

ADMINISTRATIVE POLICY & PROCESS DIVISION
June 14, 2018

STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

1 Oregon Candy Farm, LLC
Alexander Pavich, Mng Member
dba **CHRONIC CREATIONS**
(Producer)

OAR 845-025-2020(2) – Licensee or Licensee’s employees, agents, servants, or representatives operated other than as license permits when Licensee or Licensee’s employees, agents, servants, or representatives removed approximately 238 marijuana seed packages from the premises and delivered them to an unlicensed location. (June 30, 2017).

(1st level Category I)

Note: Licensee was charged with this violation by Notice dated January 31, 2018. The proposed sanction was license cancellation. Licensee requested a hearing and now wishes to withdraw that request to enter into this settlement agreement.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out in the Notice. This violation was Licensee’s first Category I violation within two years.
2. Commission staff originally proposed the standard sanction of license cancellation.
3. The Commission will reduce the sanction for the violation and impose a \$4,950.00 civil penalty or a 30-day license suspension for the violation.
4. Licensee will pay a \$4,950.00 civil penalty before 5:00 PM on July 16, 2018 **OR** serve a 30-day suspension beginning at 7:00 AM on July 21, 2018 and ending at 7:00 AM on August 20, 2018.
5. Licensee withdraws the request for a hearing.
6. If a licensee’s interest in the license expires or is transferred before the Commission issues a final order on the allegation(s), the licensee agrees to accept a Letter of Reprimand for the violation(s). This reprimand will become a permanent part of the licensee’s Commission file and may be considered in any future application for any license by that licensee.
7. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their June 2018 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.

2. Oregon Candy Farm, LLC
Alexander Pavich, Mng Member
dba **OREGON CANDY FARM**
(Processor)

OAR 845-025-3260(2)(b)(D) – Licensee who holds an endorsement to make cannabinoid extracts, failed to have equipment and facilities used in processing approved for use by the local fire code official. (January 1, 2017 to about July 6, 2017).

(1st level Category I)

OAR 845-025-1230(6)(a)- Licensee and/or Licensee's employee, servant, representative, or agent Aligra Rainy repeatedly permitted two minors, approximately ages one and five, to be on the licensed premises. (March 1, 2017 to June 30, 2017).

(1st Level Category III)

OAR 845-025-1440(1)(b) and (2)(b) - Licensee failed to maintain camera coverage of any activity occurring in all locations within limited access areas of the licensed premises when cameras were not placed to capture the area between the processing area and product storage room. (June 30, 2017).

(1st Level Category III)

OAR 845-025-7520(1)(d) - Licensee failed to properly tag all inventory with Unique Identification (UID) tags. (June 30, 2017).

(1st Level Category III)

Note: Licensee was charged with these violations by Notice dated January 31, 2018. The proposed sanction was license cancellation. Licensee requested a hearing and now wishes to withdraw that request to enter into this settlement agreement.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. Violation One was Licensee's first Category I violation within two years. Violations Two, Three, and Four were Licensee's first, second, and third Category III violations within two years. Any subsequent Category I or Category III violation within the same two years will be charged at the second level.

(continued) **OREGON CANDY FARM**

2. Commission staff originally proposed the standard sanction of license cancellation.
3. The Commission will reduce the sanction for Violation Number One and impose a \$4,950.00 civil penalty or a 30-day license suspension for that violation.
4. The standard sanction for Violation Two is a 10-day license suspension or a \$1,650.00 civil penalty. The Commission will reduce the sanction for Violation Two by three days. This is equivalent to a 30% reduction of the standard sanction.
5. The standard sanction for Violation Three is a 10-day license suspension or a \$1,650.00 civil penalty. The Commission will reduce the sanction for Violation Three by three days. This is equivalent to a 30% reduction of the standard sanction.
6. The standard sanction for Violation Four is a 10-day license suspension or a \$1,650.00 civil penalty. The Commission will reduce the sanction for Violation Four by three days. This is equivalent to a 30% reduction of the standard sanction.
7. Licensee will pay an \$8,415.00 civil penalty before 5:00 PM on July 16, 2018 **OR** serve a 51-day suspension beginning at 7:00 AM on July 21, 2018 and ending at 7:00 AM on September 10, 2018.
8. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the allegation(s), the licensee agrees to accept a Letter of Reprimand for the violation(s). This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license by that licensee.
9. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their June 2018 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.