STATE OF MICHIGAN DEPARTMENT OF REGULATORY AFFAIRS¹ MARIJUANA REGULATORY AGENCY

In the Matter of

DLG & Associates, LLC

ERG No.: 000775 ENF No.: 20-00231

2.11. [10.: 20-0025]

CONSENT ORDER AND STIPULATION

CMP No.: 20-001331

CONSENT ORDER

On December 28, 2020, the Marijuana Regulatory Agency (MRA) received information on DLG & Associates, LLC ("Respondent") who holds state operating license(s) under the Medical Marihuana Facilities Licensing Act (MMFLA).

Through the information provided and execution of this agreement, Respondent admits that it violated Section 701 of the MMFLA, MCL 333.27701.

The MRA is authorized under the 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.

Section 402(12) of the MMFLA provides that the expiration of a license does not terminate the MRA's authority to impose sanctions against the Respondent.

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.

MARIJUANA REGULATORY AGENCY 2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHGAN 48909 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.

Mich Admin Code R 420.805 and Mich Admin Code R 420.806 authorizes the MRA to impose sanctions against the respondent if it has been determined that the respondent violated the MMFLA and/or administrative rules promulgated thereunder.

The parties have stipulated that the MRA may enter this consent order for the purpose of resolving this matter without the filing of an administrative complaint against Respondent.

The MRA reviewed the stipulation contained in this document and agrees that the public interest is best served by resolution of this matter. Therefore, the MRA finds that the factual allegations and violations set forth in the stipulation 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 14 days of the effective date of this order by check or money order made payable to the State of Michigan with enforcement number "20-00231" 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 state operating license(s) shall be suspended until payment is received.
- 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.nov.

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: 8/23/21 By: ____

Andrew Brisbo DNCN = US O = Andriuana Regulatory Agency OU = Executive Director Dnte: 2021.08.23 07.03.54.04007

Andrew Brisbo, Executive Director Marijuana Regulatory Agency

STIPULATION

The parties stipulate to the following:

1. Respondent understands and agrees to return this signed stipulation within 7 days of

the date of receipt to confirm the terms of this agreement.

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 this disciplinary action by presentation of evidence and

legal authority, and to present a defense to the charges.

3. Respondent desires to resolve and settle all issues related to this matter, in lieu of

disputing the disciplinary action in a contested case hearing.

4. The MRA shall report this resolution as a disciplinary proceeding as required by state

or federal law. This consent order shall be subject to disclosure under the Michigan

Freedom of Information Act, MCL 15.231, et seq.

5. Respondent admits to the following factual allegations and violations:

a. Respondent did not file the required Annual Financial Statement(s) by the

deadline of October 31, 2020.

b. Respondent filed the required Annual Financial Statement(s) on December 10,

2020, 40 days after the due date.

6. 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

MARIJUANA REGULATORY AGENCY 2407 NORTH GRAND RIVER • P.O. BON 30205 • LANSING, MICHIGAN 48909 WWW.michigan.gov. MR V 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 DN; CN = Julie Kluytman email = Kluytman in DN; CN = Julie Kluytman email = Kluytmani@michigan.gov C = US O = Marijuan Regulatory Agency
Date: 2021.08.22 20:28:09 -04'00'

Julie Kluytman **Enforcement Division Director** Marijuana Regulatory Agency Dated: 8/22/21

AGREED TO BY:

(Printed Name) **Authorized Officer**

Signature)

On behalf of Respondent