

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

In the Matter of

East Coastline, LLC
ERG No.: 002248
License No.: PC-000481
ENF No.: 20-00214

CMP No.: 20-001118

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 17, 2021, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the medical marijuana provisioning center facility license PC-000481 of East Coastline, LLC (“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 420.203(2)(e), R 420.206(9), R 420.209(2), R 420.209(3), R 420.602(2)(h), R 420.602(5), and R 420.602(7).

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 420.203(2)(e), R 420.206(9), R 420.209(2), R 420.209(3), R 420.602(2)(h), R 420.602(5), and R 420.602(7).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of Five Thousand and 00/100 dollars (\$5,000). This fine shall be paid within 30 days of the effective date of this 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.

by check or money order made payable to the State of Michigan with enforcement number "20-00214" 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. 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 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: 1/14/22

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: 2022.01.14 10:35:19 -0500

Andrew Brisbo, Executive Director
Marijuana Regulatory Agency

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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. The violations listed in the formal complaint took place during the course of only one day.
 - b. Based upon information provided by Respondent, it appears that these violations are not likely to occur again.
 - c. Respondent reviewed policies and procedures with its employees.
 - d. Respondent implemented the use of signs and morning meetings to remind its employees of pertinent compliance information.
 - e. Respondent has in place procedures related to non-customer visitors, checking in patients, and visiting guests.
 - f. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - g. Respondent has been licensed as a provisioning center 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.

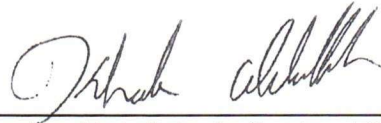
AGREED TO BY:

Julie Kluytman Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email =
kluytmanj@michigan.gov C = US O =
Marijuana Regulatory Agency
Date: 2022.01.14 10:15:49 -05'00'

Julie Kluytman, Director
Enforcement Division
Marijuana Regulatory Agency

Dated: 1/14/22

AGREED TO BY:



Khoder Abdallah, Authorized Officer
On behalf of Respondent
East Coastline, LLC

Dated: 01/07/2022



Rob Nederhood P#70028
Attorney for Respondent

Dated: 01/07/2022

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_____/

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against East Coastline, LLC (“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 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.

3. 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

4. Respondent holds an active state operating license under the MMFLA to operate a medical marihuana provisioning center in the state of Michigan.

5. Respondent operated at 1760 Plymouth Rd., Ann Arbor, Michigan, 48105, at all times relevant to this complaint.

6. Following an investigation, the MRA determined that on October 19, 2020, Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

- a. Respondent had at its facility numerous visitors, unescorted by employees of the licensee freely flowing from the unlocked room where products are stored and access should be limited or restricted. Respondent's failure to escort visitors in the marihuana business's restricted and limited access areas was in violation of Mich Admin Code, R 420.203(2)(e).
- b. Respondent allowed visitors and customers into the product room where marijuana products are sold. Those marihuana products were not kept behind a counter or barrier, allowing direct access in violation of Mich Admin Code, R 420.206(9).
- c. Respondent allowed visitors into the marijuana product room and thus allowed nonemployees in restricted access areas of the marihuana business, in violation of Mich Admin Code, R 420.209(2).
- d. The interior doors to restricted access areas were not locked, as evidenced by visitors freely entering the marijuana product room, in violation of Mich Admin Code, R 420.209(3).
- e. By opening, smelling, and passing around product, Respondent's employees handled marihuana products in a manner not compliant with current good manufacturing practice in manufacturing, packing, or holding human food in violation of Mich Admin Code, R 420.602(2)(h).
- f. By consuming a beverage in the point-of-sale area which is where marijuana product is stored, Respondent violated Mich Admin Code, R 420.602(5).

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- g. Respondent allowed several visitors between 10:00-11:00am in the provisioning center without logging them in as visitors in violation of Mich Admin Code, 420.602(7).

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 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: 3/11/2021

MARIJUANA REGULATORY AGENCY

By: **Claire Patterson** Digitally signed by Claire Patterson
Date: 2021.03.11 16:11:43 -05'00'

Claire Patterson, Scientific and Legal Section Manager
Enforcement Division

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