

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

In the Matter of

664 Vassar, LLC
dba Premier Provisioning Center #2
License No.: AU-R-000278

ENF No.: 22-00472

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On December 20, 2023, the Cannabis Regulatory Agency (CRA) issued an amended first superseding formal complaint (AFC) against the adult-use marijuana [retailer establishment license (AU-R-000278) of 664 Vassar, LLC (“Respondent”) under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and the administrative rules promulgated thereunder. The AFC alleged Respondent violated Mich Admin Code, R 420.104(1); R 420.104(3)(b); R 420.209(6)(a)(i); R 420.209(12); R 420.210(1); R 420.210(2); R 420.210(3); R 420.212(1); R 420.212(3); R 420.505(2); R 420.802(3)(f); and R 420.6(5).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the AFC. Therefore, the executive director finds that some of the allegations contained in AFC are true and that Respondent violated Mich Admin Code, R 420.104(1); R 420.104(3)(b); R 420.209(6)(a)(i); R 420.209(12); R 420.210(1); R 420.210(2); R 420.212(1); R 420.212(3); R 420.505(2); R 420.802(3)(f); and R 420.6(5).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent's license is suspended for 30 days commencing on the effective date of this order.

2. Respondent's license shall automatically be reinstated after the 30-day suspension.

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3. Respondent must pay a fine in the amount of one hundred two thousand 00/100 dollars (\$102,000.00). This fine shall be paid within 160 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 "22-00472" and license number "AU-R-000278" 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.
4. Respondent must comply with the following within 40 days of the effective date of this order:
 - a. Respondent must provide updated standard operating procedures (SOP) for the following: the statewide monitoring system (Metrc), sales and transfers of marijuana and marijuana product, video surveillance system, storage of marijuana and marijuana products, and storage of chemicals and solvents. The CRA will review the SOP(s) 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. Respondent must train all managers and employees on the updated SOPs, and provide a document, signed by a manger, with the names and positions of all managers and employees trained, dates of completion for each; and provide a written training agenda, and copies of all training materials.
5. Respondent shall comply with the following terms within 160 days of the effective date of this order:

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- a. Respondent must schedule a date to destroy all of the untagged marijuana and marijuana product at issue in paragraph 6.b. in the AFC in the presence of a CRA staff member and provide video surveillance proof demonstrating compliant destruction. Respondent must schedule destruction of product by contacting the Field Operations Section of the Enforcement Division at CRA-Enforcement@michigan.gov.
 - b. Respondent must conduct an inventory audit and provide a report to the CRA demonstrating that its physical inventory matches inventory in Metrc and explaining any discrepancies.
6. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.
 7. The alleged violation of Mich Admin Code, R 420.210(3) is DISMISSED.
 8. The factual allegations in paragraphs 6.b.iii., 6.b.iv., 6.b.vi, and 6.b.vii of the AFC complaint are DISMISSED.
 9. 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.
 10. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
 11. If Respondent violates any term or condition set forth in this order, Respondent shall be subject to fines and/or other sanctions under section 7(1)(c) of the MRTMA, MCL 333.27957, and Mich Admin Code, R 420.808.
 12. Upon timely compliance of the terms of this order by Respondent, the matters set forth in the AFC shall be deemed resolved and closed subject to this Consent Order.

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This order shall be effective 10 days after the date signed by the CRA's executive director or his designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: 1/24/2024

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhannab@michigan.gov C = US O = CRA OU =
CRA
Date: 2024.01.24 10:03:59 -0500

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

STIPULATION

The parties stipulate to the following:

1. The some of the facts alleged in the AFC 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 violations set forth in the AFC 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.
4. The CRA's centralized services director or her 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

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either party, should the CRA's centralized services 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:

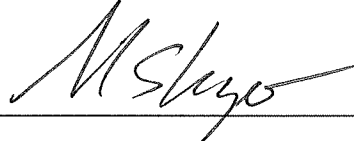
Sara E.
Hernandez

Digitally signed by: Sara E. Hernandez
DN: CN = Sara E. Hernandez email =
hernandezs1@michigan.gov C = AD
O = LARA OU = MIRA
Date: 2024.01.24 08:14:43 -05'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

Dated: 01/24/2024

AGREED TO BY:



Micheal Shango, Authorized Officer
on behalf of Respondent
664 Vassar LLC

Dated: 1. 21. 2024



Efstathios T. Kiouisis & P46573
Attorney for Respondent

Dated: 1 - 21 - 2024

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

In the Matter of

664 Vassar, LLC
dba Premier Provisioning Center #2
License No.: AU-R-000278

ENF No.: 22-00472

AMENDED FIRST SUPERSEDING FORMAL COMPLAINT

The CRA files this amended first superseding formal complaint against 664 Vassar, LLC dba Premier Provisioning Center #2 (“Respondent”) to correct a scrivener’s error in Respondent’s license number. The remaining allegations and violations in the first superseding formal complaint remain unchanged.

Upon information and belief, the CRA alleges the following:

1. The Cannabis Regulatory Agency (CRA) is authorized under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951, *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 the administrative rules must ensure the health, safety, and security of the public and integrity of the marijuana establishment operations.
3. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marijuana establishment operations.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

4. Respondent holds an active state license under the MRMTA to operate an adult

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use retailer in the state of Michigan.

5. Respondent operated at 664 State Rd., Vassar, Michigan, 48768, at all times relevant to this complaint.

6. Following investigations, the CRA determined that Respondent violated the MRTMA and/or administrative rules promulgated thereunder as set forth below:

- a. On April 21, 2022, the CRA visited Respondent's provisioning center facility to conduct a compliance check.
- b. Respondent had the following at its facility:
 - i. Several clear totes containing expired marijuana products including distillate carts, medicated syrup, gummies, and chocolates stored in the "bathroom area" located upstairs in the northern most east backroom. This product was not under video surveillance.
 - ii. 15 separate strains of individually bagged untagged flower in a large black garbage bag located in the upstairs central storage area. This product was also not under video surveillance.
 - iii. Untagged "House wax" in individual 1-gram jars and 1-ounce sheets. The wax product was not under video surveillance Respondent identified the untagged wax as caregiver product of lower quality which is sold at a discounted price.
 - iv. Approximately 38 jars of house wax on the sales floor and several sheets of house wax on the sales floor. Both products, although in different forms, contained the same statewide monitoring system (Metrc) tag number #1A4050100000896000001331.
 - v. Chemicals, specifically, Round Up pesticide, stored on the landing area leading to the upstairs where marijuana product is stored.
 - vi. Several hundred small, 1-gram jars of caregiver "house wax," a marijuana product, stored in cardboard boxes.

- vii. Untagged, medicated syrup, called ‘Chill Medicated,’ a marijuana product.
- c. On April 22, 2022, the CRA requested video surveillance footage from all camera views for the past 30 days. Respondent provided the requested footage on May 10, 2022.
- d. The video footage would not play completely and did not show how the abovementioned products entered the provisioning center facility.
- e. Respondent was unable to provide a working copy of 30 days of video surveillance footage as requested by the CRA.
- f. On April 22, 2022, the CRA also emailed Respondent requesting the following:
 - i. A Point of Sales (POS) sales print out for the years 2021 and Jan 2022-current, by the close of business that same date.
 - ii. A written explanation regarding the approximately 20lbs of flower found in the black garbage bag in the attic.
 - iii. A written explanation regarding the history of the untagged / tagged flat house wax and jarred house wax. We observed a number of these items on the sales floor with METRC tags and boxes of the same items untagged in the attic. Those on the sales floor were not properly labeled.
 - iv. A written explanation regarding stored marijuana products in the attic “bathroom” without camera coverage.
 - v. A written explanation regarding no camera coverage on the landing area to the right of the stairs leading to the attic where the house wax and other marijuana products are stored.
 - vi. A written explanation regarding the storage of chemicals (i.e. Round Up) in the same area marijuana products are stored (landing to the right of the stairs leading to the attic).

- vii. A written explanation regarding untagged bags of marijuana found in the safe(s).
- viii. A written explanation as to why no one onsite during our visit was able to access the video system to allow us to review video.
- ix. Written confirmation you agree to voluntarily remove the noted caregiver products and untagged flower from the sales floor and not make any sales until further advised by CRA.
- g. On May 8, 2022, the CRA received the POS sales print outs.
- h. On May 10, 2022, Respondent's attorney confirmed by telephone the Standard Operating Procedure (SOP) provided on April 29, 2022, would be the only response provided. No response to the other responses to the requested information was provided by Respondent.

Count I

Respondent's actions as described in paragraphs 6.b.ii., 6.b.iii., 6.b.vii, and d above demonstrate a violation of Mich Admin Code, R 420.104(1), which states a marihuana retailer license authorizes the marihuana retailer to purchase or transfer of marihuana or marihuana-infused products from only a licensed marihuana establishment and sell or transfer to only a licensed marihuana establishment or an individual 21 years of age or older.

Count II

Respondent's actions as described in paragraphs 6.b.ii., 6.b.iii., and 6.b.vii., above demonstrate a violation of Mich Admin Code, R 420.104(3)(b), which states a marihuana 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.

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Count III

Respondent's actions as described in paragraphs 6.b.i., 6.c, 6.d, and 6.e 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 marihuana products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the marihuana business.

Count IV

Respondent's actions as described in paragraphs 6.b.i., 6.c, 6.d, and 6.e 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 marihuana 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 V

Respondent's actions as described in paragraphs 6.b.ii., 6.b.iii., and 6.b.vii., above demonstrate a violation of Mich Admin Code, R 420.210(1), which states except for designated consumption establishments or temporary marihuana events licensed under the MRTMA, a marihuana business must not have marihuana products that are not identified and recorded in the statewide monitoring system pursuant to these rules. A licensee shall not transfer or sell a marihuana product that is not identified in the statewide monitoring system pursuant to these rules.

Count VI

Respondent's actions as described in paragraphs 6.b.ii., 6.b.iii., and 6.b.vii., above demonstrate a violation of Mich Admin Code, R 420.210(2), which states 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

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tag, identify, or record as part of a batch in the statewide monitoring system any marihuana product as provided in these rules.

Count VII

Respondent's actions as described in paragraphs 6.b.iv. above demonstrate a violation of Mich Admin Code, R 420.210(3), which states a licensee shall not reassign or subsequently assign a tag to another package that has been associated with a package in the statewide monitoring system.

Count VIII

Respondent's actions as described in paragraphs 6.b.ii., 6.b.iii., and 6.b.vii., above demonstrate a violation of Mich Admin Code, R 420.212(1), which states all marihuana products must be stored at a marihuana business in a secured limited access area or restricted access area and must be identified and tracked consistently in the statewide monitoring system under these rules.

Count IX

Respondent's actions as described in paragraphs 6.b.v., above demonstrate a violation of Mich Admin Code, R 420.212(3), which states all chemicals or solvents must be stored separately from marihuana products and kept in a closed container in locked storage areas.

Count X

Respondent's actions as described in paragraphs 6.b.ii., 6.b.iii., and 6.b.vii., above demonstrate a violation 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. The marihuana sales location shall maintain appropriate records of all sales or transfers under the acts and these rules and make them available to the agency upon request.

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Count XI

Respondent's actions as described in paragraphs 6.b.i. above demonstrate a violation of Mich Admin Code, R 420.802(3)(f), which states licensees shall report to the agency any proposed material changes to the marihuana business before making a material change. A proposed material change is any action that would result in alterations or changes being made to the marihuana business to effectuate the desired outcome of a material change. Material changes, include, but are not limited to, the following: (f) Any change or modification to the marihuana business before or after licensure that was not preinspected, inspected, or part of the marihuana business location plan or final inspection.

Count XII

Respondent's actions as described in paragraphs 6.f.ii., 6.f.iii., 6.f.iv., 6.f.v., 6.f.vi., 6.f.vii., 6.f.viii., 6.f.ix, and 6.h, above demonstrate a violation of Mich Admin Code, R 420.6(5), which states in part, a licensee has a continuing duty to provide information requested by the agency and to cooperate in any investigation, inquiry, or hearing conducted by the agency.

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 333.27957 (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 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 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

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

The formal complaint filed against the Respondent on February 17, 2023, is hereby replaced in full by this amended complaint.

Dated: 12/20/2023

By: Alyssa A. Grissom
 Digitally signed by Alyssa A. Grissom
Date: 2023.12.20 10:39:48 -05'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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