

STATE OF MICHIGAN  
DEPARTMENT OF REGULATORY AFFAIRS<sup>1</sup>  
MARIJUANA REGULATORY AGENCY

In the Matter of

Detroit Natural Selections, Inc. dba House of Dank 2  
ERG No.: 001196  
License No.: PC-000220  
ENF No.: 20-00045 & 20-00074

CMP No.: 20-000401 &  
20-000739

\_\_\_\_\_/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On August 5, 2020, the Marijuana Regulatory Agency (MRA) issued a first superseding formal complaint against the medical marijuana provisioning center facility license (PC-000220) of Detroit Natural Selections, Inc. (“Respondent”) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and the administrative rules promulgated thereunder. The first superseding formal complaint alleged Respondent violated Rule 3(1)(a) of the Testing of Marijuana Product Intended for Inhalation Emergency Rules, Mich Admin Code R 333.245(10)(a), and R 420.504(1)(d)(f)(i).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the first superseding formal complaint. Therefore, the executive director finds that the allegations contained in the first superseding formal complaint are true and that Respondent violated Rule 3(1)(a) of the Testing of Marijuana Product Intended for Inhalation Emergency Rules, and Mich Admin Code R 333.245(10)(a).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of five thousand and 00/100 dollars (\$5,000.00). 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 enforcement number “20-00045 and 20-00074” clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and Regulatory Affairs, Marijuana Regulatory Agency, PO BOX 30205, Lansing, Michigan 48909.

<sup>1</sup> 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.

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2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909

[www.michigan.gov/MRA](http://www.michigan.gov/MRA)

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2. If Respondent fails to timely pay the fine, Respondent's license shall be suspended until payment is received.
3. The paragraph of the first superseding formal complaint alleging a violation of Mich Admin Code R 420.504(1)(d)(f)(i) 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](mailto: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 420.806.
7. Upon timely payment of the fine by Respondent, the matters set forth in the first superseding 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.

MARIJUANA REGULATORY AGENCY

Signed on: 11/25/20

By:

Andrew Brisbo  
Digitally signed by: Andrew Brisbo  
DN: CN = Andrew Brisbo email =  
brisboa@michigan.gov C = US O =  
MRA  
Date: 2020.11.25 12:38:11 -05'00'

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Andrew Brisbo, Executive Director  
Marijuana Regulatory Agency

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## STIPULATION

The parties stipulate to the following:

1. The facts alleged in the first superseding 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 first superseding 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. The product that did not have the date of harvest listed on the label was caregiver product, so the date of harvest was unknown.
  - b. The product allegedly missing the net weight on the label, in fact had the net weight on the label.
  - c. Respondent provided updated policies and procedures for ensuring that products were labeled in compliance with the rules prior to sales.
  - d. The product that was labeled with a laboratory name that did not conduct the testing of the product was generated by the processor and that information is not accessible to Respondent in the statewide monitoring system (METRC) to review and/or verify its accuracy. This was confirmed with METRC.
  - e. The product that was sold without Vitamin E Acetate testing, had in fact been sent out for testing, but had mistakenly not been removed for the sales floor while the results were pending. Respondent provided updated policies and procedures for the quarantine of product during testing.
  - f. 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.

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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 =  
kluytman@michigan.gov C = AD  
Date: 2020.11.25 11:04:47 -05'00'


Julie Kluytman, Director  
Enforcement Division  
Marijuana Regulatory Agency

Dated: \_\_\_\_\_

AGREED TO BY:

  
Vincent Bahri, Authorized Officer  
On behalf of Respondent  
Detroit Natural Selections  
Enterprises, Inc.

Dated: 11/10/2020

  
Steven T. Kiouis (P46573)  
Attorney for Respondent

Dated: 11/10/2020

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FIRST SUPERSEDING FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this first superseding formal complaint against Detroit Natural Selections, Inc. dba House of Dank 2 (“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 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 3394 Fort Street, Detroit, Michigan, 48217 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. On March 17, 2020, an MRA analyst reviewed Respondent's sales data of Tropicana Cookies vape carts in the statewide monitoring system (METRC) with METRC package tag number 1A4050100004331000000184 (METRC tag #0184). METRC tag #0184 had been placed on hold by the MRA on December 20, 2019, because the package had not been tested for Vitamin E Acetate as required by the Testing of Marihuana Product Intended for Inhalation Emergency Rules.
- b. Between January 7, 2020 and February 16, 2020, Respondent made numerous sales of Tropicana Cookies vape carts (METRC tag #0184) – a marihuana product intended for inhalation – without the product receiving a passing test result for target analytes (Vitamin E Acetate) in violation of rule 3(1)(a) of the Testing of Marihuana Product Intended for Inhalation Emergency Rules.
- c. Between January 7, 2020 and February 16, 2020, Respondent made numerous sales of Tropicana Cookies vape carts (METRC tag #0184) – a marihuana product – to registered qualifying patients and/or registered primary caregivers without the product receiving passing test results in the statewide monitoring system in violation of Mich Admin Code R333.245(10)(a).
- d. On June 30, 2020, it was determined Respondent sold marijuana product, METRC tag # 1A40501000045ED000005004 (METRC tag #5004), that listed “Cambium Analytica” as the testing facility. The MRA confirmed that METRC tag #5004 was

not tested by Cambium Analytica, and the test analysis date was not correct, in violation of Mich Admin Code R 420.504(1)(d)(f)(i).

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 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](mailto:MRA-LegalHearings@michigan.gov).

The formal complaint filed against the Respondent on June 10, 2020 is hereby WITHDRAWN and replaced in full by this superseding complaint.

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Dated: August 3, 2020

**MARIJUANA REGULATORY AGENCY**

**Kavita Kale**

Digitally signed by: Kavita Kale

DN: CN = Kavita Kale email =

kalek@michigan.gov C = US

Date: 2020.08.03 11:21:44 -04'00'

By: \_\_\_\_\_

Kavita Kale, Enforcement Division Director

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PROOF OF SERVICE

I hereby certify that on 8/5/2020, I mailed a copy of the First Superseding Formal Complaint dated August 3, 2020, in the above captioned case by certified mail (return receipt requested) to:

Detroit Natural Selections Enterprises, Inc.  
52432 Rejoice Drive  
Macomb, Michigan 48042

With a copy by electronic mail to:

Steven Kiouisis  
[stk@kiouisislaw.com](mailto:stk@kiouisislaw.com)



Jessica S. Fox  
Departmental Analyst  
Marijuana Regulatory Agency  
Department of Licensing & Regulatory  
Affairs