

ADMINISTRATIVE POLICY & PROCESS DIVISION
March 21, 2019

STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

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| 1. Jefferson Packing House, LLC
Nightingale Industries, Inc., Member
Matthew Ochoa, Pres/Dir/Stkhldr
dba JEFFERSON PACKING HOUSE
(Wholesale) | OAR 845-025-1100(2)(c) – Licensee or Licensee’s
employees, agents, servants, or representatives
engaged in advertising that improperly included the
Commission’s name or logo. (On or about November
13, 2018).

(1 st Level Category IV) | Note: Licensee was charged with this violation by
Notice dated January 23, 2019. The proposed
sanction was a 7-day suspension or a civil
penalty of \$1,155.00. Licensee requested a
hearing and now wishes to enter into this
settlement agreement. |
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SYNOPSIS: Licensee, who holds a wholesaler license, created an email advertisement discussing OLCC enforcement efforts and Operation Good Harvest that included the OLCC logo. When Licensee was informed that it was a rule violation to use the logo, they agreed to refrain from doing so in the future.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out in the Notice. This was Licensee’s first Category IV violation within two years. Any subsequent Category IV violation within the same two years will be charged at the second level.
2. Commission staff originally proposed the standard sanction of a seven day suspension or a \$1,155.00 civil penalty.
3. The Commission will reduce the sanction by two days. This is equivalent to a 30% reduction of the standard sanction.
4. Licensee will pay an \$825.00 civil penalty before 5:00 PM on April 15, 2019 **OR** serve a five-day license suspension beginning at 7:00 AM on April 20, 2019 and ending at 7:00 AM on April 25, 2019.
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, 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.

7. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their March 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. Self Made Farms, LLC
Steven Self, Member
Catherine Leathers, Member
dba **SELF MADE
CANNABIS COMPANY (#B9DE)**
(Producer)

OAR 845-025-2040(4)(a) - Licensee and/or its employees, agents or representatives changed its designated outdoor canopy area within a production type during the term of the license without obtaining prior approval from the Commission, when Licensee's representative admitted to having approximately 36,401 square feet of outdoor mature canopy instead of the approved 30,000 square feet of outdoor mature canopy. (On or about October 28, 2018).

(2nd Level Category III)

OAR 845-025-7540(1), (2) - Licensee and/or Licensee's employees, agents, servants 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 "destroyed" 33 tagged marijuana plants in CTS that did not actually exist in the field; when it was found in possession of nine plants whose tags had already been recorded as "harvested"; and/or when it failed to indicate which plants were destroyed due to canopy overage. (On or before November 13, 2018).

(2nd Level Category III)

Note: Licensee was charged with these violations by Notice dated January 8, 2019. The proposed sanction was a 62-day suspension or a two-day suspension and a \$9,900.00 civil penalty. 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.

SYNOPSIS: This outdoor producer premises was inspected November 29, 2018, after Licensee had been contacted by email by inspectors regarding apparent CTS discrepancies. On October 28, 2018, Licensee's employee self-reported that Licensee had planted 6,401 square feet of canopy more than its approved 30,000 square feet canopy. Although Licensee agreed to destroy the overproduction and did destroy a large number of plants, Licensee failed to indicate in CTS which plants were destroyed due to overproduction, and it had a few other CTS reporting discrepancies.

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. Violation Number Two 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. Commission staff originally proposed for these violations the standard sanction of license cancellation. Commission staff proposed aggravation because Violation Number One and Number Two were repeated and personally committed by Licensee, and because Violation Number Two was intentional.

(continued **SELF MADE CANNABIS COMPANY (#B9DE)**)

3. The Commission will reduce the sanction by nine days for each violation. This is equivalent to a 30% reduction of the standard sanction.
4. Licensee will pay a \$7,260.00 civil penalty before 5:00 PM on April 15, 2019 **or** serve a 44-day suspension beginning at 7:00 AM on April 20, 2019 and ending at 7:00 AM on June 3, 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 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.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their March 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. Self Made Farms, LLC
Steven Self, Member
Catherine Leathers, Member
dba **SELF MADE**
CANNABIS COMPANY (#8E65)
(Producer)

OAR 845-025-7540(1), (2) – Licensee and/or Licensee’s employees, agents, servants 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 harvested at least 200 to 300 UID-tagged mature marijuana plants that had not been entered into CTS, and recorded the weight of these 200 to 300 untracked harvested plants under the UID tag number for other plants that had been recorded in CTS. (From about October 3, 2018 to about October 10, 2018).

(1st Level Category III)

OAR 845-025-7540(1), (2) - Licensee and/or Licensee’s employees, agents, servants or representatives, failed to enter data into CTS that fully and transparently accounted for all inventory tracking activities, with respect to the following marijuana plants found to be still in the ground at the licensed premises on October 10, 2018: (1) marijuana plants bearing UID tags ending 3737, 3745, 3960, 3965, 4520 and 4564, which were reported in CTS as harvested on October 4 and October 9, 2018; (2) marijuana plant bearing UID tag ending 0035 which was reported in CTS as harvested in 2016; and (3) marijuana plant bearing UID tag ending 0043 which was reported in CTS as destroyed in 2016. (On or about October 10, 2018).

(1st Level Category III)

OAR 845-025-1420(1), (2)(a) - Licensee and/or

Note: Licensee was charged with these violations by Notice dated January 8, 2019. The proposed sanction was a 36-day suspension or a \$5,940.00 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 One and Number Two were repeated. Staff added two days of aggravation because Violation Number One involved more than one employee.

Licensee's employees, agents, servants or representatives, failed to equip the front gate of the licensed premises with a fully operational

(continued **SELF MADE CANNABIS COMPANY (#8E65)**)

security alarm system, activated at all times when the licensed premises was closed for business, and/or which was able to detect unauthorized entry onto the licensed premises and/or any limited access area where mature marijuana plants were present. (From about October 5, 2018 to about November 7, 2018).

(1st Level Category III)

SYNOPSIS: This outdoor producer premises was inspected October 5 and October 10, 2018. Licensee harvested plants that had not been entered into the METRC Cannabis Tracking System (CTS), although these plants were properly tagged with UID tags. Licensee realized that these plants had not been entered into CTS, so it "solved" this problem by entering the harvested weights under the UID tags of other plants that had properly been tracked in CTS. There were also a few discrepancies between plants found in the ground and plants reported as harvested or destroyed in CTS. On the positive side, there is no evidence of diversion and all harvested and in-ground marijuana was accounted for. The front gate alarm had a damaged contact and was therefore not operational.

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 III violations within two years, charged at the first level. Any subsequent Category III violation within the same two years will be charged at the second level.
2. The standard sanction for these violations is a 10-day suspension or a civil penalty of \$1,650.00 each. Staff added four days of aggravation because Violation Number One and Number Two were repeated. Staff added two days of aggravation because Violation Number One involved more than one employee. The total proposed sanction was a 36-day suspension or a \$5,940.00 civil penalty.
3. The Commission will reduce the sanction by three days for each violation. This is equivalent to a 30% reduction of the standard sanction.
4. Licensee will pay a \$4,455.00 civil penalty before 5:00 PM on April 15, 2019 **or** serve a 27-day suspension beginning at 7:00 AM on April 20, 2019 and ending at 7:00 AM on May 17, 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 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.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their March 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. Self Made Farms, LLC
Steven Self, Member
Catherine Leathers, Member
dba **SELF MADE**
CANNABIS COMPANY (#C0E7)
(Producer)

OAR 845-025-7540(1), (2) – Licensee and/or Licensee’s employees, agents, servants 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 in possession of approximately 440 more UID-tagged mature marijuana plants than were recorded in CTS.
(On or before October 10, 2018).

(1st Level Category III)

OAR 845-025-7540(1), (2) - Licensee and/or Licensee’s employees, agents, servants or representatives, failed to enter data into CTS that fully and transparently accounted for all inventory tracking activities, when it “destroyed” marijuana plants in its CTS inventory bearing UID tags ending 1728,1833-1834, 1836, 1891, 1904, 1911, 2010, 2032, 2066, 2088, 2315-2316, 2328-2332, 2364, 2372, 3181, 3431-3433, and/or others, for the stated reason that these plants “do not exist,” contrary to the information it had recorded in CTS on September 3, 2018, when it reported these same marijuana plants as being in flowering phase and being moved to its “main room.” (On or before November 13, 2018).

(1st Level Category III)

OAR 845-025-1420(1), (2)(a) - Licensee and/or Licensee’s employees, agents, servants or representatives, failed to equip the front gate of the licensed premises with a fully operational

Note: Licensee was charged with these violations by Notice dated January 8, 2019. The proposed sanction was a 46-day suspension or a civil penalty of \$7,590.00. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Staff added six days of aggravation because Violation Number One, Number Two, and Number Four were repeated.

security alarm system, activated at all times when the licensed premises was closed for business, and/or which was able to detect unauthorized entry onto the licensed premises and/or any

(continued **SELF MADE CANNABIS COMPANY (#C0E7)**)

limited access area where mature marijuana plants were present. (On or about October 10, 2018).

(1st Level Category III)

OAR 845-025-2040(4)(a) - Licensee and/or its employees, agents or representatives changed its designated outdoor canopy area during the term of the license without obtaining prior approval from the Commission, when Licensee was found to have 26 rows of mature outdoor canopy instead of the approved 23 rows. (On or before October 10, 2018).

(1st Level Category III)

SYNOPSIS: Self-Made Cannabis Company C0E7 – This outdoor producer premises was inspected October 10, 2018. There were discrepancies between plants in the ground (all properly tagged with UID tags) and what was entered into the METRC Cannabis Tracking System (CTS), and also with respect to reasons for plant destruction. On the positive side, this was not an instance of plants being missing; rather, they had more plants than they had recorded in CTS. The front gate was not alarmed, and inspectors found that Licensee had planted 26 rows of marijuana although they were only approved for 23 rows.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first, second, third and fourth Category III violations within two years, charged at the first level. Any subsequent Category III violation within the same two years will be charged at the second level.
2. The standard sanction for these violations is a 10-day suspension or a civil penalty of \$1,650.00 each. Staff added six days of aggravation because Violation Number One, Number Two, and Number Four were repeated. The total proposed sanction was a 46-day suspension or a \$7,590.00 civil

penalty.

3. The Commission will reduce the sanction by three days for each violation. This is equivalent to a 30% reduction of the standard sanction.
4. Licensee will pay a \$5,610.00 civil penalty before 5:00 PM on April 15, 2019 **or** serve a 34-day suspension beginning at 7:00 AM on April 20, 2019 and ending at 7:00 AM on May 24, 2019.
5. Licensee withdraws its Request for Hearing in this matter.

(continued **SELF MADE CANNABIS COMPANY (#C0E7)**)

6. 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.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their March 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.