



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

ORLENE HAWKS
DIRECTOR

December 27, 2019

Compliance Action – Citation

Steadfast, LLC:

ERG No.: 000160
License No.: SC-000006
CMP No.: 19-000082
ENF No.: 19-00046

Following an investigation, the Marijuana Regulatory Agency (MRA) determined that Steadfast, LLC (“Respondent”), license no. SC-000006, violated the Medical Marijuana Facilities Licensing Act (MMFLA) and/or administrative rules promulgated thereunder as follows:

1. On July 10, 2019, Respondent received sample packages for Research and Development (R&D) testing. The sample packages had an associated statewide monitoring system (METRC) manifest number: 0000058616. The MRA determined, by data in METRC, sample package number 1A4040100000006000004574 – Chem DOG – Oil (sample package #4574) did not have any source packages related to it. On July 17, 2019, Respondent provided the internal sampling documents titled “Infused Product Sampling Record and Chain of Custody” to the MRA. The Chain of Custody document did not clearly indicate what tests were going to be performed and did not include the METRC source package numbers. Respondent’s Chain of Custody form was not adequate, in violation of Mich Admin Code, R333.238(7).
2. On the Chain of Custody form, the R&D tests were listed as “CP” and “CP +P.” Upon review of Respondent’s test results, it was determined that Respondent was performing testing for chemical residue (pesticides).
3. At the time of the R&D testing, Respondent was not approved by the MRA or its accrediting body to perform chemical residue (pesticide) testing.
4. Respondent performed testing that was not approved by the department (MRA) and validated by an independent third party in violation of Mich Admin Code, R 333.247(1)(b).

Mich Admin Code, R 333.219 provides that a licensee found in violation of the MMFLA and/or administrative rules may be subject to sanctions, including fines. For the above violations, the MRA intends to impose a fine of \$4,000.00.

If you agree to resolve this citation as set forth in the citation agreement below, you must sign and return the attached citation agreement within 30 days after receipt of the citation. The fine must be paid within 30 days after you receive the citation agreement signed by the enforcement director. Return the signed agreement and submit payment by:

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

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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 made payable to the State of Michigan and include the above enforcement (ENF) number on the memorandum line.

A fully executed citation agreement may be disclosed to the public. You may submit a one-page explanation that will be placed in your license record and the explanation may be disclosed each time the issuance of the citation is disclosed to the public. ***If no further disciplinary actions are imposed on your license within five calendar years after the citation is issued, the Agency will remove this citation from this license record.***

If you fail to sign the citation agreement and timely pay the fine, the allegations in this citation will be incorporated into a formal complaint and will result in further administrative proceedings.

Continued or repeated non-compliance or repeated violations may result in further action, including the imposition of fines and/or other sanctions against your license.

Any questions about this citation should be directed to the Marijuana Regulatory Agency's legal section at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

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Dated: 27 December 2019

MARIJUANA REGULATORY AGENCY

A handwritten signature in black ink, appearing to read "Kavita Kale", written over a horizontal line.

By:
Kavita Kale, Enforcement Division Director

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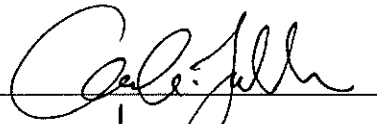
CITATION AGREEMENT ("Agreement")

By signing below, Respondent and the MRA agree that:

1. This agreement is not valid or enforceable until executed by both the enforcement director and Respondent.
2. This agreement constitutes a full and final resolution of this citation. However, this agreement does not preclude the MRA from opening a separate investigation and pursuing appropriate disciplinary action based on information that was knowingly or unknowingly withheld by Respondent or otherwise not discovered during the initial investigation.
3. Respondent and the MRA agree that each has the authority to settle the citation in accordance with the terms of this agreement.
4. The interests of the public, the MRA, and Respondent are best served by entering into this agreement without further proceedings.
5. Respondent agrees to timely pay the fine set forth in the citation.
6. Respondent does not admit the truth of the allegations in the citation but agrees that the MRA may treat the allegations as true for purposes of resolving the citation.
7. The MRA reserves the right to consider this agreement in the context of subsequent disciplinary proceedings and license application or renewal decisions.

Steadfast, LLC
License No. SC-000006

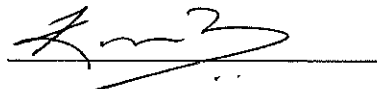
Marijuana Regulatory Agency



By: Arnan Zallen

Title: President

Date: 2/4/20



By: Kavita Kale

Title: Enforcement Division Director

Date: 2/10/2020

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Facsimile (888) 809-7010
Email: info@onesourcecannabislaw.com

February 4, 2020

Re: Steadfast, LLC

Explanation of Incident

Upon receipt of the corresponding Citation and in review of the facts, it has been determined that:

- There was not a sample package with the number “1A4040100000006000004574.” According to our client’s records and the Metrc record, it has been found that said number is the source package number for the sample package “1A4040100000006000004575.”
- In addition, according to the chain of custody documentation, referred in the Citation Notice, our client collected the sample package ending in “4575” for testing “CP” (cannabinoid profile) and “P” (chemical residue screen).
- Steadfast, LLC recognizes that the chain of custody documentation was not adequate because it did not reference the source tag, ending in “4574,” or have enough clarity on the requested tests for each sample. However, Steadfast, LLC does not admit to the violation of performing the chemical residue screen in-house.
- Instead, the chemical residue screen was outsourced to _____ on July 22, 2019, as reflected by Transfer Manifest 0000062110 with the Sample Tag 1A4050100000385000000437. Afterward, _____ reported the chemical residue screen results in Metrc and our client attached its COA for said data to our client’s COA, for reporting to the client.
- Therefore, Steadfast LLC respectfully believes that MRA can review and confirm this information through the Metrc record.

In light of these findings, Steadfast, LLC contends that it did not perform a chemical residue screen during the time it was not approved to do so. However, Steadfast, LLC admits that it failed to adequately document the chain of custody as stated in full detail above. In order to expeditiously resolve this Citation, Steadfast, LLC will pay the full \$4,000 fine in the MRA Citation. Steadfast, LLC does, however, request that MRA retain a record of Steadfast, LLC’s contention that it only failed to adequately document the chain of custody, and did not perform an unauthorized screening. Steadfast, LLC makes this request in the hope that the recording of these facts in the MRA record will mitigate any negative perceptions of Steadfast, LLC from this citation, that may adversely affect its applications for additional licenses.