

ADMINISTRATIVE HEARINGS DIVISION

December 14, 2023

STIPULATED SETTLEMENT AGREEMENT FOR MARIJUANA VIOLATION CASES

1. La Mota Meford 3, LLC-Co-Licensee
Aaron Mitchell, Managing Member
Veriede Holding, LLC, Co-Licensee
Rosa Cazares, Manager
dba **LA MOTA MEDFORD 3**
3460 N Pacific Hwy
Medford, OR 97501

(Retailer)

The Notice charged the following compliance violations:

OAR 845-025-8520(1) - On or about January 25, 2023, Licensees' employee, agent, or representative Kayli Mikesell sold, delivered, transferred, or made available a marijuana item to a minor decoy, a person under 21 years of age who did not hold a valid OMMP patient or caregiver card.

(Category II(b))

OAR 845-025-5500(4) – On or about January 25, 2023, Licensees failed to verify that Licensees' employee, agent, or representative Kayli Mikesell had a valid marijuana worker permit before allowing Kayli Mikesell to perform any work of the kind described in ORS 475C.269(1) and/or OAR 845-025-5500(1) on the licensed premises.

(Category III)

Note: Licensee was charged with these violations by Notice dated July 18, 2023. The total proposed sanction was a 37-day license suspension, or a \$6,955.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement

MITIGATION

Commission staff originally recommended that the Commission mitigate the penalty for Violation Number One by 10% (three days or \$495.00 because the Licensee was not personally involved in or aware of that violation occurring. OAR 845-025-8590(5)(d)(F).

SYNOPSIS: On January 25, 2023, an employee of this retailer sold a marijuana pre-roll to a Commission minor decoy. The Commission's rule provides that the Licensee "must verify that an individual has a valid marijuana worker permit ... before allowing the individual to perform, or continue to perform, any work at the licensed premises" Licensees are required to enter their employees into METRC CTS, along with their permit number, at the time of hire, OAR 845-025-1230(9)(a)(A), which (among other things) ensures that the Licensee checks the permit status of each new employee. But the employee who made this sale to a minor was not entered into METRC CTS. This employee had applied for a worker permit but had not paid for it, so the permit was not issued as of the date of hire or the date of the sale to the minor.

TERMS OF AGREEMENT

1. Licensees accept responsibility for the violations as set out in the Notice. This was Licensees' first Category II(b) violation within two years, and first Category III violation within two years. Any subsequent Category II(b) or Category III violation(s) within the same two years will be charged starting at the second level. These violations will become a permanent part of each licensee's Commission file and may be considered in any future application for any license or permit by that licensee.
2. The standard sanction for Violation Number One is a 30-day suspension or a \$4,950.00 civil penalty. However, Commission staff determined that the Licensees were not personally involved in or aware of the violation occurring. Accordingly, the Commission mitigated the penalty for Violation Number One downward by three days or \$495.00.
3. The standard sanction for Violation Number Two is a 10-day suspension or a \$2,500.00 civil penalty.
4. The total proposed penalty was a 37-day license suspension or a civil penalty of \$6,955.00. The Commission will reduce the sanction for Violation Number One by eight days and for Violation Number Two by three days.
5. Licensees will either pay a \$4,885.00 civil penalty before 5:00 PM on January 16, 2024, **OR** serve a 26-day license suspension beginning at 12:00 PM (noon) on January 23, 2024, and ending at 12:00 PM (noon) on February 18, 2024.
6. Licensees withdraw the request for hearing.
7. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the charge, the licensee agrees to accept a Letter of Reprimand for the violation. This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license or permit by the licensee.
8. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their December 2023 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Licensees' hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Licensees waive 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. Bud Bros, LLC
Josh Scott, Member
David Scott, Member
dba **BUD BROS**
335 S Redwood Hwy
Cave Junction, OR 97523

(Retailer)

The Notice charged the following compliance violation:

OAR 845-025-7540(1)¹- On or about March 7, 2022, March 8, 2022, and April 12, 2022, Licensee's employees, agents, or representatives intentionally entered data into the METRC Cannabis Tracking System (CTS) that did not fully and transparently account for all inventory tracking activities when medical marijuana sales were made on those dates to multiple individuals who did not present Oregon Health Authority (OHA) medical marijuana program identification of any kind, and whose identity did not match the identity of the OHA registry identification card number that was entered into CTS when those sales were recorded.

(Category II)

Note: Licensee was charged with this violation by Notice dated October 17, 2023. The total proposed sanction was a 32-day license suspension, or an \$8,000.00 civil penalty. Licensee wishes to enter into this settlement agreement.

AGGRAVATED

Commission staff originally recommended that the Commission aggravate the penalty for the violation by 2% (1 day or \$250.00) because the violation was repeated and by 2% (1 day or \$250) because the violation involved more than one customer or employee.

SYNOPSIS: In 2019 and 2022 OLCC performed METRC cannabis tracking system (CTS) audits and communicated the result of the audits to Licensee. Licensee worked to correct some of the issues identified, but the issue of sales to inactive or invalid Oregon Health Authority medical marijuana registry card numbers (OHA card numbers), or high volumes of sales to single OHA card numbers, continued into 2022. Inspectors discovered at least two employees were repeatedly and intentionally entering OHA card numbers into CTS that did not match the identities of the individuals who were purchasing marijuana. The marijuana worker permittees identified in the investigation were charged separately.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out in the Notice. This was Licensee's first Category II violation within two years. Any subsequent Category II violation(s) within the same two years will be charged starting at the second level. The violation will become a permanent part of each licensee's Commission file and may be considered in any future application for any license or permit by the licensee.
2. The standard sanction for this violation is a 30-day license suspension or a \$7,500.00 civil penalty. Staff recommended aggravation because the violation was repeated and involved more than one customer or employee. The total proposed sanction was a 32-day license suspension or an \$8,000.00 civil penalty.

¹Citations are to rules and penalties in effect at the time of the incident, except that penalties, mitigation and aggravation are considered under current rules when those rules are more favorable to Licensee.

(continued **BUD BROS**)

3. The Commission will reduce the sanction by nine days.
4. Licensee will either pay a \$5,750.00 civil penalty by 5:00PM on February 15, 2024, **OR** serve a 23-day license suspension beginning at 12:00 PM (noon) on February 22, 2024, and ending at 12:00 PM (noon) on March 16, 2024.
5. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the allegations, the licensee agrees to accept a Letter of Reprimand for the violation. This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license or permit by that licensee.
6. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their January 2024 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.

3. JIA Holdings, Ltd
Arman Davtian, Pres/Director
Idan Magal, Sec/Dir/Stkhldr
Joseph Cohen, Treas/Dir/Stkhldr
dba **PARADISE FOUND**
10655 SE 42nd Ave.
Milwaukie, OR 97222

(Retailer)

The Notice charged the following compliance violations:

OAR 845-025-8520(1) - On or about November 7, 2022, Licensee's employee, agent, or representative Jesse Tondreau sold, delivered, transferred, or made available a marijuana item to a minor decoy, a person under 21 years of age who did not hold a valid OMMP patient or caregiver card.

(1st Level Category II(b))

OAR 845-025-8520(1) – On or about May 15, 2023, Licensee's employee, agent, or representative Jackson McLean sold, delivered, transferred, or made available a marijuana item to a minor decoy, a person under 21 years of age who did not hold a valid OMMP patient or caregiver card.

(2nd Level Category II(b))

Note: Licensee was charged with these violations by Notice dated August 2, 2023. The total proposed penalty was a 52-day license suspension or a 26-day license suspension and a \$4,290.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement

MITIGATION

Commission staff originally recommended that the Commission mitigate the penalty for Violation Number One by 10% (three days or \$495.00) and mitigate the penalty for Violation Number Two by 10% (three days) because the Licensee was not personally involved in or aware of the violations occurring. OAR 845-025-8590(5)(d)(F). Commission Staff originally recommended that the Commission mitigate the penalty for Violation Number One by 3% (one day or \$165.00) and Violation Number Two by 3% (one day) because Licensee made a good faith effort to prevent the violations by engaging in employee training.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first and second Category II(b) violation within two years. Any subsequent Category II(b) violations within the same two years will be charged starting at the third level.
2. The standard sanction for a Category II(b) violation is a 30-day suspension or a civil penalty of \$4,950.00 for the first violation of this type within two years, and a 30-day license suspension for the second violation of this type within two years. Commission staff determined that the Licensee was not personally involved in or aware of the violations occurring and mitigated the penalties downward by three days, each. Additionally, Commission staff determined that Licensee made a good faith effort to prevent the violations and mitigated the penalties downward by an additional one day, each. The total proposed penalty was a 52-day license suspension or a 26-day license suspension and a \$4,290.00 civil penalty.
3. The Commission will reduce the sanction for Violation Number One by eight days. The Commission will reduce the sanction for Violation Number Two by eight days and Licensee may pay a \$2,145.00 civil penalty in lieu of 13 days of suspension, with the remaining five days mandatory.
4. Licensee will either pay a \$5,115.00 civil penalty before 5:00 PM on January 16, 2024, and serve a five-day suspension beginning at 12:00 PM (noon) on January 23, 2024, and ending at 12:00 PM (noon) on January 28, 2024, **OR** serve a 36-day license suspension beginning at 12:00 PM (noon) on January 23, 2024, and ending at 12:00 PM (noon) on February 28, 2024.

(continued **PARADISE FOUND**)

5. Licensee withdraws the request for hearing.
6. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the charge, the licensee agrees to accept a Letter of Reprimand for these violations. This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license or permit by the licensee.
7. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their December 2023 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.

4. Oregon Yak, LLC
Danny Kim, Managing Member
Eun Yi, Member
Kyong Seo, Member
dba **CANNABIS CURB**

(Retailer)

The Notice charged the following compliance violations:

OAR 845-025-8520(1) – On or about October 24, 2022, Licensee’s employee, agent, or representative Marc Santos sold, delivered, transferred, or made available a marijuana item to a minor a person under 21 years of age who did not hold a valid OMMP patient or caregiver card.

(1st Level Category II(b))

OAR 845-025-8520(1) - On or about January 25, 2023, Licensee’s employee, agent, or representative Alexandra Muresan sold, delivered, transferred, or made available a marijuana item to a minor a person under 21 years of age who did not hold a valid OMMP patient or caregiver card.

(2nd Level Category II(b))

OAR 845-025-5500(4) – On or about January 25, 2023, Licensee or Licensee’s employees, agents, or representatives failed to verify that budtender Alexandra Muresan had a valid marijuana worker permit before allowing Alexandra Muresan to perform any work at the licensed premises of the kind described in ORS 475C.269(1) or OAR 845-025-5500(1).

(1st Level Category III)

Note: Licensee was charged with these violations by Notice dated August 15, 2023. The total proposed sanction was a 60-day suspension or a 24-days suspension and a \$6,705.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

MITIGATION

Commission staff originally recommended that the Commission mitigate the penalty for Violation Number One by 10% (three days or \$495.00) and mitigate the penalty for Violation Number Two by 10% (three days) because the Licensee was not personally involved in or aware of the violations occurring. OAR 845-025-8590(5)(d)(F). Commission staff originally recommended that the Commission mitigate the penalty for Violation Number Two by 3% (one day) because Licensee made good faith effort to prevent that violation. OAR 845-025-8590(5)(d)(A). Commission staff originally recommended that the Commission mitigate the penalty for Violations Number Two and Number Three by 5% (2 days, and 1 day or \$250.00, respectively) because Licensee cooperated in the violation investigations for Violation Number Two and Number Three demonstrating acceptance of responsibility. OAR 845-025-8590(5)(d)(B).

SYNOPSIS: This premises failed one minor decoy operation in 2022 and subsequently requested and received employee training from OLCC. Licensee also had in-house training and reminders following the 2022 sale. In 2023, the premises failed a second operation and the inspector discovered that the employee who completed that sale did not have a valid marijuana worker permit. The manager who hired this employee had only verified that the employee had completed a worker permit test, but the employee had never applied for or held a permit. The permittee involved in the first sale to a minor was charged separately.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee’s first and second Category II(b) violations within two years, charged at the first and second level, and first Category III violation within two years, charged at the first level. Any subsequent Category II(b) violation(s) within the same two years will be charged starting at the third level. Any subsequent Category III

(continue CANNABIS CURB)

violation(s) within the same two years will be charged starting at the second level. These violations will become a permanent part of each licensee's Commission file and may be considered in any future application for any license or permit by the licensee.

2. The standard sanction for a Category II(b) violation is a 30-day license suspension or a \$4,950.00 civil penalty for the first violation of this type within two years, and a 30-day license suspension for the second violation of this type within two years. The standard sanction for a Category III violation is a 10-day license suspension or a \$2,500.00 civil penalty for the first violation of this type within two years. Staff recommended mitigation of Violations Number One and Number Two because Licensee was not personally involved in or aware those violations occurring. Staff recommended mitigation of Violation Number Two because Licensee made a good faith effort to prevent that violation. Staff recommended mitigation of Violations Number Two and Number Three because Licensee cooperated in the violation investigation demonstrating the acceptance of responsibility for those violations. The total proposed sanction was a 60-day license suspension or a 24-day license suspension and a \$6,705.00 civil penalty.
3. The Commission will reduce the sanction for Violation Number One by eight days. The Commission will reduce the sanction for Violation Number Two by seven days and Licensee may pay a \$495.00 civil penalty in lieu of three days of suspension, with the remaining 14 days mandatory. The Commission will reduce the penalty for Violation Number Three by three days.
4. Licensee will either pay a \$5,115.00 civil penalty by 5:00 PM on January 16, 2024, and serve a 14-day license suspension beginning at 7:00 AM on January 23, 2024 and ending at 7:00 AM on February 6, 2024 **OR** serve a 42-day license suspension beginning at 7:00 AM on January 23, 2024 and ending at 7:00 AM on March 5, 2024.
5. Licensee withdraws its Request for Hearing.
6. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the allegations, the licensee agrees to accept a Letter of Reprimand for the violations. This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license or permit by that licensee.
7. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their December 2023 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.

5. High Desert Equity Partners, Inc.
Mark Weisheit, Member
dba **THE LOCAL MARKET**
1216 NE 1st Street, Suite #100
Bend, OR 97701

(Retailer)

The Notice charged the following compliance violations:

OAR 845-025-1045(1), (5); OAR 845-025-1115(2)(c); and OAR 845-025-1115(6) – From about July 29, 2021, to about April 21, 2023, Licensee and/or Licensee’s employees, agents or representatives failed to disclose the existence of an ownership interest in Licensee’s business when Licensee Mark Weisheit failed to disclose that Mustafa Soylemez and Jacob Onat each had an ownership interest in Licensee’s business within the meaning of OAR 845-025-1045(5) whereby Soylemez and Onat were operating Licensee’s business other than as employees acting under the direction of Licensee, including by managing inventory, ordering product, paying invoices, managing vendor relationships, hiring, firing, scheduling, and managing employees, and managing payroll.

(Category I)

OAR 845-025-8540(1)(a)(b) - On or about March 16, 2023, Licensee Mark Weisheit made an intentional false statement or representation to the Commission in order to induce or prevent action or investigation by the Commission when Mark Weisheit represented to OLCC Regulatory Specialist B. Williams that he (Mark Weisheit) is responsible for the operation of Licensee’s business, including ordering inventory, hiring and firing of employees, payroll, and invoices, that Jacob Onat’s involvement at the premises concerned Onat’s responsibilities as the landlord, and that Mustafa Soylemez was removed from the license and is no longer allowed to be involved with business matters at the premises, when in fact Onat and Soylemez continued to be responsible for aspects of the operations of the business, including ordering inventory, hiring and firing of employees, payroll, and invoices.

(Category I)

OAR 845-025-1160(2) – On or before March 25, 2023, Licensee failed to notify the Commission within 72 hours of the conviction for any misdemeanor or felony of an individual subsequently identified as an applicant or

Note: Licensee was charged with these violations by Notice dated August 8, 2023. Commission staff originally proposed license cancellation for these violations. Licensee has begun the process of selling the business. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATED

Commission staff originally proposed that the Commission aggravate the penalty for Violation Number Two because Licensee Weisheit personally committed the violation. *P-Mart*, OLCC-92-V-098, April 1993. Commission staff originally proposed that the Commission aggravate the penalty for Violation Number One because Licensee attempted to conceal Violation Number One. OAR 845-025-8590(5)(e)(D).

(continued **THE LOCAL MARKET**)

licensee, when Licensee and/or Licensee's employees, agents or representatives failed to notify the Commission within 72 hours of the March 22, 2023 conviction of Jacob Onat, a person subsequently identified as an applicant pursuant to OAR 845-025-1045(3)(c), for the crime of Unlawful Manufacture of a Marijuana Item, ORS 475B.349(3)(b), a Class B felony.

(1st Level Category II)

OAR 845-025-5500(1)(d) – From about December 28, 2021, to about April 21, 2023, Licensee's agent or representative Mustafa Soylemez participated in the direct supervision of persons performing work of the kind described in OAR 845-025-5500(1)(a) to (c), despite the fact that he did not hold a valid marijuana worker permit.

(1st Level Category III)

OAR 845-025-1230(6)(b) – On or about January 3, 2023, Licensee or Licensee's employees, agents, or representatives permitted on-site consumption of alcohol when Jacob Onat consumed a White Claw, an alcoholic beverage, in the licensed premises.

(2nd Level Category III)

SYNOPSIS: This retailer license was previously held by High Desert Equity Partners, Inc., with individual licensees Mustafa Soylemez (President, Director, Stockholder); Jacob Onat (Vice President, Treasurer, Director, Stockholder); and Mark Weisheit (Secretary, Director, Stockholder). Soylemez and Onat were responsible for the operations of the licensed business while Weisheit was a "silent investor." In 2021, following a criminal investigation involving the unlicensed manufacture of marijuana by Onat and Soylemez, Onat and Soylemez were removed from the corporation and OLCC license. There is no evidence that Weisheit had any involvement in the illegal growing operation. Mr. Soylemez was criminally convicted, and his marijuana worker permit was revoked. Following Onat and Soylemez' removal from the corporation, Weisheit attempted to run the business independently but soon found that he needed help. Onat and Soylemez, working with Weisheit, resumed joint operation of Licensee's business but did not inform OLCC of their involvement. Mr. Soylemez did not hold a worker permit during this time while he was engaged in operating the business. In March 2023, Mr. Onat was convicted of Unlawful Manufacture of a Marijuana Item, ORS 475B.349(3)(b), a felony, based on illegal growing in February 2019 and licensee did not disclose this to OLCC. As a result of the OLCC investigation of the undisclosed ownership, Onat and Soylemez are no longer involved in the operation of the business and Licensee is in the process of selling its business to a third party.

(continue THE LOCAL MARKET)

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first and second Category I violations, first Category II violations, and first and second Category III violations within two years. These violations will become a permanent part of each licensee's Commission file, and may be considered in any future application for any license or permit by that licensee.
2. Commission staff originally proposed license cancellation for these violations. Violation Number One was aggravated for concealment and Violation Number Two was aggravated because it was personally committed by Licensee Mark Weisheit.
3. Licensee has begun the process of selling the business. Licensee will surrender its license on the date the transfer of ownership of the business is complete or at 7:00 AM on March 14, 2024, whichever is earlier.
4. Licensee understands and agrees that the Commission is not representing or guaranteeing that a new owner will have an approved license on or before March 14, 2024, or at any time. Licensee understands and agrees that any new owner will have to fully complete the application process, and the application has to receive final approval by the Commission, prior to a license being issued.
5. Licensee agrees, represents, and warrants that the business will not be sold to the entity and/or individuals alleged to have obtained an unapproved financial and/or ownership interest in the licensed business, namely Mustafa Soylemez, Jacob Onat, Private Reserve Equity Partners, LLC, or any parent, subsidiary, affiliate, or successor entity thereof.
6. Each licensee agrees to accept a letter of reprimand for the violations specified above. This letter of reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license or permit by the licensee.
7. Licensee hereby relinquishes any and all interest in any marijuana items in its inventory that have not been transferred before the effective date of license surrender, and agrees that the Commission may seize and destroy any such marijuana items.
8. Licensee withdraws the request for hearing.
9. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the charge, the licensee agrees to accept a Letter of Reprimand for the violation. This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license or permit by the licensee.
10. A scrivener's error in the Notice designated Licensee as "High Desert Equity Partners, LLC; Mark Weisheit, Member." The parties agree that Licensee of Record for the purposes of the Notice and this agreement is High Desert Equity Partners, Inc.; and Mark Weisheit, President/Stockholder, and that this error did not deprive Licensee of sufficient notice of who or what was charged. Licensee specifically requests that the Commission proceed with settlement rather than issuing an Amended Notice, and it waives any right to review of this issue.

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11. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their December 2023 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.