

STATE OF MICHIGAN
DEPARTMENT OF REGULATORY AFFAIRS¹
MARIJUANA REGULATORY AGENCY

In the Matter of

J. Elias Management, Inc.
ERG No.: AU-ER-000198
License No.: AU-R-000142
ENF No.: 20-00036 & 20-00061

CMP No.: 20-000137 & 20-000644

_____/CONSENT ORDER AND STIPULATION

CONSENT ORDER

On June 17, 2020, the Marijuana Regulatory Agency (MRA) issued a first superseding formal complaint against the marijuana retailer establishment license AU-R-000142 of J. Elias Management, Inc. (“Respondent”) under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), 2018 ILI, *et seq.*, and the administrative rules promulgated thereunder. The first superseding formal complaint alleged Respondent violated Adult-Use Marihuana Establishment Emergency Rule 36(2), 49 (1)(b)(k), and 35(9).

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 Adult-Use Marihuana Establishment Emergency Rule 36(2), 49 (1)(b)(k), and 35(9).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of four thousand 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 “20-00036 & 20-00061” 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. 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 8 of the MRTMA, MCL 333. 27958, and Adult-Use Marihuana Establishment Emergency Rule 20(1).
6. 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: 08/26/2020

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: 2020.08.26 17:14:05 -0400

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA
LARA is an equal opportunity employer/program

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 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 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 provided mitigation documentation in the form of a written response, that included images and explained how labeling violation were rectified.
 - b. Respondent provided updated standard operating procedures which provide protocols to prevent future noncompliance.
 - c. Respondent provided images of its surveillance system with the appropriate time stamp, and an invoice for a workorder from its security system provider.
 - d. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
4. The MRA's enforcement scientific & legal section manager 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, enforcement scientific & legal section manager, 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.

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA
LARA is an equal opportunity employer/program

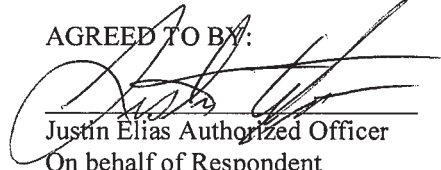
AGREED TO BY:

Claire Patterson

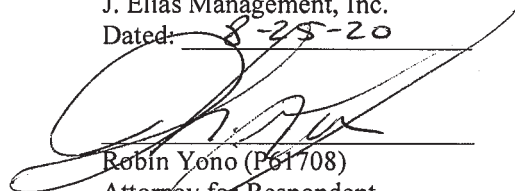
Digitally signed by Claire Patterson
DN: cn = Claire Patterson email =
PattersonCA@michigan.gov C = US O = MRA
OU = LARA
Date: 2020.08.26 13:33:40 -0400

Claire Patterson
Scientific & Legal Section Manager
Marijuana Regulatory Agency
Dated: 08/26/2020

AGREED TO BY:



Justin Elias Authorized Officer
On behalf of Respondent
J. Elias Management, Inc.
Dated: 8-25-20



Robin Yono (P61708)
Attorney for Respondent
Dated: 8-25-20

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA
LARA is an equal opportunity employer/program

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

In the Matter of

J. Elias Management, Inc.
ERG No.: AU-ER-000198
License No.: AU-R-000142
ENF No.: 20-00036 & 20-00061

CMP No.: 20-000137 & 20-000644

FIRST SUPERSEDING FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this first superseding formal complaint against J. Elias Management, Inc. (“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 Emergency 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 Emergency 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.

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA
LARA is an equal opportunity employer/program

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

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

5. Respondent operated at 1680 Marquette St., Bay City, Michigan, 48706, at all times relevant to this complaint.

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

- a. On January 24, 2020, Respondent had approximately 60 canisters of flower, caregiver sourced marijuana product packaged as Top Chain Cora Pre-Rolls without statewide monitoring system (METRC) tags at its marihuana establishment in violation of Adult-Use Marihuana Establishment Emergency Rule 36(2).
- b. On January 24, 2020, Respondent had caregiver sourced marijuana product packaged as Top Chain Cora Pre-Rolls without the following required information on the label:
 - a. the name and license number of the marijuana retail establishment,
 - b. the universal symbol for marijuana product'
 - c. warnings stating all the following: "For use by registered qualifying patients only. Keep out of reach of children.," "It is illegal to drive a motor vehicle while under the influence of marijuana.," and
 - d. the "National Poison Control Center 1-800-222-1222." in violation of Adult-Use Marihuana Establishment Emergency Rule 49 (1)(b) and (k).
- c. It was determined on April 22 and 30, 2020, Respondent's surveillance video footage had incorrect time stamps. Respondent's April 19, 2020, surveillance video footage for its outdoor camera (D1) displayed a time stamp of 20:29 hours, while the indoor camera (D5) displayed a time stamp of 8:06 hours at the exact same time of day. Also, Respondent's April 29, 2020, surveillance video footage for its

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P. O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA

LARA is an equal opportunity employer/program

outdoor camera (D1) displayed a time of 22:08, while the indoor camera (D2) displayed a time of 10:57 at the exact same time of day. Respondent failed to have surveillance video footage with accurate times in violation of Adult-Use Marihuana Establishment Emergency Rule 35 (9).

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 Adult-Use Marihuana Establishment Emergency Rule 69 (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 Adult-Use Marihuana Establishment Emergency Rule 69 (3). 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

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA
LARA is an equal opportunity employer/program

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 on April 8, 2020, is hereby WITHDRAWN and replaced in full by this superseding complaint.

Dated: 16 June 2020

MARIJUANA REGULATORY AGENCY

By: **Kavita Kale**

Digitally signed by: Kavita Kale
DN: CN = Kavita Kale email = kalek@michigan.gov C = US
Date: 2020.06.16 09:40:13 -04'00'

Kavita Kale, Enforcement Division Director

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA
LARA is an equal opportunity employer/program

In the Matter of

J. Elias Management, Inc.
ERG No.: AU-ER-000198
License No.: AU-R-000142
ENF No.: 20-00036 & 20-00061

CMP No.: 19-000137 & 20-000644

PROOF OF SERVICE

On April 8, 2020, a copy of the Formal Complaint dated April 8, 2020, for ENF 20-00036 was mailed to J. Elias Management, Inc., 430 South Lake Ln., Shelby Twp., MI 48316, but was returned for non-delivery. I hereby certify that on June 17, 2020, a copy of the First Superseding Compliant and Formal Complaint for the above captioned case by certified mail (return receipt requested) to:

J. Elias Management, Inc.
4330 South Lake Ln.
Shelby Twp., MI 48316



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

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA

LARA is an equal opportunity employer/program

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

In the Matter of

J. Elias Management, Inc.
ERG No.: AU-ER-000198
License No.: AU-R-000142
ENF No.: 20-00036

CMP No.: 19-000137

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against J. Elias Management, Inc. (“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 Emergency 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 Emergency 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.

MARIJUANA REGULATORY AGENCY
2407 NORTH GRAND RIVER • P.O. BOX 30205 • LANSING, MICHIGAN 48909
www.michigan.gov/MRA

LARA is an equal opportunity employer/program

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

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

5. Respondent operated at 1680 Marquette St., Bay City, Michigan, 48706, at all times relevant to this complaint.

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

- a. On January 24, 2020, Respondent had approximately 60 canisters of flower, caregiver sourced marijuana product packaged as Top Chain Cora Pre-Rolls without statewide monitoring system (METRC) tags at its marihuana facility in violation of Adult-Use Marihuana Establishment Emergency Rule 36 (2).
- b. On January 24 2020, Respondent had caregiver sourced marijuana product packaged as Top Chain Cora Pre-Rolls without the following required information on the label: the name and license number of the marijuana retail establishment; the universal symbol for marijuana product; warnings stating all the following: "For use by registered qualifying patients only. Keep out of reach of children," "It is illegal to drive a motor vehicle while under the influence of marijuana.," and the "National Poison Control Center 1-800-222-1222." in violation of Adult-Use Marihuana Establishment Emergency Rule 49 (1)(b),(k).

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 Adult-Use Marihuana Establishment Emergency Rule 69 (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 Adult-Use Marijuana Establishment Emergency Rule 69 (3). 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

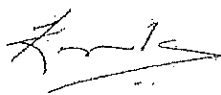
In Person: Department of Licensing & Regulatory Affairs
Marijuana Regulatory Agency
2407 North Grand River
Lansing, Michigan 48906

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: April 8, 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
LARA is an equal opportunity employer/program

In the Matter of

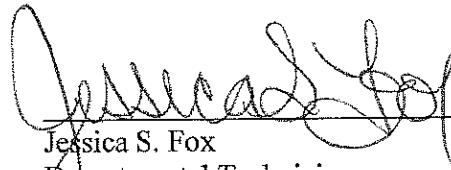
J. Elias Management, Inc.
ERG No.: AU-ER-000198
License No.: AU-R-000142
ENF No.: 20-00036

CMP No.: 19-000137

PROOF OF SERVICE

I hereby certify that on April 8, 2020, I mailed a copy of the Formal Complaint dated April 8, 2020, in the above captioned case by certified mail (return receipt requested) to:

J. Elias Management, Inc.
430 South Lake Ln.
Shelby Twp., MI 48316



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