

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

In the Matter of

JABBS LLC
dba Green Tree Relief
License No.: AU-R-000163

ENF No.: 23-00022

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 24, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retail establishment license AU-R-000163 of Jabbs LLC dba Green Tree Relief (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 420.209(6)(a)(i), R 420.209(6)(a)(iv), and R 420.209(13).

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 420.209(6)(a)(i), R 420.209(6)(a)(iv), and R 420.209(13).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of fourteen thousand and 00/100 dollars (\$14,000). 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

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA

LARA is an equal opportunity employer/program

number “23-00022” and license number “AU-R-000163” 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 on the consent order Respondent must complete the following:
 - a. Provide a new standard operating procedure (SOP) detailing all compliant procedures for its surveillance system, including checking to confirm that cameras are operating and recording after power surges and other incidents affecting the system, and immediately ceasing operations and sales when any portion of the system is down.
 - b. Train all managers and employees on the new SOP, and provide a document signed by a manger with names and positions of all persons trained, and dates of completion for each.
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 section7(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.

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: 07/03/2023

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O =
CRA OU = CRA
Date: 2023.07.03 10:19:49 -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 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 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 self-reported the violations.
 - b. Respondent provided an existing SOP that required staff to immediately notify the owners when the surveillance system is down, and stated its managers on duty did not follow it.

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA

LARA is an equal opportunity employer/program

- c. Respondent's existing SOP did not require staff to cease operations and sales when the surveillance system was down.
 - 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: 2023.07.03
09:26:48 -04'00'

Desmond Mitchell, Operations Director
or his designee
Cannabis Regulatory Agency

AGREED TO BY:

Alex Ditt

Alexander Ditton, Managing Member
on behalf of Respondent
Jabbs LLC

Dated: 07/03/2023

Dated: June 29, 2023

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA

LARA is an equal opportunity employer/program

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

In the Matter of

JABBS LLC dba Green Tree Relief
License No.: AU-R-000163

ENF No.: 23-00022

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against JABBS LLC dba Green Tree Relief (“Respondent”) alleging upon information and belief as follows:

1. The Cannabis Regulatory Agency (CRA) is authorized under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951, *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 marijuana establishment operations.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

3. Respondent holds an active state license under the MRTMA to operate an adult use retailer in the state of Michigan.
4. Respondent operated at 124 S. Main Street, Reading, Michigan 49274, at all times relevant to this complaint.
5. Following an investigation, the CRA determined that Respondent violated the MRTMA and/or administrative rules promulgated thereunder as set forth below:

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA
LARA is an equal opportunity employer/program

- a. On August 16, 2022, Respondent contacted CRA to report a surveillance video outage that occurred on August 14, 2022, and August 15, 2022.
- b. Through further investigation, it was discovered that Respondent made approximately 78 transactions of marihuana sales during the outages on August 14, 2022, August 15, 2022, and August 16, 2022.
- c. There was no video recording of the point of sale during the times of those transactions.
- d. On August 24, 2022, Respondent stated that “We were unaware of the initial outage until shortly before surveillance was restored.” This indicates that a failure notification system was either not in use or not working.

Count I

Respondent’s actions as described above in paragraphs a, b, c, demonstrate a violation of Mich Admin Code R 420.209(6)(a)(i) that states that a licensee shall ensure the video surveillance system does all the following: (a) Records, at a minimum, the following areas: (i) Any areas where marihuana products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the marihuana business.

Count II

Respondent’s actions as described above in paragraphs a, b, c, demonstrate a violation of Mich Admin Code R 420.209(6)(a)(vi) that states that a licensee shall ensure the video surveillance system does all the following: (a) Records, at a minimum, the following areas: (vi) Point of sale areas where marihuana products are sold and displayed for sale.

Count III

Respondent’s actions as described above in paragraph d demonstrate a violation of Mich Admin Code R 420.209(13) that states that a licensee shall maintain a video surveillance system equipped with a failure notification system that provides

notification of the license of any interruption or failure of the video surveillance system or video surveillance system storage device.

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.

Pursuant to 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 MRTMA 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

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA
LARA is an equal opportunity employer/program

Lansing, Michigan 48906

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's legal section 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 10:46:06 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

CANNABIS REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/CRA

LARA is an equal opportunity employer/program