

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

In the Matter of

Makana Fields, LLC
License No.: AU-G-C-000484

ENF No.: 21-00483

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On November 23, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retail establishment license AU-G-C-00484 of Makana Fields, LLC (“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 420.303(2), R 420.211(2), R 420.211(6), and R 420.804(1) and R 420.602(b) and (c).

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 some of the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.303(2), R 420.211(2), and R 420.602(b) and (c).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of thirty-one thousand and 00/100 dollars (\$31,000). 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

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number "21-00483" and license number "AU-G-C-000484" 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. All managers and employees responsible for entering inventory in Metrc must complete the Metrc online course "MI Advanced Cultivator Training". Respondent will provide proof of completion within 45 days after the Consent Order is finalized.
3. Respondent will provide a new SOP detailing how staff will compliantly receive and enter new plants into Metrc inventory, and prohibiting non-compliant marijuana from being anywhere at the facility.
4. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.
5. The alleged violation of Mich Admin Code R 420.211(6) is DISMISSED.
6. The alleged violation of Mich Admin Code R 420.804(1) is DISMISSED.
7. 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.
8. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
9. 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, R 420.808.

10. 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: 02/22/2023

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O =
CRA OU = CRA
Date: 2023.02.22 09:05:09 -05'00'

By: _____
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 pertaining to Mich Admin Code, R 420.303(2), R 420.211(2), and R 420.602(b) and (c) are true and constitute violations 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, the administrative rules promulgated thereunder, and the Administrative Procedures Act of 1969, MCL 24.201 *et seq.*, to require the CRA 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. During a compliance conference, Respondent stated the following:
 - i. Respondent's owner, Brett Taylor, brought a trailer with plants from his personal caregiver grow to Respondent's adult use

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grow facility and directed employees to bring 3 of those plants into the facility because he believed they could be compliantly transferred to Respondent's adult use grow license.

- ii. Respondent's compliance manager showed Brett Taylor there was no option in Metrc for his caregiver plants to be entered into Metrc inventory.
- iii. Brett Taylor then directed employees to dispose of the 3 caregiver plants that had been brought into the building, and he took the remaining caregiver plants on the trailer back to his home.

- b. There was no evidence that the dumpster for plant disposal was unlocked or unsecured.
- 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.

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: 2023.02.21
12:01:53 -05'00'

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

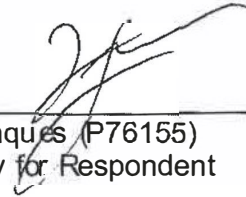
Dated: 02/21/2023

AGREED TO BY:



Christopher Howard, Manager
on behalf of Respondent
Makana Fields, LLC

Dated: February 20, 2023


Ryan Jaques (P76155)
Attorney for Respondent

Dated: 2/20/23

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

In the Matter of

Makana Fields, LLC
AU-ER No.: 001113
License No.: AU-G-C-000484
ENF No.: 21-00483

CMP No.: 21-001252

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Makana Fields, LLC (“Respondent”) alleging upon information and belief as follows:

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

3. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marihuana establishment operations.

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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

4. Respondent holds an active state license under the MRTMA to operate an adult use Class C grower establishment in the state of Michigan.

5. Respondent operated at 1141 Eden Way, Suite B, Chesaning, Michigan 48616, at all times relevant to this complaint.

6. Following an investigation, the MRA determined that Respondent violated the MRTMA and/or Administrative Rules promulgated thereunder as set forth below:

- a. On September 8, 2021, the MRA received an anonymous complaint that Respondent brought marijuana plants from a personal grow into Respondent's grower establishment to tag them as licensed product and failed to break down marijuana plants into an unusable and unrecognizable form before ultimately disposing of them in a dumpster.
- b. On September 9, 2021, the MRA visited Respondent's establishment.
- c. Respondent admitted to driving a trailer containing marijuana plants inside the gates of the grower establishment, removing plants from the trailer, and ultimately disposing of them in a dumpster after not being able to enter them into the statewide monitoring system (METRC) under the license.
- d. The MRA reviewed the video footage from August 23, 2021. The MRA observed that the video footage corroborated Respondent's admission by showing the trailer being backed up inside the gates of the establishment and an employee carrying untagged marijuana plants by hand to the dumpster and disposing of them.
- e. Respondent, being in possession of untagged marijuana plants greater than 8 inches in height, is in violation of Mich Admin Code, R 420.303(2), which states a cultivator shall tag each individual plant that is greater than 8 inches in height from the growing or cultivating medium or more than 8 inches in

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width with an individual plant tag and record the identification information in the statewide monitoring system.

- f. Respondent failed to render the marijuana plants into an unusable and unrecognizable form before disposing of them in the dumpster, which is a violation of Mich Admin Code, R 420.211(2), which states marihuana plant waste, including roots, stalks, leaves, and stems that have not been processed with a solvent must be rendered into an unusable and unrecognizable form through grinding or another method as determined by the agency that incorporates the marihuana plant waste with compostable waste specified in subdivisions (a) to (d) of this subrule so that the resulting mixture is not less than 50% non-marihuana plant waste: (a) Food waste (b) Yard waste (c) Vegetable based grease or oils (d) Other compostable wastes approved by the agency.
- g. Additionally, Respondent disposed of the marijuana plants in an unlocked and unsecured dumpster, which is a violation of Mich Admin Code, R 420.211(6), which states a licensee shall dispose of marihuana product waste and marihuana plant waste in a secured waste receptacle using 1 or more of the following methods that complies with applicable state and local laws and regulations: (a) A licensed municipal solid waste landfill (b) A registered composting facility that has specific approval under part 115 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11501 to 324.11554, to accept the material (c) An anaerobic digester that has specific approval under part 115 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11501 to 324.11554, to accept the material (d) An in-state municipal solid waste or hazardous waste incinerator that has been permitted under part 55 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5501 to 324.5542.

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- h. On September 9, 2021, Respondent sent the MRA an email listing a number of incidents that led to a former employee's termination. The email included the following incidents:
- i. June 17, 2021 – Stole gummies from me that I brought in unopened for an example for packaging.
 - ii. August 16, 2021 – Took an \$120 pair of room glasses.
 - iii. August 31, 2021 – Stole \$120 pair of method glasses and the former employee admitted to them being in his truck.
 - iv. September 8, 2021 – Found out around mid-august that the former employee stole around 15oz of trimmed useable flower that was supposed to be destroyed in METRC.
- i. Respondent failed to report these incidents to the MRA or local law enforcement within 24 hours in violation of Mich Admin Code, R 420.804(1), which states licensees shall notify the agency and local law enforcement authorities within 24 hours of becoming aware of, or within 24 hours of when the licensee should have been aware of, the theft or loss of any marihuana product or criminal activity at the marihuana business.
- j. On September 16, 2021, the MRA observed the former employee listed in METRC as an active employee despite being terminated on September 8, 2021, in violation of Mich Admin Code, R 420.602(b)(c), which states a licensee shall comply with all of the following: (b) The licensee shall update in the statewide monitoring system employee information and changes in status or access within 7 business days. (c) Remove an employee's access and permissions to the marihuana business and the statewide monitoring system within 7 business days after the employee's employment with the licensee is terminated.

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.

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Under MCL 333.27957 (1)(c) 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 MRTMA and/or the Emergency 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's legal section at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: 11/23/21

By: Claire Patterson Digitally signed by Claire Patterson
Date: 2021.11.23 13:02:55 -05'00'
Claire Patterson, Manager
Scientific and Legal Section Manager
Enforcement Division
Marijuana Regulatory Agency

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