

STATE OF MICHIGAN
DEPARTMENT OF REGULATORY AFFAIRS¹
MARIJUANA REGULATORY AGENCY

In the Matter of

Green Peak Innovations, LLC dba Skymint
ERG No.: 000116
License No.: PC-000373
ENF Nos.: 20-00088 & 20-00109

CMP Nos.: 20-000680 & 20-000903

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On September 30, 2020, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the medical marijuana provisioning center facility license (PC-00373) of Green Peak Innovations, dba Skymint (“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 333.274(1)(a), R 333.275(1)(a), R 333.275(1)(b), R 333.275(2), R 420.111(4)(c), R 420.505(1)(c), R 420.506(1)(a), R 420.506(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 333.274(1)(a), and R 420.111(4)(c).

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 number “20-00088 & 20-00109” 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.

2. If Respondent fails to timely pay the fine, Respondent's license shall be suspended until payment is received.
3. The paragraphs of the formal complaint alleging violations of Mich Admin Code, R 333.275(1)(a), R 333.275(1)(b), R 333.275(2), R 420.505(1)(c), R 420.506(1)(a) and R 420.506(2) are DISMISSED.
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, 420.806.
7. Upon timely payment of the fine 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 on the date signed by the MRA's executive director or his designee, as set forth below.

MARIJUANA REGULATORY AGENCY

Signed on: 3/4/21

By:



 Andrew Brisbo, Executive Director
 Marijuana Regulatory Agency

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 2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
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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. Documentation was provided that the sales at issue were sales to a registered qualifying patient.
 - b. Respondent indicated that its employees had been trained to prevent these transactions, but the employee who processed these transactions did not follow Respondent's standard operating procedures.
 - c. Respondent indicated that the employee who processed these transactions was terminated from employment by Respondent.
 - d. Respondent has updated its standard operating procedures and retrained staff to require additional verification of patient information prior to sales.
 - e. Respondent provided information that its point-of-sale system was not working as advertised and did not flag these non-complaint transactions, even though it was advised that the system had such capability.
 - f. Respondent provided documentation that no oversale(s) took place as a result of these transactions.
 - g. 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.

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

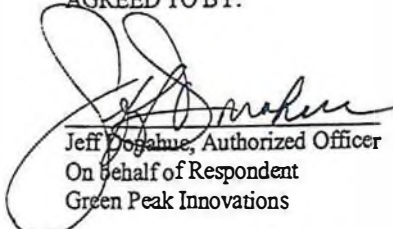
AGREED TO BY:

Julie Kluytman Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email =
kluytmanj@michigan.gov C = AD
Date: 2021.03.02 12:09:21 -05'00'


Julie Kluytman, Director
Enforcement Division
Marijuana Regulatory Agency

Dated: 3/2/21

AGREED TO BY:


Jeff Doganue, Authorized Officer
On behalf of Respondent
Green Peak Innovations

Dated: 2-25-2021


Anthony Szilagyi (P56473)
Attorney for Respondent
Dated: 2/2/21

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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 Green Peak Innovations, LLC dba Skymint (“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.

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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 4405 West Pierson Road, Flint, Michigan 48504, Michigan, at all times relevant to this complaint.

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

- a. On May 6, 2020, Respondent sold marijuana product using a physician's number (#4301073786) and not a valid patient identification number. Respondent sold marijuana product without verifying that the registered qualifying patient had a valid, current, unexpired, and unrevoked registry identification card in violation of Mich Admin Code R 333.274(1)(a)
- b. Respondent's sale of marihuana product listed above, in the absence of a valid patient identification number, was a sale in which it did not verify in the statewide monitoring system (METRC) that the sale would not exceed the patient's daily purchasing limit in violation of Mich Admin Code R 333.275(1)(a).
- c. Respondent's sale of marihuana product listed above, in the absence of a valid patient and/or caregiver identification number, was a sale in which they did not verify in METRC that the sale would not exceed the daily purchasing limit for a caregiver for each of its patients in violation of Mich Admin Code R 333.275(1)(b).
- d. Respondent's sale of marihuana product listed above, in the absence of a valid patient and/or caregiver identification number, was a sale in which it did not verify in METRC that the sale would not exceed the monthly purchasing limit for the patient and/or the caregiver for each other its patients in violation of Mich Admin Code R 333.275(2).

8. Following an investigation on June 4, 2020, the MRA determined that Respondent

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violated the MMFLA and/or administrative rules promulgated thereunder as set forth below:

- a. On June 29 and 30, 2020, July 1, 2, 14, 18, 19, 20, 28, and, 29, 2020, and August 5, 13, and 18, 2020, Respondent sold marihuana product using a physician number (#4301073786), the same number used on May 6, 2020, rather than a valid patient identification number. Respondent sold marihuana product without verifying in the statewide monitoring system (METRC) that the registered qualifying patient had a valid, current, unexpired, and unrevoked registry identification card in violation of Mich Admin Code R 420.111(4)(c).
- b. Respondent's sales of marihuana product above, in the absence of a valid patient identification number, sold marihuana product without verifying in METRC that the sale would not exceed the daily or monthly purchasing limits in violation of Mich Admin Code R 420.505(1)(c).
- c. Respondent's sales of marihuana product above, in the absence of a valid patient and/or caregiver identification number, were sales in which it did not verify in METRC that the sale would not exceed the daily purchasing limit for a caregiver for each of its patients in violation of Mich Admin Code R 420.506(1)(a).
- d. Respondent's sales of marihuana product above, in the absence of a valid patient and/or caregiver identification number, sold marihuana product without verifying in METRC that the sale would not exceed the monthly purchasing limit for the patient and/or caregiver for each of its patients in violation of Mich Admin Code R 420.506(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.

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.

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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 at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: 9/25/20

MARIJUANA REGULATORY AGENCY

By: Claire Patterson
Claire Patterson, Scientific and Legal Section Manager
Enforcement Division

Digitally signed by: Claire Patterson
DN: CN = Claire Patterson email =
PattersonCS@michigan.gov C = US O = MRA
OU = LARA
Date: 2020.09.25 11:58:18 -0400

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PROOF OF SERVICE

I hereby certify that on September 30, 2020, I mailed a copy of the Formal Complaint dated 9/25/20 in the above captioned case by certified mail (return receipt requested) to:

Green Peak Industries, LLC
Dba Sky Mint
10700 Harvest Park Drive
Dimondale, Michigan 48821

With a copy to:

Attorney Anthony Szilagyi
ASzilagyi@greenpeakinnovations.com

Jessica S.
Fox

Digitally signed by Jessica
S. Fox
Date: 2020.09.30
09:00:41 -04'00'

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