

ADMINISTRATIVE HEARINGS DIVISION

May 21, 2026

STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

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| <p>1. Cougar Cannabis, LLC
Shellie Grammer, Managing Member
PO Box 2296
Roseburg, OR 97470
dba COUGAR CANNABIS</p> <p>(Retailer)</p> | <p>OAR 845-025-8520(1) - On or about February 21, 2025, Licensee's employee, agent, or representative Elizabeth Hurlbut 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.</p> <p>(2nd Category II(b) violation within two years)</p> | <p>Note: Licensee was charged with this violation by Notice dated February 17, 2026. The standard sanction is a 30-day license suspension. Licensee requested a hearing and now wishes to enter into this settlement agreement.</p> <p style="text-align: center;"><u>MITIGATION</u></p> <p>Commission staff determined that that mitigation of the standard penalty was appropriate as Licensee was not personally involved in or aware of the violation, therefore proposed mitigating the penalty by three days.</p> |
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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 violation described in the Notice. This was Licensee's 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. Upon execution and final approval of this Settlement Agreement by the Commission, this violation 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 violation described in the Notice is a 30-day license suspension. Commission staff determined that mitigation of the standard penalty was appropriate as Licensee was not personally involved in or aware of the violation. OAR 845-025-8590(d)(F). Accordingly, the Notice proposed mitigating the penalty by three days. The Notice proposed a total penalty of a 27-day license suspension.
 4. As an alternative to the proposed penalty in the Notice, Licensee shall either pay a \$1,980.00 civil penalty before 5:00 PM on June 15, 2026, and serve a seven-day suspension beginning at 7:00 AM on June 22, 2026, and ending at 7:00 AM on June 29, 2026 **OR** serve a 19-day license suspension beginning at 7:00 AM on June 22, 2026, and ending at 7:00 AM on July 11, 2026. If the \$1,980.00 civil penalty is not paid prior to 5:00 PM on June 15, 2026, then Licensee shall serve the full 19-day license suspension beginning at 7:00 AM on June 22, 2026, and ending at 7:00 AM on July 11, 2026. 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,
- (continued **COUGAR CANNABIS**)

5. 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).
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 violation. 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 7.
8. This Settlement Agreement is conditioned upon final approval by the Commission and will be reviewed by the Commissioners at their May 2026 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 agreements 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 Limited Liability Company. Shellie Grammer is the Managing Member of Licensee of record. Licensee of record represents and warrants that Shellie Grammer individually has the authority to enter into this Settlement Agreement and bind Licensee of record on its behalf. This agreement is binding upon Licensee, its agents, employees, representatives, stockholders, directors, officers, successors, and any and all persons or entities acting in concert or participation with or for it.
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 March 19, 2026, or this settlement offer is deemed withdrawn

2. LT Industries, LLC
Ernest Lee, Member
dba **LT INDUSTRIES, LLC**

(Producer)

OAR 845-025-7580(1)(b) - On or before about April 24, 2025, Licensee and/or Licensee's employees, agents, or representatives failed to reconcile all marijuana item inventories in Licensee's METRC Cannabis Tracking System (CTS) account by 8 a.m. local time of the next calendar day when OLCC Inspectors C. Hoffman and M. Thompson conducted a plant count at the licensed premises and found approximately 824 marijuana plants and Licensee's CTS account showed approximately 642 marijuana plants in inventory at the licensed premises.

(1st Category III)

OAR 845-025-7700(3)(a)(H) - On or between about January 26, 2023 and March 21, 2025, Licensee and/or Licensee's employees, agents, or representatives removed a marijuana item from the originating location for the purposes of transport or delivery and used CTS to generate a transport manifest containing the name, contact information, worker permit number and signature of the individual accompanying the transport when Licensee's employee, agent, or representative Eric Fong was the only person listed as the person transporting the marijuana item(s) on the following transport manifests generated in Licensee's CTS account and Fong did not accompany the marijuana item(s) being transported.

(2nd Category III)

Note: Licensee was charged with these violations by Notice dated October 22, 2025. The standard sanction is a 20-day license suspension or a civil penalty of \$5,000.00. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Commission staff determined that aggravation of the penalty for Violation Number Two was appropriate for repeated failure to comply with laws. Accordingly, the Notice proposed aggravating the penalty by zero days or \$50.00.

SYNOPSIS: Licensee failed to reconcile marijuana item inventories in the cannabis tracking system and failed to create a transport manifest containing all required information for the individual accompanying the transport.

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 violation described in the Notice. These were Licensee's first and second Category III violations within two years. Any subsequent Category III violations within the same two years will be charged starting at the third level. Upon execution and final approval of this Settlement Agreement by the Commission, this violation 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 a 20-day license suspension or a civil penalty of \$5,000.00. Commission staff determined that the violations would be charged at the first level because they were discovered concurrently. Commission staff determined that aggravation of the penalty for Violation Number Two was appropriate for repeated failure to comply with laws OAR 845-025-8590(5)(e)(B). Accordingly, the Notice proposed aggravating the penalty by zero days or \$50.00. The Notice proposed a total penalty of a 20-day license suspension or a \$5,050.00 civil penalty.
4. As an alternative to the proposed penalty in the Notice, Licensee shall either pay a \$3,550.00 civil penalty before 5:00 PM on June 15, 2026, **OR** serve a 14-day suspension beginning at 7:00 AM on June 22, 2026, and ending at 7:00 AM on July 6, 2026. If the full penalty is not paid prior to 5:00 PM on June 15, 2026, 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.
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 May 2026 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.

(continued **LT INDUSTRIES, LLC**)

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 Limited Liability Company. Ernest Lee is the Member of Licensee of record. Licensee of record represents and warrants that Ernest Lee 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 April 24, 2026, or this settlement offer is deemed withdrawn