STATE OF MICHIGAN DEPARTMENT OF REGULATORY AFFAIRS¹ MARIJUANA REGULATORY AGENCY

In the Matter of

Larren Investments, LLC. dba The Kure

ERG No.: 000076

License No.: GR-A-000059

ENF No.: 20-00143

CONSENT ORDER AND STIPULATION

CMP No.: 20-000722

CONSENT ORDER

On December 2, 2020, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the medical marijuana grower class A facility license (GR-A-000059) of Larren Investments, LLC. dba The Kure ("Respondent") under the Medical Marihuana 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 420.18(1) and 420.802(3).

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 420.18(1).

Accordingly, for these violations, IT IS ORDERED:

- Respondent must pay a fine in the amount of One Thousand and 00/100 dollars (\$1,000.00). 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 "20-00143" 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.
- 3. The alleged violation of Mich Admin Code, R 420.802(3) is DISMISSED.

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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.

MARIJUANA REGULATORY AGENCY

- 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.
- 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: 5/28/2021

By:

Andrew

Digitally signed by: Andrew Brisbo
DN: CN = Andrew Brisbo email =
brisboa@michigan.gov C = US O =
Marijuana Regulatory Agency OU =
Executive Director
Date: 2021.05.28 16:11:23 -04'00'

Andrew Brisbo, Executive Director Marijuana Regulatory Agency

STIPULATION

The parties stipulate to the following:

- 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 had an entryway cut out of a brick wall and sealed it with plywood without providing prior notification to and approval from the MRA.
 - b. Respondent stated it had to cut out the brick wall to determine if the location it wanted to put an entryway was structurally sound.
 - c. Respondent provided a letter from an engineer explaining that the removal of the brick was necessary to ensure the structural soundness for the placement of the entryway.
 - d. Respondent and the MRA engaged in negotiations of the proposed penalties listed in the Consent Order.
 - e. Respondent has not had any previous disciplinary action issued against it.
 - 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.

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, Director Enforcement Division Marijuana Regulatory Agency Dated: 5/26/2021 AGREED TO BY:

Ivan Ammori, Authorized Officer

On behalf of Respondent

Larren Investments, LLC. dba The Kure Dated: 5/24/2021

Mike Bahoura (P80205) Attorney for Respondent

Dated: 5.24.2/

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

In the Matter of

Larren Investments, LLC. dba The Kure

ERG No.: 000076

License No.: GR-A-000059

ENF No.: 20-00143

FORMAL COMPLAINT

The Marijuana Regulatory Agency ("Complainant") files this formal complaint against

Larren Investments, LLC. dba The Kure ("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 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 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.

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

CMP No.: 20-000722

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

5. Respondent holds an active state operating license under the MMFLA to operate a medical

marihuana grower a in the state of Michigan.

6. Respondent operated at 1978 Kenney Ave., Warren, MI, 48091 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 June 24, 2020, Respondent's facility had an entryway cut out of a brick wall

that was sealed with plywood. Respondent admitted new construction was taking

place which would connect the grow with access to an adjourning suite. Respondent

was making a material change or modification to its marihuana business without

prior notification to and approval from the MRA in violation Mich Admin Code, R

420.18(1) and did not report to the MRA the proposed material changes to its

marihuana business before it made the material changes in violation of Mich Admin

Code, R 420.802(3).

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 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

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

Formal Complaint

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 1, 2020

MARIJUANA REGULATORY AGENCY

By: Claire Patterson Digitally signed by: Claire Patterson Div: CN = Claire Patterson email = PattersonC8@michigan Div: CN = Claire Patterson C8@michigan Div: CN = Claire Patterson Div: CN = Claire Patterson Div: CN = Claire Patterson Div:

Claire Patterson, Scientific and Legal Section Manager Enforcement Division

Formal Complaint ENF No.: 20-00143 MRA 5039 In the Matter of

Larren Investments, LLC. dba The Kure

ERG No.: 000076

License No.: GR-A-000059

ENF No.: 20-00143

PROOF OF SERVICE

I hereby certify that on <u>December 2, 2020</u>, I mailed a copy of the <u>Formal Complaint</u> dated December 1, 2020 in the above captioned case by certified mail (return receipt requested) to:

631 E. Big Beaver Rd, Suite 211 Troy, MI 48083

With a copy to:

Mike Bahoura mike@bahouralaw.com

Jessica S. Fox Digitally signed by Jessica S. Fox Date: 2020.12.02 10:42:10 -05'00'

CMP No.: 20-000722

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