

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

In the Matter of

BRT CAPITAL 1, LLC
dba Joyology of Centerline
License No.: PC-000542

ENF No.: 21-00312

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On October 21, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana provisioning center license (PC-000542) of BRT Capital 1, LLC dba Joyology of Centerline (“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 420.111(4)(b), R 420.212(1), R 420.502(1), R 420.505(2), and R 420.507(2).

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 420.111(4)(b), R 420.212(1), R 420.502(1), R 420.505(2), and R 420.507(2).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of thirty thousand and 00/100 dollars (\$30,000). 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

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number "21-00312" and license number "PC-000542" 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.

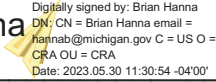
2. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.
3. Unless otherwise specified in this order, Respondent shall direct any communications to the CRA that are required by the terms of this order to CRA-LegalHearings@michigan.gov.
4. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
5. 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 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: 05/30/2023

By: Brian Hanna



Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
haninab@michigan.gov C = US O =
CRA OU = CRA
Date: 2023.05.30 11:30:54 -04'00'

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 stated it has since implemented a new centralized point-of-sale system that pulls product names directly from Metrc.
 - b. Respondent provided an updated standard operating procedure that prohibits staff from subsequently changing product names on its point-of-sale system.
 - c. Respondent stated its point-of-sale system was not configured correctly, and inventory changes at one of Respondent's other locations was reflected in the inventory for this location.
 - d. Respondent stated it has since terminated two prior inventory managers, and hired a new inventory management team with a lead that coordinates and approves inventories for all locations on its new centralized system.
 - e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
4. The CRA's enforcement division director or her designee must approve this proposed agreement before it is forwarded to the CRA's executive director or

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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

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Desmond Mitchell
Date: 2023.05.25
07:33:45 -04'00'

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

Dated: 05/25/2023

AGREED TO BY:

DocuSigned by:

Nidhal Zeer

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Nidhal Zeer, Managing Member
on behalf of Respondent
BRT Capital 1, LLC

Dated: 5/24/2023

DocuSigned by:

Seth Tompkins

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Seth Tompkins (P63249)
Attorney for Respondent

Dated: 5/24/2023

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

In the Matter of

BRT Capital 1, LLC dba Joyology of Centerline
ERG No.: 000959
License No.: PC-000542
ENF No.: 21-00312

CMP No.: 21-000737

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against BRT Capital 1, LLC dba Joyology of Centerline (“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 provisioning center facility in the state of Michigan.

6. Respondent operated at 26550 Liberal St., Centerline, Michigan 48015, 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 June 9, 2021, the MRA visited Respondents provisioning center facility to investigate a complaint that Respondent was changing the name and potency of marijuana strains that were not selling.
- b. A strain by the name of 'Grandpa's Stash #2' was listed in the statewide monitoring system (MetrC) under multiple tag numbers and quantities. Respondent could not locate the marijuana buds listed in the vault or on the sales floor.
- c. Respondent acknowledged that strain was changed to 'Super Skunk' because 'Grandpa's Stash #2' was not selling.
- d. Respondent is in violation of Mich Admin Codes, R 420.502(1) & R 420.505(2), which state all marijuana products sold or transferred between marijuana businesses must have the tracking identification numbers that are assigned by the statewide monitoring system affixed, tagged, or labeled and recorded, and any other information required by the agency, the acts, and these rules. And a marijuana sales location shall enter all transactions, current inventory, and other information required by these rules in the statewide monitoring system in compliance with the acts and these rules. The marijuana sales location shall maintain appropriate records of all sales

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or transfers under the acts and these rules and make them available to the agency upon request.

- e. Respondent is also in violation of Mich Admin Code, R 420.507(2), which states marihuana product must not be advertised in a way that is deceptive, false, or misleading. A person shall not make any deceptive, false, or misleading assertions or statements on any marihuana product, sign, or document provided.
- f. Respondent having marihuana products in the statewide monitoring system (Metrc) and not physically at the provisioning center facility is also a violation of Mich Admin Codes, R 420.111(4)(b) & R 420.212(1), which state a provisioning center shall enter all transactions, current inventory, and other information into the statewide monitoring system as required in the MMFLA, these rules and the marihuana tracking act. And all marihuana products must be stored at a marihuana business in a secured limited access area or restricted access area and must be identified and tracked consistently in the statewide monitoring system under these rules.

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.

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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:

October 21, 2021

By:

Claire Patterson	Digitally signed by Claire Patterson Date: 2021.10.21 16:08:18 -04'00'
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Claire Patterson, Manager
Scientific and Legal Section Manager
Enforcement Division
Marijuana Regulatory Agency