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

In the Matter of

Pharmaco, Inc.,
Assumed name Stateline Remedii
ERG No.: 000091
License No.: PC- 000260
ENF Nos.: 19-00059, 19-00064, &
20-00009
_____/

CMP Nos.: 19-000129, 19-000120, &
19-000282

FORMAL COMPLAINT

The Marijuana Regulatory Agency ("Complainant") files this formal complaint against Pharmaco, Inc. assumed name Stateline Remedii ("Respondent") alleging upon information and belief as follows:

1. The Marijuana Regulatory Agency (MRA) 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 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 marihuana facility operations.

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

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

5. 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 989 East Main Street, Morenci, Michigan, 49256, at all times relevant to this complaint.

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

a. On August 7, 2019, MRA staff conducted an unannounced compliance check at Respondent's facility. During that compliance check, MRA staff observed a number of strains of marijuana flower that were labeled with the same statewide monitoring system (METRC) tag numbers. It was noted that METRC tags 1A40501000028A2000000497 (METRC tag #497), 1A40501000028A2000000498 (METRC tag #498), and 1A40501000028A2000000499 (METRC tag #499) had 3-4 flower varieties attributed to them at the facility, but were listed as "Flower Variety 1600, 1400, and 1200," in METRC. According to METRC, there should have been 147.31 pounds of marijuana flower at Respondent's facility. MRA staff were only able to verify approximately 35 pounds of marijuana flower on site.

b. Respondent admitted to creating METRC tags for product that it had not received yet. This explains why the actual amount of marijuana at the facility did not match the amount of marijuana in the Respondent's METRC inventory. Respondent was not entering current inventory into METRC in violation of Mich Admin Code R 333.274(3).

c. On September 2, 2019, at 11:42 a.m., Respondent posted a photograph on its Facebook Page of the facility with a barbecue grill. The post stated, in part, "Come check out our deals and get some free food." Respondent was allowing the sale, consumption, or serving of food at its facility in violation of Mich Admin Code R 333.231(2)(a)(i).

d. Between September 4 and 25, 2019, MRA determined that Respondent was not entering their inventory in the statewide monitoring system (METRC). MRA also found that the following METRC tag numbers had sales in negative amounts as follows:

   i. 1A40501000028A2000000011-House Carts: -5579g;
   ii. 1A40501000028A200000500- House Mix: -552.9g;
   iii. 1A40501000028A2000000150- House Mix Shake: -373.9g;
   iv. 1A40501000028A2000000498- Flower Variety 1400: -27g;
   v. 1A40401000006A5000002333- Watermelon Vape: -13ea;
   vi. 1A40401000006A5000002310- Pharmaco Do Si Dos: -13ea;
   vii. 1A40501000028A2000000492- House Edibles: -11ea;
   viii. 1A4050100000900000012604- 20mg Mary's Transdermal Sativa Patches: -8ea; and
   ix. 1A4050100000900000016624- 185mg Midnight Bars- Thin Mints: -5ea.

e. Additionally, multiple packages were found that required adjustments to match inventory numbers on site versus what had been recorded and tracked in METRC. Respondent was not entering all transactions including, but not limited to, current inventory into METRC in violation of Mich Admin Code R 333.233 (5).

f. During the time period stated in subparagraph (d), MRA determined that there were two (2) boxes containing 171 marijuana pre-rolls at Respondent's facility that did not have a batch number or identification tag or label affixed to them. Respondent was in possession of marihuana products not identified in METRC pursuant to the act, the marihuana tracking act or the administrative rules in violation of Mich Admin Code R 333.236 (1).

g. During the same time period, MRA determined that there were two (2) boxes containing 171 marijuana pre-rolls at Respondent's facility that did not have a batch number or identification tag or label affixed to them. Respondent failed to immediately tag, identify, or record as part of a batch in METRC any marihuana products in violation of Mich Admin Code R 333.236 (2).

h. During the same time period, MRA determined that Respondent had not been consistently tracking their inventory in METRC. Respondent did not identify and track consistently all inventories of marihuana products in METRC in violation of Mich Admin Code R 333.238(1) (see paragraph a, supra).

THEREFORE, based on the above, the MRA gives notice of its intent to imposes 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 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

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PROOF OF SERVICE

I hereby certify that on the date below, I mailed a copy of the Formal Complaint dated March 5, 2020, in the above captioned case by certified mail (return receipt requested) to:

Pharmaco, Inc.,
Assumed name Stateline Remedii
22000 Northwestern Hwy.
Southfield, MI 48075

With an additional copy to:

Scott Roberts
Scott F. Roberts PLC
500 Temple St. Ste. 2M
Detroit, MI 48201-2569

Abby Rae Brooks
Departmental Technician
Marijuana Regulatory Agency
Department of Licensing & Regulatory
Affairs