

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS¹
MARIJUANA REGULATORY AGENCY

In the Matter of

**Viridis Laboratories LLC
ERG No. 000912
License No. SC-000009
ENF No. 20-00044**

CMP No. 20-000338

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On May 20, 2020, the Marijuana Regulatory Agency (MRA) issued a formal complaint against the medical marijuana safety compliance facility license (no. SC-000009) of Viridis Laboratories LLC (“Respondent”) under the Medical Marijuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq.*, and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 333.247(1)(b).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the complaint. Therefore, the executive director finds that the allegations contained in the complaint are true and that Respondent violated Mich Admin Code, R 333.247(1)(b).

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.

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of two thousand five hundred and 00/100 dollars (\$2,500.00). This fine shall be paid within 60 days of the effective date of this order by check or money order made payable to the State of Michigan with "ENF No. 20-00044" clearly displayed on the check or money order. Respondent shall mail the payment to: Department of Licensing and Regulatory Affairs, Marijuana Regulatory Agency, P.O. Box. 30205, Lansing, Michigan 48909.
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. If Respondent violates any term or condition set forth in this order, Respondent may be subject to additional fines and/or other sanctions.

This consent order is intended to encompass and resolve the specific conduct and violations alleged in the May 20, 2020 formal complaint (ENF No. 20-00044 / CMP No. 20-000338), as well as the specific conduct and violations alleged in the investigation under ENF No. 20-00165 / CMP No. 20-001125.

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:

2/4/2021

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: 2021.02.04 16:27:05 -0500

Andrew Brisbo, Executive Director
Marijuana Regulatory Agency

STIPULATION

The parties stipulate to the following:

1. The facts alleged in the complaint are true and constitute a violation of the rules promulgated under the MMFLA.

2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MMFLA, 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 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 represented that the test referenced in complaint no. 20-000338 was only for heavy metals in the marijuana concentrate at issue and that its staff mistakenly believed the facility was approved to perform the test in part because its validation plan for metals—which included several matrices, including concentrates—was initially approved as written several months earlier. Upon learning of its misunderstanding, Respondent completed additional proficiency testing and was approved to perform testing on concentrates in April 2020 (the month before the formal complaint was issued).
- b) Respondent explained that the allegation in complaint no. 20-001125—which was based on a failure to maintain samples for at least 30 days after test completion—stemmed from the facility’s failure to recognize that the new requirement had taken effect in June 2020. Respondent states that it began maintaining test samples for the required timeframe immediately upon learning of its oversight.
- c) Respondent represents that both incidents stemmed from its own misunderstandings, rather than an intentional disregard of applicable rules.

- d) Respondent acknowledges that it is responsible for familiarizing itself with, understanding, and complying with all statutory requirements and rules applicable to its business.
- e) Respondent avers that it completed a thorough review of the applicable statutes and administrative rules in light of this matter and states that it has taken additional steps to avoid future recurrences.
- f) 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: 2021.02.04 11:37:51 -05'00'

 Julie Kluytman
 Enforcement Division Director
 Marijuana Regulatory Agency
 Dated: _____

/s/ Erika N. Marzorati

 Erika N. Marzorati (P78100)
 Assistant Attorney General
 Attorney for Complainant
 Dated: 2/4/2021

AGREED TO BY:



Gregoire Michaud, Authorized Officer
 On behalf of Respondent
 Viridis Laboratories LLC
 Dated: **Gregoire P.**

Michaud

Digitally signed by: Gregoire P. Michaud
 DN: CN = Gregoire P. Michaud email = gmichaud@viridisgrp.com C = AD O = Viridis North
 Date: 2021.02.03 11:50:48 -05'00'

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

In the Matter of

Viridis Laboratories LLC
ERG No.:000912
License No.: SC-000009
ENF No.: 20-00044

CMP No.: 20-000338

FORMAL COMPLAINT

The Marijuana Regulatory Agency (“Complainant”) files this formal complaint against Viridis Laboratories LLC (“Respondent”) alleging upon information and belief as follows:

1. The Marijuana Regulatory Agency (MRA) is authorized under the Medical Marihuana 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 marihuana facility operations.

4. Respondent’s conduct as described below is a risk to public health and safety and/or the integrity of marihuana facility operations.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

5. Respondent holds an active state operating license under the MMFLA to operate a medical marihuana safety compliance facility in the state of Michigan.

6. Respondent operated at 2827 E. Saginaw St. 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. Respondent is a safety compliance facility that is only approved to perform testing in Marijuana Flower matrix by the MRA.
- b. During an MRA audit of weekly test results reports (covering a period from February 9 to February 19, 2020), it was determined that Respondent was performing testing on an unapproved matrix (a marijuana concentrate described as “Headband 1g Crumble Wax, EMU Extract” and identified in the statewide monitoring system (METRC) as 1A4050100003779000000981; METRC tag # 981).
- c. Respondent performed testing it was not approved to perform by the MRA, and that testing was not validated by an independent third party in violation of Mich Admin Code R 333.247(1)(b).

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.

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

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

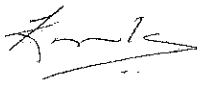
In Person: Department of Licensing & Regulatory Affairs
Marijuana Regulatory Agency
2407 North Grand River
Lansing, Michigan 48906

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's legal section at (517) 284-8599 or MRA-LegalHearings@michigan.gov.

Dated: May 20, 2020

MARIJUANA REGULATORY AGENCY

By: 

Kavita Kale, Enforcement Division Director

In the Matter of

Viridis Laboratories LLC
ERG No.: 000912
License No.: SC-000009
ENF No.: 20-00044

CMP No.: 20-000338

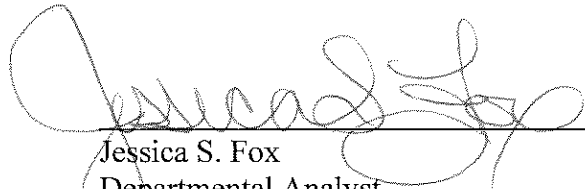
PROOF OF SERVICE

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

Viridis Laboratories LLC
6391 Heathfield Dr.
East Lansing, MI 48823

With a copy to:

Viridis Laboratories LLC
2827 E. Saginaw St.
Lansing, MI 48912



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