

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

In the Matter of

Cross Country Enterprises, LLC
dba Exclusive Grand Rapids
License No.: PC-000568

ENF Nos.: 21-00162 & 21-00163

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On July 21, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana provisioning center facility license (PC-000568) of Cross Country Enterprises, LLC dba Exclusive Grand Rapids ("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 420.505(1)(a), and R 420.502(3) and (4).

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 420.111(1), R 420.505(1)(a), and R 420.502(3) and (4).

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).

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2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909

www.michigan.gov/CRA

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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 numbers "21-00162 & 21-00163" and license number "PC-000568" 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. 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 days after the date signed by the CRA's executive director or his designee, as set forth below.

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CANNABIS REGULATORY AGENCY

Signed on: 1/3/2023

By: **Brian Hanna**
Brian Hanna, Executive Director
and/or his designee
Cannabis Regulatory Agency

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email = hannab@michigan.
gov C = US O = CRA OU = CRA
Date: 2023.01.03 13:48:32 -0500

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 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. Respondent sought advice from the CRA regarding permissible transfers between licenses but failed to mention the transferring and receiving licenses were medical provisioning centers.
 - b. Respondent stated they implemented a new Slack channel to communicate product holds information from their corporate office to store managers in real time.

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- 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.

AGREED TO BY:

Desmond
Mitchell

Digitally signed by
Desmond Mitchell
Date: 2023.01.03
08:37:44 -05'00'

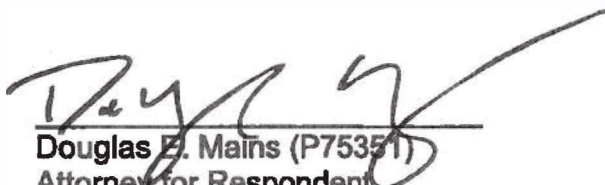
Desmond Mitchell, Operations Director
and/or his designee
Cannabis Regulatory Agency

Dated: 01/03/2023

AGREED TO BY:


Aram Freij, Managing Member
on behalf of Respondent
Cross Country Enterprises, LLC

Dated: 12/28/22


Douglas E. Mains (P75351)
Attorney for Respondent

Dated: 12/29/2022

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

In the Matter of

Cross Country Enterprises, LLC dba
Exclusive Grand Rapids
ERG No.: 001336
License No.: PC-000568
ENF Nos.: 21-00162 & 21-00163

CMP Nos.: 21-000329 & 21-000362

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Cross Country Enterprises, LLC dba Exclusive Grand Rapids (“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 marihuana provisioning center in the state of Michigan.

6. Respondent operated at 2350 29th St., Grand Rapids, Michigan 49503, 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 February 15, 2021, Respondent received 240 marijuana packages from the Kalamazoo facility (PC-000492). Transferring products between provisioning centers is a 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.
- b. On February 24, 2021, all packages involved in the transfer were placed on administrative hold by the MRA.
- c. On March 2, 2021, the MRA discovered 16 packages on administrative hold had sales made from them, in violation of Mich Admin Code R 420.505(1)(a), which states a marihuana sales location may sell or transfer marihuana or a marihuana product to a marihuana customer if all of the following are met: (a) The marihuana product has not been placed on administrative hold, recalled, or ordered to be destroyed. Selling marijuana products on administrative hold is also in violation of Mich Admin Code R 420.502(3) & R 420.502(4), which state a marihuana business shall not sell or transfer marihuana product that has been placed on administrative hold and a marijuana business must verify in the statewide monitoring system, prior to any sale or transfer, that the marihuana product has nor been placed on administrative hold.

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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, 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.

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Dated: **July 21, 2021**

MARIJUANA REGULATORY AGENCY

By: **Claire Patterson** Digitally signed by Claire Patterson
Date: 2021.07.21 09:52:05 -04'00'

Claire Patterson, Scientific and Legal Section Manager
Enforcement Division

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