

ADMINISTRATIVE HEARINGS DIVISION  
September 11, 2020

**STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES**

1. Green Valley Wellness, LLC  
P&M Holdings, LLC, Member  
Peter Gross, Member  
Michael Monarch, Member  
dba **GREEN VALLEY WELLNESS**  
103 N Pacific Highway, Units B&C  
Talent, OR 97540  
(Retailer)

OAR 845-025-7540(1), (4) - On or about December 31, 2018, January 4, 2019, February 26, 2019, and/or March 3, 2019, Licensee and/or Licensee's employees, agents, 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 individuals who did not match the identity of the OMMP card holders that were entered into CTS when those sales were recorded.

Note: Licensee was charged with this violation by Notice dated February 12, 2020. The total proposed sanction license cancellation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Staff proposed aggravation because the violation was repeated.

**SYNOPSIS:** – A review of Licensee's CTS account revealed numerous sales in the same day to the same OMMP card number. An investigation revealed that an employee allowed his coworkers to purchase medical marijuana using his OMMP card so they could avoid paying taxes on the sales. The Licensee had no knowledge of the misuse of the OMMP card, gave the involved employees a warning, and had them attend a re-training. At the time of the investigation, the employee whose card was being used no longer had a valid OMMP card. His misuse of the card was referred to the Oregon Health Authority. OLCC charges were issued against the permittees who used the other employee's OMMP card and the Licensee.

**TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violation as set out in the Notice. This was Licensee's first Category I violation. This violation will become a permanent part of each licensee's Commission file and may be considered in any future application for any license or permit by that licensee.
2. Commission staff proposed the standard sanction of license cancellation. Commission staff proposed aggravating the sanction because the violation was repeated.
3. The Commission will reduce the sanction and impose either a 30-day suspension or \$4,950.00 civil penalty.
4. Licensee will either pay a \$4,950.00 civil penalty before 5:00 PM on October 15, 2020 **OR** serve a 30-day suspension beginning at 12:00 PM (noon) on October 22, 2020 and ending at 12:00 PM (noon) on November 21, 2020.
5. Licensee withdraws the request for hearing.

(continue **GREEN VALLEY WELLNESS**)

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 or permit 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 September 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. **AHANU YATES**  
Worker Permit #7QR932  
  
(GREEN VALLEY WELLNESS)

OAR 845-025-7540(1), (4) - On or about December 31, 2018, January 4, 2019, February 26, 2019, and/or March 3, 2019, Permittee 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 individuals who did not match the identity of the OMMP card holders that were entered into CTS when those sales were recorded.

Note: Permittee was charged with this violation by Notice dated February 12, 2020. Commission staff proposed the standard sanction of worker permit revocation for this violation. Permittee requested a hearing and now wishes to enter into this settlement agreement.

(Category I)

**SYNOPSIS:** A review of Licensee's CTS account revealed numerous sales in the same day to the same OMMP card number. An investigation revealed that an employee allowed his coworkers to purchase medical marijuana using his OMMP card so they could avoid paying taxes on the sales. The Licensee had no knowledge of the misuse of the OMMP card, gave the involved employees a warning, and had them attend a re-training. At the time of the investigation, the employee whose card was being used no longer had a valid OMMP card. His misuse of the card was referred to the Oregon Health Authority. OLCC charges were issued against the permittees who used the other employee's OMMP card and the Licensee.

### **TERMS OF AGREEMENT**

1. Permittee accepts responsibility for the violation as set out in the Notice. This was Permittee's first Category I violation. This violation will become a permanent part of Permittee's Commission file and may be considered in any future application for any license or permit by Permittee.
2. Commission staff proposed the standard sanction of worker permit revocation for this violation.
3. The Commission will reduce the sanction to a 30-day suspension or a \$750.00 civil penalty.
4. Permittee will either pay a \$750.00 civil penalty before 5:00 PM on October 15, 2020 **OR** serve a 30-day suspension beginning at 7:00 AM on October 22, 2020 and ending at 7:00 AM on November 21, 2020.
5. Permittee withdraws the request for hearing.
6. If Permittee's worker permit expires or is surrendered before the Commission issues a final order on the allegations, Permittee agrees to accept a Letter of Reprimand for the violation. This reprimand will become a permanent part of Permittee's Commission file and may be considered in any future application for any license or permit by Permittee.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their September 2020 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Permittee's hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Permittee 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. **CRYSTAL O'CONNELL**  
Worker Permit #5982LX  
  
(GREEN VALLEY WELLNESS)

OAR 845-025-7540(1), (4) - On or about December 31, 2018, January 4, 2019, February 26, 2019, and/or March 3, 2019, Permittee 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 individuals who did not match the identity of the OMMP card holders that were entered into CTS when those sales were recorded.

Note: Permittee was charged with this violation by Notice dated February 12, 2020. Commission staff proposed the standard sanction of worker permit revocation for this violation. Permittee requested a hearing and now wishes to enter into this settlement agreement.

(Category I)

**SYNOPSIS:** A review of Licensee's CTS account revealed numerous sales in the same day to the same OMMP card number. An investigation revealed that an employee allowed his coworkers to purchase medical marijuana using his OMMP card so they could avoid paying taxes on the sales. The Licensee had no knowledge of the misuse of the OMMP card, gave the involved employees a warning, and had them attend a re-training. At the time of the investigation, the employee whose card was being used no longer had a valid OMMP card. His misuse of the card was referred to the Oregon Health Authority. OLCC charges were issued against the permittees who used the other employee's OMMP card and the Licensee.

#### **TERMS OF AGREEMENT**

1. Permittee accepts responsibility for the violation as set out in the Notice. This was Permittee's first Category I violation. This violation will become a permanent part of Permittee's Commission file and may be considered in any future application for any license or permit by Permittee.
2. Commission staff proposed the standard sanction of worker permit revocation for this violation.
3. The Commission will reduce the sanction to a 30-day suspension or \$750.00 civil penalty.
4. Permittee will either pay a \$750.00 civil penalty before 5:00 PM on October 15, 2020 **OR** serve a 30-day suspension beginning at 7:00 AM on October 22, 2020 and ending at 7:00 AM on November 21, 2020.
5. Permittee withdraws the request for hearing.
6. If Permittee's worker permit expires or is surrendered before the Commission issues a final order on the allegation, Permittee agrees to accept a Letter of Reprimand for the violation. This reprimand will become a permanent part of Permittee's Commission file and may be considered in any future application for any license or permit by Permittee.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their September 2020 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Permittee's hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Permittee 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. **JULIET KING**  
Worker Permit #1R385G  
  
(GREEN VALLEY WELLNESS)

OAR 845-025-7540(1), (4) - On or about December 31, 2018, January 4, 2019, February 26, 2019, and/or March 3, 2019, Permittee 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 individuals who did not match the identity of the OMMP card holders that were entered into CTS when those sales were recorded.

(Category I)

Note: Permittee was charged with this violation by Notice dated February 12, 2020. Commission staff proposed the standard sanction of worker permit revocation for this violation. Permittee requested a hearing and now wishes to enter into this settlement agreement.

**SYNOPSIS:** — A review of Licensee's CTS account revealed numerous sales in the same day to the same OMMP card number. An investigation revealed that an employee allowed his coworkers to purchase medical marijuana using his OMMP card so they could avoid paying taxes on the sales. The Licensee had no knowledge of the misuse of the OMMP card, gave the involved employees a warning, and had them attend a re-training. At the time of the investigation, the employee whose card was being used no longer had a valid OMMP card. His misuse of the card was referred to the Oregon Health Authority. OLCC charges were issued against the permittees who used the other employee's OMMP card and the Licensee.

#### **TERMS OF AGREEMENT**

1. Permittee accepts responsibility for the violation as set out in the Notice. This was Permittee's first Category I violation. This violation will become a permanent part of Permittee's Commission file and may be considered in any future application for any license or permit by Permittee.
2. Commission staff proposed the standard sanction of worker permit revocation for this violation.
3. The Commission will reduce the sanction to a 30-day suspension or \$750.00 civil penalty.
4. Permittee will either pay a \$750.00 civil penalty before 5:00 PM on October 15, 2020 **OR** serve a 30-day suspension beginning at 7:00 AM on October 22, 2020 and ending at 7:00 AM on November 21, 2020.
5. Permittee withdraws the request for hearing.
6. If Permittee's worker permit expires or is surrendered before the Commission issues a final order on the allegation, Permittee agrees to accept a Letter of Reprimand for the violation. This reprimand will become a permanent part of Permittee's Commission file and may be considered in any future application for any license or permit by Permittee.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their September 2020 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Permittee's hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Permittee 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. **TYLER KINERT**  
Worker Permit #6V287S  
  
(GREEN VALLEY WELLNESS)

OAR 845-025-7540(1), (4) - On or about December 31, 2018, January 4, 2019, February 26, 2019, and/or March 3, 2019, you 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 individuals who did not match the identity of the OMMP card holders that were entered into CTS when those sales were recorded.

Note: Permittee was charged with this violation by Notice dated February 12, 2020. Commission staff proposed the standard sanction of worker permit revocation for this violation. Permittee requested a hearing and now wishes to enter into this settlement agreement.

(Category I)

**SYNOPSIS:** A review of Licensee's CTS account revealed numerous sales in the same day to the same OMMP card number. An investigation revealed that an employee allowed his coworkers to purchase medical marijuana using his OMMP card so they could avoid paying taxes on the sales. The Licensee had no knowledge of the misuse of the OMMP card, gave the involved employees a warning, and had them attend a re-training. At the time of the investigation, the employee whose card was being used no longer had a valid OMMP card. His misuse of the card was referred to the Oregon Health Authority. OLCC charges were issued against the permittees who used the other employee's OMMP card and the Licensee.

#### **TERMS OF AGREEMENT**

1. Permittee accepts responsibility for the violation as set out in the Notice. This was Permittee's first Category I violation. This violation will become a permanent part of Permittee's Commission file and may be considered in any future application for any license or permit by Permittee.
2. Commission staff proposed the standard sanction of worker permit revocation for this violation.
3. The Commission will reduce the sanction to either a 30-day suspension or \$750.00 civil penalty.
4. Permittee will either pay a \$750.00 civil penalty before 5:00 PM on October 15, 2020 **OR** serve a 30-day suspension beginning at 7:00 AM on October 22, 2020 and ending at 7:00 AM on November 21, 2020.
5. Permittee withdraws the request for hearing.
6. If Permittee's worker permit expires or is surrendered before the Commission issues a final order on the allegation, Permittee agrees to accept a Letter of Reprimand for the violation. This reprimand will become a permanent part of Permittee's Commission file and may be considered in any future application for any license or permit by Permittee.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their September 2020 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Permittee's hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Permittee 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. Heiple L3, LLC  
William Ng, Member  
dba **HEIPLE L3**  
(Producer)

OAR 845-025-1450(2)(d) – On or about September 3, 2019, Licensee and/or Licensee’s employees, agents or representatives failed to keep on-site surveillance recordings of the premises for a minimum of 90 days, when it was found that Licensee only had surveillance recordings back to August 1, 2019.

(Category III)

Note: Licensee was charged with this violation by Notice dated June 17, 2020. The total proposed sanction was license cancellation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

**SYNOPSIS:** During a walk through as part of a harvest inspection on September 3, 2019, inspectors asked to see the video system. A check of stored video showed it only went back to August 1. Subsequent emails with the licensee revealed that a hard drive had failed and a new one had been installed. The licensee further explained their plan to prevent future problems.

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violation as set out in the Notice. This 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. This violation will become a permanent part of each Licensee’s Commission file and may be considered in any future application for any license or permit by that Licensee.
2. The standard sanction for the violation is a 10-day suspension or a civil penalty of \$1,650.00. The Commission will reduce the sanction by three days.
3. Licensee will pay a \$1,155.00 civil penalty before 5:00 PM on October 15, 2020, **OR** serve a seven-day suspension beginning at 12:00 PM (noon) on October 22, 2020 and ending at 12:00 PM (noon) on October 29, 2020.
4. Licensee withdraws the request for hearing.
5. If a licensee’s interest in the license expires or is transferred before the Commission issues a final order on the allegations, that 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 a license or permit by that licensee.
6. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their September 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.

7. Yachats Cannabis Company, LLC  
Aaron Bishop, Member  
Kati Bishop, Member  
dba **YACHATS CANNABIS  
COMPANY**  
430 N Hwy 101  
Yachats, OR 97498  
(Retailer)

OAR 845-025-8040(3)(a), (b), and/or (c) – On or about April 20, 2019 and July 2, 2019, Licensee and/or its employees, agents, or representatives posted marijuana advertising on the internet via the Yachats Community Facebook page which failed to include the following statements in font size legible to a consumer: (a) “Do not operate a vehicle or machinery under the influence of this drug,” (b) “For use only by adults twenty-one years of age and older,” and/or (c) “Keep out of the reach of children.”

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

Note: Licensee was charged with this violation by Notice dated July 1, 2020. The total proposed sanction was a nine-day suspension or a \$1,485 civil penalty.

AGGRAVATION

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

**SYNOPSIS:** During a visit to the premises, licensee was asked whether she had advertised on a community web based page. After reviewing recent posts on Facebook the inspector determined that the ads did not include required disclaimers and were not compliant with advertising rules. The licensee immediately pulled the advertising and is no longer using Facebook to advertising the premises.

**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. This violation will become a permanent part of each Licensee’s Commission file and may be considered in any future application for any license or permit by that Licensee.
2. The standard sanction for the violation is a seven-day suspension or a civil penalty of \$1,155.00. Staff added two days of aggravation because the violation was repeated. The total proposed sanction was a nine-day suspension or a \$1,485 civil penalty. The Commission will reduce the sanction by two days.
3. Licensee will pay a \$1,155.00 civil penalty before 5:00 PM on October 15, 2020, **OR** serve a seven-day suspension beginning at 12:00 PM (noon) on October 22, 2020 and ending at 12:00 PM (noon) on October 29, 2020.
4. If interest in the license expires or is transferred before the Commission issues a final order on the allegations, that 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 a license or permit by that licensee.
5. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their September 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.

8. Dark Star Productions, LLC  
Kinyon Case, Member  
Michelle Case, Member  
Diania Turner, Member  
Kacie Hersh, Member  
dba **DARK STAR PRODUCTIONS**  
(Wholesaler)

OAR 845-025-1450(2)(e) – On or about May 2, 2019, Licensee and/or its employees, agents, or representatives failed to keep off-site back-up recording described in OAR 845-025-1450(2)(l) for a minimum of 30 calendar days when no more than 14 days were available.

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

OAR 845-025-1450(2)(k) - From about March 3, 2019 to about May 2, 2019, Licensee and/or its employees, agents, or representatives failed to immediately notify the Commission of any equipment failure or system outage lasting 30 minutes or more.

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

OAR 845-025-1430(2)(c) - From about March 3, 2019 to about May 2, 2019, Licensee and/or its employees, agents, or representatives failed to have a failure notification system that provides, within one hour, notification to the licensee or authorized representative of any prolonged surveillance interruption or failure when the system was set to “Do Not Notify” in case of prolonged surveillance interruption or failure.

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

Note: Licensee was charged with these violations by Third Amended Notice dated August 19, 2020. The standard sanction for the Category II violations charged at the first level is a 30-day license suspension each. The standard sanction for the Category III violation is a 10-day license suspension, or a \$1,650.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

**SYNOPSIS:** While out of state, Licensee discovered that she was unable to access the cameras at the licensed facility. Upon returning, she learned that a piece of hardware that transmits the stored images off-site had malfunctioned. The DVR can only hold 14 days’ worth of images, however, the security company reported that the malfunction lasted at least 56 days. Licensee was unaware of the outage due to the settings that would have alerted her being set to “Do Not Notify.”

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee’s first and second Category II, and first Category III violations within two years, charged at the first level. Any subsequent Category II or Category III violations within the same two years will be charged at the second level. These violations will become a permanent part of each licensee’s Commission file and may be considered in any future application for any license or permit by that licensee.
2. The standard sanction for the Category II violations charged at the first level is a 30-day license suspension each. The standard sanction for the Category III violation is a 10-day license suspension, or a \$1,650.00 civil penalty.

(continue **DARK STAR PRODUCTIONS**)

3. The Commission will reduce the sanction for Violations Number One and Number Two to a 21-day license suspension or a \$3,465.00 civil penalty each. The Commission will reduce the sanction for Violation Number Three to a seven-day license suspension or a \$1,155.00 civil penalty.
4. Licensee will either (a) pay a civil penalty of \$8,085.00 before 5:00 PM on October 15, 2020, **OR** (b) serve a 49-day suspension beginning at 12:00 PM (noon) on October 22, 2020 and ending at 12:00 PM (noon) on December 10, 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 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 or permit by the licensee.
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 September 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.

9. Dutch Alchemy, LLC  
Hilltop Consulting, Inc., Member  
Jake Hill, Pres/Dir/Stockholder  
Jacqueline Hill, Sec/Treas/Stkhldr  
dba **LUCKY LION/DUTCH ALCHEMY**  
2164 W 7<sup>th</sup> Ave  
Eugene, OR 97402  
(Retailer)

OAR 845-025-2800(4)(b)(B)– On the dates indicated below and for the amounts indicated below, Licensee or Licensee’s employees, agents, or representatives knowingly exceeded the 32-ounce monthly sales limit for useable marijuana sold or transferred to a single Oregon Medical Marijuana Program (OMMP) cardholder (“cardholder”) or designated primary caregiver (“caregiver”).

From about April 1, 2019 to April 30, 2019:  
OMMP Cardholder No 1425484 - Approx. 55 oz. marijuana  
OMMP Cardholder No 1427281- Approx. 39 oz. marijuana

From about May 1, 2019 to May 31, 2019:  
OMMP Cardholder No 1425484 – Approx. 126 oz. mj items  
OMMP Cardholder No 1427281 - Approx. 35 oz. mj items  
OMMP Cardholder No OYOX77505YX - Approx. 39 oz. mj items

From about June 1 to June 30, 2019:  
OMMP Cardholder No 1425484 – Approx. 125 oz. mj items  
OMMP Cardholder No 1465576 – Approx. 34 oz. mj items

From about July 1 to July 31, 2019:  
OMMP Cardholder No 1425484 – Approx. 47 oz. mj items

(Category I)

Note: Licensee was charged with this violation by Notice dated July 29, 2020. . Staff originally proposed the standard sanction of license cancellation for this violation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

#### AGGRAVATION

Staff aggravated the sanction because the violation was repeated.

**SYNOPSIS:** In July 2019 the Metrc Team provided information to Public Safety regarding the licensee having made OMMP sales over the monthly limit from April through July. When the inspector contacted the licensee to discuss the matter, the licensee stated he had changed his Point of Sale system to a new provider to prevent any reoccurrence of this problem. The new system allows tracking of sale to medical patients by cardholder number. The licensee is currently in the process of selling the premises to another current license holder.

#### TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out in the Notice. This was Licensee’s first Category I violation. This violation will become a permanent part of each Licensee’s Commission file and may be considered in any future application for any license or permit by that Licensee.
2. Staff originally proposed the standard sanction for this violation of license cancellation. Staff aggravated the sanction because the violation was repeated.

(continue **LUCKY LION/DUTCH ALCHEMY**)

3. The Commission will reduce the penalty to a 32-day suspension. Licensee may pay a civil penalty of \$4,950.00 in lieu of 30 days, with the remaining two days mandatory.
4. Licensee will either pay a \$4,950.00 civil penalty before 5:00 PM on October 15, 2020, and serve a two day suspension beginning at 12:00 PM (noon) on October 22, 2020, and ending on October 24, 2020; **OR** serve a 32-day suspension beginning at 12:00 PM (noon) on October 22, 2020 and ending at 12:00 PM (noon) on November 23, 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, that 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 a license or permit 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 September 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.

10. Greenhill Cannabis Farm, LLC  
Joshua McNamara, Member  
dba **GREENHILL CANNABIS FARMS**  
(Producer)

OAR 845-025-2020(2) – From about February 25, 2019 to September 17, 2019, Licensee acted other than its producer license permits when it possessed, planted, cultivated, grew, harvested, dried, sold, delivered, transferred, transported, purchased and/or received marijuana items at, to and from an unlicensed location, either 540 Fillmore Street or 1604 W 5<sup>th</sup> Street, Eugene, Oregon.

(Category I)

OAR 845-025-1160(5)(a)(b) - On or about February 25, 2019, Licensee changed the location of the licensed premises without submitting a completed change of location application to the Commission and obtaining the approval of the Commission, when it moved its marijuana producer business from the licensed premises to 540 Fillmore Street or 1604 W 5<sup>th</sup> Street, Eugene, Oregon

(Category I)

OAR 845-025-1160(4) - From about April 12, 2017 to September 17, 2019, Licensee and/or Licensee's employees, agents, or representatives failed to notify the Commission of a change to its corporate or ownership structure, or in who had a financial interest in the business prior to making such a change when Brian Dahl, Rick Grand, and/or Doron Fletcher obtained an ownership and/or financial interest in the licensed business.

(Category I)

OAR 845-025-7700(3)(c) - From about February 25, 2019 to August 31, 2019, Licensee and/or Licensee's employees, agents or representatives, failed to generate a printed transport manifest to accompany every transport of marijuana items from the licensed premises.

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

Note: Licensee was charged with these violations by Notice dated May 13, 2020. 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.

(continue **GREENHILL CANNABIS FARMS**)

ORS 475B.261(2), OAR 845-025-5500(4) - From about April 12, 2017 to February 27, 2019, Licensee failed to verify that employee or representative Rick Grand had a valid marijuana worker permit before allowing Rick Grand to perform any work of the kind described in ORS 475B.261(1) and/or OAR 845-025-5500(1).

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

OAR 845-025-1230(9)(a) - From about April 12, 2017 to about September 17, 2019, Licensee failed to record the name and permit number of employees Doron Fletcher and/or Brent Primus in the METRC Cannabis Tracking System.

(1<sup>ST</sup> Level Category IV)

**SYNOPSIS:** This indoor producer licensee moved the entire business to an unlicensed location without permission from the Commission. In addition, Licensee freely entered into agreements with several parties to perform services or provide funds in exchange for a share of the profits, without obtaining Commission approval for the financial interests and control interests they were creating in people who had not been reviewed by the Licensing Department. When interviewed by an inspector, the sole-member Licensee demonstrated unfamiliarity with many of the rules governing tagging and tracking marijuana, and operation of a licensed recreational marijuana business. As a condition of settlement, Licensee agreed to surrender all marijuana items found at the unlicensed premises for seizure and destruction.

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice, except that Licensee accepts responsibility for Violation Number Six as a Category IV violation. Violations One, Two, and Three were Licensee's first, second, and third Category I violations. Violations Four and Five were Licensee's first and second Category III violations. Violation Six was Licensee's first Category IV violation. These violations will become a permanent part of each licensee's Commission file and may be considered in any future application for any license or permit by that licensee.
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 on the date the transfer of ownership of the business is completed or at 12:00 PM (noon) on December 11, 2020, whichever is earlier. Licensee agrees that its license will not be renewed. Licensee also agrees that it will not exercise license privileges at any location after the date of ratification of this agreement.

(continue **GREENHILL CANNABIS FARMS**)

4. Licensee understands and agrees that the Commission is not representing or guaranteeing that a new owner will be licenseable or will have an approved license on or before the date of surrender. Licensee understands and agrees that any purchaser will have to fully complete the application process, and the application has to receive final approval by the Commission, prior to a license being issued.
5. Each 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 or permit by that licensee.
6. Licensee agrees that any marijuana items at the premises as of the date of surrender which have not been properly transferred to another licensee may be seized and destroyed by the Commission. As a condition of submission of this settlement to the Commission, Licensee has surrendered any and all marijuana items at the unlicensed location for destruction.
7. Licensee withdraws its Request for Hearing in this matter.
8. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their September 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.