

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

In the Matter of

Vibe Consulting, LLC
dba Vibe The Ultimate Cannabis Experience
License No.: PC-000601

ENF Nos.: 22-00481, 22-00483

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On September 9, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana provisioning center facility license (PC-000601) of Vibe Consulting, 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 420.104(3)(b), R 420.206(11), R 420.206a(1), R 420.206a(2), R 420.209(6)(a)(i), R 420.209(12), R 420.210(2), R 420.211(1), R 420.211(6), R 420.211(8), R 420.504(1)(d), R 420.505(2), R 420.507(2), R 420.602(1), R 420.602(2)(b), and R 420.602(2)(c).

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 420.104(3)(b), R 420.206(11), R 420.206a(1), R 420.206a(2), R 420.209(6)(a)(i), R 420.209(12), R 420.210(2), R 420.211(1), R 420.211(6), R 420.211(8), R 420.504(1)(d), R 420.505(2), R 420.507(2), R 420.602(1), R 420.602(2)(b), and R 420.602(2)(c).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of forty-one thousand and 00/100 dollars (\$41,000.00). This fine shall be paid within 90 days of the effective date of

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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 “22-00481, 22-00483” and license number “PC-000601” 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. 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-LegalHearings@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 shall 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.
6. 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 ONTO 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.

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Signed on: 11/14/2023

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hanab@michigan.gov C = US O = CRA OU
= CRA
Date: 2023.11.14 10:51:41 -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 provided its updated standard operating procedures for record retention, security and operation of security systems, employee requirements, waste disposal, inventory and storage, and packaging and labeling.
 - b. Respondent corrected the deficient labels in its inventory.
 - c. Respondent fixed the obstruction to its camera and provided screenshots of its view demonstrating the correction.

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- d. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - e. Respondent has been licensed as a provisioning center since 2021 and has no prior discipline against its license.
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 = s.hernandezs1@michigan.gov C = AD O = LARA OU = MRA
Date: 2023.11.08 10:09:22 -05'00'

Desmond Mitchell, Operations Director
Or his designee
Cannabis Regulatory Agency

Dated: 11/8/2023

AGREED TO BY:


Mouhammed (Sep 21, 2023 18:43 EDT)

Mouhammed EI-Khatib,
Authorized Officer
on behalf of Respondent
Vibe Consulting, LLC

Dated: 9-21-23


Jacqueline Langwith, P79600
Attorney for Respondent

Dated: 9-22-23

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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY

In the Matter of

Vibe Consulting, LLC dba Vibe
The Ultimate Cannabis Experience
License No.: PC-000601

ENF No: 22-00481 & 22-00483

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against Vibe Consulting, LLC dba Vibe The Ultimate Cannabis Experience (“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 marijuana 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 marijuana 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 29385 Cherry Hill Road., Inkster, Michigan 48141, 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 April 26, 2022, the CRA received an anonymous complaint alleging that Respondent was not in compliance with the administrative rules.
- b. On May 9, 2022, the CRA received another anonymous complaint alleging that Respondent was not in compliance with the administrative rules.
- c. On May 16, 2022, the CRA visited Respondent's facility to investigate the complaints.
- d. The CRA, accompanied by Respondent, observed the following in the statewide monitoring system (MetrC) and in Respondent's inventory at Respondent's facility:
 - i. Apple Fritter Pre-Packaged Oz (MetrC tag number 1A405010001B5810000000495) – MetrC showed a THC% of 20.58%. However, the product package label at Respondent's facility showed a THC % of 27.50%.
 - ii. Animal Cookie Pre-Packaged Oz (MetrC tag number 1A405010000390A0000000678) – MetrC showed a THC% of

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- 19.66%. However, the product package label at Respondent's facility showed a THC % of 22.00%.
- iii. Chem Cookies Pre-Packaged Oz (Metric tag number 1A405010001B581000000197) – Metric showed a THC % of 22.91%. However, the product package label at Respondent's facility showed a THC % of 26.30%.
 - iv. Wedding Cake Pre-Packaged Oz (Metric tag number 1A405010001B581000000193) – Metric showed a THC % of 21.96%. However, the product package label at Respondent's facility showed a THC % of 25.20%.
 - v. Zookies Pre-Packaged Oz (Metric tag number 1A405010001B581000000190) – Metric showed a THC % of 17.90%. However, the product package label at Respondent's facility showed a THC % of 27.80%.
 - vi. Zsweet Insanity Pre-Packaged ½ Oz (Metric tag number 1A405010001B581000000145) – Metric showed a THC % of 27.70%. However, the product package label at Respondent's facility showed a THC % of 23.00%.
 - vii. Lion OG/Panther Piss Pre-Packaged Oz (Metric tag number 1A405010001B581000000194) – Metric showed the correct strain name as Lion OG. However, Respondent's point-of-sale (POS) system (Leaf Logix) and the product package label at Respondent's facility incorrectly indicated that the strain name was Panther Piss. Additionally, Respondent made sales with Panther Piss, instead of Lion OG, listed on the product package label between April 30, 2022 and May 27, 2022.
 - viii. Lion OG/Panther Piss Pre-Packaged Oz (Metric tag number 1A405010001B581000000194) – Metric and Leaf Logix showed a THC % of 27.15%. However, the product package label at Respondent's facility showed a THC % of 30.20%.

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- e. The CRA also observed the following at Respondent's facility:
- i. Lack of camera coverage in the storage room where packages of marijuana flower were stored. Boxes and bins were stacked to the ceiling preventing the video surveillance system from capturing all of the marijuana packages.
 - ii. Approximately 39 packages of untagged flower located inside of a black garbage bag in the storage room. The packages and trash bag were without labels and Metrc tags.
 - iii. Jars and packages of untagged flower located on the sales floor behind the display case and cash register. The jars and packages were without labels and Metrc tags.
 - iv. Two green salad mixers containing untagged marijuana product waste located on the sales floor behind the register. The mixers were labeled "waste" and were without Metrc tags.
 - v. One package of Goodnight Grape Ice Canna Cubes marijuana edibles with Melatonin as an ingredient. Per the U.S Food and Drug Administration (FDA) Inactive Ingredient database, Generally Recognized As Safe (GRAS), Melatonin is not listed as an approved ingredient.
- f. When the CRA asked Respondent about its Standard Operating Procedure (SOP) for waste management, Respondent stated that it did not have an SOP for waste management.
- g. Additionally, on May 16, 2022, the CRA spoke to a few employees and three of the employees stated that they did not have Metrc access. One employee stated an ICHAT was never ran for her prior to employment.
- h. On May 17, 2022, the CRA requested that Respondent provide employee ICHATs. On May 18, 2022, Respondent provided the CRA with a list of employee names, hire dates, and employee ICHATs.
- i. On May 18, 2022, the CRA also reviewed the employee ICHATs and observed that Respondent ran 10 employee ICHATs on May 17, 2022 (the

day the CRA requested them). Respondent did not provide ICHATS for its employees at the time of their hiring.

- j. On May 18, 2022, the CRA observed the following in Metrc:
 - i. 12 employees were not given Metrc access within 7 business days of hiring.
 - ii. 7 employees were not recorded in Metrc.
 - iii. 4 employees were not removed from Metrc within 7 business days of termination.
- k. Additionally, on May 18, 2022, the CRA made a follow-up visit to Respondent's facility and spoke to the on-duty manager.
- l. The CRA requested the video surveillance recordings from April 19, 2022 and April 20, 2022. The manager on duty stated that it did not have the ability to access the video surveillance system using the office equipment, but that he could access it on his phone. Respondent did not provide the video surveillance to the CRA upon request.
- m. That same day, the CRA observed a package adjustment in Metrc for Skunk Piss Buds Metrc tag #1A405010000BB81000001187, with a weight of 336,914.33g.
- n. Respondent stated that the weight was entered in Metrc incorrectly and that the correct weight was 336.914g.

Count I

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.104(3)(b), which states a marijuana retailer shall comply with all of the following: (b) accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.

Count II

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.206(11), which states all non-marijuana inactive ingredients must be

clearly listed on the product label. Inactive ingredients, other than botanically derived flavonoids, terpenoids, and terpenes that are chemically identical to the terpenes derived from the plant Cannabis sativa L., must be approved by the FDA for the intended use, and the concentration must be less than the maximum concentration listed in the FDA Inactive Ingredient database for the intended use.

Count III

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.206a(1), which states a marijuana business must have up-to-date written standard operating procedures on site at all times.

Count IV

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.206a(2), which states standard operating procedures must be made available to the agency upon request.

Count V

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.209(6)(a)(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 VI

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.209(12), which states surveillance recordings of the licensee are subject to inspection by the agency and must be kept in a manner that allows the agency to view and obtain copies of the recordings at the marijuana business immediately upon request. The licensee shall also send or otherwise provide

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copies of the recordings to the agency upon request within the time specified by the agency.

Count VII

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 VIII

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.211(1), which states a marihuana product that is to be destroyed or is considered waste must be rendered into an unusable and unrecognizable form through grinding or another method as determined by the agency that incorporates the marihuana product waste with 1 or more of the following types of non-consumable solid waste so that the resulting mixture is not less than 50% non-marihuana product waste: (a) paper waste. (b) plastic waste. (c) cardboard waste. (d) food waste. (e) grease or other compostable oil waste. (f) fermented organic matter or other compost activators. (g) soil. (h) other waste approved in writing by the agency.

Count IX

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.211(6), which states a licensee shall dispose of marihuana product waste and marihuana plant waste in a secured waste receptacle using 1 or more of the following methods that complies with applicable state and local laws and regulations: (a) a licensed municipal solid waste landfill. (b) a registered

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composting facility that has specific approval under part 115 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11501 to 324.11554, to accept the material. (c) an anaerobic digester that has specific approval under part 115 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11501 to 324.11554, to accept the material. (d) an in-state municipal solid waste or hazardous waste incinerator that has been permitted under part 55 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5501 to 324.5542.

Count X

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.211(8), which states a licensee shall maintain accurate and comprehensive records regarding marihuana product waste, and marihuana plant waste that accounts for, reconciles, and evidences all waste activity related to the disposal. The agency may publish guidance on marihuana product waste management.

Count XI

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.504(1)(d), which states before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information: (d) name of strain, if applicable.

Count XII

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.505(2), which states a marihuana sales location shall enter all transactions, current inventory, and other information required by these rules in the statewide monitoring system.

Count XIII

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.507(2), which states a licensee may not advertise a marijuana product in a way that is deceptive, false, or misleading, or make any deceptive, false, or misleading assertions or statements on any marijuana product, sign, or document provided.

Count XIV

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.602(1), which states a licensee shall conduct a criminal history background check on any prospective employee before hiring that individual. A licensee shall keep records of the results of the criminal history background checks for the duration of the employee's employment with the licensee. A licensee shall record confirmation of criminal history background checks and make the confirmation available for inspection upon request by the agency.

Count XV

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.602(2)(b), which states a licensee shall comply with all of the following: (b) enter in the statewide monitoring system an employee's information and level of statewide monitoring system access within 7 business days of hiring for the system to assign an employee identification number. The licensee shall update in the statewide monitoring system employee information and changes in status or access within 7 business days.

Count XVI

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.602(2)(c), which states a licensee shall comply with all of the following: (c) remove an employee's access and permissions to the marijuana

business and the statewide monitoring system within 7 business days after the employee's employment with the licensee is terminated.

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.

Dated: 9/9/22

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2022.09.09 14:27:08 -04'00'
Alyssa A. Grissom
Legal Section Manager
Enforcement Division
Cannabis Regulatory Agency

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