

ADMINISTRATIVE HEARINGS DIVISION
May 18, 2023

STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA LICENSE APPLICANTS

1. Edentia, LLC
Frieda Friendentia, Manager
dba **76 FARMS**

(Application for a Marijuana
Producer License)

OAR 845-025-1115 states in relevant part:

(2) The Commission may deny an initial or renewal application, unless the applicant shows good cause to overcome the denial criteria, if the Commission has reasonable cause to believe that:

(a) The applicant:***

(E) Does not have a good record of compliance with ORS 475C.005 to 475C.525, or these rules, prior to or after licensure, including but not limited to:***

(ii) Providing marijuana items to an individual without checking that the individual is 21 or older;***

(b) Any individual listed on the application has been convicted of violating a general or local law of this state or another state, or of violating a federal law, if the conviction is substantially related to the fitness and ability of the applicant to lawfully carry out activities under the license, except as specified in ORS 475C.037(3).

(3) The Commission may refuse to issue a license to any license applicant or refuse to renew the license of any licensee or laboratory licensee when conditions exist in relation to any person having a financial interest in the business or in the place of business which would constitute grounds for refusing to issue a license or for revocation or suspension of a license if such person were the license applicant, licensee, or laboratory licensee.

Commission staff proposed to deny Applicant's application on the basis that Jeremy Hayes had a financial interest in Applicant's business or place of

Note: Applicant was issued a Notice of Proposed License Denial dated November 29, 2022. Applicant requested a hearing and now wishes to dispose of this licensing matter by settlement agreement, including the imposition of the listed restrictions.

(continued **76 FARMS**)

business, and Jeremy Hayes does not have a good record of compliance with ORS 475C.005 to 475C.525, or the administrative rules, and was convicted of violating general or local laws of this state or another state.

SYNOPSIS: – OLCC received an application from Applicant Edentia, LLC for a Recreational Marijuana Producer license following a sale/surrender settlement with Wicked Flower Farms, LLC and Jeremy Hayes, Member that was approved by the Commission in February 2022. Commission staff's investigation into the application disclosed that Applicant entered into certain agreements with Wicked Flower Farms LLC by its Member, Jeremy Hayes (seller and surrendering licensee), to purchase the assets underlying Applicant's business (Purchase Agreements), including a promissory note, security agreement for the note, a repurchase option, and a first right of refusal for third-party offers to purchase the assets. Applicant also entered into a lease agreement for the proposed premises wherein Hayes was the landlord. Staff proposed denial on the basis that Hayes had a financial interest in the Applicant's proposed business, and that Hayes does not have a good record of compliance with ORS 475C.005 to 475C.525, or the administrative rules, and was convicted of violating general or local laws of this state or another state. Applicant requested a hearing for the proposed denial, did not contest the denial basis, and provided the Commission with amended purchase agreements that terminated the promissory note, security agreement, option, and first right of refusal. These changes address the Commission's concerns regarding Hayes's financial interest and Applicant is willing to accept the below license restrictions prohibiting Hayes's involvement in the licensed business.

TERMS OF AGREEMENT

1. The Commission will issue Applicant a Marijuana Producer License subject to the restrictions set forth in paragraph 2 below, after this agreement is ratified and after Commission staff determine that the application is complete.
2. Applicant accepts the imposition of the following listed restrictions on the license identified in this agreement without any conditions or reservations:
 1. Licensee will not allow JEREMY HAYES to take any part in the operation or management of the business or to provide any services to the business.
 2. Licensee will not allow JEREMY HAYES to be an employee or agent of the business or otherwise act in a representative capacity on behalf of the business.
 3. Licensee will not allow JEREMY HAYES to be present on the licensed premises at any time.
3. Violation of a restriction is a Category I violation, subject to license cancellation. OAR 845-025-8575(4).
4. Applicant withdraws the request for a hearing.
5. This agreement is conditioned on the final approval of the Commission and will be reviewed by the Commissioners at their May 2023 Commission Meeting. If the Commission does not accept and approve this agreement in its entirety, it is deemed null and void, and Applicant's hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Applicant waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.

2. Edentia Holdings, LLC
dba **THE WICKED FLOWER
SHOPPE**

(Application for a Marijuana
Retailer License)

OAR 845-025-1115 states in relevant part:

(2) The Commission may deny an initial or renewal application, unless the applicant shows good cause to overcome the denial criteria, if the Commission has reasonable cause to believe that:

The applicant:***

(E) Does not have a good record of compliance with ORS 475C.005 to 475C.525, or these rules, prior to or after licensure, including but not limited to:***

(ii) Providing marijuana items to an individual without checking that the individual is 21 or older;***

(b) Any individual listed on the application has been convicted of violating a general or local law of this state or another state, or of violating a federal law, if the conviction is substantially related to the fitness and ability of the applicant to lawfully carry out activities under the license, except as specified in ORS 475C.037(3).

(3) The Commission may refuse to issue a license to any license applicant or refuse to renew the license of any licensee or laboratory licensee when conditions exist in relation to any person having a financial interest in the business or in the place of business which would constitute grounds for refusing to issue a license or for revocation or suspension of a license if such person were the license applicant, licensee, or laboratory licensee.

Commission staff proposed to deny Applicant's application on the basis that Jeremy Hayes had a financial interest in Applicant's business or place of business, and Jeremy Hayes does not have a good record of compliance with ORS 475C.005 to 475C.525, or the administrative rules, and was convicted of violating general or local laws of this state or another state.

Note: Applicant was issued a Notice of Proposed License Denial dated November 29, 2022. Applicant requested a hearing and now wishes to dispose of this licensing matter by settlement agreement, including the imposition of the listed restrictions.

(continued **THE WICKED FLOWER SHOPPE**)

SYNOPSIS: – OLCC received an application from Applicant Edentia Holdings, LLC for a Recreational Marijuana Retailer license following a sale/surrender settlement with Wicked Flower Farms, LLC and Jeremy Hayes, Member that was approved by the Commission in February 2022. Commission staff's investigation into the application disclosed that Applicant entered into certain agreements with Wicked Flower Shop LLC by its Member, Jeremy Hayes (seller and surrendering licensee), to purchase the assets underlying Applicant's business (Purchase Agreements), including a promissory note, security agreement for the note, a repurchase option, and a first right of refusal for third-party offers to purchase the assets. Staff proposed denial on the basis that Hayes had a financial interest in the Applicant's proposed business, and that Hayes does not have a good record of compliance with ORS 475C.005 to 475C.525, or the administrative rules, and was convicted of violating general or local laws of this state or another state. Applicant requested a hearing for the proposed denial, did not contest the denial basis, and provided the Commission with amended purchase agreements that terminated the promissory note, security agreement, option, and first right of refusal. These changes address the Commission's concerns regarding Hayes's financial interest and Applicant is willing to accept the below license restrictions prohibiting Hayes's involvement in the licensed business.

TERMS OF AGREEMENT

1. The Commission will issue Applicant a Marijuana Retailer License subject to the restrictions set forth in paragraph 2 below, after this agreement is ratified and after Commission staff determine that the application is complete.
2. Applicant accepts the imposition of the following listed restrictions on the license identified in this agreement without any conditions or reservations:
 1. Licensee will not allow JEREMY HAYES to take any part in the operation or management of the business or to provide any services to the business.
 2. Licensee will not allow JEREMY HAYES to be an employee or agent of the business or otherwise act in a representative capacity on behalf of the business.
 3. Licensee will not allow JEREMY HAYES to be present on the licensed premises at any time.
3. Violation of a restriction is a Category I violation, subject to license cancellation. OAR 845-025-8575(4).
4. Applicant withdraws the request for a hearing.
5. This agreement is conditioned on the final approval of the Commission and will be reviewed by the Commissioners at their May 2023 Commission Meeting. If the Commission does not accept and approve this agreement in its entirety, it is deemed null and void, and Applicant's hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Applicant waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.

ADMINISTRATIVE HEARINGS DIVISION

May 18, 2023

STIPULATED SETTLEMENT AGREEMENT FOR LIQUOR LICENSE APPLICANT

1. Papi, LLC
Davide Bricca, Managing Mbr
Ramzy Hattar, Applicant
dba **PAPI CHULO'S**
(F-COM & O)
611 NW 13th Ave
Portland, OR 97209

ORS 471.313 states, in pertinent part:

The Oregon Liquor and Cannabis Commission may refuse to issue a license, or may issue a restricted license, to any applicant under the provisions of this chapter if the commission has reasonable ground to believe any of the following to be true:***

(4) That the applicant:***

(g) Did not have a good record of compliance with the alcoholic liquor laws of this state and the rules of the commission when previously licensed.

Note: Licensee was issued an Amended Notice of Proposed Refusal to Approve Change to Licensed Entity dated February 28, 2023. Licensee requested a hearing and now wishes to dispose of this licensing matter by settlement agreement, including the imposition of the listed restrictions.

SYNOPSIS: This is an application to allow Ramzy Hattar to acquire a majority ownership interest in Papi Chulos, LLC, a company that owns and operates a small local chain of Mexican restaurants. Mr Hattar may have a poor record of compliance with OLCC rules based primarily on incidents occurring at nightclub-type establishments. He has other restaurant-type licenses that have been more successfully compliant. Staff recommends, and the applicants agree, that the application should be granted subject to the listed license restrictions, which are calculated to ensure that this business is operated as a restaurant, not a night club.

TERMS OF AGREEMENT

6. The Commission will approve the proposed change of ownership of the entity holding the Full On-Premises and Off-Premises Sales license at the premises listed above, to allow continued licensing with Applicant Ramzy Hattar as a 70% owner, subject to the restrictions set forth in paragraph (2) below, after this agreement is ratified and after staff determine that the application is complete.
7. Applicant accepts the imposition of the following listed restrictions on the licenses identified in this agreement without any conditions or reservations:

Applicant accepts the imposition of the following listed restrictions:

- (1) The sale and service of alcohol is prohibited at the premises from 11:00 pm to 7:00 am on the next calendar day, or 15 minutes prior to closing time, whichever is earlier. The premises includes any licensed outdoor area.
- (2) Licensee will not allow any person to possess or consume alcohol at the premises from 11:30 pm to 7:00 am, or after closing time, whichever is earlier.

(continue **PAPI CHULO'S**)

- (3) The premises must be closed to the public no later than from 11:30 pm to 7:00 am on the succeeding calendar day.
 - (4) Staff shall not sell or serve to a patron, and a patron may not possess, more than one container of alcohol at one time, and each container of alcohol will contain no more than 16 ounces of malt beverage, 16 ounces of cider, six ounces of wine, or two ounces of distilled spirits. Notwithstanding this restriction, a single party of two or more patrons may possess one open standard 750 ML bottle of wine, and a single party of three or more patrons may possess one standard 64 ounce pitcher of malt beverage, provided that the wine or malt beverage are served in conjunction with the service of two meals (wine) or three meals (malt beverage). "Meal" in this restriction has the meaning stated in OAR 845-006-0459(1).
 - (5) Licensee shall maintain its #3 minor posting for all areas of the premises as defined in OAR 845-006-0340(5)(c), "Minors Allowed in This Area with No Drinking Environment and Drinking Alcohol Does Not Predominate."
 - (6) Except as stated in paragraph (7), no forms of entertainment shall be permitted at the premises other than recorded music. This means that the following shall not be allowed: Live Music, DJ Music, Dancing, Nude Entertainers, Karaoke, Coin-Operated Games, Video Lottery Machines, Social Gaming, Pool Tables, Card Games. This list is illustrative only, and not an exclusive listing of forms of entertainment that are not permitted.
 - (7) Notwithstanding paragraph (6), live music is permitted at the premises on Cinco de Mayo (May 5th) of any year.
 - (8) These restrictions are in addition to, and not in lieu of, the November 22, 2019 control plan for the licensed outdoor area; however, in the event of a conflict, the provisions of these restrictions govern.
8. Violation of a restriction is a Category I violation, subject to license cancellation. OAR 845-005-0355(5).
 9. Applicant withdraws the request for hearing.
 10. Applicant waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183), to judicial review, and to otherwise challenge this agreement or the Final Order resulting from it.
 11. This agreement is conditional upon final approval of the Commission and will be reviewed by the Commissioners at their May 2023 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Licensee's hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.