

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

In the Matter of

Precision Safety Innovation Laboratories, LLC
License No.: SC-000005

ENF No.: 21-00203

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On August 10, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana safety compliance facility license (SC-000005) of Precision Safety Innovation Laboratories, 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 420.211(1) and R 420.211(6).

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 some of the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.211(1).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of four thousand and 00/100 dollars (\$4,000.00). This fine shall be paid within 90 days of the effective date of this order by check, money order, or online through Accela Citizen Access (ACA). Instructions on how to make online payments can be found under the Tips for Licensees bulletin section at www.michigan.gov/cra. Check or money orders shall be made payable to the State of Michigan with enforcement number “21-00203” and license number “SC-000005” clearly displayed on the check or

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money order. Respondent shall mail the fine to Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, PO BOX 30205, Lansing, Michigan 48909.

2. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.
3. The alleged violation of Mich Admin Code, R 420.211(6) is DISMISSED.
4. Unless otherwise specified in this order, Respondent shall direct any communications to the CRA that are required by the terms of this order to CRA-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, 420.808.
7. Upon timely compliance of the terms of this order 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 30 days after the date signed by the CRA's executive director or his designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: 1/9/2023

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O = CRA
OU = CRA
Date: 2023.01.09 13:42:12 -05'00'

Brian Hanna, Executive Director
and/or his designee
Cannabis 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 CRA 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 provided certificates confirming its facilities manager, completed a Department of Transportation course on ground shipping safety and a Resource Conservation and Recovery Act training on best practices for waste management.
 - b. Respondent provided training records indicating retraining on best practices for waste disposal for two of its laboratory-technicians employees.
 - c. Respondent provided updated standard operating procedures for lab waste disposal.
 - d. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - e. Respondent has been licensed as a safety compliance facility since 2018 and has no prior discipline against its license.
 - f. There was not enough evidence to substantiate a violation for Mich Admin Code, R 420.211(6).

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4. The CRA's enforcement division director or his/her designee must approve this proposed agreement before it is forwarded to the CRA'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 CRA'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:

Desmond Mitchell

Digitally signed by Desmond Mitchell
Date: 2023.01.06 06:44:31 -05'00'

Desmond Mitchell, Operations Director
and/or his designee
Cannabis Regulatory Agency

Dated: 1/6/2023

AGREED TO BY:



Benjamin Rosman, Authorized
Officer
on behalf of Respondent
Precision Safety Innovation
Laboratories, LLC

Dated: 1/4/2023



Matthew R. Daniels (P75601)
Attorney for Respondent

Dated: 1-4-2023

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

In the Matter of

Precision Safety Innovation Laboratories, LLC
ERG No.: 000466
License No.: SC-000005
ENF No.: 21-00203

CMP No.: 21-000446

_____/

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Precision Safety Innovation Laboratories, 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 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 marijuana facility operations.

4. 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

5. Respondent holds an active state operating license under the MMFLA to operate a medical marihuana safety compliance facility in the state of Michigan.

6. Respondent operated at 3970 Varsity Drive, Ann Arbor, Michigan, 48108 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 February 24, 2021, Respondent sent two 55-gallon metal containers of waste to a recycling facility in East Chicago, Indiana.
- b. The manifest for the transfer indicates that the waste was flammable liquids/lab solvents and/or lab solvents in vials.
- c. Once the barrels were received by the recycling facility, and opened it was obvious that the barrels contained marijuana and marijuana products in their original form.
- d. Respondent did not render this waste into an unusable and unrecognizable form or incorporate it with non-consumable solid waste in violation of Mich Admin Code, R 420.211(1).
- e. Respondent also did not dispose of the marijuana waste using one of the approved methods as required by Mich Admin Code, R 420.211(6).

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 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

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 at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: 8/10/21

MARIJUANA REGULATORY AGENCY

By: **Claire
Patterson**

Digitally signed by Claire
Patterson
Date: 2021.08.10
09:48:57 -04'00'

**Claire Patterson, Scientific and Legal Section Manager
Enforcement Division**

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