

**STATE OF OREGON
OREGON HEALTH AUTHORITY
PUBLIC HEALTH DIVISION, MEDICAL MARIJUANA PROGRAM**

<p>In the Matter of:</p> <p>Grateful Meds, LLC</p>	<p>NOTICE OF VIOLATION AND INTENT TO IMPOSE CIVIL PENALTIES</p>
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To: Grateful Meds, LLC
Brent Kenyon, Member
630 Highway 99, Talent, OR 97540

Amy Margolis
Greenspoon Marder
111 SW 5th, Ste. 2090
Portland, OR 97204

Eric Stark, Registered Agent
100 E Main St., Ste. M
Medford, OR 97501

AUTHORITY AND FACTS

1. The Oregon Health Authority (OHA), Oregon Medical Marijuana Program (OMMP) regulates medical marijuana dispensaries under ORS 475B.450 to 475B.525.
2. Grateful Meds, LLC has operated two registered dispensaries, but those dispensary registrations have expired.
3. According to OHA's information, Brent Kenyon is the sole member of Grateful Meds, LLC.
4. The registration of the dispensary Grateful Meds, MMD 07796, located in Springfield, Oregon, expired on August 28, 2016.
5. The registration of the dispensary Grateful Meds, MMD 65585, located in Talent, Oregon, expired on December 9, 2016.
6. Under ORS 475B.450(1)(b), a person may not operate a dispensary without being registered by OHA.
7. Despite the registrations expiring Grateful Meds remained open and operating at 1401 Market Street, Springfield, OR 97477 and 630 Highway 99, Talent, OR 97540, until a Cease and Desist letter was issued by the Oregon Department of Justice on January 31, 2017.
8. Grateful Meds provided transfer reports to OHA that show incoming transfers of marijuana items to the Springfield location on 53 different occasions in the months of September, October, November and December of 2016, indicating that this location was open and operating as a dispensary.

9. Grateful Meds provided transfer reports to OHA that show incoming transfers of marijuana items to the Talent location on three different occasions in January of 2017, indicating that this location was open and operating as a dispensary.

10. On January 30, 2017, OHA staff visited the Springfield location and it was open and operating. During this visit a dispensary employee told OHA that they knew they were not registered and that the owner, Brent Kenyon, had told them to stay open. In fact, the location of the illegal dispensary was not the same as the previously registered address.

11. On January 11, 2017, and January 30, 2017, OHA staff visited the Talent location and it was open and operating.

12. Under ORS 475B.495(1) OHA may issue a civil penalty for a violation of ORS 475B.400 to 475B.525, not to exceed \$500 for each day that the violation occurred.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Grateful Meds, LLC operated two medical marijuana dispensaries in 2016 and 2017 without being registered by OHA.

2. Operating a dispensary without a registration is a violation of ORS 475B.450(1)(b).

3. OHA may issue a civil penalty of up to \$500 per day per violation for a violation of ORS 475B.450(1)(b).

4. Based on the records provided by Grateful Meds, LLC to OHA and based on the observations of staff on January 11, 2017 and January 30, 2017, OHA proposes to impose a civil penalty of **\$29,500** against Grateful Meds, LLC. The civil penalty is calculated as follows:

- Springfield location operating on 53 separate occasions without a registration based on transfer records: $53 \times \$500 = \$26,500$
- Talent location operating on 3 separate occasions without a registration based on transfer records: $3 \times \$500 = \$1,500$
- Springfield location operating on January 30, 2017: $1 \times \$500 = \500
- Talent location operating on January 11, 2017, and January 30, 2017: $2 \times \$500 = \$1,000$

$$\$26,500 + \$1,500 + \$500 + \$1,000 = \$29,500$$

NOTICE OF HEARING RIGHTS

You are entitled to a hearing as provided by the Administrative Procedures Act (chapter 183, Oregon Revised Statutes). If you want a hearing you must file a written request for a hearing with the program within **21 days from the date this notice was mailed**. In order for a hearing request that is mailed to be timely, it must be postmarked within 21 days from the date this notice was mailed. You may mail your request for hearing to the address below. **Be sure to include your OMMP# in your request.**

Oregon Health Authority
Oregon Medical Marijuana Program
P.O. Box 14116, Portland, OR 97293

You may fax your request for hearing to (971) 673-0076 or e-mail your request for hearing to medmj.dispensaries@state.or.us.

If you fax your request for hearing it must be received by OHA by 5:00 p.m. PST, within 21 days from the date this notice was mailed. If you e-mail your request for hearing, it must be sent to OHA by 5:00 p.m. PST, within 21 days from the date this notice was mailed.

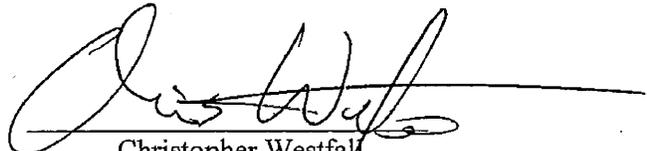
If you request a hearing, you will be notified of the time and place of the hearing. You may be represented by legal counsel at the hearing. Legal aid organizations may be able to assist those with limited financial resources. Per ORS 413.041, a party that is not a natural person may be represented by an attorney or by any officer or authorized agent or employee of the party.

OHA will be represented by an Assistant Attorney General. You will be provided information on the procedures, right of representation and other rights of parties relating to the conduct of the hearing before commencement of the hearing. Any hearing will be held by an administrative law judge from the Office of Administrative Hearings, assigned as required by ORS 183.635.

If a request for hearing is not received within this 21-day period, your right to a hearing under ORS chapter 183 shall be considered waived except as provided in OAR 137-003-0670(2). If you do not request a hearing within 21 days, if you withdraw a request for hearing, if you notify OHA or the administrative law judge that you will not appear, or if you fail to appear at a scheduled hearing, OHA may issue a final order by default imposing civil penalties. If OHA issues a final order by default, OHA designates the relevant portions of its files on this matter, including all materials that you have submitted relating to this matter, as the record for purposes of proving a prima facie case upon default.

Notice to Active Duty Service members. Active duty service members have a right to stay proceedings under the federal Service members Civil Relief Act and may contact the Oregon State Bar at 1 (800) 452-8260 or the Oregon Military Department at 1 (800) 452-7500 for more information. The internet address for the United States Armed Forces Legal Assistance Locator website is <http://legalassistance.law.af.mil/content/locator.php>.

Dated: March 15, 2017



Christopher Westfall
Compliance Unit Manager
Medical Marijuana Program
Oregon Health Authority

**STATE OF OREGON
OREGON HEALTH AUTHORITY
PUBLIC HEALTH DIVISION, MEDICAL MARIJUANA PROGRAM**

In the matter of:

Grateful Meds, LLC and
Brent Kenyon, member

OAH Reference No. 2017-OHA-05534

Stipulated Settlement and Final Order

STIPULATED SETTLEMENT

The Oregon Health Authority, Grateful Meds, LLC, and Brent Kenyon (hereinafter "the parties"), desiring to settle this matter, agree to the following:

1. The Oregon Health Authority (OHA), Oregon Medical Marijuana Program (OMMP) is responsible for enforcing the law related to the registration of dispensaries. ORS 475B.450.
2. OHA issued a Notice of Violation and Intent to Impose Civil Penalties dated March 15, 2017 (hereinafter "Notice") to Grateful Meds LLC (hereinafter "Grateful Meds"), and Brent Kenyon, Member, for the unlawful operation of two dispensaries in 2016 and 2017, located at 1401 Market Street, Springfield, Oregon 97477 and 630 Highway 99, Talent, OR 97540, in violation of ORS 475B.450(1)(b).
3. Grateful Meds timely requested a hearing. OHA referred the matter to the Office of Administrative Hearings.
4. OHA could prove the violations in the Notice at hearing. Grateful Meds and Brent Kenyon admit to operating the two dispensaries referenced in paragraph two without registrations from OHA.
5. The Parties agree to resolve this matter by entry of this Stipulated Settlement and Final Order, subject to the following conditions:
 - 5.1 Grateful Meds and Brent Kenyon agree to pay a civil penalty totaling \$10,000.00. OHA agrees to a payment plan with the following terms: the first payment of \$5,000.00 must be received by OHA within 10 days from the date Grateful Meds signs this Stipulated Settlement; the second payment of \$5,000 must be received by OHA within 30 days from the date Grateful Meds signs this Stipulated Settlement. Payment (money order or certified check), payable to OHA, shall be sent to the OMMP at P.O. Box 14116, Portland, Oregon 97293.
 - 5.2 Grateful Meds, its owners and individuals with a financial interest in Grateful Meds as that is defined in OAR 333-008-0010 (including Brent Kenyon), agree not to apply

for a dispensary registration for two years from the date this Stipulated Settlement is signed by Grateful Meds.

5.3 If Grateful Meds or Brent Kenyon fail to timely pay any portion of the civil penalties described in paragraph 5.1 the entire civil penalty of \$29,500 as set out in the Notice is immediately due and payable, less any civil penalties received under this Stipulated Settlement.

6. Grateful Meds represents and warrants that Brent Kenyon has the authority to enter into this Stipulated Settlement and bind Grateful Meds on its behalf.
7. This Stipulated Settlement and Final Order is binding upon Grateful Meds, its agents, employees, representatives, shareholders, directors, officers, successors, any individual with a financial interest in Grateful Meds as that term is defined in OAR 333-008-0010, and any and all persons or entities acting in concert or participation with or for it.
8. Consistent with applicable state law and consistent with the terms of this Stipulated Settlement, OHA may use the violations described in this Stipulated Settlement for purposes of determining the extent or appropriateness of any future action or sanction.
9. The Parties agree that this Stipulated Settlement may be executed in one or more counterparts, including facsimile, scanned, and electronically transmitted counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.
10. The Parties agree that this Stipulated Settlement constitutes the sole, entire, and complete agreement between the parties to address the Notice and that no promises, inducements, or agreements not herein expressed have been made, and that the terms of this Stipulated Settlement are contractual and not a mere recital.

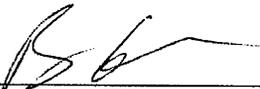
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11. Grateful Meds and Brent Kenyon have been fully advised of the right to notice and a contested case hearing under the Administrative Procedures Act (Oregon Revised Statutes chapter 183), and fully and finally voluntarily waive all such rights and any rights to appeal or otherwise challenge the Notice or this Stipulated Settlement and Final Order. Grateful Meds and Brent Kenyon consent to the entry of the Final Order below. Grateful Meds and Brent Kenyon may, and have, consulted with legal counsel regarding this matter and Stipulated Settlement and Final Order.



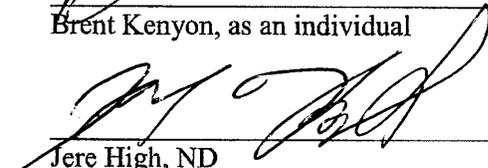
Brent Kenyon, Member, on behalf of
Grateful Meds, LLC

5.9.17
DATE



Brent Kenyon, as an individual

5.9.17
DATE



Jere High, ND
Administrator, Center for Health Protection
Oregon Health Authority

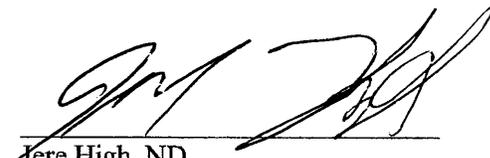
5.12.17
DATE

FINAL ORDER

NOW THEREFORE, OHA hereby imposes civil penalties described in the Stipulated Settlement and according to the terms and all requirements of the Stipulated Settlement. Further, OHA adopts all other terms of the Stipulated Settlement.

IT IS SO ORDERED.

DATED this 12th day of May, 2017



Jere High, ND
Administrator, Center for Health Protection
Oregon Health Authority