

ADMINISTRATIVE POLICY & PROCESS DIVISION
December 19, 2019

STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

1. Wicked Rain Farms, LLC
Olaf Knutson, Member
dba **INTEGRATED FARMS (6E36)**
(Producer)

OAR 845-025-7540(1), (2), (4) - From about July 11, 2018 to about September 17, 2018, Licensee and/or Licensee's employees, agents, and/or representatives intentionally failed to enter data into the METRC Cannabis Tracking System (CTS) that fully and transparently accounted for all inventory tracking activities with respect to 1,400 to 1,600 marijuana plants received from another Wicked Rain, LLC property and not entered into Licensee's CTS account.

(Category I)

OAR 845-025-7520(1)(d) - From about July 11, 2018 to September 13, 2018, Licensee, its employees, agents and/or representatives failed to properly tag all inventory with unique identification tags pursuant to the system requirements of the CTS with regard to approximately 1,400 to 1,600 untagged, mature marijuana plants.

(1st Level Category III)

Note: Licensee was charged with these violations by Notice dated March 19, 2019. Commission staff originally proposed the standard sanction of license cancellation and Seizure and Destruction of Marijuana Items. Licensee requested a hearing and now wishes to enter into this settlement agreement.

NOTE: There are five separate producer properties for these Licensees with Settlements for Commission consideration.

SYNOPSIS: Licensee had between 1400-1600 mature plants that were not tracked in CTS. Mature plants were sent to this location from location License No. 10082559B07 without a manifest.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. This was Licensee's first Category I violation and first Category III violation.
2. Commission staff proposed the standard sanction of license cancellation and the seizure and destruction of marijuana items for these violations.

(continue **INTEGRATED FARMS #6E36**)

3. Licensee has begun the process of selling the business. Licensee hereby surrenders its license effective on the date the transfer of ownership of the business is completed or at 7:00 AM on December 31, 2019, whichever is earlier
4. Each licensee agrees to accept a letter of reprimand for the violations specified above. This letter of reprimand will become a permanent part of each licensee's Commission file and may be considered in any future application for any license by the licensee.
5. Licensee hereby relinquishes any and all interest in any marijuana item(s) in its possession as of the effective date of license surrender, and agrees that the Commission may seize and destroy any such marijuana items.
6. Licensee withdraws its Request for Hearing in this matter.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 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. Wicked Rain Farms, LLC
Olaf Knutson, Member
dba **INTEGRATED FARMS (7AB4)**
(Producer)

OAR 845-025-1450(2)(d)(A) - On or about September 14, 2018, Licensee failed to keep video surveillance recordings of all areas required under OAR 845-025-1450(1) for a minimum of 90 calendar days when approximately 39 days of video were available.

(Category I)

Note: Licensee was charged with this violation by Notice dated March 19, 2019. Commission staff originally proposed the standard sanction of license cancellation and Seizure and Destruction of Marijuana Items. Licensee requested a hearing and now wishes to enter into this settlement agreement.

NOTE: There are five separate producer properties for these Licensees with Settlements for Commission consideration.

SYNOPSIS: The video surveillance system was resetting from the required 10 frames/sec to full frame. This exceeded the capacity of the DVR. This issue was known to Licensee but there was a delay in contacting the surveillance system provider.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. This was Licensee's first Category I violation.
2. Commission staff proposed the standard sanction of license cancellation and seizure and destruction of marijuana items for this violation.
3. Licensee has begun the process of selling the business. Licensee hereby surrenders its license effective on the date the transfer of ownership of the business is completed or at 7:00 AM on December 31, 2019, whichever is earlier.
4. Each licensee agrees to accept a letter of reprimand for the violations specified above. This letter of reprimand will become a permanent part of each licensee's Commission file and may be considered in any future application for any license by the licensee.
5. Licensee hereby relinquishes any and all interest in any marijuana item(s) in its possession as of the effective date of license surrender, and agrees that the Commission may seize and destroy any such marijuana items.
6. Licensee withdraws its Request for Hearing in this matter.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 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.

<p>3. Wicked Rain Farms, LLC Olaf Knutson, Member dba INTEGRATED FARMS (9B07) (Producer)</p>	<p>OAR 845-025-7540(1), (2), (4) – From about July 20, 2018 to about September 14, 2018, Licensee and/or its employees, agents, or representatives intentionally failed to enter data into the METRC Cannabis Tracking System (CTS) that fully and transparently accounted for all inventory tracking activities with respect to 1,400 to 1,600 marijuana plants transported to the licensed premises to another Wicked Rain Farms, LLC property.</p> <p>(Category I)</p> <p>OAR 845-025-7700(3)(c) - On or about July 11, 2018, Licensee and/or its employees, agents, and/or representatives transported marijuana items without generating a printed transport manifest to accompany the transport of marijuana items when they transported 1,400 to 1,600 plants from the licensed premises to another Wicked Rain Farms, LLC property.</p> <p>(1st Level Category III)</p>	<p>Note: Licensee was charged with these violations by Notice dated March 19, 2019. Commission staff originally proposed the standard sanction of license cancellation and seizure and destruction of marijuana items for these violations. Licensee requested a hearing and now wishes to enter into this settlement agreement.</p>
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NOTE: There are five separate producer properties for these Licensees with Settlements for Commission consideration.

SYNOPSIS: Licensee had between 1400-1600 untagged mature plants. The plants were not tracked in CTS. Mature plants were sent from this location to location License No. 10082466E36 without a manifest.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. This was Licensee’s first Category I violation and first Category III violation.
2. Commission staff proposed the standard sanction of license cancellation and the seizure and destruction of marijuana items for these violations.
3. Licensee has begun the process of selling the business. Licensee hereby surrenders its license effective on the date the transfer of ownership of the business is completed or at 7:00 AM on December 31, 2019, whichever is earlier.
4. Each licensee agrees to accept a letter of reprimand for the violations specified above. This letter of reprimand will become a permanent part of each licensee’s Commission file and may be considered in any future application for any license by the licensee.

(continue **INTEGRATED FARMS #9B07**)

5. Licensee hereby relinquishes any and all interest in any marijuana item(s) in its possession as of the effective date of license surrender, and agrees that the Commission may seize and destroy any such marijuana items.
6. Licensee withdraws its Request for Hearing in this matter.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 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. Wicked Rain Farms, LLC
Olaf Knutson, Member
dba **INTEGRATED FARMS (752C)**
(Producer)

OAR 845-025-7540 (1), (2), (4) – From about July 20, 2018 to about September 14, 2018, Licensee and/or its employees, agents, or representatives intentionally failed to enter data into the METRC Cannabis Tracking System (CTS) that fully and transparently accounted for all inventory tracking activities when approximately 1,400 to 1,600 marijuana plants were not entered into CTS.

Note: Licensee was charged with these violations by Notice dated March 19, 2019. Commission staff originally proposed the standard sanction of license cancellation and seizure and destruction of marijuana items. Licensee requested a hearing and now wishes to enter into this settlement agreement.

(Category I)

OAR 845-025-7520(1)(c) - From about July 20, 2018 to about September 14, 2018, Licensee, and/or its employees, agents, or representatives failed to ensure that each marijuana plant had a unique identification tag no later than when the plant reached twenty four inches tall or when the individual plant was identified as female when approximately 1,400 to 1,600 mature marijuana plants on the premises were untagged.

(1st Level Category III)

NOTE: There are five separate producer properties for these Licensees with Settlements for Commission consideration.

SYNOPSIS: Licensee had between 1400-1600 untagged mature plants. The plants were not tracked in CTS.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. This was Licensee's first Category I violation and first Category III violation.
2. Commission staff proposed the standard sanction of license cancellation and the seizure and destruction of marijuana items for these violations.
3. Licensee has begun the process of selling the business. Licensee hereby surrenders its license effective on the date the transfer of ownership of the business is completed or at 7:00 AM on December 31, 2019, whichever is earlier.
4. Each licensee agrees to accept a letter of reprimand for the violations specified above. This letter of reprimand will become a permanent part of each licensee's Commission file and may be considered in any future application for any license by the licensee.

(continue **INTEGRATED FARMS #752C**)

5. Licensee hereby relinquishes any and all interest in any marijuana item(s) in its possession as of the effective date of license surrender, and agrees that the Commission may seize and destroy any such marijuana items.
6. Licensee withdraws its Request for Hearing in this matter.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 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. Wicked Rain Farms, LLC
Olaf Knutson, Member
dba **INTEGRATED FARMS (2381)**
(Producer)

OAR 845-025-7540(1), (2), (4) – From about July 14, 2018 to about September 14, 2018, Licensee and/or Licensee’s employees, agents, or representatives, intentionally failed to enter data into the METRC Cannabis Tracking System (CTS) that fully and transparently accounted for all inventory tracking activities with respect to 1,400 to 1,600 tagged marijuana plants that were not entered into CTS.

(Category I)

Note: Licensee was charged with this violation by Notice dated March 19, 2019. Commission staff originally proposed the standard sanction of license cancellation and seizure and destruction of marijuana items. Licensee requested a hearing and now wishes to enter into this settlement agreement.

NOTE: There are five separate producer properties for these Licensees with Settlements for Commission consideration.

SYNOPSIS: Licensee had between 1400-1600 mature plants that were not tracked in CTS.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out in the Notice. This was Licensee’s first Category I violation.
2. Commission staff proposed the standard sanction of license cancellation and seizure and destruction of marijuana items for this violation.
3. Licensee has begun the process of selling the business. Licensee hereby surrenders its license effective on the date the transfer of ownership of the business is completed or at 7:00 AM on December 31, 2019, whichever is earlier.
4. Each licensee agrees to accept a letter of reprimand for the violation specified above. This letter of reprimand will become a permanent part of each licensee’s Commission file and may be considered in any future application for any license by the licensee.
5. Licensee hereby relinquishes any and all interest in any marijuana item(s) in its possession as of the effective date of license surrender, and agrees that the Commission may seize and destroy any such marijuana items.
6. Licensee withdraws its Request for Hearing in this matter.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 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.

6. Marigold Enterprises, LLC
Doug Breidenthal, Member
dba **AMERICAN
CANNABIS COMPANY**
2131 W. Main
Medford, OR 97501
(Retailer)

OAR 845-025-7540(1), (4) – From about May 4, 2018 to October 2, 2018, Licensee and/or Licensee’s employees, agents, or representatives Carrie O’Brien and Gage Melms intentionally entered data into the METRC Cannabis Tracking System (CTS) that did not fully and transparently account for all inventory tracking activities when medical marijuana sales were made during that timeframe to different individuals and entered into CTS under the same OMMP patient card number, which belonged to a person who did not make the purchases.

(Category I)

Note: Licensee was charged with this violation by Notice dated March 19, 2019. Commission staff proposed to cancel the license for this violation and seize and destroy any remaining marijuana items. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

The violation was aggravated because there was a repeated failure to comply with laws, the violation involved more than one employee, and the violation was intentional.

SYNOPSIS: A former employee of the business reported that her OMMP card had been used at the business by someone other than herself. An inspector and the licensee viewed surveillance video during some of the transactions and did not observe any consistencies between the customers present during the transaction. The licensee then conducted an internal review of the incidents and reported back to the inspector that his employees used the former employee’s OMMP cards for personal sales to themselves, avoiding the sales tax.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation resulting from the conduct of Licensee’s employees as set out in the Notice. This was Licensee’s first Category I violation within two years.
2. Commission staff originally proposed the standard sanction of license cancellation. The violation was aggravated because there was a repeated failure to comply with laws, the violation involved more than one employee, and the violation was intentional.
3. The Commission will reduce the sanction to a 30-day license suspension. Six days of suspension are then added due to the aggravating factors. Licensee may pay a \$5,280.00 civil penalty in lieu of 32 days, with the remaining four days of the suspension mandatory.
4. Licensee will either (a) pay a \$5,280.00 civil penalty before January 15, 2020 and serve a four-day suspension beginning at 7:00 AM on January 20, 2020 and ending at 7:00 AM on January 24, 2020, **OR** (b) serve a 36-day suspension beginning at 7:00 AM on January 20, 2020 and ending at 7:00 AM on February 25, 2020.
5. Licensee withdraws the request for 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 December 2019 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.

7. Daryl Bell, Co-Licensee
PPC Holdings, LLC, Co-Licensee
Noella Nelson, Member
dba **WEST**
921 7th Street
Oregon City, OR 97045
(Retailer)

OAR 845-025-7580(4) – On or about September 3, 2018, September 10, 2018, and/or September 26, 2018, Licensee and/or its employees, agents, or representatives failed to record the price before tax and amount of each item sold to consumers and the date of each transaction in the METRC Cannabis Tracking System (CTS) for each individual transaction before they opened the next business day.

(1st Level Category III)

Note: Licensee was charged with this violation by Notice dated August 7, 2019. The total proposed sanction was a 12-day suspension or a \$1,980.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Staff added two days of aggravation because the violation was repeated.

SYNOPSIS: On three separate days, Licensee (a retailer) failed to enter their daily sales into CTS prior to opening for business the next day. Licensee received a letter informing them about the failure and giving them a deadline to enter the sales, but Licensee failed to meet that deadline and were issued a violation.

TERMS OF AGREEMENT

1. Licensees accept responsibility for the violation as set out in the Notice. This was Licensees' first Category III violation within two years. Any subsequent Category III violation within the same two years will be charged at the second level.
2. The standard sanction for a first level Category III violations is a 10-day suspension or \$1,650.00 civil penalty. Staff added two days of aggravation because the violation was repeated. The total proposed sanction was a 12-day suspension or a \$1,980.00 civil penalty.
3. The Commission will reduce the sanction by three days.
4. Licensees will pay a \$1,485.00 civil penalty before 5:00 PM on January 15, 2020 **OR** serve a nine-day license suspension beginning at 7:00 AM on January 20, 2020 and ending at 7:00 AM on January 29, 2020.
5. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the allegation, the licensee agrees to accept a Letter of Reprimand for the violation. 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.
6. Licensees withdraw their Request for Hearing in this matter.
7. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Licensees' 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.

8. Hi Distributing, LLC
Wayne Zallen, Managing Member¹
dba **HI CASUAL CANNABIS**
193 Marine Dr.
Astoria, OR 97103
(Retailer)

OAR 845-025-1175(1) - On or about September 1, 2018, Licensee or Licensee's employees, agents, 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 it remodeled the retail location.

(1st Level Category III)

Note: Licensee was charged with this violation by Notice dated October 1, 2019. Commission staff proposed for this violation the standard sanction of a 10-day suspension or \$1,650.00 civil penalty. Licensee wishes to enter into this settlement agreement.

AGGRAVATION

Staff added two days of aggravation because this violation was committed intentionally.

SYNOPSIS: Licensee completed the remodeling of the licensed premises without notice to the Commission. The alterations were included in a renewal application rather than being pre-approved.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out in the Notice. This violation was Licensee's first Category III violation in a two year period. Any subsequent Category III violation within the same two years will be charged at the second level.
2. Commission staff proposed for this violation the standard sanction of a 10-day suspension or \$1,650.00 civil penalty. Staff added two days of aggravation because this violation was committed intentionally.
3. The Commission will reduce the sanction for the violation and impose a \$1,485.00 civil penalty or a nine-day license suspension.
4. Licensee will pay a civil penalty of \$1,485.00 before 5:00 PM on January 15, 2020, **OR** serve a nine-day suspension beginning at 7:00 AM on January 20, 2020 and ending at 7:00 AM on January 29, 2020.
5. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on these allegations, the licensee agrees to accept a Letter of Reprimand for this violation. 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 the licensee.
6. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 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.

¹ James Tsarnas was incorrectly listed as a Member on the Notice of Proposed License Suspension/Civil Penalty.

9. Mana Holdings, LLC
Gordon Massie, Member
Joint Holdings, LLC, Member
Sean Carriger, Member/Manager
WWM, LLC, Member
Morgan Whitford, Member
Shadow Ray Unltd, LLC, Member
Reuben Ray, Member/Manager
dba **MANA EXTRACTS**
(Processor)

OAR 845-025-7700(3)(c) – On or about November 26, 2018, Licensee and/or its employees, agents or representatives failed to generate a printed transport manifest to accompany a transport of marijuana items to Northwest Cannabis Club in Portland, Oregon.

(1st Level Category III)

Note: Licensee was charged with this violation by Notice dated October 15, 2019. The total proposed sanction was a 12-day suspension or a \$1,980.00 civil penalty. Licensee wishes to enter into this settlement agreement.

AGGRAVATION

Staff added two days of aggravation because the involvement of two or more employees.

SYNOPSIS: This processor was one of several licensees that brought product to display at an event billed as an “Oregon Harvest Industry Party” held November 26, 2018 at the Northwest Cannabis Club in Portland. This is not a licensed premises and was not a Commission-approved promotional event. In addition to the Category III violation, Licensee received a warning for a Category I violation and received education on promotional events. This is the same charge, warning, and settlement as the one that was approved by the Commission last month for another processor (Decibel Farms) that engaged in the same conduct.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out in the Notice. This was Licensee’s first Category III violation. Any subsequent Category III violation within the same two years will be charged at the second level.
2. The standard sanction for this violation is a 10-day suspension or a civil penalty of \$1,650.00. Staff added two days of aggravation because of the involvement of two or more employees. The total proposed sanction was a 12-day suspension or a \$1,980.00 civil penalty.
3. The Commission will reduce the sanction by three days. Licensee will pay a \$1,485.00 civil penalty before 5:00 PM on January 15, 2020 **or** serve a nine-day suspension beginning at 7:00 AM on January 20, 2020 and ending at 7:00 AM on January 29, 2020.
4. If a licensee’s interest in the license expires or is transferred before the Commission issues a final order on this allegation, that licensee agrees to accept a Letter of Reprimand for this violation. This reprimand will become a permanent part of the licensee’s Commission file and may be considered in any future application for a license by the licensee.
5. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Licensees’ hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Licensees waive 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.

10. S & S Emporium, LLC
Skylar Arment, Managing Member
dba **S & S EMPORIUM**
294 Central Avenue
Coos Bay, OR 97420
(Retailer)

OAR 845-025-7520(1)(d) – On or about February 11, 2019, Licensee and/or its employees, agents, or representatives failed to properly tag all marijuana inventory with a unique identification (UID) tag pursuant to the system requirements of METRC Cannabis Tracking System (CTS) when none of the marijuana items in the store had correct UID tags affixed to them.

(1st Level Category III)

OAR 845-025-1430(2)(c) - On or about February 11, 2019, Licensee and/or its employees, agents, or representatives failed to have video surveillance equipment that was equipped with a failure notification system that provided, within one hour, notification to Licensee or an authorized representative of any prolonged surveillance interruption or failure.

(1st Level Category III)

OAR 845-025-1420(2)(c) - On or about February 11, 2019, Licensee and/or its employees, agents, or representatives failed to have a security alarm system that had a mechanism to ensure that Licensee or its employees, agents, or representatives could immediately notify law enforcement or a security company of any unauthorized entry.

(1st Level Category III)

OAR 845-025-7540(1), (2) - On or about March 13, 2019, Licensee and/or its employees, agents, or representatives failed to enter data into CTS that fully and transparently accounted for all inventory tracking activities when Licensee's CTS account included five packages with negative weights and/or quantities.

(1st Level Category III)

Note: Licensee was charged with these violations by Notice dated October 9, 2019. The total proposed sanction was a 44-day suspension or a \$7,260.00 civil penalty. Licensee wishes to enter into this settlement agreement.

AGGRAVATION

Staff added four days of aggravation because Violations Number One and Number Four were repeated

(continue **S & S EMPORIUM**)

SYNOPSIS: Inspectors conducted a proactive retail inspection of Licensee's retail location and found multiple violations. None of the items in the store had correct UID tags affixed, and its inventory in CTS had several items that had negative quantities. It was also discovered that one of the surveillance cameras was not functioning correctly, and Licensee admitted that he did not receive a notification of the camera failure as required by rule. Inspectors also discovered that there were no panic buttons or landline phones in the store that employees could use to immediately alert law enforcement in the event of a break in. A subsequent audit was conducted at the store a few months later, and all problems and violations had been addressed.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first through fourth Category III violations within two years.
2. The standard sanction for first level Category III violations is a 10-day suspension or \$1,650.00 civil penalty each. Staff added four days of aggravation because Violations Number One and Number Four were repeated. The total proposed sanction was a 44-day suspension or a \$7,260.00 civil penalty.
3. The Commission will reduce the sanction by 12 days. Licensee will pay a \$5,280.00 civil penalty before 5:00 PM on January 15, 2020 **OR** serve a 32-day license suspension beginning at 7:00 AM on January 20, 2020 and ending at 7:00 AM on February 21, 2020.
4. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the allegation, the licensee agrees to accept a Letter of Reprimand for the violation. 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.
5. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 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.

11. Lee Consulting of Oregon, LLC
Jimmie Gilbert, Jr., Member
dba **KUSH GARDENS CO.**
1067 Court Street
Medford, OR 97501
(Retailer)

OAR 845-025-1045(1), (3) and/or OAR 845-025-1115(2)(c) – On or about September 1, 2017, January 27, 2018 and/or May 7, 2018, Licensee or Licensee’s employees, agents, servants, or representatives failed to identify Big Ben’s Retail, LLC, Geoffrey Maddern and/or David Saunders as entities or individuals with an ownership interest in the licensed business. Pursuant to OAR 845-025-1115(6), the Commission may revoke a license for any of the reasons that it may deny a license.

(Category I)

OAR 845-025-8520(3)(c) - On or about September 1, 2017, Licensee failed to retain control of, or the right of access to, all or any part of the licensed premises.

(Category I)

OAR 845-025-7580(1)(a) and (b) - On or before September 30, 2018, Licensee or Licensee’s employees, agents, or representatives failed to reconcile all on-premises and in-transit marijuana item inventories in CTS each day at the close of business pursuant to system requirements, when Licensee failed to record the price and amount of each item sold to consumers and the date of the transaction in the METRC Cannabis Tracking System (CTS) at the close of every business day.

(1st Level Category III)

Note: Licensee was charged with these violations by Notice dated July 17, 2019. Commission staff proposed to cancel the license for these violations and seize and destroy any remaining marijuana items. Licensee requested a hearing and now wishes to enter into this settlement agreement.

SYNOPSIS: The unauthorized interest occurred in September 2017 with a consultancy agreement, whereby, two individuals, Saunders and Maddern, controlled the business and agreed to pay to Licensee for consulting, management, and finance services, and by Saunder and Maddern entering into a lease agreement for the premises. An investigation revealed Licensee failed to upload its daily sales in CTS on multiple days in September 2018, and that Licensee had been sent several letters in the preceding months for failure to timely reconcile its daily sales. After Inspectors discovered the unauthorized interest, the premises was closed in March 2019, with all inventory transferred or voluntarily surrendered for destruction.

(continue **KUSH GARDENS CO.**)

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, and first Category III violation, within two years.
2. Commission staff proposed the standard sanction of license cancellation for these violations.
3. Licensee has begun the process of selling the business. Licensee hereby surrenders its license effective on the date the transfer of ownership of the business is completed or at 7:00 AM on February 29, 2020, whichever is earlier.
4. Each licensee agrees to accept a letter of reprimand for the violations specified above. This letter of reprimand will become a permanent part of each licensee's Commission file and may be considered in any future application for any license by the licensee.
5. Licensee hereby relinquishes any and all interest in any marijuana item(s) in its possession as of the effective date of license surrender, and agrees that the Commission may seize and destroy any such marijuana items.
6. Licensee withdraws its Request for Hearing in this matter.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 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.

12. KJK Enterprises, LLC
Kent Thompson, Member
Jerrod Thompson, Member
Kip Rowles, Member
dba **KINGS OF CANNA**
1465 Prescott Suite C
Portland, OR 97211
(Retailer)

OAR 845-025-1450(2)(d)(A) – On or about August 29, 2018, Licensee or Licensee’s employees, agents, servants, or representatives failed to keep surveillance recordings for a minimum of 90 calendar days, when it only kept surveillance recordings since August 21, 2018.²

(Category I)

OAR 845-025-7540(1), (2) - On or about September 27, 2018, Licensee or Licensee’s employees, agents, servants, or representatives entered data into the METRC Cannabis Tracking System (CTS) that did not fully and transparently account for all inventory tracking activities when OLCC Inspectors conducted a site inspection and audit of Licensee’s inventory and found multiple marijuana items had weights or counts off by greater than 10% of what was listed in CTS.

(1st Level Category III)

OAR 845-025-2900(3)(c) - On or about August 29, 2018, Licensee or Licensee’s employees, agents, servants, or representatives failed to verify that the individual purchasing marijuana items for medical purposes was registered with OHA by viewing the individual government issued photo identification and OHA registry identification card or designated primary care giver card, or a receipt issued by OHA, and making sure the identities matched and the card was current and the receipt had not expired.

(1st Level Category III)

Note: Licensee was charged with these violations by Amended Notice dated March 29, 2019. Commission staff originally proposed the standard sanction of license cancellation and the seizure and destruction of marijuana items Licensee requested a hearing and now wishes to enter into this settlement agreement.

SYNOPSIS: Investigation of an inconsistent pattern of large medical sales identified in CTS resulted in violations. When Inspectors went to review premises video of the medical sales in question, Licensee was only able to produce eight days of video. A subsequent premises audit showed discrepancies in the weight/number of several marijuana items in Licensee’s physical inventory than what was listed in CTS. Video showed that during the time of one medical sale listed in CTS, no customer transaction/OHA registry verification had occurred. Licensee stated an employee had taken the medical marijuana the night prior then asked another employee to enter the transaction in the morning.

² The Notice contained a scrivener’s error citing the date as August 21, 2017. The correct date is August 21, 2018.

(continue **KINGS OF CANNA**)

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. Violation One was Licensee's first Category I violation. Violation Two and Violation Three were Licensee's first and second Category III violations. Violation Two and Violation Three were both charged at the first level because they were discovered concurrently. Any subsequent Category III violation within two years will be charged at the second level.
2. Commission staff originally proposed the standard sanction of license cancellation and the seizure and destruction of marijuana items.
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 the violation.
4. The standard sanction for Violation Two and Violation Three is a 10-day license suspension or a \$1,650.00 civil penalty each. The Commission will reduce the sanction for Violation Two and Violation Three by three days for each violation.
5. Licensee will pay a \$7,260.00 civil penalty before 5:00 PM on January 15, 2020 **OR** serve a 44-day suspension beginning at 7:00 AM on January 20, 2020 and ending at 7:00 AM on March 4, 2020.
6. Licensee withdraws its 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 December 2019 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.

13. Stonies, LLC
Robert Metcalfe, Member
dba **STONIES**
3682 Tremont St
North Bend, OR 97459
(Retailer)

OAR 845-025-1450(2)(j) – On or about February 12, 2019 and March 28, 2019, Licensee and/or its employees, agents or representatives failed to make video surveillance records and recordings available immediately upon request to the Commission in a format specified by the Commission for the purpose of ensuring compliance with ORS Chapter 475B and OAR Chapter 845-025.

(1st Category II)

OAR 845-025-1410(1)(c) - On or before February 12, 2019, Licensee and/or its employees, agents or representatives failed to ensure that, during all hours when the retail store was not operating, all marijuana items (except for immature marijuana plants) were kept in a safe or vault as those terms are defined in OAR 845-025-1015, when it was found that marijuana items other than immature marijuana plants were stored overnight outside of safes in a storage room/surveillance area that was not constructed of steel reinforced or concrete block, and that did not have a multiple position combination lock or equivalent on the door.

(1st Category III)

OAR 845-025-7540(1), (2) - On or before February 12, 2019 and March 28, 2019, Licensee and/or its employees, agents or representatives failed to enter data into the METRC Cannabis Tracking System (CTS) that fully and transparently accounted for all inventory tracking activities, when it was found that the weight and/or quantity of multiple marijuana items in Licensee's CTS inventory did not correspond to the weight and/or quantity of those same marijuana items actually located at the premises.

(1st Category III)

Note: Licensee was charged with these violations by Notice dated August 13, 2019. The total proposed sanction was a 68-day license suspension. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Staff added two days of aggravation to each violation because they were repeated.

(continue **STONIES**)

OAR 845-025-7520(1)(d) - On or before February 12, 2019 and March 28, 2019, Licensee and/or its employees, agents or representatives failed to properly tag all inventory with a unique identification (UID) tag pursuant to the system requirements of CTS, when it was found that almost all the displayed marijuana items, and some of the back stock marijuana items, were missing UID tags.

(1st Level Category III)

SYNOPSIS: Inspections on February 12, 2019, and a follow-up on March 28, 2019, both found violations. On February 12 there were significant discrepancies between inventory and CTS. By March 28 most of the discrepancies had been cured, but there were still a few outstanding CTS violations. On both occasions products were found without unique identification (UID) tags, and staff was unable to demonstrate the surveillance back-up system immediately upon request. Real time camera function was verified. On February 12 marijuana items were stored overnight in a room that did not constitute a safe or vault. Licensee claimed that the room in question had been approved for this purpose at the time of licensing, but staff disagreed. The issue was cured by March 28, 2019.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. This was Licensee's first Category II violation within two years. These were Licensee's first, second and third Category III violations within two years, charged at the first level. Any subsequent Category II or Category III violation within the same two years will be charged at the second level.
2. The standard sanction for Violation Number One is a 30-day license suspension. Commission staff added two days aggravation because the violation was repeated. The standard sanction for Violations Number Two, Number Three and Number Four is a 10-day suspension or a civil penalty of \$1,650.00 each. Staff added two days of aggravation to each violation because they were repeated.
3. The total proposed sanction was a 68-day license suspension. Licensee could pay a civil penalty of \$5,940.00 in lieu of 36 days, with the remaining 32 days mandatory.
4. The Commission will reduce the sanction by nine days for Violation Number One, and by three days each for Violation Number Two, Number Three and Number Four. This is equivalent to a 30% reduction of the standard sanction.
5. Licensee will either: (1) pay a \$4,455.00 civil penalty before 5:00 PM on January 15, 2020 **and** serve a 23-day suspension beginning at 7:00 AM on January 20, 2020 and ending at 7:00 AM on February 12, 2020; **OR** (2) serve a 50-day suspension beginning at 7:00 AM on January 20, 2020 and ending at 7:00 AM on March 10, 2020.
6. Licensee withdraws its Request for Hearing in this matter.

(continue **STONIES**)

7. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on this allegation, that licensee agrees to accept a Letter of Reprimand for these violations. This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for a license by the licensee.
8. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 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.

14. FX 420, Inc.
Robert Schuster, Dir/Stockholder
Kenneth Hyde, Dir/Stockholder
Kelly Hyde, Sec/Director
dba **FX 420**
161 NE Garden Valley Blvd., Ste 105
(Retailer)

OAR 845-025-1175(1), (2) – On or before January 30, 2019, Licensee and/or its employees, agents, 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 when it added a safe and an unsecured refrigerator used to store marijuana items to the licensed premises and failed to notify the Commission prior to making those changes.

(1st Category III)

OAR 845-025-7540(1), (2) - On or before January 30, 2019, Licensee failed to enter data into the METRC Cannabis Tracking System (CTS) that fully and transparently accounted for all inventory tracking activities when Licensee's CTS account listed 77 packages as having negative amounts, and 19 packages that had a different weight recorded in CTS than what was actually in the store's inventory.

(1st Level Category III)

OAR 845-025-7520(1)(d) - On or before January 30, 2019, Licensee failed to properly tag all marijuana inventory with a unique identification (UID) tag pursuant to the system requirements of CTS when it had multiple bags of marijuana containing buds and/or shake without any UID tags in its safes.

(1st Level Category III)

OAR 845-025-8040(1)(b) - On or about September 1, 2018, Licensee or Licensee's employees, agents, or representatives engaged in advertising that could reasonably be considered to target individuals under the age of 21 when it posted images of the cartoon characters Scooby Doo and Shaggy on the licensed business's Facebook account with the caption "The 4 stages of edibles."

(1st Level Category IV)

Note: Licensee was charged with these violations by Notice dated March 27, 2019. The total proposed sanction was a 48-day suspension or a \$7,920.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Staff added four days of aggravation because Violation Number Two and Number Three were repeated.

(continue **FX 420**)

OAR 845-025-8040(1)(e) - On or about September 2, 2018, Licensee or Licensee's employees, agents, or representatives engaged in advertising that made claims that recreational marijuana has curative or therapeutic effects when it posted an image on the licensed business's Facebook account that contained the text "Scientific Study Proves THC Relieves Pain" with the caption "MMJ is medicine."

(1st Level Category IV)

SYNOPSIS: Inspectors conducted an audit of Licensee's retail store and discovered several violations. Licensee's CTS account contained numerous items listed as having negative quantities, and upon further investigation there were numerous other packages whose actual physical weights did not match what was listed in CTS. The investigation also uncovered a safe and a refrigerator that had been added to the premises that were not included on the approved floor plans when first licensed and for which Licensee did not receive prior approval to add to the premises. One of the safes on the premises contained bags of shake or trim that had no UID tags on them. As part of a follow up to her investigation, the inspector looked at Licensee's social media accounts and discovered advertising that violated Commission rules regarding content that would be enticing to individuals under the age of 21, and that made claims about medicinal or therapeutic effects of cannabis. When confronted about the advertisements, Licensee took them down.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice.
2. Violation Number One, Number Two, and Number Three were Licensee's first three Category III violations within two years. They were charged at the first level before they were discovered concurrently. Any subsequent Category III violation within the same two years will be charged at the second level.
3. Violation Number Four and Number Five were Licensee's first two Category IV violations within two years. They were charged at the first level because they were discovered concurrently. Any subsequent Category IV violation within the same two years will be charged at the second level.
4. The standard sanction for a first level Category III violation is a 10-day suspension or \$1,650.00 civil penalty for each. The standard sanction for a first level Category IV violation is a seven-day suspension or \$1,155.00 civil penalty each. Staff added four days of aggravation because Violation Number Two and Number Three were repeated. The total proposed sanction was a 48-day suspension or a \$7,920.00 civil penalty.
5. The Commission will reduce the sanction by 13 days. This is equivalent to a 30% reduction of the standard sanction.
6. Licensee will pay a \$5,775.00 civil penalty before 5:00 PM on January 15, 2020 **OR** serve a 35-day suspension beginning at 7:00 AM on January 20, 2020 and ending at 7:00 AM on February 24, 2020.

(continue **FX 420**)

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 allegations, the licensee agrees to accept a Letter of Reprimand for the violations. 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 conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 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.

15. Chosen Ventures, LLC
APIS, LLC, Member
Jamie Syken, Manager/Member
Melissa Syken, Member
dba **DIRTY ARM FARM**
(Processor)

OAR 845-025-7540(1), (2) – On or about April 11, 2019, Licensee and/or its employees, agents, or representatives failed to enter data into the METRC Cannabis Tracking System (CTS) that fully and transparently accounted for all inventory tracking activities when quantities and/or weights for marijuana items listed in CTS did not match the physical inventory on the licensed premises

(1st Level Category III)

OAR 845-025-7520(1)(d) - On or about April 11, 2019, Licensee and/or its employees, agents, or representatives failed to properly tag all marijuana inventory with a unique identification (UID) tag pursuant to the system requirements of CTS when marijuana tinctures associated with three different packages in CTS were co-mingled together in boxes on the licensed premises and failed to have marijuana product tags clearly associated with a package tag.

(1ST Level Category III)

OAR 845-025-1450(2)(d) - On or about April 11, 2019, Licensee or Licensee's employees, agents, or representatives failed to keep surveillance recordings for a minimum of 90 calendar days when they only had approximately 31 days of surveillance footage stored.

(1st Level Category III)

OAR 845-025-7540(1), (2) - On or about April 23, 2019, Licensee and/or its employees, agents, or representatives failed to enter data into the CTS that fully and transparently accounted for all inventory tracking activities when quantities and/or weights for marijuana items listed in CTS did not match the physical inventory on the licensed premises.

(1st Level Category III)

Note: Licensee was charged with these violations by Notice dated October 16, 2019. The total proposed sanction was a 56-day suspension or a \$9,240.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Staff added six days of aggravation because Violation Number One and Number Four were repeated, and Licensee Jamie Syken was personally involved in Violation Number Four.

(continue **DIRTY ARM FARM**)

OAR 845-025-1450(2)(d) - On or about April 23, 2019, Licensee or Licensee's employees, agents, or representatives failed to keep surveillance recordings for a minimum of 90 calendar days when they only had approximately 31 days of surveillance footage stored.

(1st Level Category III)

SYNOPSIS: An inspector conducted a site visit at the licensed premises. While there, the inspector observed that the premises only had 31 days of surveillance footage stored instead of the required 90 days. The inspector also discovered several discrepancies between the inventory listed in Licensee's CTS account and the physical inventory at the premises. The inspector instructed the Licensee to fix both the video and CTS problems and scheduled a follow-up inspection. At the follow-up, the inspector saw other CTS violations and noted that Licensee still only had 31 days of video surveillance stored. Following the issuance of the Notice of Proposed License Suspension/Civil Penalty, the inspector confirmed that the problems had all been addressed.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice.
2. Violations Number One through Five were Licensee's first five Category III violations within two years. They were charged at the first level before they were discovered concurrently. Any subsequent Category III violation within the same two years will be charged at the second level.
3. The standard sanction for a first level Category III violation is a 10-day suspension or \$1,650.00 civil penalty for each. Staff added six days of aggravation because Violation Number One and Number Four were repeated, and Licensee Jamie Syken was personally involved in Violation Number Four. The total proposed sanction was a 56-day suspension or a \$9,240.00 civil penalty.
4. The Commission will reduce the sanction by 15 days. Licensee will pay a \$6,765.00 civil penalty before 5:00 PM on January 15, 2020 **OR** serve a 41-day suspension beginning at 7:00 AM on January 20, 2020 and ending at 7:00 AM on March 1, 2020.
5. Licensee withdraws the request for hearing.
6. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the allegations, the licensee agrees to accept a Letter of Reprimand for the violations. 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 conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 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.

16. Millennium Farms Corp
Greg Adrianse, Pres/Sec/Dir/Stkhldr
dba **MILLENNIUM FARMS**
(Producer)

OAR 845-025-2040(1)(c)(A)(B), (6).³ – From about March 23, 2018 to about January 3, 2019, Licensee and/or its employees, agents or representatives intentionally engaged in mixed indoor and outdoor production of marijuana without notifying the Commission at the time of licensure or renewal, and without obtaining Commission approval of its indoor canopy.

(Category I)

OAR 845-025-8540(1)(a) - On or about June 11, 2018, Licensee Greg Adrianse made false statements and representations to the Commission in order to induce or prevent action or investigation by the Commission when Adrianse certified that Licensee's Marijuana Producer Renewal Application was true and correct: (1) but Adrianse answered "No" to question #2, "Are you changing your **type** of producer license?", despite the fact that Licensee was licensed as an outdoor producer only and Licensee had changed or was in the process of changing its actual type of production to mixed (both indoor and outdoor); and/or (2) when Adrianse submitted a LUCS for outdoor production only, contrary to the instructions accompanying question #2 as applicable to a licensee changing its production type to mixed production, as Licensee was in fact; and/or (3) when Adrianse further submitted in its renewal application a premises floor plan and premises boundary sketch, which falsely showed only outdoor mature marijuana canopy as part of the proposed licensed premises.

(Category II)

OAR 845-025-1175(1) - On or before October 12, 2018, Licensee and/or its employees, agents or representatives made physical changes to the licensed

Note: Licensee was charged with these violations by Amended Notice dated November 14, 2019. Commission staff originally proposed the standard sanction of license cancellation, nonrenewal, and the seizure and destruction of marijuana items. Licensee requested a hearing and now wishes to enter into this settlement agreement.

³ All citations to charged rules are to rules and penalties in effect at the time of the various incidents.

(continue **MILLENNIUM FARMS**)

premises that materially or substantially altered the licensed premises or the usage of the licensed premises from the plans originally approved by the Commission when they added and/or put into use an unapproved storage facility, a refrigerated semi-trailer, and a large box truck, that were used to dry and store post-harvest marijuana, and added and moved walls in the previously approved drying/storage building.

(1st Level Category III)

OAR 845-025-2080(1)(c)(d)(e)(f) - On or before October 12, 2018, Licensee and/or its employees, agents or representatives failed to assign and affix a unique identification (UID) tag that was linked to each plant that was harvested, and/or failed to ensure that all inventory tracking procedures were followed as required by OAR 845-025-7540 to 845-025-7580, and/or failed to ensure that current weights of all receptacles and weights of the harvest had been recorded in the METRC Cannabis Tracking System (CTS), with respect to multiple totes of dried usable marijuana located inside the unapproved storage facility, and/or refrigerated semi-trailer, and/or large box truck.

(1st Level Category III)

OAR 845-025-1440(1)(b), and/or (1)(d) - On or about October 12, 2018, On or about October 12, 2018, Licensee and/or its employees, agents or representatives failed to have camera coverage for all limited access areas and/or points of entry to or exit from limited access areas, when it had no camera coverage for the refrigerated semi-trailer and/or the large box truck being used for the storage of post-harvest marijuana.

(1st Level Category III)

(continue **MILLENNIUM FARMS**)

OAR 845-025-1440(2)(b) - On or about October 12, 2018, Licensee and/or its employees, agents or representatives failed to ensure that cameras were placed in the unapproved indoor grow areas in such a manner that they could capture clear and certain images of any individual and activity occurring in these limited access areas due to the height and density of the marijuana plants.

(1st Level Category III)

OAR 845-025-2090(1), (2), (5)(a) (effective 8/1/2018) - On or about October 1, 2018, October 10, 2018, and/or November 8, 2018, Licensee and/or its employees, agents or representatives harvested usable marijuana from one or more mature plants in an outdoor canopy area on the licensed premises without submitting a harvest notification in the form and manner prescribed by the Commission identifying the proposed harvest dates no later than by 9:00 a.m. on the day of the harvest activity.

(1st Level Category III)

OAR 845-025-2090(1), (3), (5)(b) (effective 8/1/2018) - On or about October 12, 2018, October 14, 2018, October 15, 2018, October 16, 2018, October 26, 2018, October 27, 2018, October 28, 2018, October 29, 2018, October 30, 2018, and/or October 31, 2018, Licensee and/or its employees, agents or representatives, notified the Commission of its intent to harvest marijuana but did not in fact harvest marijuana on those dates, and failed to properly amend these harvest notifications to show that it was not harvesting on the dates indicated.

(1st Level Category IV)

SYNOPSIS: The Notice of Proposed License Cancellation against this licensed outdoor producer was set for hearing December 11-13, 2019. An inspection on October 12, 2018 found that Licensee had an indoor grow operation on the premises which had not been disclosed to, or approved by, the Commission. Licensee's METRC Cannabis Tracking System (CTS) account showed harvests from that indoor grow as early as April 2018. Licensing paperwork on file with the Commission from June 2018 showed an application for renewal of this outdoor producer based on "no changes" to its method of production, which was charged as

(continue **MILLENNIUM FARMS**)

a misrepresentation. In addition, Licensee added several unapproved structures to the premises, which also lacked proper security and camera coverage. Some of the marijuana on premises was not tracked in CTS, and there were harvest notification violations. Licensee has agreed to sell its business and surrender its license, with the surrender effective no later than February 29, 2020.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for Violation Number One, Alternate Violation Two, and Violations Number Three through Eight, as set out in the Notice. These were Licensee's first Category I violation, first Category II violation, first through fifth Category III violations, and first Category IV violation within two years.
2. Commission staff proposed the standard sanction of license cancellation, nonrenewal, and seizure and destruction of marijuana items, for these violations.
3. Licensee has begun the process of selling the business. Licensee hereby surrenders its license no. 1004324F267 effective on the date of transfer of ownership of the business or at 7:00 AM on February 29, 2020, whichever is earlier.
4. Each licensee agrees to accept a letter of reprimand for the violations specified in paragraph 1 above. This letter of reprimand will become a permanent part of each licensee's Commission file and may be considered in any future application for any license by that licensee.
5. Licensee hereby relinquishes any and all interest in any marijuana items in its CTS inventory or left at the premises that has not been properly transferred to another licensee as of the effective date of license surrender, and agrees that the Commission may seize and destroy any such marijuana items.
6. Licensee withdraws its Request for Hearing in this matter.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their December 2019 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.