

ADMINISTRATIVE POLICY & PROCESS DIVISION
July 18, 2019

STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

1. Green State Wholesale, LLC
Odeh Halhouli, Member/Manager
Sadallah Kahuk, Member
Wahid Barghouthy, Member
dba **GREEN DEPOT**
2595 State St
Salem, OR 97301
(Retailer)

OAR 845-025-1160(2) – On or about January 18, 2018, Licensee Odeh Halhouli failed to notify the Commission within 24 hours of his arrest for a misdemeanor and/or felony, when he was arrested on or about January 17, 2018 on charges of Strangulation Constituting Domestic Violence, ORS 163.187, a Class C felony; Assault in the Fourth Degree Constituting Domestic Violence, ORS 163.160, a Class C felony; and Harassment, ORS 166.065, a Class B Misdemeanor.

(1st Level Category I)

OAR 845-025-1160(2) - On or about April 18, 2018, Licensee Odeh Halhouli failed to notify the Commission within 24 hours of his conviction for a misdemeanor and/or felony, when he was convicted on or about April 17, 2018 of Assault in the Fourth Degree Constituting Domestic Violence, ORS 163.160(3), a Class A misdemeanor.

(1st Level Category I)

OAR 845-025-7580(1)(b) - From about May 26 to May 31, 2018, and/or from about June 3 to June 14, 2018, and/or on about October 7, 16, 23, 31, 2018, and/or on about November 5, 11, 16, 18, 20, 2018, Licensee and/or Licensee's employees, agents or representatives failed to reconcile all on-premises and in-transit marijuana item inventories in the METRC Cannabis Tracking System (CTS) at the close of business each day pursuant to system requirements, when no entries were made in CTS on those dates.

(1st Level Category III)

Note: Licensee was charged with these violations by Notice dated April 2, 2019. Commission staff originally proposed the standard sanction of license cancellation, refusal to renew license, and the seizure and destruction of marijuana items. Licensee now wishes to enter into this settlement agreement.

AGGRAVATION

Commission staff recommended aggravation because Violations Number Three, Number Five, and Number Six were repeated.

(continued **GREEN DEPOT**)

OAR 845-025-1160(1)(c) - On or before October 30, 2018, Licensee and/or Licensee's employees, agents or representatives failed to notify the Commission of a temporary closure of the business lasting 30 days or more.

(1st Level Category III)

OAR 825-025-7520(1)(d) - On or about December 19, 2018, Licensee and/or Licensee's employees, agents or representatives failed to properly tag inventory with unique identification (UID) tags, when OLCC Inspectors found approximately 428 plastic bags of marijuana shake, trim and/or "waste" mixed with useable marijuana, with no UID tags affixed.

(1st Level Category III)

OAR 845-025-7540(1), (2) - On or before December 19, 2018, Licensee and/or its employees, agents or representatives failed to enter data into CTS that fully and transparently accounted for all inventory tracking activities with respect to multiple returned marijuana and/or marijuana items that were not recorded into CTS, and/or when OLCC Inspectors found substantially less marijuana and marijuana items at the premises than what was shown in Licensee's CTS inventory.

(1st Level Category III)

SYNOPSIS: This is a proposed license cancellation. This retailer was licensed to a 3-person LLC, but only one, Mr. Halhouli, was acting as the on-site manager, and he proved to be unreliable. The first two violations (both Category I) arise from Mr. Halhouli's failure to notify the Commission of his arrest on felony charges and subsequent conviction for domestic violence assault, a Class A misdemeanor. Because the other licensees had no knowledge of these events and they are totally unrelated to running the retail business, these violations go on Mr. Halhouli's record, but not on the other licensees' records, pursuant to Commission Final Order precedent in *AJ's Homestead Restaurant*, OLCC-90-V-024 (December 1990). With respect to the four Category III violations, while all are responsible for these violations under OLCC rules, it should be noted that the problems were first self-reported by the other two licensees, and that they were instrumental in helping Commission public safety staff to prevent diversion of marijuana from the premises. The voluntarily agreed upon (with advice of counsel) license sale/surrender agreement permits the other two licensees to salvage some value from their business. Because this is a sale/surrender, the issue of fixing the problems that gave rise to the violations is not before us; however, Commission staff has been informed that Mr. Halhouli has left the country, and it appears that his actions were the source of most if not all the problems at this premises.

(continued **Green Depot**)

TERMS OF AGREEMENT

1. Licensees Green State Wholesale, LLC and Odeh Halhouli accept responsibility for Violations Number One through Six as set out in the Notice, which were these licensees' first and second Category I violations, and first through fourth category three violations.
2. Licensees Sadallah Kahuk and Wahid Barghouthy accept responsibility for Violations Number Three through Six as set out in the Notice, which were these licensees' first through fourth category three violations.
3. Commission staff proposed license cancellation for these violations. Commission staff recommended aggravation because Violations Number Three, Number Five, and Number Six were repeated.
4. Licensee has begun the process of selling the business. Licensee will surrender its license on the date the transfer of ownership of the business is completed or at 7:00 AM on August 30, 2019, whichever is earlier.
5. Each licensee agrees to accept a letter of reprimand for the violations accepted by them as stated in paragraphs 1 and 2 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.
6. Licensee hereby relinquishes any and all interest in any marijuana items in its inventory that was not transferred prior to the effective date of license surrender, and agrees that the Commission may seize and destroy any such marijuana items.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their July 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. Oregon Grown Gift Shop, LLC
George Haney, Managing Member
dba **OREGON GROWN**
324 SE 82nd Avenue
Portland, OR 97216
(Retailer)

OAR 845-025-7540(1), (4) - On or about February 27, 2018, March 7, 2018, March 22, 2018, and March 24, 2018, Licensee or Licensee's employees, agents, servants, or representatives 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 on those dates to four different individuals and entered into CTS under the same OMMP patient card number.

(1st Level Category I)

OAR 845-025-2900(3)(c) - On or about February 27, 2018, March 7, 2018, March 22, 2018, and March 24, 2018, Licensee or Licensee's employees, agents, servants, or representatives failed to verify that the individuals purchasing marijuana items for medical purposes were registered with OHA by viewing the individuals' 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)

OAR 845-025-1160(3) - On or about September 27, 2018, Licensee failed to notify the Commission of the theft of marijuana items from the licensed premises within 24 hours of its occurrence.

(1st Level Category III)

Note: Licensee was charged with these violations by Notice dated November 28, 2018. 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.

AGGRAVATION

Commission staff recommended aggravation because Violations Number One and Number Two were repeated and were personally committed by Licensee George Haney.

(continued **OREGON GROWN**)

SYNOPSIS: Licensee operated a retail store, and it was discovered that individuals making sales at the store (both employees and the Licensee) would ring up medical sales for various customers under different individuals' medical card number. The owner of the medical card number was known to the Licensee, and the sales were deliberately entered in the point of sale system and Metrc under that number ostensibly in an attempt by the Licensee to maintain the anonymity of medical marijuana customers who did not want to have their sales tracked by their own numbers. Video footage of the sales showed that the employees and the Licensee failed to check the purchasers' identification and medical marijuana card for each medical sale as required by rule. During the course of the investigation, it was also discovered that the retail store had experienced a theft of marijuana items, but failed to report it to the Commission. Licensee has agreed to cease operation by the end of July.

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. Violations Number Two and Three were Licensee's first and second Category III violations within two years.
2. Commission staff recommended aggravation because Violations Number One and Number Two were repeated and were personally committed by Licensee George Haney.
3. Commission staff proposed license cancellation for these violations. Licensee has begun the process of selling the business. Licensee will surrender its license on the date the transfer of ownership of the business is completed or at 7:00 AM on July 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 the 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 items in its inventory that have not been transferred before 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 July 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.

3. High Desert Equity Partners, Inc.
Mustafa Soylemez, Pres/Dir/Stockholder
Jacob Onat, Treas/Dir/Stockholder
Mark Weisheit, Sec/Dir/Stockholder
Elizabeth Weisheit, Director/Stockholder
dba **THE LOCAL MARKET**
1216 NE 1st Street, Suite 100
Bend, OR 97701
(Retailer)

OAR 845-025-7580(1)(a), (b) – On or before February 12, 2019, Licensee and/or its employees, agents, or representatives failed to use CTS for all inventory tracking activities at the licensed premises, and failed to reconcile all on-premises and in-transit marijuana item inventories each day in CTS at the close of business pursuant to system requirements when Licensee's CTS account included a package with a negative weight, and other items listed in CTS were either not at the store or had weights listed that did not match the actual weights of the items at the licensed premises.

(1st Level Category III)

OAR 845-025-7520(1)(d) - On or about February 12, 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 there were two jars of bulk marijuana behind the sales counter that did not have UID tags affixed to them, and two types of extracts that were not associated with any UID tags.

(1st Level Category III)

Note: Licensee was charged with these violations by Notice dated April 17, 2019. The total proposed sanction was a 24-day suspension or a \$3,960.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Staff added four days of aggravation because both violations were repeated.

SYNOPSIS: A proactive retail inspection resulted in the discovery of two violations. First, jars of product on display did not have UID tags affixed to the jar as required by rule but rather had the tags stored in the office or safe area, and two marijuana items for sale did not have UID tags associated with them. Second, there were several discrepancies between what was listed in the store's Metrc inventory and what was actually in the store. Licensee stated that the differences were due to loss of moisture, their point of sale system's process of rounding weights up, or erroneous manifests from the vendor, but admitted that they did not reconcile their inventory at the end of each business day, which would have caught those differences earlier.

TERMS OF AGREEMENT

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

(continued **THE LOCAL MARKET**)

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 both violations were repeated. The total proposed sanction was a 24-day suspension or a \$3,960.00 civil penalty.
3. The Commission will reduce the sanction by six days. This is equivalent to a 30% reduction of the standard sanction.
4. Licensee will pay a \$2,970.00 civil penalty before 5:00 PM on August 15, 2019 **OR** serve an 18-day license suspension beginning at 7:00 AM on August 20, 2019 and ending at 7:00 AM on September 7, 2019.
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. Licensee withdraws its 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 July 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>4. Pilot Farms, LLC Matthew Dolinar, Member Christopher Dolinar, Member Louie Ryan, Member dba PILOT FARMS (Producer)</p>	<p>OAR 845-025-1450(2)(d) – On or about November 27, 2018, Licensee or Licensee’s employees, agents, servants, or representatives failed to keep surveillance recordings for a minimum of 90 calendar days.</p> <p>(1st Level Category I)</p> <p>OAR 845-025-1175(1) - On or before October 24, 2018, 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 Licensee added an unapproved cure/storage shed used to store harvested marijuana.</p> <p>(1st Level Category III)</p>	<p>Note: Licensee was charged with these violations by Notice dated February 20, 2019. Commission staff originally proposed for these violations 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.</p>
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SYNOPSIS: Licensee submitted a change request to add an additional building to the premises. When inspectors arrived to conduct the inspection, they discovered that the building was already being used to store marijuana. Licensee stated that they knew the building was not approved yet, but they had run out of other storage space and had no other place to store the marijuana. An inspection also revealed that Licensee did not have 90 days of surveillance footage stored – for one camera it had 63 days and for the other it had 80 days. Licensee blamed the deficiency on technical problems with the security system, and the investigation did not find any indication of deliberate noncompliance.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice.
2. Violation Number One was Licensee’s first Category I violation within two years. Violation Number Two was Licensee’s first Category III violation within two years. Any subsequent Category III violation within two years will be charged at the second level.
3. Commission staff originally proposed for these violations the standard sanction of license cancellation and seizure and destruction of marijuana items.
4. The Commission will reduce the sanction for Violation Number One and impose a \$1,650.00 civil penalty or a 10-day license suspension for that violation.
5. The standard sanction for Violation Number Two is a 10-day license suspension or a \$1,650.00 civil penalty. The Commission will reduce the sanction for Violation Number Two by three days. This is equivalent to a 30% reduction of the standard sanction.

(continued **PILOT FARMS**)

6. Licensee will pay a \$2,805.00 civil penalty before 5:00 PM on August 15, 2019 **OR** serve a 17-day suspension beginning at 7:00 AM on August 20, 2019 and ending at 7:00 AM on September 6, 2019.
7. Licensee withdraws its request for a 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 July 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. WH Enterprises, LLC
Kristina Schluter, Member
dba **WEIRDHOUSE FARMS**
(Producer)

OAR 845-025-1450(2)(d)(A) – On or about October 6, 2018, Licensee and/or its employees, agents, or representatives failed to keep video surveillance recordings of all areas required under OAR 845-025-1450(1) for a minimum of 90 calendar days when there were only six days of coverage available.

(1st Level Category I)

OAR 845-025-1440(2)(b) - On or about October 6, 2018, Licensee, and/or its employees, agents, and/or representatives failed to ensure that cameras were placed to capture clear and certain images of any individual and activity occurring in all locations within limited access areas of the licensed premises.

(1st Level Category III)

OAR 845-025-7520(1)(c) - On October 6, 2018, Licensee, and/or its employees, agents representatives failed to tag approximately 340 individual marijuana plants with a Unique Identification (UID) tag no later than when each plant reached a height of twenty four inches or when the individual plant was identified as female, whichever was sooner.

(1st Level Category III)

OAR 845-025-1215(1) - On or about October 6, 2018, Licensee, and/or its employees, agents, representatives failed to use an Oregon Department of Agriculture licensed weighing device as defined in ORS chapter 618 and OAR 603, Division 27.

(1st Level Category IV)

Note: Licensee was charged with these violations by Notice dated May 7, 2019. Commission staff originally proposed for these violations 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.

SYNOPSIS: During an October 2018 harvest inspection Inspectors discovered approximately 220 untagged plants that Licensee was using for research and development purposes; insufficient camera coverage due to camera placement which prevented the outside east side canopy from being viewed; six days of video retention that occurred after a dog dug up wires and Licensee not resetting the DVR settings after the wires were replaced, and failure to use an appropriate weighing device when Licensee was using a bath scale instead of an approved scale. The Licensee is new to the industry. They had all issues addressed within a few days of the inspection.

(continued **WEIRDHOUSE**)

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. This is Licensee's first Category I violation. Commission staff originally proposed for this violation the standard sanction of license cancellation and seizure and destruction of marijuana items.
2. The standard sanction for Violations Number Two and Three is a 10-day suspension or a civil penalty of \$1,650.00 each for the first violations of this type within two years. These are your first and second violation of this type within two years.
3. The standard sanction for Violation Number Four is a seven-day suspension or a \$1,550.00 civil penalty for the first violation of this type within two years. This is your first violation of this type within two years.
4. The Commission will reduce the sanction for Violation Number One and impose a \$4,950.00 civil penalty or a 30-day license suspension.
5. The Commission will reduce the sanctions for Violations Numbers Two and Three by three days each. This is equivalent to a 30% reduction of the standard sanctions. Any subsequent Category III violation within the same two years will be charged at the second level.
6. The Commission will reduce the sanction for Violation Number Four by two days. This is equivalent to a 30% reduction of the standard sanction. Any subsequent Category IV violation within the same two years will be charged at the second level.
7. Licensee will pay a civil penalty of \$8,085.00 before 5:00 PM on August 15, 2019, **OR** serve a 49-day suspension or suspension beginning at 7:00 AM on August 20, 2019 and ending at 7:00 AM on October 8, 2019.
8. If licensee's interest in the license expires or is transferred before the Commission issues a final order on this allegation, 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.
9. Licensee withdraws the request for hearing.
10. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their July 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. GhostTown Organix, LLC
Chris Strawn, Member
Sheri Ramirez, Member
Rene Ramirez, Member
dba **GHOSTTOWN ORGANIX**
(Producer)

OAR 845-025-1450(2)(d), (6)(a)(A) - On or about January 16, 2019, Licensee and/or its employees, agents or representatives failed to keep on-site surveillance recordings for a minimum of 90 days, when they were found to have only seven days of on-site video surveillance recordings.

(1st Level Category I)

OAR 845-025-2080(1)(c) - On or before January 16, 2019, Licensee and/or its employees, agents or representatives failed to assign and affix a unique identification (UID) tag to each receptacle that was linked to each plant that was harvested, within 45 days of harvest, with respect to receptacles found in the premises safe containing the following marijuana plants and/or usable marijuana harvested on August 1, 2018: Cookies Kush; One Offs; Blue City Diesel; and/or Northern Lights.

(1st Level Category III)

OAR 845-025-7580(1)(d) - On or before January 16, 2019, Licensee and/or its employees, agents or representatives failed to record the wet weight of all harvested marijuana plants in the METRC Cannabis Tracking System (CTS) immediately after harvest, with respect to marijuana plants designated in CTS as harvested on January 9, 2019 but not reported in CTS until January 16, 2019.

(1st Level Category III)

OAR 845-025-7520(1)(d) - On or about January 16, 2019, Licensee and/or its employees, agents or representatives failed to properly tag all other inventory with a unique identification (UID) tag

Note: Licensee was charged with these violations by Notice dated April 9, 2019. 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.

AGGRAVATION

Commission staff proposed aggravation because Violations Number Two, Number Three and Number Four were repeated.

(continued **GHOSTTOWN ORGANIX**)

pursuant to system requirements of CTS, with respect to two buckets and one trash bag of usable marijuana found in the premises safe.

(1st Level Category III)

OAR 845-025-2070(4)(c) - On or about January 16, 2019, Licensee and/or its employees, agents or representatives failed to maintain, on the licensed premises, a log of all pesticides, fertilizers or other agricultural chemicals used by Licensee in the production of marijuana.

(1st Level Category III)

SYNOPSIS: This is a proposed license cancellation due to a 90-day camera violation under the new rule (they had 7 days). Licensee requested a hearing, and now wishes to settle based on a civil penalty and suspension. This is a 3-member LLC licensed indoor producer (grower). There is no evidence of intentional violation; the Licensee had the recording resolution set for twice the amount required, which can account for loss of storage. This was discussed with the Licensee who promised to immediately consult with a technician to correct the problem. There were multiple issues with failure to UID tag inventory, and failure to record weights into CTS. Licensee explained failure to tag packages because they were too small to sell, and failure to enter weight of harvested plants in CTS because they didn't have a final weight yet due to their trimmer being broken (both invalid reasons but apparent honest mistakes). There was no direct evidence of diversion, and the Licensee was in business only nine months at the time of the inspection, so the inspectors believed that inexperience was a key element. Education was provided by the inspectors at the time of the inspection.

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. Any subsequent Category I violation may result in license cancellation. Violations Number Two through Five were Licensee's first through fourth Category III violations. Because these violations were all discovered at the same time, they are settled at the first level. Any subsequent Category III violation within the same two years will be charged at the second level.
2. Commission staff originally proposed for these violations the standard sanction of license cancellation. Commission staff proposed aggravation because Violations Number Two, Number Three and Number Four were repeated.
3. The Commission will reduce the sanction on Violation Number One to a 30-day suspension and payment of a \$4,950.00 civil penalty. The Commission will reduce the sanction on Violations Number Two, Number Three and Number Four to a nine-day suspension or payment of a \$1,485.00 civil penalty each; and on Violation Number Five to a seven-day suspension or payment of a \$1,155.00 civil penalty. This is equivalent to a 30% reduction of the standard sanction for Violations Number Two through Number Five.

(continued **GHOSTTOWN ORGANIX**)

4. Licensee will either: (1) pay a \$4,950.00 civil penalty before 5:00 PM on August 15, 2019 **and** serve a 64-day suspension beginning at 7:00 AM on August 20, 2019 and ending at 7:00 AM on October 23, 2019; **OR** (2) pay a \$10,560.00 civil penalty before 5:00 PM on August 15, 2019 **and** serve a 30-day suspension beginning at 7:00 AM on August 20, 2019 and ending at 7:00 AM on September 19, 2019.
5. Licensee withdraws its Request for Hearing in this matter.
6. 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.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their July 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. Happy Camp, LLC
Kaitlyn Hartford, Member
dba **HAPPY CAMP**
(Producer)

OAR 845-025-1450(2)(d)(A) - On December 4, 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 only approximately seven days of video were available.

(1st Level Category I)

Note: Licensee was charged with this violation by Notice dated April 9, 2019. 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.

SYNOPSIS: Licensee had seven days of video surveillance available rather than the required 90 days. This was the result of faulty connections that prevented a consistent feed. The repair company was immediately called and the problem was fixed.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out in the Notice. This is Licensee's first Category I violation.
2. Commission staff originally proposed for this violation the standard sanction of license cancellation and seizure and destruction of marijuana items.
3. The Commission will reduce the sanction for this violation and impose a \$4,950.00 civil penalty or a 30-day license suspension.
4. Licensee will pay a civil penalty of \$4,950.00 before 5:00 PM on August 15, 2019, **OR** serve a 30-day suspension or suspension beginning at 7:00 AM on August 20, 2019 and ending at 7:00 AM on September 19, 2019.
5. Licensee withdraws the request for hearing.
6. If licensee's interest in the license expires or is transferred before the Commission issues a final order on this allegation, 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.
7. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their July 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.

8. Joint Effort Farms, LLC
Cody Lowe, Member
Jose Orzoco, Member
dba **JOINT EFFORT FARMS**
(Producer)

OAR 845-025-1450(2)(d)(A) - On or about December 18, 2018, Licensee or Licensee's employees, agents, servants, or representatives failed to keep surveillance recordings for a minimum of 90 calendar days.

(1st Level Category I)

OAR 845-025-7580(1)(b) - On or before December 18, 2018, Licensee or Licensee's employees, agents, or representatives failed to reconcile all on-premises and in-transit marijuana item inventories each day in the METRC Cannabis Tracking System (CTS) at the close of business pursuant to system requirements, when CTS indicated that 627 plants were flowering and not harvested, but there were only about 148 plants actually in the field, and when harvests and/or destroyed plants were not recorded in CTS.

(1st Level Category III)

OAR 845-025-7580(1)(b) - From about December 18, 2018 to January 8, 2019, Licensee or Licensee's employees, agents, or representatives failed to reconcile all on-premises and in-transit marijuana item inventories each day in CTS at the close of business pursuant to system requirements, when CTS indicated that 129 plants were in a flowering state.

(1st Level Category III)

OAR 845-025-7520(1)(d) - On or before December 18, 2018, Licensee or Licensee's employees, agents, or representatives failed to properly tag all inventory with a unique identification (UID) tag pursuant to the system

Note: Licensee was charged with these violations by Amended Notice dated April 9, 2019. 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.

(continued **JOINT EFFORT FARMS**)

requirements of CTS, when 42 totes of marijuana items in a conex and numerous boxes and bags of marijuana items in a greenhouse did not have UID tags.

(1st Level Category III)

OAR 845-025-8520(5) - On or before December 18, 2018, Licensee's employees, agents, or representatives used or consumed marijuana and/or alcoholic beverages in or on the licensed premises, or in surrounding areas under the control of the licensee, in a manner not permitted under OAR 845-025-1230(6)(b).

(1st Level Category III)

ORS 475B.261(2), OAR 845-025-5500(4) - On or about December 18, 2018, Licensee failed to verify that its employees, agents, or representatives Jonathan Vasquez, David Brannon, "Tales," and "Lorrany" had valid marijuana worker permits before allowing them to perform any work of the kind described in ORS 475B.261(1) and/or OAR 845-025-5500(1).

(1st Level Category III)

OAR 845-025-1230(9)(a) - On or about December 18, 2018, Licensee or Licensee's employees, agents, or representatives failed to record the name and permit number of every current employee or license representative, including Jonathan Vasquez, David Brannon, "Tales," and "Lorrany", in the CTS.

(1st Level Category III)

(continued **JOINT EFFORT FARMS**)

OAR 845-025-1230(9)(b) - On or about December 18, 2018, Licensee's employees, agents, or representatives failed to wear clothing or a badge issued by the licensee that easily identified them as employees or permitted visitors.

(1st Level Category IV)

OAR 845-025-1470(1) - On or about December 18, 2018, Licensee or Licensee's employees, agents, or representatives failed to effectively prevent public access to all areas of the licensed premises used in the production of marijuana.

(1st Level Category III)

OAR 845-025-2090(1), (2), (5)(a) - On or about November 30, 2018, Licensee or Licensee's employees, agents, or representatives harvested usable marijuana from one or more mature marijuana 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 AM on the day of the harvest activity.

(1st Level Category III)

SYNOPSIS: Inspectors' review of CTS in December 2018 showed that Licensee still had over 600 plants that were not harvested. A site inspection revealed that was not correct. Licensee had indeed harvested plants. Further inspection revealed a number of problems, including failure to reconcile inventories in CTS, failure to properly tag all inventory with UID tags, consumption of intoxicants on the licensed premises, failure to verify that employees had valid worker permits, failure to effectively prevent public access to the premises, failure to submit harvest notifications, and failure to retain surveillance video. Licensee is surrendering its license and will receive a letter of reprimand that documents its compliance history.

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. Violations Number Two, Three, Four, Five, Six, Seven, Nine, and Ten were Licensee's first through eighth Category III violations. Violation Number Eight was Licensee's first Category IV violation.

(continued **JOINT EFFORT FARMS**)

2. Commission staff proposed to cancel the license for these violations.
3. Licensee has begun the process of selling the business. Licensee will surrender its license on the date the transfer of ownership of the business is completed or at 7:00 AM on August 31, 2019, whichever is earlier.
4. Licensee withdraws the request for a hearing.
5. Licensee accepts a Letter of Reprimand for these violations. This reprimand will become a permanent part of each Licensee's Commission file and may be considered in any future application for any license by Licensee.
6. Licensee hereby relinquishes any and all interest in any marijuana items in its inventory that have not been transferred before the effective date of license surrender, and agrees that the Commission may seize and destroy any such marijuana items.
7. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their July 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.