

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

In the Matter of

FLORAISON, LLC dba Canna43  
License No.: AU-R-000171

ENF No.: 22-00515

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On December 6, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retail establishment license AU-R-000171 of Floraison, LLC dba Canna43 (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 420.18(1), R 420.802(3)(a), and R 420.803(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 420.18(1), R 420.802(3)(a), and R 420.803(1).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of ten thousand and 00/100 dollars (\$10,000). 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](http://www.michigan.gov/cra). Check or money orders shall be made payable to the State of Michigan with enforcement number "22-00515" and license number "AU-R-000171" clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and

CANNABIS REGULATORY AGENCY  
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909  
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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-LegalHearings@michigan.gov](mailto:CRA-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 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: 04/17/2023

By: Brian Hanna  
Digitally signed by: Brian Hanna  
DN: CN = Brian Hanna email =  
bhanna@michigan.gov C = US O =  
CRA OU = CRA  
Date: 2023.04.17 16:15:33 -0400

Brian Hanna, Executive Director  
and/or his designee  
Cannabis 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 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 created and provided a new standard operating procedure (SOP) that requires CRA review and approval of any ownership transfer agreements and related documentation before the parties execute the documents and begin performing under them.
  - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
  - c. Respondent has been licensed as an adult use retail establishment since 2020 and has no prior discipline against its license.
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.

**CONTINUED ON NEXT PAGE**

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

Digitally signed by  
Desmond Mitchell  
Date: 2023.04.17  
14:57:19 -04'00'

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

Dated: 04/17/2023

AGREED TO BY:



Chantal Leduc, Managing Member  
on behalf of Respondent  
Floraion, LLC

Dated: 4-12-23



Kristina M. Munsters (P74507)  
Attorney for Respondent

Dated: 4/17/2023

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

In the Matter of

Floraion, LLC dba Canna43  
License No.: AU-R-000171

ENF No: 22-00515

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against Floraion, LLC dba Canna43 (“Respondent”) alleging upon information and belief as follows:

1. The Cannabis Regulatory Agency (CRA) is authorized under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), 2018 IL1, *et seq.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MRTMA and the Administrative Rule 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 retailer establishment in the state of Michigan.

4. Respondent operated at 33760 CR653, Gobles, Michigan 49055, 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:

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- a. On September 18, 2020, Respondent gave ownership distribution payments in accordance with the ownership percentages detailed in their FY2021 annual financial statement (AFS).
- b. The ownership structure in the abovementioned distribution payments was not approved by the CRA until January 26, 2021.

### **Count I**

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.18(1), which states any change or modification to the marihuana business after licensure is governed by the standards and procedures set forth in these rules and any regulations adopted pursuant to the acts. Any material change or modification to the marihuana business must be approved by the agency before the change or medication is made.

### **Count II**

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.802(3)(a), which states licensees shall report to the agency any proposed material changes to the marihuana business before making a material change. A proposed material change is any action that would result in alterations or changes being made to the marihuana business to effectuate the desired outcome of a material change. Material changes, include, but are not limited to, the following: (a) Change in owners, officers, members, or managers.

### **Count III**

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.803(1), which states any change or modification to the marihuana business after licensure is governed by the standards and procedures set forth in these rules and any regulations adopted pursuant to the acts. Any material change or modification to the marihuana business must be approved by the agency before the change or medication is made.

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.

Under MCL 333.27957 (1)(c) and 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 Emergency 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](mailto:CRA-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 Cannabis Regulatory Agency's legal section at (517) 284-8599 or [CRA-LegalHearings@michigan.gov](mailto:CRA-LegalHearings@michigan.gov).

Dated: 

12/6/2022
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By: 

Alyssa A. Grissom	Digitally signed by Alyssa A. Grissom Date: 2022.12.06 13:18:13 -05'00'
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Alyssa A. Grissom  
Legal Section Manager  
Cannabis Regulatory Agency