



News Release

Oregon Liquor & Cannabis Commission
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Commission cancels restaurant's alcohol license

Wine industry says it's poised for post-pandemic success Restructuring cannabis violation penalties continues

PORTLAND, OR. – The Oregon Liquor and Cannabis Commission (OLCC) Thursday voted to accept an Administrative Law Judge's decision and cancelled the alcohol license of a Springfield restaurant for violating liquor service rules, while acknowledging that the underlying issues of the case were political arguments that would need to be sorted out by the courts.

During the Commission's regularly scheduled meeting on **May 20, 2022**, Commissioners also took action on rules for wine labels and the prevention of human trafficking, and appointed a new agent to operate an independently owned liquor store in Milwaukie. The wine industry presented the Commissioners a snapshot that shows it is well-positioned for a pandemic recovery, and the cannabis industry and OLCC staff provided the Commission with a progress report on the reform of license violation and penalties.

In reviewing the Springfield case, Commissioners balanced the challenges all restaurants faced in operating compliantly during the pandemic and the big picture legal questions raised by their counsel. However, after deliberation Commissioners agreed with the findings of an Oregon Administrative Law Judge that *Along Came Trudy* stayed open for inside dining despite an Executive Order that limited that activity in order to prevent the spread of Covid-19.

According to the Oregon Wine Board and the Oregon Winegrowers Association, the state's wine industry has been able to build on its reputation, gain market share and increase product revenue. Wineries did all of this despite the operating challenges brought on by the pandemic and wildfires. A bright spot was direct-to-consumer (DtC) shipments which increased by 40% since 2019. In 2020, the Commission modified its rules to allow more, and better regulated, DtC shipments.

The Commission approved the start of permanent rulemaking to clarify the use of Willamette Valley Agriculture Viticultural Area (AVA) wine labels. At the industry's request, the OLCC is fast tracking the rulemaking and expects to complete it in just a few months.

OLCC Executive Director Steve Marks and cannabis industry attorney Will Rasmussen told the Commission that a "Verification of Compliance" (VOC) program was already helping ensure that good-faith recreational marijuana licensees could stay in business, while

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ushering out bad-actors. The VOC program emphasizes education, often in the form of informal warnings when it's appropriate, instead of penalties.

The OLCC has had a backlog of violation cases which has kept licensees in limbo, but the VOC program has allowed the agency to drop many of those cases which the industry acknowledged as a bold move. Marks and Rasmussen said the VOC program is building trust between the agency and industry. The pair indicated further collaboration will produce a penalty schedule that more precisely targets for cancellation licensees that are deliberately breaking rules and are dishonest in their dealings with the OLCC.

Commissioners also appointed Steven Gray to operate the Oak Street liquor store located in the Milwaukie Marketplace. Prior to Gray's appointment, he served as a Store Director with Safeway for 10 years as part of his 40 year career with that company. At Safeway, Gray oversaw 20 stores in the Portland metro and Bend communities with weekly sales of over \$13 million dollars.

The Commissioners also ratified the following stipulated settlement agreements (detailed information on specific cases can be found [on the OLCC website](#)):

Alcohol Stipulated Settlement Agreements

BRIDGETOWN BEERHOUSE (L) in **Portland** will pay a \$9,900 fine AND serve a three-day suspension OR serve a 63-day license suspension for one violation. Licensee will also provide proof of Liquor Liability premium payments for the next 12-months.

THE DOUBLE J SALOON (F-COM) in **Redmond** will pay a \$10,725 fine AND serve a six-day suspension OR serve a 71-day license suspension for three violations.

Marijuana Stipulated Settlement Agreements

GREEN LION in **St. Helens, a marijuana retailer,** will pay a \$7,250 fine OR serve a 29-day license suspension for three violations.

HANLIN FARMS a marijuana producer, will pay a \$1,750 fine OR serve a seven-day license suspension for one violation.

LUMINOUS GARDENS a marijuana producer, will pay a \$4,500 fine OR serve an 18-day license suspension for two violations.

PACIFIC NW FARMS a marijuana producer, will pay a \$5,000 fine OR serve a 20-day license suspension for two violations.

TH3 FARMS a marijuana producer, will pay a \$8,745 fine OR serve a 53-day license suspension for three violations.

NOVA PATHS a marijuana processor, will pay a \$30,000 fine for packaging and labeling violations.

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