



News Release

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OLCC Commission Approves Rules on Revoking Marijuana Worker Permits and Harvest Notification Commissioners Ratify Stipulated Settlements for Licensee Violations

PORTLAND, Ore. – The Oregon Liquor Control Commission today approved a rule permitting the agency to revoke the Marijuana Worker Permit of any permittee determined to be deliberately selling marijuana to a minor. The action adds to a series of steps taken by the Commission to prevent the sale of marijuana items to minors.

The Commission also approved a rule requiring marijuana producers to provide the OLCC advance notice when harvesting their cannabis crop.

In late 2017 the Commission began minor decoy operations to determine if retailers were selling marijuana products to minors. In early 2018, because of poor compliance among retailers, the Commission stiffened the penalties for retail licensees selling marijuana items to minors. After the increased fines were put in place compliance rates improved, but the Commission is increasingly seeing cases with repeated violations.

“Today’s action holds individuals with Marijuana Worker Permits as responsible as our licensees because it puts in jeopardy their right to work in the legal cannabis industry,” said Paul Rosenbaum, OLCC Commission Chair. “However it’s a privilege—not a right—to hold a license. We want to be in a position to take stronger action against those who don’t take the privilege of their license seriously, and will be addressing strengthening our sanctions in an upcoming session.”

The harvest notification rule is designed to reduce opportunities for legally produced cannabis to be diverted to the illegal market. The rule requires licensed producers to notify the OLCC by 9 AM any morning the producer decides to harvest their crop.

“We’ve designed this rule to be seamless because we want producers to make this a part of their normal business operations,” said Steven Marks, OLCC Executive Director. “At the same time it serves a very important function to preserve the integrity of our regulated market to keep what’s produced by the regulated market in the regulated market. That is exactly why we have worked hard with industry, law enforcement and public officials to make this a rule that can bring a sense of transparent accountability to the harvest.”

In other action the Commissioners of the OLCC approved the following fines and/or marijuana license suspensions based on stipulated settlements:

Lunchbox Alchemy, will pay a fine of \$1,485 or serve a nine-day recreational marijuana processor license suspension for one violation.

The violation is for the licensee or its employees, agents, or representatives failed to record in METRC Cannabis Tracking System (CTS) within 10 days of licensure, information regarding the usable marijuana, cannabinoid concentrates, extracts or products that the Commission permitted to be transferred in from Licensee’s medical marijuana processing site inventory.

Licensee is CHC Laboratories, LLC; Cameron Yee, Managing Member.

Sensible Cannabis Company in Medford; will pay a fine of \$6,105 or serve a 37-day recreational marijuana retailer license suspension for two violations.

The first violation is for the licensee failing to keep surveillance recordings for a minimum of 90 calendar days.

The second violation is for the licensee or the licensee's employees, agents, servants or representatives failing to store marijuana items in such a manner that the items were only accessible to authorized representatives until such time as the final sale to a consumer was completed when an edible item and jars of usable marijuana flower were left unsecured on the retail counter.

Licensee is FJ Ventures LLC.; Steven Fields, Managing Member; SR Ventures Inc., Member.

Pendleton Cannabis Company in Pendleton; will pay a fine of \$2,970 or serve an 18-day recreational marijuana retailer license suspension for two violations.

The first violation is for the licensee failing to ensure that all marijuana items on the retail premises were kept in a safe or vault.

The second violation is for the licensee or the licensee's employees, agents, servants or representatives failing to enter data into the Metrc Cannabis Tracking System (CTS) that fully and transparently accounted for all inventory tracking activities when Shawn Pace was listed as the CTS user, package adjustments were listed as "in house quality control," and items reported to be "package adjustments" were found to still be on the premises.

Licensee is Pendleton Cannabis LLC.; Shawn Pace, Member; Roalynn Pace, Member.

Magic Castle in Medford; will pay a fine of \$6,105 or serve a 37-day recreational marijuana retailer license suspension for two violations.

The first violation is for the licensee failing to keep surveillance recordings for a minimum of 90 calendar days.

The second violation is for the licensee or the licensee's employees, agents, servants or representatives failing to ensure that all marijuana items on the licensed retailer's premises were kept in a safe or vault during all hours when Licensee was not operating.

Licensee is Magic Castle Inc.; Suren Vardanyan, President/Secretary/Stockholder; SR Ventures Inc., Member.

99 North; will pay a fine of \$8,580 or serve a 52-day recreational marijuana producer license suspension for six violations.

The first violation is for the licensee's employees, agents or representatives failing to enter data into the Metrc Cannabis Tracking System (CTS) that fully and transparently accounted for all inventory tracking activities.

The second violation is for the licensee maintaining cultivation batches at the premises that included more than 100 immature marijuana plants less than eight inches tall. Licensee created multiple cultivation batches that included more than 100 immature plants less than eight inches tall.

The third violation is for the licensee repeatedly failing to, within 45 days of harvesting a harvest lot, physically segregate individual harvest lots in a receptacle or multiple receptacles, and assign a UID tag to each receptacle that is linked to each plant that was harvested.

The fourth violation is for the licensee, its employees, agents, or representatives failing to ensure that cameras were placed in limited access areas on the premises in such a manner that they could capture clear and certain images of any individual and activity occurring in the limited access area.

The fifth violation is for the licensee failing to use UID tags issued by a Commission approved vendor, properly tag all inventory with a UID tag no later than when each plant reached a height of 24 inches or when the individual plants were identified as female, whichever was sooner, properly tag all other inventory with a UID tag pursuant to the requirements of CTS, and/or place tags in a position that can be clearly read by an individual standing next to the items, when inspectors located multiple untagged marijuana plants and items at the premises.

The sixth violation is for the licensee permitting a person, Julie Larsen, to use another person's unique CTS log-on and password, when the Licensee Yu acknowledged that Julie Larsen used both her own unique log-on and password and Licensee Yu's log-on and password to make entries related to the licensed premises.

Licensee is 99 North, LLC; Kimberly Yu, President/Secretary/Stockholder.

Hunter Neubauer; permittee will serve a 23-day suspension for one violation.

The Permittee made false statement(s) or representation(s) to the Commission in order to induce or prevent action or investigation by the Commission, when Permittee told Inspector Larry Brown that Licensee Oregrown has not had hemp on the premises since before they received their OLCC license and that "Mary's Remedy Concentrated CBD Oil" label listing "hemp flower oil" as an ingredient was a mistake, probably from when they did process hemp items.

Oregrown; will serve a 76-day license suspension OR pay a fine of \$4,950 and serve a 46-day recreational marijuana processor license suspension for three violations.

The first violation is for the licensee, a marijuana processor, and/or its employees, servants, agents, or representatives, permitted industrial hemp or a product derived from industrial hemp that contains cannabinoids to be present on the licensed premises.

The second violation is for the licensee's employee, servant, agent or representative Aviv Hadar making a false statement or representation to the Commission in order to induce or prevent action or investigation by the Commission, when he told OLCC Recreational Marijuana Packaging and Labeling Specialist Jamie Dickinson that the "Mary's Remedy Concentrated CBD Oil" label listing "hemp flower oil" as an ingredient was a typo/mistake from the Mary's design team.

The third violation is for the Licensee's employee, agent, or representative Managing Partner Hunter Neubauer, making false statement(s) or representation(s) to the Commission in order to induce or prevent action or investigation by the Commission, when Permittee told Inspector Larry Brown that Licensee Oregrown has not had hemp on the premises since before they received their OLCC license and that "Mary's Remedy Concentrated CBD Oil" label listing "hemp flower oil" as an ingredient was a mistake, probably from when they did process hemp items.

Licensee is Pacific Enterprise Holdings, LLC; Oregrown Inc., Managing Member. Hunter Neubauer, President/Director/Stockholder; Kevin Hogan, Secretary, Director/Stockholder; Tsiona Bitton, Director/Stockholder; Justin Crawn, Director/Stockholder;

Rogue Coast Growers; will pay a fine of \$9,750 or serve a 58-day recreational marijuana producer license suspension for five violations.

The first violation is for the licensee, or the licensee's employees, agents, servants or representatives failing to keep surveillance recordings for a minimum of 90 calendar days.

The second violation is for the licensee, or the licensee's employees, agents, servants, or representatives intentionally making physical changes to the licensed premises or the usage of 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, during a premise inspection, it was discovered that an unapproved greenhouse structure and a hoop house structure were being used to grow marijuana plants.

The third violation is for the is for the licensee, or the licensee’s employees, agents, servants, or representatives failing to ensure that commercial grade, non-residential door locks were installed on every external door and gate of the licensed premises where marijuana items were present, specifically, on the door of the greenhouse and hoop house gate.

The fourth violation is for the licensee, its employees, agents, servants, or representatives failing to have a security alarm system able to detect unauthorized activity within any limited access area where mature marijuana plants, usable marijuana, cannabinoid concentrates, extracts, or products are in place.

The fifth violation is for the licensee, its employees, agents, or representatives failing to ensure that cameras were placed in a manner that captures clear and certain images of any individual and activity occurring within 15 feet both inside and outside of all points of ingress and egress to and from the licensed premises in and around the greenhouse structure and the hoop house structure.

Licensee is Rogue Coast Growers, LLC.; John Weinert, Managing Member; Gold Beach Ventures, LLC, Member.