

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS¹
CANNABIS REGULATORY AGENCY

In the Matter of

Exclusive Brands, LLC
ERG No.: 000176
License No.: GR-C-000198
ENF No.: 21-00229

CMP No.: 20-000050

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On August 4, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana class C grower license (GR-C-000198) of Exclusive Brands, LLC (“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 420.206(4).

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 420.206(4).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of Ten Thousand and 00/100 dollars (\$10,000.00). This fine shall be paid within 30 days of the effective date of this

¹ Executive Reorganization Order 2019-2 created the Marijuana Regulatory Agency (MRA) as a Type I agency within the Department of Licensing and Regulatory Affairs (LARA). MCL 333.27001(1)(a)(d). The CRA became the Cannabis Regulatory Agency (CRA) on April 13, 2022. The CRA exercises its statutory powers, duties, and functions independent of LARA’s direction. MCL 16.103.

order by check or money order made payable to the State of Michigan with enforcement number “21-00029” clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, PO BOX 30205, Lansing, Michigan 48909.

2. If Respondent fails to timely pay the fine, Respondent’s license shall be suspended until payment is received.
3. Respondent is required to contact the Pesticide Section of the Michigan Department of Agriculture and Rural Development within 7 business days and schedule and fully cooperate with an inspection of its medical marijuana grower class C facility.
4. Respondent is also required to contact the Pesticide Section of the Michigan Department of Agriculture and Rural Development within 7 business days schedule and fully cooperate with an inspection of its associated medical marijuana processing facility.
5. Respondent is required to copy CRA-LegalHearings@michigan.gov on all correspondence with MDARD and provide a copy of any and all reports issued by MDARD within 7 business days of receipt of said reports.
6. Respondent is required to comply with all requirements and/or recommendations of MDARD at both of their facilities.
7. If Respondent fails to comply with any of the items listed above in numbers 3 through 6, Respondent’s license shall be suspended until documentation of compliance is provided.
8. Respondent shall destroy, within 30 days all product placed on hold as a result of this disciplinary action, as well as disciplinary action taken on ENF numbers 21-00209, and 21-00227. Respondent shall provide video graphic or photographic proof of destruction of said product to CRA-LegalHearings@michigan.gov immediately upon destruction.
9. 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.

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2407 NORTH GRAND RIVER P.O. BOX 30205 LANSING, MICHIGAN 48909
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10. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
11. If Respondent violates any term or condition set forth in this order, Respondent will be subject to fines and/or other sanctions under section 407(1) of the MMFLA, MCL 333.27407(1), and Mich Admin Code, R 420.806.
12. Upon timely payment of the fine 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 on the date signed by the CRA's executive director or his designee, as set forth below.

Signed on: 5/2/22

By: Andrew Brisbo
Andrew Brisbo, Executive Director
Cannabis Regulatory Agency

Digitally signed by: Andrew Brisbo
DN: CN = Andrew Brisbo email =
andrisbo@michigan.gov C = US O =
Marijuana Regulatory Agency
Date: 2022.05.02 15:14:47 -04'00'

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 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 indicated that it has restructured and expanded its grow operation by including a new head grower, new other personnel and new products being used at its location.
 - b. Respondent indicated that it reviewed all of the products used at its location and could not determine the source of the banned chemical residue and believes that it was in one of the products it was using, but not on the ingredient listing.
 - c. Respondent averred that it updated its operating procedures to prevent future non-compliance and contamination of product with banned chemical residue.
 - d. The products that failed for banned chemical residue did not enter the supply chain and were not sold to medical marijuana patients.
 - e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
4. The CRA's enforcement division 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 enforcement division director, executive director, or their designees reject the proposed consent order.

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

AGREED TO BY:

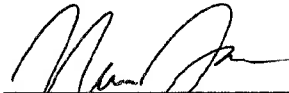
Julie Kluytman Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email =
kluytman@michigan.gov C = US O =
Marijuana Regulation Agency OU =
Enforcement Division
Date: 2022.05.02 12:19:50 -0400

Julie Kluytman, Director

Enforcement Division
Cannabis Regulatory Agency

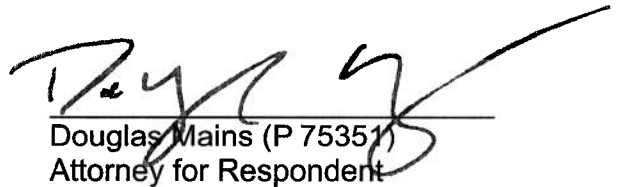
Dated: _____

AGREED TO BY:



Narmin Jarrous,
Authorized Officer
On behalf of Respondent
Exclusive Brands, LLC

Dated: 04/29/2022



Douglas Mains (P 75351)
Attorney for Respondent

Dated: 04/29/2022

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

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FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Exclusive Brands, 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.*, 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 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.

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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

5. Respondent holds an active state operating license under the MMFLA to operate a medical marihuana class C grower facility in the state of Michigan.

6. Respondent operated at 975 Phoenix Dr., Ann Arbor, Michigan 48108, at all times relevant to this complaint.

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

- a. On January 9, 2020, Respondent had statewide monitoring system (Metrc) tags 1A4050100001519000000327 and 1A4050100001519000000330 fail compliance testing for Pyrethrins, a banned chemical residue.
- b. Pyrethrins is a published chemical residue banned by the MRA for use in the cultivation of marijuana. Respondent is in violation of Mich Admin Code R 420.206(4)¹, which states the agency shall publish a list of banned chemical residue active ingredients that are prohibited from use in the cultivation and production of marihuana plants and marihuana products to be sold or transferred in accordance with the acts or these rules.

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) 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.

¹ At the time of the alleged violation, the administrative rule citation would have been Mich Admin Code, R 333.274(12). The citation has been updated based upon the time of the issuance of this document.

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 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

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 at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated:

August 4, 2021

MARIJUANA REGULATORY AGENCY

By:

Claire Patterson	Digitally signed by Claire Patterson Date: 2021.08.04 11:12:50 -04'00'
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Claire Patterson, Scientific and Legal Section Manager
Enforcement Division

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