STATE OF MICHIGAN
DEPARTMENT OF REGULATORY AFFAIRS<sup>1</sup>
MARIJUANA REGULATORY AGENCY

In the Matter of

Kenzy Consulting, Inc.

ERG No: 000502

ENF No.: 20-00220

CONSENT ORDER AND STIPULATION

CMP No.: 20-001295

1

CONSENT ORDER

On February 3, 2021, the Marijuana Regulatory Agency (MRA) issued a Pre-Complaint

Consent Order and Stipulation against Kenzy Consulting, Inc. ("Respondent") who holds state

operating license(s) under the Medical Marihuana Facilities Licensing Act (MMFLA).

Through the information provided and execution of this agreement, Respondent admits that

it violated Section 701 of the MMFLA, MCL 333.27701.

The MRA is authorized under the 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.

Section 402(12) of the MMFLA provides that the expiration of a license does not terminate

the MRA's authority to impose sanctions against the Respondent.

<sup>1</sup> 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.

MARIJUANA REGULATORY AGENCY

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www.michigan.gov/MRA

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ENF No. 20-00220 MRA 5067 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.

Mich Admin Code R 420.805 and Mich Admin Code R 420.806 authorizes the MRA to impose

sanctions against the respondent if it has been determined that the respondent violated the MMFLA

and/or administrative rules promulgated thereunder.

The parties have stipulated that the MRA may enter this consent order for the purpose of

resolving this matter.

The MRA reviewed the stipulation contained in this document and agrees that the public

interest is best served by resolution of this matter. Therefore, the MRA finds that the factual

allegations and violations set forth in the stipulation are true and that Respondent violated Section

701 of the MMFLA, MCL 333.27701.

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of Eight Thousand and 00/100 dollars

(\$8,000.00). This fine shall be paid within 14 days of the effective date of this order by check or money order made payable to the State of Michigan with enforcement number

"20-00220" clearly displayed on the check or money order. Respondent shall mail the fine to Department of Licensing and Regulatory Affairs, Marijuana Regulatory Agency, PO

BOX 30205, Lansing, Michigan 48909 or submit the fine in person to Department of Licensing & Regulatory Affairs Marijuana Regulatory Agency 2407 North Grand River

Lansing, Michigan 48906.

2. If Respondent fails to timely pay the fine, Respondent's state operating license(s) shall be

suspended until payment is received.

3. Unless otherwise specified in this order, Respondent shall direct any communications to MRA that are required the terms ofthis bv MRA-

LegalHearings@michigan.gov.

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ENF No. 20-00220

This order shall be effective on the date signed by the MRA's executive director or his designee, as set forth below.

## MARIJUANA REGULATORY AGENCY

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Signed on: 7/27/21	Marijuana Ragulatory Agency OL Executive Director Date: 2021.07.27 22:07:25-04/00

Andrew Brisbo, Executive Director Marijuana Regulatory Agency

## **STIPULATION**

The parties stipulate to the following:

- 1. The facts alleged in the pre-complaint consent order 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 MRA to prove the charges set forth in this disciplinary action by presentation of evidence and legal authority, and to present a defense to the charges.
- 3. Respondent desires to resolve and settle all issues related to this matter, in lieu of disputing the disciplinary action in a contested case hearing.
- 4. The MRA shall report this resolution as a disciplinary proceeding as required by state or federal law. This consent order shall be subject to disclosure under the Michigan Freedom of Information Act, MCL 15.231, et seq.
- 5. The parties considered the following in reaching this agreement:
  - a. At the time that the AFS filing bulletin was issued, Respondent was transitioning from an out of state CPA to a CPA licensed in Michigan.
  - b. In late August they became aware that the AFS still had not been completed.
  - c. Upon review of an email received on October 1, 2020, the engaged CPA advised that they could not provide the CPA services and Respondent would need to hire someone else.
  - d. Respondent engaged a new service provider on November 5, 2020.
  - e. Respondent's accounting information all had to be uploaded into a software system as it was not processed that way previous.
  - f. Respondent's subsequent AFS report (January 31, 2021 deadline) was filed in a timely fashion.
  - g. Respondent did not file the required Annual Financial Statement(s) by the deadline of October 31, 2020.
  - h. Respondent filed the required Annual Financial Statement(s) on December 4, 2020, 34 days after the due date.
  - i. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
  - j. Respondent and the MRA engaged in negotiations of the proposed penalties listed in the Consent Order.
  - k. Respondent has not had any previous disciplinary action issued against it.
- 6. The MRA's enforcement division director or her designee must approve this proposed agreement before it is forwarded to the MRA'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 MRA's enforcement division 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.

Bigitálly signed by: Julie Kluytman  DN: CN = Julie Kluytman email =  Kluytmanj@michigan.gov C = US (  Marijuana Regulatory Agency  Date: 2021 07 27 16:04:07 -04:00'
pate: 2021 07 27 16:04:07 -04'00'

Julie Kluytman, Director Enforcement Division Marijuana Regulatory Agency Dated: AGREED TO BY:

Alan Andreziewski, A Diorized Officer

On behalf of Respondent Kenzy Consulting, Inc.

Dated: 7-27-202/

Jeffey Schroder (P63172)
Attorney for Respondent

Dated: 7-27-20>1

5