowed for products sold under MRTMA, "For use by registered qualifying patients only. Keep out of reach of children."
 - o (iv) For all other products being sold by a licensee "For use by individuals 21 years of age or older or registered qualifying patients only. Keep out of reach of children."
- d. During an investigation into the complaint, the MRA observed a packaging of marijuana product, "Gas Pack," without the required statewide monitoring system (METRC) tag affixed to the marijuana product.
- e. Because Respondent was in possession of marijuana product without METRC tags to identify the product in METRC, Respondent was unable to identify and track its marijuana product consistently in the statewide monitoring system in violation of Mich Admin Code, R 420.212(1).
- f. Additionally, Respondent's possession of marijuana product without METRC tags is a violation of Mich Admin Code, R 420.210(2), which states

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except for a designated consumption establishment or temporary marihuana event licensed under the Michigan regulation and taxation of marihuana act, a marihuana business must not have any marihuana product without a batch number or identification tag or label pursuant to these rules. A licensee shall immediately tag, identify, or record as part of a batch in the statewide monitoring system any marihuana product as provided in these rules.

- g. Further into the investigation, the MRA was unable to locate the marijuana product, "Gas Pack," in METRC.
- h. The MRA discovered the wrong label was affixed to the marijuana product for sale and that "Gas Pack" should have been labeled as "10th Planet."
- i. Respondent advertised marijuana product that had an incorrect strain name listed on the product label in violation of Mich Admin Code, R 420.507(2), which states marihuana product must not be advertised in a way that is deceptive, false, or misleading. A person shall not make deceptive, false, or misleading assertions or statements on any marihuana product, sign, or document provided.
- j. Because the marijuana product "10th Planet" was labeled incorrectly as "Gas Pack" and unable to be identified in METRC, Respondent is also in violation of Mich Admin Code, R 420.210(1), which states except for designated consumption establishments or temporary marihuana events licensed under the Michigan regulation and taxation of marihuana act, a marihuana business must not have marihuana products that are not identified and recorded in the statewide monitoring system pursuant to these rules.

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,

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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

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

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

Dated: 11/16/21

By: Claire Patterson
Digitally signed by Claire Patterson
Date: 2021.11.16 17:14:35 -05'00'

Claire Patterson, Manager
Scientific and Legal Section Manager
Enforcement Division
Marijuana Regulatory Agency

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