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

In the Matter of

BR Laboratory of Chesaning, LLC License No.: PR-000158

ENF No.: 22-00278

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CONSENT ORDER AND STIPULATION

CONSENT ORDER

On April 14, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana processor facility license (PR-000158) of BR Laboratory of Chesaning, LLC ("Respondent") under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq*. and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated Section 701 of the MMFLA, MCL 333.27701.

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 Section 701 of the MMFLA, MCL 333.27701.

Accordingly, for these violations, IT IS ORDERED:

 Respondent must pay a fine in the amount of ten thousand and 00/100 dollars (\$10,000.00). 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 <u>www.michigan.gov/cra</u>. Check or money orders shall be made payable to the State of Michigan with enforcement number "22-00278" and license number "PR-000158" 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.

- If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.
- Unless otherwise specified in this order, Respondent shall direct any communications to the CRA that are required by the terms of this order to <u>CRA-LegalHearings@michigan.gov</u>.
- 4. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
- 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 Codes, R 420.808.
- 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: _____

By:

Brian Hanna Digitally signed by: Brian Hanna Div: CN = Brian Hanna email = hannab@michigan.gov C = US O = CRA OU = CRA Date: 2023.09.08 16:38:21 -04'00'

Brian Hanna, Executive Director and/or his designee Cannabis Regulatory Agency

STIPULATION

The parties stipulate to the following:

- 1. The facts alleged in the formal complaint are true and constitute a violation of the MMFLA.
- 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. Respondent submitted the Annual Financial Statement on March 31, 2022.
 - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - c. Respondent has been licensed as a processor since 2020 and has no prior discipline against its license.
- 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: 2023.07.06 08:40:09 -04'00'

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

7/6/2023 Dated: AGREED TO BY:

John Faylor

John Taylor, Authorized Officer on behalf of Respondent BR Laboratory of Chesaning, LLC

Dated: Jun 09 2023 14:02 PDT

Goatt F. Roberts

Scott Roberts, P# 74324 Attorney for Respondent

Dated: Jun 08 2023 10:56 PDT

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

In the Matter of

BR Laboratory of Chesaning, LLC ERG No.: 002322 License No.: PR-000158 CMP No.: 22-000652 ENF No.: 22-00278

FORMAL COMPLAINT

The Cannabis Regulatory Agency ("Complainant") files this formal complaint against BR Laboratory of Chesaning, LLC ("Respondent") alleging upon information and belief as follows:

1. The Cannabis Regulatory Agency (CRA) 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. Respondent, under section 701 of the MMFLA (MCL 333.27701) is required to transmit to the CRA a financial statement of the licensee's total operations by 30 days after the end of each state fiscal year.

3. Respondent's annual financial statement for fiscal year 2021 was due on or before January 31, 2022.

4. Respondent filed its annual financial statement for FY 2021 on March 31, 2022, 59 days after the above-referenced deadline.

5. Respondent's failure to timely file the required Annual Financial Statement is in violation of Section 701 of the MMFLA, MCL 333.27701.

THEREFORE, based on the above, the CRA 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.

A licensee aggrieved by an action of the CRA suspending, revoking, restricting, or refusing to renew a license, or imposing a fine, shall be given a hearing upon request. See MCL 333.27407(4); Mich Admin Code, R 420.704(3) and R 420.808(2)(b). A request for a hearing must be submitted to the CRA in writing within 21 days after service of this complaint. Mich Admin Code, R 420.704(2) and R 420.808(3). Notice served by certified mail is considered complete on the business day following the date of the mailing. MCL 333.27407(4).

Respondent also may be given an opportunity to meet with the CRA to negotiate a settlement or demonstrate compliance with the MMFLA and administrative rules prior to a contested case hearing. Mich Admin Code, R 420.704(1) and R 420.808(2)(a). A request for a compliance conference must be submitted to the CRA in writing within 21 days after service of this complaint. Mich Admin Code, R 420.808(3).

Hearing and compliance conference requests must be submitted in writing by one of the following methods:

By Mail:	Department of Licensing & Regulatory Affairs Cannabis Regulatory Agency
	P.O. Box 30205
	Lansing, Michigan 48909

In Person: Department of Licensing & Regulatory Affairs Cannabis Regulatory Agency 2407 North Grand River

Lansing, Michigan 48906

By Email: CRA-LegalHearings@michigan.gov

If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter. Mich Admin Code, R 420.808(3).

Questions about this complaint should be directed to the Cannabis Regulatory Agency at (517) 284-8599 or <u>CRA-LegalHearings@michigan.gov</u>.

Dated: 4/14/2022

CANNABIS REGULATORY AGENCY



Alyssa A. Grissom, Legal Section Manager Enforcement Division Cannabis Regulatory Agency