

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

In the Matter of

Kinne's Intense Living Organics Farms LLC
dba K.I.L.O. Farms
License No.: GR-C-000159

ENF No.: 22-00064

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On February 14, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana grow facility license GR-C-000159 of Kinne's Intense Living Organics Farms LLC dba K.I.L.O. Farms (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 Section 701 of the MMFLA, MCL 333.27701.

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 Section 701 of the MMFLA, MCL 333.27701.

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of ten thousand an 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. Check or money orders shall be made payable to the State of Michigan with enforcement number "22-00064" and license number "GR-C-000159" clearly displayed on the check or

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money order. Respondent shall mail the fine to Department of Licensing and 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.
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 420.808.
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.

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Signed on: 04/24/2023

By:  Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O =
CRA OU = CRA
Date: 2023.04.24 10:48:27 -04'00'

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 MMFLA.
2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MMFLA, the 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's FY 2021 annual financial statement (the AFS) was due on October 31, 2021.
 - b. Respondent submitted the AFS on February 1, 2022.
 - c. 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.

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: 2023.04.23
10:36:13 -04'00'

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

AGREED TO BY:



Wayne C. Kinne II, Managing Member
on behalf of Respondent
Kinne's Intense Living Organics Farms LLC

Dated: 04/23/2023

Dated: 4-19-2023

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

In the Matter of

Kinne's Intense Living Organics Farms, LLC
ERG No.: 000134
License No.: GR-C-000159
CMP No.: 21-001655
ENF No.: 22-00064

FORMAL COMPLAINT

The Marijuana Regulatory Agency ("Complainant") files this formal complaint against Kinne's Intense Living Organics Farms, LLC ("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. Respondent, under section 701 of the MMFLA (MCL 333.27701) is required to transmit to the MRA a financial statement(s) of the licensee's total operations by 30 days after the end of each state fiscal year.

3. Respondent's annual financial statement for fiscal year 2021 was due on or before October 31, 2021.

4. As of the date of this formal complaint, Respondent has failed to file its annual financial statement for FY 2021.

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5. Respondent's failure to timely file the required Annual Financial Statement is in violation of Section 701 of the MMFLA, MCL 333.27701.

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.

A licensee 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. See MCL 333.27407(4); Mich Admin Code, R 420.704(3) and R 420.808(2)(b). A request for a hearing must be submitted to the MRA in writing within 21 days after service of this complaint. Mich Admin Code, R 420.704(2) and R 420.808(3). Notice served by certified mail is considered complete on the business day following the date of the mailing. MCL 333.27407(4).

Respondent also may be given an opportunity to meet with the MRA to negotiate a settlement or demonstrate compliance with the MMFLA and administrative rules prior to a contested case hearing. Mich Admin Code, R 420.704(1) and R 420.808(2)(a). A request for a compliance conference must be submitted to the MRA in writing within 21 days after service of this complaint. Mich Admin Code, R 420.808(3).

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

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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. Mich Admin Code, R 420.808(3).

Questions about this complaint should be directed to the Marijuana Regulatory Agency at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: 2/14/22

MARIJUANA REGULATORY AGENCY

By: Julie Kluytman
Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email = kluytman@michigan.gov C = US O = Marijuana Regulatory Agency
Date: 2022.02.14 21:27:11 -0500

Julie Kluytman, Director
Enforcement Division
Marijuana Regulatory Agency

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