

STATE OF MICHIGAN
DEPARTMENT OF REGULATORY AFFAIRS¹
MARIJUANA REGULATORY AGENCY

In the Matter of

Rehbel Industries, LLC
ERG No.: 000632
License No.: GR-A-000060
ENF No.: 20-00104

CMP No.: 20-000860

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On October 14, 2020, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the medical marijuana class A grower facility license (GR-A-000060) of Rehbel Industries, LLC (“Respondent”) under the Medical Marijuana 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 420.504(1)(a) - (k), R 420.108(7), and R 420.212(1).

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 420.504(1)(a) - (k) and R 420.212(1).

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 “20-00104” 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. The alleged violation of Mich Admin Code, R 420.108(7) is 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, R 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: 4/9/21

By:

Andrew Brisbo
Digitally signed by: Andrew Brisbo
 DN: CN = Andrew Brisbo email =
 abrisbo@michigan.gov C = US O =
 Marijuana Regulatory Agency OU =
 Executive Director
 Date: 2021.04.09 15:35:04 -0400

 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 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. Respondent provided updated procedures that were comprehensive to assist in compliance in the future.
 - b. Respondent provided documentation that it has included in its updated procedures checks and balances to ensure that shipments are compliant in the future.
 - c. Respondent provided information that the employee responsible for the non-compliance was terminated immediately upon these issues being brought to its attention by the MRA.
 - 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 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:

AGREED TO BY:

Julie Kluytman

Digitally signed by: Julie Kluytman
DN: CN = Julie Kluytman email =
kluytmanj@michigan.gov C = AD
Date: 2021.04.09 12:13:48 -04'00'

Julie Kluytman, Director
Enforcement Division
Marijuana Regulatory Agency

Dated: 4/9/21

Lindsay Doherty

Lindsay Doherty, Authorized Officer
On behalf of Respondent
Rehbel Industries, LLC

Dated: 04-6-2021

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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 Rehbel Industries, LLC (“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 Class A grow in the state of Michigan.

6. Respondent operated at 738 East Kalamazoo, Lansing, Michigan, 48912, at all times relevant to this complaint.

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

- a. On July 27, 2020, Respondent manifested and transferred to a medical marihuana provisioning center a package of marijuana bearing statewide monitoring system (METRC) tag number 1A405010000396D000000259, Wedding Cake (tag no. 0259).
- b. The product received by the medical marihuana provisioning center bore a METRC tag number ending in 000255 and did not contain a label bearing the following information in violation of Mich Admin Code R 420.504(1)(a),(b),(c),(d),(e),(f).(g),(h),(i),(j).(k)(i)(ii)(iii)(iv):
 - a. The name and the state license number of the producer, including business or trade name, and tag and source number as assigned by the statewide monitoring system.
 - b. The name and the marijuana license number of the licensee that packaged the product, including business or trade name, if different from the producer of the marijuana product.
 - c. The unique identification number for the package or the harvest, if applicable.
 - d. Date of the harvest, if applicable.
 - e. Name of strain, if applicable.
 - f. Net weight in United States customary and metric units.
 - g. Concentration of Tetrahydrocannabinol (THC) and cannabidiol.

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- h. Activation time expressed in words or through a pictogram.
- i. Name of the laboratory that performed any test and any test analysis date.
- j. The universal symbol for marijuana product published on the agency's website.
- k. A warning that states all the following:
 - i. It is illegal to drive a motor vehicle while under the influence of marijuana.
 - ii. National Poison Control Center 1-800-222-1222.
 - iii. For products being sold by a licensee under the medical marijuana facilities licensing act that exceed the maximum THC levels allowed for products sold under MRTMA, "For use by registered qualifying patients only. Keep out of reach of children."
 - iv. For all other products being sold by a licensee "For use by individuals 21 years of age or older or registered qualifying patients only. Keep out of reach of children."
- c. Based upon the fact that Respondent sent product to the medical marijuana provisioning center that was not manifested to it, Respondent failed identify and track its inventory in METRC in violation of Mich Admin Code R 420.108(7) and R 420.212(1).

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.

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

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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: 10/13/20

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 =
PattersonC8@michigan.gov C = US O = MRA
OU = LARA
Date: 2020.10.13 14:47:44 -0400

In the Matter of

Rehbel Industries, LLC
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PROOF OF SERVICE

I hereby certify that on 10/14/20, I mailed a copy of the Formal Complaint dated 10/13/20 in the above captioned case by certified mail (return receipt requested) to:

Rehbel Industries, LLC
801 North Washington
Lansing, Michigan 48906

Jessica S.
Fox

Digitally signed by Jessica
S. Fox
Date: 2020.10.14
11:08:28 -04'00'

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