From: Moore, Amy <amy.moore@health.mo.gov>

Sent: Wednesday, July 26, 2023 1:45 PM

To: Andrew Mullins < director@mocanntrade.org>

**Cc:** Balkenbush, Andrea <<u>Andrea.Balkenbush@health.mo.gov</u>>; <u>ewalter@atllp.com</u>; <u>josh@clovrcannabis.com</u>; Dena Ladd <<u>chair@mocanntrade.org</u>>; <u>tr@thomasrobbinslaw.com</u>; <u>Kirkweg</u>, <u>Brittany.Kirkweg@health.mo.gov</u>>

Subject: RE: MoCannTrade Industry Alert: Watch Out For Inversion

### Andrew,

Thank you for passing this along. We have the ability to review/analyze any data or records of our licensees for signs of inversion, so there are many avenues of receiving information that could alert us to this. We are building teams that focus on data analysis, testing review, and investigations that will all contribute to this work with different specialties, but those teams are not completely established yet. In the meantime, yes, we investigate the red flags we find. One of the fastest routes to finding issues is through complaints, so we encourage anyone with details about potential inversion to utilize the complaint process. Meanwhile, what you provided is helpful, and I have copied Brittany for her to pass along to the appropriate people.

Amy Moore Director, Division of Cannabis Regulation Department of Health and Senior Services 573.751.6234

On Jul 26, 2023 11:00 AM, Andrew Mullins <a href="mailto:director@mocanntrade.org">director@mocanntrade.org</a> wrote:

Amy / Andrea,

Wasn't sure if there was a more direct contact in your enforcement division to share this with. But along the lines of below, we are still hearing of potential engagement to certain licensees and the likelihood of some producers attempting inversion practices remain. Does DCR have the capability to review extraction efficiency percentages in production to evaluate whether inverted product is being introduced into the marketplace?

EXHIBIT —

We have heard of multiple operators receiving communications and offers like the below. Especially concerning is this out of state producer insinuating they are making regular/weekly deliveries to Missouri with unregulated or illegal products.
Obviously, we'd like to think all Missouri operators are good actors, but with the current stress of production in our supply chain, bad actors tend to reveal themselves. If and when possible, please provide us with an update on if there have been any investigations or findings based on inversion concerns.
Thanks
Andrew
From: Travis Turner < travis@ursusarctos.org > Sent: Thursday, July 13, 2023 10:32 AM To:
Subject: Legal Hemp Derived D9 in MO
Good afternoon,
My name is Travis Turner and I work for Oklahoma Bio Refineries. We offer 100% legal Hemp Derived D9 distillate nationally. Currently we are making this product available in Missouri and have distribution delivering to the state weekly.
Are you looking to up your inventory? Our oil is 100% category 3 compliant and is free of pesticides and herbicides.
Please give me a call at your convenience.
Best regards,

#### Travis Turner

3106139516

### **Andrew Mullins – Executive Director**

MoCannTrade (Missouri Cannabis Trade Association)

director@mocanntrade.org

www.mocanntrade.org

(800) 766-0599

From: Moore, Amy

**Sent:** Friday, June 30, 2023 1:35 PM **To:** Andrew Mullins; Balkenbush, Andrea

Subject: RE: MoCannTrade Industry Alert: Watch Out For Inversion

Thank you, Andrew. Appreciate you sharing this with us.



### **Amy E. Moore**

Director, Division of Cannabis Regulation | Missouri Department of Health and Senior Services

Email: amy.moore@health.mo.gov | Phone: 573-751-6234

Health.Mo.Gov

From: Andrew Mullins < director@mocanntrade.org >

**Sent:** Friday, June 30, 2023 1:13 PM

To: Moore, Amy <<u>Amy.Moore@health.mo.gov</u>>; Balkenbush, Andrea <<u>Andrea.Balkenbush@health.mo.gov</u>>

Subject: FW: MoCannTrade Industry Alert: Watch Out For Inversion

Amy / Andrea,

Wanted to make you aware of a communication that went out to our members recently. We have heard from multiple sources this may already be happening in Missouri and we wanted to share this with you and your enforcement team for awareness. We understand that production is still catching up with demand and wholesale commodities are in short supply, this is an environment that tends to breed shortcuts and bad actors, we are hopeful its not the case but fear it could be.

Please see below and reach out to me directly should you have any questions or concerns.

Thanks as always

### Andrew Mullins - Executive Director

MoCannTrade (Missouri Cannabis Trade Association)

director@mocanntrade.org

www.mocanntrade.org

(800) 766-0599

From: MoCannTrade Executive Director Sent: Wednesday, June 21, 2023 5:01 PM

To: Andrew Mullins

Subject: MoCannTrade Industry Alert: Watch Out For Inversion

Does this email not look right? Try viewing this email in a browser.



The Voice of Trade for Missouri's Cannabis Industry



# Missouri Cannabis Industry Alert: Beware of Nefarious Products and Inversion

Attention MoCannTrade members,

This alert is aimed at all members and industry participants, but particularly those involved in Missouri licensed infused product manufacturing. MoCann has started to hear the tiniest of rumblings about companies and individuals reportedly attempting to skirt the Missouri rules through the introduction of unlawful biomass, distillate, Delta 8 and/or other THC commodities into the Missouri regulated system, *also known as inversion*. We felt it appropriate whether these rumblings are true or not, to make our members aware of this potential issue.

In other state legal markets, THC inversion has been attempted in a number of ways. The first example would be unlicensed out of state producers selling distillate or biomass to unwitting licensed state operators. If this practice was to occur in Missouri, it would obviously be illegal and otherwise non-compliant because such a practice would violate both the federal ban on interstate commerce as well as the Missouri Constitution and DCR Regulations. Other markets have seen this practice attempted with both traditional Delta 9 THC products as well as Delta 9 THC products that are produced from synthetically modified hemp-derived cannabinoids.

The second example attempted in other markets involves both licensed and unlicensed entities attempting to commercialize Delta 9 distillate or other Delta 9 THC products produced from chemically converted hemp derived cannabinoids within a regulated industry. This process is known as isomerization, and in Missouri is strictly prohibited in both the emergency rules and the final rules. See text of those rules at the bottom of this alert.

MoCannTrade asks members to be on the lookout for either of these scenarios or other too-good-to-be-true product offerings should they pop up in Missouri. We as an industry, want to continue to keep bad actors out of this market and work together to protect our great industry. With that in mind, here are some tips and best practices as an infused product manufacturer when purchasing biomass, distillate or other THC commodities.

- Carefully examine any product's Certificate of Analysis (COA), and pay close attention to any unusual concentrations of Delta 8
- Double check all product origin statements to ensure the THC commodity originated from a licensed Missouri cultivator.
- As with incredible or unexpected deals on many wholesale products: If it's too good to be true, it probably is.

We obviously couldn't be prouder about how you and your small businesses have transitioned from a world-class medical cannabis market to what is shaping up to be the nation's 6th largest adult use market. You are providing quality products in a customer-friendly way that is getting noticed across the country and internationally. Therefore, it shouldn't come as a surprise that some bad actors might scheme to take advantage of this early popularity through deception and non-compliant practices.

Please stay vigilant and communicate any concerns up through the appropriate MoCann committees or leaders or you can relay to your DCR CO as appropriate.

### FROM EMERGENCY RULES:

- (F) Manufactured product may not contain chemical modification, conversion, or synthetic derivation of cannabinoids to produce intoxicating cannabinoid isomers, and all cannabinoids acquired from entities other than marijuana facilities for purpose of inclusion in marijuana product must be accompanied by a Certificate of Analysis at time of acquisition that identifies the testing lab that tested the product and lists the product's ingredients; and
- (G) Manufacturing licensees shall track all ingredients used in any given manufactured product.

### FROM FINAL RULES:

• (F) Manufactured product may not contain chemical modification, conversion, or synthetic derivation of cannabinoids to produce intoxicating cannabinoid

isomers, including those created by heat or other process during use by a patient or consumer, and all cannabinoids acquired from entities other than marijuana facilities for purpose of inclusion in marijuana product must be accompanied by a Certificate of Analysis at time of acquisition that identifies the testing lab that tested the product and lists the product's ingredients.

---Thanks

Andrew Mullins - Executive Director

Thanks to the members who continue to support and elevate our Missouri Cannabis Industry.

# PLATINUM SPONSORING MEMBERS







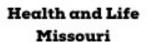






































## MISSOURI CANNABIS BRANDS



































