

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY¹

In the Matter of

Green Labs, LLC
ERG No. 000111
License Nos. GR-C-000099 & PR-000151
CMP No. 22-000644

ENF No. 22-00254

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On April 10, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical class C grower and medical processor licenses (nos. GR-C-000099 and PR-000151, respectively) of Green Labs, LLC (Respondent) under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated MCL 333.27701.

The executive director or designee reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the complaint. Therefore, the executive director or designee finds that the allegations contained in the complaint are true and that Respondent violated MCL 333.27701.

¹ The Marijuana Regulatory Agency was renamed the Cannabis Regulatory Agency under Executive Reorganization Order No. 2022-1, effective April 13, 2022. MCL 333.27002(1)(a).

Accordingly, for this violation, IT IS ORDERED:

1. Respondent must pay a fine in the amount of seven thousand two hundred dollars (\$7,200.00). 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). CRA guidance on how to make compliance payments online is available under "Tips for Licensees" at www.michigan.gov/cra/bulletins. Checks or money orders shall be made payable to the State of Michigan with "ENF No. 22-00254" and "License Nos. GR-C-000099 and PR-000151" clearly displayed on the check or money order and mailed to: Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, P.O. 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 may be subject to additional fines and/or other sanctions.

This order shall be effective 30 days after the date signed by the CRA's executive director or designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: 7/20/23

By: Brian Hanna
Executive Director Brian Hanna
or Designee
Cannabis Regulatory Agency

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O =
CRA OU = CRA
Date: 2023.07.20 15:12:39 -0400

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, 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 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 submitted the annual financial statement at issue in the formal complaint for licenses GR-C-000099 and PR-000151 on March 31, 2022.
 - b) During settlement negotiations, Respondent presented records showing frequent and diligent communications with its accounting firm in the months leading up to its January 31, 2022 deadline to submit the annual financial statement at issue. Moreover, the records showed that Respondent's accounting firm mistakenly believed the filing deadline for the annual financial statement to be March 31, 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 operations director or designee must approve this proposed agreement before it is forwarded to the CRA's executive director or 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 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**

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Desmond Mitchell
Date: 2023.07.18
17:02:30 -04'00'

Desmond Mitchell
Operations Director
Cannabis Regulatory Agency

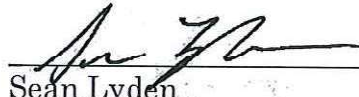
Dated: 7/18/23

/s/ Adam M. Leyton

Adam M. Leyton (P80646)
Assistant Attorney General
Attorney for Cannabis Regulatory Agency

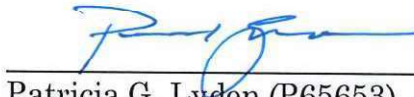
Dated: 07/18/2023

AGREED TO BY:



Sean Lyden
Authorized Representative
On behalf of Respondent
Green Labs, LLC

Dated: July 17, 2023



Patricia G. Lyden (P65653)
Attorney for Respondent

Dated: 7-17-23

LF: 2023-0372471-A / Green Labs, LLC (22-00254) / Consent Order and Stipulation / 2023-07-14

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

In the Matter of

Green Labs, LLC
ERG No.: 000111
License No(s): GR-C-000099 & PR-000151
CMP No.: 22-000644
ENF No.: 22-00254

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Green Labs, 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(s) for fiscal year 2021 were due on or before January 31, 2022.

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

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5. Respondent's failure to timely file the required Annual Financial Statement(s) 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: 4/10/2022

MARIJUANA REGULATORY AGENCY

By: Julie Kluytman

Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email =
kluytmanj@michigan.gov C = US O =
Marijuana Regulation Agency OU =
Enforcement Division
Date: 2022.04.10 20:56:32 -04'00'

Julie Kluytman, Director
Enforcement Division
Marijuana Regulatory Agency