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

In the Matter of

LivWell Michigan, LLC dba LivWell Enlightened Health License No.: AU-P-000139 ENF No.: 22-00360

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CONSENT ORDER AND STIPULATION

CONSENT ORDER

On June 2, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana processor establishment license (AU-P-000139) of LivWell Michigan, LLC ("Respondent") under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated Mich Admin Code, R 420.203(3)(a).

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 420.203(3)(a).

Accordingly, for these violations, IT IS ORDERED:

 Respondent must pay a fine in the amount of two thousand and 00/100 dollars (\$2,000.00). 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 <u>www.michigan.gov/cra</u>. Check or money orders shall be made payable to the State of Michigan with enforcement number "22-00360" and license number "AU-P-000139" clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and CANNABIS REGULATORY AGENCY 2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909 www.michigan.gov/CRA

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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 <u>CRA-</u> LegalHearings@michigan.gov.
- 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 will be subject to fines and/or other sanctions under section7(1)(c) of the MRTMA, MCL 333.27957, and Mich Admin Code, R 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: 8/30/2023

Brian Hanna DN: CN = Brian Hanna email = hannab@michigan.gov C = US 0 = CRA By:

> Brian Hanna, Executive Director or his designee Cannabis Regulatory Agency

OU = CRA

Digitally signed by: Brian Hanna

Date: 2023 08 30 16:24:30 -04'00'

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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 MRTMA.
- 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 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 failed to submit a complete report of its emissions test results within 60 days. It was submitted 62 days late.
 - 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 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.

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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

Digitally signed by Desmond Mitchell Date: 2023.08.30 07:46:22 -04'00'

Desmond Mitchell, Operations Director or his designee Cannabis Regulatory Agency

Dated: _____

AGREED TO BY:

Mayer Grashin, Authorized Officer on behalf of Respondent LivWell Michigan, LLC

Dated:

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

In the Matter of

LivWell Michigan, LLC dba LivWell Enlightened Health License No.: AU-P-000139

ENF No: 22-00360

FORMAL COMPLAINT

The Cannabis Regulatory Agency ("Complainant") files this formal complaint against LivWell Michigan, LLC dba LivWell Enlightened Health ("Respondent") alleging upon information and belief as follows:

1. The Cannabis Regulatory Agency (CRA) 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 Rule 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 the 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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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). The MRA exercises its statutory powers, duties, and functions independent of LARA's direction. MCL 16.103. The MRA became the Cannabis Regulatory Agency (CRA) on April 13, 2022.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

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

5. Respondent operated at 21550 Hoover Rd., Warren, Michigan 48089, at all times relevant to this complaint.

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

- a. On November 16, 2021, the Department of Environment, Great Lakes, and Energy (EGLE) conducted an inspection at Respondent's establishment.
- b. On March 28, 2022, Respondent was issued an EGLE violation notice for failing to submit a complete report of its emissions test results to the AQD Technical Programs Unit and District Office within 60 days following the last date of the test. The report was submitted 122 days after the last date of the test.
- c. Responded is in violation of the Natural Resources And Environmental Protection Act (NREPA) as determined by EGLE issuing a violation notice to Respondent, which is a violation of R 420.203(3)(a), which states a marihuana business shall comply with all of the following: (a) The natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

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.

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

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.

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Questions about this complaint should be directed to the Cannabis Regulatory Agency's legal section at (517) 284-8599 or <u>CRA-LegalHearings@michigan.gov.</u>

Dated: <u>6/2/22</u>

By: _______ Digitally signed by Alyssa A. Grissom Date: 2022.06.02 11:36:10 -04'00'

Alyssa A. Grissom Legal Section Manager Enforcement Division Cannabis Regulatory Agency

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Formal Complaint ENF No.: 22-00360 CRA 5052