STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CANNABIS REGULATORY AGENCY[1]

In the Matter of

Zenyo, LLC
ERG No. 001396
License No. PC-000458
CMP No. 21-001631
/

ENF No. 22-00060

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On February 8, 2022, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana provisioning center license (no. PC-000458) of Zenyo, LLC (Respondent) under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq*. and administrative rules promulgated thereunder. The complaint alleged Respondent violated MCL 333.27701.

The executive director or designee reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the complaint. Therefore, the executive director or designee finds that the allegations contained in the complaint are true and that Respondent violated MCL 333.27701.

[1] The Marijuana Regulatory Agency was renamed the Cannabis Regulatory Agency under Executive Reorganization Order No. 2022-1, effective April 13, 2022. MCL 333.27002(1)(a).

Accordingly, for this violation, IT IS ORDERED:

1. Respondent must pay a fine in the amount of ten thousand and 00/100 dollars ($10,000.00). This fine shall be paid within 60 days of the effective date of this order by check, money order, or online through Accela Citizen Access (ACA). CRA guidance on how to make compliance payments online is available under "Tips for Licensees" at www.michigan.gov/cra/bulletins. Checks or money orders shall be made payable to the State of Michigan with "ENF No. 22-00060" and "License No. PC-000458" clearly displayed on the check or money order and mailed to: Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, P.O. Box 30205, Lansing, Michigan 48909.

2. 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.

3. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.

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 order shall be effective 30 days after the date signed by the CRA's executive director or designee, as set forth below.

Signed on: 2/28/24

CANNABIS REGULATORY AGENCY

By: Brian Hanna Digitally signed by: Brian Hanna DN: CN = Brian Hanna email = hannab@michigan.gov C = US O = CRA OU = CRA Date: 2024.02.28 08:32:40 -05'00'

Executive Director Brian Hanna
or 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 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 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. The business is no longer in operation and the license was closed on July 21, 2023; Respondent operates an adult-use retailer at the same location.

   b. Respondent has employed an accountant and drafted new standard operating procedures to ensure that all annual financial statements will be filed timely for the adult-use license.

   c. Respondent filed the annual financial statement at issue on August 23, 2022.

   d. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

4. The CRA's operations director or designee must approve this proposed agreement before it is forwarded to the CRA's executive director or 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 operations director, executive director, or 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:

Desmond Mitchell

Digitally signed by: Desmond Mitchell
DN: CN = Desmond Mitchell email = Mitchelld6@michigan.gov C = US O = Cannabis Regulatory Agency OU = Directors Office
Date: 2024.02.28 07:31:49 -05'00'

Desmond Mitchell
Operations Director
Cannabis Regulatory Agency

Dated: 2/28/24

Sarah E. Huyser

Sarah E. Huyser (P70500)
Assistant Attorney General
Attorney for Cannabis Regulatory Agency
Dated: 02/27/2024

AGREED TO BY:

Ali Matar

Ali Matar
Authorized Representative
On behalf of Respondent
Zenyo, LLC
Dated: 2/25/24

Barton Morris (P54701)
Attorney for Respondent
Dated: 2/26/24

LF: 2023-0378963-A \ Zenyo, LLC, ENF-22-00060 \ CRA Consent Order and Stip, 2024.02.23

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

In the Matter of

Zenyo, LLC
ERG No.: 001396
License No.: PC-000458
CMP No.: 21-001631
ENF No.: 22-00060
_____/

FORMAL COMPLAINT

The Marijuana Regulatory Agency ("Complainant") files this formal complaint against Zenyo, 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. Respondent, under section 701 of the MMFLA (MCL 333.27701) is required to transmit to the MRA a financial statement of the licensee's total operations by 30 days after the end of each state fiscal year.

3. Respondent's annual financial statement for fiscal year 2021 was due on or before October 31, 2021.

4. As of the date of this formal complaint, Respondent has failed to file its annual financial statement for FY 2021.

5. Respondent's failure to timely file the required Annual Financial Statement is in violation of Section 701 of the MMFLA, MCL 333.27701.

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.

A licensee 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. See MCL 333.27407(4); Mich Admin Code, R 420.704(3) and R 420.808(2)(b). A request for a hearing must be submitted to the MRA in writing within 21 days after service of this complaint. Mich Admin Code, R 420.704(2) and R 420.808(3). Notice served by certified mail is considered complete on the business day following the date of the mailing. MCL 333.27407(4).

Respondent also may be given an opportunity to meet with the MRA to negotiate a settlement or demonstrate compliance with the MMFLA and administrative rules prior to a contested case hearing. Mich Admin Code, R 420.704(1) and R 420.808(2)(a). A request for a compliance conference must be submitted to the MRA in writing within 21 days after service of this complaint. Mich Admin Code, R 420.808(3).

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

By Email: MRA-LegalHearings@michigan.gov

If Respondent fails to timely respond to this formal complaint, a contested case hearing will be scheduled to resolve this matter. Mich Admin Code, R 420.808(3).

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

Dated: 2/8/22

MARIJUANA REGULATORY AGENCY

By: Claire Patterson Digitally signed by Claire Patterson Date: 2022.02.08 16:46:15 -05'00'

Claire Patterson
Scientific and Legal Section Manager
Enforcement Division