

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

In the Matter of

Helios I LLC  
dba A New Standard  
License No.: AU-R-000226

ENF No.: 24-00730

\_\_\_\_\_/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On September 6, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer establishment license (AU-R-000226) of Helios I LLC dba a New Standard (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 420.508(3).

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 420.508(3).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of one-thousand and 00/100 dollars (\$1,000.00). 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](http://www.michigan.gov/cra). Check or money orders shall be made payable to the State of Michigan with enforcement number "24-00730" and license number "AU-R-000226" 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. 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, 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: 12/16/2024

By: Brian Hanna  
Digitally signed by: Brian Hanna  
DN: CN = Brian Hanna email =  
hannab@michigan.gov C = US O = CRA OU =  
CRA  
Date: 2024.12.16 14:53:17 -05'00'

Brian Hanna, Executive Director  
or his designee  
Cannabis Regulatory Agency

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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.
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 provided standard operating procedures related to trade samples.
  - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
  - c. Respondent has been licensed as a retailer since 2020 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.

**CONTINUED ONTO NEXT PAGE**

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 Hernandez

Digitally signed by: Sara Hernandez  
DN: CN = Sara Hernandez, email =  
HernandezS1@michigan.gov, C = US, O = CRA, OU =  
LARA  
Date: 2024.12.08 12:46:08 -05'00'

Sara Hernandez, CSD Director  
or her designee  
Cannabis Regulatory Agency

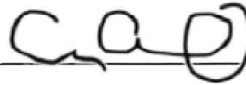
Dated: 12/08/2024

AGREED TO BY:



Howard Luckoff, Authorized Officer  
on behalf of Respondent  
Helios I LLC dba A New Standard

Dated: 11/27/2024



Craig Aronoff, P57997  
Attorney for Respondent

Dated: 11/27/2024

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

In the Matter of

Helios I LLC  
dba A New Standard  
License No: AU-R-000226

ENF No: 24-00730

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against Helios I LLC dba A New Standard (Respondent) alleging upon information and belief as follows:

1. The 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.

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 24906 John R Road, Hazel Park, Michigan 48030, at all

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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:

- a. On June 3, 2024, the CRA Operations Support Section (OSS) reviewed Respondent's statewide monitoring system (Metrc) records and observed that Respondent sold 34 6-packs of 3.5g pre-rolls from the following 4 Metrc package tags that were recorded as trade samples:
  - i. Tag 1A405030002C881000000920 (tag ending -0920).
  - ii. Tag 1A405030002C881000000576 (tag ending -0576).
  - iii. Tag 1A405030002C881000000583 (tag ending -0583).
  - iv. Tag 1A405030000AB19000006672 (tag ending -6672).
- b. On June 6, 2024, a CRA Regulation Agent (RA) reviewed the package histories, transfer manifests, and sales receipts for the packages with tags ending -0920, -0576, -0583, and -6672, and observed:
  - i. On November 1, 2022, Big Rock Corp. dba Six Labs (AU-G-C-000156) recorded the packages as trade samples in Metrc.
  - ii. On December 1, 2022, Big Rock Corp. dba Six Labs (AU-G-C-000156) placed the packages on two transfer manifests for delivery to Respondent.
  - iii. The transfer manifests did not indicate the packages were trade samples, but the packages were still recorded as trade samples in Metrc when Respondent received them on December 2, 2022.
  - iv. On December 2, 2022, Respondent "pennied out" and sold the 34 trade samples in two transactions:
    1. Receipt #0064618848 included 14 eaches from tag ending -0920 and had a total sale price of \$0.14.

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2. Receipt #0064618436 included 17 eaches from tag ending -0920, 1 each from tag ending -0576, 1 each from tag ending -0583, and 1 each from tag ending -6672, and had a total sale price of \$0.80.
- v. The products were still recorded as trade samples in Metrc when they were sold.
- c. On June 6, 2024, the RA emailed a list of the packages with sales information to Respondent and requested an explanation.
- d. On June 20, 2024, Respondent's compliance director, J.L., replied and stated that she investigated and determined both sales were to a single individual affiliated with the Higgs/Six Labs brand; that Six Labs intended the product to be for an industry event; and that Respondent's employee mistakenly sold the packages to the individual so they could deliver them to the event.
- e. The RA reviewed Respondent's standard operating procedures (SOPs) for receiving and distributing trade samples that was in effect at the time of the sales and determined the SOP was compliant; however Respondent did not follow the provisions.
- f. In follow up communications, J.L. stated the employee was aware of the SOP and administrative rules that prohibit the sale of trade samples, but they did not see any other way to "remove them from the system for the event".

### **Count I**

Respondent's actions as described above in paragraphs a, b, d, e, and f, demonstrate a violation of Mich Admin Code, R 420.508(3)<sup>1</sup> which states, trade samples must not be sold to another licensee or consumer.

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<sup>1</sup> The Cannabis Regulatory Agency (CRA) Administrative Rules were updated and took effect on March 7, 2022. The current version of Mich Admin Code, R 420.508(3) is substantially similar to the prior version cited in Count I.

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

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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.

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: 9/6/24

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom  
Date: 2024.09.06 08:57:16 -04'00'

Alyssa A. Grissom  
Legal Section Manager  
Cannabis Regulatory Agency

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