

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

In the Matter of

SSK Services, LLC dba Stateside Wellness
ERG No.: 000448
License No.: PC-000169
ENF No.: 21-00007

CMP No.: 20-001351

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On July 7, 2021, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the medical marijuana provisioning center facility license (PC-000169) of SSK Services, LLC dba Stateside Wellness (“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 420.504(1)(g) and R 420.507(2).

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 420.504(1)(g) and R 420.507(2).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of two thousand and 00/100 dollars (\$2,000.00). 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 “21-00007” 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 407(1) of the MMFLA, MCL 333.27407(1), and Mich Admin Code, R 333.219/420.806.
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: 3/10/22

By:

Andrew Brisbo

Digitally signed by: Andrew Brisbo
DN: CN = Andrew Brisbo email =
abisbo@michigan.gov C = US O =
Marijuana Regulatory Agency OU =
Executive Director
Date: 2022.03.10 15:20:20 -0500

Andrew Brisbo, Executive Director
Marijuana Regulatory Agency

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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 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 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 has provided documentation of a procedure in place at the time of the violation. Such procedure involved, *inter alia*, verifying the accuracy of the label information for all product received from vendors and rejecting the product if anything is missing from the label or information is not correct.
 - b. Respondent averred that information that was incorrect on the label that had been placed on the product by one of its employees was due to employee misconduct, e.g., failure to follow Respondent's established procedure by applying a "test" label to the product instead of the proper label.
 - c. Respondent averred that information that was incorrect on the label that had been placed on the product by the licensed processor and was not rejected by Respondent was due to the employee misconduct, e.g., failure to follow Respondent's established procedure in verifying the accuracy of the label information for all product received from third parties.
 - d. Respondent provided their labelling guidelines in force and effect at the time of the violation and additional photographs of the proper retail label, as well as where the label should have been placed on the product, which is not where this label was placed in contravention of the guidelines in place at the time.
 - e. Respondent provided documentation that labels are no longer applied by budtenders and are applied prior to the product reaching the sales floor.

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- f. Respondent provided documentation that it has also instituted an audit system to review packages on a random basis by different employees.
 - g. Respondent provided its labeling guide which covers the conduct that was at issue in the formal complaint.
 - h. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - i. Respondent has been licensed as a provisioning center since 2019 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.

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

AGREED TO BY:

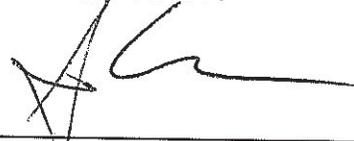
Julie Kluytman Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email =
kluytmanj@michigan.gov C = US O =
Marijuana Regulatory Agency
Date: 2022.03.10 13:18:36 -0500

Julie Kluytman, Director

Enforcement Division
Marijuana Regulatory Agency

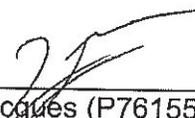
Dated: 3/10/22

AGREED TO BY:



Sam Usman, Jr.,
Authorized Officer
On behalf of Respondent
SSK Services, LLC

Dated: 3/9/22



Ryan Jacques (P76155)
Attorney for Respondent

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Dated: 3/9/22

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_____/

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against SSK Services, LLC dba Stateside Wellness (“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 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.

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

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

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

6. Respondent operated at 1900 E. Kalamazoo St. Lansing, Michigan, 48912, 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. Respondent sold a medical marijuana product, Monster Mango Gummies, without the following information on the product's label in violation of Mich Admin Code, R 420.504(1)(g): Concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.
- b. The Monster Mango Gummies product also had deceptive, false, or misleading assertions or statements on it at the time of sale in violation of Mich Admin Code, R 420.507(2).
 - I. The medical marijuana product included a label that stated: "Manufactured by: PG Group, LLC" when the product was produced by CLDD, LLC and Respondent obtained it from CLDD, LLC.
 - II. The medical marijuana product listed a license number for CLDD, LLC of AU-P-000118, which is a license number for an adult-use marijuana processing establishment.

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

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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 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: 7/6/21

MARIJUANA REGULATORY AGENCY

Claire Patterson

By: _____

Claire Patterson, Scientific and Legal Section Manager
Enforcement Division

Digitally signed by Claire
Patterson
Date: 2021.07.06 16:50:34
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