

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

In the Matter of

AEY Capital, LLC dba Cookies Detroit
License No.: PC-000368

ENF No.: 22-00321

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On May 12, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana provisioning center facility license (PC-000368) of AEY Capital, 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 420.111(1), R 420.111(4)(c), R 420.505(1)(g), and R 420.505(3)(a).

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 all of the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.111(1), R 420.111(4)(c), R 420.505(1)(g), and R 420.505(3)(a).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of two thousand and 00/100 dollars (\$2,000.00). 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). 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 “22-00321” and license number “PC-000368” 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, 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 (standard) days after the date signed by the CRA's executive director or his designee, as set forth below.

CANNABIS REGULATORY AGENCY

Brian Hanna

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna, email = hannaab@michigan.gov C = US O = CRA
OU = CRA
Date: 2023.08.14 17:43:07 -04'00'

Signed on: 8/14/2023

By: _____

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 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 self-reported its noncompliance to the CRA.
 - b. Respondent provided proof of additional training for employees and new standard operating procedures in place.
 - 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 his/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.

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

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AGREED TO BY:

Desmond Mitchell Digitally signed by Desmond Mitchell
Date: 2023.07.12 16:58:44 -04'00'

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

Dated: 7/12/2023


AGREED TO BY:



David Malinoski, Authorized Officer
on behalf of Respondent
AEY Capital, LLC

Dated: 5/15/2023

DocuSigned by:



Jake Thornton
Attorney for Respondent

Dated: 5/11/2023

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

In the Matter of

AEY Capital LLC dba Cookies Detroit
License No.: PC-000368

ENF No: 22-00321

FORMAL COMPLAINT

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

1. The Cannabis Regulatory Agency (CRA) 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 CRA’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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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. The MRA became the Cannabis Regulatory Agency (CRA) on April 13, 2022.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

5. Respondent holds an active state operating license under the MMFLA to operate a medical marijuana provisioning center facility 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 CRA determined that Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

- a. On March 28, 2022, Respondent processed the transaction for statewide monitoring system (Metrc) receipt #0041315596 to ExternalPatient- State ID – Wisconsin for 3.5g Banana Bread – Eights Tag: 1A405010001110D000009807 28g Gary Payton – Eights Tag: 1A405010001110D000012621 5 Grease Monkey Med Vape Cartridge Tag: 1A405010001C5E9000002957 5 Peanut Butter Crepes Med Vape Cartridge Tag: 1A405010001C5E9000002984 5 Cookies N Cream Med Vape Cartridge Tag: 1A405010001C5E9000003512 5 Banana Bread Med Vape Cartridge Tag: 1A405010001C5E9000003752.
- b. The out of state medical patient involved in the above transaction used an invalid medical marijuana card issued by ‘Nug MD’.
- c. Respondent selling medical marijuana products to a patient without a valid unexpired medical marijuana registry card is a violation of Mich Admin Code, R 420.505(1)(g), which states a marijuana sales location shall verify all of the following prior to selling or transferring marijuana or a marijuana product to a marijuana customer: (g) The registered qualifying patient or

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registered primary caregiver holds a valid, current, unexpired, and unrevoked registry identification card.

- d. Respondent is in violation of Mich Admin Code, R 420.505(3)(a), which states a provisioning center licensed under the MMFLA shall verify all of the following prior to selling or transferring a marihuana product to a visiting qualifying patient: (a) The visiting qualifying patient has a valid unexpired medical marihuana registry card, or its equivalent issued in another state, district, territory, commonwealth, or insular possession of the United States that allows the medical use of marihuana.
- e. Respondent is also in violation of Mich Admin Code, R 420.111(1), which states a provisioning center license authorizes the purchase or transfer of marihuana only from a grower or processor and sale or transfer to only a registered qualifying patient or registered primary caregiver.
- f. Finally, Respondent is in violation of Mich Admin Code, R 420.111(4)(c), which states a provisioning center shall comply with all of the following: (c) Before selling or transferring marihuana to a registered qualifying patient or to a registered primary caregiver on behalf of a registered qualifying patient, inquire of the statewide monitoring system to determine whether the patient and, if applicable, the caregiver, hold a valid, current, unexpired, and unrevoked registry identification card and that the sale or transfer will not exceed the daily and monthly purchasing limit established by the agency under the MMFLA.

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 333.27407(4) and Mich Admin Code, R 420.704(2), any party aggrieved

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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 MMFLA 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 at (517) 284-8599 or CRA-LegalHearings@michigan.gov.

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Dated: 5/12/2022

By: Alyssa A. Grissom
Digitally signed by Alyssa A. Grissom
Date: 2022.05.12 11:51:53 -04'00'

Alyssa A. Grissom
Legal Section Manager
Enforcement Division
Cannabis Regulatory Agency

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