

STATE OF MICHIGAN
DEPARTMENT OF REGULATORY AFFAIRS¹
MARIJUANA REGULATORY AGENCY

In the Matter of

Green Bean East, Inc. dba Green Galaxy Meds, Inc.
ERG No.: 001179
License No.: PC-000122
ENF No.: 20-00007 and 20-00077

CMP No.: 19-000868 and 20-000746

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On September 2, 2020, the Marijuana Regulatory Agency (MRA) issued a first superseding formal complaint against the medical marijuana provisioning facility license (PC-000122) of Green Bean East, Inc. dba Green Galaxy Meds, Inc. (“Respondent”) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and the administrative rules promulgated thereunder. The first superseding formal complaint alleged Respondent violated Mich Admin Code, R 333.233(5), R 333.238(1), R 333.274(3), and R 333.245(10)(a).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the first superseding formal complaint. Therefore, the executive director finds that the allegations contained in the first superseding formal complaint are true and that Respondent violated Mich Admin Code, R 333.233(5), R 333.238(1), R 333.274(3), and R 333.245(10)(a).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of eighteen thousand five hundred and 00/100 dollars (\$18,500.00). This fine shall be paid within 90 days of the effective date of this order by check or money order made payable to the State of Michigan with enforcement numbers “20-00007 and 20-00077” 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.

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.

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2. If Respondent fails to timely pay the fine, Respondent's license shall be suspended until payment is received.
3. Within 60 days of the effective date of this order, Respondent shall provide proof of completion, for all staff, of METRC training. Respondent shall submit proof of METRC training completion to MRA-LegalHearings@michigan.gov.
4. 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.
5. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
6. 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.
7. Upon timely payment of the fine by Respondent, the matters set forth in the first superseding formal complaint shall be deemed resolved and closed subject to this Consent Order.

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: 12/17/2020

By: Andrew Brisbo
Digitally signed by Andrew Brisbo
 DN: cn = Andrew Brisbo, email = a.brisbo@michigan.gov, c = US
 O = MRA
 Date: 2020.12.17 09:48:37 -0500
 Andrew Brisbo, Executive Director
 Marijuana Regulatory Agency

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STIPULATION

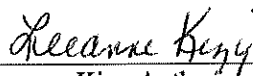
The parties stipulate to the following:

1. The facts alleged in the first superseding 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 first superseding 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 alleged the marijuana products intended for inhalation (vape carts) discovered at an unlicensed facility was possibly the actions of an employee that was terminated.
 - b. Respondent had the marijuana product intended for inhalation (vape carts) at issue tested for Vitamin E Acetate, and the vape carts results were negative for the target analyte.
 - c. Respondent averred that it believed that the vape carts in question did not need to be tested, as they were believed to be CBD only products, which would not be required to be tested under the administrative rules.
 - d. Respondent provided documentation of new policies and procedures to address the inventory concerns found in this matter.
 - 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 or 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.

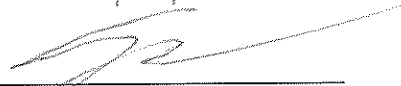
By signing this stipulation, the parties confirm that they have read, understand, and agree with the terms of the consent order.

AGREED TO BY:
Julie Kluytman
Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email =
kluytmanj@michigan.gov C = AD
Date: 2020.12.16 15:37:47 -0500
Julie Kluytman, Director
Enforcement Division
Marijuana Regulatory Agency

Dated: _____

AGREED TO BY:

Leeann Kizy Authorized Officer
On behalf of Respondent
Green Bean East, Inc. dba Green
Galaxy Meds, Inc.

Dated: 12/4/2020


Steven T. Kiouisis P 46573
Attorney for Respondent

Dated: 12/4/2020

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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MARIJUANA REGULATORY AGENCY

In the Matter of

Green Bean East, Inc. dba Green Galaxy Meds, Inc. CMP No.: 19-000868 and 20-000746
ERG No.: 001179
License No.: PC-000122
ENF No.: 20-00007 and 20-00077

_____ /

FIRST SUPERSEDING FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this first superseding formal complaint against Green Bean East, Inc. dba Green Galaxy Meds, Inc. (“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 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 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.

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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 408 South Center Rd, Flint, Michigan, 48506 at all times relevant to this complaint.

7. Following an investigation, December 18, 2019, the MRA determined that Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

- a. Respondent had Platinum Vape marijuana products with its statewide monitoring system (METRC) tags at an unlicensed/denied applicant's facility. Some of the METRC transfer batch tag numbers found at the unlicensed/denied applicant's facility include, but are not limited to, 1A4050100000900000018800 (tag #18800); 1A4050100000900000018799 (tag #18799); 1A4050100000900000016830 (tag #16830); 1A4050100000900000008210 (tag #8210); 1A4050100000900000016831 (tag #16831); and 1A4050100000900000016113 (tag #16113). Respondent's physical inventory had seven individual product types missing 130 vape cartridges when compared in METRC. Respondent's failure to enter all transactions, including, but not limited to current inventory, is in violation of Mich Admin Code R 333.233 (5).
- b. Respondent had 130 marijuana vape cartridges in its METRC inventory that were not located in a secured limited access or restricted access area within its facility. Further, 25 marijuana Platinum Vape products that had Respondent's METRC tag numbers were present at an unlicensed/denied applicant's facility. Respondent's failure to have all inventories of marihuana products stored at its marihuana facility in a secured limited access area or restricted access area and identified and tracked consistently in the METRC, is in violation of Mich Admin Code R 333.238(1).
- c. Respondent's inventory and transaction records in the METRC were inaccurate as marijuana vape cartridges were being sold or transferred outside of METRC.

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Respondent's failure to enter all transactions, current inventory, and other information required by the rules in the statewide monitoring system in compliance with the act, as well as to maintain appropriate records of all sales or transfers under the act, is in violation of Mich Admin Code R 333.274 (3).

8. Following an investigation, June 19, 2020, the MRA determined that Respondent violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

- a. On August 28, 2019, Respondent received at its facility marijuana product intended for inhalation, 1g – Platinum Vapes– Berry Gelato 1:1 Cart (vape carts), package tag 1A4050100000900000018800 (tag #18800).
- b. Respondent made sales out of package tag #18800 from August 28, 2019 through November 3, 2019. At no time was package tag #18800 sampled or its source package (tag 1A4050100000900000010963) tested for vitamin E acetate.
- c. On December 7, 2019, Respondent used 51 eaches from package tag #18800 to create package tag 1A4050100001839000000477 (tag #00477).
- d. From January 3, 2020 through June 1, 2020, Respondent made 14 sales out of package tag #00477, selling 28 vape carts.
- e. Respondent did not sample package tag #00477, and its source package did not receive testing for vitamin E acetate.
- f. Based on the above, Respondent sold marihuana products intended for inhalation without receiving passing test results for target analytes in violation of Rule (3)(1)(a) of the Emergency Rules for Testing Marihuana Products Intended for Inhalation and prior to the item having passing test results in METRC in violation of Mich Admin Code R 333.245(10)(a).

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

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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 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.

The formal complaint filed against the Respondent March 13, 2020, is hereby WITHDRAWN and replaced in full by this superseding complaint.

Dated: 8/27/20

MARIJUANA REGULATORY AGENCY

Claire Patterson

Digitally signed by: Claire Patterson
DN: CN = Claire Patterson email =
PattersonC8@michigan.gov C = US O =
MRA OU = LARA
Date: 2020.08.27 07:27:13 -04'00'

By: _____
Claire Patterson, Scientific and Legal Section Manager

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