News Release

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Commission reminds licensees of agency's authority OLCC takes action on THC lab shopping

PORTLAND, Ore. – Members of the Oregon Liquor and Cannabis Commission (OLCC) have a message for OLCC licensees – if you flaunt the rules and test our authority we're going to come down on you, even if we think your complaint has merit.

At its regularly scheduled monthly meeting on **Thursday, November 17, 2022,** the Commission voiced concerns about businesses that place agency staff at risk by openly flaunting regulations. The matter came up when the Commission was reviewing a contested administrative rules case that stemmed from the COVID pandemic restrictions. Commissioners also approved updated marijuana rules, appointed two new independently operated liquor stores and approved stipulated settlement agreements.

In the contested case, an Oregon Administrative Law Judge had already found that **Central Pastime**, a bar in Burns, openly operated during the COVID pandemic without following the Oregon Health Authority's COVID restrictions. OLCC Commission Chair Paul Rosenbaum pointed out that the Commission heard similar legal arguments during their review of the **Along Came Trudy's** case <u>this past May</u>. Those arguments centered on the legality of COVID restrictions established through Governor Brown's Executive Orders.

Commissioners also voted to reject a settlement with Along Came Trudy's; that administrative rules case is currently before the Oregon Court of Appeals. Because the two cases are complicated, any penalties related to them will not take effect until either the courts issue a ruling or the licensees agree to a settlement. Commissioners acknowledged industry concerns about how the COVID restrictions limited their ability to conduct business. However, Commissioners emphasized the importance of licensees understanding and recognizing the authority of the Commission.

After Commissioners approved the sanctions against Central Pastime, Commissioner Marvin Revoal took a moment to remind businesses about their obligations to work with the OLCC. "You can always disagree with the rules and regulations that come out of the state of Oregon," said Revoal. "When we knock on the door and say: 'Can we inspect whatever?' We have the authority to do so, and if you put us in jeopardy; you put your livelihood in jeopardy."

Commissioners also approved final marijuana rules to align with legislative changes enacted during the 2022 legislative session. An OLCC data analyst provided <u>a presentation</u> on one of the most important rules changes, one that addresses the validity of marijuana test results, especially for THC content. Marijuana consumers often base their decisions to purchase a product based upon the amount of THC in a product. In turn, businesses desire high THC test results to make their products more attractive to consumers; that's created an incentive for some laboratory licensees to artificially inflate test results.

Licensees have voiced concern about "lab shopping", where certain labs greatly exaggerate THC levels in products in order to court the business of other marijuana licensees that sell marijuana products. "There's a lot of voices that don't want THC to be the sole factor and the skewed THC is something the consumer fixates on and it's not fair," said OLCC Commissioner Matt Maletis.

The Commission appointed two independently owned businesses to operate liquor stores in Cave Junction and Hillsboro. Commissioners selected Presley Christensen to operate the Cave Junction store. Christensen has spent over 10 years in the alcohol industry as a bartender and most recently has been working in the Grants Pass liquor store as an assistant.

Commissioners also chose James Newman to operate the Hillsboro-TV Highway store. Newman brings over 13 years of experience in the alcohol industry and plans to operate the business in partnership with his wife Lindsay, who has over 10 years of experience in the hospitality industry.

The Commission also ratified four stipulated settlement agreements for both alcohol and marijuana licensees. Detailed information on the specific cases below can be found on the OLCC website:

Alcohol Stipulated Settlement Agreements

ANDREW'S WATERHOLE (F-COM) in Portland, will pay a \$1,485 fine **OR** serve a nine-day license suspension for one violation.

GORGES BEER (F-COM) in Cascade Locks, will pay a \$1,485 fine **OR** serve a nine-day license suspension for one violation.

Marijuana Stipulated Settlement Agreements

BLAZE DISTRIBUTION (Wholesaler), will pay a \$4,250 fine AND serve a two-day license suspension **OR** serve a 19-day license suspension for one violation.

KAYA SHACK (Retailer) in Salem, will sell the business by February 1, 2023 for two violations.