

STATE OF MICHIGAN  
DEPARTMENT OF REGULATORY AFFAIRS<sup>1</sup>  
MARIJUANA REGULATORY AGENCY

In the Matter of

420 Factory, LLC                      CMP No.: 20-000312  
ERG No.: 000647  
License No.: PC-000165  
ENF No.: 20-00041

/      CONSENT ORDER AND STIPULATION

CONSENT ORDER

On May 6, 2020, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the medical marijuana provisioning center facility license (PC-000165) of [420 Factory, 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 Mich Admin Code, R 333.233(5), R 333.236(2), R 333.273(1)(a)-(k).

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 333.233(5), R 333.236(2), R 333.273(1)(a)-(k).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of Three Thousand and 00/100 dollars (\$3,000.00). 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 number “20-00041” clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and Regulatory Affairs, Marijuana 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.

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<sup>1</sup> 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.

3. Unless otherwise specified in this order, Respondent shall direct any communications to the MRA that are required by the terms of this order to [MRA-LegalHearings@michigan.gov](mailto:MRA-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 333.219.

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

MARIJUANA REGULATORY AGENCY

Signed on: 8/20/20

By: Andrew Brisbo  
Andrew Brisbo, Executive Director  
Marijuana Regulatory Agency

Digitally signed by: Andrew Brisbo  
DN: CN = Andrew Brisbo email =  
brisboa@michigan.gov C = US O =  
MRA  
Date: 2020.08.20 11:36:34 -04'00'

## 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 MRA 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 provided updated Standard Operating Procedures, the details of which rectify the issues alleged in the formal complaint.
  - b. Respondent provided photographs of the changes in inventory intake to show that the updated Standard Operating Procedures are in force and operation.
  - c. The product at issue in the formal complaint was properly obtained caregiver inventory which Respondent can no longer obtain.
  - d. Respondent rectified the issues with the products alleged in the formal complaint within 2 hours of them being made aware of the issues.
  - e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
4. The MRA's enforcement division director on her designee must approve this proposed agreement before it is forwarded to the MRA'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 MRA'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:

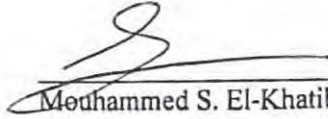
Claire  
Patterson

Digitally signed by: Claire Patterson  
DN: CN = Claire Patterson email =  
PattersonC8@michigan.gov C = US  
O = MRA OU = LARA  
Date: 2020.08.20 10:43:18 -0400'

Claire Patterson  
Scientific & Legal Section Manager  
Marijuana Regulatory Agency


Dated: 8/20/20

AGREED TO BY:



Mouhammed S. El-Khatib,  
Authorized Officer  
On behalf of Respondent  
420 Factory, LLC

Dated: 8/19/2020



Nicholas Castro, (P82858)  
Attorney for Respondent

Dated: 08-19-2020

MARIJUANA REGULATORY AGENCY  
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909  
[www.michigan.gov/MRA](http://www.michigan.gov/MRA)

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

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ENF No.: 20-00041

CMP No.: 20-000312

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FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against 420 Factory, LLC (“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.

## 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 7555 Greenfield Road, Detroit, Michigan 48228, Michigan, at all times relevant to this complaint.

7. Following an investigation on March 4, 2020, the MRA determined that Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

- a. Respondent had a small jar of flower identified as Cereal Milk on the sales floor that did not have a statewide monitoring system (METRC) tag affixed to it. Additionally, that strain name was not located in Respondent's METRC inventory. Respondent did not enter into METRC all transactions including, but not limited to, current inventory in violation of Mich Admin Code R 333.233(5).
- b. Respondent had a large bag of marihuana flower and large bag of kief (spelled as "keef" in investigation report) in its storage room that did not have a batch number or identification tag or label in violation of Mich Admin Code R 333.236(2).
- c. Respondent had marijuana products in its facility that failed to have a label containing the required information in violation of Mich Admin Code R 333.273(1)(a)-(k).
  1. Respondent had edible marijuana product, called "Russell Stoners," that did not contain the following required information on the label:
    - i. Net weight in United States customary and metric units.
    - ii. Concentration of THC and cannabidiol (CBD).
    - iii. Activation time expressed in words or through a pictogram.
    - iv. Name of the safety compliance facility that performed any test.
    - v. Any associated test batch number.
    - vi. And any test analysis date.

- vii. The universal symbol for marihuana product published on the department's website.
  - viii. For use by registered qualifying patient's only.
  - ix. Keep out of reach of children.
  - x. It is illegal to drive a motor vehicle while under the influence of marihuana.
  - xi. National poison control center 1-800-222-1222.
2. Respondent had a small jar of marihuana flower, identified as Cereal Milk, that did not contain the following information required on the label:
- i. Name of the licensee and the license number of the producer.
  - ii. Tag or source number as assigned by the statewide monitoring system.
  - iii. The name of the licensee and the license number including business or trade name of licensee that packaged the product, if different from the processor of the marihuana product.
  - iv. The unique identification number for the package or the harvest.
  - v. Date of harvest.
  - vi. Name of Strain.
  - vii. Net weight in United States customary and metric units.
  - viii. Concentration of THC and cannabidiol (CBD).
  - ix. Activation time expressed in words or through a pictogram.
  - x. Name of the safety compliance facility that performed any test.
  - xi. Any associated test batch number.
  - xii. And any test analysis date.
  - xiii. The universal symbol for marihuana product published on the department's website.
  - xiv. For use by registered qualifying patient's only.
  - xv. Keep out of reach of children.
  - xvi. It is illegal to drive a motor vehicle while under the influence of marihuana.

xvii. National poison control center 1-800-222-1222.

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 333.29494(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 333.294(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

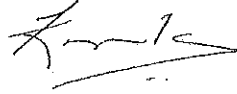
If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter. The MRA reserves the right to review the formal complaint and amend it should this matter proceed to a contested case hearing.

Questions about this complaint should be directed to the Marijuana Regulatory Agency's legal section at (517) 284-8599 or [MRA-LegalHearings@michigan.gov](mailto:MRA-LegalHearings@michigan.gov).



Dated: May 6, 2020

**MARIJUANA REGULATORY AGENCY**



By:

Kavita Kale, Enforcement Division Director

MARIJUANA REGULATORY AGENCY  
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909  
[www.michigan.gov/MRA](http://www.michigan.gov/MRA)

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**PROOF OF SERVICE**

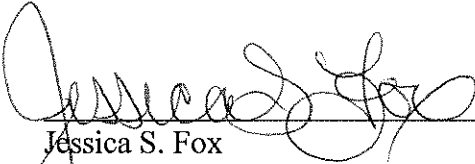
I hereby certify that on the date below, I mailed a copy of the Formal Complaint dated [DATE] in the above captioned case by certified mail (return receipt requested) to:

420 Factory, LLC  
7555 Greenfield Road  
Detroit, Michigan 48228

With a copy to:

Jacqueline Langwith  
Pollicella Tompkins, PLLC  
4312 East Grand River Avenue  
Howell, Michigan 48843

Dated: May 6, 2020

  
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Jessica S. Fox  
Departmental Analyst  
Marijuana Regulatory Agency  
Department of Licensing & Regulatory  
Affairs