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

In the Matter of

Exclusive Brands LLC **ENF Nos. 22-00582 & 22-00604**
dba Exclusive Ann Arbor
License No. PR-000021

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On December 13, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana processor license (No. PR-000021) of Exclusive Brands LLC dba Exclusive Ann Arbor (Respondent) under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq*., and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.206(4) and R 420.305(11).

The executive director or designee reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the complaint. Therefore, the executive director or designee finds that the allegations contained in the complaint are true and that Respondent violated Mich Admin Code, R 420.206(4) and R 420.305(11).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of four thousand and 00/100 dollars ($4,000.00). This fine shall be paid within 30 days of the effective date of this order by check, money order, or online through Accela Citizen Access (ACA). CRA guidance on how to make compliance payments online is available under "Tips for Licensees" at www.michigan.gov/cra/bulletins. Checks or money orders shall be made payable to the State of Michigan with "ENF Nos. 22-00582 & 22-00604" and "License No. PR-000021" clearly displayed on the check or money order and mailed to: Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, P.O. Box 30205, Lansing, Michigan 48909.

2. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.

3. 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-CSS@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 may be subject to additional fines and/or other sanctions.

This order shall be effective 30 days after the date signed by the CRA's executive director or designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: 2/23/24

By: Brian Hanna Digitally signed by: Brian Hanna DN: CN = Brian Hanna email = hannab@michigan.gov C = US O = CRA OU = CRA Date: 2024.02.23 10:16:20 -05'00'

Executive Director Brian Hanna
or Designee
Cannabis 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 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 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 acknowledges that it is responsible for familiarizing itself with, understanding, and complying with all statutory requirements and rules applicable to its business.

   b) There is no evidence that the products referenced in the complaint entered the supply chain or were made available to patients or consumers.

   c) Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

4. The CRA's operations director or designee must approve this proposed agreement before it is forwarded to the CRA's executive director or 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 operations director, executive director, or 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:

Desmond Mitchell

Digitally signed by: Desmond Mitchell
DN: CN = Desmond Mitchell email = Mitchelld6@michigan.gov C = US O = Cannabis Regulatory Agency OU = Directors Office
Date: 2024.02.23 09:53:53 -05'00'

Desmond Mitchell
Operations Director
Cannabis Regulatory Agency

Dated: 2/23/24

Risa Hunt-Scully

Risa Hunt-Scully (P58239)
Assistant Attorney General
Attorney for Cannabis Regulatory Agency
Dated: 02/21/2024

AGREED TO BY:

Guste Shukeireh
Authorized Representative
On behalf of Respondent
Exclusive Brands LLC
dba Exclusive Ann Arbor
Dated: 02/09/2024

Douglas E. Mains (P75351)
Attorney for Respondent
Dated: 2-9-2024

LF: 2023-0376718-A\Exclusive Brands, LLC, ENF 22-00582 & 22-00604\Pleading – Consent Order – 2024-01-31

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

In the Matter of

Exclusive Brands LLC dba Exclusive Ann Arbor ENF Nos: 22-00582 & 22-00604
License No.: PR-000021
_____/

FORMAL COMPLAINT

The Cannabis Regulatory Agency ("CRA") files this formal complaint against Exclusive Brands LLC dba Exclusive Ann Arbor ("Respondent") alleging upon information and belief as follows:

1. The CRA is authorized under the Medical Marihuana 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 CRA's authority to impose sanctions on the license.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

3. Respondent holds an active state operating license under the MMFLA to operate a medical marijuana processor facility in the state of Michigan.

4. Respondent operated at 3820 Varsity Dr., Ann Arbor, Michigan 48108, at all times relevant to this complaint.

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

a. On August 11 and August 13, 2021, Respondent had the following statewide monitoring system (Metrc) package tags fail safety compliance testing for banned chemical residues:

i. 1A40501000011F9000080956- Permethrins 0.59 ppm, Bifenthrin 0.53 ppm, Myclobutanil 0.32 ppm.

ii. 1A40501000011F9000070233- Permethrins 0.56 ppm, Bifenthrin 0.38 ppm.

iii. 1A40501000011F9000070234- Permethrins 0.55 ppm, Bifenthrin 0.35 ppm.

iv. 1A40501000011F9000080447- Permethrins 0.64 ppm, Bifenthrin 0.44 ppm.

v. 1A40501000011F9000080448- Permethrins 0.53 ppm, Bifenthrin 0.45 ppm.

vi. 1A40501000011F9000080449- Permethrins 0.42 ppm, Bifenthrin 0.33 ppm.

vii. 1A40501000011F9000080936- Permethrins 0.27 ppm, Bifenthrin 0.25 ppm.

viii. 1A40501000011F9000080938- Permethrins 0.55 ppm, Bifenthrin 0.34 ppm.

ix. 1A40501000011F9000080940- Permethrins 0.63 ppm, Bifenthrin 0.42 ppm.

x. 1A40501000011F9000080944- Permethrins 0.52 ppm,

Bifenthrin 0.43 ppm.

xi. 1A40501000011F9000080946- Permethrins 0.51 ppm, Bifenthrin 0.39 ppm.

xii. 1A40501000011F9000080948- Permethrins 0.59 ppm, Bifenthrin 0.48 ppm.

Count I

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.206(4), 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.

Count II

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.305(11), which states for the purposes of chemical residue testing and target analyte testing, the agency shall publish a list of quantification levels. Any result that exceeds the active limit is a failed sample.

ENF 22-00604

b. On April 22, 2022, Respondent had the following statewide monitoring system (Metrc) package tags fail safety compliance testing for a banned chemical residue:

i. 1A40501000011F9000102504- Permethrins 0.41 ppm

ii. 1A40501000011F9000102505- Permethrins 0.44 ppm

iii. 1A40501000011F9000102506- Permethrins 0.40 ppm

iv. 1A40501000011F9000102507- Permethrins 0.44 ppm

Count III

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.206(4), 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.

Count IV

Respondent's actions as described above demonstrate a violation of Mich Admin Code, R 420.305(11), which states for the purposes of chemical residue testing and target analyte testing, the agency shall publish a list of quantification levels. Any result that exceeds the active limit is a failed sample.

THEREFORE, based on the above, the CRA 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 CRA 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 CRA 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 CRA 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
Cannabis Regulatory Agency
P.O. Box 30205
Lansing, Michigan 48909

In Person: Department of Licensing & Regulatory Affairs
Cannabis Regulatory Agency
2407 North Grand River
Lansing, Michigan 48906

By Email: CRA-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 Cannabis Regulatory Agency at (517) 284-8599 or CRA-LegalHearings@michigan.gov.

Dated: 12/13/2022

By: Alyssa A. Grissom Digitally signed by Alyssa A. Grissom Date: 2022.12.13 15:50:24 -05'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency