

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

In the Matter of

13775 Buena Vista, LLC
dba Empire Brands
License No.: GR-C-000022

ENF Nos.: 21-00471 & 21-00472

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On November 16, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana grower Class C facility license (GR-C-000022) of 13775 Buena Vista, 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 420.507(4), R 420.507(6), and R 420.507(7).

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 420.507(4), R 420.507(6), and R 420.507(7).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of nine thousand and 00/100 dollars (\$9,000.00). 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). 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 “21-

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00472” and license number “GR-C-000022” 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. The alleged violations Mich Admin Code, R 420.210(2), R 420.212(1), and R 420.502(1) regarding ENF-21-00471 are DISMISSED.
3. Within 30 days of the effective date of the consent order, Respondent must complete all of the following:
 - a. Provide a standard operating procedure (SOP) detailing all procedures necessary to ensure compliance with advertisement and marketing requirements. The CRA will review Respondent’s new SOP and, if necessary, issue a deficiency notice. Respondent must correct any deficiencies identified by the CRA within 30 days of receipt of the deficiency notice unless agreed upon by the CRA in writing.
 - b. Provide proof that the billboard at issue has been taken down.
4. If Respondent fails to timely comply with the terms of this order, Respondent’s license shall be suspended until compliance is demonstrated.
5. 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.
6. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
7. 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, R 420.808.

8. 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: 10/18/2023

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email = hannab@michigan.gov, C = US, O = CRA, OU = CRA
Date: 2023.10.18 10:21:15 -0400

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 was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - b. Respondent has been licensed as a medical grower class C since 2019 and has no prior discipline against its license.

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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:

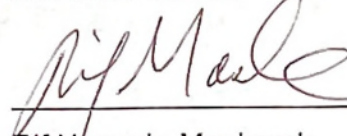
**Desmond
Mitchell**

Digitally signed by Desmond Mitchell
Date: 2023.10.11 10:59:09 -04'00'

Desmond Mitchell, Operations Director
or his designee
Cannabis Regulatory Agency

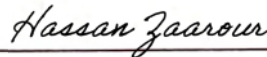
Dated: 10/11/2023

AGREED TO BY:



Rif Hamade-Moubarak,
Authorized Officer on behalf
of Respondent
13775 Buena Vista, LLC

Dated: 9/29/2023



Hassan Zaarour, P83043
Attorney for Respondent

Dated: 10/2/2023

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

In the Matter of

13775 Buena Vista, LLC dba Empire Brands CMP Nos.: 21-001228 & 21-001459
ERG No.: 000218
License No.: GR-C-000022
ENF Nos.: 21-00471 & 21-00472

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against 13775 Buena Vista, LLC dba Empire Brands (“Respondent”) alleging upon information and belief as follows:

1. The Marijuana Regulatory Agency (MRA) 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 MRA’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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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

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

6. Respondent operated at 13775 Buena Vista St., Detroit, Michigan 48227, at all times relevant to this complaint.

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

8. ENF: 21-00471

- a. During a semi-annual inspection on September 2, 2021, the MRA observed marijuana product at a marijuana business without statewide monitoring system (METRC) tags affixed to the product.
- b. The MRA discovered Respondent had transferred the marijuana product and METRC tags to the marijuana business but did not affix the METRC tags to the marijuana product prior to transfer, which is a violation of Mich Admin Code, R 420.502(1), which states all marijuana products sold or transferred between marijuana businesses must have the tracking identification numbers that are assigned by the statewide monitoring system affixed, tagged, or labeled and recorded, and any other information required by the agency, the acts, and these rules.
- c. Because Respondent failed to affix the METRC tags to the marijuana product, the marijuana product was unable to be identified or tracked consistently in METRC in violation of Mich Admin Code, R 420.212(1).
- d. Lastly, because Respondent failed to affix the METRC tags to the marijuana product, Respondent is also in violation of Mich Admin Code, R 420.210(2), which states except for a designated consumption establishment or temporary marijuana event licensed under the Michigan regulation and taxation of marijuana act, a marijuana business must not have any

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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.

9. ENF: 21-00472

- a. On September 30, 2021, the MRA received a complaint regarding a billboard belonging to Respondent that was advertising marijuana product on a highway.
- b. The advertisement contained pictures of marijuana products: Space Runtz, Lemon Cherry Gelato, Space X, and Morning Sunshine.
- c. The advertisement did not state the products advertised were medical marijuana product for use only by registered qualifying patients, nor did it contain any of the warnings under R 420.504(1)(k) as required under the administrative rules.
- d. Respondent informed the MRA that it had not done the necessary market research to ensure that no more than 30 percent of the audience or readership was reasonably expected to be ages 17 years or younger under the MMFLA.
- e. Respondent is in violation of Mich Admin Codes, R 420.507(4),(6) & (7), which state marihuana product must not be advertised or marketed to members of the public unless the person advertising the product has reliable evidence that no more than 30 percent of the audience or readership for the television program, radio program, internet website, or print publication, is reasonably expected to be under the age listed in subrules (7) and (8) of this rule. Any marihuana product advertised or marketed under this rule must include the warnings listed in R 420.504(1)(k). A marihuana product under the medical marihuana facilities licensing act must be marketed or advertised as “medical marihuana” for use only by registered qualifying patients or registered primary caregivers. A marihuana product under the medical marihuana facilities licensing act must not be marketed or advertised to minors aged 17 years or younger. Sponsorships targeting individuals aged

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17 years or younger are prohibited.

THEREFORE, based on the above, the MRA 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 MRA 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 MRA 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 MRA 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
Marijuana Regulatory Agency
P.O. Box 30205
Lansing, Michigan 48909

In Person: Department of Licensing & Regulatory Affairs
Marijuana Regulatory Agency
2407 North Grand River
Lansing, Michigan 48906

By Email: MRA-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 Marijuana Regulatory

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Agency at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: 11/16/21

By: Claire Patterson Digitally signed by Claire Patterson
Date: 2021.11.16 13:51:29 -05'00'
Claire Patterson, Manager
Scientific and Legal Section Manager
Enforcement Division
Marijuana Regulatory Agency

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