

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

In the Matter of

CHRISRAY LLC
dba King of Budz Provisioning
License No.: PC-000491

ENF No.: 22-00597

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 3, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana provisioning center license PC-000491 of Chrisray LLC dba King of Budz Provisioning (Respondent) under the Medical Marihuana 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 420.111(4)(b), R 420.209(12) and R 420.505(1).

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 the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.111(4)(b), R 420.209(12) and R 420.505(1).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of sixty-four thousand and 00/100 dollars (\$64,000.00). 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). 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 "22-00597" and license number "PC-000491" clearly

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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-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 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.

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: 10/20/2023

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hanab@michigan.gov C = US O =
CRA OU = CRA
Date: 2023.10.20 10:19:32 -04'00'

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

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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, the 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 a letter from its surveillance contractor stating it replaced a bad hard drive, and Respondent was currently saving 30 days of footage.
 - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - c. Respondent's license PC-000491 was closed on February 15, 2023.
 - d. Respondent was licensed as a medical marijuana provisioning center since 2020 and Respondent 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.

CONTINUED ON NEXT PAGE

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: 2023.10.19
16:42:43 -04'00'

Desmond Mitchell, Operations Director
or his designee
Cannabis Regulatory Agency

Dated: 10/19/2023

AGREED TO BY:

DocuSigned by:

Chris Joswiak

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Christopher Joswiak, Managing Member
on behalf of Respondent
Chrisray LLC

Dated: 10/16/2023

DocuSigned by:

John Mackewich

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John D. Mackewich (P70120)
Attorney for Respondent

Dated: 10/15/2023

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

In the Matter of

Chrisray, LLC dba King of Budz
License No(s): PC-000491

ENF No: 22-00597

FORMAL COMPLAINT

The Cannabis Regulatory Agency ("CRA") files this formal complaint against Chrisray, 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 provisioning center in the state of Michigan.

4. Respondent operated at 10457 Gratiot Avenue, Detroit, Michigan, 48213, 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 June 8, 2022, the CRA received a complaint from a patient stating they had visited a provisioning center and were told they had met their monthly purchase limit.
- b. On June 29, 2022, the CRA requested surveillance for ten transactions including dates and times.
- c. On July 7, 2022, the CRA investigator picked up a USB drive from Respondent which was missing seven of the recordings requested.
- d. On July 13, 2022, the CRA investigator was able to review surveillance video onsite and observed the individual during the suspected ten transactions did not match the patient's description.

Count I

Respondent's actions as described above in paragraph 5.c. demonstrate a violation of Mich Admin Code, R 420.209(12) which states that 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 copies of the recordings to the agency upon request within the time specified by the agency.

Count II

Respondent's actions as described above in paragraph 5.d. demonstrate a violation of Mich Admin Code, R 420.505(1) which states in part that a marijuana sales location shall verify all of the following prior to selling or transferring marijuana or a marijuana product to a marijuana customer: (c) the marijuana customer presented his or her valid driver's license or government-issued identification card that bears a photographic image of the qualifying patient or primary caregiver, under the MMFLA; or bears a photographic image and proof that the individual is 21 years of age or older, under the MRTMA. (g) The registered qualifying patient or

registered primary caregiver holds a valid, current, unexpired, and unrevoked registry identification card.

Count III

Respondent's actions as described above in paragraph 5.d. demonstrate a violation of Mich Admin Code, R 420.111(4)(which states that a provisioning center 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 the MMFLA, these rules, and the marihuana tracking act.

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

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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: 3/8/23

By: Alyssa A. Grissom
Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

Digitally signed by Alyssa A. Grissom
Date: 2023.03.08 13:30:29 -05'00'