

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

In the Matter of

KJK Holdings LLC  
dba Great Lakes Secured Transfer  
License No.: AU-ST-000112

ENF No.: 22-00666

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 6, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana secure transporter establishment license (AU-ST-000112) of KJK Holdings 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 420.206(7)(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 420.206(7)(j).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of Two Thousand and 00/100 dollars (\$2,000.00). 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](http://www.michigan.gov/cra). Check or money orders shall be made payable to the State of Michigan with enforcement number "22-00666" and license number "AU-ST-000112" clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and

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2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909  
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Regulatory Affairs, Cannabis Regulatory Agency, PO 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](mailto: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 will be subject to fines and/or other sanctions under section 7(1)(c) of the MRTMA, MCL 333.27957, and Mich Admin Code, 420.808.
6. 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: 6/9/2023

By: Brian Hanna  
Digitally signed by: Brian Hanna  
DN: CN = Brian Hanna email = hannaab@michigan.gov C = US O = CRA  
OU = CRA  
Date: 2023.06.09 14:48:24 -04'00'

Brian Hanna, Executive Director  
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 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. This disciplinary action file originates from a fraudulent order being placed by a third party and not by a licensed establishment.
  - b. The marijuana product at issue was returned to the originating establishment without any issue.
  - c. There was no evidence of inversion or diversion of non-regulated product.
  - d. Respondent provided an updated standard operating procedure that requires it to contact CRA to obtain permission to maintain custody of marijuana product for more than the 96 hours permitted by rule.
  - e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
  - f. Respondent has been licensed as an adult-use secure transporter since 2020 and has no prior discipline against its license.

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: 2023.06.07 10:38:25  
-04'00'

Desmond Mitchell, Operations Director  
or his designee  
Cannabis Regulatory Agency

Dated: 6/7/2023

AGREED TO BY:

DocuSigned by:

John Peterson II

446785AAE3D7412

John Peterson II, Authorized Officer  
on behalf of Respondent  
KJK Holdings LLC

Dated: 6/6/2023

DocuSigned by:

James McGillie

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James McGillie, P72294  
Attorney for Respondent

Dated: 6/6/2023

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

In the Matter of

KJK Holdings LLC dba Great Lakes Secured Transfer  
License No.: AU-ST-000112

ENF No: 22-00666

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against KJK Holdings LLC dba Great Lakes Secured Transfer (“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 secured transporter in the state of Michigan.
4. Respondent operated at 1240 S. Kalamazoo Avenue, Marshall, Michigan 49068, 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:

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- a. On September 16, 2022, Respondent transported statewide monitoring system (Metrc) manifest 0001561233 from an adult use class C grower to an adult use class B grower establishment.
- b. The marijuana product packages on the abovementioned Metrc manifest were rejected by the destination location since the order was placed fraudulently. The marijuana order was placed fraudulently by a third party and not by the adult use class B grower establishment.
- c. On September 21, 2022, Respondent returned the marijuana products on Metrc manifest 0001561233 to the originating adult use class C grower establishment, beyond the 96-hour allowance permitted to a transporter and without CRA approval.

### **Count I**

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.206(7)(j), which states a marihuana transporter shall hold a separate license for every marihuana transporter location. A marihuana transporter may travel through any municipality to transport a marihuana product. A marihuana transporter shall comply with all of the following: (j) A marihuana transporter shall not maintain custody of the marihuana product for more than 96 hours unless permission is otherwise sought and granted by the agency, which will be reviewed on a case-by case basis.

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  
Lansing, Michigan 48906

By Email: [CRA-LegalHearings@michigan.gov](mailto: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](mailto:CRA-LegalHearings@michigan.gov).

Dated: 3/6/23

Alyssa A.  
By: Grissom

Digitally signed by Alyssa A.  
Grissom  
Date: 2023.03.06 13:41:26  
-05'00'

Alyssa A. Grissom  
Legal Section Manager  
Cannabis Regulatory Agency

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