

STATE OF MICHIGAN
DEPARTMENT OF REGULATORY AFFAIRS¹
MARIJUANA REGULATORY AGENCY

In the Matter of

Green Bean East, Inc. dba Green Galaxy Meds, Inc.
ERG No.: 001179
License No.: PC-000122
ENF No.: 20-00105

CMP No.: 20-000822

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On December 16, 2020, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the medical marijuana provisioning center facility license (PC-000122) of Green Bean East, Inc. dba Green Galaxy Meds, Inc. (“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 420.111(4)(c), 420.505(1)(c), 420.506(1)(a), and 420.506(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 420.111(4)(c), 420.505(1)(c), 420.506(1)(a), and 420.506(2).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of Twelve Thousand Five Hundred and 00/100 dollars (\$12,500.00). 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 “20-00105” 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.

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.

2. Respondent will not apply for pre-qualification status or licensure in the marijuana industry in the state of Michigan for a period of one year from the effective date of this order.
3. If Respondent fails to timely pay the fine, Respondent's license shall be suspended until payment is received.
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 420.806.
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: 7/26/21

By:  Andrew Brisbo, Executive Director
Marijuana Regulatory Agency

Digitally signed by: Andrew Brisbo
DN: CN = Andrew Brisbo email =
brisbo@michigan.gov C = US O =
Marijuana Regulatory Agency OU =
Executive Director
Date: 2021.07.26 16:38:44 -0400

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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 did not renew PC-000122, sold all its assets, and the license is closed.
 - b. Respondent has no other active Michigan marijuana licenses or pending applications.
 - c. Respondents stated the violations were a result of a point of sales system error.
 - d. Respondent purchased a new point of sales system.
 - e. Respondent indicated it did not update any standard operating procedures (SOP) to prevent the error from occurring with its new point of sales system. The solution was the purchase of the new system.
 - f. Respondent was not required to provide an updated SOP because it is no longer operating a medical marijuana provisioning center.
 - g. Regardless of Respondent's point of sales system error, Respondent still had a responsibility for ensuring in the statewide monitoring system (Metrc) that a patient held a valid, current, unexpired, and unrevoked registry identification card before the sale of marijuana product and that the sale did not exceed any of the daily or monthly purchase limits for the patient.
 - h. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - i. Respondent and the MRA engaged in negotiations of the proposed penalties listed in the Consent Order.
 - j. Respondent has had previous disciplinary action issued against it.
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.

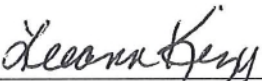
By signing this stipulation, the parties confirm that they have read, understand, and agree with the terms of the consent order.

AGREED TO BY:

AGREED TO BY:

Julie Kluytman Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email =
kluytmanj@michigan.gov C = US O =
Marijuana Regulatory Agency
Date: 2021.07.25 19:57:19 -04'00'

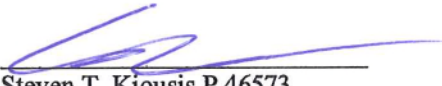
Julie Kluytman, Director
Enforcement Division
Marijuana Regulatory Agency



Leeann Kizy Authorized Officer
On behalf of Respondent
Green Bean East, Inc. dba Green
Galaxy Meds, Inc.

Dated: _____

Dated: 7-12-2021



Steven T. Kioussis P 46573
Attorney for Respondent
Dated: 7/23/2021

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

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FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Green Bean East, Inc. dba Green Galaxy Meds, Inc. (“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 the 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 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 a medical marihuana provisioning center in the state of Michigan.

6. Respondent operated at 408 S. Center Rd., Flint, MI, 48506, 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 July 16 and 29, 2020, Respondent made two sales of a total of five marijuana edibles to a patient under an invalid patient number (231554); albeit the patient's profile in the point of sale system contained a valid patient identification number upon review.
- b. On August 3, 2020, Respondent could not explanation how it validated that the patient had not exceeded their daily or monthly purchasing limits in the statewide monitoring system (METRC) when it sold the marijuana edibles under an invalid patient number.
- c. Respondent's failure to enter a valid patient number to verify in METRC that the patient held a valid, current, unexpired, and unrevoked registry identification card before the sale of marijuana edibles is in violation of Mich Admin Code, R 420.111(4)(c).
- d. Based on the above, Respondent was unable to verify in METRC that before the sales were made, the sales of marihuana product would not, in total, exceed 2.5 ounces of marihuana or marihuana equivalent per day or 10 ounces of marihuana product per month in violation of Mich Admin Code, R 420.505(1)(c); R 420.506(1)(a); and R 420.506(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,

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restriction, and/or refusal to renew Respondent's license.

Under MCL 333.27407(4) and Mich Admin Code, R 420.704(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 420.704(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 the administrative 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

By Email: MRA-LegalHearings@michigan.gov

If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter.

Questions about this complaint should be directed to the Marijuana Regulatory Agency at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated:

December 14, 2020

MARIJUANA REGULATORY AGENCY

By:

Claire Patterson	<small>Digitally signed by: Claire Patterson DN: CN = Claire Patterson email = PattersonCB@michigan.gov C = US O = MRA OU = LARA Date: 2020.12.14 15:14:44 -0500</small>
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Claire Patterson, Scientific and Legal Section Manager
Enforcement Division

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