

News Release

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OLCC Reduces Backlog of Marijuana Licensee Cases Shift Reflects Industry Growing Up since Going Legal in 2016

PORTLAND, OR. – The Oregon Liquor and Cannabis Commission's (OLCC) Administrative Hearings Division has significantly reduced the backlog of violation cases against OLCC marijuana licensees the Commission learned at its regularly scheduled monthly meeting. Commissioners also approved three stipulated settlements for violations committed by marijuana licensees.

The agency had been facing a backlog of close to 500 cases for alleged violations committed by licensees. Some of the alleged violations dated back several years to before the start of the COVID-19 pandemic, yet licensees had not been formally charged under the administrative process, essentially leaving them in limbo.

After OLCC's Administrative Hearings Division (AHD) reviewed all of the backlogged cases, it reduced the number of cases that will potentially be formally charged to 40. The other cases were processed through the use of informal and formal warnings. The OLCC gave warnings to licensees that took the corrective action needed to get back in compliance with OLCC rules.

"We're finding now with the evolution of the industry, there can be a little more tolerance of a violation," said Rich Evans, Sr. Director of Licensing & Compliance. "Some of the violations we were charging in 2019 and moving the cases forward are actually handled in a different manner today."

To qualify for a warning, a licensee or cannabis company needed to have an otherwise exemplary record, a history of cooperation with the OLCC, and had corrected and not repeated the original violation. Some of the correctable offenses have included [surveillance] camera issues, unreported changes in ownership or unreported changes in financial interests in a licensed cannabis business.

The change in approach to handling marijuana violation cases also reflects the evolution of the regulatory environment compared to when the OLCC issued Oregon's first marijuana licenses. In 2016 Oregon was one of just four states allowing the sale of adult-use cannabis, and legalized states were following the informal guidelines established in the Cole Memorandum issued by the US Department of Justice.

To better manage the agency's high case counts OLCC's AHD is adding more case presenters and will do more formal data collection of the time spent on violation cases from start to finish; analysis of that data will be used to further adjust and streamline caseloads.

The Commission also approved the following violation fines and suspensions based on stipulated settlements (*detailed information on specific cases can be found* here on the OLCC website):

SOUTHERN OREGON CANNABIS CONNECTION in **Grants Pass, a recreational marijuana retailer,** <u>will pay a \$4,000 fine **OR** serve a 16-day recreational marijuana producer license suspension for two violations.</u>

Licensee is: Iron Cross Enterprises, LLC; Fred Tamayo, Managing Member.

WICKED FLOWER FARMS, a recreational marijuana producer, <u>will surrender its license</u> for <u>one violation</u>, on the date the transfer of ownership of the business is completed or on May 18, 2022, whichever is earlier.

Licensee is: Wicked Flower Farms, LLC; Jeremy Hayes, Member.

THE WICKED FLOWER SHOPPE in **Medford, a recreational marijuana retailer,** <u>will surrender its license</u> for <u>one violation</u>, on the date the transfer of ownership of the business is completed or on May 18, 2022, whichever is earlier.

Licensee is: Wicked Flower Shop, LLC; Jeremy Hayes, Member.

*The locations of OLCC marijuana producer, processor and wholesale licensees are exempt from public disclosure under Oregon law.

A copy of the Stipulated Settlement Agreements for Marijuana Violation Cases can be found on the <u>OLCC website</u>, on the Laws & Rules page under the <u>Final Orders</u> section.

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