

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

In the Matter of

HG Lansing, LLC
License No.: AU-G-C-000133

ENF No.: 21-00096

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On June 30, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana grow establishment license (AU-G-C-000133) of HG Lansing, 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 420.602(2)(b), R 420.602(2)(c), and R 420.602(2)(j).

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 420.602(2)(b), R 420.602(2)(c), and R 420.602(2)(j).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of eight thousand and 00/100 dollars (\$8,000.00). 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 "21-00096" and license number "AU-G-C-000133" 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. Within 30 days of the effective date of the consent order and stipulation, respondent shall provide a new Standard Operating Procedure (SOP) detailing all relevant procedures for vetting new employees before hire to ensure they are at least 21 and entering or removing employees from Metrc upon hire and termination.
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 7(1)(c) of the MRTMA, MCL 333.27957, 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.

CONTINUED ON NEXT PAGE

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: 6/30/23

By: Brian Hanna

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O =
CRA OU = CRA
Date: 2023.06.30 09:16 -04'00'

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 are true and constitute a violation 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, 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 was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - b. Respondent has been licensed as an adult use grower since 2020 and has no prior discipline against its license.

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4. The CRA's enforcement division director or 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: 2023.06.28
09:39:31 -04'00'

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

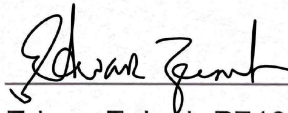
Dated: 6/28/23

AGREED TO BY:



Thomas Saad, Authorized Officer
on behalf of Respondent
HG Lansing, LLC

Dated: 6/6/2023



Edwar Zeineh P71923
Attorney for Respondent

Dated: 6-7-23

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

In the Matter of

HG Lansing, LLC
AU-ER No.: 000295
License No.: AU-G-C-000133
ENF No.: 21-00096

CMP No.: 21-000178

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against HG Lansing, 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 1421 Rensen St., Lansing, Michigan 48910, 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 February 10, 2021, the MRA confirmed the Respondent had two employees working at the adult use marijuana grow who were 20 years of age. Respondent having employees under the age of 21 working at the adult use grow is a violation of Mich Admin Code R 420.602(2)(j), which states a licensee under the Michigan regulation and taxation of marihuana act, shall not allow a person under 21 years of age to volunteer or work for the marihuana establishment pursuant to section 11 of the MRTMA, MCL 333.27961.
 - b. During the investigation, the MRA discovered the Respondent hired two employees in December of 2020 and did not enter them into the statewide monitoring system (Metrc). On February 3, 2021, the employees were not in Metrc, in violation of Mich Admin Code R 420.602(2)(b), which states a licensee shall enter in the statewide monitoring system an employee's information and level of statewide monitoring system access within 7 business days of hiring for the system to assign an employee identification number.
 - c. The MRA also discovered an unrelated employee was terminated and not removed from Metrc. On February 10, 2021, the employee terminated two weeks prior was still listed as an active employee in Metrc, in violation of Mich Admin Code R 420.602(2)(c), which states a licensee shall remove an employee's access and

permissions to the marijuana 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.

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.

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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: **June 30, 2021**

MARIJUANA REGULATORY AGENCY

By: **Claire Patterson** Digitally signed by Claire Patterson
Date: 2021.06.30 12:11:16 -04'00'

Claire Patterson, Scientific and Legal Section Manager

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