

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

In the Matter of

1864 US-23, LLC
dba High Society 2
License No.: AU-R-001062

ENF No.: 24-00448

_____/ CONSENT ORDER AND STIPULATION

CONSENT ORDER

On June 11, 2024, the Cannabis Regulatory Agency (CRA) issued a formal complaint against the adult-use marijuana retailer establishment license (AU-R-001062) of 1864 US-23, LLC dba High Society 2 (Respondent) under the Michigan Regulation and Taxation of Marihuana Act (MRTMA), MCL 333.27951 *et seq.*, and the administrative rules promulgated thereunder. The formal complaint alleged Respondent violated Mich Admin Code, R 420.504(1)(c), R 420.504(1)(f), and R 420.504(1)(h).

The executive director reviewed the stipulation contained in this document and agrees the public interest is best served by resolution of the formal complaint. Therefore, the executive director finds that all of the allegations contained in the formal complaint are true and that Respondent violated Mich Admin Code, R 420.504(1)(c), R 420.504(1)(f), and R 420.504(1)(h).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of seven-hundred fifty and 00/100 dollars (\$750.00). This fine shall be paid within 30 days of the effective date of this order by check, money order, or online through Accela Citizen Access (ACA). Instructions on how to make online payments can be found under the Tips for Licensees bulletin section at www.michigan.gov/cra. Check or money orders shall be made payable to the State of Michigan with enforcement number "24-00448" and license number "AU-R-001062" clearly displayed on the check or

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money order. Respondent shall mail the fine to Department of Licensing and Regulatory Affairs, Cannabis Regulatory Agency, PO BOX 30205, Lansing, Michigan 48909.

2. If Respondent fails to timely comply with the terms of this order, Respondent's license shall be suspended until compliance is demonstrated.
3. Unless otherwise specified in this order, Respondent shall direct any communications to the CRA that are required by the terms of this order to CRA-CSS@michigan.gov.
4. Respondent shall be responsible for all costs and expenses incurred in complying with the terms and conditions of this consent order.
5. If Respondent violates any term or condition set forth in this order, Respondent shall be subject to fines and/or other sanctions under section 7(1)(c) of the MRTMA, MCL 333.27957, and Mich Admin Code, 420.808.
6. Upon timely compliance of the terms of this order by Respondent, the matters set forth in the formal complaint shall be deemed resolved and closed subject to this Consent Order.

This order shall be effective 30 days after the date signed by the CRA's executive director or his designee, as set forth below.

CANNABIS REGULATORY AGENCY

Signed on: 1/13/2025

By: Brian Hanna

Digitally signed by Brian Hanna
DN: cn = Brian Hanna email = hannab@michigan.gov c = US o = CRA ou = CRA
Date: 2025.01.13 09:47:18 -0500

Brian Hanna, Executive Director
or his designee
Cannabis Regulatory Agency

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STIPULATION

The parties stipulate to the following:

1. The facts alleged in the formal complaint are true and constitute a violation of the administrative rules promulgated under the MRTMA.
2. Respondent understands and intends that by signing this stipulation, Respondent is waiving the right under the MRTMA, administrative rules promulgated thereunder, and the Administrative Procedures Act of 1969, MCL 24.201 *et seq.*, to require the CRA to prove the violations set forth in the formal complaint by presentation of evidence and legal authority, and to present a defense to the violations.
3. The parties considered the following in reaching this agreement:
 - a. Respondent stated that it updated the labels related to the formal complaint.
 - b. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
 - c. Respondent has been licensed as a retailer since 2023 and has no prior discipline against its license.
4. The CRA's centralized services director or her designee must approve this proposed agreement before it is forwarded to the CRA's executive director or his designee for review and issuance of the above consent order. The parties reserve the right to proceed to an administrative hearing without prejudice to either party, should the CRA's centralized services director, executive director, or their designees reject the proposed consent order.

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By signing this stipulation, the parties confirm that they have read, understand, and agree with the terms of the consent order.

AGREED TO BY:

AGREED TO BY:

Alyssa A. Grissom Digitally signed by Alyssa A. Grissom
Date: 2025.01.09 13:13:26 -05'00'

Sara Hernandez, CSD Director
or her designee
Cannabis Regulatory Agency

Dated: 1/9/2025

DocuSigned by:
Oudia Abdulnoor
35D61BB373BC4B9...

Oudia Abdulnoor, Authorized Officer
on behalf of Respondent
1864 US-23, LLC
dba High Society 2

Dated: 1/8/2025

DocuSigned by:
JOSEPH NAFSU
39D7050DB47C42F...

Joseph Nafsu, P73742
Attorney for Respondent

Dated: 1/8/2025

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

In the Matter of

1864 US-23, LLC
dba High Society 2
License No: AU-R-001062

ENF No: 24-00448

FORMAL COMPLAINT

The Cannabis Regulatory Agency (CRA) files this formal complaint against 1864 US-23, LLC dba High Society 2 (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.*, and Executive Reorganization Order No.2019-2, MCL 333.27001, to investigate alleged violations of the MRTMA and the 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.
2. Section 8(1)(d) of the MRTMA provides that the administrative rules must ensure the health, safety, and security of the public and integrity of the marijuana establishment operations.

FACTUAL ALLEGATIONS AND INTENDED ACTION OF THE CRA

3. Respondent holds an active state license under the MRTMA to operate an adult use retailer establishment in the state of Michigan.
4. Respondent operated at 9242 Tiffany Blvd., Birch Run, Michigan 48415, at all

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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:

- a. On March 13, 2024, the CRA received a complaint stating Respondent sold marijuana products with package labeling that did not display all the required information.
- b. On April 2, 2024, a CRA Regulation Agent (RA) conducted a compliance visit at Respondent's adult use retailer establishment to investigate the complaint.
- c. The CRA RA discovered that statewide monitoring system (Metrc) package tag number 1A4050300041B2D000000975 (Caked Up Cherry x Grape Cream), sold to the abovementioned complainant, was missing the following information on the package label:
 - i. Date of harvest, if applicable.
 - ii. Concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.
 - iii. Name of the laboratory that performed passing compliance testing on the product in final form and any test analysis date.
- d. The RA conducted an onsite audit and observed several marijuana packages with white labels covering the required information.

Count I

Respondent's actions as described above in paragraphs a, c and d demonstrate a violation of Mich Admin Code, R 420.504(1)(c), which states before a marijuana product is sold or transferred to or by a marijuana sales location, the container,

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bag, or product holding the marihuana product must be sealed and labeled with all of the following information: (c) Date of harvest, if applicable.

Count II

Respondent's actions as described above in paragraphs a, c and d demonstrate a violation of Mich Admin Code, R 420.504(1)(f), which states before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information: (f) Concentration of Tetrahydrocannabinol (THC) and cannabidiol (CBD) as reported by the laboratory after potency testing along with a statement that the actual value may vary from the reported value by 10%.

Count III

Respondent's actions as described above in paragraphs a, c and d demonstrate a violation of Mich Admin Code, R 420.504(1)(h), which states before a marihuana product is sold or transferred to or by a marihuana sales location, the container, bag, or product holding the marihuana product must be sealed and labeled with all of the following information: (h) Name of the laboratory that performed passing compliance testing on the product in final form and any test analysis date.

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.

Pursuant to Mich Admin Code, R 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.

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Respondent also has the right to request a compliance conference under Mich Admin Code, R 420.704(1). 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. A compliance conference request must be submitted to the CRA in writing.

Hearing and compliance conference requests must be submitted in writing by one of the following methods:

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.

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Questions about this complaint should be directed to the Cannabis Regulatory Agency's legal section at (517) 284-8599 or CRA-LegalHearings@michigan.gov.

Dated: 6/11/24

Alyssa A.
By: Grissom

Digitally signed by Alyssa
A. Grissom
Date: 2024.06.11
11:15:13 -04'00'

Alyssa A. Grissom
Legal Section Manager
Cannabis Regulatory Agency

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