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

In the Matter of

Zenyo, LLC dba Olswell – Traverse City
ERG No. 001396
License No. PC-000458
CMP No. 21-000257
/

ENF No. 21-00178

CONSENT ORDER AND STIPULATION

CONSENT ORDER

On July 28, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the medical marijuana provisioning center license (no. PC-000458) of Zenyo, LLC dba Olswell – Traverse City (Respondent) under the Medical Marihuana Facilities Licensing Act (MMFLA), MCL 333.27101 *et seq*., and administrative rules promulgated thereunder. The complaint alleged Respondent violated Mich Admin Code, R 420.207(9)(g), R 420.207(9)(j), R 420.207(9)(k)(i) and (iii), and R 420.207(13).

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 Mich Admin Code, R 420.207(9)(g), R 420.207(9)(j), R 420.207(9)(k)(i) and (iii), and R 420.207(13).

[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 these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of six thousand and 00/100 dollars ($6,000.00). 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. 21-00178" 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 08:31:01 -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 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 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 was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.

   b. The business is no longer in operation and the license was closed on July 21, 2023.

   c. The licensee continues to operate an adult-use retailer establishment in the same location. The adult-use retailer does not perform delivery services, which were the source of the violations at issue.

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 07:32:38 -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 dba Olswell – Traverse City
Dated: 2/25/24

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

LF: 2023-0380092-A \ Zenyo, LLC dba Olswell - Traverse City, 21-00178 \ 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 dba Olswell – Traverse City
ERG No.: 001396
License No.: PC-000458
ENF No.: 21-00178
_____/

CMP No.: 21-000257

FORMAL COMPLAINT

The Marijuana Regulatory Agency ("Complainant") files this formal complaint against Zenyo, LLC dba Olswell – Traverse City ("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 provisioning center facility in the state of Michigan.

6. Respondent operated at 728 E. Front St., Traverse City, Michigan 49686, 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 March 19, 2021, while investigating a complaint, the MRA asked to review Respondent's delivery inventory ledgers, driver logs, and delivery logs. Respondent was unable to provide the required delivery inventory ledgers, driver logs, and delivery logs. Respondent did not have delivery inventory ledgers in violation of Mich Admin Code, R 420.207(9)(g).
b. Respondent failed to maintain driver logs and make them available upon request by the MRA in violation of Mich Admin Code, R 420.207(9)(j).
c. Respondent was unable to immediately provide delivery inventory ledgers and driver logs upon request by the MRA in violation of Mich Admin Code, R 420.207(9)(k)(i) and (iii).
d. Lastly, Respondent failed to maintain delivery logs and make them available to the MRA upon request by the MRA in violation of Mich Admin Code, R 420.207(13).

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 420.704(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 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 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

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.

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

Dated: 7/28/21

MARIJUANA REGULATORY AGENCY

By: Claire Patterson Digitally signed by Claire Patterson Date: 2021.07.22 14:43:42 -04'00'

Claire Patterson, Scientific and Legal Section Manager
Enforcement Division