

## ADMINISTRATIVE POLICY & PROCESS DIVISION

March 19, 2020

### STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

1. JV Extraction, LLC  
Consolidated Ventures of Oregon,  
Inc., Mbr  
Adam Berk, President/Director  
Garrett Bender, Director  
Draper Bender, Director  
Eric Wallberg, Director  
Travis Mackenzie, Director  
James Orpeza, Director  
Kind Care Holdings, LLC, Stockholder  
James Orpeza, Member  
Travis Mackenzie, Member  
Jim Murphy, Member  
Gated Oregon Holdings, LLC,  
Stockholder  
Adam Berk, Member  
Teri Gevinson, Member  
Eric Wallberg, Member  
dba **CRAFT EXTRACTS**  
(Processor)

OAR 845-025-3215(3)(a) - On or about April 2, 2019, Licensee (a processor with an industrial hemp endorsement) and/or Licensee's employees, agents, or representatives operated other than the license permits when they purchased, possessed, accepted, or received non-waste industrial hemp or a hemp item other than as permitted in OAR 845-025-3215(2)(b)(A) and/or (B), to wit: the purchase, possession, acceptance, or receipt of industrial hemp from Northwest OG, which was not a wholesaler, processor with an industrial hemp endorsement, a Commission-certified hemp handler, or a Commission-certified hemp grower. This is a violation of OAR 845-025-3215(3)(a).

(Category I)

Note: Licensee was charged with this violation by Notice dated December 3, 2019. Commission staff originally proposed the standard sanction of license cancellation and seizure and destruction of marijuana items. Licensee requested a hearing and now wishes to enter into this settlement agreement.

**SYNOPSIS:** – Licensee, a marijuana processor, received hemp items from a business from which it should not have received such items. Licensee contacted the Commission when it discovered the problem and has destroyed the product.

#### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violation as set out in the Notice.
2. Commission staff originally proposed the standard sanction of license cancellation and seizure and destruction of marijuana items. The Commission will reduce the sanction to a 30-day license suspension or a \$4,950.00 civil penalty.
3. Licensee will either pay a \$4,950.00 civil penalty before 5:00 PM on April 15, 2020, **OR** serve a 30-day suspension beginning at 7:00 AM on April 20, 2020 and ending at 7:00 AM on May 20, 2020.

(continue **CRAFT EXTRACTS**)

4. Licensee withdraws the request for a hearing.
5. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on the allegation(s), the licensee agrees to accept a Letter of Reprimand for the violation(s). This reprimand will become a permanent part of the licensee's Commission file and may be considered in any future application for any license by that licensee.
6. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their March 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. Decatur One, LLC, Co-Licensee  
Siddarth Gupta, Member  
Joshua Schmidt, Member  
Bradford Two, LLC, Co-Licensee  
Siddarth Gupta, Member  
Bradford Three, LLC, Co-Licensee  
Siddarth Gupta, Member  
dba **PISTIL POINT**  
PO Box 83296  
Portland, OR 97283  
(Producer)

OAR 845-025-7520(1)(c) - On or before April 11, 2019, Licensees or Licensees' employees, agents, or representatives failed to tag individual marijuana plants with a unique identification tag no later than when each plant reached a height of twenty four inches or when the individual plant was identified as female, whichever was sooner.

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

Note: Licensee was charged with this violation by Notice dated November 26, 2019. The total proposed sanction was a 12-day suspension or a \$1,980.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

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

**SYNOPSIS:** During a proactive inspection inspectors observed mature marijuana plants were untagged. Employees explained that the tags were in the rooms but not physically attached to the plants and that they were in the process of attaching the tags. Licensee was instructed to tag the plants and inspectors received verification that Licensee had done so.

TERMS OF AGREEMENT

1. Co-Licensees accept 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.
2. The standard sanction for this violation is a 10-day suspension or a civil penalty of \$1,650.00. Staff added two days of aggravation because the violation was repeated. The total proposed sanction was a 12-day suspension or a \$1,980.00 civil penalty.
3. The Commission will reduce the sanction by three days.
4. Co-Licensees will pay a \$1,485.00 civil penalty before 5:00 PM on April 15, 2020, **OR** serve a nine-day suspension beginning at 12:00 PM on April 20, 2020 and ending at 12:00 PM on April 29, 2020.
5. 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 by the licensee.
6. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their March 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. Pacific Partners RTG, LLC  
Yotokko Kilpatrick, Managing Member  
Deepak Kumar, Member  
Timothy Bourke, Member  
PO Box 21724  
Eugene, OR 97402  
dba **WAY HIGH 101**  
63049 Hwy 101  
Coos Bay, OR 97420  
(Retailer)

OAR 845-025-1450(2)(e) – On or about February 14, 2019, Licensee and/or Licensee’s employees, agents, or representatives failed to keep off-site backup recordings as described in OAR 845-025-1450(2)(l) for a minimum of 30 days.

(2<sup>nd</sup> Level Category II)

Note: Licensee was charged with this violation by Amended Notice dated October 15, 2019. The total proposed sanction was license cancellation, and seizure and destruction of any remaining marijuana items. Licensee requested a hearing and now wishes to enter into this settlement agreement.

**SYNOPSIS:** During an inspection, Inspectors discovered that Licensee was unable to access the off-site cameras. Subsequent research revealed that the cameras were disconnected from the cloud, preventing off-site storage between October 2019 and February 2020. Licensee has changed service providers and the problem has been corrected.

#### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violation as set out in the Notice. This was Licensee’s second Category II violation within two years. The first was on February 22, 2018.
2. Commission staff proposed for this violation the standard sanction for a second level Category II violation of license cancellation and seizure and destruction of any remaining marijuana items.
3. The Commission will reduce the sanction for this violation and impose a 45-day license suspension. Licensee may pay a civil penalty of \$4,950.00 in lieu of 30 days, with 15 days of the suspension mandatory.
4. Licensee will either (a) pay a civil penalty of \$4,950.00 before 5:00 PM on April 15, 2020, and serve a 15-day suspension beginning at 7:00 AM on April 21, 2020 and ending at 7:00 AM on May 6, 2020. OR (b) serve a 45-day suspension beginning at 7:00 AM on April 21, 2020 and ending at 7:00 AM on June 5, 2020.
5. 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 by the licensee.
6. Licensee withdraws its request for hearing in this matter.
7. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their March 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. Hood River Valley Farm, LLC  
Joseph Whitecrow, Member  
William Powers, Member  
Thomas Cate, Member  
Scott Thomas, Member  
dba **JOE CROW GROW COMPANY**  
(Producer)

OAR 845-025-1160(2) – On or about December 6, 2018, Licensee and/or Licensee’s employees, agents or representatives failed to notify the Commission within 24 hours of the arrest for any misdemeanor or felony of an individual listed in an application or subsequently identified as an applicant, licensee or individual with a financial interest, when Licensee Joseph Whitecrow was arrested in the State of Utah on December 5, 2018 on misdemeanor and/or felony charges of cultivation of marijuana and possession of marijuana with intent to distribute, but no notice of his arrest was given to the Commission until on or about April 2, 2019, after Licensee was contacted by the OLCC about this matter.

(Category I)

ORS 475B.227(2), OAR 845-025-1300(1)(a), (1)(h) and/or OAR 845-025-8520(6) - On or about December 5, 2018, Licensee and/or its employee, agent or representative Joseph Whitecrow exported marijuana items from this state and transported marijuana items to an unlicensed location, when he drove approximately 20 to 23 pounds of useable marijuana, and a dozen zip-lock bags of marijuana plant cuttings, out of the State of Oregon.

(Category I)

**SYNOPSIS:** One of the four members of this producer licensee was arrested in Utah with approximately twenty pounds of marijuana and several dozen immature plants in the vehicle. He failed to report the arrest to the OLCC. It was disputed whether the marijuana came from the licensed grow, or was grown personally by the driver of the vehicle. The remaining licensees provided sworn statements claiming not to have known of the activities of the driver, whom they voted out of the licensed business. Based on the assurance that the driver is not involved in the business and has not been since the spring of 2019, the settlement permits the remaining members time to sell the business and surrender their license. In a separate but related action, the Commission canceled the driver’s worker permit.

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Amended Notice. These were Licensee’s first and second Category I violations.
2. Violation Number Two was aggravated for the personal involvement of Licensee Joseph Whitecrow, and because it was intentional. Commission staff proposed the standard sanction of license cancellation and seizure and destruction of marijuana items for these violations.

Note: Licensee was charged with these violations by Amended Notice dated September 10, 2019. The total proposed sanction was license cancellation, and seizure and destruction of any remaining marijuana items. Licensee requested a hearing and now wishes to enter into this settlement agreement.

### **AGGRAVATION**

Violation Number Two was aggravated for the personal involvement of Licensee Joseph Whitecrow, and because it was intentional.

(continue **JOE CROW GROW COMPANY**)

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 7:00 AM on August 19, 2020, whichever is earlier. Licensee agrees that its license will not be renewed.
4. Each licensee agrees to accept a letter of reprimand for the violations specified above. This letter of reprimand will become a permanent part of each licensee's Commission file and may be considered in any future or pending application for any license by the licensee.
5. Licensee hereby relinquishes any and all interest in any marijuana items at the premises or in its CTS inventory that have not been properly transferred to another licensee as of the effective date of license surrender, and agrees that the Commission may seize and destroy any such untransferred marijuana items.
6. Licensee withdraws its Request for Hearing in this matter.
7. In consideration of the forbearance stated herein, Licensee agrees to release and waive any and all claims of any kind, known or unknown, past or future, against the State of Oregon or its agencies, instrumentalities, employees, officers, or agents arising out of the matters set forth in the Amended Notice or this Settlement Agreement and the final order based thereon, including but not limited to any claim under federal or state law for damages, declaratory or equitable relief, under 42 USC §1983 *et. seq.*, and for attorneys fees or costs.
8. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their March 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.