

ADMINISTRATIVE HEARINGS DIVISION

September 18, 2025

STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

1. Kaken Farms, LLC
Zeev Dorfman, Member
Danail Rusev, Member
dba **KAKEN FARMS**

(Producer)

OAR 845-025-1410(3)(a) - On or about November 8, 2023 Licensee and/or Licensee's employees, agents, or representatives failed to securely lock all points of ingress and egress from Licensee's premises and ensure that any keys to the enclosed area remained in the possession of the Licensee's and/or Licensee's representatives or authorized personnel during hours when Licensee was not operating its business, when OLCC Inspectors observed one or more people at the premises who stated they were not employees of Licensee, but were contractors hired to work on the greenhouse covers, and those individuals were observed entering and exiting Licensee's marijuana storage building that contained usable marijuana, and there was no Licensee or Licensee employee or representative at the premises, and a contractor had a key which allowed them access to the marijuana storage building.

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

OAR 845-025-1430(3) – On or about July 17, 2024, Licensee and/or Licensee's employees, agents or representatives failed to have all surveillance equipment other than mounted cameras and monitors stored in a locked secured 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, and 4th Level Category III)

OAR 845-025-7520(1)(c) – On or about November 8, 2023, Licensee and/or Licensee's employees, agents, or representatives failed to assign and affix Unique

Note: Licensee was charged with this violation by Notice dated March 4, 2025. The standard sanction for each of violation Number One, Number Two, Number Four and Number Five is a 10-day license suspension or a civil penalty of \$2,500.00. The Standard sanction for each of Violation Number Three and Number Six is a seven-day suspension or a civil penalty of \$1,750.00. The Standard sanction for Violation Number Seven is a three-day suspension or a civil penalty of \$750.00. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

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

(Continued: Kaken Farms)

Identification (UID) tags to each marijuana plant being cultivated no later than when the plant reaches a height of 36 inches or is flowering, whichever is sooner, when OLCC Inspectors observed about 60 flowering marijuana plants that were untagged on the licensed premises.

(1st, 2nd and 3rd Level Category IV)

OAR 845-025-7540(1) - On or about November 8, 2023, Licensee and/or Licensee's employees, agents or representatives failed to enter data in Licensee's METRC cannabis tracking system (CTS) account that fully and transparently accounted for all inventory tracking activities when Licensee's CTS account reported package no. 1A40103000433C9000000369 containing usable marijuana was transferred to the premises of another licensee, Buzzy BX (License No. 1019179D564), but OLCC inspectors located that package on Licensee's premises.

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

OAR 845-025-7580(1)(a)(d) - On or about November 2, 2023, Licensee and/or Licensee's employees, agents, or representatives failed to use the METRC cannabis tracking system (CTS) to record the total wet weight of each harvested marijuana plant immediately after harvest when Licensee or Licensee's employees, agents or representatives failed to record the wet weights of two harvests in CTS, (strains GH4 and GH5), consisting of about 100 marijuana plants, each, which were harvested on that day.

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

OAR 845-025-7570(2)(a)(c) - On or about July 17, 2024, Licensee and/or Licensee's employees, agent[s] and representatives failed to physically affix unique identification (UID) tags to the outermost plant of a marijuana plant batch or the segregated area where the marijuana plant batch is physically located, when OLCC Inspectors observed marijuana plants that were over 36 inches in height located within three of the premises' greenhouses (each greenhouse had about 280 plants) and none of the plants bore individual UID

(Continued: Kaken Farms)

tags, nor did the plant batches have UID tags affixed to them on the outermost marijuana plant.

(1st, 2nd and 3rd Level Category IV)

OAR 845-025-1200(1)(e) - On or about September 5, 2024, Licensee and/or Licensee's employees, agents or representatives failed [to] make all employee records available for inspection when requested by an employee of the Commission when OLCC Inspectors observed about 20 to 25 individuals that were harvesting or drying marijuana plants at the premises, and Licensee and/or Licensee employee, agent or representative Ivan Stefanov failed to provide the inspectors with proof that the workers held worker permits after being asked to provide such information.

(1st Level Category V)

SYNOPSIS: Over a period of ten months, during which several OLCC inspections occurred, OLCC Inspectors discovered multiple violations with this Licensee. These violations included Licensee's failure to accurately track marijuana plants, packages, and harvest data in CTS, Licensee's failure to secure its surveillance system from unauthorized access, Licensee permitting independent contractors to enter the premises without supervision in restricted areas where marijuana was stored, and Licensee's failure to provide requested information about its worker's permit status to OLCC Inspectors.

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 III, Category IV, and Category V violations within two years. Any subsequent Category III, Category IV, and/or Category V 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 each of Violation Number One, Violation Number Two, Violation Number Four and Violation Number Five as described in the Notice is a 10-day license suspension or a civil penalty of \$2,500.00. The standard sanction for each of Violation Number Three and Violation Number Six as described in the Notice is a seven-day license suspension or a civil penalty of \$1,750.00. The standard sanction for Violation Number Seven as described in the Notice is a three-day suspension or a civil penalty of \$750.00. Commission staff determined that Violations Number Three, Number Six and Number Seven were repeated, and aggravated these sanctions an additional 2 % each. OAR 845-025-8590(4)(e)(B). Accordingly, the Notice proposed aggravating the penalty by zero days or \$85.00. The Notice proposed a total penalty of a 57-day license suspension or a \$14,335.00 civil penalty.

(Continued: Kaken Farms)

4. As an alternative to the proposed penalty in the Notice, Licensee shall either pay a \$10,085.00 civil penalty before 5:00 PM on October 15, 2025 OR serve a 40-day suspension beginning at 7:00 AM on October 22, 2025 and ending at 7:00 AM on December 1, 2025. If the full penalty is not paid prior to 5:00 PM on October 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 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 September 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 Corporation. Danail Rusev is a Member of Licensee of record. Licensee of record represents and warrants that Danail Rusev individually has the authority to enter into this Settlement Agreement and bind Licensee of record on its behalf.

(Continued: Kaken Farms)

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 July 24, 2025, or this settlement offer is deemed withdrawn

2. UBC, LLC
Carl Childs, Member
Donald Pearson, Member
dba NOBLECRAFT

(Producer)

OAR 845-025-8540 (2)(a)(C) - On or about November 7, 2023 and December 12, 2023, Licensee or its employees, agents, or representatives intentionally or knowingly misrepresented the potency of a marijuana item to a consumer, licensee, laboratory licensee, or the public, when Licensee's employee, agent, or representative, Robert Schuppert, supplied a small bag of cannabinoid concentrate, kief (as defined in ORS 475C.089(3)(b)), to Wade Hunt, a representative of laboratory licensee 3B Analytical, LLC (Laboratory License #100536507C4), with the intent, or with knowledge, that Wade Hunt would add the kief to the samples of Licensee's usable marijuana being taken for testing, and Wade Hunt added kief to the samples.

(1st and 2nd Level Category I)

OAR 845-025-5700 (1) - On or about November 7, 2023 and December 12, 2023, Licensee 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, specifically OAR 333-007-0360(1)(d), when Licensee's employee, agent or representative, Robert Schuppert, failed to make an entire batch of marijuana or usable marijuana available for sampling by 3B Analytical, LLC, Laboratory License #100536507C4.

(1st and 2nd Level Category I)

OAR 845-025-1330(2)(a)(A) - On or about November 7, 2023 and December 12, 2023, Licensee's employee, agent or representative, Robert Shuppert, provided trade samples of usable marijuana to a person other than a marijuana producer, processor, wholesaler or retailer licensee when Robert Shuppert gave Wade Hunt, an employee or representative of laboratory licensee 3B Analytical, LLC, license #100536507C4, marijuana trade samples.

(1st Level Category III)

Note: Permittee was charged with these violations by Notice dated December 18, 2025. The standard sanction for the violations described in the Notice is license cancellation and seizure and destruction of marijuana remaining at the former licensed premises after the effective date of the order of license cancellation. Permittee 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: An OLCC investigation into marijuana sampling practices revealed that Licensee's employee supplied kief that was added to marijuana samples taken for testing. Adding kief to a sample increases the potency of the sample, mischaracterizing the potency of the batch from which the sample is taken. Licensee also failed to have an entire batch present during sampling making the sample not representative of the batch.

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 and seizure and destruction of marijuana remaining at the former licensed premises after the effective date of the order of license cancellation.
4. As an alternative to the proposed penalty in the Notice:
 - a. Each licensee shall accept a Letter of Reprimand for the violations set forth in the Notice.
 - b. Licensee is in the process of a Change of Ownership for License No. 1002017A034. Licensee hereby surrenders License No. 1002017A034 effective on the date the Change of Ownership application is approved and completed, or at 7:00 AM on December 18, 2025, whichever is earlier.
 - c. Licensee understands and agrees that the Commission is not representing or guaranteeing that a new owner will have an approved license on or before December 18, 2025, 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.
 - d. Licensee understands and agrees that OLCC may seize and destroy any marijuana items that remain on the formerly licensed premises of License No. 1002017A034, or in Licensee's METRC cannabis tracking system inventory, after the surrender of License No. 1002017A034.
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 these 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

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8. 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 12.
9. This Settlement Agreement is conditioned upon final approval by the Commission and will be reviewed by the Commissioners at their September 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. Donald Pearson is a Member of the Licensee of record. Licensee of record represents and warrants that Donald Pearson individually has the authority to enter into this Settlement Agreement and bind Licensee of record on its behalf.
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 August 27, 2025.

3. PREE Laboratories, LLC
Brannata, LLC, Member
Manny Cruz, Member
Georgia G Holdings, LLC, Member
Michael Gurney, Member
dba PREE

(Laboratory)

OAR 845-025-8540 (2)(a)(C) - On or about November 10, 2023 and December 18, 2023, Laboratory Licensee or its employees, agents, or representatives intentionally or knowingly misrepresented the potency of a marijuana item to a consumer, licensee, laboratory licensee, or the public, when Licensee's employees, agents, or representatives intentionally added the resinous trichomes of marijuana that accumulate or fall off marijuana flower to the samples taken for testing.

(1st and 2nd and 3rd Level Category I)

OAR 845-025-5075(1)(d) - On or about October 30, 2023, November 10, 2023, November 13, 2023, November 20, 2023, December 11, 2023, December 12, 2023, December 18, 2023, January 17, 2024, January 22, 2024, November 29, 2023 and January 3, 2024, Laboratory Licensee 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.

(1st and 2nd and 3rd Level Category I)

OAR 845-025-5075(1)(d) - On or about November 10, 2023, January 17, 2024 and November 29, 2023, Laboratory Licensee 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.

(1st and 2nd and 3rd Level Category I)

Note: Permittee was charged with these violations by Notice dated July 16, 2025. The standard sanction for the violations described in the Notice is license cancellation and seizure and destruction of marijuana remaining at the former licensed premises after the effective date of the order of license cancellation. Permittee requested a hearing and now wishes to enter into this settlement agreement.

MITIGATING

The Licensee was not personally involved in or aware of these violations occurring.

AGGRAVATED

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

(Continued: PREE)

SYNOPSIS: An OLCC investigation into Licensee's marijuana sampling practices revealed multiple sampling violations including adding kief to samples, collecting too few increments per sample and failing to have the entire batch present during sampling. Adding kief to a sample increases the potency of the sample, mischaracterizing the potency of the batch from which the sample is taken. Samples are made by taking several 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. A failure to have an entire batch present means that the sample may not be representative of the batch.

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, second and third 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 and seizure and destruction of marijuana items remaining at the former licensed premises after the effective date of the order of license cancellation.
4. As an alternative to the proposed penalty in the Notice:
 - a. Each licensee shall accept a Letter of Reprimand for the violations set forth in the Notice.
 - b. Licensee will surrender License No. 10087092BDA no later than 7:00 AM on October 20, 2025.
 - c. Licensee understands and agrees that OLCC may seize and destroy any marijuana items that remain on the formerly licensed premises of License No. 10087092BDA, or in Licensee's METRC cannabis tracking system inventory, after the surrender of License No. 10087092BDA.
5. Licensee withdraws the request for a hearing.
6. License No. 10087092BDA expires on September 27, 2025. Licensee acknowledges that it must renew its license, including paying all required fees, by September 27, 2025 in order to continue exercising license privileges past this date. 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.

(Continued: PREE)

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 12.
8. This Settlement Agreement is conditioned upon final approval by the Commission and will be reviewed by the Commissioners at their September 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 of record is an Oregon limited liability company. Manny Cruz is a Member of the Licensee of record. Licensee of record represents and warrants that Manny Cruz individually has the authority to enter into this Settlement Agreement and bind Licensee of record on its behalf.
11. 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.
12. The Settlement Agreement must be signed and received by the Commission by August 4, 2025.

1. PREE Laboratories, LLC
Brannata, LLC, Member
Manny Cruz, Member
Georgia G Holdings, LLC, Member
Michael Gurney, Member
dba PREE-NORTH

(Laboratory)

OAR 845-025-8540 (2)(a)(C) - On or about November 28, 2023 and December 11, 2023, Laboratory Licensee or its employees, agents, or representatives intentionally or knowingly misrepresented the potency of a marijuana item to a consumer, licensee, laboratory licensee, or the public, when Licensee's employees, agents, or representatives intentionally added the resinous trichomes of marijuana that accumulate or fall off marijuana flower to the samples taken for testing.

(1st and 2nd and 3rd Level Category I)

OAR 845-025-5075(1)(d) - On or about December 11, 2023, Laboratory Licensee 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 employees, agents or representatives, Tara Taylor and Alice Jones, took 40 increments for eight batches, instead of the 72 increments required by the Oregon Environmental Laboratory Accreditation Program (ORELAP) sampling protocols.

(1st and 2nd and 3rd Level Category I)

OAR 845-025-5075(1)(d) - On or about November 28, 2023, Laboratory Licensee 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 employees, agents or representatives, Tara Taylor and Alice Jones, failed to ensure that the entire batch of marijuana or usable marijuana was available for sampling.

(1st and 2nd and 3rd Level Category I)

Note: Permittee was charged with these violations by Notice dated July 2, 2025. The standard sanction for the violations described in the Notice is license cancellation and seizure and destruction of marijuana remaining at the former licensed premises after the effective date of the order of license cancellation. Permittee requested a hearing and now wishes to enter into this settlement agreement.

MITIGATING

The Licensee was not personally involved in or aware of these violations occurring.

AGGRAVATED

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

(Continued: FREE-NORTH)

SYNOPSIS: An OLCC investigation into Licensee's marijuana sampling practices revealed multiple sampling violations including adding kief to samples, collecting too few increments per sample and failing to have the entire batch present during sampling. Adding kief to a sample increases the potency of the sample, mischaracterizing the potency of the batch from which the sample is taken. Samples are made by taking several 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. A failure to have an entire batch present means that the sample may not be representative of the batch.

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, second and third 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 and seizure and destruction of marijuana items remaining at the former licensed premises after the effective date of the order of license cancellation.
4. As an alternative to the proposed penalty in the Notice:
 - a. Each licensee shall accept a Letter of Reprimand for the violations set forth in the Notice.
 - b. Licensee will surrender License No. 10219583711 no later than 7:00 AM on October 20, 2025.
 - c. Licensee understands and agrees that OLCC may seize and destroy any marijuana items that remain on the formerly licensed premises of License No. 10219583711, or in Licensee's METRC cannabis tracking system inventory, after the surrender of License No. 10219583711.
5. Licensee withdraws the request for a hearing.
6. License No. 10219583711 expires on August 2, 2025. Licensee acknowledges that it must renew its license, including paying all required fees, by August 2, 2025 in order to continue exercising license privileges past this date. 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

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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 12.

8. This Settlement Agreement is conditioned upon final approval by the Commission and will be reviewed by the Commissioners at their September 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 of record is an Oregon limited liability company. Manny Cruz is a Member of the Licensee of record. Licensee of record represents and warrants that Manny Cruz individually has the authority to enter into this Settlement Agreement and bind Licensee of record on its behalf.
11. 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.
12. The Settlement Agreement must be signed and received by the Commission by August 4, 2025.