

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

In the Matter of

ENF No. 19-3-17

**3389 S. Huron, LLC
License No. PC-000031**

_____ / CONSENT ORDER AND STIPULATION

CONSENT ORDER

On September 6, 2019, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the medical marijuana provisioning center facility license (no. PC-000031) of 3389 S. Huron, LLC (“Respondent”) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 333.245(10)(a), R 333.274(1)(c), and R 333.275(2).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the complaint. Therefore, the executive director finds that the allegations contained in the complaint are true and that Respondent violated Mich Admin Code, R 333.274(1)(c) and R 333.275(2).

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.


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 60 days of the effective date of this order by check or money order made payable to the State of Michigan with complaint number "19-3-17" clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and Regulatory Affairs, Marijuana Regulatory Agency, P.O. Box. 30205, Lansing, Michigan 48909, or Respondent may pay online through the Accela Citizen Access Portal (<https://aca3.accela.com/MIMM>).
2. If Respondent fails to timely pay the fine, Respondent's license shall be suspended until payment is received.
3. Paragraph (a) of the complaint alleging a violation of Mich Admin Code, R 333.245(10)(a), is DISMISSED.
4. 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.
5. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
6. 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.

This order shall be effective on the date signed by the MRA's executive director or his designee, as set forth below.

MARIJUANA REGULATORY AGENCY

Signed on: 12/13/2019

By: 
Andrew Brisbo, Executive Director
Marijuana Regulatory Agency

STIPULATION

The parties stipulate to the following:


1. Respondent does not contest the allegations of fact and law in the complaint. By pleading no contest, Respondent does not admit the truth of the allegations but agrees that the MRA's executive director may enter an order treating the allegations as true for purposes of resolving the complaint.
2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MMFLA, 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 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. Paragraph (a) of the complaint states that on April 12, 13, and 14, 2019, Respondent sold marijuana product before passing test results were entered into METRC. However, the sales involved caregiver product that was sold after Respondent obtained written patient consent, in compliance with the March 21, 2019 Medical Marijuana Licensing Board Resolution on Marijuana Product Access for Patients. Further, Respondent voluntarily submitted the caregiver product for testing, although such testing was not required at the time, and was advised by the safety compliance facility that the product passed testing before Respondent sold the product.
 - b. In April 2019, a trouble ticket was opened due to data in METRC, the statewide monitoring system, that appeared to show sales exceeding both daily and 30-day purchasing limits. An investigation revealed that Respondent's point-of-sale system improperly recorded some caregiver sales as patient sales, and that the sales at issue did not actually exceed allowable daily limits.

- c. Upon learning of the violations cited in this matter, Respondent sought the MRA's assistance and actively worked with its point-of-sale system vendor to resolve the data errors.
- d. In the meantime, Respondent conducted additional staff training and addressed the issue by manually checking METRC prior to each sale to determine whether a transaction would exceed allowable purchasing limits.
- e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.


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:




 Kavita Kale
 Enforcement Division Director
 Marijuana Regulatory Agency
 Dated: 12/13/19



 Erika N. Marzorati (P78160)
 Risa Hunt-Scully (P58239)
 Assistant Attorneys General
 Attorney for Complainant
 Dated: 12/13/19

AGREED TO BY: -



 Ralph Jajawie, Authorized Officer
 On behalf of Respondent
 3989 S. Huron, LLC
 Dated: 12/12/19



 Jacqueline Langwith (P79660)
 Attorney for Respondent

Dated: 12-13-19



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

September 6, 2019

ERG No.: 000267
License No.: PC-000031
ENF No.: 19-3-17

Compliance Action – Formal Complaint

In the Matter of

3389 S. Huron, LLC:

The Marijuana Regulatory Agency (MRA) issues this Formal Complaint and states as follows:

1. The MRA has authority under the Medical Marijuana Facilities Licensing Act (MMFLA), 281 PA 2016, MCL 333.27101 *et seq.*, Executive Reorganization Order No. 2019-02, and Administrative Rules R 333.201, *et seq* to take action for violations of the MMFLA and rules promulgated thereunder.
2. The Licensee currently holds a license to operate a Provisioning Center in the state of Michigan.

On or about August 21, 2019, the MRA concluded an investigation of the Licensee's facility and determined that the Licensee is in violation of the following provisions of the MMFLA and/or rules promulgated thereunder:

- (a) Rule 45(10)(a), resulting in a fine of \$5000.00, pursuant to R 333.219. During the investigation, it was determined on April 12, 13, and 14, 2019, the licensee sold marijuana product before passing test results were entered into METRC, resulting in a violation.
- (b) Rule 74(1)(c), resulting in a fine of \$7,000.00, pursuant to R 333.219. During the investigation, it was determined that licensee failed to verify completed sales did not exceed the purchasing limit prescribed in Rule 75(2), resulting in a violation.
- (c) Rule 75(2), resulting in a fine of \$5,000.00, pursuant to R 333.219. During the investigation, it was determined that licensee sold marijuana product that exceeded the monthly purchasing limits to 25 patients, resulting in a violation.

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA
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GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

PROPOSED LICENSING ACTION

The MRA proposes to take the following action on the Licensee's license:

- Fines totaling \$17,000.00

If you do not contest the findings of this Complaint, you may pay the proposed fine of \$17,000.00 and return the signed Stipulation and Consent Agreement (attached) within 10 business days of the date of service of this Complaint. The MRA will issue a final order upon receiving payment and the signed Stipulation and Consent Agreement. Return the signed Stipulation and Consent Agreement and submit payment by:

Mailing to:

Department of Licensing & Regulatory Affairs
Marijuana Regulatory Agency
P.O. Box. 30205
Lansing, Michigan 48909

Appearing in Person:

Department of Licensing & Regulatory Affairs
Marijuana Regulatory Agency
2407 North Grand River
Lansing, Michigan 48906

Online:

You may use the online Accela Citizen Access Portal (<https://aca3.accela.com/MIMM>) to upload the signed citation agreement and remit payment.

Checks must be payable to the State of Michigan and include the above enforcement number (ENF No.) on the memorandum line.

You have the right to request a compliance conference. This conference is an informal meeting conducted by an MRA representative at which you have the opportunity to discuss the above-referenced violations and proposed fines and to demonstrate compliance (e.g., by providing evidence that the violation(s) did not exist as alleged in the citation). If you wish to request a compliance conference, you must do so by emailing MRA-LegalHearings@michigan.gov within 10 business days of service of this Complaint. Include the above enforcement number in the subject line of your email.

Pursuant to MCL 333.27407 and Rule 94, a Licensee may also request a contested case hearing through the Michigan Office of Administrative Hearings and Rules. A Licensee has 21 days from the date of service of this Complaint to notify MRA in writing of their decision.

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DIRECTOR

If you fail to timely respond to this formal complaint, a contested case hearing will be scheduled. In addition, pursuant to Rule 333.219(c)(e), civil fines may be assessed for each day the licensee is not in compliance.

Any questions about this complaint should be directed to the Marijuana Regulatory Agency's legal section at (517) 284-9297 or MRA-LegalHearings@michigan.gov.

Dated: 06 Sep 2019

MARIJUANA REGULATORY AGENCY

By: [Signature]

Kavita Kale, Enforcement Division Director

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