

ADMINISTRATIVE POLICY & PROCESS DIVISION
August 23, 2018

STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

1. 22nd and Burn, Inc.
Matthew Price, Pres/Sec/Stkhldr
High Street Capital
Partners, LLC, Stockholder
High Street Capital Partners Mgmt., LLC
Stockholder
Kevin Murphy, Managing Member
Melvin Yellin, Managing Member
Devin Binford, Managing Member
dba **CANNABLISS & CO.**
(Retailer)

OAR 845-025-1450(2)(d)(A) – Licensee or
Licensee’s employees, agents, servants, or
representatives failed to keep surveillance
recordings for a minimum of 90 calendar days.
(On or about December 13, 2017).

(1st level Category I)

Note: Licensee was charged with this violation by
Notice dated June 6, 2018. The proposed
sanction was license cancellation. Licensee
requested a hearing and now wishes to
withdraw that request to enter into this
settlement agreement.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out in the Notice. The violation was Licensee’s first Category I violation within two years.
2. Commission staff originally proposed the standard sanction of license cancellation.
3. The Commission will reduce the sanction for the violation and impose a \$4,950.00 civil penalty or a 30-day license suspension for that violation.
4. Licensee will pay a \$4,950.00 civil penalty before 5:00 PM on September 17, 2018 **OR** serve a 30-day suspension beginning at 7:00 AM on September 22, 2018 and ending at 7:00 AM on October 22, 2018.
5. Licensee withdraws the request for a hearing.
6. If a licensee’s interest in the license expires or is transferred before the Commission issues a final order on the allegation(s), the licensee agrees to accept a Letter of Reprimand for the violation(s). This reprimand will become a permanent part of the licensee’s Commission file and may be considered in any future application for any license by that licensee.
7. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their August 2018 Commission Meeting. If the 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. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.

2. Hi Cascade #3, LLC
Cascade Retail Services #2, LLC, Member
Oregon Commercial
Holdings #2, LLC, Mbr.
JH Investment Holdings, LLC, Member
Pure Life Investment Group, LLC, Member
Jonathan Hogander, Member
Joseph Martin, Member
dba **HI CASCADE**
25561 Highway 126
Veneta, Oregon 97487
(Retailer)

OAR 845-025-1450(2)(e) – Licensee or Licensee’s employees, agents, servants, or representatives failed to keep backup recordings of video surveillance recordings off-site and in real time for the surveillance room and surveillance area, for a minimum of 30 days. (January 7, 2018).

(1st level Category I)

OAR 845-025-1450(2)(k)- Licensee or Licensee’s employees, agents, servants, or representatives failed to immediately notify the Commission of any equipment failure or system outage lasting 30 minutes or more. (January 7, 2018).

(1st level Category III)

Note: Licensee was charged with these violations by Notice dated June 29, 2018. The proposed sanction was license cancellation. Licensee requested a hearing and now wishes to withdraw that request to enter into this settlement agreement.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. Violation Number One was Licensee’s first Category I violation within two years. Violations Two was Licensee’s first Category III violation within two years. Any subsequent Category I or Category III violation within the same two years will be charged at the second level.
2. Commission staff originally proposed the standard sanction of license cancellation.
3. The Commission will reduce the sanction for Violation One and impose a \$4,950.00 civil penalty or a 30-day license suspension for that violation.
4. The standard sanction for Violation Two is a 10-day license suspension or a \$1,650.00 civil penalty. The Commission will reduce the sanction by three days. This is equivalent to a 30% reduction of the standard sanction.
5. Licensee will pay a \$6,105.00 civil penalty before 5:00 PM on September 17, 2018 **OR** serve a 37-day suspension beginning at 7:00 AM on September 22, 2018 and ending at 7:00 AM on October 29, 2018.
6. Licensee withdraws the request for a hearing.
7. If a licensee’s interest in the license expires or is transferred before the Commission issues a final order on the allegation(s), the licensee agrees to accept a Letter of Reprimand for the violation(s). This reprimand will become a permanent part of the licensee’s Commission file and may be considered in any future application for any license by that licensee.
8. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their August 2018 Commission Meeting. If the 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. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.

3. Rogue Valley Group, LLC
Ariel Jurmann, Member
Daniel Jurmann, Member
Artemis Group, LLC, Member
Bryan Bundy, Member
Joseph Bundy, Member
Megan Bundy, Member
dba **SHADOWBOX FARMS**
(Producer 1002811467A)

OAR 845-025-2020(2) – Licensee operated other than as the license permits in OAR 845-025-2020(1) when it transported or delivered usable marijuana or whole, non-living marijuana plants to the licensed premises of a marijuana producer. (On or before December 7, 2017).

(1st level Category I)

OAR 845-025-1450(2)(d)(A).- Licensee or Licensee’s employees, agents, servants, or representatives failed to keep surveillance recordings for a minimum of 90 calendar days. (December 7, 2017).

(1st level Category I)

Note: Licensee was charged with these violations by Notice dated April 25, 2018. The proposed sanction was license cancellation. Licensee requested a hearing and now wishes to withdraw that request to enter into this settlement agreement.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee’s first and second Category I violations within two years. Any subsequent Category I or Category III violation within the same two years will be charged at the second level.
2. Commission staff originally proposed the standard sanction of license cancellation.
3. The Commission will reduce the sanction for Violation Number One and impose a \$4,950.00 civil penalty or a 30-day license suspension for that violation.
4. The Commission will reduce the sanction for Violation Number Two and impose a \$4,950.00 civil penalty or a 30-day license suspension for that violation.
5. Licensee will pay a \$9,900.00 civil penalty before 5:00 PM on September 17, 2018 **OR** serve a 60-day suspension beginning at 7:00 AM on September 22, 2018 and ending at 7:00 AM on November 21, 2018.
6. Licensee withdraws the request for hearing.
7. If a licensee’s interest in the license expires or is transferred before the Commission issues a final order on the allegation(s), the licensee agrees to accept a Letter of Reprimand for the violation(s). This reprimand will become a permanent part of the licensee’s Commission file and may be considered in any future application for any license by that licensee.
8. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their August 2018 Commission Meeting. If the 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. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.

4. Rogue Valley Group, LLC
Ariel Jurmann, Member
Daniel Jurmann, Member
Artemis Group, LLC, Member
Bryan Bundy, Member
Joseph Bundy, Member
Megan Bundy, Member
dba **SHADOWBOX FARMS**
(Producer 1002532EEB6)

OAR 845-025-2020(2) – Licensee operated other than as the license permits in OAR 845-025-2020(1) when it received usable marijuana or whole, non-living marijuana plants from a marijuana producer. (December 7, 2017).

(1st level Category I)

OAR 845-025-1450(2)(d)(A) - Licensee or Licensee’s employees, agents, servants, or representatives failed to keep surveillance recordings for a minimum of 90 calendar days. (December 7, 2017).

(1st level Category I)

OAR 845-025-1175(1) - Licensee made physical changes to the licensed premises that materially or substantially altered the licensed premises or the usage of the licensed premises from the plans originally approved by the Commission without the Commission’s prior approval when it used two unapproved freezer conexes to store marijuana items. (From about August 2, 2017 to December 7, 2017).

(1st level Category III)

OAR 845-025-1420(1)(2) - Licensee failed to have a fully operational security alarm system, activated at all times when the licensed premises is closed for business, when it failed to have an alarm system that could detect unauthorized access to limited access areas (two freezer conexes) where mature plants or usable marijuana was present. (From about August 2, 2017 to December 7, 2017).

(1st level Category III)

Note: Licensee was charged with these violations by Notice dated April 25, 2018. The proposed sanction was license cancellation. Licensee requested a hearing and now wishes to withdraw that request to enter into this settlement agreement.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first and second Category I and Category III violations within two years. Any subsequent Category I or Category III violation within the same two years will be charged at the second level.
2. Commission staff originally proposed the standard sanction of license cancellation.
3. The Commission will reduce the sanction for Violation Number One and impose a \$4,950.00 civil penalty or a 30-day license suspension for that violation.
4. The Commission will reduce the sanction for Violation Number Two and impose a \$4,950.00 civil penalty or a 30-day license suspension for that violation.
5. The standard sanction for Violation Number Three and Violation Number Four is a 10-day suspension or a \$1,650.00 civil penalty each. The Commission will reduce the sanctions for these violations by three days each. This is equivalent to a 30% reduction of the standard sanction.
6. Licensee will pay a \$12,210.00 civil penalty before 5:00 PM on September 17, 2018 **OR** serve a 74-day suspension beginning at 7:00 AM on September 22, 2018 and ending at 7:00 AM on December 5, 2018.
7. Licensee withdraws the request for hearing.
8. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the allegation(s), the licensee agrees to accept a Letter of Reprimand for the violation(s). This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license by that licensee.
9. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their August 2018 Commission Meeting. If the 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. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.

5. Paydaze, LLC
Scott Langfield, Managing Member
dba **BZS RESOURCES**
Zach Gary, Managing Member
(Producer)

OAR 845-025-1175(1) – Licensee or Licensee’s employees, agents, servants, or representatives made physical changes to the licensed premises that materially or substantially altered the licensed premises or the usage of the licensed premises from the plans originally approved by the Commission without the Commission’s prior written approval when new structures were added to the licensed premises, including a barn, greenhouse, conex structure, additional surveillance cameras, a safe and a gate for contractor access. (June 15, 2017 to about October 13, 2017).

(1st level Category I)

OAR 845-025-1450(1)(a) and (b) - Licensee or Licensee’s employees, agents, servants, or representatives failed to have cameras that continuously record, 24 hours a day in all areas where mature marijuana plants, immature marijuana plants, useable marijuana, cannabinoid concentrates, extracts or products are present, when marijuana plants and marijuana items were stored in unapproved structures that failed to have camera coverage. (June 15, 2017 to about October 13, 2017).

(1st level Category III)

Note: Licensee was charged with these violations by Notice dated January 18, 2018. The proposed sanction was license cancellation. Licensee requested a hearing and now wishes to withdraw that request to enter into this settlement agreement.

(continued) **BZS RESOURCES**

OAR 845-025-1410(3)(c) - Licensee or Licensee's employees, agents, servants, or representatives failed to keep all usable marijuana, cut and drying mature marijuana plants, cannabinoid concentrates, extracts or products on the licensed premises of a licensee in a locked, enclosed area within the licensed premises that is secured with at a minimum, a properly installed steel door with a steel frame, and a commercial grade, non-residential door lock. (June 15, 2017 to about October 13, 2017).

(1st level Category III)

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. Violation Number One was Licensee's first Category I violation within two years. Violations Two and Three were Licensee's first and second Category III violations within two years. Any subsequent Category I or Category III violation within the same two years will be charged at the second level.
2. Commission staff originally proposed the standard sanction of license cancellation.
3. The Commission will reduce the sanction for Violation One and impose a \$4,950.00 civil penalty or a 30-day license suspension for that violation.
4. The standard sanction for Violation Two and Violation Three is a 10-day license suspension or a \$1,650.00 civil penalty. The Commission will reduce the sanction for each of these violations by three days. This is equivalent to a 30% reduction of the standard sanction.
5. Licensee will pay a \$7,260.00 civil penalty before 5:00 PM on September 17, 2018 **OR** serve a 44-day suspension beginning at 7:00 AM on September 22, 2018 and ending at 7:00 AM on November 5, 2018.
6. Licensee withdraws the request for a hearing.
7. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the allegation(s), the licensee agrees to accept a Letter of Reprimand for the violation(s). This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license by that licensee.
8. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their August 2018 Commission Meeting. If the 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. If the agreement is accepted and approved in its entirety by the Commission, Licensee waives any and all rights to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.