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

In the Matter of

Kenzy Consulting, Inc. ENF No.: 23-00015
dba the Patient Station
License No.: PC-000154
_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On August 21, 2023, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana provisioning center facility license (PC-000154) of Kenzy Consulting, Inc. ("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 420.210(2) and R 420.212(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 all of the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.210(2) and R 420.212(2).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of twenty thousand and 00/100 dollars ($20,000.00). This fine shall be paid within 30 days of the effective date of this order by check, money order, or online through Accela Citizen Access (ACA). Instructions on how to make online payments can be found under the Tips for Licensees bulletin section at www.michigan.gov/cra. Check or money orders shall be made payable to the State of Michigan with enforcement number "23-00015" and license number "PC-000154" clearly displayed on the check or

money order. Respondent shall mail the fine to Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, PO BOX 30205, Lansing, Michigan 48909.

2. Within 30 days of the effective date of the consent order, Respondent must provide:
    a. A standard operating procedure (SOP) detailing all processes that ensure marijuana product is accurately labeled and tracked in with the statewide monitoring system.
    b. A document, signed by a manager, with the names and positions of all managers and employees trained on the SOP, and dates of completion for each.

3. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.

4. Unless otherwise specified in this order, Respondent shall direct any communications to the CRA that are required by the terms of this order to CRA-CSS@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 shall be subject to fines and/or other sanctions under section 407(1) of the MMFLA, MCL 333.27407(1), and Mich Admin Code, R 420.808.

7. Upon timely compliance of the terms of this order 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 30 days after the date signed by the CRA's executive director or his designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: 2/5/2024

By: Brian Hanna

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email = hannab@michigan.gov C = US O = CRA OU = CRA
Date: 2024.02.05 14:04:09 -05'00'

Brian Hanna, Executive Director
or his designee
Cannabis 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 CRA to prove the violations set forth in the formal complaint by presentation of evidence and legal authority, and to present a defense to the violations.

3. The parties considered the following in reaching this agreement:
    a. Respondent stated that it was changing out jars for new ones but had to stop because it ran out of jars; new jars were ordered however they were not received yet.
    b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

4. The CRA's centralized services director or her designee must approve this proposed agreement before it is forwarded to the CRA'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 CRA's centralized services 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:

Sara Hernandez

Digitally signed by: Sara Hernandez
DN: CN = Sara Hernandez email = HernandezS1@michigan.gov C = US O = CRA OU = LARA
Date: 2024.01.30 14:41:20 -05'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

Dated: 01/30/2024

AGREED TO BY:

Alan Andrezjewski, Authorized Officer
on behalf of Respondent
Kenzy Consulting, Inc.

Dated: 1-26-2024

Jeffrey Schroder, P63172
Attorney for Respondent

Dated: 1-26-2024

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

In the Matter of

Kenzy Consulting, Inc. ENF No: 23-00015
dba The Patient Station
License No.: PC-000154
_____/

FORMAL COMPLAINT

The Cannabis Regulatory Agency ("CRA") files this formal complaint against Kenzy Consulting, Inc. dba The Patient Station ("Respondent") alleging upon information and belief as follows:

1. The CRA 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 CRA's authority to impose sanctions on the license.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

3. Respondent holds an active state operating license under the MMFLA to operate a medical marijuana provisioning center facility in the state of Michigan.

4. Respondent operated at 539 S. Huron, Ypsilanti, Michigan 48197, at all times relevant to this complaint.

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

a. On March 24, 2022, a CRA Regulation Agent (RA) conducted a compliance check of Respondent's medical marijuana provisioning center facility and the CRA RA observed 16 large, clear containers with white lids containing marijuana flower/buds without statewide monitoring system (Metrc) tags, the only identifying information on the containers was the strain name.

b. On August 25, 2022, the RA requested verification of the untagged marijuana products. Respondent provided verification for the Metrc tag and manifest number for the product in each container.

Count I

Respondent's actions as described above in paragraph a demonstrate a violation of Mich Admin Code, R 420.210(2), which states that a marihuana business must not have any marihuana product without a batch number or identification tag or label pursuant to these rules. A licensee shall immediately tag, identify, or record as part of a batch in the statewide monitoring system any marihuana product as provided in these rules.

Count II

Respondent's actions as described above in paragraph a demonstrate a violation of Mich Admin Code, R 420.212(2), which states that all containers used to store marihuana products for transfer or sale between marihuana businesses must be clearly marked, labeled, or tagged, if applicable, and enclosed on all sides in secured containers. The secured containers must be latched or locked in a manner to keep all contents secured within. Each secured container must be identified and tracked in accordance with the acts and these rules.

THEREFORE, based on the above, the CRA 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 420.704(2), any party aggrieved

by an action of the CRA 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 CRA 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 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 MMFLA and/or the administrative rules. A compliance conference request must be submitted to the CRA 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
Cannabis Regulatory Agency
P.O. Box 30205
Lansing, Michigan 48909

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

By Email: CRA-LegalHearings@michigan.gov

If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter.

CONTINUED ON NEXT PAGE

Questions about this complaint should be directed to the Cannabis Regulatory Agency at (517) 284-8599 or CRA-LegalHearings@michigan.gov.

Dated: 8/21/23

By: Alyssa A. Grissom

Digitally signed by Alyssa A. Grissom
Date: 2023.08.21 20:20:04 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency