

STATE OF MICHIGAN
DEPARTMENT OF REGULATORY AFFAIRS¹
MARIJUANA REGULATORY AGENCY

In the Matter of

Morenci Brothers Holding Group, LLC
ERG No.: 000192
License No.: GR-C-000396
ENF No.: 20-00134

CMP No.: 20-001047

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On February 24, 2021, the Marijuana Regulatory Agency (MRA) issued a first superseding formal complaint against the medical marijuana grower class c facility license (GR-C-000396) of Morenci Brothers Holding Group, LLC (“Respondent”) under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and the administrative rules promulgated thereunder. The first superseding formal complaint alleged Respondent violated Mich Admin Code, R 420.802(3)(c) and 420.806(2)(f).

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 to the extent that Respondent violated Mich Admin Code, R 420.802(5). This consent order also resolves ENF 21-00004.

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of Two Hundred Fifty and 00/100 dollars (\$250.00). 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 “20-000134” 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 alleged violations of Mich Admin Code R 420.802(3)(c) and 420.806(2)(f) are 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 420.806.
7. Upon timely payment of the fine by Respondent, the matters set forth in the first superseding formal complaint as well as the pending matter of ENF No 21-00004 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

**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: 2021.09.09 11:35:30 -04'00'

Signed on: 9/9/21

By:

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. Respondent provided an updated standard operating procedure (SOP) to ensure timely reporting to the MRA.
 - b. Respondent has indicated that the citations issued against its license are not disciplinary in nature, but corrective in nature.
 - c. Respondent has provided information that it has and continues to take corrective action at the direction of the authority issuing the citations.
 - d. Respondent provided information that it understands the citations will be dismissed upon proof of completion of mitigation measures.
 - e. Respondent has had previous disciplinary action issued against it.
 - f. Respondent and the MRA engaged in negotiations of the proposed penalties listed in the Consent Order.
 - g. 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 Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email =
Kluytmanj@michigan.gov C = US O =
Marijuana Regulatory Agency
Date: 2021.09.09 09:29:07 -04'00'

Julie Kluytman, Director
Enforcement Division
Marijuana Regulatory Agency

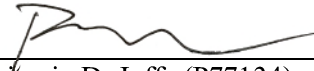
Dated: _____

AGREED TO BY:



Ed Sickmiller, Authorized Officer
On behalf of Respondent
Morenci Brothers Holding Group, LLC

Dated: 09/03/2021



Benjamin D. Joffe (P77134)
Attorney for Respondent

Dated: 09/03/2021

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

In the Matter of

Morenci Brothers Holding Group, LLC
ERG No.: 000192
License No.: GR-C-000396
ENF No.: 20-000134

CMP No.: 20-001047

FIRST SUPERSEDING FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this first superseding formal complaint against Morenci Brothers Holding Group, LLC (“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.

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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 grower class c facility in the state of Michigan.

6. Respondent operated at 520 Hammontree, Suite A, Morenci, Michigan, 49256 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. Respondent received a citation on or about June 23, 2020, for a violation of the same ordinance section as listed above, and at that time failed to notify the MRA in violation of Mich Admin Code R 420.802(3)(c).
- b. Respondent was issued a Warning Letter for this previous instance of noncompliance on August 5, 2020.
- c. On October 7, 2020, Respondent received an L3596 citation from the City of Morenci for repeated excessive marijuana odor complaints/violations.
- d. Respondent failed to notify the MRA of the citation in violation of Mich Admin Code R 420.802(3)(c).
- e. Respondent is subject to sanctions under Mich Admin Code R 420.806(2)(g).

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.

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

The formal complaint filed against the Respondent on November 18, 2020, is hereby WITHDRAWN and replaced in full by this superseding complaint.

Dated: 2/19/21

MARIJUANA REGULATORY AGENCY

By: **Claire Patterson**
Claire Patterson, Scientific and Legal Section Manager

Digitally signed by Claire Patterson
Date: 2021.02.19 13:34:14 -05'00'

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