



News Release

Oregon Liquor Control Commission
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August 23, 2018

OLCC Commission Moves to Revoke Marijuana Wholesaler License Agency Temporarily Reduces Daily Purchase Limits for OMMP Cardholders Commission Approves Other Marijuana Licensees Stipulated Settlements

PORTLAND, Ore. – The Oregon Liquor Control Commission today rejected a staff recommended stipulated settlement for a licensed marijuana wholesaler charged with ten violations of OLCC marijuana rules. The Commission decided the licensee’s violations were bad enough that a license suspension or fine would not result in the licensee taking the necessary corrective action to come into compliance.

The OLCC Commission voted down the proposed settlement for wholesaler Black Market Distribution LLC., and directed staff to instead proceed through the state’s administrative hearing process to seek revocation of the wholesaler’s license. Black Market Distribution’s case will be referred to Oregon’s Office of Administrative Hearings. Under the staff proposed settlement Black Market Distribution could have opted to serve either a 99-day license suspension or pay a \$16,335 civil penalty.

The Commission made it clear to OLCC staff that it wants more tools to combat licensees with more serious violations.

“We want good compliant, law-abiding partners as OLCC marijuana licensees,” said Paul Rosenbaum, OLCC Commission Chair. “We know the cannabis industry is watching what we’re doing, and believe me, we’ve taken notice. We’re going to find a way to strengthen our action against rule breakers, using what we already have on the books, and if need be working with the legislature to tighten things up further.”

The Commission also reduced the daily purchase limits of usable marijuana (flower) by Oregon Medical Marijuana Program (OMMP) cardholders because of suspicious purchase activity detected in the state’s Cannabis Tracking System (CTS.) OMMP cardholders will now be limited to a daily purchase of one ounce of marijuana flower, the same daily amount allowed for recreational marijuana users; the previous limit was 24 ounces.

Today’s action on OMMP purchase limits is designed to prevent potential diversion of usable marijuana into the secondary illegal market. The OLCC will continue to investigate the suspicious activity and will work with the Oregon Health Authority, which has authority over the OMMP, and if necessary forward investigative findings to law enforcement.

The temporary rule takes effect on **Friday, August 24, 2018**, requiring OLCC licensed marijuana retailers to comply with the new purchase limits immediately. The temporary rule expires in six months and could be modified or rescinded after the investigations are completed.

“The Cannabis Tracking System worked as it should enabling us to uncover this suspicious activity,” said Steven Marks, OLCC Executive Director. “When we detect possible illegal activity we need to take immediate steps to deter it from happening further, and that’s why the Commission moved quickly.”

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

Cannabliss & Co. in Portland, will pay a fine of \$4,950 or serve a 30-day recreational marijuana retailer license suspension for one violation.

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

Licensee is 22nd and Burn, LLC; Matthew Price, President/Secretary/Stockholder; High Street Capital Partners, LLC, Stockholder; High Street Capital Partners Mgmt., LLC, Stockholder; Kevin Murphy, Managing Member, Melvin Yellin, Managing Member, Devin Binford, Managing Member

Hi Cascade in Veneta; 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 or its employees, agents, servants, or representatives failing to keep backup recordings of video surveillance recordings off-site and in real time for the surveillance room and surveillance area, for a minimum of 30 days.

The second violation is for the licensee or licensee's employees, agents, servants, or representatives failing to immediately notify the Commission of any equipment failure or system outage lasting 30 minutes or more.

Licensee is Hi Cascade #3, LLC; Cascade Retail Services #2, LLC, Member; Oregon Commercial Holdings #2, LLC, Member.; JH Investment Holdings, LLC, Member; Pure Life Investment Group, LLC, Member; Jonathan Hogander, Member; Joseph Martin, Member.

Shadowbox Farms; will pay a fine of \$9,900 or serve a 30-day recreational marijuana producer license suspension for two violations.

The first violation is for the licensee operating other than as the license permits in OAR 845-025-2020(1) when it transported or delivered usable marijuana or whole, non-living marijuana plants to the licensed premises of a marijuana producer.

The second 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.

Licensee is Rogue Valley Group, LLC, Ariel Jurmann, Member, Daniel Jurmann, Member, Artemis Group, LLC., Member, Bryan Bundy, Member, Joseph Bundy, Member, Megan Bundy, Member.

Shadowbox Farms; will pay a fine of \$12,210 or serve a 74-day recreational marijuana producer license suspension for four violations.

The first violation is for the licensee operating other than as the license permits in OAR 845-025-2020(1) when it received usable marijuana or whole, non-living marijuana plants from a marijuana producer.

The second 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 third violation is for the licensee making 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 approval when it used two unapproved freezer Conex boxes to store marijuana items.

The fourth violation is for the licensee failing to have a fully operational security alarm system, activated at all times when the licensed premises is closed for business, when it failed to have an alarm system that could detect unauthorized access to limited access areas (two freezer Conex boxes) where mature plants or usable marijuana was present.

Licensee is Rogue Valley Group, LLC, Ariel Jurmann, Member, Daniel Jurmann, Member, Artemis Group, LLC., Member, Bryan Bundy, Member, Joseph Bundy, Member, Megan Bundy, Member.

BZS Resources; will pay a fine of \$7,260 or serve a 44-day recreational marijuana producer license suspension for three violations.

The first violation is for the licensee's employees, agents, servants or representatives making 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 new structures were added to the licensed premises, including a barn, greenhouse, Conex structure, additional surveillance cameras, a safe and a gate for contractor access.

The second violation is for the licensee licensee's employees, agents, servants, or representatives failing to have cameras that continuously record, 24 hours a day in all areas where mature marijuana plants, immature marijuana plants, useable marijuana, cannabinoid concentrates, extracts or products are present, when marijuana plants and marijuana items were stored in unapproved structures that failed to have camera coverage.

The third violation is for the licensee or licensee's employees, agents, servants, or representatives failing to keep all usable marijuana, cut and drying mature marijuana plants, cannabinoid concentrates, extracts or products on the licensed premises of a licensee in a locked, enclosed area within the licensed premises that is secured with at a minimum, a properly installed steel door with a steel frame, and a commercial grade, non-residential door lock.

Licensee is Paydaze, LLC, Scott Langfield, Managing Member; dba BZS Resources, Zach Gary, Managing Member.