



STATE OF MISSOURI
OFFICE OF SECRETARY OF STATE

IN THE MATTER OF:)
)
H & Z ENTERPRISES HI, LLC;)
H & Z CULTIVATION, LLC; and) Case No.: AP-22-13
MACKENZIE S.C. HOAMBRECKER,)
)
Respondents.)

CONSENT ORDER

1. The Enforcement Section of the Missouri Securities Division of the Office of Secretary of State (“Enforcement Section”) alleges that, between May 1, 2019 and December 24, 2019 (“Relevant Period”), Respondents Mackenzie S. C. Hoambrecker and his two Missouri-registered limited liability companies, H & Z Enterprises HI, LLC and H & Z Cultivation, LLC (together, “H&Z Companies”), in connection with the offer and sale of securities to forty (40) investors across seventeen (17) states, including six (6) Missouri investors, made materially false and misleading misrepresentations, material omissions, and undisclosed conflicts of interest, in violation of Sections 409.5-501(1), 409.5-501(2), and 409.5-501(3) of the Missouri Securities Act of 2003, Chapter 409, *et seq.* (the “Act”)¹.
2. Respondents and the Enforcement Section desire to settle the allegations and the matters raised by the Enforcement Section relating to the Respondents’ alleged violations of Section 409.5-501, RSMo. (2016).

CONSENT TO JURISDICTION

3. Respondents and the Enforcement Section stipulate and agree that the Missouri Commissioner of Securities (“Commissioner”) has jurisdiction over Respondents and these matters pursuant to the Act.
4. Respondents and the Enforcement Section stipulate and agree that the Commissioner has authority to enter this Order pursuant to Section 409.6-604(h) which provides:

¹ Unless otherwise indicated, statutory citations refer to the 2016 edition of the Revised Statutes of Missouri, updated by the 2021 Cumulative Supplement.

“The commissioner is authorized to issue administrative consent orders in the settlement of any proceeding in the public interest under this act.”

WAIVER AND EXCEPTION

5. Respondents waive Respondents’ rights to a hearing with respect to this matter.
6. Respondents waive any rights that Respondents may have to seek judicial review or otherwise challenge or contest the terms and conditions of this Order. Respondents specifically forever release and hold harmless the Missouri Office of Secretary of State, Secretary of State, Commissioner of Securities, and their respective representatives and agents from any and all liability and claims arising out of, pertaining to, or relating to this matter.
7. Respondents stipulate and agree with the Enforcement Section that, should the facts contained herein prove to be false or incomplete in a material way, the Enforcement Section reserves the right to pursue any and all legal or administrative remedies at its disposal.
8. Respondents specifically and voluntarily waive any rights to claim that they are unable to pay, now or at any time hereafter, any debt for restitution, penalty or other amount imposed in this Order.

CONSENT TO COMMISSIONER’S ORDER

9. Respondents and the Enforcement Section stipulate and agree to the issuance of this Order without further proceedings in this matter, agreeing to be fully bound by the terms and conditions specified herein.
10. Respondents agree not to take any action or to make or permit to be made any public statement creating the impression that this Order is without factual basis. Nothing in this paragraph affects Respondents’ (a) testimonial obligations; (b) right to take legal or factual position in defense of litigation or in defense of other legal proceedings in which the Commissioner is not a party; or (c) right to make public statements that are factual.
11. Respondents agree that Respondents are not the prevailing party in this action since the parties have reached a good faith settlement.
12. Respondents neither admit nor deny the allegations made by the Enforcement Section, but consent to the Commissioner’s Findings of Fact, Conclusions of Law and Order as set forth herein, solely for the purpose of resolving this proceeding, and any proceeding that may be brought to enforce this Order, and no other purpose.

COMMISSIONER’S FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER

I. FINDINGS OF FACT

A. Respondents

13. **MacKenzie Steven Carl Hoambrecker** (“MacKenzie”) is a forty-two-year-old Fairway, Kansas resident. He is the Founding Member and sole Manager² of H & Z Enterprises and H & Z Cultivation. During the Relevant Period, MacKenzie was also the sole signatory on the H&Z Companies’ respective bank accounts. He has never been registered in any capacity in the financial services industry.
14. **H & Z Enterprises HI, LLC** (“H&Z HI”) is a Missouri limited liability company formed on May 15, 2019, with its principle place of business at 2900 Brooktree Lane, Suite 100, Gladstone, Missouri, 64119, which is also the address of the law firm MacKenzie engaged to prepare the corporate and offering documents, including the operating agreement for H&Z HI (“H&Z HI Operating Agreement”) and subscription agreement for H&Z HI (“H&Z HI Subscription Agreement”). H&Z HI was formed for the purpose of serving as a private fund vehicle to invest in a start-up hemp company known as Mt. Hempton Farms LLC. Between May 15, 2019 and June 20, 2019, MacKenzie, on behalf of H&Z HI, raised \$3.191 million from twenty-five (25) investors, including \$685,000 from five (5) Missouri investors. The investment consisted of member interests in H&Z HI. At present, H&Z HI retains an active entity status with Missouri but is not operational.
15. **H & Z Cultivation, LLC** (“H&Z Cultivation”) is a Missouri limited liability company founded by MacKenzie and formed on June 25, 2019, with its principle place of business at 2900 Brooktree Lane, Suite 100, Gladstone, Missouri, 64119, which is also the address of the law firm MacKenzie engaged to prepare the corporate and offering documents, including the operating agreement for H&Z Cultivation (“H&Z Cultivation Operating Agreement”) and the subscription agreement for H&Z Cultivation (“H&Z Cultivation Subscription Agreement”). Similar to H&Z HI, H&Z Cultivation was formed for the purpose of serving as a private fund vehicle to invest in Mt. Hempton Farms LLC. Between August 27, 2019 and December 24, 2019, MacKenzie, on behalf of H&Z Cultivation, raised \$2.265 million from twenty-six (26) investors³, including \$200,000 from three (3) Missouri investors⁴. The investment consisted of member interests in H&Z Cultivation. At present, H&Z Cultivation retains an active entity status with Missouri but is not operational.

² As those two terms are defined in the H&Z HI Operating Agreement and H&Z Cultivation Operating Agreement (together, the “H&Z Operating Agreements”).

³ Some investors in H&Z Cultivation also invested in H&Z HI.

⁴ Some Missouri investors made investments in both H&Z HI and H&Z Cultivation.

B. Related Parties

16. **Mt. Hempton Farms LLC** (“Mt. Hempton Farms”) is a Colorado limited liability company formed on October 3, 2018, with its principal place of business at 453 Country Road 1975 East, Secor, IL 61771. Mt. Hempton Farms, which during the Relevant Period was owned and managed by three principals, including MacKenzie’s brother Janson Hoambrecker (“Janson”), operated a business of growing, harvesting, and selling hemp. At present, Mt. Hempton Farms’ registration in Colorado is still active but the company is not operational.
17. **H & Z Enterprises NM, LLC** (“H&Z New Mexico”) was a Missouri limited liability company formed on March 11, 2019, with a last known principal address of 2900 Brooktree Lane, Suite 100, Gladstone, Missouri, 64119. The only known members of H&Z New Mexico were MacKenzie and his wife. According to formation documents filed with the Missouri Secretary of State (“MoSOS”), H&Z New Mexico was formed for the specific purpose of investing in real property; yet, in reality, the only business ever conducted by the company was acting as a managing partner and 32.817% equity owner of a joint venture known as PPAF Mount Hempton LLC. H&Z New Mexico’s entity status with the state of Missouri was voluntarily dissolved on June 11, 2021.
18. **PPAF Mount Hempton LLC** (“PPAF Mt. Hempton”) is a Missouri limited liability company and joint venture formed on May 1, 2019, between Profusion Private Asset Fund, LLC (“PPAF”), which is a St. Louis-based manager-managed private investment fund, and H&Z New Mexico. PPAF Mt. Hempton was formed for the specific purpose of funding and potentially acquiring an equity interest in Mt. Hempton Farms. At present, PPAF Mt. Hempton retains an active entity status with Missouri but is not operational.
19. **Hoambrecker Farms LLC** (“Hoambrecker Farms”) was a Missouri limited liability company formed on August 3, 2018. During the Relevant Period, Hoambrecker Farms was affiliated with a 25.9 acre parcel of farmland located at 453 County Road 1975 E in Secor, Illinois, purchased by MacKenzie and Janson on April 4, 2019. Hoambrecker Farms’ registration was voluntarily terminated with the MoSOS on January 29, 2021. At present, the 25.9 acre farmland in Secor, IL remains titled in the name of Hoambrecker Farms and the farm is actively growing hemp.

C. The Offerings of H&Z HI and H&Z Cultivation

H&Z HI

20. H&Z HI was formed in May 2019 for the purpose of serving as a private fund vehicle to invest in Mt. Hempton Farms.
21. MacKenzie, on behalf of H&Z HI, between May 15, 2019 and June 20, 2019, raised \$3.191 million from twenty-five (25) investors (“H&Z HI Investors”), including \$685,000 from

five (5) Missouri investors⁵ (altogether, the “H&Z HI Investors”).

22. MacKenzie solicited prospective and actual H&Z HI Investors and provided them with offering materials, namely, a copy of the H&Z HI Operating Agreement, an H&Z HI Subscription Agreement, and an electronic slide presentation titled “Mt Hempton Farms” (“Slide Presentation”)(altogether, “H&Z HI Offering Materials”).
23. The H&Z HI Operating Agreement provided that H&Z HI Investors were to expect profits from H&Z HI’s investment in Mt. Hempton Farms,

first from [H&Z HI’s] **first priority investment** in eleven (11) farms on which Mt. Hempton is currently harvesting hemp products, comprised of the following acreages: 23 acres in Illinois; 40 acres in Colorado; 100 acres in Oklahoma, and 280 acres in New Mexico. Mt. Hempton is also currently harvesting hemp products on an additional 250 acres in New Mexico, the proceeds from which [H&Z HI] will have a **second priority investment** from which to make the distributions set forth in Section 4.2.A, should first priority farms be insufficient to make the distributions described in Section 4.2.A.a⁶ and Section 4.2.A.b.⁷ (emphasis added)

24. The H&Z HI Operating Agreement also provided,

If [H&Z HI’s] investment is successful, the distributions to the [H&Z HI Investors] as set forth in Section 4.2.A.a and Section 4.2.A.b shall be made by [H&Z HI] to the [H&Z HI Investors] by June 1, 2020.

25. MacKenzie emailed H&Z HI Investors with copies of the H&Z HI Operating Agreement and H&Z HI Subscription Agreement to review and execute. MacKenzie also provided H&Z HI Investors with wiring instructions to an H&Z HI bank account he controlled and instructions for sending physical checks. All funds (100%) received by MacKenzie were then forwarded to Mt. Hempton Farms.
26. The role of H&Z HI Investors was limited to investing money. H&Z HI Investors had no control over the day-to-day managerial or operational decisions of H&Z HI or any loans or investment decisions H&Z HI would make. H&Z HI Investors relied solely on MacKenzie to generate profits through the investment H&Z HI made in Mt. Hempton Farms. The H&Z HI Investors’ member interests in H&Z HI are investment contracts, and therefore securities, within the meaning of the Act.

⁵ The Missouri investors include a combination of Missouri residents and Missouri-registered entities.

⁶ Section 4.2.A.a. provided that distributions to H&Z HI Investors will be made on a pro rata basis in the ratio of H&Z HI Investors’ respective capital contributions and shall apply first against their capital contribution until paid in full.

⁷ Section 4.2.A.b. provided that once a full return of capital contributions had been distributed to H&Z HI Investors as set forth in Section 4.2.A.a., further pro rata distribution of profits shall then be paid to H&Z HI Investors until each H&Z HI Investor has received aggregate distributions equal to three times (3X) their capital contribution, at which time said each such H&Z HI Investor’s membership interest in H&Z HI will be deemed to have been “bought out” by H&Z HI, and said H&Z HI Investor shall no longer have any interest in H&Z HI.

27. To date, none of the H&Z HI Investors have received any distribution of profits from H&Z HI's investment in Mt. Hempton Farms, or a return of any portion of the principal amount they invested.

H&Z Cultivation

28. H&Z Cultivation was formed in June 2019 for the purpose of serving as a private fund vehicle to undertake a follow-on investment in Mt. Hempton Farms.
29. MacKenzie, on behalf of H&Z Cultivation, between August 27, 2019 and December 24, 2019, raised \$2.265 million from twenty-six (26) investors ("H&Z Cultivation Investors"), including \$200,000 from three (3) Missouri investors⁸ (altogether, the "H&Z Cultivation Investors") (the H&Z Cultivation Investors, together with the H&Z HI Investors shall collectively be referred to as the "H&Z Investors").
30. MacKenzie, on behalf of H&Z Cultivation, solicited prospective and actual H&Z Cultivation Investors and provided them with offering materials including, a copy of the H&Z Cultivation Operating Agreement, an H&Z Cultivation Subscription Agreement, and a Slide Presentation (altogether, the "H&Z Cultivation Offering Materials")(the H&Z HI Offering Materials and the H&Z Cultivation Offering Materials shall collectively be referred to as "H&Z Offering Materials").
31. According to the H&Z Cultivation Operating Agreement, H&Z Cultivation Investors were to expect profits from H&Z Cultivation's investment in Mt. Hempton Farms,

first from [H&Z Cultivation's] **first priority investment** in eleven (11) farms on which Mt. Hempton is currently harvesting hemp products, comprised of the following acreages: 23 acres in Illinois; 40 acres in Colorado; 100 acres in Oklahoma, and 280 acres in New Mexico. Mt. Hempton is also currently harvesting hemp products on an additional 250 acres in New Mexico, the proceeds from which [H&Z Cultivation] will have a **third priority investment** from which to make the distributions set forth in Section 4.2.A, should first priority farms be insufficient to make the distributions described in Section 4.2.A.a⁹ and Section 4.2.A.b.¹⁰ (emphasis added)

⁸ The Missouri investors include a combination of Missouri residents and Missouri-registered entities. Two of the entities were also investors in H&Z HI.

⁹ Section 4.2.A.a. provided that distributions to H&Z Cultivation Investors will be made on a pro rata basis in the ratio of H&Z Cultivation Investors' respective capital contributions and shall apply first against their capital contribution until paid in full.

¹⁰ Section 4.2.A.b. provided that once a full return of capital contributions had been distributed to H&Z Cultivation Investors as set forth in Section 4.2.A.a., further pro rata distribution of profits shall then be paid to H&Z Cultivation Investors until each H&Z Cultivation Investor has received aggregate distributions equal to two times (2X) their capital contribution, at which time each such H&Z Cultivation Investor's membership interest in H&Z Cultivation will be deemed to have been "bought out" by H&Z Cultivation, and said H&Z Cultivation Investor shall no longer have any interest in H&Z Cultivation.

32. The H&Z Cultivation Operating Agreement also provided,

If [H&Z Cultivation's] investment is successful, the distributions to the Subscription Members as set forth in Section 4.2.A.a and Section 4.2.A.b shall be made by [H&Z Cultivation] to the Subscription Members by August 31, 2020.

33. MacKenzie emailed H&Z Cultivation Investors with copies of the H&Z Cultivation Operating Agreement and H&Z Cultivation Subscription Agreement to review and execute. MacKenzie also provided H&Z Cultivation Investors with wiring instructions to an H&Z Cultivation bank account he controlled and instructions for sending physical checks. All funds (100%) received by MacKenzie were then forwarded to Mt. Hempton Farms.

34. The role of H&Z Cultivation Investors was limited to investing money. H&Z Cultivation Investors had no control over the day-to-day managerial or operational decisions of H&Z Cultivation or any loans or investment decisions H&Z Cultivation would make. H&Z Cultivation Investors relied solely on MacKenzie to generate profits through the investment decisions he made for H&Z Cultivation. The H&Z Cultivation Investors' member interests in H&Z Cultivation are investment contracts, and therefore securities, within the meaning of the Act.

35. To date, none of the H&Z Cultivation Investors have received any distribution of profits from H&Z Cultivation's investment in Mt. Hempton Farms, or a return of any portion of the principal amount they invested.

D. Alleged Violative Conduct

Material Misrepresentations

36. Though MacKenzie engaged counsel to prepare the H&Z Offering Materials, MacKenzie had ultimate authority for the accuracy of the H&Z Offering Materials disseminated to H&Z Investors, which were false and misleading for the reasons set forth below:

- a. The H&Z Operating Agreements provided that H&Z Investors' profits from the H&Z Companies' respective investments in Mt. Hempton Farms would be derived from a first priority interest in the net revenues from eleven (11) farms, totaling 443 acres, on which Mt. Hempton Farms was currently harvesting hemp products, including 280 acres in New Mexico. In reality, at the time MacKenzie distributed the H&Z Operating Agreements to the H&Z Investors, no such harvesting was taking place on such acreage in New Mexico for the first priority interest of either of the H&Z Companies. Further, no hemp was ever planted, grown or harvested on such acreage in New Mexico by Mt. Hempton Farms for the first priority interest of either of the H&Z Companies;

- b. The H&Z Operating Agreements provided that H&Z Investors' profits from the H&Z Companies' respective investments in Mt. Hempton Farms would be derived from the H&Z Companies' first priority interest in the net revenues from eleven (11) farms, totaling 443 acres, on which Mt. Hempton was currently harvesting hemp products, including 100 acres in Oklahoma. In reality, at the time MacKenzie distributed the H&Z Operating Agreements to the H&Z Investors, no such harvesting was taking place on such acreage in Oklahoma specifically for the first priority interest of either of the H&Z Companies. Further, no hemp was ever planted, grown or harvested on such acreage in Oklahoma by Mt. Hempton Farms for the first priority interest of either of the H&Z Companies;
- c. The H&Z Operating Agreements provided that H&Z Investors' profits from the H&Z Companies' respective investments in Mt. Hempton Farms would be derived from the H&Z Companies' first priority interest in the net revenues from eleven (11) farms, totaling 443 acres, on which Mt. Hempton was currently harvesting hemp products, including forty (40) acres in Colorado. In reality, at the time MacKenzie distributed the H&Z Operating Agreements to the H&Z Investors, no such harvesting was taking place on such acreage in Colorado for the first priority interest of either of the H&Z Companies. Further, no hemp was ever planted, grown or harvested on such acreage in Colorado by Mt. Hempton Farms for the first priority interest of either of the H&Z Companies;
- d. While the Slide Presentation touted the experience of one of Mt. Hempton Farms' key employees, the so-called master grower ("Master Grower"), at no time prior to or at the time the H&Z Investors purchased their respective member interests in the H&Z Companies did MacKenzie disclose to them that the title "master grower" was merely a self-proclaimed, unaccredited title, and that the Master Grower had no actual experience growing hemp in New Mexico (or any other state other than Colorado) and had minimal experience growing hemp outdoors; and
- e. The Slide Presentation claimed Mt. Hempton Farms' "grow team" cumulatively had "over 200 years [*sic*] experience growing Cannabis", when, in reality, the grow team had no such experience, and had no actual experience growing hemp in New Mexico (or any other state other than Colorado) and had minimal experience growing hemp outdoors.

Material Omissions

- 37. Though MacKenzie engaged counsel to prepare the H&Z Offering Materials, MacKenzie had ultimate authority for the accuracy of the H&Z Offering Materials disseminated to H&Z Investors, which failed to disclose material information to the H&Z Investors, as set forth below:
 - a. MacKenzie, in direct conflict with the interests of H&Z Investors, was a 50% owner of one of the eleven (11) farms—specifically, the twenty-three (23) acres in Illinois that was referenced in the H&Z Operating Agreements and was part of the acreage

known as Hoambrecker Farms—from which the H&Z Investors were to derive profits from their investment. Pursuant to a profit-sharing arrangement that Hoambrecker Farms had in place with Mt. Hempton, Hoambrecker Farms would receive 25% (and Mt. Hempton Farms would receive 75%) of the net profit generated from the sale of hemp grown on Hoambrecker Farms prior to any net profit being distributed to H&Z Investors;

- b. Prior to raising funds from H&Z Investors, MacKenzie, in direct conflict with the interests of H&Z Investors, coordinated with executives at PPAF to create PPAF Mt. Hempton, a special purpose vehicle within PPAF through which MacKenzie¹¹ and PPAF¹², as sole partners, would provide financing to, and procure a potential equity ownership in, Mt. Hempton Farms. Specifically, on May 20, 2019, PPAF Mt. Hempton executed, among other things, the following transactional documents with Mt. Hempton Farms:
 - (1) a Promissory Note and a Loan And Equity Participation Agreement (together, “Loan Agreement”), pursuant to which PPAF Mt. Hempton loaned \$774,000 to Mt. Hempton Farms. According to the terms of the Loan Agreement, Mt. Hempton Farms assigned and conveyed 25% of its net profit to PPAF Mt. Hempton to finance repayment of the loan amount plus 12% annual interest. As a consequence, MacKenzie, through his PPAF Mt. Hempton investment and in direct conflict with the H&Z Investors, subordinated the H&Z Investors’ interests in the net profit from Mt. Hempton Farms;
 - (2) an Option Agreement, pursuant to which PPAF Mt. Hempton acquired an irrevocable and exclusive right, exercisable at any time between May 20, 2019 and May 19, 2021, to purchase a 10% equity interest in Mt. Hempton Farms;¹³
 - (3) a Pledge Agreement (Partnership Interest), pursuant to which PPAF Mt. Hempton acquired the rights, titles and interests to all current and future Mt. Hempton Farms’ partnership interests with its farming partners, including, without limitation, Mt. Hempton Farms’ rights to vote, rights to interim cash and property distributions, and rights to liquidating cash and property distributions together with all proceeds of the same, to secure the payment and performance of payment on the \$774,000 loan (plus 12% annual interest) represented in the Loan Agreement;
 - (4) a Security Agreement, pursuant to which PPAF Mt. Hempton, for the purpose of securing repayment of its \$774,000 loan (plus 12% interest) to

¹¹ MacKenzie’s ownership of PPAF Mt. Hempton was made through his personal enterprise H&Z New Mexico.

¹² By virtue of having a managed client account at PPAF, MacKenzie also held a 6.667% equity interest in PPAF’s investment in PPAF Mt. Hempton.

¹³ PPAF Mt. Hempton never exercised its right under the agreement.

Mt. Hempton Farms, as referenced in the Loan Agreement, acquired a first priority security interest in and to all of Mt. Hempton Farms' Collateral¹⁴ and all proceeds (whether cash proceeds or noncash proceeds) of the Collateral, including all insurance policies and proceeds of insurance payable by reason of loss or damage to the Collateral, including unearned premiums. To perfect the security interest, PPAF Mt. Hempton caused the filing of UCC financing statements in Colorado, Missouri and New Mexico;

- (5) a Management Rights Agreement, pursuant to which PPAF Mt. Hempton acquired the right to advise Mt. Hempton Farms' management on significant business issues, including, but not limited to, management's proposed annual operating plans. Further, PPAF Mt. Hempton acquired a commitment from Mt. Hempton Farms' management to refrain from, among other things, the following activities, without obtaining prior written consent from PPAF Mt. Hempton: guaranteeing any indebtedness (except for trade accounts of Mt. Hempton Farms or any subsidiary arising in the ordinary course of business); incurring any aggregate indebtedness in excess of \$50,000 (other than trade credit incurred in the ordinary course of business); hiring, firing or changing the compensation of the executive officers of Mt. Hempton Farms; and entering any new lines of business or exiting the current line of business; selling, assigning, licensing, pledging, or encumbering material technology or intellectual property (other than licensing granted in the ordinary course of business); and
 - (6) a Right of First Refusal and Co-Sale Agreement, pursuant to which, among other things, PPAF Mt. Hempton was granted the right to have the first opportunity to purchase any equity interests in Mt. Hempton Farms offered for sale to any third party by either of the two principals of Mt. Hempton Farms, each of whom owned a 50% equity stake in Mt. Hempton Farms; and
- c. While touting the experience of the Master Grower to H&Z Investors, at no time prior to or at the time H&Z Investors purchased their respective investments did MacKenzie disclose to H&Z Investors the Master Grower's relevant criminal history, including, but not limited to:
- (1) a 2005 arrest on a felony weapons charge and for possession of marijuana that led to serving four months in the Utah Department of Corrections and subsequent release onto three years supervised probation.

II. CONCLUSIONS OF LAW

¹⁴ According to the Security Agreement, "Collateral" means "the Accounts, Records, Chattel Paper, Deposit Accounts, Documents, Equipment, FF&E, General Intangibles, Goods, Instruments, Intellectual Property, Inventory, Investment Property, Letter of Credit Rights, all escrow and reserve accounts required by or pursuant to any of the Loan Documents, and all other assets, tangible or intangible, now or hereafter acquired by [Mt. Hempton Farms], and the Proceeds of each thereof."

38. **THE COMMISSIONER CONCLUDES** that the member interests offered and sold by Respondents H&Z HI and MacKenzie to H&Z HI Investors are securities under Section 409.1-102(28).
39. **THE COMMISSIONER CONCLUDES** that the member interests offered and sold by Respondents H&Z Cultivation and MacKenzie to H&Z Cultivation Investors are securities under Section 409.1-102(28).
40. **THE COMMISSIONER CONCLUDES** that by engaging in the conduct as set forth above, Respondents H&Z HI, H&Z Cultivation, and MacKenzie, in connection with the offer and sale of a security, employed a device, scheme, or artifice to defraud, in violation of Section 409.5-501(1).
41. **THE COMMISSIONER CONCLUDES** that by engaging in the conduct as set forth above, Respondents H&Z HI, H&Z Cultivation, and MacKenzie, in connection with the offer and sale of a security, made untrue statements of material fact or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which it is made, not misleading, in violation of Section 409.5-501(2).
42. **THE COMMISSIONER CONCLUDES** that by engaging in the conduct as set forth above, Respondents H&Z HI, H&Z Cultivation, and MacKenzie, in connection with the offer and sale of a security, engaged in an act, practice or course of business that operates or would operate as a fraud or deceit upon another person, in violation of Section 409.5-501(3).
43. **THE COMMISSIONER CONCLUDES** Respondents' violations of Sections 409.5-501(1), 409.5-501(2), and 409.5-501(3) constitute an illegal act, practice, or course of business subject to the Commissioner's authority under Section 409.6-604.
44. **THE COMMISSIONER CONCLUDES** that the aforementioned violations are sufficient to issue an order in accordance with Section 409.6-604.
45. The Commissioner, after consideration of the stipulations set forth above and on consent of the Respondents and the Securities Division, finds and concludes that the Commissioner has jurisdiction over Respondents in this matter and that the following order is in the public interest, necessary for the protection of public investors, and consistent with the purposes intended by Chapter 409, RSMo.

III. ORDER

NOW, THEREFORE, it is hereby ordered that:

46. Consistent with this Order and Section 409.5-510, 15 CSR 30-52.260, and all applicable laws and regulations, Respondents shall offer to each of the six Missouri residents in this

matter (“MR1-MR6”), who are identified in Exhibit A (attached hereto) and in aggregate purchased approximately \$885,000 in interests in the H&Z Companies from Respondents, the opportunity to rescind their purchase and be repaid their purchase amounts in full;

47. Respondents shall coordinate with the Enforcement Section to memorialize each offer of rescission in a written letter (“**Rescission Offer**”) that conforms to the template shown in Exhibit B (attached hereto), which shall be provided to the Commissioner for review and approval prior to use;
48. Respondents shall provide to MR1-MR6 a Rescission Offer, tailored specifically to each MR, along with a copy of this Consent Order, (collectively, the Consent Order and Rescission Offer shall be referred to hereinafter as the “Rescission Package”);
49. Each Rescission Package shall be mailed, at the expense of the Respondents, to the last known address of each MR1-MR6 (or, in the case an MR is deceased, to the trustee(s) of his or her estate), as agreed between the Enforcement Section and Respondents based on their respective records, and in a manner that provides confirmation of delivery (e.g., overnight delivery service, USPS Certified Mail);
50. Respondents shall promptly (but in no case later than two (2) business days after the day in which Respondents receive confirmation of delivery of a Rescission Package) provide, in whatever form or manner is acceptable to the Enforcement Section, a copy of each delivery confirmation to the Enforcement Section;
51. In the event delivery of a Rescission Package to a specific MR fails, Respondents shall request the Enforcement Section provide an alternative mailing address for the MR and retry delivery;
52. A Rescission Package shall be mailed to MR1-MR6 no later than five (5) calendar days following the date of execution of this Order by the Commissioner;
53. The Rescission Offer shall remain open for a period of thirty (30) calendar days from the date of receipt by the MR (the “Acceptance Period”), as evidenced by the date on the confirmation of delivery;
54. Any MR who does not accept the offer within the Acceptance Period shall be removed from this rescission offer;
55. Responses to the Rescission Offer shall be mailed or emailed by each MR directly to the Enforcement Section for review and tallying. Upon the earlier of (i) receipt of all responses from MR1-MR6, or (ii) the expiration of the Acceptance Period, the Enforcement Section shall communicate to Respondents the results of the rescission offer, along with a copy of each response received from an MR, and the aggregate amount of funds owed to the MRs (“Aggregate Rescission Amount”) who elect to rescind their purchase;

56. Upon receiving notice of the Aggregate Rescission Amount (“Notice Date”), Respondents, joint and several, shall promptly pay the Aggregate Rescission Amount to the Missouri Secretary of State’s Investor Restitution Fund. **This amount is due by Respondents within five (5) calendar days from the Notice Date and shall be made payable to the Missouri Secretary of State’s Investor Restitution Fund**, and sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101. The Commissioner will take reasonable and necessary actions to distribute such funds to the MRs in this matter;
57. Further, Respondents, joint and several, shall pay \$100,000 to the Missouri Secretary of State’s Investor Education and Protection Fund. **This amount is due upon execution of this Order by Respondents and shall be made payable to the Missouri Secretary of State’s Investor Education and Protection Fund**, and sent to the Missouri Securities Division at 600 W. Main Street, Jefferson City, Missouri 65101;
58. Respondents, their respective agents, employees and servants, and all other persons participating in the above-described alleged violations with knowledge of this Order are permanently enjoined and restrained from engaging in violations of Sections 409.5-501(1), 409.5-501(2), and 409.5-501(3); and
59. Respondents shall pay their own costs and attorneys’ fees with respect to this matter.
60. Any breach by Respondents to comply fully with all their obligations and responsibilities set forth in this Order shall automatically render this Order null and void. The foregoing shall be without prejudice to or limitation on any other rights of the Securities Division at law or equity.

SO ORDERED:

WITNESS MY HAND AND OFFICIAL SEAL OF MY OFFICE AT JEFFERSON CITY,
MISSOURI THIS 15th DAY OF JUNE, 2023.



JOHN R. ASHCROFT
SECRETARY OF STATE

Handwritten signature of John R. Ashcroft in black ink, written over a horizontal line.

DOUGLAS M. JACOBY
COMMISSIONER OF SECURITIES

Consented to by:

MISSOURI SECURITIES DIVISION

Handwritten signature of Melissa D. Buchanan in black ink, written over a horizontal line.

Melissa D. Buchanan
Senior Enforcement Counsel

RESPONDENTS

Handwritten signature of MacKenzie S.C. Hoambrecker in black ink, written over a horizontal line.

MacKenzie S.C. Hoambrecker

Handwritten signature of MacKenzie S.C. Hoambrecker in black ink, written over a horizontal line.

H & Z Enterprises HI, LLC
MacKenzie S.C. Hoambrecker, Manager

Handwritten signature of MacKenzie S.C. Hoambrecker in black ink, written over a horizontal line.

H & Z Cultivation, LLC
MacKenzie S.C. Hoambrecker, Manager