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

In the Matter of

GrassRootsMI, LLC
dba The Foundry Cannabis Co. **ENF Nos: 26-00750**
License No. AU-P-000338 **26-00756**
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FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) by and through its attorney, Assistant Attorney General Sarah E. Huyser, files this formal complaint against GrassRootsMI, LLC dba The Foundry Cannabis Co. (Respondent), alleging upon information and belief as follows:

1. The CRA is authorized under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, to investigate alleged violations of the MRTMA and administrative rules 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.

FACTUAL ALLEGATIONS

2. Respondent holds an active state license under the MRTMA to operate an adult use marijuana processor business in the State of Michigan.

3. Respondent operated at 26352 Lawrence Ave. Center Line, MI 48015, at all times relevant to this complaint.

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

5. On May 7, 2026, Michigan State Police Marijuana and Tobacco Investigations Section (MTIS) executed a search warrant at the location of a hemp processor handler and found marijuana and marijuana products containing tags from the seed-to-sale tracking system, Metrc. This business does not have a marijuana license.

6. Some of the Metrc tags connected products to Respondent and when Metrc was reviewed, the product still showed as being at Respondent business or that it was recently transferred by Respondent.

7. Additional marijuana products that were located and seized by MTIS were infused prerolls and vape cartridges containing Metrc tags that linked back to Respondent. According to Metrc, the prerolls and vape cartridges were reclaimed and repackaged as crude or bulk distillate prior to the seizure.

8. Regulatory Agents (RAs) reviewed Metrc data associated with the seized marijuana and marijuana products.

a. 273 Metrc tags were found to have been transferred from a licensee to Respondent on December 1, 2025.

b. The 273 tags were combined with 10 additional tags with reclaimed distillate by Respondent to make a batch of distillate under Metrc tag 1A4050300035BC000009366 (9366). This was transferred to another licensed processor according to Metrc. This is not possible because the product containing these tags is in police custody.

c. 1 Metrc tag came from a different licensee to Respondent on March 19, 2026.

d. On June 15, 2026, Respondent's inventory showed oil reclaimed from the 274 Metrc tags that were actually seized and in possession of MTIS as of May 7, 2026.

9. RAs went to Respondent's business for an onsite audit on June 17, 2026 to look into the products that were received on December 1, 2025, and March 19, 2026.

a. RAs met with an individual who said he was the lab and production manager, RM. RAs asked to speak to AS who was listed as the onsite contact and was informed he was terminated two months prior.

b. The manager indicated that he would be the appropriate person to direct any questions. He indicated that he has been employed with Respondent since April of 2026 while Metrc states he has been employed since December 10, 2025.

c. RM reported that he is responsible for overseeing the reclamation process of oil from vape cartridges and prerolls.

d. RM reported that they have not engaged in reclamation since April 21, 2026, when Bureau of Fire Services (BFS) inspected and said they were only approved to use Butane not ethanol as they have been using.

e. RM stated they did not have approval from the CRA to use ethanol as part of the process. Respondent submitted a reporting form after the BFS inspection but withdrew it because of financial costs.

f. RAs requested a copy of the standard operating procedures (SOPs) that Respondent had been following related to the reclamation process. RM was unable to access them upon request. Several SOPs were emailed while RAs were onsite.

g. The SOPs that were provided did not describe the steps taken for the process.

h. No records were available for review as required by the SOPs and neither packaging nor leftover vape cartridges were available onsite.

i. RAs indicated they would email a list of Metrc tags connected to December 2025 and March 2026 so the Metrc employee could review them and provide responses at a later time. The employee was on vacation at the time of the onsite visit.

j. RAs found product with Metrc tag 1A4050300035BC5000009567 (9567) on marijuana product which listed as finished in Metrc. Respondent indicated that he just made this distillate and did not know why Metrc would say it was finished and therefore should not exist.

k. RAs found Metrc tag 1A4050300035BC000009568 (9568) on distillate which was not a valid Metrc tag.

l. RAs looked for product associated with Metrc tag 1A4050300035BC5000008943 (8943) which showed 355,189.7 grams of distillate onsite. This product was not located.

m. RAs reviewed data logs that were purported to be production or waste logs. Metrc information was missing from some of the logs and the most current logs could not be provided.

n. Names that were contained on the logs as employees were not listed in Metrc as current or past employees of Respondent.

o. Before leaving, RAs asked to review video surveillance and RM did not have access. No one onsite was able to show RAs the camera footage upon request.

10. While onsite that day, RAs found a significant number of untagged products.

a. 400 to 500 pounds of untagged product was found in the vault in the form of marijuana and shake/trim was found in large black garbage bags, 6 small plastic clear bags of untagged flower product, several loose turkey bags and

other one-pound bags filled with marijuana product. The manager RM confirmed that this was untagged product.

b. Loose untagged prerolls next to one box of distillate with a Metrc tag 9567 in the grinding room. Tag 9567 shows a quantity of 0 that was finished as of April 29, 2026.

    i. When asked about the untagged prerolls RM stated that they were part of tag1A4050300035BC5000009917 (9917) which was in the warehouse garage.

    ii. Metrc showed tag 9917 to be 333,000 grams of biomass.

    iii. RAs could not go into the warehouse garage because of the condition of the building.

    iv. RM indicated that the observed prerolls were supposed to be wasted products but was unable to point to any documentation or waste logs to confirm this.

    v. The numbers "9567" were on multiple jars around the facility and the contents of the jars looked different throughout the business.

c. Four large black garbage bags of untagged shake/trim, one box of untagged prerolls, and one box containing two clear bags of approximately five pounds each of untagged shake/trim product address to "Weed Mart" were also found in the grinding room.

    i. After the onsite visit, Respondent indicated that this product was part of tag 9917.

    ii. They could not provide any information connecting this product to that tag or the weight of any of the bags containing the product.

    iii. Respondent also did not generate a child tag when the product was separated off into the box with clear bags inside for another location.

d. The grinding room also had two boxes with Metrc tag 1A405030004888D000046608 (46608) with shake/trim

located inside. Tag 46608 is not in Respondent's inventory. According to Metrc, this tag is in the inventory of another licensed processor.

e. Two black buckets and three large mason jars containing distillate were located in lab.

    i. The two buckets and one of the jars were labeled with 9567 and the other two jars were labeled with 9568.

    ii. A review of Metrc shows that tag 9568 does not exist and is not a valid Metrc tag number.

f. One white bucket of THC concentrate was found in the lab without Metrc tags. RM indicated that this was waste product but never produced waste logs to confirm or outline what packages the waste came from.

g. Three mason jars were found in a freezer containing has rosin and only one had a Metrc tag 1A4050300037335000021137 (21137). Metrc showed 3,102.5 grams of hash rosin associated with this tag. This is more than what was in the freezer. RM told RA that they could not find the rest of the product, yet the entire tag amount was transferred to another licensee the day after the onsite visit.

h. 10 boxes containing large mason jars of distillate were found onsite.

    i. 7 of the 10 had Metrc tag 1A4050300044751000052228 (52228) affixed to the top. In Metrc this tag has a quantity of 0, but 23,036 grams were found onsite. Metrc showed two child packages were created, and the package was finished on June 10, 2026.

    ii. 3 of the 10 had Metrc tag 1A405030005ABF5000051879 (51879). In Metrc this tag has a quantity of 107,425.7 grams and 107,474 grams were found onsite.

i. RAs indicated that untagged products should be under surveillance since it was under investigation at this time.

11. On the same day, after leaving onsite, RA sent a written request for information on the reclaiming process; production logs, weight logs, and waste logs from April 1, 2026 to present day; 30 days of surveillance video coverage for all cameras; and copies of agreements between Respondent and three other licensees.

12. Multiple attempts to contact the owner while onsite and after were made to no avail until on June 23, 2026, a request for an extension of the deadline was made. The extension was granted through June 26, 2026.

13. Respondent's counsel contacted the RA and provided answers to some of the questions as well as the Preroll Material Reclaim SOP. RA reviewed the SOP which requires various forms of documentation. The same documentation requested and was not available. The licensee did not follow its SOP.

14. RA requested information regarding Metrc tag 8943 (product that was seized by MTIS) that was not located onsite during the visit. Respondent's counsel stated that the product was in their storage room in the middle of the business. RM did not provide access to this room during the onsite visit. A picture of a box labeled 8943 was provided to RA but the contents are not visible.

15. Production logs, batch production records, equipment cleaning logs, quality control inspection forms, and inventory reconciliation forms were requested and never provided. Information claimed to exist according to the Vape Product Reclamation SOP was also requested and never provided.

16. RA requested a list of all Respondent's employees since Metrc did not match the people claiming to have worked there. This was never provided.

17. Explanations for various Metrc tag discrepancies were requested and never provided.

18. On June 25, 2026, RA was able to speak to Respondent's reported owner. He claimed he is 15 percent owner and was last onsite in October of 2025.

a. He confirmed that RM worked for a different company that was running the lab at Respondent's business, but he was not sure what one or if there was an agreement on file.

b. He confirmed that the point of contact the CRA has for the business, AS, was terminated and the CRA was never updated with the change.

c. He confirmed that he was not aware of any issues with the surveillance system or any break-ins that would have caused issues with products.

d. RA followed up with an email after the phone call asking that detailed documentation and explanation for tags 9567 and 52228 where Metrc shows zero product onsite, yet the business has a significant amount.

19. On June 29, 2026, the only explanation provided was for tag 52228. Counsel for Respondent only said that the wrong products went out for an order instead of 52228. He indicated that the products were improperly tagged.

20. On July 1, 2026, a visit was arranged for RAs to appear onsite. Upon arrival no one was present and the visit could not be conducted.

21. After attempting to speak with Respondent, another site visit was scheduled for July 8, 2026. RAs advised they were onsite to pick up the surveillance and follow up on the information provided since the original visit.

a. RM provided two hard drives to RA without connector chords. RM was asked if he verified the information was

present on the drives and he indicated he had not and that their IT company conducted the download.

b. RM did not know the name of the IT company and was not able to contact the owner.

c. The surveillance video was not in the requested format and would be unable to be viewed.

d. The surveillance equipment and logs were in a locked office that no one had access to.

e. RAs asked for the production batch information that was requested during the first onsite visit. RM stated that he got a new computer and could not access them. The requested logs were never provided.

f. From Respondent's current Metrc inventory, RAs asked to see product associated with the MTIS seizure under tags 8943 and 1A4050300035BC5000010013 (10013). RM took RAs to a storage room that was not shown to them during the first onsite visit.

g. RM claimed this room contained product associated with tag 8943. In total there were 184,000 grams of distillate leaving 171,189.7 grams unaccounted for. RM had no explanation.

h. RM also stated 10013 was not on site and was not sure why Metrc would have active product under that tag.

i. The distillate that was originally tagged under 52228 had now been retagged with tag 51879. 51879 already had product in Metrc and onsite under this tag. No weights were adjusted in Metrc. When asked why inaccurate retagging occurred, no answer was provided.

j. When RAs entered the vault, they found more untagged products. When asked about this product, RM became verbally irate and ended the site visit.

22. RAs attempted to review the video surveillance on the hard drives provided by Respondent and could not view them even with the assistance of IT.

23. Respondent subsequently provided photographs of the 400 to 500 pounds of untagged product in the Vault. This product now contains tags in the photos.

a. The weights of the packages could not be confirmed to determine if they reconciled with Metrc.

b. One of the tags of Snowball 5 Bunds was received and accepted on June 9, 2026, according to Metrc yet was untagged when RAs were onsite June 17, 2026.

c. Cereal Runtz Buds were received and accepted on June 9, 2026, as well but was not tagged when RAs were onsite June 17, 2026.

COUNT 1

Respondent's actions described above demonstrate a violation of Rule 420.103(1), which states that a marijuana processor can only transfer marijuana or marijuana infused products to a licensed marijuana establishment.

COUNT 2

Respondent's actions described above demonstrate a violation of Rule 420.103(3), which states that a marijuana processor must accurately enter all transactions, current inventory, and other information into the statewide monitoring system (Metrc).

COUNT 3

Respondent's actions described above demonstrate a violation of Rule 420.206a(1), which states that a marijuana business must have up-to-date written standard operating procedures on site at all times.

COUNT 4

Respondent's actions described above demonstrate a violation of Rule 420.206a(2), which states that standard operating procedures must be made available to the agency upon request.

COUNT 5

Respondent's actions described above demonstrate a violation of Rule 420.209(6)(a)(i), which states that a licensee shall ensure the video surveillance

records any areas where marihuana products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the marijuana business.

COUNT 6

Respondent's actions described above demonstrate a violation of Rule 420.209(6)(a)(ii), which states that a licensee shall ensure the video surveillance system records limited access areas and security rooms including any transfers between rooms.

COUNT 7

Respondent's actions described above demonstrate a violation of Rule 420.209(11), which states that a licensee shall keep surveillance recordings for a minimum of 30 calendar days, unless requested otherwise by the agency.

COUNT 8

Respondent's actions described above demonstrate a violation of Rule 420.209(12), which states that surveillance recordings of the licensee are subject to inspection by the Agency and must be kept in a manner that allows the Agency to view and obtain copies immediately upon request. The licensee must also be able to send the videos upon request.

COUNT 9

Respondent's actions described above demonstrate a violation of Rule 420.212(1), which states that all marijuana products must be stored in a secured access area and must be identified and tracked consistently in the statewide monitoring system.

COUNT 10

Respondent's actions described above demonstrate a violation of Rule 420.502(1), which states that each marijuana product sold or transferred must be clearly labeled with tracking identification numbers assigned by Metrc that are affixed, tagged, or labeled and recorded, and any other information required by the agency, the acts, and the rules.

COUNT 11

Respondent's actions described above demonstrate a violation of Rule 420.602(2)(b), which states that a licensee shall enter an employee's information into Metrc and level of access within seven business days of hiring. The licensee shall update any changes in information or access within seven business days.

COUNT 12

Respondent's actions described above demonstrate a violation of Rule 420.602(2)(c), which states that a licensee shall remove an employee's access and permissions to the business and Metrc within seven business days after employment is terminated.

COUNT 13

Respondent's actions described above demonstrate a violation of Rule 420.602(), which states that all marijuana products must be stored in a secured access area and must be identified and tracked consistently in the statewide monitoring system.

COUNT 14

Respondent's actions described above demonstrate a violation of Rule 420.6(5), which states that a licensee must provide information requested and cooperative in an investigation by the Agency.

COUNT 15

Respondent's actions described above demonstrate a violation of Rule 420.802(3)(f)(ii) which states that a licensee shall report to the agency any proposed material changes to the agency, before making them, if they add or reduce equipment or processes.

COUNT 16

Respondent's actions described above demonstrate a violation of Rule 420.802(3)(f)(v), which states that a licensee shall report to the agency any proposed material changes to the agency, before making them, if they impact security, fire safety, and building safety.

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 suspension, revocation, restriction, and/or refusal to renew Respondent's license.

Under MCL 333.27957(1)(c) and Rule 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.

Respondent also has the right to request a compliance conference under Rule 420.704(1) and R 420.808(4). 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 administrative rules.

Hearing and compliance conference requests must be submitted in writing by one of the following methods, with a copy provided to the assistant attorneys general named below:

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 undersigned assistant attorneys general.

Respectfully submitted,

/s/ *Sarah E. Huyser*
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Dated: October 26, 2026

LF: 2026-0466709-A / GrassRootsMI LLC, AU-P-000338, ENF No. 26-00750 / formal complaint / 2026-10-30