

**STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY¹**

In the Matter of

**Amazing Budz, LLC
AU-ER-000350
License No. AU-R-000225
CMP No. 21-000359**

ENF No. 21-00140

_____ / CONSENT ORDER AND STIPULATION

CONSENT ORDER

On June 29, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer license (no. AU-R-000225) of Amazing Budz, LLC (Respondent) under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.303(11)(a), R 420.502(3), and R 420.502(4)².

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 420.303(11)(a), R 420.502(3), and R 420.502(4).

¹ The Marijuana Regulatory Agency was renamed the Cannabis Regulatory Agency under Executive Reorganization Order No. 2022-1, effective April 13, 2022. MCL 333.27002(1)(a).

² The administrative rules cited throughout this consent order and stipulation refer to the CRA's administrative rules filed with the Secretary of State on June 22, 2020, which were in effect at all times relevant to the conduct at issue in the formal complaint.

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of fourteen thousand dollars (\$14,000.00). This fine shall be paid within 60 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. Checks or money orders shall be made payable to the State of Michigan with “ENF No. 21-00140” and “License No. AU-R-000225” 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.
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 15:24:26 -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 administrative rules promulgated under the MRTMA.
2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MRTMA, 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) This consent order and stipulation is part of a comprehensive resolution of the CRA's formal complaints against Amazing Budz, LLC's adult-use marijuana retailer and medical marijuana provisioning center licenses under ENF Nos. 21-00140, 21-00277, 21-00278, and 22-00252.
 - b) Respondent provided, and the CRA approved, an updated standard operating procedure detailing Respondent's processes to prevent sales of product that are placed on administrative hold.
 - c) Respondent states that it has learned from this situation, completed a thorough review of the applicable statutes and administrative rules in light of this matter, and required its appropriate staff to participate in additional training to avoid future recurrences. Respondent submitted certificates showing that two employees passed the Michigan Metrc Industry Test.
 - d) 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: 2023.10.24 13:26:07 -04'00'

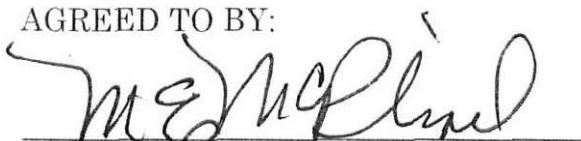
Desmond Mitchell
Operations Director
Cannabis Regulatory Agency

Dated: 10/24/23

/s/ Adam M. Leyton

Adam M. Leyton (P80646)
Assistant Attorney General
Attorney for Cannabis Regulatory Agency
Dated: 10/23/2023

AGREED TO BY:



Marie McPhail
Authorized Representative
On behalf of Respondent
Amazing Budz, LLC

Dated: 10/18/2023



Jacqueline Langwith (P79600)
Attorney for Respondent

Dated: 10/19/23

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

In the Matter of

Amazing Budz, LLC
AU-ER No.: 000350
License No.: AU-R-000225
ENF No.: 21-00140

CMP No.: 21-000359

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Amazing Budz, LLC (“Respondent”) alleging upon information and belief as follows:

1. The Marijuana Regulatory Agency (MRA) is authorized under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), 2018 IL1, *et seq.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MRTMA 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 MRTMA or Administrative Rules.
2. Section 8(1)(d) of the MRTMA provides that Administrative Rules must ensure the health, safety, and security of the public and integrity of the marihuana establishment operations.
3. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marihuana establishment operations.

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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

4. Respondent holds an active state license under the MRTMA to operate an adult use retail establishment in the state of Michigan.

5. Respondent operated at 1301 S. Main St. Adrian, Michigan 49221, at all times relevant to this complaint.

6. Following an investigation, the MRA determined that Respondent violated the MRTMA and/or Administrative Rules promulgated thereunder as set forth below:

- a. On February 22, 2021, two packages (statewide monitoring system (METRC) tag numbers 1A4050300008E9600001258 & 1A4050300008E96000010262 (tag #1258 & tag #10262, respectively)) were placed on administrative hold due to an investigation.
- b. On February 24, 2021, failing test results for both packages were uploaded into METRC.
- c. Between February 24, 2021 and March 1, 2021, four sales were made from package tag #1258 and two sales were made from package tag #10262 after failing test results were uploaded into METRC, in violation of Mich Admin Code, R 420.303(11)(a), which states a marihuana sales location may sell or transfer marihuana product only to a marihuana customer under both of the following conditions: (a) The marihuana product has received passing test results in in the statewide monitoring system.
- d. Additionally, between February 24, 2021 and March 1, 2021, five sales were made from package tag #1258 and two sales were made from package tag #10262 after packages were placed on administrative hold in violation of Mich Admin Code, R 420.502(3), which states a marihuana business shall not sell or transfer marihuana product that has been placed on administrative hold, recalled, or ordered to be destroyed.

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- e. Lastly, because sales were made from package tag #1258 and tag #10262 after packages were placed on administrative hold, Respondent did not verify in METRC that such packages were placed on administrative hold in violation of Mich Admin Code 420.502(4), which states a marihuana business must verify in the statewide monitoring system, prior to any sale or transfer, that the marihuana product has not been placed on administrative hold, recalled, or ordered to be destroyed.

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 333.27957 (1)(c) 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 MRTMA and/or the Emergency 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

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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 Agency's legal section at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: 6/29/21

MARIJUANA REGULATORY AGENCY

By: **Claire Patterson** Digitally signed by Claire Patterson
Date: 2021.06.29 07:34:39 -04'00'

Claire Patterson, Scientific and Legal Section Manager

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