

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

In the Matter of

Alvarez Cultivation LLC
License Nos.: AU-G-C-000166,
AU-R-000327, & AU-R-000399

ENF No.: 21-00546

-----/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On January 14, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana class C grower and retailer establishment licenses (AU-G-C-000166, AU-R-000327, and AU-R-000399) of Alvarez Cultivation LLC ("Respondent") under the Michigan Regulation and Taxation of Marihuana Act (MRMTA), MCL 333.27951 et seq., and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated Mich Admin Code, R 420.20.

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 420.20.

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of Twenty Thousand and 00/100 dollars (\$20,000.00). This fine shall be paid within 60 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

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"21-00546" and license numbers "AU-G-C-000166, AU-R-000327, and AU-R-000399" 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. Respondent must submit a completed Annual Financial Statement via Accela within 60 days of the effective date of this order.
3. If Respondent fails to timely comply with the terms of this order, Respondent's licenses shall be suspended until compliance is demonstrated.
4. The alleged violation of Mich Admin Code, R 420.20 is DISMISSED against AU-R-000399.
5. 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.
6. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
7. 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.
8. 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.

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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: 6/9/2023

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email = hannab@michigan.gov, C = US, O = CRA, OU = CRA
Date: 2023.06.09 14:53:28 -04'00'

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

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STIPULATION

The parties stipulate to the following:

1. The facts alleged in the formal complaint are true and constitute a violation of 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 stated at the compliance conference it has subsequently hired a new internal accounting firm to ensure future compliance with filing its Annual Financial Statements.
 - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - c. Respondent has been licensed as an adult use class C marijuana grower since 2020 and has no prior discipline against its license.
 - d. Respondent has been licensed as an adult use marijuana retailer since 2020 and has no prior discipline against its license.
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.

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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: 2023.06.07 10:56:44
-04'00'

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

Dated: 6/7/2023

AGREED TO BY:



Del Charbonier, Authorized Officer
on behalf of Respondent
Alvarez Cultivation LLC

Dated: 06/02/2023

DocuSigned by:

Seth Tompkins

D8CABF2F9B9E460

Seth Tompkins, P63249
Attorney for Respondent

Dated: 6/4/2023

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

In the Matter of

Alvarez Cultivation LLC
AU-ER No.: 000239
License Nos.: AU-G-C-000166, AU-R-000327 & AU-R-000399
CMP No.: 21-001550
ENF No.: 21-00546

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Alvarez Cultivation 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), 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 rules 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. Respondent, under Mich Admin Code, R 420.20, is required to transmit to the MRA a financial statement 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 September 30, 2021.

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

5. Respondent's failure to timely file the required Annual Financial Statement(s) is in violation of Mich Admin Code, R 420.20.

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 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.

Respondent may also be given an opportunity to meet with the MRA to negotiate a settlement or demonstrate compliance with the MRTMA 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 request 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

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www.michigan.gov/MRA

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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. 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:

1/14/2022

MARIJUANA REGULATORY AGENCY

By:

Claire Patterson	Digitally signed by Claire Patterson Date: 2022.01.14 13:18:29 -05'00'
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Claire Patterson
Scientific and Legal Section Manager
Enforcement Division

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