

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

In the Matter of

Sozo Health, Inc.  
dba Sozo Cannabis  
License No.: AU-R-000688

ENF No.: 23-00325

/      CONSENT ORDER AND STIPULATION

CONSENT ORDER

On August 7, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer establishment license (AU-R-000688) of Sozo Health, Inc. (“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 420.507(2).

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(2).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of one thousand seven hundred fifty and 00/100 dollars (\$1,750.00). 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](http://www.michigan.gov/cra). Check or money orders shall be made payable to the State of Michigan with enforcement number “23-00325” and license number “AU-R-000688” clearly displayed on the check or money order. Respondent shall mail the fine to

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2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909  
[www.michigan.gov/CRA](http://www.michigan.gov/CRA)

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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](mailto: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 7(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: 1/18/2024

By: Brian Hanna  
Digitally signed by: Brian Hanna  
DN: CN = Brian Hanna email = hannab@michigan.  
gov C = US O = CRA OU = CRA  
Date: 2024.01.18 11:46:09 -05'00'

Brian Hanna, Executive Director  
or his designee  
Cannabis Regulatory Agency

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## STIPULATION

The parties stipulate to the following:

1. Respondent does not contest the allegations of fact and law in the formal complaint. By pleading no contest, Respondent does not admit the truth of the allegations but agrees that the CRA's executive director or designee may enter an order treating the allegations as true for purposes of resolving the formal complaint.
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 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 stated the incorrect point of sales (POS) system QR sticker was accidentally put onto the marijuana product.
  - b. Respondent stated at the compliance conference that the employee who improperly placed the POS QR sticker on the marijuana product was given a corrective action.
  - c. Respondent provided proof of destruction for the remaining marijuana product that was not sold.
  - d. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
  - e. Respondent has been licensed as a retailer since 2022 and has no prior discipline against its license.

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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 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:

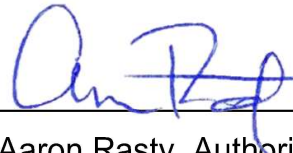
Sara E. Hernandez

Digitally signed by Sara E. Hernandez  
DN: CN = Sara E. Hernandez email =  
hernandezs1@michigan.gov C = AD O =  
LARA OU = MRA  
Date: 2024.01.18 11:22:01 -0500

Sara Hernandez, CSD Director  
or her designee  
Cannabis Regulatory Agency

Dated: 01/18/2024

AGREED TO BY:



Aaron Rasty, Authorized Officer  
on behalf of Respondent  
Sozo Health, Inc.

Dated: 01/12/2024

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

In the Matter of

Sozo Health, Inc.  
dba Sozo Cannabis  
License No(s): AU-R-000688

ENF No: 23-00325

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against Sozo Health, Inc. dba Sozo Cannabis (“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), 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 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 marijuana establishment operations.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

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

4. Respondent operated at 1101 Robert T. Longway Blvd., Flint, Michigan 48503, at all times relevant to this complaint.

5. Following an investigation, the CRA determined that Respondent violated the

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MRTMA and/or administrative rules promulgated thereunder as set forth below:

- a. On April 24, 2023, the CRA was notified that Respondent received 4-gram jars of live rosin, statewide monitoring system (Metrc) tag 1A405030001D526000009816, from its commonly owned processor establishment. However, the product received was actually cured resin.
- b. Package tag number ending -9816 had two labels affixed, with the same batch number. One was labeled as live rosin and the other was labeled as cured resin.
- c. On April 27, 2023, Respondent conducted an internal audit and stated that the correct label was applied to the package at Respondent's processor establishment, and the incorrect label was applied at its retailer establishment, due to human error.
- d. Eight units from package tag number ending -9816 were sold. Respondent placed the remaining 13 units into quarantine on April 25, 2023.

### **Count I**

Respondent's actions as described above in paragraph(s) a, b, c, and d demonstrate a violation of Mich Admin Code R 420.507(2), which states, a licensee may not advertise a marijuana product in a way that is deceptive, false, or misleading, or make any deceptive, false, or misleading assertions or statements on any marijuana product, sign, or document provided.

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.

Pursuant to 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

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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](mailto: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.

**CONTINUED ON NEXT PAGE**

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Questions about this complaint should be directed to the Cannabis Regulatory Agency's legal section at (517) 284-8599 or [CRA-LegalHearings@michigan.gov](mailto:CRA-LegalHearings@michigan.gov).

Dated: 8/7/23

Alyssa A. Grissom  
By: Grissom

Digitally signed by Alyssa  
A. Grissom  
Date: 2023.08.07  
15:10:57 -04'00'

Alyssa A. Grissom  
Legal Section Manager  
Cannabis Regulatory Agency

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