

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

In the Matter of

3843 Euclid, LLC  
ERG No.: 000187 / AU-ER No.: 000213  
License No.: PR-000098 / AU-P-000106  
ENF No.: 21-00266 & 21-00267

CMP Nos.: 21-000489 & 21-000843

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FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against 3843 Euclid, LLC (“Respondent”) alleging upon information and belief as follows:

1. The Marijuana Regulatory Agency (MRA) is authorized under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 et seq., Michigan Regulation and Taxation of Marijuana Act (MRTMA), 2018 IL1, *et seq.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MMFLA, 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 MMFLA, MRTMA, or Administrative Rules.

2. Section 206(c) of the MMFLA and Section 8(1)(d) of the MRTMA provide that the Administrative Rules must ensure the health, safety, and security of the public and integrity of the marijuana establishment operations.

3. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marijuana establishment operations.

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## FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

4. Respondent holds active marihuana licenses to operate a medical marijuana processor facility under the MMFLA and an adult-use marijuana processor establishment under MRTMA in the state of Michigan.

5. At all times relevant to this complaint, Respondent's licenses operated at 3843 N. Euclid, Bay City, Michigan 48706.

7. On August 31, 2020, the Marijuana Regulatory Agency entered a final order against Respondent. The final order was based on allegations that Respondent's employees contaminated pre-rolled marijuana products with human saliva. Respondent's license was suspended from August 6, 2020, until the issuance of the final order. Pursuant to the final order, Respondent's license was suspended for an additional ten days and until Respondent terminated specific employees, employed an on-site supervisor and on-site compliance officer, updated their quality control manual, complete an employee training manual, and proof of compliance with all relevant rules, procedures, and restrictions. Respondent's licenses are also subject to additional restrictions and conditions until August 31, 2021.

8. Following an investigation, the MRA determined that Respondent violated the MMFLA, MRTMA and/or Administrative Rules promulgated thereunder as set forth below:

- a. On March 23, 2021, Respondent had marijuana infused / edible marijuana product (Covert Cups) sampled for safety compliance testing at its business.
- b. The product is identified in the statewide monitoring system (METRC) as follows:
  - I. 1A4050100005016000013389 - Covert Cups - Peanut Butter Cups (tag #13389)
  - II. 1A4050100005016000013390 - Covert Cups - S'mores Cups (tag #13390)
  - III. 1A4050100005016000013391 - Covert Cups - Strawberry & Cream (tag #13391)
  - IV. 1A4050100005016000013392 - Covert Cups - Take 420 (tag # 13392)
  - V. 1A4050100005016000013393 - Covert Cups - Banana Cream (tag #13393)

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- c. On March 29, 2021, passing compliance test results were entered into METRC for the five products listed above.
- d. On April 2, 2021, the MRA performed a compliance check of Respondent's business.
- e. During the compliance check, the MRA observed approximately 10,000 Covert Cups in the Safe Room Vault area that were in non-opaque yellow, clear, or silver final consumer packaging, in violation of Mich Admin Code, R 420.403(9)(c).
- f. The Covert Cups were stored in approximately 21 black plastic bins. Neither the packaging, nor the bins had METRC tags affixed, in violation of Mich Admin Code, R 420.210(2).
- g. Review of the Certificate of Analysis for Covert Cups only shows photographs of the product in the yellow consumer packaging, not the clear or silver packaging. This sample was not representative of the entire production batch. Respondent did not provide the lab with access to the entire production batch for sampling, in violation of Mich Admin Code, R 420.304(2)(b).
- h. Video footage also showed that no one from Respondent's business observed the sampling process. Specifically, Respondent's Employee M.S., who is assigned to monitor sampling events, was not present during the sampling event, in violation of Mich Admin Code, R 420.304(2)(c).
- i. Additionally, the video showed that Respondent's employees did not follow Current Good Manufacturing Practices in the production of marijuana infused products and edible marijuana products, specifically:
  - I. Employees are observed on video wearing only their street clothing while producing marijuana infused and/or edible marijuana products, contrary to 21 CFR 117.10(b)(1), in violation of Mich Admin Code, R 420.403(8)(a).
  - II. Employees are observed on video using cellphones with gloved hands and not changing their gloves afterwards, contrary to 21 CFR 117.10(a)(3), 117.10(a)(5), and 117.10(a)(9), in violation of Mich Admin Code, R 420.403(8)(a).

- III. No employee washed their hands while engaging in the production of marijuana infused and/or edible marijuana products, contrary to 21 CFR 117.10(a)(3), in violation of Mich Admin Code, R 420.403(8)(a).
- IV. A female employee dropped an ingredient onto the floor, causing it to splash onto the floor and surrounding area. The employee used her gloved hands to wipe the ingredient from the floor and surrounding area. Then, without changing gloves, she continued to make the product. This behavior is contrary to 21 CFR 117.10(a)(5), 117.10(a)(9), 117.35(d)(2), and 117.35(e), in violation of Mich Admin Code, R 420.403(8)(a).
- V. After opening an ingredient for use, the same female employee, still without changing gloves after cleaning the floor area, placed her gloved finger into the product, pulled down her face mask, and placed her finger in her mouth. This behavior is contrary to 21 CFR 117.10(a)(5), 117.10(a)(9), and 117.35(d)(2), in violation of Mich Admin Code, R 420.403(8)(a).
- VI. On at least eight occasions, the female employee repeated the behavior of tasting the product with her gloved finger while wearing the same gloves she used to wipe the floor and surrounding area, contrary to 21 CFR 117.10(a)(5), 117.10(a)(9), and 117.35(d)(2), in violation of Mich Admin Code, R 420.403(8)(a).
- VII. On at least two occasions, the female employee licked the spatula that she used to stir the product and then put the licked spatula back into the product, contrary to 21 CFR 117.10(a)(9) and 117.35(d)(2), in violation of Mich Admin Code, R 420.403(8)(a).
- IX. The female employee manufactured and processed the infused product and/or edible marijuana product contrary to 21 CFR 117.80(a)(1), 117.80(a)(4), 117.80(a)(6), and 117.80(c)(2), in violation of Mich Admin Code, R 420.403(8)(a).

- j. The female employee consumed food product and/or edible marijuana product inside of Respondent's marijuana business in violation of Mich Admin Code, R 420.203(2)(b)(i), (ii).
- k. As of July 7, 2021, Respondent failed to maintain adequate records of formulation in violation of Mich Admin Code, R 420.403(8)(c).

THEREFORE, based on the above, the MRA 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.

Under MCL 333.27407(4), 333.27957 (1)(c) and Mich Admin Code, R 420.704(2), any party aggrieved by an action of the MRA 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 MRA 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 Emergency Rules. A compliance conference request must be submitted to the MRA 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  
Marijuana Regulatory Agency  
P.O. Box 30205  
Lansing, Michigan 48909

In Person: Department of Licensing & Regulatory Affairs  
Marijuana Regulatory Agency

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2407 North Grand River  
Lansing, Michigan 48906

By Email: MRA-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 Marijuana Regulatory Agency's legal section at (517) 284-8599 or [MRA-LegalHearings@michigan.gov](mailto:MRA-LegalHearings@michigan.gov).

Dated: \_\_\_\_\_

**MARIJUANA REGULATORY AGENCY**

By: \_\_\_\_\_  
Claire Patterson, Scientific and Legal Section Manager

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