

STATE OF MICHIGAN
DEPARTMENT OF REGULATORY AFFAIRS¹
MARIJUANA REGULATORY AGENCY

In the Matter of

Green Peak Innovations, LLC dba White River Wellness
AU-ER No.: 000109
License No.: AU-R-000106
ENF No.: 20-00138

CMP No.: 20-000925

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On November 25, 2020, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the adult-use marijuana retail establishment license (AU-R-00106) of Green Peak Innovations, LLC dba White River Wellness (“Respondent”) under the Michigan Regulation and Taxation of Marihuana Act (MRMTA), 2018 IL 1, *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated the Mich Admin Code, R 420.104(3)(c) and R 420.505(1)(b)

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 420.104(3)(c) and R 420.505(1)(b).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of Two Thousand and 00/100 dollars (\$2,000.00). 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 “20-00138” 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.

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.

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.
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 7(1)(c) of the MRTMA, MCL 333.27957, and Mich Admin Code, R 420.806.
6. 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: 6/15/21

By:

Andrew Brisbo
Digitally signed by: Andrew Brisbo
DN: CN = Andrew Brisbo email =
brisboa@michigan.gov C = US O =
Marijuana Regulatory Agency OU =
Executive Director
Date: 2021.06.15 16:12:18 -04'00'

Andrew Brisbo, Executive Director
Marijuana Regulatory Agency

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 MRTMA.
2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MRTMA, 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's location had licenses to operate both a medical marijuana provisioning center and adult-use marijuana retailer at the time of the transaction in question.
 - b. The transaction was to a medical marijuana patient, who purchased both medical marijuana product and adult-use marijuana product.
 - c. Respondent provided documentation that the employee who processed the transaction and failed to follow protocol by verifying necessary information at the time of the transaction was terminated.
 - d. Respondent provided documentation that it has added additional safeguards to its sales system to ensure this does not occur in the future, namely requiring all purchases to undergo age verification first, and if under 21 years of age, medical marijuana registered qualifying patient status verification.
 - e. Respondent required its third-party integrator make changes to its software systems to assist in preventing noncompliance of this type in the future.
 - f. Respondent updated its standard operating procedures to require additional age verification to assist in preventing noncompliance of this type in the future.
 - g. Respondent has not had any previous disciplinary action issued against it.
 - h. Respondent and the MRA engaged in negotiations of the proposed penalties listed in the Consent Order.
 - i. 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

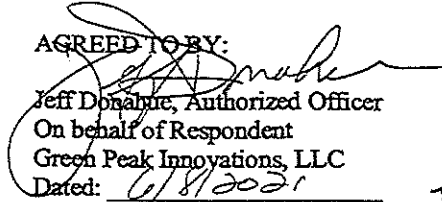
administrative hearing without prejudice to either party, should the MRA's enforcement division director, executive director, or their designees reject the proposed consent order.

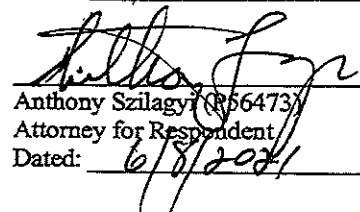
By signing this stipulation, the parties confirm that they have read, understand, and agree with the terms of the consent order.

AGREED TO BY:

Digitally signed by Julie Kluytman
DN: cn = Julie Kluytman email = kluytman@michigan.gov c = US
Date: 2021.06.15 09:02:18 -0400
Julie Kluytman
Julie Kluytman, Director
Enforcement Division
Marijuana Regulatory Agency
Dated: 6/15/21

AGREED TO BY:


Jeff Donahue, Authorized Officer
On behalf of Respondent
Green Peak Innovations, LLC
Dated: 6/8/2021


Anthony Szilagyi (R56473)
Attorney for Respondent
Dated: 6/8/2021

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

In the Matter of

Green Peak Innovations, LLC dba White River Wellness
AU-ER No.: 000109
License No.: AU-R-000106
ENF No.: 20-00138

CMP No.: 20-000925

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Green Peak Innovations, LLC dba White River Wellness (“Respondent”) alleging upon information and belief as follows:

1. The Marijuana Regulatory Agency (MRA) is authorized under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), 2018 IL1, *et seq.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MRTMA 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 MRTMA or Emergency Rules.
2. Section 8(1)(d) of the MRTMA provides that the Administrative Rules must ensure the health, safety, and security of the public and integrity of the marihuana establishment operations.
3. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marihuana establishment operations.

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FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

4. Respondent holds an active state license under the MRTMA to operate an adult use marihuana retail establishment in the state of Michigan.

5. Respondent operated at 194 North Charles Street, White Cloud, Michigan 49349, at all times relevant to this complaint.

6. Following an investigation, the MRA determined that Respondent violated the MRTMA and/or Administrative Rules promulgated thereunder as set forth below:

- a. On July 14, 2020, Respondent sold a marijuana concentrate (Kings Josey Wales Sugar 1 gram) to an individual who was not 21 years of age or older, and without verifying that the individual was 21 years of age or older in violation of Mich Admin Code, R 420.104(3)(c) which states that a marihuana retailer shall comply with all of the following: before selling or transferring marihuana to an individual 21 years of age or older, verify the individual appears to be 21 years of age or older by means of government-issued photograph identification containing a date of birth... and R 420.505(1)(b) which requires the licensee confirms that the marihuana customer presented his or her valid driver's license or government-issued identification card that bears a photographic image...and proof that the individuals is 21 years of age or older, under the Michigan regulation and taxation of marihuana act.

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 333.27957 (1)(c) and Mich Admin Code 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

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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 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 MRTMA and/or the Emergency 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.

Dated: _____ November 24, 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: 2020.11.24 15:13:21 -0500'

Claire Patterson, Scientific and Legal Section Manager

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