

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

In the Matter of

**Klean Herbal Solutions, LLC dba Stash Detroit
ERG No. 000459
License No. PC-000339
CMP No. 22-001322**

ENF No. 21-00490

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On 12/03/2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana provisioning center license (no. PC-000339) of Klean Herbal Solutions, LLC dba Stash Detroit (Respondent) under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.210(1), R 420.111(4)(b), and R 420.212(1).

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 Mich Admin Code R 420.210(1), R 420.111(4)(b), and R 420.212(1).

Accordingly, for these violations, IT IS ORDERED:

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).

1. Respondent's license (no. PC-000339) is expired. The license shall not be renewed, reinstated, reissued, or reactivated, limited or otherwise, at any future date.
2. Respondent's supplemental applicant, Mario Seman, is also the sole supplemental applicant for entity prequalification record no. ERG-000459. Prequalification for ERG-000459 is withdrawn and will be placed in lapsed status.
3. Respondent and Respondent's supplemental applicant, Mario Seman, are permanently prohibited from applying for or otherwise seeking any new marijuana business license in the State of Michigan; exercising managerial control over such a business; or otherwise meeting the criteria to be deemed an applicant, supplemental applicant, or otherwise subject to a background investigation of any such business.
4. Respondent and Respondent's supplemental applicant, Mario Seman, are permanently prohibited from any new ownership interest in a licensed marijuana business in the State of Michigan.
5. Respondent's supplemental applicant, Mario Seman, is permanently prohibited from being employed or working in any capacity at a licensed marijuana business in the State of Michigan, including but not limited to, performing the functions of a regular or managerial employee, rendering any services as an independent contractor, or rendering any services via another party.
6. 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.
7. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
8. If Respondent violates any term or condition set forth in this order, Respondent may be subject to 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: 6/2/23

By: Adam Sandoval
Digitally signed by Adam Sandoval
Date: 2023.06.02 07:13:53 -04'00'
Executive Director Brian Hanna
or 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 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 was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - b) Respondent represents that the incident stemmed from its own misunderstandings, rather than an intentional disregard of applicable rules.
 - c) The ground adjacent to Respondent's business buckled in September 2021, causing damage that required the building to be demolished. Respondent did not reopen and has not been in operation since that date.
 - d) Respondent and Respondent's supplemental applicant, Mario Seman, understand and agree that any new application for a state marijuana business license or renewal contrary to the accompanying consent order will be denied.

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

Digitally signed by Desmond Mitchell
Date: 2023.06.01 09:29:54 -04'00'

Desmond Mitchell
Operations Director
Cannabis Regulatory Agency

Dated: 6/1/23

AGREED TO BY:

Mario Seman

Mario Seman
Authorized Representative
On behalf of Respondent
Klean Herbal Solutions, LLC dba Stash
Dated: 5/25/2023

Mario Seman

Mario Seman
Dated: 5/25/2023

/s/ Sarah E. Huyser

Sarah E. Huyser (P70500)
Assistant Attorney General
Attorney for Cannabis Regulatory Agency
Dated: 05/31/2023

Anthony Shallal

Anthony Shallal
Attorney for Respondent and
Mario Seman
Dated: 5/24/2023

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

In the Matter of

Klean Herbal Solutions, LLC dba Stash Detroit
ERG No.: 000459
License No.: PC-000339
ENF No.: 21-00490

CMP No.: 21-001322

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Klean Herbal Solutions, LLC dba Stash Detroit (“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. Section 402(12) of the MMFLA provides that the expiration of a license does not terminate the MRA’s authority to impose sanctions on the license.
3. Section 206(c) of the MMFLA provides that the administrative rules must ensure the health, safety, and security of the public and integrity of the marihuana facility operations.
4. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marihuana facility operations.

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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

5. Respondent holds an active state operating license under the MMFLA to operate a medical marijuana provisioning center in the state of Michigan.
6. Respondent operated at 10015 W. Fort St., Detroit, Michigan 48209, at all times relevant to this complaint.
7. Following an investigation, the MRA determined that Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:
 - a. On September 11, 2021, Respondent experienced a partial collapse of its provisioning center that required it to be demolished on September 14, 2021.
 - b. On September 16, 2021, the MRA received an anonymous complaint and photograph (taken on approximately September 12, 2021) showing individuals removing items in trash bags from the facility.
 - c. Respondent admitted to removing marijuana product from the facility in trash bags and having it stored at a relative's office at a paint yard without the MRA's knowledge or approval in violation of Mich Admin Code, R 420.212(1), which states all marijuana products must be stored at a marijuana business in a secured limited access area or restricted access area and must be identified and tracked consistently in the statewide monitoring system under these rules.
 - d. On September 17, 2021, the MRA observed Respondent place the black trash bags containing marijuana product in an SUV and transport the product with an MRA and MSP escort to a licensed facility to store the marijuana product.
 - e. On September 21, 2021, the MRA visited the licensed facility where the trash bags containing marijuana product were transported and stored in

order to examine the marijuana product Respondent was able to recover from the collapsed facility.

- f. While reviewing Respondent's marijuana product in the statewide monitoring system (METRC), the MRA discovered a few discrepancies between the information on the product tags and what was recorded in METRC:
 - a. Sour Larry (package tag #1A405010000FB91000004899) – METRC showed a total inventory of one package totaling 453g. However, the MRA observed in Respondent's possession three packages (each marked 453g) totaling 1,359g.
 - b. Ice Cream Cake (package tag #1A4050100008AAE000001177) – METRC showed a total weight of 453g. However, the MRA observed in Respondent's possession one package totaling 553.8g.
 - c. Night Charmer (1A405010000307300003209) – METRC showed a total weight of 454g. However, the MRA observed in Respondent's possession one package totaling 568.7g.
 - d. The Bling (package #1A405010000238D000002508) – METRC showed a total weight of 908g. However, the MRA observed in Respondent's possession two packages totaling 1162.1g.
- g. Because Respondent was in possession of three packages of Sour Larry (package tag #1A405010000FB91000004899), two of the packages were unable to be identified and were not entered into METRC in violation of Mich Admin Code, R 420.210(1), which states except for designated consumption establishments or temporary marijuana events licensed under the Michigan regulation and taxation of marijuana act, a marijuana business must not have marijuana products that are not identified and recorded in the statewide monitoring system pursuant to these rules.
- h. Respondent documented marijuana product quantities as less in METRC than on the physical product tags, which is a violation of Mich Admin Code, R 420.111(4), which states a provisioning center shall comply with all of the following: (b) Enter all transactions, current inventory, and other information

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into the statewide monitoring system as required in the medical marijuana facilities licensing act, these rules, and the marijuana tracking act.

- i. Because Respondent documented its marijuana product quantities as less in METRC than on the physical product tags, Respondent's marijuana product was unable to be identified and tracked consistently in METRC in violation of Mich Admin Code, R 420.212(1), which states, in part, all marijuana products must be identified and tracked consistently in the statewide monitoring system under these rules.

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 333.27407(4) 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 MMFLA and/or the administrative 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

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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.

Questions about this complaint should be directed to the Marijuana Regulatory Agency at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: 12/3/21

By: Claire Patterson
Claire Patterson, Manager
Scientific and Legal Section Manager
Enforcement Division
Marijuana Regulatory Agency

Digitally signed by Claire
Patterson
Date: 2021.12.03 13:33:40 -05'00'