

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

In the Matter of

THE RELEAF CENTER, LLC

dba Releaf Center for Compassionate Care Chesaning

ENF No.: 21-00380

License No.: PC-000236

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On September 27, 2022, the Cannabis Regulatory Agency (CRA) issued a first superseding formal complaint against the medical marijuana provisioning center license PC-000236 of The Releaf Center, LLC dba Releaf Center for Compassionate Care Chesaning (“Respondent”) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and the administrative rules promulgated thereunder. The first superseding formal complaint alleged Respondent violated Mich Admin Code R 420.602(7), R 420.602(2)(e) and R 420.602(3).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the first superseding formal complaint. Therefore, the executive director finds that some of the allegations contained in the first superseding formal complaint are true and that Respondent violated Mich Admin Code R 420.602(7) and R 420.602(3).

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). 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

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enforcement number “21-00380” and license number “PC-000236” 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 will provide an updated SOP detailing how staff will monitor visitors consistent with R 420.602(7) within 30 days of the effective date of this consent order.
3. Respondent will provide copies of all daily visitor logs on the 1st and 15th days of each month for the next 3 full months after the effective date of this consent order.
4. The alleged violation of Mich Admin Code R 420.602(2)(e) is DISMISSED.
5. If Respondent fails to timely comply with the terms of this order, Respondent’s license shall be suspended until compliance is demonstrated.
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 will be subject to fines and/or other sanctions under Mich Admin Code R 420.808.
9. Upon timely compliance of the terms of this order by Respondent, the matters set forth in the first superseding 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: 02/28/2023

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

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O =
CRA OU = CRA
Date: 2023.02.28 16:39:34 -05'00'

STIPULATION

The parties stipulate to the following:

1. Respondent does not contest the allegations of fact and law in the first superseding formal complaint. By pleading no contest, Respondent does not admit the truth of the allegations but agrees that the CRA's executive director or designee may enter an order treating the allegations as true for purposes of resolving the first superseding formal complaint.
2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MMFLA, the 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 first superseding formal 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. R 420.602(2)(e) is only applicable to adult use licenses regulated under the MRTMA. Respondent's license PC-000236 is a medical license.

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b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

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.

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: 2023.02.28
15:22:56 -05'00'

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

AGREED TO BY:

Michael E. Galatka

Michael E. Galatka, Managing Member
on behalf of Respondent
The Releaf Center of Niles, LLC

Dated: 02/28/2023

Dated: FEB 28, 2023

Robert A. Hendricks

Robert A. Hendricks (P37087)
Attorney for Respondent

Dated: 2/28/23

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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY

In the Matter of

The Releaf Center, LLC dba
Releaf Center for Compassionate Care Chesaning
License No.: PC-000236

ENF No.: 21-00380

FIRST SUPERSEDING FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this First Superseding Formal Complaint against The Releaf Center LLC, dba Releaf Center for Compassionate Care Chesaning (“Respondent”) alleging upon information and belief as follows:

1. The Cannabis Regulatory Agency (CRA) 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 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 rules.

2. Section 402(12) of the MMFLA provides that the expiration of a license does not terminate the CRA’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.

^[1] Executive Reorganization Order 2019-2 created the Marijuana Regulatory Agency (MRA) as a Type I agency within the Department of Licensing and Regulatory Affairs (LARA). MCL 333.27001(1)(a)(d). On April 13, 2022, the MRA became the Cannabis Regulatory Agency (CRA). The CRA exercises its statutory powers, duties, and functions independent of LARA’s direction. MCL 16.103.

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4. Respondent's conduct as described below is a risk to public health and safety and/or the integrity of marihuana facility operations.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

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 114 W. Broad St. Chesaning, Michigan 48616 at all times relevant to this complaint.

7. Following an investigation, the CRA determined that Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

a. The CRA received multiple complaints regarding a three-year-old child playing with marijuana product in Respondent's facility. Specifically, one complainant stated that on June 16, 2021, they witnessed the child of an employee touching marijuana product.

b. While investigating the matter on July 8, 2021, the CRA reviewed the June 16, 2021 video footage of the inside of Respondent's facility.

c. The video showed the child picked up marijuana product inside the sales floor display case and placed it back into the display case.

d. The child's mother (Respondent's employee) was at the register taking care of a customer at this time.

Count I

a. Respondent's actions as described above demonstrate a violation of Mich Admin Code R 420.602(7), which states visitors must be reasonably

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monitored, logged in as a visitor, and escorted through any limited access areas.

Count II

- b. Respondent's actions as described above demonstrate a violation of Mich Admin Code R 420.602(2)(e) which states that licensees shall have a responsible operations plan with a detailed explanation of how employees will monitor and prevent underage access to the establishment.

Count III

- c. Respondent's actions as described above demonstrate a violation of Mich Admin Code R 420.602(3) which states that if an individual is present at a marihuana business who is not identified as an employee of the licensee in Metrc, the agency may take any action permitted under the acts and these rules.

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.

Under MCL 333.27407(4) and 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 First Superseding Formal Complaint and demonstrate compliance under the MMFLA and/or rules. A

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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

If Respondent fails to timely respond to this First Superseding 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. The Formal Complaint regarding this matter filed against the Respondent on September 12, 2021, is hereby WITHDRAWN and replaced in full by this First Superseding Formal Complaint.

Dated: 09/27/2022

By: **Alyssa A. Grissom**

Digitally signed by Alyssa A. Grissom
Date: 2022.09.27 16:09:32 -04'00'

Alyssa A. Grissom
Legal Section Manager
Enforcement Division
Cannabis Regulatory Agency

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