

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

In the Matter of

**Trucenta, LLC
License No. AU-P-000132**

**ENF Nos.: 24-00511,
24-00687, and 24-00693**

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) by and through its attorneys, Assistant Attorneys General Adam M. Leyton and Erika N. Marzorati, files this formal complaint against Trucenta, 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 was licensed to operate at 23506 John R. Rd., Hazel Park, MI 48030, 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.

ENF 24-00511

5. In April 2024, a CRA intelligence analyst (IA) discovered that Respondent submitted numerous marijuana samples for testing at a licensed marijuana safety compliance facility (lab) without recording the samples or test results into the statewide monitoring system (Metrc).

6. According to the associated invoices and certificates of analysis (COA), Respondent transferred approximately 100 different samples of marijuana product to the lab from April 5 through September 29, 2023. Approximately 53 of those samples failed testing due to the presence of heavy metals, solvents, and/or banned pesticides.

7. The invoices and COAs identified each sample with numbers or a description of the product.

8. The samples tested at the lab shared common numbers or descriptors with products in Respondent's marijuana inventory in Metrc. For example, the samples listed on an April 5, 2023 invoice shared similarities with product in Respondent's marijuana inventory as follows:

Sample Description (from Invoice or COA)	Associated Package Tag	Metric Item Name
Dist #105098	1A405030000CD15000105098	THC Distillate
Tails #105099	1A405030000CD15000105099	Crude Waste Tails
Rosin Crude #107502	1A405030000CD15000107502	Processing – Crude
RSO #107503	1A405030000CD15000107503	(BULK) RSO
RSO #103778	1A405030000CD15000103778	(BULK) RSO
DIST #107516	1A405030000CD15000107516	THC Distillate
Tails #107514	1A405030000CD15000107514	Crude Waste Tails
Crude #107520	1A405030000CD15000107520	Processing – Crude
Heads #107525	1A405030000CD15000107525	Crude Waste Heads
Dist #107524	1A405030000CD15000107524	THC Distillate
Tails #107505	1A405030000CD15000107505	Crude Waste Tails
Tails #107522	1A405030000CD15000107522	Crude Waste Tails

9. Respondent did not make any inventory adjustments or otherwise document in Metrc that these samples originated from product in Respondent’s marijuana inventory.

10. On May 29, 2024, the IA interviewed Respondent’s employees, T.D., N.C., and D.M., regarding the transfer of the samples to the lab and the source of the products tested at the lab. N.C. explained that Respondent’s employees dropped off the samples to the lab without using a licensed secure transporter. T.D. and D.M. further claimed that the marijuana being tested belonged to Respondent’s employees’ friends.

ENF 24-00687

11. On April 10, 2024, Respondent created a 133,051-gram package of distillate and labeled it in Metrc as 1A405030000CD15000142855 (Distillate -142855).

12. On the same day, Respondent arranged for Distillate -142855 to be sampled for safety compliance testing. The sample was labeled in Metrc as 1A405030000CD15000142854 (Sample -142854). Sample -142854 passed safety compliance testing and showed no detections for any banned chemicals.

13. On April 29, 2024, Respondent transferred 75,000 grams from Distillate -142855 to another adult-use marijuana processor.

14. According to Metrc, the other processor created 15 five-gram packages from Distillate -142855 and arranged for these 15 packages to be sampled for research and development testing. Of the 15 packages, 11 failed due to detections of bifenthrin, a banned chemical, above the action limit established by the CRA.

15. During an investigation into the discrepant test results, on May 9, 2024, a CRA IA requested Respondent's video surveillance footage showing the creation of Sample -142854, including all camera angles of the entire sampling event from start to finish.

16. In its initial response, Respondent submitted video from only one camera angle showing the entire sampling event. The video from this camera angle showed Respondent's employee, T.D., remove a 1-liter jar with an orange lid from an oven and then present the 1-liter jar to the sampling technician.

17. Respondent also submitted video from a second camera angle as part of its initial response, but this video did not include the entire sampling event as requested. The IA made a second request for this missing video on May 17, 2024, but Respondent advised that the video no longer existed.

18. On April 11, 2024, CRA staff conducted an unannounced audit at Respondent's business.

19. CRA staff observed three black totes with yellow lids filled with marijuana stems with Metrc tag numbers 1A405030000891D000000979 and 1A405030000891D000000980 affixed to them. Respondent's Metrc inventory for these two tag numbers reflected that both items had 0 weight and, thus, should no longer exist in Respondent's physical inventory. Respondent voluntarily destroyed this product shortly thereafter.

20. CRA staff asked to see the following four packages of wet whole plants that Respondent's Metrc inventory showed as weighing 1,542,805 grams in total:

Package Tag	Weight
1A405030000CD15000145790	480,238 g
1A405030000CD15000145787	469,063 g
1A405030000CD15000145804	344,600 g
1A405030000CD15000142801	248,904 g
Total Weight:	1,542,805 g

21. Respondent's employees stated that they processed the above-referenced wet whole plant packages into distillate and directed CRA staff to a blue barrel purportedly containing this distillate. The barrel had Metrc tag numbers -145787 and -142801 affixed to it.

22. A short time later, T.D. claimed that Metrc tag number -145804 had fallen off the barrel and that he also affixed that tag number to the blue barrel of distillate after finding it on the ground.

23. Metrc tag number -145787 also was affixed to a 1-liter jar of distillate in another area of the business. Respondent did not create a new Metrc tag number to reflect the change to the form of the product from wet whole plant to distillate.

24. Respondent's Metrc inventory for the following products was inconsistent with its physical inventory:

- a. Package 1A405030000CD15000100931: Respondent's Metrc inventory showed that this product, identified as wet whole plants, should no longer exist at Respondent's business. However, the Metrc tag number was affixed to a bag containing shake/trim.
- b. Package 1A405030000CD15000142809: Respondent's Metrc inventory showed that this product, identified as buds, should no longer exist at Respondent's business. However, the Metrc tag number was affixed to a 5-gallon bucket containing crude oil.
- c. Package 1A40503000296E5000008154: Respondent's Metrc inventory showed that this product, identified as shake/trim, should no longer exist at Respondent's business. However, the Metrc tag number was affixed to numerous bags and jars containing kief.

25. CRA staff asked Respondent to provide all camera angles of surveillance recordings from the business, including video covering specified rooms within the business during the CRA's April 11, 2024 audit and video showing full-time coverage of all entrances, exits, loading docks, and shipping/receiving areas of the business during the prior 30 days.

26. The recordings showed T.D. changing Metrc tags on the above-referenced blue barrel of distillate approximately 10 minutes before CRA staff entered the room during the April 11, 2024 audit. Specifically, the recordings showed T.D. remove a yellow medical marijuana Metrc tag from the blue barrel and

replace it with adult-use Metrc tag numbers -145787 and -142801. The recordings also showed T.D. remove adult-use Metrc tag number -145804 from a nearby bucket and place it on a table near the blue barrel.

27. T.D. never mentioned these actions to CRA staff during the audit, even though he presented the barrel to them soon after placing Metrc tag numbers -145787 and -142801 on it and later claimed he found Metrc tag number -145804 on the ground.

28. Surveillance recordings also showed that marijuana products were untagged when CRA staff arrived onsite, and that Respondent's staff affixed adult-use Metrc tags to the products while CRA staff waited in another area of the building.

29. Respondent did not provide all camera angles as requested and there were numerous time gaps in Respondent's submission.

COUNT 1

Respondent's actions as described above demonstrate a violation of Rule 420.103(2), which relevantly states that a marijuana processor license authorizes a marijuana processor to transfer marijuana only by means of a marijuana secure transporter.

COUNT 2

Respondent's actions as 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 as required in the rules.

COUNT 3

Respondent's actions as described above demonstrate a violation of Rule 420.209(11), which relevantly states that a licensee shall keep surveillance recordings for a minimum of 30 calendar days.

COUNT 4

Respondent's actions as described above demonstrate a violation of Rule 420.209(12), which relevantly states that surveillance recordings are subject to CRA inspection and must be kept in a manner that allows the agency to view and obtain copies of the recordings at the marijuana business immediately upon request.

COUNT 5

Respondent's actions as described above demonstrate a violation of Rule 420.210(1), which relevantly states that a marijuana business must not have marijuana products that are not identified and recorded in the statewide monitoring system pursuant to the rules.

COUNT 6

Respondent's actions as described above demonstrate a violation of Rule 420.210(2), which relevantly states that a marijuana business must not have any marijuana product without a batch number or identification tag or label pursuant to the rules and shall immediately tag, identify, or record as part of a batch in the statewide monitoring system any marijuana products as provided in the rules.

COUNT 7

Respondent's actions as described above demonstrate a violation of Rule 420.210(3), which relevantly states that a licensee shall not reassign or subsequently assign a tag to another package that has been associated with a package in the statewide monitoring system.

COUNT 8

Respondent's actions as described above demonstrate a violation of Rule 420.303a(1), which states that a producer shall give a marijuana product a new package tag anytime the marijuana product changes form or is incorporated into a different product.

COUNT 9

Respondent's actions as described above demonstrate a violation of Rule 420.304(2)(h), which relevantly states that an employee of a marijuana business shall neither assist the laboratory employee nor touch the marijuana product or the sampling equipment while the laboratory employee is obtaining the sample.

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 333.27957(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 Rule 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/ Adam M. Leyton

Adam M. Leyton (P80646)
Erika N. Marzorati (P78100)
Assistant Attorneys General
Attorneys for Cannabis Regulatory
Agency
Licensing and Regulation Division
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Dated: October 30, 2024

LF: 2024-0414740-A / Trucenta, AU-P-000132, ENF 24-00511, -687, -693 / Formal Complaint / 2024-10-30



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

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_____ /

PROOF OF SERVICE

I hereby certify that on _____, I provided a copy of the
FORMAL COMPLAINT dated _____ in the above captioned
case by personal service to:

Cannabis Regulatory Agency
Department of Licensing & Regulatory
Affairs

CANNABIS REGULATORY AGENCY
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PROOF OF SERVICE

I hereby certify that on NOVEMBER 4, 2024, I provided a copy of the FORMAL COMPLAINT dated OCTOBER 30, 2024 in the above captioned case by personal service to:

JOHN PALMER
1675 E. MAPLE RD.
TROY, MI 48063

RA Ken Be...
Cannabis Regulatory Agency
Department of Licensing & Regulatory
Affairs

CANNABIS REGULATORY AGENCY
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