

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS¹
MARIJUANA REGULATORY AGENCY

In the Matter of

Freddie's, LLC
AU-ER No.: 000126
License No.: AU-G-C-000227
ENF No.: 21-00072

CMP No.: 21-000038

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On June 16, 2021, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the adult-use marijuana class C grower establishment license (AU-G-C-000227) of Freddie's, LLC ("Respondent") under the Michigan Regulation and Taxation of Marihuana Act (MRMTA), 2018 IL 1, *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated the Mich Admin Code, R 420.206(4).

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, 420.206(4).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of Ten Thousand 00/100 dollars (\$10,000.00). 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 "21-00072" clearly displayed on the check or money order.

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.

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. 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.
4. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
5. If Respondent violates any term or condition set forth in this order, Respondent will be subject to fines and/or other sanctions under section 7(1)(c) of the MRTMA, MCL 333.27957, and Mich Admin Code, R 420.806.
6. 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.

Signed on: 11/3/21

By:

Andrew Brisbo
Digitally signed by: Andrew Brisbo
DN: CN = Andrew Brisbo email =
brisboa@michigan.gov C = US O = Marijuana
Regulatory Agency OU = Executive Director
Date: 2021.11.03 07:16:26 -04'00'

Andrew Brisbo, Executive Director
Marijuana Regulatory Agency

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 MRTMA.
2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MRTMA, 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 averred that it was unaware that the plant growth regulator that was recommended its facility contained any chemicals banned for use in cultivation by the MRA.
 - b. Respondent averred that it relied upon the recommendation and expertise of an employee who had used this plant growth regulator and had tested product that did not fail safety compliance testing for any banned chemicals.
 - c. Respondent has since engaged with the Michigan Department of Agriculture and Rural Development for facility inspections and review of all products used at its facility.
 - d. Respondent, after this incident, immediately updated its Standard Operating procedures and provided additional training to its employees regarding banned chemicals to prevent recurrences.
 - e. The product in question was on administrative hold and destroyed. It never entered the supply chain or was sold to a customer.
 - 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

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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**

Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email =
kluytmanj@michigan.gov C = US
O = Marijuana Regulatory Agency
Date: 2021.11.02 18:27:04 -04'00'


Julie Kluytman, Director
Enforcement Division
Marijuana Regulatory Agency

Dated: 11/2/21

AGREED TO BY:


Barry Goodman, Authorized Officer
On behalf of Respondent
Freddies, LLC

Dated: 10-28-2021


Jeffrey Schroder, P 63172
Attorney for Respondent

Dated: 10-28-2021

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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
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FORMAL COMPLAINT

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

1. The Marijuana Regulatory Agency (MRA) is authorized under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), 2018 IL1, *et seq.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MRTMA 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 MRTMA or Emergency Rules.

2. Section 8(1)(d) of the MRTMA provides that the Administrative Rules must ensure the health, safety, and security of the public and integrity of the marihuana establishment operations.

3. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marihuana establishment operations.

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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

4. Respondent holds an active state license under the MRTMA to operate an adult use class C marihuana grower establishment in the state of Michigan.

5. Respondent operated at 10095 North Dort Highway, Building C, Clio, Michigan 48420, at all times relevant to this complaint.

6. Following an investigation, the MRA determined that Respondent violated the MRTMA and/or Administrative Rules promulgated thereunder as set forth below:

- a. On January 8, 2021 Respondent's statewide monitoring system (METRC) package tag 1A405030000ED1D000000093 (tag # 0093) had failed safety compliance testing results entered into METRC for Paclobutrazol.
- b. Paclobutrazol is a chemical that is banned from use in the cultivation of marijuana plants by the Agency.
- c. Respondent admitted the use of a plant growth product, the first ingredient in which, is Paclobutrazol.
- d. Respondent's use of a product containing Paclobutrazol is in violation of Mich Admin Code, R 420.206(4).

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 333.27957 (1)(c) 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

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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 MRTMA and/or the Emergency 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

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's legal section at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: 6/11/21

MARIJUANA REGULATORY AGENCY

By: **Claire Patterson** Digitally signed by Claire Patterson
Date: 2021.06.11 12:02:30 -04'00'
Claire Patterson, Scientific and Legal Section Manager

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