

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.: 24-00447

\_\_\_\_\_/ 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 420.104(3)(b), and R 420.507(2).

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 420.104(3)(b), and R 420.507(2).

Accordingly, for these violations, IT IS ORDERED:

1. Respondent must pay a fine in the amount of eight-thousand and 00/100 dollars (\$8,000.00). This fine shall be paid within 60 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](http://www.michigan.gov/cra). Check or money orders shall be made payable to the State of Michigan with enforcement number "24-00447" 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](mailto: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 = harnab@michigan.gov C = US O = CRA OU = CRA  
Date: 2025.01.13 09:46:11 -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 provided standard operating procedures (SOPs) related to weighing product and properly labeling marijuana product.
  - b. Respondent stated it has hired new managers to help ensure future compliance.
  - c. Respondent stated that incorrect strain names have been identified and reconciled between the statewide monitoring system (Metrc) and its point-of-sale system.
  - d. Respondent stated that all product with multiple labels was removed from the sales floor after investigation.
  - e. Respondent was cooperative and wishes to resolve the allegations without the need for and expense of an administrative hearing.
  - f. 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

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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.

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 13:11:56 -05'00'

Sara Hernandez, CSD Director  
or her designee  
Cannabis Regulatory Agency

Dated: 1/9/2025

DocuSigned by:  
*Oudia Abdulnoor*  
33D61BB373BC4B9...

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

1/8/2025  
Dated: \_\_\_\_\_

DocuSigned by:  
*JOSEPH NAFSU*  
39D7850BB47642F...

Joseph Nafsu, P73742  
Attorney for Respondent

1/8/2025  
Dated: \_\_\_\_\_

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: 24-00447

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 April 2, 2024, a CRA Regulation Agent (RA) conducted a compliance visit at Respondent's adult use retailer establishment.
- b. The CRA RA discovered several statewide monitoring system (Metrc) inventory tracking inconsistencies.
- c. The RA observed a pre-packaged bag of marijuana flower with the name "Hindu Kush" printed on the label. However, the name of the marijuana product listed under that tag number in Metrc was "Soap".
- d. The RA found Metrc tag #1A4050300041B2D000000464, pre-packaged marijuana buds named "Grape Pie" on the label. However, the name listed under that tag number in Metrc was "Cream Cake".
- e. The RA noticed a bag of marijuana flower labeled 1 ounce (28 grams) that was 26.87 grams when weighed.
- f. The RA identified a "Red Razz" edible marijuana product labeled with multiple Metrc tag numbers (1A4050300020B0F000056688, 1A4050300020B0F000056686 & 1A4050300020B0F0000956).

### **Count I**

Respondent's actions as described above in paragraphs b, c, d, and f demonstrate a violation of Mich Admin Code, R 420.104(3)(b), which states a marijuana retailer shall comply with all of the following: (b) Accurately enter all transactions, current inventory, and other information into the statewide monitoring system as required in these rules.

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## **Count II**

Respondent's actions as described above in paragraph e demonstrate a violation of Mich Admin Code, R 420.507(2), which states a licensee may not advertise a marihuana product in a way that is deceptive, false or misleading, or make any deceptive, false, or misleading assertions or statements on any marihuana product, sign, or document provided.

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.

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

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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](mailto: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 Cannabis Regulatory Agency's legal section at (517) 284-8599 or [CRA-LegalHearings@michigan.gov](mailto:CRA-LegalHearings@michigan.gov).

Dated: 6/11/24

By: Alyssa A. Grissom

Digitally signed by Alyssa  
A. Grissom  
Date: 2024.06.11  
15:54:05 -04'00'

Alyssa A. Grissom  
Legal Section Manager  
Cannabis Regulatory Agency

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