

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

In the Matter of

High Top Buds LLC
dba BE Cultivation
License No.: GR-C-001011

ENF No: 24-00610

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On July 19, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana grower facility license (GR-C-001011) of High Top Buds LLC dba BE Cultivation (Respondent) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated Mich Admin Code, R 420.802(3)(a).

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 420.802(3)(a).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of one-thousand two-hundred fifty and 00/100 dollars (\$1,250.00). 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 "24-00610" and license number "GR-C-001011" 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 on the consent order Respondent must complete all of the following:
 - a. Respondent will provide standard operating procedures (SOP) related to material change reporting requirements to the CRA.
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 407(1) of the MMFLA, MCL 333.27407(1), 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.

CONTINUED ONTO NEXT PAGE

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: 11/19/2024

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O = CRA OU = CRA
Date: 2024.11.19 14:04:20 -05'00'

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 MMFLA.
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 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. A change of ownership amendment was submitted and approved by the CRA prior to issuing the formal complaint.
 - b. Respondent self-reported the non-compliance in an attempt to accurately report its ownership and comply with rules.
 - c. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - d. Respondent has been licensed as a grower since 2021 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 Hernandez

Digitally signed by: Sara Hernandez
DN: CN = Sara Hernandez email = HernandezS1@michigan.gov C = US O = CRA OU = LARA
Date: 2024.11.15 07:35:43 -05'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

Dated: 11/15/2024

AGREED TO BY:

DocuSigned by:
J. Darrell Pritt, Jr.

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J. Darrell Pritt, Jr., Authorized Officer
on behalf of Respondent
High Top Buds LLC
dba BE Cultivation

Dated: 11/4/2024

DocuSigned by:
Chris Keefer

BEFDBA444844458...

Chris Keefer, P85810
Attorney for Respondent

Dated: 11/4/2024

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

In the Matter of

High Tops Buds LLC
dba BE Cultivation
License No.: GR-C-000925

ENF No: 24-00610

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against High Tops Buds LLC dba BE Cultivation (Respondent) alleging upon information and belief as follows:

1. The CRA is authorized under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MMFLA 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 MMFLA or administrative rules.

2. Section 402(12) of the MMFLA provides that the expiration of a license does not terminate the CRA's authority to impose sanctions on the license.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

3. Respondent holds an active state operating license under the MMFLA to operate a medical marijuana Grower Class C license in the state of Michigan.

4. Respondent operated at 901 East State Street, Cassopolis, Michigan, 49031, at all times relevant to this complaint.

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

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

- a. On April 8, 2024, Respondent's attorney, C.K., sent an email to the CRA reporting Respondent may have failed to report a change in ownership and that it had received a notice of deficiency from the Financial Compliance Section (FCS) from March 25, 2021. C.K. explained that the delay in response was due to a change in representation and that Respondent should update its ownership information to reflect J.P. as the sole owner of the holding company Global Provisions, LLC.
- b. On April 10, 2024, the CRA Financial Analyst (FA) reviewed the matter and found that there was no change of ownership on file. The CRA FA directed C.K. to submit the amendment application to the License Maintenance Section.
- c. On April 11, 2024, Respondent submitted an amendment application, amendment verification and affidavit, disclosure of ownership, an executed resolution, assignment of units, and a first amendment and restated operating agreement to the CRA.
- d. Respondent's amendment application has since been approved.

Count I

Respondent's actions as described above in paragraphs b and f, demonstrate a violation of Mich Admin Code R 420.802(3)(a) which states licensees shall report to the agency any proposed material changes to the marijuana business before making a material change that may require prior authorization by the agency. Material changes, include, but are not limited to, the following:(a) Change in owners, officers, members, or managers.

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.

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Under MCL 333.27407(4) and 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 MMFLA 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 at (517) 284-8599 or CRA-LegalHearings@michigan.gov.

Dated: 7/19/2024

By: Alyssa A. Grissom

Digitally signed by Alyssa A. Grissom
Date: 2024.07.19
11:36:41 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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