

# ADMINISTRATIVE HEARINGS DIVISION

November 20, 2025

## STIPULATED SETTLEMENT AGREEMENT FOR MARIJUANA VIOLATION CASE

1. Bloom Well, Inc.  
Jeremy Kwit, President/Secretary  
dba **SUBSTANCE**  
2715 Row River Rd, Ste A  
Cottage Grove, OR 97424

(Retailer)

ORS 475C.213 and OAR 845-025-8520(1) - On or about July 30, 2024, Licensee's employee, agent, or representative David Pearse 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.

2<sup>nd</sup> Level (Category II(b))

Note: Licensee was charged with this violation by Notice dated July 16, 2024. The total proposed sanction was a 27-day license suspension. Licensee requested a hearing and now wishes to enter into this settlement agreement.

### MITIGATION

Commission staff mitigated the violation by three days because the Licensee was not personally involved in or aware of the violation.

### 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 December 15, 2025, and serve a seven-day suspension beginning at 7:00 AM on December 22, 2025, and ending at 7:00 AM on December 29, 2025 **OR** serve a 19-day license suspension beginning at 7:00 AM on December 22, 2025, and ending at 7:00 AM on January 10, 2026. If the \$1,980.00 civil penalty is not paid prior to 5:00 PM on December 15, 2025, then Licensee shall serve the full 19-day license suspension beginning at 7:00 AM on December 22, 2025 and ending at 7:00 AM on January 10, 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

(continue **SUBSTANCE**)

5. 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).
6. Licensee withdraws the request for a hearing.
7. 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.
8. 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.
9. This Settlement Agreement is conditioned upon final approval by the Commission and will be reviewed by the Commissioners at their November 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.
10. 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.
11. 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.
12. Licensee of record is an Oregon Limited Liability Company. Jeremy Kwit is the President/Secretary of Licensee of record. Licensee of record represents and warrants that Jeremy Kwit 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.
13. 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.
14. The Settlement Agreement must be signed and received by the Commission by October 22, 2025, or this settlement offer is deemed withdrawn