

## ADMINISTRATIVE POLICY & PROCESS DIVISION

February 20, 2020

### STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

1. Slabtown Proprietors, LLC  
Portadelphia, LLC, Member  
Albert Corrado, Member/Manager  
Rose City Brands, LLC, Member  
Troy Patterson, Member  
CannaRefinery, LLC, Member  
Alexandra Imholz, Member/Mgr  
Kyler Buck, Member/Manager  
dba **SLABTOWN**  
2507 NW Nicolai St  
Portland, OR 97210  
(Retailer)

OAR 845-025-2800(3)(j) - From about April 18, 2017 to about May 23, 2017, Licensee operated other than its license permits when Licensee and/or its employees, agents or representatives transferred and/or delivered approximately 131 separate shipments of non-waste marijuana items to persons or entities who were not consumers, under circumstances not constituting a return to a producer, processor or wholesaler who had transferred the item to the retailer.

(Category I)

OAR 845-025-8540(1)(a) - On or about March 21, 2017, Licensee and/or its employees, agents or representatives made a false representation to the Commission in order to induce or prevent action by the Commission when it submitted a medical marijuana inventory transfer request which contained items which were in fact not a part of Licensee's dispensary inventory, for the purpose of transferring marijuana items belonging to The Canna Company into the METRC Cannabis Tracking System.

(1<sup>st</sup> Level Category II)

Note: Licensee was charged with these violations by Notice dated March 20, 2019. Commission staff originally proposed the standard sanction of license cancellation, destruction of marijuana items remaining at the premises, and refusal to renew the license. Licensee requested a hearing and now wishes to enter into this settlement agreement.

#### AGGRAVATION

Commission staff proposed aggravation because Violation Number One was repeated, and because Licensee Corrado personally committed Violation Number Two.

**SYNOPSIS:** – In 2017, this retailer acted as a wholesaler for another company that was not yet licensed, contrary to its license privileges. As part of this scheme, it submitted an Inventory Transfer Request that was supposed to represent its own medical marijuana inventory being transferred into the recreational system, but which in part included inventory belonging to the other company for which Licensee was providing wholesaling services. These actions resulted in one Category I and one Category II violation. The company will restructure going forward, removing the person principally responsible for these violations.

#### TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first Category I and first Category II violations.

(continue **SLABTOWN**)

2. Commission staff originally proposed for these violations the standard sanction of license cancellation, destruction of marijuana items remaining at the premises, and refusal to renew the license. Commission staff proposed aggravated sanction because Violation Number One was repeated, and because Licensee Corrado personally committed Violation Number Two.
3. The Commission will reduce the sanction on Violation Number One to a \$5,280.00 civil penalty. Licensee agrees to the standard aggravated sanction on Violation Number Two, which is a 32-day suspension.
4. Licensee will pay a \$5,280.00 civil penalty before 5:00 PM on March 16, 2020 and serve a 32-day suspension beginning at 7:00 AM on March 21, 2020 and ending at 7:00 AM on April 22, 2020.
5. The Commission will process Licensee's renewal application in normal course.
6. Licensee withdraws its Request for Hearing in this matter.
7. If a licensee's interest in the license expires or is transferred before the Commission issues a final order, 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 any 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 February 2020 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. New Horizons Consultants, LLC  
Randa Shahin, Member  
Joshua Larkin, Member  
dba **HOME GROWN APOTHECARY**  
1937 NE Pacific St  
Portland, OR 97232  
(Retailer)

OAR 845-025-2800(3)(j) - On or about May 24, 2018, Licensee operated other than its license permits when Licensee and/or its employees, agents or representatives transferred and/or delivered approximately 5.795 pounds of useable marijuana to marijuana processor Rose City Confections.

(Category I)

OAR 845-025-2800(3)(j) (2018)- From about May 18, 2017 to about August 9, 2017, Licensee operated other than its license permits when Licensee and/or its employees, agents or representatives transferred and/or delivered approximately 176 separate shipments of non-waste marijuana items to persons or entities who were not consumers, under circumstances not constituting a return to a producer, processor or wholesaler who transferred the item to the retailer.

(Category I)

OAR 845-025-2800(3)(j) (2018)- On about May 1, 2017, May 4, 2017, May 22, 2017, and May 30, 2017, Licensee operated other than its license permits when Licensee and/or its employees, agents or representatives received approximately 36 separate shipments of marijuana items from marijuana retailers Slabtown and/or NW Compassion Medical Center.

(Category I)

Note: Licensee was charged with these violations by Notice dated February 12, 2019. Commission staff proposed the standard sanction of license cancellation, nonrenewal, and seizure and destruction of marijuana items, for these violations. Licensee requested a hearing and now wishes to enter into this settlement agreement.

**SYNOPSIS:** In 2017, this retailer acted as a wholesaler for another company that was not yet licensed, contrary to its license privileges. In 2018 it made a transfer of useable marijuana to another retailer, which is again contrary to retailer license privileges, as part of a scheme to use the processor privileges of another licensee. These actions resulted in three Category I violations.

(continue HOME GROWN APOTHECARY)

**TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first, second and third Category I violations.
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 effective without any further action on the date the transfer of ownership of the business is completed or at 7:00 AM on April 30, 2020, whichever is earlier. Licensee agrees that its license will not be renewed.
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 or pending application for any license by the licensee.
5. Licensee hereby relinquishes any and all interest in any marijuana items at the premises or in its CTS inventory that have 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 untransferred 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 February 2020 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. Oso Verde, LLC  
Britton Price, Managing Member  
Kendra Freeman, Managing Member  
dba **OSO VERDE FARMS**  
(Producer)

OAR 845-025-1400(5). – On or before September 15, 2018, Licensee and/or its employees, agents, or representatives failed to comply with its approved security plan when the north side of the outdoor canopy area was enclosed with a fence measuring less than six feet tall that was not made of welded or woven wire.

(1<sup>st</sup> Level Category III)

OAR 845-025-7520(1)(c) and (d) - On or about September 15, 2018, Licensee and/or its employees, servants, agents or representatives failed to properly tag all marijuana plants no later than when each plant reached a height of twenty four inches and/or all other marijuana inventory on the premises with a unique identification tag pursuant to the system requirements of CTS when there were untagged marijuana plants in the outdoor canopy area and untagged harvested marijuana in an unapproved structure on the premises.

(1<sup>st</sup> Level Category III)

OAR 845-025-1450(1)(a) - On or about September 15, 2018, Licensee and/or its employees, agents, or representatives failed to have cameras that continuously recorded, 24 hours a day, in all areas where mature marijuana plants and/or immature marijuana plants may have been present on the licensed premises when it failed to provide sufficient camera coverage of an unapproved structure on the premises containing harvested marijuana.

(1<sup>st</sup> Level Category III)

OAR 845-025-1410(2), (3)(b) - On or about September 15, 2018, Licensee and/or its employees, agents, or representatives utilized a structure on the premises where marijuana was present and stored during hours that Licensee was not operating that failed to have a

Note: Licensee was charged with these violations by Amended Notice dated June 26, 2019. The total proposed sanction was license cancellation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Staff added two days of aggravation because Violation Number Two was repeated.

(continue **OSO VERDE FARMS**)

steel door with a commercial grade, non-residential door lock.

(1<sup>st</sup> Level Category III)

OAR 845-025-2020(2) - On or about October 18, 2018 and/or October 22, 2018, Licensee or Licensee's employees, agents, or representatives operated other than as its license permitted when it sold, delivered, transported, or transferred marijuana or marijuana items to and/or purchased or received marijuana or marijuana items from Licensee TKO Reserve, Producer License No. 10003225DA.

(Category I)

**SYNOPSIS:** A premises inspection revealed that licensees had made changes to the licensed premises without obtaining approval from the Commission beforehand. The unapproved structure did not have sufficient camera coverage. Inspectors also discovered insufficient security measures on the premises, such as the failure to have a steel door with a steel frame for all areas where marijuana was present and the failure to have a sufficient fence around the property. Licensees also had a significant number of untagged marijuana plants. A subsequent investigation disclosed that the Licensee had engaged in prohibited producer to producer transfers of marijuana. Since the investigations, Licensee has rectified the identified problems on the premises. Licensee also provided evidence that they were provided inaccurate information regarding their ability to transfer marijuana from producer to producer from the other party, but accepted responsibility for accepting that information and failing to verify it themselves.

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. Violation Numbers One through Four were Licensee's first through fourth Category III violations within two years. They were charged at the first level because they were discovered concurrently. Any subsequent Category III violation within the same two years will be charged at the second level. Violation Number Five was Licensee's first Category I violation.
2. The standard sanction for a Category I violation is license cancellation. The standard sanction for first-level Category III violations is a 10-day suspension or \$1,650.00 civil penalty each. Staff added two days of aggravation because Violation Number Two was repeated. The total proposed sanction was license cancellation.
3. The Commission will reduce the sanction for Violations Number One through Number Four and impose a 30-day license suspension **OR** a \$4,950.00 civil penalty for the violations.
4. The Commission will reduce the sanction for Violation Number Five and impose a 30-day license suspension **AND** a \$4,950.00 civil penalty.

(continue **OSO VERDE FARMS**)

5. Licensee will pay a \$4,950.00 civil penalty before 5:00 PM on March 16, 2020 and serve a 60-day suspension beginning on March 21, 2020 and ending at 7:00 AM on May 15, 2020 **OR** pay a \$9,900.00 civil penalty before 5:00 PM on March 16, 2020 and serve a 30-day license suspension beginning at 7:00 AM on March 21, 2020 and ending at 7:00 AM on April 15, 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 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.
8. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their February 2020 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.