

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

In the Matter of

Candid Labs, LLC dba Layercake Farms 2, LLC
License No.: PR-000280

ENF No. 22-00686

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On February 3, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana processor license (no. PR-000280) of Candid Labs, LLC dba Layercake Farms 2, LLC (Respondent) under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.18(1), R 420.109(4), R 420.209(3), R 420.209(6)(a)(i)-(ii), R 420.209(7), R 420.209(11), R 420.209(12), R 420.210(1), R 420.210(2), R 420.211(1), R 420.212(1), R 420.303a(1), and R 420.802(3)(f).

Based on its investigation of the conduct alleged in the complaint, the CRA determined the safety or health of patrons or employees was jeopardized by Respondent's continued operation and that emergency action was required, as authorized under section 92(2) of the Administrative Procedures Act, MCL 24.292(2). Therefore, the CRA summarily suspended Respondent's license by order dated February 3, 2023.

The executive director or designee reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the complaint. Therefore, the executive director or designee finds that the allegations contained in the complaint are true and that Respondent violated Mich Admin Code, R 420.18(1), R 420.109(4), R 420.209(3), R 420.209(6)(a)(i)-(ii), R 420.209(7), R 420.209(11), R 420.209(12), R 420.210(1), R 420.210(2), R 420.211(1), R 420.212(1), R 420.303a(1), and R 420.802(3)(f).

Accordingly, for these violations, IT IS ORDERED:

1. The order of summary suspension previously issued is dissolved.
2. Respondent's license (no. PR-000280) is revoked. The license shall not be renewed, reinstated, reissued, or reactivated, limited or otherwise, at any future date.
3. Respondent and Respondent's supplemental applicant, Ramon Hana, are permanently prohibited from applying for or otherwise seeking any new marijuana business license in the State of Michigan; exercising managerial control over a such a business; or otherwise meeting the criteria to be deemed an applicant, supplemental applicant, or otherwise subject to a background investigation of any such business.
4. Respondent and Respondent's supplemental applicant, Ramon Hana, are permanently prohibited from any new ownership interest in a licensed marijuana business in the State of Michigan.
5. Respondent's supplemental applicant, Ramon Hana, is also the sole supplemental applicant for other state marijuana business licenses under license numbers AU-P-000328 and PR-000312. Mr. Hana is prohibited from applying for or otherwise seeking renewal, reinstatement, reissuance, or reactivation, limited or otherwise, at any future date of license numbers AU-P-000328 and PR-000312. Mr. Hana shall administratively close licenses AU-P-000328 and PR-000312 before the date those licenses expire. This includes following the CRA's procedures for "Closing a Licensed Marijuana Business" at <https://www.michigan.gov/cra/closing-a-licensed-marijuana-business>.

6. Respondent's supplemental applicant, Ramon Hana, is permanently prohibited from being employed or working in any capacity at a licensed marijuana business in the State of Michigan, including but not limited to, performing the functions of a regular or managerial employee, rendering any services as an independent contractor, or rendering any services via another party. This paragraph does not apply to the licenses identified in paragraph 5 above.
7. 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-LegalHearings@michigan.gov.
8. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
9. If Respondent violates any term or condition set forth in this order, Respondent may be subject to additional fines and/or other sanctions.
10. This order concludes the CRA's investigation into Respondent and the individuals associated with the allegations contained in formal complaint ENF No. 22-00686.

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

CANNABIS REGULATORY AGENCY

Signed on: 6/12/23

By: **Brian Hanna**
Executive Director Brian Hanna
or Designee
Cannabis Regulatory Agency

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O = CRA OU =
CRA
Date: 2023.06.12 10:27:27 -04'00'

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 complaint.
2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MMFLA, administrative rules promulgated thereunder, and the Administrative Procedures Act of 1969, MCL 24.201 *et seq.*, to require the CRA to prove the charges set forth in the complaint by presentation of evidence and legal authority and to present a defense to the charges.
3. The parties considered the following in reaching this agreement:
 - a) This consent order and stipulation is part of a comprehensive resolution of all of Respondent's currently outstanding formal complaints.
 - b) Respondent and Respondent's supplemental applicant, Ramon Hana, understand and agree that any new application for a state marijuana business license or renewal contrary to the accompanying consent order will be denied.
 - c) Respondent voluntarily destroyed all marijuana products in the METRC inventory of its co-located medical and adult-use processor licenses (nos. AU-P-000258 and PR-000280) during the week of May 28, 2023, with pre-approval and on-site supervision of CRA staff. CRA staff verified the satisfactory destruction of the marijuana products.
 - d) 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 designee must approve this proposed agreement before it is forwarded to the CRA's executive director or 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 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:

Desmond Mitchell

Digitally signed by Desmond Mitchell
Date: 2023.06.12 09:16:40 -04'00'

Desmond Mitchell
Operations Director
Cannabis Regulatory Agency

Dated: 6/12/23

AGREED TO BY:


Ramon Hana
On behalf of Respondent
Candid Labs, LLC dba Layercake
Farms 2, LLC

Dated: 6-8-2023


Ramon Hana

Dated: 6-8-2023

/s/ Adam M. Leyton

Adam M. Leyton (P80646)
Risa Hunt-Scully (P58239)
Assistant Attorneys General
Attorneys for Cannabis Regulatory Agency
Dated: 06/09/2023


Robert Huth (P42531)
Attorney for Respondent

Dated: 6/8/2023