

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.: PC-000154

ENF No.: 22-00320

/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On May 25, 2022, 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 Marijuana 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 420.111(4)(b), R 420.212(1), and R 420.505(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 420.111(4)(b), R 420.212(1), and R 420.505(2).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of three thousand and 00/100 dollars (\$3,000.00). 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 “22-00320” and license number “PC-000154” clearly displayed on the check or

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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.
3. 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-LegalHearings@michigan.gov.
4. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
5. If Respondent violates any term or condition set forth in this order, Respondent will 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.
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.

Signed on: 9/27/2023

CANNABIS REGULATORY AGENCY

Brian Hanna

By: _____

Digitally signed by: Brian Hanna
DN: CN = Brian Hanna email =
hannab@michigan.gov C = US O = CRA
OU = CRA
Date: 2023.09.27 12:58:08 -04'00'

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

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STIPULATION

The parties stipulate to the following:

1. Respondent does not contest the allegations of fact and law in the formal complaint. By pleading no contest, Respondent does not admit the truth of the allegations but agrees that the CRA's executive director or designee may enter an order treating the allegations as true for purposes of resolving the formal complaint.
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's noncompliance was prolonged by then pending civil litigation between seller and Respondent in which seller refused to accept the transfer in the statewide monitoring system until the resolution of related civil litigation.
 - b. 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 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.

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By signing this stipulation, the parties confirm that they have read, understand, and agree with the terms of the consent order.

AGREED TO BY:

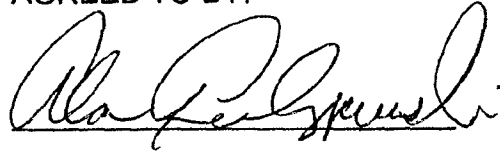
Desmond
Mitchell

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Desmond Mitchell
Date: 2023.09.22
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Desmond Mitchell, Operations Director
or his designee
Cannabis Regulatory Agency

Dated: 9/22/2023

AGREED TO BY:



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

Dated: 9.14-2023



Jeffrey Schroder, P63172
Attorney for Respondent

Dated: 9-15-2023

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.: PC-000154

ENF No: 22-00320

FORMAL COMPLAINT

The Cannabis 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 Cannabis Regulatory Agency (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.

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.

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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. The MRA became the Cannabis Regulatory Agency (CRA) on April 13, 2022.

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 CRA

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

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

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

- a. On December 28, 2021, a licensed grower facility filed a complaint with the CRA stating Respondent accepted marijuana product provided via secure transporter on December 21, 2021, signed the statewide monitoring system (METRC) manifest, and issued payment in the form of a check. Respondent then returned the METRC manifest to the grower facility via secure transporter and stopped payment on the check totaling \$7,692.
- b. On January 10, 2022, the grower facility notified the CRA that it filed a police report against Respondent after failing to resolve the matter with Respondent.
- c. On January 18, 2022, the CRA spoke with Respondent who stated it issued a stop payment due to quality issues with the marijuana product after it was physically accepted into its inventory.
- d. On March 4, 2022, the CRA observed the physical product at Respondent's facility, which is now currently on administrative hold.

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- e. Respondent accepted and physically possessed the marijuana product at its provisioning center but returned the METRC manifest to the grower facility (failing to accept the marijuana product into its METRC inventory, resulting in an inventory discrepancy), which is a violation of Mich 420.111(4)(b), which states a provisioning center shall comply with all of the following: (b) Accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in the MMFLA, these rules, and the marihuana tracking act.
- f. Respondent is in violation of Mich Admin Code, R 420.505(2), which states a marihuana sales location shall enter all transactions, current inventory, and other information required by these rules in the statewide monitoring system. The marihuana sales location shall maintain appropriate records of all sales or transfers under the acts and these rules and make them available to the agency upon request.
- g. Respondent is also in violation of R 420.212(1), which states, in part, all marihuana products must be identified and tracked consistently in the statewide monitoring system under 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.

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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.

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

Dated: 5/25/22

By: Alyssa A. Grissom
Alyssa A. Grissom
Legal Section Manager
Enforcement Division
Cannabis Regulatory Agency

Digitally signed by Alyssa A. Grissom
Date: 2022.05.25 11:36:05 -04'00'

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