

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

In the Matter of

DVNK Lapeer, Inc.
dba Consume
License No.: PC-000274

ENF No.: 23-00073

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 24, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana provisioning center license PC-000274 of DVNK Lapeer, Inc. dba Consume (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 420.502(1), R 420.504(1)(c), R 420.504(1)(h), and R 420.504(1)(v).

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 420.502(1), R 420.504(1)(c), R 420.504(1)(h), and R 420.504(1)(v).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of five thousand and 00/100 dollars (\$5,000). 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

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orders shall be made payable to the State of Michigan with enforcement number “23-00073” and license number “PC-000274” 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. Within 30 days of the effective date of this order, Respondent must:
 - a. Formally train all managers and inventory employees on the updated standard operating procedure (SOP) for product labelling referenced in paragraph 3(c) of the stipulation below, and
 - b. Provide a document signed by a manager, with names and positions of all employees trained, and dates the training was completed.
3. If Respondent fails to timely comply with the terms of this order, Respondent’s license shall be suspended until compliance is demonstrated.
4. 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.
5. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
6. 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.
7. 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: 07/18/2023

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hanab@michigan.gov C = US O =
CRA OU = CRA
Date: 2023.07.18 14:36:49 -04'00'

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

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 stated an employee missed checking a box on its point-of-sale system when printing the label for this product, and the missing data did not get pulled from Metrc.
 - b. Respondent stated it contacted the customer and allowed the customer to obtain a replacement product.
 - c. Respondent provided an updated SOP requiring inventory teams to print and check labels for accuracy and completeness before products are placed on the sales floor, and again before they are sold or

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transferred; and to promptly contact a manager for assistance if corrections are needed.

d. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

4. The CRA's operations director or his 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 operations 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: 2023.07.17
16:54:32 -04'00'

Desmond Mitchell, Operations Director
or his designee
Cannabis Regulatory Agency

AGREED TO BY:



JJ Sulaka, Director *Sulaka*
on behalf of Respondent
DVNK Lapeer, Inc.

Dated: 07/17/2023

Dated: 7/13/2023

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

In the Matter of

DNVK Lapeer, Inc. dba Consume Cannabis
License No(s): PC-000274

ENF No: 23-00073

_____ /

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“CRA”) files this formal complaint against DNVK Lapeer, Inc. dba Consume Cannabis (“Respondent”) alleging upon information and belief as follows:

1. The CRA is authorized under the Medical Marijuana 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.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

3. Respondent holds an active state operating license under the MMFLA to operate a medical marijuana Provisioning Center in the state of Michigan.

4. Respondent operated at 2401 W. Genesee St., Lapeer, MI 48446 and 528 Warwick Sr. Alma, MI 48801 at all times relevant to this complaint.

5. Following an investigation, the CRA determined that Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

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- a. On February 2, 2022, CRA made an unannounced visit to Respondent's facility. The unannounced visit was the result of a complaint accusing the Respondent of noncompliant labeling.
- b. On February 2, 2022, the CRA Regulation Officer observed the label on Metrc tag # 1A405010001F20D000003095 was missing the following information: the harvest date, lab name, and test date. No other products were found to be out of compliance. At the time of the visit, all the product in question were sold out. This matches the quantity indicated in Metrc. A Respondent's representative confirmed that the label on the product in question was incomplete and that it was immediately corrected upon becoming aware of the issue.

Count I

Respondent's actions as described above in paragraphs a and b demonstrate a violation of Mich Admin Code R 420.502(1) which states, each marijuana products sold or transferred must be clearly labeled with the tracking identification numbers assigned by the statewide monitoring system affixed, tagged, or labeled and recorded, and any other information required by the agency, the acts, and these rules.

Count II

Respondent's actions as described above in paragraphs a and b demonstrate a violation of Mich Admin Code R 420.504(1) which states, before a marijuana product is sold or transferred to or by a marijuana sales location, the container, bag, or product holding the marijuana product must be sealed and labeled with all of the following information: (c) Date of harvest, if applicable. (h) Name of the laboratory that performed any passing compliance testing on the product in final form and any test analysis date. (v) In clearly legible type and surrounded by a continuous heavy line: "WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT

IN FETAL INJURY, PRETERMBIRTH, LOWBIRTHWEIGHT, OR DEVELOPMENTAL PROBLEMS FOR THE CHILD.”

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 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

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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.

Dated: 3/24/23

By: Alyssa A. Grissom
Digitally signed by Alyssa A. Grissom
Date: 2023.03.24 10:37:49 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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