

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

In the Matter of

Fluresh, LLC
License No.: AU-P-000124

ENF No.: 21-00159

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On August 24, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana processor establishment license (AU-P-000124) of Fluresh, LLC ("Respondent") under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated Mich Admin Code, R 420.212(1), R 420.305(9)(h), R 420.403(1), R 420.403(3), R 420.502(1), and R 420.504(1).

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 all of the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.212(1), R 420.305(9)(h), R 420.403(1), R 420.403(3), R 420.502(1), and R 420.504(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 30 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-

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00159” and license number “AU-P-000124” clearly displayed on the check or 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. 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.
4. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
5. Respondent shall provide an updated standard operating procedure for labeling and preparing manifests within 30 days of the effective date of this 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 7(1)(c) of the MRTMA, MCL 333.27957, 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.

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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: 7/17/2023

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O = CRA OU =
CRA
Date: 2023.07.17 13:39:14 -04'00'

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

STIPULATION

The parties stipulate to the following:

1. Respondent does not contest the allegations of fact and law in the formal complaint. By pleading no contest, Respondent does not admit the truth of the allegations but agrees that the CRA's executive director or designee may enter an order treating the allegations as true for purposes of resolving the formal complaint.
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 CRA to prove the violations set forth in the formal complaint by presentation of evidence and legal authority, and to present a defense to the violations.
3. The parties considered the following in reaching this agreement:
 - a. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

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- b. Respondent has been licensed as a processor since 2020 and has no prior discipline against its license.
4. The CRA's operations director or his 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 operations 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: 2023.07.05
16:46:00 -04'00'

Desmond Mitchell, Operations Director
or his designee
Cannabis Regulatory Agency

Dated: 7/5/2023

AGREED TO BY:

DocuSigned by:

Brandon Kanitz

CA906665DFB54AA...

Brandon Kanitz, Authorized Officer
on behalf of Respondent
Fluresh, LLC

Dated: 6/28/2023

[Signature]
John Janiszewski, P74400
Attorney for Respondent

Dated: 06/29/23

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

In the Matter of

Fluresh, LLC
AU-ER No.: 000357
License No.: AU-P-000124
ENF No.: 21-00159

CMP No.: 21-000233

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Fluresh, 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 Rule promulgated thereunder, take disciplinary action to prevent such violations, and impose fines and other sanctions against applicants and licensees that violate the MRTMA or Administrative 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 processor establishment in the state of Michigan.

5. Respondent operated at 1751 W Beecher St., Adrian, Michigan 49221, 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 February 3, 2021, Respondent transferred marijuana-infused product that was labeled incorrectly to an adult-use retail establishment.
- b. The product was labeled with statewide monitoring system (METRC) tag #1A4050100006147000003226. However, the manifest was labeled with METRC tag #1A405030000**9791**000003356.
- c. To correct the labeling issue, Respondent sent a new product label with METRC tag #1A405010000**614**7000003356, which also did not match the METRC tag # on the manifest listed above.
- d. Respondent transferred marijuana-infused product that was improperly labeled with an incorrect METRC tag # in violation of Mich Admin Code, R 420.403(1), which states a producer shall package and properly label marihuana-infused products before sale or transfer.
- e. Respondent's transfer of marihuana-infused product to an adult use-marijuana retailer with an incorrect METRC tag # is also a violation of Mich Admin Code, R 420.502(1) & R 420.212(1), which state all marihuana products sold or transferred between marihuana businesses must have the tracking identification numbers that are assigned by the statewide monitoring system affixed, tagged, or labeled and recorded and all marihuana products must be identified and tracked consistently in the statewide monitoring system.

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- f. Respondent also labeled the adult-use marijuana-infused product with “Total Active THC” instead of “Delta-9-THC” in violation of Mich Admin Code, R 420.305(9)(h), which states for marihuana infused products potency must be reported as Delta-9-THC and CBD in milligrams (mg) per serving under MRTMA and in milligrams (mg) per does under MMFLA.
- g. Additionally, Respondent’s improper labeling of “Total Active THC” is a violation of Mich Admin Code, R 420.403(3), which states a producer of marihuana-infused products shall list and record the THC concentration and CBD concentration of marihuana-infused products, as provided in Rule 420.305 and subrule (4) of this rule, in the statewide monitoring system and indicate the THC concentration and CBD concentration on the label along with the tag identification as required under these rules.
- h. Lastly, Respondent transferred marijuana-infused product that had an incorrect METRC tag # and THC label on the product to an adult-use marijuana retailer in violation of Mich Admin Code, R. 420.504(1), which states before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information: (a) The name and the state license number of the producer, including business or trade name, and tag and source number as assigned by the statewide monitoring system (g) Concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.

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

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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 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: 8/24/21

MARIJUANA REGULATORY AGENCY

By: Claire Patterson Digitally signed by Claire Patterson
Date: 2021.08.24 15:07:36 -04'00'
Claire Patterson, Scientific and Legal Section Manager

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