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

In the Matter of

WPL Industries, LLC

ERG No.: 002387

License No.: GR-C-000570

ENF No.: 21-00003

CONSENT ORDER AND STIPULATION

CMP No.: 20-001266

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CONSENT ORDER

On March 24, 2021, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the medical marijuana grower class C facility license (GR-C-000570) of WPL Industries, LLC ("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 420.108(2), and R 420.602(2)(i).

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 420.108(2), and R 420.602(2)(i).

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 "21-00003" clearly displayed on the check or money order. Respondent

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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

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.
- 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.
- 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: 9/17/21	By:	Andrew Brisbo Digitally signed by: Andrew Brisbo DN: CN = Andrew Brisbo Andrew Brisbo Andrew Brisbo Andrew Brisbo Dn: CN = Andrew Brisbo Andrew Brisbo Dn: CN = Andrew
		Andrew Brisbo, Executive Director Marijuana Regulatory Agency

<u>STIPULATION</u>

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 hired a professional compliance officer (CO) who was tasked with assisting them in ensuring and maintaining compliance immediately after licensure.
 - b. Respondent's CO was responsible for submitting the completed paperwork to withdraw the registration for the owner/employee.
 - c. The CO submitted the paperwork but did not include a copy of the driver license as required by the MMMP to withdraw the registration.
 - d. As soon as Respondent received the return letter from the MMMP, the owner, himself, submitted the corrected paperwork to have the registration withdrawn.
 - e. Respondent's CO was also responsible for incoming inventory.
 - f. Respondent relied upon the representations from the CO and the guide from the Statewide monitoring system that she produced as evidence that it was acceptable to bring in mature plants as beginning inventory.
 - g. Respondent has destroyed all of the plants there were improperly brought in as beginning inventory.
 - h. Respondent fired the CO after learning of these matters during the inspection.
 - Respondent provided updated standard operating procedures for intake of marijuana plants and for removal of caregiver status for employees.
 - j. Respondent has hired a new compliance manager.
 - k. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

- Respondent has been licensed as a medical marijuana grower class C since 2020 and has no prior discipline against its license.
- 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

Digitâlly signed by: Julie Kluytman

DN; CN = Julie Kluytman email =

Kluytmanj@michigan.gov C = US O =

Marijuana Regulatory Agency

Date: 2021 0.9.17 12:16:42 -0.400'

Julie Kluytman, Director Enforcement Division Marijuana Regulatory Agency

Dated: 9/17/21

AGREED TO BY:

Brad Jensen, Authorized Officer On behalf of Respondent WPL Industries, LLC

Dated: 9 14 202

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

In the Matter of

WPL Industries, LLC CMP No.: 20-001266

ERG No.: 002387

License No.: GR-C-000570

ENF No.: 21-00003

FORMAL COMPLAINT

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

WPL Industries, 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 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.

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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 class C grower facility in the state of Michigan.

6. Respondent operated at 1201 Beech Street, Adrian, Michigan, 49221, 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 November 14, 2020, Respondent brought in 44 mature (32" – 48" in height)

marijuana plants into its facility from a registered primary caregiver.

b. Respondent's conduct violated Mich Admin Code, R 420.108(2) which only allows

a medical marihuana grower to obtain seeds, seedlings, or tissue cultures from a

registered primary caregiver, not mature marijuana plants.

c. On December 1, 2020, during an inspection by the MRA, it was determined that

Respondent employed an individual who was still registered with the Michigan

Medical Marihuana Program as a registered primary caregiver, and still had plants

associated with their registered primary caregiver license in violation of Mich

Admin Code, R 420.602(2)(i) which prohibits Respondent from employing an

individual who has not withdrawn their registration as a registered primary

caregiver.

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

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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 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: 3/23/21

MARIJUANA REGULATORY AGENCY

Claire

Digitally signed by Claire Patterson

By: Patterson

Date: 2021.03.23 16:43:42 -04'00'

Claire Patterson, Scientific and Legal Section Manager

Enforcement Division

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