

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

In the Matter of

Viridian Labs, LLC
License No.: AU-G-C-000716

ENF No.: 23-00081

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On August 7, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana grow C establishment license (AU-G-C-000716) of Viridian Labs, 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 420.102(7).

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 the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.102(7).

Accordingly, for these violations, IT IS ORDERED:

1. 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 www.michigan.gov/cra. Check or money orders shall be made payable to the State of Michigan with enforcement number “23-00081” and license number “AU-G-C-000716” clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and

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Regulatory Affairs, Cannabis Regulatory Agency, PO BOX 30205, Lansing, Michigan 48909.

2. Within 30 days of the effective date of this consent order and stipulation, Respondent shall submit standard operating procedures (SOPs) detailing processes for tracking plants through the different growth phases in a timely manner. 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.
3. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.
4. 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.
5. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
6. 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, 420.808.
7. 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.


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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: 1/23/24

By:  Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email = hannab@michigan.gov C = US O = CRA OU = CRA
Date: 2024.01.23 09:28:59 -0500

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

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 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. The plants in question were tracked in the statewide monitoring system (Metrc) at all times.
 - b. While Respondent’s Compliance Officer was out of town, a manager in training physically moved the plants without approval. During this time, the plants grew faster than Respondent anticipated.


- c. To ensure accuracy in Metrc, upon their return, the Compliance Officer moved the packages in Metrc from immature to flowering, bypassing the vegetative stage.
 - d. The manager in training has been terminated.
 - e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - f. Respondent has been licensed as an adult use grow C since 2022 and has no prior discipline against its license.
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.

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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:

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: 2024.01.12 14:15:00 -05'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

Dated: 1/12/24

AGREED TO BY:

David Yousif

NGR Investments, LLC, Authorized Representative
on behalf of Respondent
Viridian Labs, LLC

Dated: 01/03/2024

Salam Elia

Salam Elia P76593
Attorney for Respondent

Dated: 01/03/2024

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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY

In the Matter of

Viridian Labs, LLC
License No.: AU-G-C-000716

ENF No: 23-00081

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against Viridian Labs, LLC (“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 class C grower establishment in the state of Michigan.
4. Respondent operated at 21445 Hoover Rd., Ste. 210, Warren, Michigan 48089, at all times relevant to this complaint.
5. Following an investigation, the CRA determined that Respondent violated the MRTMA and/or administrative rules promulgated thereunder as set forth below:

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- a. On August 1, 2022, Respondent accepted statewide monitoring system (Metrc) tag numbers 1A40503000240F5000003404 and 1A40503000240F5000003405 which were transferred from an adult-use grower establishment via Metrc manifest number 0001469378.
- b. On August 1, 2022, Respondent created plantings from the 2 packages and advanced the packages in Metrc from immature to flowering on the same day, bypassing the vegetative stage.
- c. On September 26, 2022, a CRA Regulation Agent (RA) visited Respondent's establishment and met with Respondent's Managing Member, D.Y., regarding the above incident. D.Y. stated that Respondent's vegetative stage lasted for approximately 5 to 10 days.
- d. On October 13, 2022, the CRA RA made a follow-up visit to Respondent's establishment and met with Respondent's Compliance Manager, J.A. J.A. stated that Respondent's vegetative stage lasted at least 5 days.
- e. On October 13, 2022, the CRA RA also met with Respondent's Compliance Officer, L.S. L.S. stated that the immature plants were physically moved to Respondent's establishment while she was on vacation. In a hurry to catch up in Metrc, she moved the packages from immature to flowering, bypassing the vegetative stage since the plants were scheduled to move to flowering the next day.

Count I

Respondent's actions as described above in paragraphs b and e demonstrate a violation of R 420.102(7), which states a marijuana grower must accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.

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 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.

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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.

Dated: 8/7/23

By: Alyssa A. Grissom

Digitally signed by Alyssa
A. Grissom
Date: 2023.08.07
14:35:23 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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