



Department of
Cannabis Control
CALIFORNIA

Gavin Newsom
Governor

Nicole Elliott
Director

October 27, 2025

VIA EMAIL ONLY

High Grade Enterprises
Vanessa Loera & Jasen Diaz, Owners
highgradeassociates@gmail.com

Alice C. Lin, Esq.
Lin Legal Services
alice@linlegalservices.com

Re: High Grade Enterprises - Case No. DCC25-0000371-INV
Order Adopting Stipulated Settlement and Order as Final Decision

Dear Mses. Lin and Loera, and Mr. Diaz:

Pursuant to section 11415.60 of the Government Code, attached please find a copy of the Department of Cannabis Control's Order Adopting Stipulated Settlement and Order as the Final Decision in the above-referenced matter involving High Grade Enterprises.

The Department's Order and Final Decision will be effective today, October 27, 2025. Pursuant to this Final Decision and its stipulated settlement, High Grade Enterprises has waived any right to reconsideration or appeal in this matter and to receive a copy of the Decision and Order via certified, registered, or first-class mail.

Sincerely,

Marc LeForestier
General Counsel

Enclosure

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8 **BEFORE THE**
9 **DEPARTMENT OF CANNABIS CONTROL**
10 **OF THE STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:) CASE NO. DCC25-0000371-INV
12 HIGH GRADE ENTERPRISES;)
13 VANESSA LOERA, OWNER;) **ORDER ADOPTING STIPULATED**
14 JASEN DIAZ, OWNER) **SETTLEMENT AND ORDER AS FINAL**
15 722 Julie Ann Way, Suite 2) **DECISION**
16 Oakland, CA 94621)
17 Cannabis Microbusiness License)
18 No. C12-0000362-LIC)
19 Respondent.)

20 Pursuant to Government Code section 11415.60, the Department of Cannabis Control
21 hereby adopts the attached Stipulated Settlement and Order as its Final Decision in this matter.

22 This Order and Final Decision shall become effective on October 27, 2025.

23 IT IS SO ORDERED, October 27, 2025.

24 
25 _____
26 Marc LeForestier
27 General Counsel
28 FOR THE DEPARTMENT OF CANNABIS CONTROL

1 ROB BONTA
Attorney General of California
2 HARINDER K. KAPUR
Senior Assistant Attorney General
3 State Bar No. 198769
600 West Broadway, Suite 1800
4 San Diego, CA 92101
Telephone: (619) 738-9407
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E-mail: Harinder.Kapur@doj.ca.gov
6 *Attorneys for Complainant*

7 **BEFORE THE**
8 **DEPARTMENT OF CANNABIS CONTROL**
9 **STATE OF CALIFORNIA**

10 In the Matter of the Accusation Against:

Case No. DCC25-0000371-INV

11 **HIGH GRADE ENTERPRISES; VANESSA**
12 **LOERA AND JASEN DIAZ, OWNERS**
13 **722 Julie Ann Way, Ste. 2**
14 **Oakland, CA 94621**

STIPULATED REVOCATION OF
LICENSE AND ORDER

15 **Cannabis Microbusiness License No.**
16 **C12-0000362-LIC**

Respondent.

17
18 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
19 entitled proceedings that the following matters are true:

20 **PARTIES**

21 1. Evelyn Schaeffer (Complainant) is the Deputy Director of the Compliance Division
22 of the Department of Cannabis Control (Department). She brought this action solely in her
23 official capacity and is represented in this matter by Rob Bonta, Attorney General of the State of
24 California, by Harinder K. Kapur, Senior Assistant Attorney General.

25 2. High Grade Enterprises (Respondent) and Vanessa Loera and Jasen Diaz,
26 Respondent's Owners, are represented in this proceeding by attorney Alice Lin, Lin Legal
27 Services, 2261 Market St, Suite 312, San Francisco, CA 94114. Respondent is acting in this
28

proceeding through Vanessa Loera, Owner, and she has been designated and authorized by High Grade Enterprises to enter into this agreement on behalf of Respondent.

3. On or about June 16, 2021, the Department issued Cannabis Microbusiness License No. C12-0000362-LIC to Respondent. The Cannabis Microbusiness License will expire on June 16, 2025, unless renewed.

JURISDICTION

4. Accusation No. DCC25-0000371-INV was filed before the Department and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on May 16, 2025. Respondent timely filed its Notice of Defense contesting the Accusation. A true and correct copy of Accusation No. DCC25-0000371-INV is attached as Exhibit A and incorporated herein by reference.

ADVISEMENT AND WAIVERS

5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. DCC25-0000371-INV. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Revocation of License and Order.

6. Respondent is fully aware of its legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on its own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

7. Respondent is fully aware of its legal rights to receive a copy of the Decision and Order via certified, registered, or first-class mail. Respondent agrees to receive a copy of the Decision and Order in this matter via email at the following email addresses:

Highgradeassociates@gmail.com and alice@linlegalservices.com.

8. Respondent voluntarily, knowingly, and intelligently waives and gives up each and every right set forth above.

1 **CULPABILITY**

2 9. Respondent understands and agrees that the charges and allegations in Accusation
3 No. DCC25-0000371-INV, if proven at a hearing, constitute cause for imposing discipline upon
4 its Cannabis Microbusiness License No. C12-0000362-LIC.

5 10. For the purpose of resolving the Accusation without the expense and uncertainty of
6 further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual
7 basis for the charges in the Accusation, and that Respondent hereby gives up its right to contest
8 those charges.

9 11. Respondent understands that by signing this stipulation Respondent enables the
10 Department to issue an order revoking Respondent's Cannabis Microbusiness License
11 No. C12-0000362-LIC without further process.

12 **CONTINGENCY**

13 12. This stipulation shall be subject to approval by the Department. Respondent
14 understands and agrees that counsel for Complainant and the staff of the Department may
15 communicate directly with the Department regarding this stipulation and settlement, without
16 notice to or participation by Respondent or its counsel. By signing the stipulation, Respondent
17 understands and agrees that it may not withdraw its agreement or seek to rescind the stipulation
18 prior to the time the Department considers and acts upon it. If the Department fails to adopt this
19 stipulation as its Decision and Order, the Stipulated Revocation of License and Order shall be of
20 no force or effect, except for this paragraph, it shall be inadmissible in any legal action between
21 the parties, and the Department shall not be disqualified from further action by having considered
22 this matter.

23 13. The parties understand and agree that Portable Document Format (PDF) and facsimile
24 copies of this Stipulated Revocation of License and Order, including PDF and facsimile
25 signatures thereto, shall have the same force and effect as the originals.

26 14. This Stipulated Settlement for Revocation of License and Order may be signed in any
27 number of counterparts, each of which is an original and all of which taken together form one
28 single document.

15. This Stipulated Settlement for Revocation of License and Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understandings, discussions, negotiations, and commitments (written or oral). This Stipulated Settlement for Revocation of License and Order may not be altered, amended, modified, supplemented, or otherwise changed except by a writing executed by an authorized representative of each of the parties.

16. In consideration of the foregoing admissions and stipulations, the parties agree that the Department may, without further notice or formal proceeding, issue and enter the following Order:

ORDER

IT IS HEREBY ORDERED that Cannabis Microbusiness License No. C12-0000362-LIC,
issued to Respondent High Grade Enterprises (Respondent) with Vanessa Loera and Jasen Diaz,
Owners, is revoked.

1. The revocation of Respondent's Cannabis Microbusiness License shall constitute the imposition of discipline against Respondent. This stipulation constitutes a record of the discipline and shall become a part of Respondent's license history with the Department.

2. Respondent shall lose all rights and privileges as a Cannabis Microbusiness in California as of the effective date of the Department's Decision and Order.

3. The revocation of Respondent's Cannabis Microbusiness License No. C12-0000362-LIC shall constitute the full and final imposition of discipline against Respondent and its owners operating under this license number.

4. If Respondent ever applies for licensure or petitions for reinstatement in the State of California, the Department shall treat it as a new application for licensure. Respondent must comply with all the laws, regulations and procedures for licensure in effect at the time the application or petition is filed, and all of the charges and allegations contained in Accusation No. DCC25-0000371-INV shall be deemed to be true, correct and admitted by Respondent when the Department determines whether to grant or deny the application or petition.

5. Respondent shall pay the Department its costs of investigation and enforcement in the amount of \$8,957.25 prior to issuance of a new or reinstated license.

ACCEPTANCE

I have carefully read the above Stipulated Revocation of License and Order and have fully discussed it with my attorney. I understand the stipulation and the effect it will have on my Cannabis Microbusiness License. I enter into this Stipulated Revocation of License and Order voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Department of Cannabis Control.

DATED: 10 / 08 / 2025

HIGH GRADE ENTERPRISES; VANESSA LOERA
AND JASEN DIAZ, OWNERS
Respondent



~~I have read and fully discussed with Respondent High Grade Enterprises and Vanessa Loera and Jasen Diaz, Owners, the terms and conditions and other matters contained in the above Stipulated Revocation of License and Order. I approve its form and content.~~

~~DATED:~~

ALICE LIN
Lin Legal Services
Attorney for Respondent

Title	Stipulated Settlement - PLZ SIGN
File name	Stipulated_Revoca...Enterprises_1.pdf
Document ID	86d9b90b8552dd93a96cad4367c430932640da2b
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History



SENT

07 / 30 / 2025

17:25:54 UTC

Sent for signature to Vanessa Loera
(highgradeassociates@gmail.com) from
alice@linlegalservices.com
IP: 198.27.220.159



VIEWED

08 / 02 / 2025

17:38:03 UTC

Viewed by Vanessa Loera (highgradeassociates@gmail.com)
IP: 162.205.182.130



SIGNED

10 / 08 / 2025

21:33:02 UTC

Signed by Vanessa Loera (highgradeassociates@gmail.com)
IP: 50.189.71.49



COMPLETED

10 / 08 / 2025

21:33:02 UTC

The document has been completed.

ENDORSEMENT

The foregoing Stipulated Revocation of License and Order is hereby respectfully submitted
for consideration by the Department of Cannabis Control.

DATED: October 13, 2025

Respectfully submitted,

ROB BONTA
Attorney General of California

Harinder Kapur

HARINDER K. KAPUR
Senior Assistant Attorney General
Attorneys for Complainant

SD2025801553

Exhibit A

Accusation No. DCC25-0000371-INV

1 ROB BONTA
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2 HARINDER K. KAPUR
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7 *Attorneys for Complainant*

8
9 **BEFORE THE**
10 **DEPARTMENT OF CANNABIS CONTROL**
11 **STATE OF CALIFORNIA**

12 In the Matter of the Accusation Against:

Case No. DCC25-0000371-INV

13 **HIGH GRADE ENTERPRISES;**
14 **VANESSA LOERA AND JASEN DIAZ,**
15 **OWNERS**
722 Julie Ann Way, Ste. 2
Oakland, CA 94621

ACCUSATION

16 **Cannabis - Microbusiness License**
17 **No. C12-0000362-LIC**

Respondent.

18
19
20 **PARTIES**

21 1. Evelyn Schaeffer (Complainant) brings this Accusation solely in her official capacity
22 as the Deputy Director of the Compliance Division of the Department of Cannabis Control
23 (Department).

24 2. On or about June 16, 2021, the Department issued Cannabis - Microbusiness License
25 No. C12-0000362-LIC to High Grade Enterprises (Respondent), with Vanessa Loera (Owner
26 Loera) and Jasen Diaz (Owner Diaz) as Owners. The Cannabis- Microbusiness License will
27 expire on June 16, 2025, unless renewed.

28 ///

1 **PROCEDURAL HISTORY**

2 3. The Department issued an Emergency Decision and Order (EDO), pursuant to
3 California Code of Regulations, title 4, section 17815 that was served on Respondent on May 7,
4 2025, and was effective the same day at 5:00 p.m. The EDO suspended Respondent's licenses
5 and ordered Respondent to cease all commercial cannabis activity. The time to initiate
6 adjudicative proceedings is within 10 days after the issuance or effective date of the EDO, or in
7 this case by or on May 17, 2025.

8 **JURISDICTION**

9 4. This Accusation is brought before the Director of the Department (Director), under
10 the authority of the following laws. All section references are to the Business and Professions
11 Code unless otherwise indicated.

12 5. Section 26010 of the Code states:

13 There is in the Business, Consumer Services, and Housing Agency, the
14 Department of Cannabis Control under the supervision and control of a director. The
15 director shall administer and enforce the provisions of this division related to the
16 department.

16 6. Section 26010.5, subdivision (d), of the Code states:

17 The department has the power, duty, purpose, responsibility, and jurisdiction to
18 regulate commercial cannabis activity as provided in this division.

18 7. Section 26012, subdivision (a), of the Code states:

19 It being a matter of statewide concern, except as otherwise authorized in this
20 division, the department shall have the sole authority to create, issue, deny, renew,
21 discipline, condition, suspend, or revoke licenses for commercial cannabis activity.

21 8. Section 26013, subdivision (a), of the Code states:

22 The department shall make and prescribe reasonable rules and regulations as
23 may be necessary to implement, administer, and enforce its duties under this division
24 in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of
25 Division 3 of Title 2 of the Government Code. Those rules and regulations shall be
26 consistent with the purposes and intent of the Control, Regulate and Tax Adult Use of
27 Marijuana Act.

26 ///

27 ///

28 ///

1 other reasonable time. Licensees shall provide and deliver records to the department
2 upon request.

3 (d) Licensees shall keep records identified by the department on the premises of
4 the location licensed. The department may make any examination of the records of
any licensee. Licensees shall also provide and deliver copies of documents to the
department upon request.

5 (e) A licensee, or its agent or employee, that refuses, impedes, obstructs, or
6 interferes with an inspection of the premises or records of the licensee pursuant to this
section, has engaged in a violation of this division.

7 (f) If a licensee, or an agent or employee of a licensee, fails to maintain or
8 provide the records required pursuant to this section, the licensee shall be subject to a
citation and fine of up to thirty thousand dollars (\$30,000) per individual violation.

9 **REGULATORY PROVISIONS**

10 13. Title 4 of the California Code of Regulations, section 15000.1, states:

11 (a) Every person who conducts commercial cannabis activity shall obtain and
12 maintain a valid license from the Department for each separate premises at which
commercial cannabis activity is conducted.

13 (b) Commercial cannabis activity shall only be conducted between licensees.
14 Licensed retailers and licensed microbusinesses authorized to engage in retail sales
may conduct commercial cannabis activity with customers or nonprofits in
15 accordance with this division.

16 (c) The licensee shall only conduct commercial cannabis activities authorized
by the license and on the premises licensed for the activity.

17 . . .

18 (e) Licenses shall not be transferrable or assignable to another person or
19 premises, except as provided in section 26050.2 of the Business and Professions
Code. In the event of the sale or other transfer of the commercial cannabis business,
20 changes in ownership shall be made in accordance with section 15023.

21 . . .

22 14. Title 4 of the California Code of Regulations, section 15000.7, states, in pertinent
23 part:

24 (a) All cannabis and cannabis products must be stored within the licensed
25 premises....

26 15. Title 4 of the California Code of Regulations, section 15036, states:

27 (a) A licensee shall notify the Department and local law enforcement within 24 hours
28 of discovery of any of the following situations:

1 (1) The licensee discovers a significant discrepancy, as defined in section 15034, in its
2 inventory.

3 (2) The licensee discovers diversion, theft, loss, or any other criminal activity
4 pertaining to the operations of the licensee.

5 (3) The licensee discovers diversion, theft, loss, or any other criminal activity by an
6 agent or employee of the licensee pertaining to the operations of the licensee.

7 (4) The licensee discovers loss or unauthorized alteration of records related to
8 cannabis or cannabis products, customers, or the licensee's employees or agents.

9 (5) The licensee discovers any other breach of security.

10 (b) The notification to the Department pursuant to subsection (a) shall be submitted
11 on the Licensee Notification and Request Form, Notifications and Requests Regarding
12 Regulatory Compliance, DCC-LIC-028 (New 2/22), which is incorporated herein by
13 reference, and shall include the date and time of occurrence of the theft, loss, or criminal
14 activity, the name of the local law enforcement agency that was notified, and a
15 description of the incident including, where applicable, the item(s) that were taken or lost.

16 16. Title 4 of the California Code of Regulations, section 15037, states:

17 (a) Licensees must keep and maintain records in connection with the licensed
18 commercial cannabis business. Records must be kept for at least seven years from the
19 date of creation, unless a shorter time is specified. Records include, but are not
20 limited to:

21 (1) Financial records including, but not limited to, bank statements, sales
22 invoices, receipts, tax records, and all records required by the California Department
23 of Tax and Fee Administration (formerly Board of Equalization) under title 18,
24 California Code of Regulations, sections 1698 and 4901.

25 (2) Personnel records, including each employee's full name, Social Security
26 number or individual taxpayer identification number, date employment begins, and
27 date of termination of employment, if applicable.

28 (3) Training records including, but not limited to, the content of the training
provided and the names of the employees who received the training.

(4) Contracts regarding commercial cannabis activity.

(5) Permits, licenses, and other local authorizations to conduct the licensee's
commercial cannabis activity.

(6) All other documents prepared or executed by an owner or their employees
or assignees in connection with the licensed commercial cannabis business.

(7) Records required by the Act or this division.

(b) Records must be kept in a manner that allows the records to be produced for
the Department in either hard-copy or electronic form.

...

17. Title 4 of the California Code of Regulations, section 15044, states in part:

(a) Each licensed premises shall have a digital video surveillance system with a minimum camera resolution of 1280 x 720 pixels on the licensed premises. This requirement does not apply to a licensed premises authorized exclusively for cultivation activities or the cultivation area of a licensed microbusiness premises.

(b) The video surveillance system shall at all times be able to effectively and clearly record images of the area under surveillance.

(c) Each camera shall be permanently mounted and in a fixed location. Each camera shall be placed in a location that allows the camera to clearly record activity occurring within 20 feet of all points of entry and exit on the licensed premises, and allows for the clear and certain identification of any person and activities in all areas required to be filmed under subsection (d).

(d) Areas that shall be recorded on the video surveillance system include the following:

(1) Areas where cannabis or cannabis products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved within the licensed premises;

(2) Limited-access areas;

(3) Security rooms;

(4) Areas storing a surveillance-system storage device with at least one camera recording the access points to the secured surveillance recording area; and

(5) Entrances and exits to the licensed premises, which shall be recorded from both indoor and outdoor vantage points.

(e) Licensed retailers and licensed microbusinesses authorized to engage in retail sales shall also record point-of-sale areas and areas where cannabis goods are displayed for sale on the video surveillance system. At each point-of-sale location, camera placement must allow for the recording of the facial features of any person purchasing or selling cannabis goods, or any person in the retail area, with sufficient clarity to determine identity.

(f) Cameras shall record continuously 24 hours per day and at a minimum of 15 frames per second (FPS).

(g) The physical media or storage device on which surveillance recordings are stored shall be secured in a manner to protect the recording from tampering or theft.

(h) Surveillance recordings shall be kept for a minimum of 90 calendar days.

(i) Surveillance recordings are subject to inspection by the Department and shall be kept in a manner that allows the Department to view and obtain copies of the recordings at the licensed premises immediately upon request. The licensee shall also send or otherwise provide copies of the recordings to the Department upon request within the time specified by the Department.

...

18. Title 4 of the California Code of Regulations, section 15047.2, states:

(a) A licensee shall create and maintain an account within the track and trace system prior to engaging in any commercial cannabis activity.

(b) All commercial cannabis activity shall be accurately recorded in the track and trace system.

(c) A licensee is responsible for the accuracy and completeness of all data and information entered into the track and trace system. The licensee is responsible for all actions taken by the designated account manager or other account users while performing track and trace activities.

(d) A person shall not intentionally misrepresent or falsify information entered into the track and trace system.

19. Title 4 of the California Code of Regulations, section 15048.5, states:

(a) Harvested plants that are hanging, drying, or curing shall be assigned a unique harvest batch name, which shall be recorded in the track and trace system and placed within clear view of an individual standing next to the batch. The assigned harvest batch name shall match what is in the track and trace system and the harvest batch name next to the batch shall be the same.

(b) Each harvest batch and manufactured cannabis batch shall be assigned a package tag and recorded in the track and trace system. For each harvest batch, the package tag shall be assigned and recorded in the track and trace system no later than the time at which any part of that harvest batch has finished undergoing any applicable drying, curing, grading, and trimming.

(c) For all cannabis and cannabis products held in a container, the package tag shall be affixed to the container holding the cannabis or cannabis products. If cannabis or cannabis products are held in multiple containers, the package tag shall be affixed to one of the containers and the other containers shall be labeled with the applicable UID number. Each unit within the container shall be labeled with the applicable UID number. All containers with the same UID number shall be placed contiguous to one another to facilitate identification by the Department.

20. Title 4 of the California Code of Regulations, section 15049, states:

(a) All cannabis and cannabis products on the licensed premises shall be assigned a plant or package tag, as applicable, except for harvested plants that are being dried, cured, graded, or trimmed, as specified in this division, and recorded in the track and trace system.

(b) Each of the following activities shall be recorded in the track and trace system within 24 hours of occurrence:

(1) Receipt of cannabis or cannabis products.

(2) Rejection of transferred cannabis or cannabis products.

(3) Manufacturing of cannabis or cannabis products.

(4) Use of cannabis or cannabis product for internal quality control testing or product research and development.

(5) Destruction or disposal of cannabis or cannabis products.

(6) Packaging or repackaging of cannabis or cannabis products, except that cultivation licensees shall comply with section 15049.1(b)(5).

(7) Laboratory testing, including testing results.

(8) Sale or donation of cannabis or cannabis products.

(c) The following information shall be recorded in the track and trace system for each activity entered pursuant to subsection (b):

(1) The type of cannabis or cannabis products.

(2) The weight, volume, or count of the cannabis or cannabis products.

(3) The date of activity.

(4) The UID assigned to the cannabis or cannabis products.

(5) The brand name of the cannabis goods.

(6) If cannabis or cannabis products are being destroyed or disposed of, the licensee shall record the following information in the notes section:

(A) The name of the employee performing the destruction or disposal;

(B) The reason for destruction or disposal; and

(C) The method of disposal.

(d) If a package adjustment is used to adjust the quantity of cannabis or cannabis products in the track and trace system, the licensee shall include a description explaining the reason for adjustment.

(e) If a licensee rejects a partial shipment of cannabis goods pursuant to section 15052.1(b), the licensee shall record the partial rejection in the track and trace system.

21. Title 4 of the California Code of Regulations, section 15049.2, states, in pertinent part:

(a) A licensee shall prepare a shipping manifest through the track and trace system prior to transferring cannabis and cannabis products off of a licensed premises. The following information shall be recorded on the shipping manifest by the licensee initiating the transfer:

...

1 (b) The distributor who transports the cannabis or cannabis product shall record
2 the following additional information on the shipping manifest:

3 ...

4 (c) Upon pick-up or receipt of cannabis and cannabis products for transport,
5 storage, or inventory, a licensee shall ensure that the cannabis or cannabis products
6 received are as described in the shipping manifest. The licensee shall record
7 acceptance or receipt, and acknowledgment of the cannabis or cannabis products in
8 the track and trace system.

9 (d) If there are any discrepancies between type or quantity of cannabis or
10 cannabis products specified in the shipping manifest and the type or quantity received
11 by the licensee, the licensee shall reject the shipment.

12 22. Title 4 of the California Code of Regulations, section 15051, states:

13 (a) The license shall review the information recorded in the track and trace system at
14 least once every 30 calendar days to ensure its accuracy, including, at a minimum:

15 (1) Reconciling on-hand inventory of cannabis and cannabis product with the records
16 in the track and trace system; and

17 (2) Reviewing the licensee's authorized users and removing any users who are no
18 longer authorized to enter information into the track and trace system.

19 (b) If a licensee finds a discrepancy between the on-hand inventory and the track and
20 trace system, the licensee shall conduct an audit and notify the Department in writing if
21 the discrepancy is significant as defined in section 15034.

22 **COST RECOVERY**

23 23. Section 26031.1 of the Code states:

24 (a) Except as otherwise provided by law, in an order issued in resolution of a
25 disciplinary proceeding before the department, the administrative law judge, upon
26 request, may direct a licensee found to have committed a violation to pay a sum not to
27 exceed the reasonable costs of the investigation and enforcement of the case.

28 (b) A certified copy of the actual costs, or a good faith estimate of costs where
actual costs are not available, signed by the department or its designated
representative shall be prima facie evidence of reasonable costs of investigation and
prosecution of the case. The costs shall include the amount of investigative and
enforcement costs up to the date of the hearing, including, but not limited to, charges
imposed by the Attorney General.

(c) The administrative law judge shall make a proposed finding of the amount
of reasonable costs of investigation and prosecution of the case when requested
pursuant to subdivision (a). The finding of the administrative law judge with regard to
costs shall not be reviewable by the department to increase the cost award. The
department may reduce or eliminate the cost award, or remand to the administrative
law judge if the proposed decision fails to make a finding on costs requested pursuant
to subdivision (a).

1 (d) If an order for recovery of costs is made and timely payment is not made as
2 directed in the department's decision, the department may enforce the order for
3 repayment in any appropriate court. This right of enforcement shall be in addition to
4 any other rights the department may have as to any licensee to pay costs.

5 (e) In any action for recovery of costs, proof of the department's decision shall
6 be conclusive proof of the validity of the order of payment and the terms for payment.

7 (f)(1) Except as provided in paragraph (2), the department shall not renew or
8 reinstate the license of any licensee who has failed to pay all of the costs ordered
9 under this section.

10 (2) Notwithstanding paragraph (1), the department may, in its discretion,
11 conditionally renew or reinstate for a maximum of one year the license of any
12 licensee who demonstrates financial hardship and who enters into a formal agreement
13 with the department to reimburse the department within that one-year period for the
14 unpaid costs.

15 (g) All costs recovered under this section shall be considered a reimbursement
16 for costs incurred and shall be deposited into the Cannabis Control Fund to be
17 available upon appropriation by the Legislature.

18 (h) Nothing in this section shall preclude the department from including the
19 recovery of the costs of investigation and enforcement of a case in any stipulated
20 settlement.

21 **FACTUAL ALLEGATIONS**

22 24. On or about February 18, 2025, the Department received information that Respondent
23 was diverting cannabis.

24 25. On or about On April 17, 2025, Department Special Investigator (SI) Bob Topping
25 (Topping) reviewed Respondent's California Cannabis Track and Trace System (CCTT)¹
26 account. Respondent's CCTT account showed that approximately 90,984 pounds of
27 cannabis/cannabis product had been received between January 1, 2025, through April 16, 2025,
28 and Respondent had sent out approximately 73,105 pounds of cannabis/cannabis product during
the same time period. The most recent transfers of cannabis and cannabis product had been
received by Respondent on April 16, 2025, between the hours of 1752 hours and 1818 hours.

29 26. On April 17, 2025, at approximately 1030 hours, SI Topping accompanied by other
30 Department Staff went to Respondent's licensed premises to conduct an unannounced regulatory
31 compliance inspection. There was no one at the licensed premises so SI Topping called Owner

¹ CCTT is a software program which uses unique identifiers for reporting the movement
of cannabis and cannabis products through the licensed cannabis distribution chain.

1 Loera at the phone number on file with the Department. Owner Loera indicated that she was
2 Respondent's only employee and was out of town. When asked when she had travelled out of
3 town, Owner Loera did not provide a date but indicated that it had been a few days ago. SI
4 Topping asked Owner Loera if there was someone else who could provide the Department access
5 to inspect Respondent's licensed premises, and Owner Loera stated she would call a few people
6 and call SI Topping back.

7 27. On April 17, 2025, at approximately 1110 hours, SI Topping again spoke with Owner
8 Loera who indicated that she was unable to locate anyone who could provide the Department with
9 access to the licensed premises. SI Topping discussed Respondent's CCTT account showing the
10 Respondent had received cannabis/cannabis products from 21 individual transfer manifests on
11 April 16, 2025. When asked who had accepted cannabis/cannabis products in Owner Loera's
12 absence, she indicated she had accepted the cannabis/cannabis products on April 16, 2025, prior
13 to traveling out of town on the night of April 16, 2025.

14 28. On April 17, 2025, a Notice to Comply was sent to Owner Loera and Owner Diaz
15 requesting access to the licensed premises and Respondents business records, including copies of
16 all sales invoices, receipts, manifests and ledgers from April 1 to April 17, 2025; copies of all
17 inventory reconciliation and adjustment records from January 1 to April 17, 2025; copies of video
18 surveillance footage for all cameras on the licensed premises for the period of April 10 to April
19 17, 2025; and copies of video surveillance footage for all cameras on premises for January 18,
20 2025. Respondent was asked to respond to the Notice to Comply and provide the requested
21 records by no later than close of business on April 18, 2025.

22 29. On April 18, 2025, SI Topping received a signed copy of the Notice to Comply, but
23 did not receive the requested records.

24 30. On April 22, 2025, SI Topper reviewed the Respondent's CCTT account and
25 identified approximately 20 incoming transfers of cannabis/cannabis product scheduled to be
26 delivered to Respondent that same day. In addition, Respondent's CCTT account identified L.G.
27 as an authorized user of the CCTT account and a manager for Respondent.

28 ///

1 31. On April 22, 2025, SI Topper, Supervising Special Investigator (SSI) Aric Engkabo
2 (Engkabo) and SI Denis Rakitskiy (Rakitskiy) conducted an inspection of Respondent's licensed
3 premises. Owner Loera provided access to Respondent's licensed premises where multiple bags
4 and plastic totes containing cannabis flower/trim, as well as two large buckets and several glass
5 containers filled with cannabis distillate were located. The individual bags and plastic totes
6 containing cannabis flower/trim and the individual glass containers filled with cannabis distillate
7 were not labeled with CCTT Unique Identifiers (UID), and there was no way to determine
8 whether the cannabis originated from a licensed source.

9 32. SI Topper identified photocopies of only two UID's present in the licensed premises,
10 1A406030003165B000010027 (cannabis flower/trim) and 1A406030003165B000010018
11 (cannabis distillate). None of the cannabis products were individually labeled with UID tags, but
12 instead, there were only photocopies of UID tags which were taped to storage racks where the
13 bags, plastic totes, and glass containers of cannabis flower/trim and distillate were stored.

14 33. Per Respondent's CCTT account, there should have been at least 160 packages of
15 cannabis/cannabis products present at the licensed premises. The cannabis flower/trim with the
16 UID ending in 10027 should have been 1,947.4786 pounds according to Respondent's CCTT
17 account. SSI Engkabo, and SIs Rakitskiy and Topper weighed all of the cannabis flower/trim
18 present, and it weighed approximately 1,136.34 pounds. The cannabis distillate with the UID
19 ending in 10018 should have weighed 47,100 grams (approximately 103.84 pounds) according to
20 Respondent's CCTT account. All of the cannabis distillate present, weighed 60,708.8 grams
21 (approximately 133.84 pounds) which included the container weights. In total, the cannabis
22 flower, trim, and distillate weight approximately 1,270 pounds.

23 34. SI Topper explained to Owner Loera that since the cannabis and cannabis products
24 were not properly labeled, they could not be traced back to a licensed source. Owner Loera
25 decided to go through the Department Voluntary Condemnation and Destruction (VC&D) process
26 for all of the cannabis/cannabis products present.

27 35. When asked whether the 20 incoming transfers of cannabis/cannabis products were
28 going to physically arrive at Respondent's licensed premises, Owner Loera stated that they were

1 not. Owner Loera explained that she acted as a “broker” for cannabis/cannabis products and
2 managed deals between several different licensed cannabis businesses. Owner Loera stated that
3 she facilitated transfers, utilizing Respondent’s license, between other licensed cannabis
4 businesses, but the transfers of cannabis/cannabis products did not physically arrive at
5 Respondent’s licensed premises. Owner Loera explained that Respondent created shipping
6 manifests in its CCTT account that reflected cannabis/cannabis products being picked up and
7 transported from the originating licensee and received at Respondent’s licensed premises; but in
8 reality, the cannabis/cannabis products would never physically be delivered to Respondent.
9 Owner Loera could not confirm where the cannabis/cannabis products were delivered.

10 36. Owner Loera was asked about the location of a failed batch of Lemon Cherry Pie
11 bulk cannabis flower that was recorded in Respondent’s CCTT account as being transferred to
12 another licensee on April 9, 2025, without approval from the Department’s Remediation and
13 Recalls Unit. Owner Loera pointed to a white garbage bag filled with individual bags of bulk
14 cannabis flower and indicated that the failed batch was there. There was no way to confirm
15 whether the failed batch of bulk cannabis was contained in the bags since they were not affixed
16 with required UID tags. Neither could Owner Loera provide any documentation to prove the
17 unlabeled bags of bulk cannabis flower were associated to the failed batch of Lemon Cherry Pie.

18 37. When asked about Respondent’s surveillance video and Prior to confirm the
19 surveillance system was retaining a minimum of 90-days of video surveillance, Owner Loera
20 explained that Respondent’s surveillance system and cameras had not been functional since
21 December 2024, due to a break-in/burglary that occurred at the licensed premises. A review of
22 the Departments licensing database for any notifications of a break-in/burglary that had occurred
23 in/or around December 2024 at Respondent’s licensed premises failed to show any notification of
24 the break-in/burglary.

25 38. When asked about L.G., Owner Loera stated, “Oh, he is my Metrc² assistant.”
26
27

28 ² Metrc is the software for CCTT.

39. As of the date the Emergency Decision and Order was issued, the requested documents had not been received from Respondent, and neither had Respondent provided evidence of the destruction of the embargoed cannabis and cannabis product.

FIRST CAUSE FOR DISCIPLINE

(General Requirements: Track and Trace)

40. Respondent is subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15047.2, subdivision (d), in that Respondent intentionally misrepresented or falsified information entered in the California Cannabis Track and Trace system as more particularly alleged in paragraphs 24 through 39, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

SECOND CAUSE FOR DISCIPLINE

(General Requirement: Cannabis Activity with Licensee)

41. Respondent is further subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, section 15000.1, subdivision (b), in that Respondent conducted commercial cannabis activity with a person or persons that were not authorized to engage in commercial cannabis activity as more particularly alleged in paragraphs 24 through 39, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

THIRD CAUSE FOR DISCIPLINE

(General Requirements: Track and Trace Record Information)

42. Respondent is further subject to disciplinary action under Code section 26030, subdivisions (a) and (c), and California Code of Regulations, title 4, sections 15047.2, subdivisions (b) and (c), 15049 and 15049.2 in that Respondent failed to accurately record all commercial cannabis activity in the California Cannabis Track and Trace System, including information for approximately 1270 pounds of cannabis found on the premises, as more particularly alleged in paragraphs 24 through 39, above, which are hereby incorporated by reference and realleged as if fully set forth herein.

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1 **FOURTH CAUSE FOR DISCIPLINE**

2 (General Record Retention Requirements)

3 43. Respondent is further subject to disciplinary action under Code sections 26030,
4 subdivisions (a) and (c), and 26160, and California Code of Regulations, title 4, sections 15037,
5 subdivisions (a) and (b), in that Respondent failed to provide the Department with records related
6 to commercial cannabis activity upon request, including as more particularly alleged in
7 paragraphs 24 through 39, above, which are hereby incorporated by reference and realleged as if
8 fully set forth herein.

9 **FIFTH CAUSE FOR DISCIPLINE**

10 (Reconcile Physical Inventory)

11 44. Respondent is further subject to disciplinary action under Code section 26030,
12 subdivisions (a) and (c), and California Code of Regulations, title 4, sections 15000.1,
13 subdivisions (a) and (c), 15049, and 15051 in that Respondent failed to reconcile physical
14 inventory with its CCTT account inventory, with approximately 160 packages of cannabis
15 products and 1270 pounds of cannabis found on the licensed premises not being accounted for in
16 the Licensee's CCTT inventory account as more particularly alleged in paragraphs 24 through 39,
17 above, which are hereby incorporated by reference and realleged as if fully set forth herein.

18 **SIXTH CAUSE FOR DISCIPLINE**

19 (Package Tags)

20 45. Respondent is further subject to disciplinary action under Code section 26030,
21 subdivisions (a) and (c), and California Code of Regulations, title 4, sections 15048.5, subdivision
22 (c), in that Respondent failed to affix package tags to cannabis and cannabis products held in a as
23 more particularly alleged in paragraphs 24 through 39, above, which are hereby incorporated by
24 reference and realleged as if fully set forth herein.

25 **SEVENTH CAUSE FOR DISCIPLINE**

26 (Storage of Inventory)

27 46. Respondent is further subject to disciplinary action under Code section 26030,
28 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15000.7, subdivision

1 (a), in that Respondent failed to store cannabis or cannabis products that its CCTT account
2 showed as having been received within the licensed premises as more particularly alleged in
3 paragraphs 24 through 39, above, which are hereby incorporated by reference and realleged as if
4 fully set forth herein.

5 **EIGHTH CAUSE FOR DISCIPLINE**

6 (Video Surveillance System)

7 47. Respondent is further subject to disciplinary action under Code section 26030,
8 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15044, subdivisions
9 (a) through (k), in that Respondent failed to maintain video surveillance as more particularly
10 alleged in paragraphs 24 through 39, above, which are hereby incorporated by reference and
11 realleged as if fully set forth herein.

12 **NINTH CAUSE FOR DISCIPLINE**

13 (General Requirements: Assignment of License)

14 48. Respondent is further subject to disciplinary action under Code section 26030,
15 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15000.1, subdivision
16 (e), in that Respondent transferred or assigned its license to another person or premises, to be
17 used for the transport and receipt of cannabis and cannabis as more particularly alleged in
18 paragraphs 24 through 39, above, which are hereby incorporated by reference and realleged as if
19 fully set forth herein.

20 **TENTH CAUSE FOR DISCIPLINE**

21 (Report Theft)

22 49. Respondent is further subject to disciplinary action under Code section 26030,
23 subdivisions (a) and (c), and California Code of Regulations, title 4, section 15036, subdivision
24 (e), in that Respondent failed to report a theft that occurred at the licensed premises to the
25 Department as more particularly alleged in paragraph 37, above, which are hereby incorporated
26 by reference and realleged as if fully set forth herein.

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28 ///

PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that the following the hearing, the Director of Consumer Affairs issue a decision:

1. Revoking or suspending the Cannabis Microbusiness License Number C12-0000362-LIC, issued to Respondent High Grade Enterprises with Vanessa Loera and Jasen Diaz, Owners;
2. Ordering Respondent High Grade Enterprises with Vanessa Loera and Jasen Diaz, Owners to pay the Department of Cannabis Control the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 26031.1;
3. Ordering the destruction of cannabis and cannabis goods in the possession of Respondent High Grade Enterprises with Vanessa Loera and Jasen Diaz, Owners, at Respondent's expense if revocation of Cannabis Microbusiness License Number C12-0000362-LIC, is ordered, pursuant to California Code of Regulations, title 4, section 15024.1, subdivision (a); and
4. Taking such other and further action as deemed necessary and proper.

DATED: May 16, 2025


EVELYN SCHAEFFER
Deputy Director of the Compliance
Division
Department of Cannabis Control
State of California
Complainant

SD2025801553
CCS Accusation.docx

PROOF OF SERVICE

Case Name: In the Matter of the Accusation Against: High Grade Enterprises
DCC Case No. DCC25-0000371-INV
License Number: C12-0000362-LIC, Microbusiness

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is Department of Cannabis Control, 2920 Kilgore Road, Rancho Cordova, CA 95670. On October 27, 2025, I served the within documents:

ORDER ADOPTING STIPULATED SETTLEMENT AND ORDER AS FINAL DECISION

- ☒ VIA ELECTRONIC TRANSMISSION. Pursuant to CCP § 1010.6, I caused the document(s) to be sent to the person(s) at the Email address(es) listed below. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.
- ☐ VIA CERTIFIED MAIL by placing the envelope for collection and mailing following our ordinary business practices for collecting and transmitting mail through the United States Postal Service to the individual(s) or entity(ies) listed below.
- ☐ Service via certified mail to be completed upon the following business day.

High Grade Enterprises
Vanessa Loera & Jasen Diaz, Owners
highgradeassociates@gmail.com

Alice C. Lin, Esq.
Lin Legal Services
alice@linlegalservices.com

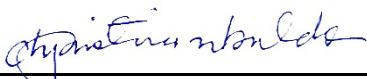
Evelyn Schaeffer (email only)
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Department of Cannabis Control
Evelyn.Schaeffer@cannabis.ca.gov

Harinder K. Kapur (email only)
Senior Assistant Attorney General
Cannabis Control Section
Office of Attorney General
Harinder.Kapur@doj.ca.gov

I am familiar with the Department's business practices for collecting and transmitting mail through the United States Postal Service. In accordance with those practices, correspondence placed in the Department's internal mail collection system is, in the ordinary course of business, deposited in the United States Postal Service, with postage paid, on the same day.

I declare under penalty of perjury under the laws of the State of California, and the United States of America, that the above is true and correct.

Executed on October 27, 2025, at Rancho Cordova, California.



Christina C. Ubaldo