

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

In the Matter of

Pure Roots, LLC dba Forte Cannabis
License No. AU-P-000307

ENF No: 25-00363

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) by and through its attorneys, Assistant Attorneys General Risa Hunt-Scully and Sarah E. Huyser, files this formal complaint against Pure Roots, LLC dba Forte Cannabis (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 establishment in the state of Michigan.

3. Respondent does not hold an industrial hemp processor-handler license.

4. Respondent operated at 25371 Henry B Joy Blvd, Harrison Township, MI 48045, at all times relevant to this complaint.

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

6. On September 10, 2024, a CRA Senior Intelligence Analyst observed in the statewide monitoring system (METRC) that Respondent accepted external transfers of three packages of THCA isolate all of which exceeded 0.3% total THC.

7. Respondent accepted these three packages from hemp processor-handler AG Marvels (HPHL-000920) on August 13, 2024, August 23, 2024, and September 4, 2024. According to the transfer manifests:

- a. The August 13, 2024 package 1A4050500030E09000000001 (-001) contained 4,000g of THCA, Hemp – Concentrate.
- b. The August 23, 2024 package 1A4050500030E09000000002 (-002) contained 2,000g of THCA, Hemp – Concentrate.
- c. The September 4, 2024 package 1A4050500030E09000000003 (-003) contained 2,000g of THCA, Hemp – Concentrate.

8. On September 12, 2024, CRA regulation agents (RAs) made an onsite visit to Respondent's facility and met with Respondent's managers J.P. and J.M. J.P. advised the RAs that the THCA concentrate came from AG Marvels with a Certificate of Analysis (COA).

9. During the September 12, 2024 onsite visit, J.M. provided the RAs with a redacted copy of the COA Respondent received from AG Marvels for the product. The COA did not show what form of marijuana product was tested (i.e. flower, liquid concentrate, powdered THCA). The cannabinoid profile listed on the COA for the sample shows >99.90% THCA isolate and >99.90% Total Cannabinoids.

The COA also shows “ND” for Total CBD.

10. Respondent had the product retested by a licensed compliance lab prior to packaging the product into inhalable compound concentrates.

11. The results for packages -001, -002 and -003 showed that the product had total THC concentrations greater than 0.3%. The specific THC levels for each package are as follows:

- a. Package -001 had a total THC level of 84.78%.
- b. Package -002 had a total THC level of 87.49%.
- c. Package -003 had a Total THC level of 87.12%.

12. During the September 12, 2024 onsite visit, J.P. advised the RAs that Respondent had already used the isolate obtained from AG Marvels to make inhalable compound concentrates and that Respondent was still actively using the isolate to produce inhalable compound concentrates.

13. During the September 12, 2024 onsite visit, J.P. and J.M. further advised the RAs that they believed Respondent had accepted the product compliantly because Respondent obtained the product from a licensed hemp processor and that the product contained no THC.

14. AG Marvels is not a licensed marijuana business and the product they provided was marijuana.

15. Respondent indicated that the product at issue was delivered via private vehicles and not by a secured transporter. A representative from AG Marvels drove the product to Respondent’s Lansing property for the two August 2024 external transfers and to J.P.’s personal residence for the September 2024

transfer. On all three occasions, J.P. then transported the product to the Harrison Township facility.

16. On September 15, 2024, RA C.P. advised Respondent that Respondent must ensure all products it receives are less than 0.3% total THC because anything greater than 0.3% is considered marijuana according to MRTMA and Michigan Medical Facility Licensing Act (MMFLA). In the September 15, 2024 communication, it was also explained that total THC includes THCA isolate, delta-9 THC, and their derivatives.

17. On September 17, 2024, Respondent's attorney advised the CRA that the remaining THCA product in Respondent's possession was in Respondent's production room, under camera, with attached METRC tags. The attorney advised that the product was being self-quarantined pending further clarification.

18. On September 17, 2024, Respondent's attorney advised the CRA that Respondent believed THCA was non-psychoactive, and that Respondent was following the same procedure as other industry contemporaries for introducing hemp-derived THCA into their production.

19. The CRA and Respondent had ongoing discussions and exchanges of information to determine the status of the products.

20. On December 2, 2024, the CRA Enforcement Manager emailed Respondent's attorney advising that Respondent "handled marijuana that was obtained from a licensed hemp processor/handler. The test results/ Certificates of Analysis show that the total THC for this product exceeded 0.3% and therefore

meets the definition of marijuana under MRTMA/MMFLA. Your client received marijuana from outside of the regulated market.” Respondent was cautioned that “movement of this product may subject the licensee to discipline.”

21. On or about January 27, 2025, data reports were generated regarding the product at issue. The reports revealed the following:

- a. There were 72 METRC tags in the regulated market traced back to -001 and 158 sales made traced back to -001.
- b. There were 70 METRC tags in the regulated market traced back to -002 and 4,072 sales made traced back to -002.
- c. There were 12 METRC tags in the regulated market traced back to -003 and 984 sales made traced back to -003.

22. On March 12, 2025, RA C. P. asked CRA Data Analytics for information whether any product from tags -001, -002 and -003 was transferred to retail locations and/or whether any new production batches were created from the three tags. A review of the data revealed that product from tags -001, -002, and -003 was transferred to retail locations after December 3, 2024, and that new production batches were created from the three tags mentioned above. Specifically:

- a. Tag -001 had 19 shipments after December 3, 2024, and Tag -001 had one tag 1A405030002673D000004949 packaged on December 31, 2024.
- b. Tag -002 had 25 shipments after December 3, 2024, and Tag -002 had one tag 1A405030002673D000004949 packaged on December 31, 2024.
- c. Tag -003 had 6 shipments after December 3, 2024, and had no tags packaged after December 3, 2024.

COUNT 1

Respondent's actions as described above demonstrate a violation of Rule 420.103(1), which relevantly states that a marijuana processor license authorizes the marijuana processor to purchase or transfer marijuana or marijuana-infused products from only a licensed marijuana establishment.

COUNT 2

Respondent's actions as described above demonstrate a violation of Rule 420.103(2), which states that a marijuana processor can only transfer marihuana by means of a secure transporter. 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 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/ Risa Hunt-Scully

Risa Hunt-Scully (P58239)
Sarah E. Huyser (P70500)
Assistant Attorneys General
Attorneys for Cannabis Regulatory Agency
Licensing and Regulation Division
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Lansing, Michigan 48909
Telephone: (517) 335-7569
Fax: (517) 241-1997

Dated: April 23, 2025



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 April 24, 2025, I provided a copy of the
Formal Complaint dated April 23, 2025 in the above captioned case
by personal service to:

Jared Maynard

25371 HENRY BOY BLVD
HARRISON TWP, MI 48045

Digitally signed by: Kenneth Bean
DN: CN = Kenneth Bean email = beank2@michigan.gov C = AD
Date: 2025.04.24 15:02:32 -04'00'

Cannabis Regulatory Agency
Department of Licensing & Regulatory
Affairs

CANNABIS REGULATORY AGENCY
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