

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

In the Matter of

EPS 1, LLC  
License No.: PR-000138

ENF No.: 22-00316

/      CONSENT ORDER AND STIPULATION

CONSENT ORDER

On May 18, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana processor facility license PR-000138 of EPS 1, LLC (Respondent) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated Mich Admin Code, R 420.109(4).

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 420.109(4).

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). 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(s) "22-00316" and license number(s) "PR-000138" 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.

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2. Within 30 days of the effective date of this order, Respondent must formally train all employees that work with Respondent's data in the statewide monitoring system (Metrc) on the new Metrc standard operating procedure (SOP) referenced in paragraph 3(a) of the stipulation attached to this order, and provide a document, signed by Respondent's director of compliance, with names and positions of all employees trained, and dates of completion.
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](mailto: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 section 407(1) of the MMFLA, MCL 333.27407(1), 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.

**CONTINUED ON NEXT PAGE**

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: 05/22/2023

By: Brian Hanna  
Digitally signed by: Brian Hanna  
DN: CN = Brian Hanna email =  
hannab@michigan.gov C = US O =  
CRA OU = CRA  
Date: 2023.05.22 16:57:47 -04'00'

Brian Hanna, Executive Director  
and/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 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 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 provided a new Metrc SOP requiring a Metrc manager and/or a Metrc administrator to review all data entered in Metrc for accuracy and compliance and requiring the reviewing manager to immediately report any errors to Respondent's director of compliance and to the CRA.
  - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

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4. The CRA's enforcement division director or 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.

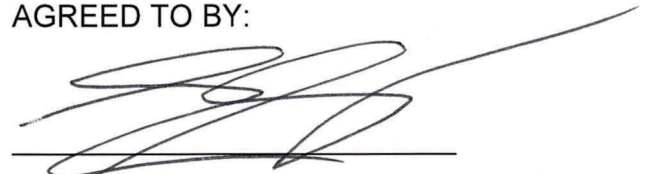
AGREED TO BY:

Desmond  
Mitchell

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Desmond Mitchell  
Date: 2023.05.22  
13:54:58 -04'00'

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

AGREED TO BY:



Evan Shaw, Managing Member  
on behalf of Respondent  
EPS 1, LLC

Dated: 05/22/2023

Dated: 5/19/23



Craig Aronoff (P57997)  
Attorney for Respondent

Dated: 5/19/23

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

In the Matter of

EPS I, LLC  
License No.: PR-000138

ENF No: 22-00316

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FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against EPS I, LLC (“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 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 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.

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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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). The MRA exercises its statutory powers, duties, and functions independent of LARA’s direction. MCL 16.103. The MRA became the Cannabis Regulatory Agency (CRA) on April 13, 2022.

## FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

5. Respondent holds an active state operating license under the MMFLA to operate a medical marijuana processor facility in the state of Michigan.

6. Respondent operated at 1120 Industrial Rd., Marshall, Michigan 48068, 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. On December 1, 2021, a licensed provisioning center informed a medical marijuana patient he was over his purchasing limit by 6 ounces.
- b. That same day the patient reported this information to the CRA as he feared someone was using his registry identification card.
- c. On March 10, 2022, while investigating the matter, the CRA discovered the patient's total purchases from November 1, 2021 to November 30, 2021 equaled out to approximately 16.214 ounces in the statewide monitoring system (METRC).
- d. The CRA also discovered one of the patient's purchases of Samoa Cookies Pre-roll 1g each (source package tag #1A405010000AF67000002513) was erroneously entered by Respondent into METRC as 200g, which pushed the patient's purchase amount from 0.0705 oz to approximately 14.1 oz.
- e. On April 18, 2022, Respondent informed the CRA the weight entry was corrected in METRC.
- f. Respondent failed to accurately enter the package weight of source tag #1A405010000AF67000002513 into METRC in violation of Mich Admin Code, R 420.109(4), which states a processor must accurately enter all

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transactions, current inventory, and other information into the statewide monitoring system as required in 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 complaint and demonstrate compliance under the MMFLA 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

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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 at (517) 284-8599 or [CRA-LegalHearings@michigan.gov](mailto:CRA-LegalHearings@michigan.gov).

Dated: 5/18/22

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

Digitally signed by Alyssa A. Grissom  
Date: 2022.05.18 12:29:59 -04'00'

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