

ADMINISTRATIVE POLICY & PROCESS DIVISION  
November 16, 2017

**STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES**

1. Three Kings Organics, LLC  
Jeromy Posey, Member  
James Wilson, Member  
Lee Olheiser, Member  
James Olheiser, Member  
dba **THREE KINGS ORGANICS**  
224 Terminal Ave, Suite A  
The Dalles, OR 97058

OAR 845-025-2800(3)(j) – Licensee operated other than as the license permits when it transferred or delivered marijuana items other than as permitted in OAR 845-025-2800(2), when immature marijuana plants were transferred or delivered to Licensee Jeromy Posey’s home (May 1, 2017 to June 30, 2017).

(1st Level Category 1)

OAR 845-025-1230(17) – Licensee operated other than as the license permits when Licensee or Licensee’s employees, representatives, servants, or agents received marijuana items (immature marijuana plants) from a person other than a marijuana producer, processor, or wholesaler for whom a premises has been licensed by the Commission (May 1, 2017 to June 15, 2017).

(1st Level Category 1)

OAR 845-025-7540(1)(2) – Licensee or Licensee’s employees, representatives, servants, or agents failed to accurately enter data into CTS that fully and transparently accounted for all inventory tracking activities (May 1, 2017 to July 3, 2017).

(1st Level Category III)

Note: Licensee was charged with these violations by Notice dated September 19, 2017. The proposed sanction was Cancellation. Licensee requested a hearing and now wishes to withdraw that request to enter into this settlement agreement.

**TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. Violations Number One and Number Two were Licensee’s first and second Category I violations within two years. Violation Three was Licensee’s 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. Commission staff originally proposed the standard sanction of license cancellation.

3. The Commission will reduce the sanction for Violations Number One and Number Two and impose a \$4,950.00 civil penalty or a 30-day license suspension for each of those violations.
4. The standard sanction for Violation Number Three is a 10-day license suspension or a \$1,650.00 civil penalty. The Commission will reduce the sanction for Violation Number Three by three days. This is equivalent to a 30% reduction of the standard sanction.
5. Licensee will pay an \$11,055.00 civil penalty before 5:00 PM on December 15, 2017 **OR** serve a 67-day suspension beginning at 7:00 AM on December 20, 2017 and ending at 7:00 AM on February 25, 2018.
6. Licensee withdraws the request for a hearing.
7. If Licensee's interest in the license expires or is transferred before the Commission issues a final order on the allegation(s), Licensee agrees to accept a Letter of Reprimand for the violation(s). This reprimand will become a permanent part of Licensee's Commission file and may be considered in any future application for any license by Licensee.
8. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their November 2017 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.