

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

In the Matter of

Pharmaco, Inc. dba Roots
ERG-000091
License Nos.: PC-000261
ENF-20-00010

CMP-19-000277

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 5, 2020, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the medical marijuana facility licenses (PC-000261) of Pharmaco, Inc. (“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 333.236(1), R 333.236(2), and R 333.238(1).

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 the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 333.238(1).

Accordingly, for these violations, IT IS ORDERED:

1. Oakshire Holdings Limited, Fernando Di Carlo, Simonetta Di Carlo, James Skinner, and Stephanie Skinner each shall sell enough of their interest in Respondent so that they no longer meet the present criteria to be deemed an applicant, supplemental applicant, or otherwise subject to a background investigation in an application for a marijuana business license in the State of Michigan. Respondent shall provide an

executed copy of the documents demonstrating compliance with this term within 30 days of the effective date of this order.

2. Oakshire Holdings Limited, Fernando Di Carlo, Simonetta Di Carlo, James Skinner, and Stephanie Skinner are permanently prohibited from applying for or otherwise seeking any medical or adult-use marijuana business license in the State of Michigan, exercising managerial control over any such business, or otherwise meeting the criteria to be deemed an applicant, supplemental applicant, or otherwise subject to a background investigation of any such business.
3. Respondent's license is subject to the following restrictions and conditions for a period of two years from the effective date of this order:
 - a) Respondent shall submit a report for each license Respondent holds confirming the identity of each person who meets the criteria to be an applicant, supplemental applicant, or otherwise subject to a background investigation for a marijuana business in the State of Michigan. Respondent shall file these reports on a quarterly basis via email to MRA-LegalHearings@michigan.gov, with the first report due three months after the effective date of this order, and subsequent reports due every three months thereafter for a period of two years.
4. Respondent must pay a fine in the amount of six thousand dollars (\$6,000.00). This fine shall be paid within 30 days of the effective date of this order. The fine shall be paid by check or money order made payable to the State of Michigan with "ENF 20-00010" clearly displayed on the check or money order. Respondent shall mail the payment to Department of Licensing and Regulatory Affairs, Marijuana Regulatory Agency, P.O. Box 30205, Lansing, Michigan 48909.
5. If Respondent fails to timely pay the fine, Respondent's license shall be suspended until payment is received.
6. Unless otherwise specified in this order, Respondent shall direct any communications to the MRA that are required by the terms of this order to MRA-LegalHearings@michigan.gov.
7. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
8. Respondent shall be responsible for the timely compliance with all terms of this consent order, including the timely filing of any

documentation. Respondent's failure to comply within the time limitations provided will constitute a violation of this order. The MRA may, in its discretion, grant a written extension of any timeline set forth in this consent order on a case-by-case basis and in response to a written request from Respondent.

- 9. If Respondent violates any term or condition set forth in this order, Respondent will be subject to fines and/or other sanctions under MCL 333.27407(1) and Mich Admin Code, R 420.806.

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

MARIJUANA REGULATORY AGENCY

Signed on: 2/3/22

By:  Andrew Brisbo, Executive Director
Marijuana 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 MMFLA and administrative rules promulgated thereunder.
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 MRA to prove the charges set forth in the formal 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) Respondent's supplemental applicants—Oakshire Holdings Limited, Fernando Di Carlo, Simonetta Di Carlo, James Skinner, and Stephanie Skinner—agreed to no longer remain as supplemental applicants on Respondent's licenses; exercise managerial control over or hold an interest sufficient to meet the criteria to be deemed an applicant, supplemental applicant, or otherwise subject to a background investigation in an application on Respondent's licenses; or in the future apply for, otherwise seek, or meet the criteria to be an applicant, supplemental applicant, or otherwise subject to a background investigation on any application for any medical or adult-use marijuana business in the State of Michigan.
 - b) Respondent, Oakshire Holdings Limited, Fernando Di Carlo, Simonetta Di Carlo, James Skinner, and Stephanie Skinner understand and agree that any new application for a state marijuana business license contrary to this consent order will be denied.
 - c) This consent order and stipulation is a part of a comprehensive resolution of all of Respondent's outstanding formal complaints, license non-renewals, and license application denials.

- d) Respondent was cooperative and wished to resolve the allegations without the need for and expense of an administrative hearing.

4. The MRA's enforcement division director or her designee must approve this proposed agreement before it is forwarded to the MRA'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 MRA's enforcement division 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:

Julie Kluytman

Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email =
kluytmanj@michigan.gov C = US O =
Marijuana Regulatory Agency
Date: 2022.02.03 11:39:31 -0500

Julie Kluytman
Enforcement Division Director
Marijuana Regulatory Agency
Dated: 2/3/22

AGREED TO BY:

Fernando Di Carlo, Authorized Officer
On behalf of Respondent
Pharmaco, Inc.
Dated: _____

Fernando Di Carlo, Authorized Officer
On behalf of
Oakshire Holdings Limited
Dated: _____

Fernando Di Carlo
Dated: _____

Simonetta Di Carlo
Dated: _____

James Skinner
Dated: February 1, 2022

Stephanie Skinner
Dated: February 1, 2022

Alyssa A. Grissom
Alyssa A. Grissom (P82329)
Assistant Attorney General
Attorney for Complainant
Dated: February 2, 2022

John Janiszewski
John Janiszewski (P74400)
Attorney for Respondent
Dated: February 1, 2022

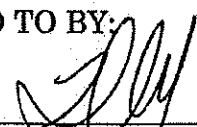
By signing this stipulation, the parties confirm that they have read, understand, and agree with the terms of the consent order.


AGREED TO BY:

Julie Kluytman Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email =
Kluytmanj@michigan.gov C = US O =
Marijuana Regulatory Agency
Date: 2022.02.03 11:39:59 -0500

Julie Kluytman
Enforcement Division Director
Marijuana Regulatory Agency
Dated: 2/3/22

AGREED TO BY:


Fernando Di Carlo, Authorized Officer
On behalf of Respondent
Pharmaco, Inc.
Dated: February 1, 2022



Fernando Di Carlo, Authorized Officer
On behalf of
Oakshire Holdings Limited
Dated: February 1, 2022

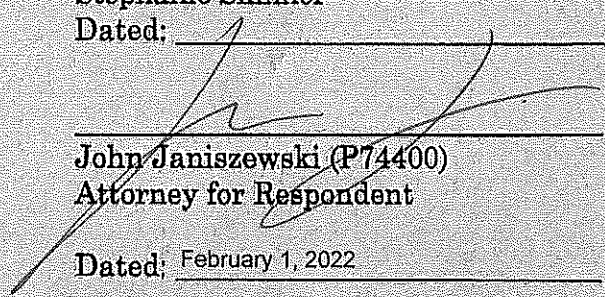

Fernando Di Carlo
Dated: February 1, 2022


Simonetta Di Carlo
Dated: February 1, 2022

James Skinner
Dated: _____

Stephanie Skinner
Dated: _____


Alyssa A. Grissom (P82329)
Assistant Attorney General
Attorney for Complainant
Dated: February 2, 2022


John Janiszewski (P74400)
Attorney for Respondent
Dated: February 1, 2022

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

In the Matter of

Pharmaco, Inc. dba Roots
ERG No.: 000091
License No.: PC-000261
ENF No.: 20-00010

CMP No.:19-000277

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Pharmaco, Inc., dba Roots (“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.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MMFLA and 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 rules.

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

3. Section 206(c) of the MMFLA provides that the administrative rules must ensure the health, safety, and security of the public and integrity of the marijuana facility operations.

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

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA

LARA is an equal opportunity employer/program

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

5. Respondent holds an active state operating license under the MMFLA to operate medical marihuana provisioning center in the state of Michigan.

6. Respondent operated at 3557 Wilder Rd., Bay City, Michigan, 48706 at all times relevant to this complaint.

7. Following an investigation that was completed on September 4, 2019, the MRA determined that Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

- a. Respondent had unlicensed and untested caregiver product on display and for sale without statewide monitoring system (METRC) tags. Respondent had at its facility marihuana products that were not identified and recorded in the statewide monitoring system in violation of Mich Admin Code R 333.236 (1).
- b. Respondent had marijuana products at its facility that were received prior to April 30, 2019, but not entered in METRC until August 28, 2019. Respondent failed to immediately tag, identify, or record as part of a batch in the statewide monitoring system any marihuana product as provided in the rules in violation of Mich Admin Code R 333.236(2).
- c. Respondent was using preexisting METRC tag numbers (1A40501000028A3000000491- "House Shake/Trim" [METRC tag #491] and 1A40501000028A3000000493- "Variety House Units" [METRC tag # 493]) to process numerous sales of marijuana products ("Cannaboys") between July 26 and October 19, 2019. Respondent did not identify and track all inventories of marihuana products consistently in the statewide monitoring system under the MMFLA, the marihuana tracking act or the administrative rules in violation of Mich Admin Code R 333.238 (1).

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,

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA

LARA is an equal opportunity employer/program

restriction, and/or refusal to renew Respondent's license.

Under MCL 333.27407(4) and Mich Admin Code, R 333.29494(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 333.294(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 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
2407 North Grand River
Lansing, Michigan 48906

If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter. The MRA reserves the right to review the formal complaint and amend it should this matter proceed to a contested case hearing.

Questions about this complaint should be directed to the Marijuana Regulatory Agency's legal section at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: 03/05/2020

MARIJUANA REGULATORY AGENCY

By: 
Kavita Kale, Enforcement Division Director

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA

LARA is an equal opportunity employer/program