

R 420.504 STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY

In the Matter of

MARIOGIBSON, LLC
dba The Flower Bowl
License No.: AU-R-000108

ENF No.: 22-00324

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On June 1, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult use marijuana retail establishment license (AU-R-000108) of Mariogibson, LLC dba The Flower Bowl (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 420.104(3)(b), R 420.212(1), R 420.504(1)(a), R 420.504(1)(b), R 420.504(1)(c), R 420.504(1)(f), R 420.504(g), R 420.504(1)(h), R 420.504(1)(j)(i), R 420.504(1)(j)(ii), R 420.504(1)(j)(iv), R 420.504(1)(j)(v), R 420.505(1)(f), and R 420.505(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 420.104(3)(b), R 420.212(1), R 420.504(1)(a), R 420.504(1)(b), R 420.504(1)(c), R 420.504(1)(f), R 420.504(g), R 420.504(1)(h), R 420.504(1)(j)(i), R 420.504(1)(j)(ii), R 420.504(1)(j)(iv), R 420.504(1)(j)(v), R 420.505(1)(f), and R 420.505(2).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of twenty-four thousand and 00/100 dollars (\$24,000). This fine shall be paid within 30 days of the effective

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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 “22-00324” and license number “AU-R-000108” 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. Within 30 days of the effective date of this order, Respondent will do the following:
 - a. Provide a written standard operating procedure (SOP) detailing all steps necessary for compliant package labeling and entering of product inventory in the statewide monitoring system (Metrc). Respondent must correct any deficiencies within 30 days of being notified of the deficiency.
 - b. Submit to an unannounced onsite audit by CRA staff regarding Respondent’s package labeling and related Metrc entries. Respondent must comply with the audit and correct any deficiencies within 30 days of being notified of the deficiency.
3. If Respondent fails to timely comply with the terms of this order, Respondent’s license shall be suspended until compliance is demonstrated.
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.

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6. If Respondent violates any term or condition set forth in this order, Respondent shall be subject to fines and/or other sanctions under section 7(1)(c) of the MRTMA, MCL 333.27957, and Mich Admin Code, R 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.

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Signed on: 08/30/2023

By: Brian Hanna
Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
bhanna@michigan.gov C = US O =
CRA OU = CRA
Date: 2023.08.30 16:07:11 -0400

Brian Hanna, Executive Director
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 administrative rules promulgated under the MRTMA.
2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MRTMA, the 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.

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3. The parties considered the following in reaching this agreement:
 - a. Respondent stated that its staff was not sufficiently trained in printing and checking product labels, but they have since been retrained.
 - b. Respondent provided an updated SOP requiring employees to verify products in Metrc before creating product labels, and requiring an inventory room manager and an operations manager to check the product labels before the products are moved to the sales floor.
 - c. The CRA did not find any evidence of inversion or diversion.
 - d. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

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: 2023.08.28
13:42:33 -04'00'

Desmond Mitchell, Operations Director
or his designee
Cannabis Regulatory Agency

AGREED TO BY:



Rif Namade-Moubarak, Managing Member
on behalf of Respondent
Mariogibson, LLC

Dated: 08/28/2023

Dated: 8/28/2023



Hassan Ali Zaarour (P83043)
Attorney for Respondent

Dated: 08-28-2023

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

In the Matter of

Mariogibson, LLC dba The Flower Bowl
License No.: AU-R-000108

ENF No: 22-00324

_____ /

FORMAL COMPLAINT

The Cannabis Regulatory Agency (“Complainant”) files this formal complaint against Mariogibson, LLC dba The Flower Bowl (“Respondent”) alleging upon information and belief as follows:

1. The Cannabis Regulatory Agency (CRA) 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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Executive Reorganization Order 2019-2 created the Marijuana Regulatory Agency (MRA) as a Type I agency within the Department of Licensing and Regulatory Affairs (LARA). MCL 333.27001(1)(a)(d). The MRA exercises its statutory powers, duties, and functions independent of LARA’s direction. MCL 16.103. The MRA became the Cannabis Regulatory Agency (CRA) on April 13, 2022.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

4. Respondent holds an active state license under the MRTMA to operate an adult use retailer establishment in the state of Michigan.

5. Respondent operated at 28661 Michigan Ave., Inkster, Michigan 48141, at all times relevant to this complaint.

6. Following an investigation, the CRA determined that Respondent violated the MRTMA and/or Administrative Rules promulgated thereunder as set forth below:

- a. On March 23, 2022, the CRA received a customer complaint that Respondent sold the customer moldy product.
- b. On April 1, 2022, the complainant provided the CRA with a photo of the purchased marijuana product, which read as GMO Cookies - METRC tag # A405030000ECB9000000310 (tag #0310) on the product label.
- c. The CRA observed the product label in the photo was missing the following information in violation of Mich Admin Code, R 420.504(1)(a), (b), (c), (f), (g), (h), (i), (j)(i), (ii), (iv), and (v):
 - i. The name and the state license number of the cultivator or producer, including business or trade name, and package tag as assigned by the statewide monitoring system.
 - ii. The name and the marijuana license number of the licensee that packaged the product, including business or trade name, if different from the producer of the marijuana product.
 - iii. Date of harvest, if applicable.
 - iv. Concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency

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testing along with a statement that the actual value may vary from the reported value by 10%.

- v. Activation time expressed in words or through a pictogram.
 - vi. Name of the laboratory that performed any passing compliance testing on the product in final form and any test analysis date.
 - vii. The universal symbol for marijuana product published on the agency's website.
 - viii. A warning that includes all the following statements:
 - 1. "It is illegal to drive a motor vehicle while under the influence of marijuana."
 - 2. "National Poison Control Center 1-800-222-1222."
 - 3. For all other products, "For use by individuals 21 years of age or older or registered qualifying patients only. Keep out of reach of children."
 - 4. In clearly legible type and surrounded by a continuous heavy line: "WARNING: USE BY PREGNANT OR BREASTFEEDING WOMEN, OR BY WOMEN PLANNING TO BECOME PREGNANT, MAY RESULT IN FETAL INJURY, PRETERM BIRTH, LOW BIRTH WEIGHT, OR DEVELOPMENTAL PROBLEMS FOR THE CHILD."
- d. Respondent is also in violation of Mich Admin Code, R 420.505(1)(f), which states a marijuana sales location shall verify all of the following prior to selling or transferring marijuana or a marijuana product to a marijuana customer: (f) The marijuana product is labeled and packaged for sale or transfer in accordance with R 420.504.
- e. On April 12, 2022, the CRA visited Respondent's establishment.

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- f. The CRA asked a manager at Respondent's establishment to look up tag #0310 in the statewide monitoring system (METRC).
- g. Respondent presented the information in METRC to the CRA.
- h. The CRA observed in METRC that the product associated with the METRC tag number in the photo (tag #0310) did not match the product associated with that tag number in METRC:
 - i. In the photo, tag #0310 was associated with GMO Cookies on the product label; however, in METRC, tag #0310 was associated with Do-Si-Do's Bud.
- i. Because tag #0310 was associated with GMO Cookies on the physical product label but associated with Do-Si-Do's Bud in the METRC system, Respondent's inventory was not accurately reflected in METRC in violation of Mich Admin Code, R 420.104(3)(b), which states a marihuana retailer shall comply with all of the following: (b) Accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.
- j. Respondent is in violation of Mich Admin Code, R 420.505(2), which states a marihuana sales location shall enter all transactions, current inventory, and other information required by these rules in the statewide monitoring system. The marihuana sales location shall maintain appropriate records of all sales or transfers under the acts and these rules and make them available to the agency upon request.
- k. Respondent is also in violation of Mich Admin Code, R 420.212(1), which states, in part, all marihuana products must be identified and tracked consistently in the statewide monitoring system under these rules.

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,

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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 CRA 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 CRA 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 MRTMA and/or the Emergency Rules. A compliance conference request must be submitted to the CRA 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
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

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hearing will be scheduled to resolve this matter.

Questions about this complaint should be directed to the Cannabis Regulatory Agency's legal section at (517) 284-8599 or CRA-LegalHearings@michigan.gov.

Dated: 6/1/22

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

Digitally signed by Alyssa A. Grissom
Date: 2022.06.01 16:49:23 -04'00'

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