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

In the Matter of

Kenzy Consulting, Inc. dba The Patient Station License No.: AU-R-000269 ENF No.: 21-00356

CONSENT ORDER AND STIPULATION

# CONSENT ORDER

On August 27, 2021, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer establishment license (AU-R-000269) of Kenzy Consulting, Inc. dba The Patient Station (Respondent) under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated, Mich Admin Code R 420.502(3), R 420.502(4), and R 420.505(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 all of the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code R 420.502(3), R 420.502(4), and R 420.505(1).

Accordingly, for these violations, IT IS ORDERED:

 Respondent must pay a fine in the amount of fourteen thousand and 00/100 dollars (\$14,000.00). 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 <u>www.michigan.gov/cra</u>. Check or money orders shall be made payable to the State of Michigan with enforcement number "21-00356" and license number "AU-R-000269" 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. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.
- Unless otherwise specified in this order, Respondent shall direct any communications to the CRA that are required by the terms of this order to <u>CRA-LegalHearings@michigan.gov</u>.
- 4. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
- If Respondent violates any term or condition set forth in this order, Respondent will be subject to fines and/or other sanctions under section 7(1)(c) of the MRTMA, MCL 333.27957, and Mich Admin Code, R 420.808.
- 6. 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:	9/18/23	_ By: _	Brian Hanna Brian Hanna Marnab@michigan.gov C = US O = CRA OU = CRA Date: 2023.09.18 15:33:17 -04'00'
-			Brian Hanna, Executive Director or his designee Cannabis Regulatory Agency
		CANNABIS REGULA	ATORY AGENCY

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## **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 MRTMA.
- Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MRTMA, 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 the employee who removed the product from quarantine has been retrained.
  - b. Responded stated that a code is now required to move a product from quarantine, and only managers have the code.
  - c. Respondent stated that employees now leave the statewide monitoring system (Metrc) open while making sales.
  - d. The product that was placed on administrative hold has been destroyed.
  - e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
  - f. Respondent has been licensed as an adult use retailer since 2020 and has no prior discipline against its license.
- 4. The CRA's operations director or his 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 operations 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:

Desmond Mitchell

Digitally signed by Desmond Mitchell Date: 2023.09.04 08.11.32 -04'00'

or his designee **Cannabis Regulatory Agency**  AGREED TO BY:

Desmond Mitchell, Operations Director Alan Andreziewski, Authorized Officer on behalf of Respondent Kenzy Consulting, Inc.

Dated: 9/4/23

Dated: 7-10-2023

Jeffrey Schroder (P63172) Attorney for Respondent

8-14-2023 Dated:

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

In the Matter of

Kenzy Consulting, Inc. dba The Patient Station AU-ER No.: 000455 License No.: AU-R-000269 ENF No.: 21-00356 CMP No.: 21-001020

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### FORMAL COMPLAINT

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

1. The Marijuana Regulatory Agency (MRA) is authorized under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), 2018 IL1, *et seq.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MRTMA and the Administrative Rule promulgated thereunder, take disciplinary action to prevent such violations, and impose fines and other sanctions against applicants and licensees that violate the MRTMA or Administrative Rules.

2. Section 8(1)(d) of the MRTMA provides that the Administrative Rules must ensure the health, safety, and security of the public and integrity of the marihuana establishment operations.

3. Respondent's conduct as described below is a risk to public health and safety and/or the integrity of marihuana establishment operations.

## FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE MRA

4. Respondent holds an active state license under the MRTMA to operate an adult use retail establishment in the state of Michigan.

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

6. Following an investigation, the MRA determined that Respondent violated the MRTMA and/or Administrative Rules promulgated thereunder as set forth below:

- a. On June 14, 2021, statewide monitoring system (METRC) package tag #1A4050300006EF6000012158 was placed on administrative hold due to an investigation.
- b. On July 1, 2021, and July 2, 2021, Respondent made sales from the package after the package was placed on administrative hold in violation of Mich Admin Code, R 420.502(3), which states a marihuana business shall not sell or transfer marihuana product that has been placed on administrative hold, recalled, or ordered to be destroyed.
- c. Respondent sold marijuana product to a customer after the package was placed on administrative hold, which is also a violation of Mich Admin Code, R 420.505(1), which states a marihuana sales location may sell or transfer marihuana or a marihuana product to a marihuana customer if all of the following are met: (a) The marihuana product has not been placed on administrative hold, recalled, or ordered to be destroyed.
- d. Additionally, because sales were made after the package was placed on administrative hold, Respondent did not verify in METRC that the package was placed on administrative hold prior to any sale or transfer, in violation of Mich Admin Code, R 420.502(4), which states a marihuana business must verify in the statewide monitoring system, prior to any sale or transfer, that the marijuana

product has been placed on administrative hold, recalled, or ordered to be destroyed.

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 333.27957 (1)(c) 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 MRTMA and/or the Emergency 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.

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Dated: \_\_\_\_

## MARIJUANA REGULATORY AGENCY

By: Digitally signed by Claire Patterson Date: 2021.08.27 07:43:52 -04'00'

Claire Patterson, Scientific and Legal Section Manager

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