

STATE OF MICHIGAN
DEPARTMENT OF REGULATORY AFFAIRS¹
MARIJUANA REGULATORY AGENCY

In the Matter of

Green Peak Industries, LLC
ERG No.: 000116
License No.: GR-C-000107
ENF No.: 20-00002

CMP No.:19-000782

_____ / CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 25, 2022, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the medical marijuana grower class c facility license (GR-C-000107) of Green Peak Industries, LLC (“Respondent”) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated Mich Admin Code, R 333.245(4) and R 333.246(2).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the formal complaint. Therefore, the executive director finds that the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 333.245(4).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of five hundred 00/100 dollars (\$500.00). This fine shall be paid within 30 days of the effective date of this order by check or money order made payable to the State of Michigan with enforcement number “20-00002” 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.
2. If Respondent fails to timely pay the fine, Respondent’s license shall be suspended until payment is received.

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.

3. The paragraph of the formal complaint alleging a violation of Mich Admin Code R 333.246(2) 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.
7. Upon timely payment of the fine by Respondent, the matters set forth in the formal complaint shall be deemed resolved and closed subject to this Consent Order.

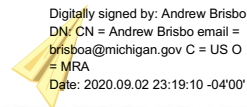
This order shall be effective on the date signed by the MRA's executive director or his designee, as set forth below.

MARIJUANA REGULATORY AGENCY

Signed on: 9/2/20

By:

**Andrew
Brisbo**



Andrew Brisbo, Executive Director
Marijuana Regulatory Agency

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www.michigan.gov/MRA

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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 MRA to prove the charges set forth in the 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. Respondent provided testimony that the second sampling event was an inadvertent human error after the batch had been quarantined after sampling.
 - b. Respondent provided written documentation of updated standard operating procedures as it relates to sampling and quarantining batches after sampling, including the introduction of a master testing data spreadsheet.
 - c. Respondent provided documentation that the failing test results for the two sampling events had failed for two different reasons.
 - d. Respondent provided documentation that the test results entered by the safety compliance facility stated “test passed overall lab testing” when the only test results entered were for moisture content.
 - 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.

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AGREED TO BY:

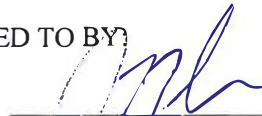
Claire Patterson

Digitally signed by: Claire Patterson
DN: CN = Claire Patterson email =
PattersonCB@michigan.gov C = US O = MRA OU
= LARA
Date: 2020.09.02.16:04:54 -0400

Claire Patterson
Scientific & Legal Section Manager
Marijuana Regulatory Agency

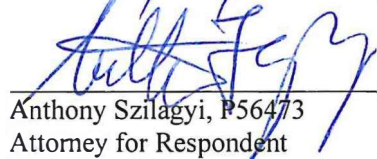
Dated: 9/2/20

AGREED TO BY:



Joe Neller, Authorized Officer
On behalf of Respondent
Green Peak Industries, LLC

Dated: 09/02/2020



Anthony Szilagyi, P56473
Attorney for Respondent

Dated: 09/02/2020

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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MARIJUANA REGULATORY AGENCY

In the Matter of

Green Peak Industries, LLC
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ENF No.: 20-00002

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FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Green Peak Industries, LLC (“Respondent”) alleging upon information and belief as follows:

1. The Marijuana Regulatory Agency (MRA) is authorized under the Medical Marijuana 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 marijuana facility operations.
4. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marijuana facility operations.

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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

5. Respondent holds an active state operating license under the MMFLA to operate as a medical marihuana Class C Grower in the state of Michigan.

6. Respondent operated at 10070 Harvest Park, Dimondale, Michigan, 48821 at all times relevant to this complaint.

7. Following an investigation that was completed on January 2, 2020, the MRA determined that Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

- a. On October 3, 2019, Respondent had a safety compliance facility test marijuana product with statewide monitoring system (METRC) sample tag number 1A405010100000E79000000145 (sample tag #145). Sample tag #145 was taken from METRC tag number 1A405010100000E79000000118 (tag #118). Tag #118 was still in quarantine pending test results from another safety compliance facility when sample tag #145 was taken for testing on October 19, 2019, in violation of Mich Admin Code R 333.245 (4).
- b. On October 26, 2019, Respondent retested package 1A4050100000E79000000129 (tag # 129) despite the product failing two prior test results for total yeast and mold on October 14 and 19, 2019, in violation of Mich Admin Code R 333.246 (2).

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.

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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

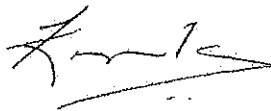
In Person: Department of Licensing & Regulatory Affairs
Marijuana Regulatory Agency
2407 North Grand River
Lansing, Michigan 48906

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: March 25, 2020

MARIJUANA REGULATORY AGENCY



By:
Kavita Kale, Enforcement Division Director

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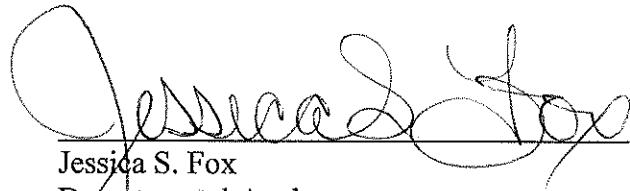
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PROOF OF SERVICE

I hereby certify that on March 25, 2020, I mailed a copy of the Formal Complaint dated March 25, 2020, in the above captioned case by certified mail (return receipt requested) to:

Green Peak Industries, LLC
500 East Michigan Ave. Suite 202
Lansing, MI 48912



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