

# ADMINISTRATIVE HEARINGS DIVISION

March 20, 2025

## STIPULATED SETTLEMENT AGREEMENT FOR MARIJUANA VIOLATION CASE

1. Britebox, Labs, Inc.  
Daniel Huson, Stockholder  
dba **BRITEBOX LABS**

(Laboratory)

OAR 845-025-5075(1)(d) - On or about the dates listed below, Laboratory Licensee and/or its employees, agents, or representatives engaged in activity that violates a provision of ORS 475C, OAR 333-007-0300 through OAR 333-007-0500 or OAR 333, Division 64 or OAR 845, Division 25, specifically OAR 333-064-0100(2)(a)(E), when Licensee's employee, agent or representative failed to take the sufficient number of increments in their sample required by the Oregon Environmental Laboratory Accreditation Program (ORELAP) sampling protocols.

(1<sup>st</sup> Level Category I)

OAR 845-025-5075(1)(d) - On or about the dates listed below, Laboratory Licensee and/or its employees, agents, or representatives engaged in activity that violates a provision of ORS 475C, OAR 333-007-0300 through OAR 333-007-0500 or OAR 333, Division 64 or OAR 845, Division 25, specifically OAR 333-007-0360(1)(d) and OAR 333-064-0100(2)(a)(A), when Licensee's employee, agent or representative failed to ensure that the entire batch of marijuana or usable marijuana was available for sampling.

(2<sup>nd</sup> Level Category I)

Note: Licensee was charged with this violation by Notice dated September 30, 2024. The total proposed a penalty for an 80-day license suspension or a \$20,000.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

### AGGRAVATION

Commission staff aggravated the violations for repeated failure to comply with laws.

### MITIGATION

The Commission staff mitigated the violations because the Licensee was not personally involved in or aware of the violations.

## CONTINUED BRITEBOX LABS

**SYNOPSIS:** An OLCC investigation into Licensee's marijuana sampling practices revealed multiple sampling violations regarding the number of increments collected and whether the entire batch was present for the sampling event. In examining eight sampling events, seven were found to take fewer increments per sample than required. Each sample is made up of a number of increments, a portion of marijuana taken by the laboratory field representative at a single time, and the number of increments required for each sample is determined by the weight of the batch. Without enough increments, the sample cannot accurately represent the marijuana being sampled as a whole. In five of the eight sampling events, the entire batch was not present for the purpose of selecting samples. The Commission staff determined that the conduct constituting these violations did not rise to the level of cancellation given the circumstances.

### TERMS OF AGREEMENT

1. This Settlement Agreement resolves only the violation(s) identified in the Notice.
2. Licensee admits the facts described in the Notice and accepts responsibility for the violations described in the Notice. These were Licensee's first and second Category I violations within two years. Upon execution and final approval of this Settlement Agreement by the Commission, these violations shall become a permanent part of Licensee's Commission file and may be considered in any future application for any license or permit by the Licensee.
3. The standard sanction for the violations described in the Notice is license cancellation. Commission staff aggravated the violations for repeated failure to comply with laws. OAR 845-025-8590(4)(e)(B). The Commission staff mitigated the violations because the Licensee was not personally involved in or aware of the violations. OAR 845-025-8590(5)(d)(F). The Commission staff determined that the conduct constituting these violations did not rise to the level of cancellation given the circumstances and that mitigation downward from proposed cancellation was warranted. OAR 845-025-8590(5)(c). The Notice proposed a total penalty of an 80-day license suspension or a \$20,000.00 civil penalty.
4. As an alternative to the proposed penalty in the Notice, Licensee shall either pay a \$14,000.00 civil penalty before 5:00 PM on April 15, 2025 **OR** serve a 56-day suspension beginning at 7:00 AM on April 22, 2025 and ending at 7:00 AM on June 17, 2025. If the full penalty is not paid prior to 5:00 PM on April 15, 2025, then Licensee shall serve the full suspension. If Licensee or its employees, agents, or representatives act in any way that is not allowed by rule or statute while under suspension, OLCC may file a violation against Licensee and Licensee's license may be cancelled, suspended, or Licensee may receive a civil penalty. If OLCC notifies Licensee that Licensee has violated a rule or statute while under suspension, Licensee will be given the opportunity to contest the alleged violation in a contested case proceeding and the appropriateness of OLCC's decision to deny, suspend, or revoke the license or impose civil penalties. Licensee agrees that any action taken in violation of OAR 845-025-8580 while the Licensee is serving a suspension establishes Licensee lacks the judgment and capabilities to comply with rules and statutes as required to be hold a marijuana license and is conduct that poses a significant risk to public health and safety under ORS 475C.265(3)(a).
5. Licensee withdraws the request for a hearing.

## CONTINUED BRITEBOX LABS

6. If Licensee's interest in the license expires or is transferred before the Commission issues the final order incorporating this Settlement Agreement, the Licensee agrees to accept a Letter of Reprimand for the violations. This reprimand becomes 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 accepts this Settlement Agreement without any conditions or reservations. Licensee is aware of Licensee's right to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review if this matter was not resolved through this Settlement Agreement. Licensee is aware of Licensee's right to seek judicial review of a final order issued in the matter. Licensee freely and voluntarily waives all such rights to a contested case hearing, judicial review, or to otherwise challenge this Settlement Agreement and the Final Order incorporating this Settlement Agreement. In full satisfaction and settlement of this matter, Licensee agrees to Commission's issuance of a Final Order incorporating this Settlement Agreement as described in paragraph 8.
8. This Settlement Agreement is conditioned upon final approval by the Commission and will be reviewed by the Commissioners at their March 2025 meeting. If the Settlement 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.
9. The parties agree that this Settlement Agreement constitutes the sole, entire, and complete agreement between the parties to resolve the administrative proceeding commenced by the Notice and that no promises, inducements, or agreement not herein expressed have been made and that all terms of this Settlement Agreement are contractual and not a mere recital.
10. Licensee releases and waives any and all claims of any kind, known or unknown, past or future, against the State of Oregon or its agencies, instrumentalities, employees, officers, or agents arising out of the matters set forth in the Notice or this Settlement Agreement, including but not limited to any claim under federal or state law for damages, declaratory or equitable relief, under 42 USC § 1983 et seq, and for attorney's fees or costs.
11. Licensee of record is an Oregon corporation. Daniel Huson is a stockholder of Licensee of record. Licensee of record represents and warrants that Daniel Huson individually has the authority to enter into this Settlement Agreement and bind Licensee of record on its behalf.
12. The parties agree that this Settlement Agreement and Final Order Incorporating Settlement Agreement may be executed in one or more multiple 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.
13. The Settlement Agreement must be signed and received by the Commission by February 24, 2025, or this settlement offer is deemed withdrawn.