

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

In the Matter of

PEGASUS GREEN, LLC
License No.: GR-C-000474

ENF No.: 21-00444

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On October 27, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana grow establishment license (GR-C-000474) of Pegasus Green, 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 420.303(4).

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 420.303(4).

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 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 "21-00444" and license number "GR-C-000474" clearly displayed on

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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. 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 420.808.
6. 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 30 days after the date signed by the CRA's executive director or his designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: 07/20/2023

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O =
CRA OU = CRA
Date: 2023.07.20 15:00:27 -04'00'

Brian Hanna, Executive Director
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 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. The non-compliant package was not released for sale or consumption.
 - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - c. Respondent was licensed as a medical marijuana grower from 2020 to 2022 and had no other discipline against its license at the time of this violation.
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.

CONTINUED ON NEXT PAGE

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: 2023.07.19
09:58:08 -04'00'

Desmond Mitchell, Operations Director
or his designee
Cannabis Regulatory Agency

AGREED TO BY:

Andrea Desiderio

Andrea Desiderio, Managing Member
on behalf of Respondent
Pegasus Green, LLC

Dated: 07/19/2023

Dated: 07/18/2023

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

In the Matter of

Pegasus Green, LLC
ERG No.: 002118
License No.: GR-C-000474
ENF No.: 21-00444

CMP No.: 21-001225

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Pegasus Green, 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 marijuana Class C grower facility in the state of Michigan.

6. Respondent operated at 4100 Ann Arbor Rd., Jackson, Michigan 49202, 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 September 1, 2021, the MRA was notified that Respondent created statewide monitoring system (METRC) package tag number 1A4050100012C65000001000 (tag #1000) by combining two different source harvest batch tag numbers 1A4050100012C65000000140 and 1A4050100012C65000000999 (tag #0140 and tag #0999, respectively).
- b. Neither tag #0140 nor tag #0999 were safety compliance tested prior to being combined to create tag #1000.
- c. The created tag #1000 was submitted for safety compliance testing after its creation from source harvest batch tag #0140 and tag #0999 in violation of R 420.303(4), which states after a tagged plant is harvested, it is part of a harvest batch so that a sample of the harvest batch can be tested by a licensed laboratory as provided in R 420.304 and R 420.305. A cultivator shall quarantine a harvest batch from other plants or batches that have test results pending. A harvest batch must be easily distinguishable from other harvest batches until the batch is broken down into packages.

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

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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

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: 10/27/21

By: **Claire Patterson** Digitally signed by Claire
Patterson
Date: 2021.10.27 07:41:35 -04'00'
Claire Patterson, Manager
Scientific and Legal Section Manager
Enforcement Division
Marijuana Regulatory Agency

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