

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS¹
CANNABIS REGULATORY AGENCY

In the Matter of

2540 RP, LLC, dba Liberty Cannabis
ERG No.: 000114
License No.: PC-000120
ENF No.: 20-00136

CMP No.: 20-001092

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On March 10, 2021, the Cannabis Regulatory Agency (CRA) issued a first superseding formal complaint (FSFC) against the medical marijuana provisioning center facility license (PC-000120) of 2540 RP, LLC, dba Liberty Cannabis (“Respondent”) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and the administrative rules promulgated thereunder. The FSFC alleged Respondent violated Mich Admin Code, R 420.111(1), 420.505(2), and 420.212(1).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the FSFC. Therefore, the executive director finds that the allegations contained in the FSFC are true and that Respondent violated Mich Admin Code, R 420.111(1), 420.505(2), and 420.212(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 or money order made payable to the State of Michigan with enforcement

¹ 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.

number “20-00136” 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 pay the fine, Respondent’s license shall be suspended until payment is received.
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 420.806.
6. Upon timely payment of the fine by Respondent the matters set forth in the FSFC shall be deemed resolved and closed subject to this Consent Order.

This order shall be effective on the date signed by the CRA’s executive director or his designee, as set forth below.

Signed on: 5/3/2022

By:

Andrew Brisbo Digitally signed by: Andrew Brisbo DN: CN = Andrew Brisbo email = brisboa@michigan.gov C = US O = Marijuana Regulatory Agency Date: 2022.05.03 15:50:03 -04'00'

Andrew Brisbo, Executive Director
Marijuana Regulatory Agency


STIPULATION

The parties stipulate to the following:

1. The facts alleged in the FSFC 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 FSFC 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 mistakenly was under the impression that if Metrc provides a “return to sender/shipper” option that the function was compliant with the administrative rules and permitted to be used for transferring product back to its original sender.
 - b. Respondent provided an updated standard operating procedure to prevent future noncompliant transfers.
 - c. Respondent provided proof of scale calibration dated April 11, 2022, to show its scales have been calibrated since the incident.
 - d. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - e. Respondent has been licensed as a provisioning center since 2018 and has had no prior discipline against its license.
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 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:

Julie Kluytman  Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email = Kluytmanj@michigan.gov C = US
O = Marijuana Regulation Agency
OU = Enforcement Division
Date: 2022.05.03 15:15:33 -04'00'

Julie Kluytman, Director
Enforcement Division
Cannabis Regulatory Agency

Dated:

AGREED TO BY:



Jamie Ware, Authorized Officer
On behalf of Respondent
2540 RP, LLC, dba Liberty
Cannabis

Dated: 4/25/2022



[John A. Janiszewski \(Apr 25, 2022 09:47 EDT\)](#)

John Janiszewski & P74400
Attorney for Respondent

Dated: 04/25/22

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

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FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against 2540 RP, LLC, dba Liberty Cannabis (“Respondent”) alleging upon information and belief as follows:

1. The Marijuana Regulatory Agency (MRA) is authorized under the Medical Marijuana 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 marijuana facility operations.
4. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marijuana facility operations.

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA

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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 marihuana provisioning center in the state of Michigan.

6. Respondent operated at 240 Rosa Park BLVD, Detroit, MI, 48216, 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 2, 2020, Respondent used a secure transporter to transfer marijuana product to a grower via statewide monitoring system (METRC) Manifest number 0000280964. Respondent's transfer to a grower rather than a sale or transfer of marijuana product to either a registered qualifying patient, registered caregiver, or a safety compliance facility is a violation of Mich Admin Code R 420.111(1).
- b. On September 2, 2020, Respondent transferred a large quantity of marijuana flower, METRC package tag number 1A4050010000251E000000311 (METRC package tag #00311), back to the grower from where it purchased the flower. Respondent purchased 5,250 grams but only 2,970 grams of flower was returned to the grower; 2,200 grams were missing.
- c. On October 22, 2020, it was determined that Respondent had the missing 2,200 grams at its facility although METRC only indicated 56 grams of the flower was in the facility's inventory. Respondent's failure to enter all transactions, current inventory, and other information required by the rules in METRC and maintain appropriate records of sales or transfers under the acts and these rules is a violation of Mich Admin Code R 420.505(2).

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.

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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.

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

If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter. The MRA reserves the right to review the formal complaint and amend it should this matter proceed to a contested case hearing.

Questions about this complaint should be directed to the Marijuana Regulatory Agency at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: November 17, 2020 _____

MARIJUANA REGULATORY AGENCY

By: **Claire Patterson** Digitally signed by: Claire Patterson
DN: CN = Claire Patterson email = PattersonC8@michigan.gov C
= US O = MRA OU = LARA
Date: 2020.11.17 10:45:07 -0500'

Claire Patterson, Scientific and Legal Section Manager
Enforcement Division

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