

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

In the Matter of

R & H Investment Holdings, LLC  
License No. GR-C-000685

ENF No. 23-00020

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 15, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana class C grower license (no. GR-C-000685) of R & H Investment Holdings, LLC (Respondent) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.18(1), R 420.208(6)(b)(i), R 420.208(6)(b)(iii), R 420.208(6)(b)(iv), R 420.802(3)(b), R 420.802(3)(f)(i), R 420.802(3)(f)(ii), 420.802(3)(f)(iii), R 420.802(3)(f)(v), and R 420.803(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 420.18(1), R 420.208(6)(b)(i), R 420.208(6)(b)(iii), R 420.208(6)(b)(iv), R 420.802(3)(b), R 420.802(3)(f)(i), R 420.802(3)(f)(ii), 420.802(3)(f)(iii), R 420.802(3)(f)(v), and R 420.803(1).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of ten thousand and 00/100 dollars (\$10,000.00). 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). CRA guidance on how to make compliance payments online is available under "Tips for Licensees" at [www.michigan.gov/cra/bulletins](http://www.michigan.gov/cra/bulletins). Checks or money orders shall be made payable to the State of Michigan with "ENF No. 23-00020" and "License No. GR-C-000685" clearly displayed on the check or money order and mailed to: Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, P.O. 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-CSS@michigan.gov](mailto:CRA-CSS@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 may be subject to additional 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: 10/30/23

By: Brian Hanna  
Executive Director Brian Hanna  
or Designee  
Cannabis Regulatory Agency

Digitally signed by: Brian Hanna  
DN: CN = Brian Hanna email =  
hannab@michigan.gov C = US O =  
CRA OU = CRA  
Date: 2023.10.30 15:29:40 -04'00'

## STIPULATION

The parties stipulate to the following:

1. The facts alleged in the formal complaint are true and constitute a violation of the MMFLA and administrative rules promulgated thereunder.
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) A Reporting Form regarding the addition of the freezer and pole barn was submitted to the CRA on November 14, 2022. The CRA approved the Reporting Form on December 21, 2022.
  - b) 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 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: 2023.10.23  
16:30:49 -04'00'

Desmond Mitchell  
Operations Director  
Cannabis Regulatory Agency

Dated: 10/23/23

*/s/ Jeffrey W. Miller*

Jeffrey W. Miller (P78786)  
Assistant Attorney General  
Attorney for Cannabis Regulatory Agency  
Dated: 10/12/2023

AGREED TO BY:



Joseph Rockwood  
Authorized Representative  
On behalf of Respondent  
R & H Investment Holdings, LLC  
Dated: 10/11/23



Edmund S. Yee (P63007)  
Attorney for Respondent

Dated: 10/12/23

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

In the Matter of

R & H Investment Holdings, LLC  
License No.: GR-C-000685

ENF No: 23-00020

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FORMAL COMPLAINT

The Cannabis Regulatory Agency (“CRA”) files this formal complaint against R & H Investment Holdings, LLC (“Respondent”) alleging upon information and belief as follows:

1. The 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 48888 County Road 374., Lawrence, Michigan 49064, at all times relevant to this complaint.

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

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- a. On November 3, 2022, a Bureau of Fire Services (BFS) inspector conducted a fire safety inspection at Respondent's grower facility.
- b. The BFS inspector observed the addition of a second pole barn and freezer on the facility grounds that Respondent failed to have inspected or approved by BFS prior to use.
- c. A CRA investigator discovered that the second pole barn and freezer were not on Respondent's marijuana business location plan and that Respondent failed to have the material changes and modifications submitted to or approved by the CRA prior to the November 3<sup>rd</sup> BFS inspection.

### **Count I**

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.18(1), which states any material change or modification to the marijuana business must be approved by the agency before the change or modification is made.

### **Count II**

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.208(6)(b)(i), which states in addition to meeting all the requirements in subrules (1) to (5) of this rule, cultivators, producers, marijuana microbusinesses, class A marijuana microbusinesses, and designated consumption establishments shall also comply with all of the following: (b) have a fire safety inspection conducted, in addition to any inspections required under the acts and these rules, if any of the following occur: (i) modifications to the grow areas, rooms and storage, extraction equipment and process rooms, or marijuana-infused product processing equipment within a marijuana business.

### **Count III**

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.208(6)(b)(iii), which states in addition to meeting all the requirements in subrules (1) to (5) of this rule, cultivators, producers, marijuana

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microbusinesses, class A marihuana microbusinesses, and designated consumption establishments shall also comply with all of the following: (b) have a fire safety inspection conducted, in addition to any inspections required under the acts and these rules, if any of the following occur: (iii) material changes to a new or existing cultivator, producer, marihuana microbusiness, class A marihuana microbusiness, or designated consumption establishment including changes made prelicensure and post-licensure.

#### **Count IV**

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.208(6)(b)(iv), which states in addition to meeting all the requirements in subrules (1) to (5) of this rule, cultivators, producers, marihuana microbusinesses, class A marihuana microbusinesses, and designated consumption establishments shall also comply with all of the following: (b) have a fire safety inspection conducted, in addition to any inspections required under the acts and these rules, if any of the following occur: (iv) changes in extraction methods and processing or grow areas and building structures.

#### **Count V**

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.802(3)(b), which states licensees shall report to the agency any proposed material changes to the marihuana business before making a material change. A proposed material change is any action that would result in alterations or changes being made to the marihuana business to effectuate the desired outcome of a material change. Material changes, include, but are not limited to, the following: (b) change of processing machinery or equipment.

#### **Count VI**

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.802(3)(f)(i), which states licensees shall report to the agency any proposed material changes to the marihuana business before making

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a material change. A proposed material change is any action that would result in alterations or changes being made to the marihuana business to effectuate the desired outcome of a material change. Material changes, include, but are not limited to, the following: (f) any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the following: (i) operational or method changes requiring inspection under these rules.

### **Count VII**

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.802(3)(f)(ii), which states licensees shall report to the agency any proposed material changes to the marihuana business before making a material change. A proposed material change is any action that would result in alterations or changes being made to the marihuana business to effectuate the desired outcome of a material change. Material changes, include, but are not limited to, the following: (f) any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the following: (ii) additions or reductions in equipment or processes.

### **Count VIII**

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.802(3)(f)(iii), which states licensees shall report to the agency any proposed material changes to the marihuana business before making a material change. A proposed material change is any action that would result in alterations or changes being made to the marihuana business to effectuate the desired outcome of a material change. Material changes, include, but are not limited to, the following: (f) any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the



following: (iii) increase or decrease in the size or capacity of the marihuana business.

### **Count IX**

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.802(3)(f)(v), which states licensees shall report to the agency any proposed material changes to the marihuana business before making a material change. A proposed material change is any action that would result in alterations or changes being made to the marihuana business to effectuate the desired outcome of a material change. Material changes, include, but are not limited to, the following: (f) any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection, including, but not limited to, all of the following: (v) changes that impact security, fire safety, and building safety.

### **Count X**

Respondent's actions as described above in paragraph b demonstrate a violation of Mich Admin Code, R 420.803(1), which states any material change or modification to the marihuana business must be approved by the agency before the change or modification is made.

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.

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

Dated: 3/15/23

By: Alyssa A. Grissom  Digitally signed by Alyssa A. Grissom  
Date: 2023.03.15 13:10:43 -04'00'

Alyssa A. Grissom  
Legal Section Manager  
Cannabis Regulatory Agency

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