

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

In the Matter of

DLG & Associates, LLC
License No.: GR-C-000100

ENF No.: 22-00545

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On November 1, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana grower class C facility license (GR-C-000100) of DLG & Associates, 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 420.209(6)(i), R 420.210(1), R 420.210(2), R 420.212(1), and R 420.303(2).

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 420.209(6)(i), R 420.210(1), R 420.210(2), R 420.212(1), and R 420.303(2).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of twelve thousand and 00/100 dollars (\$12,000.00). This fine shall be paid within 90 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 "22-

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00545" and license number "GR-C-000100" 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 its video surveillance log, as required in R 420.209, to the CRA on the 1st and 15th dates of each month for the 4 months following the effective date of this order. Respondent may provide a screenshot, photograph, or scan of the video surveillance log. Respondent will respond to any deficiency notice of the CRA regarding the video surveillance log within 30 days of receipt of the notice.
3. Within 30 days of the effective date of the consent order, Respondent shall provide a written standard operating procedure (SOP) to prevent the removal and shredding of statewide monitoring system (Metrc) tags during trimming. Respondent will respond to any deficiency notice of the CRA regarding the SOP within 30 days of receipt of the notice.
4. Within 30 days of the effective date of the consent order, Respondent shall provide a written SOP for the auditing of its video surveillance system. Respondent will respond to any deficiency notice of the CRA regarding the SOP within 30 days of receipt of the notice.
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.

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8. 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, 420.808.
9. 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: 11/14/2023

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O = CRA OU
= CRA
Date: 2023.11.14 13:27:59 -05'00'

Brian Hanna, Executive Director
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 has since passed a re-inspection on June 9, 2022.

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- b. Respondent's video surveillance problems were not related to other noncompliance issues.
 - c. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
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:

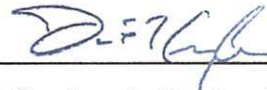
Sara E.
Hernandez

Digitally signed by: Sara E. Hernandez
DN: CN = Sara E. Hernandez email =
hernandezs1@michigan.gov C = AD O
= LARA OU = MRA
Date: 2023.11.08 10:17:38 -05'00'

Desmond Mitchell, Operations Director
or his designee
Cannabis Regulatory Agency

Dated: 11/8/2023

AGREED TO BY:



David Gaylor, Authorized Officer
on behalf of Respondent
DLG & Associates, LLC

Dated: 10/17/2023



Alfred Brandt, P38586
Attorney for Respondent

Dated: 10/16/23

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

In the Matter of

DLG & Associates, LLC dba True North Collective
License No.: GR-C-000100

ENF No: 22-00545

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against DLG & Associates, LLC dba True North Collective (“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.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

3. Respondent holds an active state operating license under the MMFLA to operate a medical marijuana class C grower facility in the state of Michigan.

4. Respondent operated at 2648 E. South St., Jackson, Michigan 49201, at all times relevant to this complaint.

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

- a. On May 23, 2022, the CRA conducted a Semi-Annual inspection at Respondent's medical marijuana class C grower facility.
- b. The CRA discovered the veg room grow tent video surveillance system was not functioning. There were immature plants located inside. The last video surveillance footage recorded was on April 12, 2022.
- c. The CRA also observed (14) mature marijuana plants greater than 8 inches tall in Grow Room 2 without statewide monitoring system (Metr) tags present.

Count I

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.209(6)(i), which states a licensee shall ensure the video surveillance system does all the following: (a) Records, at a minimum, the following areas: (i) Any areas where marijuana products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the marijuana business.

Count II

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.210(1) which states except for designated consumption establishments or temporary marijuana events licensed under the MRTMA, a marijuana business must not have marijuana products that are not identified and recorded in the statewide monitoring system pursuant to these rules.

Count III

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.210(2), which states except for a designated consumption establishment or temporary marihuana event licensed under the MRTMA, a marihuana business must not have any marihuana product without a batch number or identification tag or label pursuant to these rules. A licensee shall immediately tag, identify, or record as part of a batch in the statewide monitoring system any marihuana product as provided in these rules.

Count IV

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.212(1), which states all marihuana products must be stored at a marihuana 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.

Count V

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.303(2), which states a cultivator shall tag each individual plant that is greater than 8 inches in height from the growing or cultivating medium or more than 8 inches in width with an individual plant tag and record the identification information in the statewide monitoring system.

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

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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

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.

Dated:

11/1/2022

By:

Alyssa A.
Grissom

Digitally signed by
Alyssa A. Grissom
Date: 2022.11.01
15:50:23 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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