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

In the Matter of

IVP Holding, LLC **ENF No: 26-00749**
License No. AU-P-000205
_____/

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) by and through its attorney, Assistant Attorney General Sarah E. Huyser, files this formal complaint against IVP Holding, LLC (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 1973 E. 10 Mile Road, Warren, MI 48091, 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 at Respondent business.

7. MTIS contacted the CRA and regulation agents/officers (RA) went to Respondent's business for an onsite audit on May 15, 2026.

a. RAs asked Respondent to retain and preserve video from April 14 to May 14, 2026. A follow up email was sent containing the same request.

b. RAs asked to review the video surveillance system while onsite to confirm they had the required 30 days retention of videos available.

c. The manager onsite was only able to see the live feed video and could not access the prior surveillance footage. After being reminded that someone onsite needs to be able to access the videos, the same manager logged on and accessed video that went back to April 15, 2026.

8. On May 18, 2026, Respondent confirmed that the requested surveillance had been preserved and retained.

9. RAs continued to review and trace package numbers from the packages seized by MTIS. 111 package tag numbers associated with 2,641 eaches and 59,406 grams of marijuana that were seized still showed to be in Respondent's active inventory. Respondent was still using this inventory, despite it not being onsite.

a. Five of the products that were shown to be in Respondent's inventory on May 17, 2026, despite being seized, were later used on June 16, 2026 in another package.

b. 50 of the seized package numbers were shown in Metrc to have been moved to a virtual room called "the vault" on May 17, 2026.

c. Two packages were shown to be present in the inventory on May 16, 2026 and were used in another package the following day.

d. 21 package tag numbers were used in another package on May 16, 2026.

e. 21 packages tag numbers were used in another package on May 17. 2026.

f. Two package tags were used in another package on May 18, 2026.

g. 10 of the package tags shown in inventory were added to a manifest to be transferred to another licensee on May 17, 2026.

10. While reviewing the changes to the packages after RAs visited, it was learned that nine outgoing manifests were created to the same licensee for product that was logged as evidence at MSP. Those manifest numbers were: 0004491349, 0004484308, 0004479021, 0004478931, 0004478930, 0004478929, 0004478928, and 0004478817.

a. These 9 manifests contained 909 package tag numbers associated with 51,719 each of marijuana products, 88,518 grams of marijuana flower, 1,560,603.48 grams of marijuana concentrate, and 1,000 pounds of shake/trim.

b. All the packages on the manifests remained listed in Respondent's active inventory because the manifests were never accepted by the other licensee.

11. A second site visit was conducted on June 11, 2026, to discuss the nine manifests that were created after the initial visit.

a. When showed the list of tags and asked where they were in the business—since they were listed as active inventory in Metrc—the manager stated they were not at the location because they were picked up by the secure transporter.

b. The manager could not provide any documentation or details to confirm that the product went out with the secure transporter or why it was not accepted by the destination location.

c. Any additional products on the list that were seized by MTIS and shown to be active inventory with Respondent, were unable to be located in the business when asked.

d. RAs asked about a production batch of over 400,000 grams of distillate with package tag number 1A40503000213A6000397882 (7882). This tag was reported to have been made from 21 tags that were actually seized by MTIS. There were multiple jars of distillate onsite that possessed the 7882 tag.

e. RA requested video surveillance for the specific dates where it was stated the nine pending manifests were picked up by the secure transporter. This request was followed up in writing the same day.

12. RAs contacted the secured transporter that Respondent maintained transferred the product in the nine manifests. The transporter could not find copies of the manifests and ones that were later located did not match what was provided by the Respondent. The licensee further stated that they only did storage and packaging of made pre-rolls from already infused flower so they were not sure why another licensee would send them distillate or concentrate. They stated they would not order any because they have no use for it.

13. RAs contacted the licensee who Respondent claimed received the products on the nine manifests. That licensee indicated that they did not receive the products and it was not at their business location.

14. On June 16, 2026, RAs returned onsite to talk to the employee who breaks down the distillate. This is when Respondent indicated they will be present. RAs informed Respondent that they would be coming at this time.

a. The employee was not present.

b. RAs asked to view the boxes containing the jars of distillate associated with the 7882 tag.

c. The weight of the jars matched what was listed in Metrc and was reported to have been made from biomass. This is different from Metrc indicating that the distillate was made from broken down crude.

d. The package tags that were in evidence with MTIS were reported as being used to make House Run Distillate 1 tag 1A4050300213A6000397580 (7580) which was pending on one of the nine manifests.

e. RA requested copies of standard operating procedures (SOPs) for all production, tracking, packaging, labelling, shipping, and manifests. The SOPs subsequently provided did not contain sufficient details about the steps taken to produce the various marijuana products.

f. They also requested copies of production logs for tags 7580, 7864, and 7882. The production logs that were subsequently provided did not contain sufficient information to understand the creation of the products in these tags.

15. RAs reviewed the SOPs provided by Respondent and based on their observations while onsite, the SOPs were not being followed. The SOPs contained the steps and language required under the administrative rules, but Respondent did not adhere to the SOPs.

16. Respondent, despite initially reporting 30 days of video had been preserved, failed to provide the video before the requested deadline and asked for additional time. When the extension deadline came about, an additional extension was requested and granted until July 2, 2026. Only a small portion of the surveillance requested was provided that day.

17. On July 22, 2026, more video surveillance was made available to the CRA. Again, not all the dates requested were accounted for.

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 420.203(2)(f)(i)(B), which states that a licensee must maintain accurate and comprehensive financial records that clearly documents income and expenses; including but not limited to sales records.

COUNT 4

Respondent's actions described above demonstrate a violation of Rule 420.203 (2)(f)(iii) which states that a marijuana business shall maintain required records for at least four years and available upon request.

COUNT 5

Respondent's actions described above demonstrate a violation of Rule 420.206(12), which states that a marijuana business shall maintain records of formulation and make them available to the agency upon request.

COUNT 6

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 7

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 6

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 7

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 8

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 9

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 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.

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 30, 2026

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