

ADMINISTRATIVE HEARINGS DIVISION

October 16, 2025

STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

1. Patients Helping Patients, LLC
Owen Christiansen, Member
dba **C&C FARMS REC SHOP**

(Retailer)

ORS 475C.213 and OAR 845-025-8520(1) - On or about April 20, 2024, Licensee's employee, agent, or representative Alexander Christiansen sold, delivered, transferred, or made available a marijuana item to minor decoy Myrabella FitzGerald, 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(4)(a) – On or about April 20, 2024, Licensee's employee, agent, or representative David Christiansen consumed an intoxicating substance while on duty at the licensed premises when the OLCC Inspector S. Marical observed Permittee Christiansen drinking beer, an alcoholic beverage, near the back door of the premises. After Inspector Marical discovered two empty beer bottles, Permittee Christiansen admitted to consuming alcohol on the licensed premises.

(1st Level Category III)

Note: Licensee was charged with this violation by Notice dated May 27, 2025. Commission Staff proposed that the Commission suspend the license for 36 days or assess a civil penalty of \$6,705.00. Licensee requested a hearing and now wishes to enter into this settlement agreement.

MITIGATION

Commission staff recommended that the Commission mitigate the penalty by 10% (three days or \$495.00) for Violation Number One and 10% (one day or \$250.00) for Violation Number Two. Licensee was not personally involved in or aware of Violation Number One and Violation Number Two occurring.

SYNOPSIS: During a Minor Decoy Operation, Licensee's employee sold a marijuana item to a person under the age of 21 years of age. While conducting the investigation, the Inspector discovered that another employee consumed two bottles of beer on the premises while on duty.

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 Category II(b) and Category III violations within two years. Any subsequent Category II(b) or Category III violations within the same two years will be charged starting at the second level. 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 a 40-day license suspension or a civil penalty of \$7,450.00. Commission staff determined that Licensee was not personally involved in or aware of these violations occurring. OAR 845-025-8590(5)(d)(F). Accordingly, the Notice proposed mitigating the penalty by 10% (three days or \$495.00) for Violation Number One and by 10% (one day or \$250) for Violation Number Two. The Notice proposed a total penalty of a 36-day license suspension or a \$6,705.00 civil penalty.
4. As an alternative to the proposed penalty in the Notice, Licensee shall either pay a \$4,635.00 civil penalty before 5:00 PM on November 15, 2025, **OR** serve a 25-day suspension beginning at 7:00 AM on November 22, 2025, and ending at 7:00 AM on December 17, 2025. If the full penalty is not paid prior to 5:00 PM on November 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.
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 8.
8. This Settlement Agreement is conditioned upon final approval by the Commission and will be reviewed by the Commissioners at their October 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.

(Continued: **C&C FARMS REC SHOP**)

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. Owen Christiansen is a Member of Licensee of record. Licensee of record represents and warrants that Owen Christiansen 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 September 26, 2025, or this settlement offer is deemed withdrawn

2. RN Holdings, LLC
Roberto Hernandez, Member
dba **RN HOLDINGS**

(Wholesaler)

OAR 845-025-1300(1)(h) - On or about April 25, 2024, Licensee or Licensee's employees, agents, or representatives delivered or transferred usable marijuana to an unlicensed location in a manner other than as permitted by OAR 845-025-2500, OAR 845-025-2880 or OAR 845-025-2885 when a package containing approximately 43.22 pounds of usable marijuana with unique identification (UID) tag number 1A401030001D4C1000006871 was delivered or transferred by Licensee's employee, agent, or representative Brandon Audia to a processing facility in Estacada, Oregon (Hemp-X), which was not licensed by the Commission, and where the related manifest for this transfer represented that the marijuana was being transferred to the premises of OLCC licensed marijuana processor Elevate Holdings, LLC (License number 1011019FF54).

(1st and 2nd Level Category I)

ORS 475C.265(1)(d) – On or about the dates October 24, 25, 26, 2023, November 13, 20, 2023, February 2, 22, 2024, March 6, 14, 18, 2024 and April 1, 5, 12, 15, 30, 2024 Licensee or Licensee's employees, agents, or representatives made one or more false representations or statements to the Commission regarding compliance with a provision of ORS 475C.005 to ORS 475C.525 or ORS 475C.540 to ORS 475C.586 or a rule adopted under ORS 475C.005 to ORS 475C.525 or ORS 475C.540 to ORS 475C.586 in order to induce or prevent action or investigation by the Commission when Licensee's employees, agents, or representatives created the following METRC cannabis tracking system (CTS) manifests (ORS 475C.209 and OAR 845-025-7700 require manifests to transport marijuana items) stating usable marijuana was being delivered or transferred to the premises of OLCC licensed marijuana processor Elevate Holdings, LLC (License number 1011019FF54) when it was actually being delivered or transferred to a processing facility in Estacada, Oregon (Hemp-X), which was not licensed by the Commission.

(1st and 2nd Level Category I)

Note: Licensee was charged with this violation by Notice dated December 11, 2024. Commission staff recommends that the Commission cancel the license and seize and destroy any marijuana items. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Commission staff aggravated Violations. Violation Number One, Licensee's employee, agent, or representative attempted to conceal violation Number One. Violation Number One was intentional. Violation Number Two was repeated, violation also involved more than one consumer or employee.

SYNOPSIS: The marijuana Wholesaler and Processor licenses, RN Holdings and Elevate Holdings, are each held by the same 100% member, Roberto Hernandez. Clackamas County Sheriff's Office discovered Licensee was processing marijuana at a former hemp processing facility that was not licensed by the Commission and reported this to the OLCC. OLCC Inspectors investigated and learned that Wholesaler Licensee RN Holdings reported in CTS that it transferred marijuana to Processor Licensee Elevate Holdings, but RN Holdings actually transferred the marijuana to the unlicensed location to be processed. Only after the marijuana was processed at the unlicensed facility was it sent to the Elevate Holding's licensed premises but CTS reflected inaccurately that the processing occurred at Elevate Holdings. Licensee used CTS to track packages and production batches during this time and no marijuana items were found to be transferred to an illicit market. Additionally, OLCC inspectors seized marijuana and extracts during their investigation (Seized Items). Some of the Seized Items belong to other Licensees who sent their marijuana to RN/Elevate for processing while some of the Seized Items belong to RN/Elevate. Under the proposed settlement, and as a condition of OLCC processing a Change of Ownership for RN/Elevate, the Seized Items belonging to other Licensees must be transferred from RN/Elevate to the location designated by that item's owner and the remaining Seized Items must be destroyed with an OLCC inspector present to witness destruction.

TERMS OF AGREEMENT

1. This Settlement Agreement resolves only the violations 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. 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 determined that aggravation of the penalty for Violation Number One was appropriate because Licensee's employee, agent, or representative Noelle McQueen attempted to conceal the violation. OAR 845-025-8590(5)(e)(D). Commission staff determined aggravation of the penalty for Violation Number One was appropriate because Violation Number One was intentionally committed. OAR 845-025-8590(5)(e)(E). Commission staff determined that aggravation of the penalty for Violation Number Two was appropriate because the violation was repeated. OAR 845-025-8590(5)(e)(B). Commission staff determined that aggravation of the penalty for both Violations Number One and Number Two was appropriate because they both involved more than one employee. OAR 845-025-8590(5)(e)(F). Accordingly, the Notice proposed aggravating the penalty on these bases.
4. Licensee wishes to submit a Change of Ownership application for License No. 101232838D6. During the Commission's investigation of the facts underlying the violations, Commission staff seized several marijuana items from Licensee's possession (Seized Product), as more fully described in the Addendum to this Stipulated Settlement Agreement for Entry into Final Order (Addendum). As an alternative to the proposed penalty in the Notice, Licensee hereby surrenders License No. 101232838D6, and the effective date of surrender will be the date listed in Paragraph 4(a)(iii) or 4(b)(ii), as applicable. Licensee will have the option to return Seized Products (as defined below) in accordance with the terms of the Addendum by 5:00 PM on November 6, 2025.

(Continued: **RN HOLDINGS**)

- a. If Licensee completes the disposition of the Seized Product in accordance with the terms set forth in the Addendum by 5:00 PM on November 6, 2025, then:
 - i. Each Licensee shall accept a Letter of Reprimand for the violations set forth in the Notice;
 - ii. Licensee will have the opportunity to submit a Change of Ownership for License No. 101232838D6; and
 - iii. The effective date of Licensee's surrender of the License No. 101232838D6 will be the date the Change of Ownership application is approved and completed, or 7:00 AM on January 24, 2026, whichever is earlier. Licensee understands and agrees that the Commission is not representing or guaranteeing that a new owner will have an approved license on or before 7:00 AM on January 24, 2026, 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.
 - b. If Licensee does not complete the disposition of the Seized Product in accordance with the terms set forth in the Addendum by 5:00 PM on November 6, 2025, then:
 - i. Each Licensee shall accept a Letter of Reprimand for the violations set forth in the Notice; and
 - ii. The effective date of Licensee's surrender of License No. 101232838D6 will be 7:00 AM on November 24, 2025.
 - c. The determination of whether Licensee has completed the disposition of the Seized Product in accordance with the terms set forth in the Addendum rests solely with Commission staff.
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 Commission at their October 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.

(Continued: **RN HOLDINGS**)

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 Limited Liability Company. Roberto Hernandez is the Member of Licensee of record. Licensee of record represents and warrants that Roberto Hernandez 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 5:00 PM on October 2, 2025, or this settlement offer is deemed withdrawn

3. Elevate Holdings, LLC
Roberto Hernandez, Member
dba **ELEVATE HOLDINGS**

(Processor)

ORS 475C.085(2) - From about October 24, 2023, to about May 3, 2024, Licensee failed to have a processor license issued by the Commission for the premises at which Licensee processed marijuana items when Licensee's employees, agents, and representatives engaged in the processing of marijuana items at 1160 NW Noble Dr., Estacada, Oregon (Hemp-X), a location for which Licensee did not hold a license issued under ORS 475C.085, and during this time, Licensee or Licensee's employees, agents, or representatives received or shipped one or more shipments of marijuana items to Hemp-X when the manifest(s) for such shipment(s) stated that the marijuana was being shipped to or from Licensee's licensed premises.

(1st and 2nd Level Category I)

845-025-3210(1)(c) - On or between about October 24, 2023 and May 3, 2024, Licensee processed cannabinoid concentrates at 1160 NW Noble Dr., Estacada, Oregon (Hemp-X), without an endorsement from the Commission to conduct that type of processing activity at Hemp-X and without submitting an application with a land use compatibility statement demonstrating that concentrate processing is not prohibited at Hemp-X.

(1st and 2nd Level Category I)

OAR 845-025-3215(3)(a) - On or between about October 24, 2023 and May 22, 2024, Licensee or Licensee's employees, agents, or representatives operated other than the Licensee's marijuana processor license permits when Licensee's employees, agents, or representatives received or accepted containers of cannabinoid concentrate (a processor license privilege under OAR 845-025-3215(1)(b)(B)) with unique identification (UID) tag numbers ending 0051594 and 0051512 from a processing facility located in Estacada, Oregon (Hemp-X) which was not licensed by the Commission.

(1st Level Category III)

Note: Permittee was charged with these violations by Notice dated December 11, 2024. The standard sanction for Violation Number and Two described in the Notice is license cancellation. The standard sanction for Violation Number Three is a 10-day license suspension or a \$2,500.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATED

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

SYNOPSIS: The marijuana Wholesaler and Processor licenses, RN Holdings and Elevate Holdings, are each held by the same 100% member, Roberto Hernandez. Clackamas County Sheriff's Office discovered Licensee was processing marijuana at a former hemp processing facility that was not licensed by the Commission and reported this to the OLCC. OLCC Inspectors investigated and learned that Wholesaler Licensee RN Holdings reported in CTS that it transferred marijuana to Processor Licensee Elevate Holdings, but RN Holdings actually transferred the marijuana to the unlicensed location to be processed. Only after the marijuana was processed at the unlicensed facility was it sent to the Elevate Holding's licensed premises but CTS reflected inaccurately that the processing occurred at Elevate Holdings. Licensee used CTS to track packages and production batches during this time and no marijuana items were found to be transferred to an illicit market. Additionally, OLCC inspectors seized marijuana and extracts during their investigation (Seized Items). Some of the Seized Items belong to other Licensees who sent their marijuana to RN/Elevate for processing while some of the Seized Items belong to RN/Elevate. Under the proposed settlement, and as a condition of OLCC processing a Change of Ownership for RN/Elevate, the Seized Items belonging to other Licensees must be transferred from RN/Elevate to the location designated by that item's owner and the remaining Seized Items must be destroyed with an OLCC inspector present to witness destruction.

TERMS OF AGREEMENT

1. This Settlement Agreement resolves only the violations 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, and first Category III violation 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 determined that aggravation of the penalty for Violation Number One was appropriate because Licensee's employees, agents, or representatives attempted to conceal attempted to conceal the violation. OAR 845-025-8590(5)(e)(D). Commission staff determined aggravation of the penalty for these violations was appropriate because these violations were intentionally committed. OAR 845-025-8590(5)(e)(E). Commission staff determined that aggravation of the penalty for these violations was appropriate because these violations were repeated. OAR 845-025-8590(5)(e)(B). Accordingly, the Notice proposed aggravating the penalty on these bases.
4. Licensee wishes to submit a Change of Ownership application for License No. 1011019FF54. During the Commission's investigation of the facts underlying the violations, Commission staff seized several marijuana items from Licensee's possession (Seized Product), as more fully described in the Addendum to this Stipulated Settlement Agreement for Entry into Final Order (Addendum). As an alternative to the proposed penalty in the Notice, Licensee hereby surrenders License No. 1011019FF54, and the effective date of surrender will be the date listed in Paragraph 4(a)(iii) or 4(b)(ii), as applicable. Licensee will have the option to return Seized Products (as defined below) in accordance with the terms of the Addendum by 5:00 PM on November 6, 2025.
 - a. If Licensee completes the disposition of the Seized Product in accordance with the terms set forth in the Addendum by 5:00 PM on November 6, 2025, then:
 - i. Each Licensee shall accept a Letter of Reprimand for the violations set forth in the Notice;

(Continued: **ELEVATE HOLDINGS**)

- ii. Licensee will have the opportunity to submit a Change of Ownership for License No. 1011019FF54; and
 - iii. The effective date of Licensee's surrender of the License No. 1011019FF54 will be the date the Change of Ownership application is approved and completed, or 7:00 AM on January 24, 2026, whichever is earlier. Licensee understands and agrees that the Commission is not representing or guaranteeing that a new owner will have an approved license on or before 7:00 AM on January 24, 2026, 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.
 - b. If Licensee does not complete the disposition of the Seized Product in accordance with the terms set forth in the Addendum by 5:00 PM on November 6, 2025, then:
 - i. Each Licensee shall accept a Letter of Reprimand for the violations set forth in the Notice; and
 - ii. The effective date of Licensee's surrender of License No. 1011019FF54 will be 7:00 AM on November 24, 2025.
 - c. The determination of whether Licensee has completed the disposition of the Seized Product in accordance with the terms set forth in the Addendum rests solely with Commission staff.
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 Commission at their October 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.

(Continued: **ELEVATE HOLDINGS**)

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. Roberto Hernandez is the Member of Licensee of record. Licensee of record represents and warrants that Roberto Hernandez 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 5:00 PM on October 2, 2025, or this settlement offer is deemed withdrawn

4. Chalula Farms, LLC
David Dorfman, Member
Ozbeck Necmettin, Member
dba **CHALULA FARMS**

(Producer)

OAR 845-025-1440(1)(b) - On or about July 10, 2024, and July 17, 2024, Licensee and/or Licensee's employees, agents or employees failed to have camera coverage at all limited access areas of the licensed premises when an OLCC Inspector observed on Licensee's surveillance system display that multiple cameras covering a limited access area of the premises were not recording.

(1st Level Category II)

OAR 845-025-1410(3)(a) – November 16, 2023, Licensee and/or Licensee's employees, agents or representatives failed to secure all points of ingress and egress from Licensee's premises during all hours when Licensee was not operating when OLCC Inspectors found the entrance gate unlocked when they arrived at the premises, and did not observe anyone at the licensed premises.

(1st, 2nd, 3rd, 4th, 5th, 6th and 7th Level Category III)

OAR 845-025-1450(2)(j) – On or about November 8, 2023, Licensee and/or Licensee's employees, agents, or representatives failed to notify the Commission within 48 hours of an equipment failure or system outage lasting 30 minutes or more when Licensee's video surveillance system failed to record from about 9:32 AM to about 10:40 AM that morning, and Licensee and/or Licensee's employees, agents, or representatives failed to notify the Commission within 48 hours.

(1st, 2nd, 3rd, 4th, 5th, 6th and 7th Level Category III)

OAR 845-025-1410(3)(b) - On or about July 10, 2024, Licensee and/or Licensee's employees, agents and/or representatives failed to keep all usable marijuana in a locked, enclosed area within the licensed premises that was secured with a steel door with a steel frame, and a commercial grade, non-residential lock, when Licensee's employees, agents and/or representatives Rene Perez Caballero and another unidentified Licensee employee, agent, or representative left the licensed premises without closing or locking the barn where there was usable marijuana, and there were no other employees, agents or representatives of Licensee remaining on the licensed premises.

(1st, 2nd, 3rd, 4th, 5th, 6th and 7th Level Category III)

Note: Licensee was charged with these violations by Notice dated March 4, 2025. The standard sanction for each of violation Number One is a 30-day license suspension or a civil penalty of \$7,500.00. The Standard sanction for each of these Violation Number Two, Number Three, Number Four, Number Five, Number Six, and Number Seven is a 10-day suspension or a civil penalty of \$2,500.00 for the 1 violation, a 20-day license suspension or \$5,000 civil penalty for the second, a 30-day license suspension or \$7,500 civil penalty for the third, and license revocation for the fourth violation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Commission staff aggravated Violations Number One, and Number Seven due to being repeated, an additional 2 % each.

(Continued: **CHALULA FARMS**)

OAR 845-025-1430(3) - On or about July 10, 2024, Licensee and/or Licensee's employees, agents, or representatives failed to store all surveillance equipment and recordings other than mounted cameras and monitors in a locked secure area accessible only to authorized personnel, Commission employees and contractors, and other state or local government officials that have jurisdiction over some aspect of the licensed premises or licensee, when an OLCC Inspector observed that the cabinet that stored the premises surveillance system was unlocked and accessible to all workers and visitors to the licensed premises.

(1st, 2nd, 3rd, 4th, 5th, 6th and 7th Level Category III)

OAR 845-025-7520(1)(d) - On or about July 17, 2024, Licensee and/or Licensee's employees, agents or representatives failed to assign and affix Unique Identification (UID) tags that established an accurate record each time a marijuana item is added to or placed in a receptacle when OLCC Inspectors found three totes containing marijuana items (usable marijuana) on the licensed premises that did not have UID tags affixed to them. Proof of any single failure to affix a UID tag to a receptacle containing marijuana items is sufficient to establish this violation.

(1st, 2nd, 3rd, 4th, 5th, 6th and 7th Level Category III)

OAR 845-025-7580(1)(a)(b) - On or about June 8, 2024, Licensee and/or Licensee's employees, agents or representatives failed to reconcile all marijuana inventories and weights in Licensee's METRC Cannabis Tracking System (CTS) account by 8:00 AM of the next calendar day when Licensee and/or Licensee's employees, agents or representatives received approximately 111 immature marijuana plant packages at the premises but failed to record those immature marijuana plant packages as cultivation batches in CTS until about July 17, 2024. Proof of any single instance of failure to reconcile marijuana inventories and weights is sufficient to establish this violation.

(1st, 2nd, 3rd, 4th, 5th, 6th and 7th Level Category III)

(Continued: **CHALULA FARMS**)

SYNOPSIS: Over a period of approximately 8 months, OLCC Inspectors discovered multiple violations during several OLCC Inspections. These violations included Licensee's failure to accurately track marijuana plants, and tag marijuana packages; failure to secure Licensee's premises, including areas where usable marijuana was stored; and failure to maintain and secure its surveillance and camera system.

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. This was Licensee's first Category II and Licensee's first, second, third, fourth, fifth, and sixth Category III violations within two years. Any subsequent Category II and Category III violations within the same two years will be charged starting at the second level. 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 Violation Number One as described in the Notice is a 30-day license suspension or a civil penalty of \$7,500.00. The standard sanction for Violation Number Two, Violation Number Three, Violation Number Four, Violation Number Five, Violation Number Six, and Violation Number Seven as described in the Notice is a 10-day license suspension or a civil penalty of \$2,500.00 for the first violation of this type within two years, a 20-day suspension or a \$5,000.00 civil penalty for the second, a 30-day suspension or a \$7,500.00 civil penalty for the third, and license revocation for the fourth violation of this type within two years. Because Violations Number Two, Three, Four, Five, Six and Seven were discovered concurrently, Commission staff determined that they should be charged at the first level. Commission staff determined that Violation Number One and Violation Number Seven were repeated, and aggravated these sanctions by an additional 2% (one day or \$250.00 for Violation Number One; zero days or \$50.00 for Violation Number Seven) for these circumstances. OAR 845-025-8590(4)(e)(B). Accordingly, the Notice proposed aggravating the penalty by one day or \$300.00. The Notice proposed a total penalty of a 91-day license suspension or a \$22,800.00 civil penalty.
4. As an alternative to the proposed penalty in the Notice, Licensee shall either pay a \$16,050.00 civil penalty before 5:00 PM on November 17, 2025 **OR** serve a 64-day suspension beginning at 7:00 AM on November 24, 2025, 2025 and ending at 7:00 AM on January 27, 2026. If the full penalty is not paid prior to 5:00 PM on November 17, 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.

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 8.
8. This Settlement Agreement is conditioned upon final approval by the Commission and will be reviewed by the Commissioners at their October 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 Limited Liability Company. Ozbeck Necmettin is a member of Licensee of record. Licensee of record represents and warrants that Ozbeck Necmettin 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 September 25, 2025, or this settlement offer is deemed withdrawn