

ADMINISTRATIVE POLICY & PROCESS DIVISION
July 16, 2020

STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

1. WM Ranch, LLC
Kenneth Clarke, Member
Alice Clarke, Member
dba **WM RANCH**
(Producer)

OAR 845-025-7580(1)(d) - On October 24, 26, 27, 29, 30, 2018 and on November 1, 3, 4, 2018, Licensee and/or its employees, agents, or representatives failed to record the wet weight of all harvested marijuana plants immediately after harvest when the wet weight from 12 completed harvests batches were not entered into CTS until between 4 to 41 days after harvest.

(1st Level Category III)

Note: Licensee was charged with this violation by Notice dated May 27, 2020. The total proposed sanction was 12-day suspension or a \$1,980.00 civil penalty. Licensee wishes to enter into this settlement agreement.

AGGRAVATION

Staff added two days of aggravation because the violation was repeated

SYNOPSIS: – Licensee’s Metrc account showed that wet weight harvest data for multiple scheduled harvests during the 2018 harvest season had not been timely entered into CTS. An inspector subsequently confirmed that Licensee entered all harvest data into CTS by early December 2018.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out in the Notice. This was Licensee’s first Category III 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. Any subsequent Category III violation within the same two years will be charged at the second level.
2. Commission staff proposed for the standard sanction of a 10-day license suspension or a \$1,650.00 civil penalty. Commission staff proposed aggravating the penalty by two days because the violation was repeated. The total proposed penalty was a 12-day suspension or a \$1,980.00 civil penalty.
3. The Commission will reduce the sanction by three days.
4. Licensee will pay a \$1,485.00 civil penalty before 5:00 PM on August 17, 2020 **OR** serve a nine-day suspension beginning at 12:00 PM (noon) on August 24, 2020 and ending at 12:00 PM (noon) on September 2, 2020.

(continue **WM RANCH**)

5. If a licensee's interest in the license expires or is transferred before the Commission issues a final order, that licensee agrees to accept a Letter of Reprimand for this 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 the licensee.
6. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their July 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. Today's Herbal Choice Fremont, LLC
Merle Thomas, Managing Member
Timothy Ray, Member
dba **TODAY'S HERBAL CHOICE
FREMONT**
4605 NE Fremont St, Suite #105
Portland, OR 97213
(Retailer)

OAR 845-025-2800(4)(b)(A)(B)- From about March 1, 2019 to March 31, 2019, April 1, 2019 to April 30, 2019 and May 1, 2019 to May 31, 2019, 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 or designated primary caregiver when it sold approximately 36 ounces of marijuana to one OMMP registry cardholder in the month of March; approximately 35.05 ounces of marijuana to one OMMP cardholder in April; approximately 39.9 ounces of marijuana to one OMMP cardholder in May, and/or approximately 41.28 ounces of marijuana to another OMMP cardholder in the month of May.

Note: Licensee was charged with this violation by Notice dated March 18, 2020. Commission staff originally proposed the standard sanction of license cancellation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

(Category I)

SYNOPSIS: Licensee's employees made medical sales over the monthly limit to an OMMP cardholder in March and April 2019 due to what was attributed as a lack of oversight regarding monthly sales. Despite inspector intervention and staff training, medical sales exceeding the monthly limit were made to two OMMP cardholders again in May 2019.

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 originally proposed the standard sanction of license cancellation.
3. The Commission will reduce the sanction for the violation and impose a 30-day license suspension or a \$4,950.00 civil penalty.
4. Licensee will either pay a \$4,950.00 civil penalty before 5:00 PM on August 17, 2020 **OR** serve a 30-day suspension beginning at 12:00 PM (noon) on August 24, 2020 and ending at 12:00 PM (noon) on September 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 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.

(continue **TODAY'S HERBAL CHOICE FREMONT**)

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

3. Cannabend, LLC
Lyle Coppinger, Member
Adrienne Lizette Coppinger, Member
Cynthia Koch, Member
dba **CANNABEND**
3312 N Highway 97
Bend, OR 97703
(Retailer)

OAR 845-025-7540(1), (4) – On or about November 1, 2018, November 2, 2018, November 4, 2018, November 10, 2018, and/or November 12, 2018, Licensee 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.

(Category I)

OAR 845-025-2900(3)(c) - On or about November 1, 2018, November 2, 2018, November 4, 2018, November 10, 2018, and/or November 12, 2018, Licensee or Licensee’s employees, agents, or representatives failed to verify that the individuals purchasing marijuana items for medical purposes were registered with OHA by viewing the individuals’ government issued photo identification and OHA registry identification card or designated primary care giver card, or a receipt issued by OHA, and making sure the identities matched and the card was current and the receipt had not expired.

(1st Level Category III)

SYNOPSIS: Inspection revealed a card taped under a keyboard at the point of sale containing OMMP card numbers for several Cannabend employees. The numbers were used to make medical sales to employees and friends/contractors as an “employee discount,” and the purchaser did not necessarily match the identity of the person whose card number was entered. Licensee had knowingly accepted this practice based on erroneous information provided by one of its managers, but discontinued it in January 2019 when contacted by OLCC.

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. Violation Number Two was Licensee’s first Category III violation within two years. 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. Any subsequent Category III violation within the same two years will be charged at the second level.
2. The standard sanction for a Category I violation is license cancellation. The standard sanction for a first-level Category III violation is a 10-day suspension or \$1,650.00 civil penalty. The total proposed sanction was license cancellation.

(continue **CANNABEND**)

3. The Commission will reduce the sanction for Violation Number One, and impose a \$10,000.00 civil penalty.
4. The Commission will impose the standard sanction of a 10-day suspension or \$1,650.00 civil penalty for Violation Number Two.
5. Licensee will either pay an \$11,650.00 civil penalty before 5:00 PM on August 17, 2020 **OR** pay a \$10,000.00 civil penalty before 5:00 PM on August 17, 2020 and serve a 10-day suspension beginning at 12:00 PM (noon) on August 24, 2020 and ending at 12:00 PM (noon) on September 3, 2020.
6. Licensee withdraws the request for hearing.
7. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the 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 that licensee.
8. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their July 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.

4. NW Compassion Medical Center, Inc.
Aaron Michelsen, Pres/Sec/Dir/Stkhldr
dba **NW COMPASSION MEDICAL
CENTER**
1970 NE 238th Dr, Ste B
Wood Village, OR 97060
(Retailer)

OAR 845-025-2800(2)(b), OAR 845-025-2800(3)(j)- On or about May 22, 2017, May 27, 2017, and May 30, 2017, Licensee operated other than its license permits when Licensee and/or its employees, agents or representatives sold, transferred and/or delivered approximately 11 separate shipments of non-waste marijuana items to persons or entities who were not consumers, under circumstances not constituting a return to a producer, processor or wholesaler who had transferred the item to the retailer.

(Category I)

OAR 845-025-1045(2) and/or OAR 845-025-1100(3) - From about April 28, 2017 to about May 30, 2017, Licensee operated other than its license permits when Licensee and/or its employees, agents or representatives permitted The Canna Company, an unlicensed entity, and/or Matt Gompers and Stephanie Wilson, who are a corporate entity and natural persons who were not identified in Licensee's license application and not authorized representatives of Licensee, to use Licensee's premises and retailer license for the purpose of wholesaling marijuana items.

(Category I)

OAR 845-025-2800(2)(b), OAR 845-025-2800(3)(j) (2018), and/or OAR 845-025-2800(3)(l) (2019) - On or about August 9, 2018, August 21, 2018, October 25, 2018, January 21, 2019, and February 12, 2019, Licensee operated other than its license permits when Licensee and/or its employees, agents or representatives sold, transferred and/or delivered non-waste marijuana items to HoodView Cannabis Distributing, a licensed marijuana wholesaler, under circumstances not constituting a return of product purchased from that wholesaler.

(Category I)

Note: Licensee was charged with these violations by Notice dated October 22, 2019. Staff originally proposed the standard sanction of license cancellation and refusal to renew, and seizure and destruction of marijuana items, for these violations. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Violations Number One and Number Three were aggravated because they were repeated. Violations Number Two, Number Three, and Number Four were aggravated for the personal involvement of Licensee Aaron Michelson. The violations were aggravated because there were three or more violations under circumstances indicating disregard for law or failure to control the premises.

(continue **NW COMPASSION MEDICAL CENTER**)

OAR 845-025-8540(1)(a), (b) - On or about February 26, 2019 (letter date) and/or February 27, 2019 (email date), Licensee Aaron Michelsen made intentional false statements or representations to the Commission in order to induce or prevent action or investigation by the Commission, when he misrepresented the reason for Manifest transfer 0000142612 to Slabtown, misrepresented his knowledge of the involvement in multiple transfers of The Canna Company, misrepresented his knowledge of the lack of licensing of The Canna Company, misrepresented his relationship with Matt Gompers and Stephanie Wilson of The Canna Company, misrepresented the terms under which Tami Carswell left the employ of Licensee, and/or misrepresented his knowledge, approval and authorization of multiple impermissible transfers to other retailers which were in fact knowingly made by Licensee to retailers on behalf of The Canna Company and/or Matt Gompers.

(Category I)

SYNOPSIS: On multiple occasions this licensee transferred marijuana other than its license permits. At least some of these transfers were part of Licensee's efforts to allow The Canna Company and Matt Gompers to use its license and premises for their own business. The Canna Company's license and Mr. Gompers' worker permit have previously been cancelled for multiple violations. During the investigation, the principal for Licensee made misrepresentations of fact in an effort to cover up the relationship with The Canna Company and prevent OLCC action.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first through fourth Category I violations. 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. Violations Number One and Number Three were aggravated because they were repeated. Violations Number Two, Number Three, and Number Four were aggravated for the personal involvement of Licensee Aaron Michelson. The violations were aggravated because there were three or more violations under circumstances indicating disregard for law or failure to control the premises.

(continue **NW COMPASSION MEDICAL CENTER**)

3. Commission staff proposed the standard sanction of license cancellation and refusal to renew, and seizure and destruction of marijuana items, for these violations.
4. Licensee has begun the process of selling the business. Licensee surrenders its license effective on the date the transfer of ownership of the business is completed or at 12:00 PM (noon) on October 30, 2020, whichever is earlier.
5. Licensee understands and agrees that the Commission is not representing or guaranteeing that a buyer will have an approved license on or before October 30, 2020, or that a proposed buyer will be licensable. Licensee understands and agrees that any proposed buyer 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. Licensee understands and agrees that its license will not be renewed.
6. Each licensee agrees to accept a letter of reprimand for the violations specified above. This letter of reprimand will become a permanent part of the licensee's Commission file and may be considered in any future or pending application for any license or permit by the licensee.
7. Licensee agrees that any marijuana items on the premises after the date of license surrender that were not properly transferred to another licensee prior to the date of surrender may be seized and destroyed by the Commission.
8. Licensee withdraws its Request for Hearing in this matter.
9. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their July 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.