

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

In the Matter of

DLG & Associates, LLC dba True North Collective
AU-ER No.: 000322
License No.: AU-G-C-000150
ENF No.: 21-00084

CMP No.: 21-000085

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On June 22, 2021, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the adult-use class C marijuana grower establishment license (AU-G-C-000150) of DLG & Associates, LLC dba True North Collective ("Respondent") under the Michigan Regulation and Taxation of Marihuana Act (MRMTA), 2018 IL 1, *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated the Mich Admin Code, R 420.802(4)(c) and R 420.802(5).

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 420.802(4)(c) and R 420.802(5).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of two hundred fifty and 00/100 dollars (\$250.00). This fine shall be paid within 30 days of the effective date of this order by check or money order made payable to the State of Michigan with enforcement number "21-00084" clearly displayed on the check or money order. Respondent

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 MRA exercises its statutory powers, duties, and functions independent of LARA's direction. MCL 16.103.

shall mail the fine to Department of Licensing and Regulatory Affairs, Marijuana 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. 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.
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 will be subject to fines and/or other sanctions under section 7(1)(c) of the MRTMA, MCL 333.27957, and Mich Admin Code, R 420.806.
6. 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 MRA's executive director or his designee, as set forth below.

Signed on: 3/28/22

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

Digitally signed by Andrew Brisbo
DN: CN = Andrew Brisbo email =
brisboa@michigan.gov C = US O =
Marijuana Regulatory Agency OU =
Executive Director
Date: 2022.03.28 13:54:47 -04'00'

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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 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 provided documentation that it was proactive in addressing the concerns noted by Michigan Department of Environment, Great Lakes, and Energy (EGLE) and resolved those issues in a timely manner.
 - b. Respondent incurred significant expense to come into compliance with EGLE requirements and ensure that compliance would be maintained.
 - c. Respondent provided an updated procedure for reporting contact with other regulatory agencies to the MRA.
 - d. Respondent created a new position and hired new staff who is responsible for reporting regulatory contacts to the MRA.
 - e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - f. Respondent has been licensed as an adult-use grower since April 2020 and has no prior discipline against its license.
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.

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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
Date: 2022.03.25 17:05:05 -04'00'
Julie Kluytman, Director
Enforcement Division
Marijuana Regulatory Agency

Dated: 3/25/22

AGREED TO BY:


David Gaylor, Authorized Officer
On behalf of Respondent
DLG & Associates, LLC

Dated: 3-22-2022


Alfred Brandt (P 38586)
Attorney for Respondent

Dated: 3-21-22

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 DLG & Associates, LLC dba True North Collective (“Respondent”) alleging upon information and belief as follows:

1. The Marijuana Regulatory Agency (MRA) is authorized under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), 2018 IL1, *et seq.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the 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 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 marihuana establishment operations.
3. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marihuana establishment operations.

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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

4. Respondent holds an active state license under the MRTMA to operate an adult use class C grower establishment in the state of Michigan.

5. Respondent operated at 2648 E. South Street, Jackson, Michigan 49201, at all times relevant to this complaint.

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

- a. On August 10, 2020, Respondent was issued Violation Notice No. VN-010893 for unpermitted discharge of Reverse Osmosis (RO) Backwash water to a wetland contiguous with the Grand River by the Michigan Department of Environment, Great Lakes, and Energy (EGLE). The notice indicated that EGLE determined that Respondent was operating in violation of Part 31, Water Resources Protection, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), MCL 324.3101 et seq., and the administrative rules promulgated thereunder being 2006 AACCS R 323.2101 et seq., as amended.
- b. On January 14, 2021, Respondent was issued Violation Notice No. VN-011426 for an order to restore wetlands by the Michigan Department of Environment, Great Lakes, and Energy (EGLE). The notice indicated that EGLE determined that Respondent did not pull proper permits for the construction of the marijuana processing facility, violating Part 303, Wetlands Protection, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA).
- c. Respondent did not report either EGLE violation to the MRA, as required by Mich Admin Code, R 420.802(4)(c), which states a licensee shall notify the agency within 1 business day of becoming aware or within 1 business day of when the licensee should have been aware of any of the following: Regulatory disciplinary action taken or determined against a licensee by this state or any other state, federal,

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or foreign jurisdiction, including any pending action. Respondent's failure to report the items in paragraphs (a) and (b) is also in violation of Mich Admin Code, R 420.802(5), which states that the licensee shall notify the agency within 10 days of the initiation or conclusion of any new judgements, lawsuits, legal proceedings, charges, or government investigations, whether initiated, pending, or concluded, that involve the licensee.

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 333.27957 (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
2407 North Grand River
Lansing, Michigan 48906

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2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
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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.

Dated: 6/22/21

MARIJUANA REGULATORY AGENCY

Claire

Digitally signed by Claire
Patterson

By: Patterson

Date: 2021.06.22
22:55:29 -04'00'

Claire Patterson, Scientific and Legal Section Manager

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