

# ADMINISTRATIVE HEARINGS DIVISION

May 19, 2022

## STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

1. Miss Organic, LLC  
John Alden, Member  
dba **GREEN LION**  
365 S. Columbia River Hwy  
St Helens, OR 97051

(Retailer)

OAR 845-025-1230(9)(a)(A) - On or about October 19, 2020, Licensee and/or Licensee's employees, agents, or representatives failed to record the name and worker permit number for all employees in CTS when premises managers Madison Nichols and Jessica Oliver's names and worker permit numbers were not recorded in METRC Cannabis Tracking System (CTS).

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

OAR 845-025-1330(6)(d)(C), (D) - On or before April 24, 2020, Licensee and/or Licensee's employees, agents, or representatives failed to record the worker permit number and name of employees who received trade samples of hemp or marijuana items in CTS.

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

OAR 845-025-2800(4)(j). On or about May 6, 2020 and May 9, 2020, Licensee John Alden and/or Licensee's employees, agents, or representatives handled an unpackaged marijuana or hemp item without the use of protective gloves, tools, or instruments that prevent the marijuana item from coming into contact with the person's skin.

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

Note: Licensee was charged with these violations by Notice dated March 30, 2022. The total proposed sanction was a 38-day license suspension or \$9,500.00 civil penalty. Licensee wishes to enter into this settlement agreement.

### AGGRAVATION

Staff added 8 days of aggravation because the violations involved more than one employee and Violation Number Three involved Licensee.

**SYNOPSIS:** While conducting an inspection at the premises, Inspectors discovered that two managers they spoke with regarding the premises' operations were not listed in CTS as employees. A review of the premises CTS account also showed that "trade sample" entry codes were consistently lacking the employees' names and/or permit numbers, as required by rule. While reviewing video surveillance footage, the Inspectors also saw Licensee John Alden and another employees handling marijuana flower without gloves.

**TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice.
2. These were Licensee's first through third Category III violations within two years, which were charged at the first level. Any subsequent Category III violation 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.
3. The standard sanction for these violations is a 10-day suspension or civil penalty of \$1,650.00 each. Staff added eight days of aggravation because the violations involved more than one employee, and Violation Number Three involved Licensee Alden. The total proposed sanction was a 38-day license suspension or \$9,500.00 civil penalty.
4. The Commission will reduce the sanction by nine days.
5. Licensee will pay a \$7,250.00 civil penalty before 5:00 PM on June 15, 2022 **OR** serve a 29-day suspension beginning at 12:00 PM (noon) on June 22, 2022 and ending at 12:00 PM (noon) on July 21, 2022.
6. 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.
7. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their May 2022 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. Pacific NW Farms, LLC  
David Hice, Managing Member  
Jeffrey Ignoffo, Member  
dba **HANLIN FARMS**

(Producer)

ORS 475C.269(2), OAR 845-025-5500(4) - From about September 21, 2021 to October 7, 2021, Licensee and/or its employees, agents, or representatives failed to verify that manager Jordan Parker had a valid marijuana worker permit, or pending application and successful worker permit test, before allowing him to perform any work of the kind described in ORS 475C.269(1) and/or OAR 845-025-5500(1) on the licensed premises.

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

Note: Licensee was charged with this violation by Notice dated March 1, 2022. Staff recommended the standard sanction of a 10-day license suspension or a \$2,500.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

**SYNOPSIS:** (*adjoining premises with Pacific NW Farms and Luminous Gardens*) – A harvest inspection on October 4, 2021 disclosed that the premises manager, Jordan Parker, was working at the premises without either a valid marijuana worker permit, or at least a pending permit application and successful test result. The latter alternative to a permit was allowed as a temporary measure during COVID, until 12/31/2021. Licensee claimed to misunderstand the guidance and to believe that only a successful test was required. The guidance is clearly explained on the OLCC website. Mr. Parker submitted his application on October 11, 2021, and was granted a worker permit. Because this producer license was granted effective September 21, 2021, it did not have the other compliance issues attributed to Pacific NW Farms or Luminous Gardens.

### **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 a Category III violation charged at the first level is a 10-day license suspension or a \$2,500.00 civil penalty.
3. Staff recommended a 10-day license suspension or a civil penalty of \$2,500.00. The Commission will reduce the sanction by three days.
4. Licensee will either pay a \$1,750.00 civil penalty before 5:00 PM on June 15, 2022 **OR** serve a seven-day suspension beginning at 12:00 PM (noon) on June 22, 2022 and ending at 12:00 PM (noon) on June 29, 2022.
5. Licensee withdraws its Request for Hearing in this matter.
6. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on this allegation, the licensee agrees to accept a Letter of Reprimand. 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 Commission and will be reviewed by the Commissioners at their May 2022 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 NW Farms, LLC  
David Hice, Managing Member  
Jeffrey Ignoffo, Member  
dba **LUMINOUS GARDENS**

(Producer)

ORS 475C.269(2), OAR 845-025-5500(4) - On some or all of the dates stated below, Licensee and/or its employees, agents, or representatives failed to verify that the workers listed below had a valid marijuana worker permit, or pending application and successful worker permit test, before allowing them to perform any work of the kind described in ORS 475C.269(1) and/or OAR 845-025-5500(1) on the licensed premises.

<b>Worker Name</b>	<b>From</b>	<b>To</b>
Katie Akery	8/21/2021	10/7/2021
Jessica Bausista	8/21/2021	10/7/2021
Jessy Bonilla	8/21/2021	10/7/2021
Andrea Bryant	8/21/2021	10/7/2021
Dean Cheek	8/21/2021	10/7/2021
Dylan Daniel	8/21/2021	10/7/2021
James Fehring	8/21/2021	10/7/2021
Catalina Garcia	8/21/2021	10/7/2021
Armando Gastelon	8/21/2021	10/7/2021
Hunter Kohl	8/21/2021	10/7/2021
Jordan Parker	5/12/2021	10/7/2021
Daniel Runnells	8/21/2021	10/7/2021
Alrey Vences	8/21/2021	10/7/2021
Ruben Vences	8/21/2021	10/7/2021
Adam Wallace	8/21/2021	10/7/2021

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

OAR 845-025-1470 - From about October 1, 2021 to about October 4, 2021, Licensee and/or Licensee's employees, agents or representatives failed to effectively prevent public access to all areas of the licensed premises used for the production of marijuana, when a gate in the southwest corner of the outdoor marijuana production canopy containing mature marijuana plants was removed, thereby making the plants accessible to the public without overcoming any barriers.

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

Note: Licensee was charged with these violations by Notice dated March 1, 2022. Staff recommended a 24-day license suspension or a civil penalty of \$6,000.00. Licensee requested a hearing and now wishes to enter into this settlement agreement.

**AGGRAVATION**

Violation Number One was aggravated a total of four days for repeated misconduct, and because it involved more than one employee.

(Continue **LUMINOUS GARDENS**)

**SYNOPSIS:** (*adjoining premises with Pacific NW Farms and Hanlin Farms*) – A harvest inspection on October 4, 2021 disclosed that multiple employees were working at the premises without either a valid marijuana worker permit, or at least a pending permit application and successful test result. The latter alternative to a permit was allowed as a temporary measure during COVID, until 12/31/2021. Licensee claimed to misunderstand the guidance and to believe that only a successful test was required. The guidance is clearly explained on the OLCC website. After this inspection, employees began filing their worker permit applications. The same harvest inspection discovered that fencing was inadequate to prevent public access to the outdoor marijuana grows when a gate was removed from the upper canopy. This had been raised with Licensee back on October 14, 2020 and again on July 13, 2021.

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first and second Category III violations within two years, charged at the first level. Any subsequent Category III violation 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 each Category III violation charged at the first level is a 10-day license suspension or a \$2,500.00 civil penalty. Violation Number One was aggravated a total of four days for repeated misconduct, and because it involved more than one employee.
3. Staff recommended a 24-day license suspension or a civil penalty of \$6,000.00. The Commission will reduce the sanction for each violation by three days.
4. Licensee will either pay a \$4,500.00 civil penalty before 5:00 PM on June 15, 2022 **OR** serve an 18-day suspension beginning at 12:00 PM (noon) on June 22, 2022 and ending at 12:00 PM (noon) on July 10, 2022.
5. Licensee withdraws its Request for Hearing in this matter.
6. 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. 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 Commission and will be reviewed by the Commissioners at their May 2022 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. Pacific NW Farms, LLC  
 David Hice, Managing Member  
 Jeffrey Ignoffo, Member  
 dba **PACIFIC NW FARMS**

(Producer)

ORS 475C.269(2), OAR 845-025-5500(4) - On some or all of the dates stated below, Licensee and/or its employees, agents, or representatives failed to verify that the workers listed below had a valid marijuana worker permit, or pending application and successful worker permit test, before allowing them to perform any work of the kind described in ORS 475C.269(1) and/or OAR 845-025-5500(1) on the licensed premises.

<b>Worker Name</b>	<b>From</b>	<b>To</b>
Katie Akery	8/21/2020	10/7/2021
Jessica Bausista	8/21/2020	10/7/2021
Jessy Bonilla	8/21/2020	10/7/2021
Andrea Bryant	8/21/2020	10/7/2021
Yvenel Casseide	10/6/2020	10/7/2021
Miguel Cervantes	11/15/2020	10/7/2021
Dean Cheek	8/21/2020	10/7/2021
Dylan Daniell	10/6/2020	10/7/2021
Emilee Dyer	10/6/2020	10/7/2021
Amanda Elkins	10/6/2020	10/7/2021
James Fehring	8/21/2020	10/7/2021
Catalina Garcia	8/21/2020	10/7/2021
Armando Gastelon	8/21/2020	10/7/2021
Michael Grezik	10/6/2020	10/7/2021
Hunter Kohl	8/21/2020	10/7/2021
Richard Orndorff	10/6/2020	10/7/2021
Jordan Parker	10/6/2020	10/7/2021
Shashonie Roberts	10/6/2020	10/7/2021
Daniell Runells	10/6/2020	10/7/2021
Daniel Runnells	8/21/2020	10/7/2021
Alrey Vences	8/21/2020	10/7/2021
Adam Wallace	10/6/2020	10/7/2021
Alexsander Ward	10/6/2020	10/7/2021
Jesse Zickel	10/6/2020	10/7/2021

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

OAR 845-025-1470. On or about October 14, 2020, Licensee and/or Licensee's employees, agents or representatives failed to effectively prevent public access to all areas of the licensed premises used for

Note: Licensee was charged with these violations by Notice dated March 1, 2022. Staff recommended a 26-day license suspension or a civil penalty of \$6,500.00. Licensee requested a hearing and now wishes to enter into this settlement agreement.

**AGGRAVATION**

Violation Number One was aggravated a total of six days for repeated misconduct, and because it involved more than one employee and because employees worked without a permit for more than six months.

(continue **PACIFIC NW FARMS**)

the production of marijuana, when fences were rolled back and the outdoor production canopies were accessible to the public without overcoming any barriers.

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

**SYNOPSIS:** A harvest inspection on October 4, 2021 disclosed that multiple employees were working at the premises without either a valid marijuana worker permit, or at least a pending permit application and successful test result. The latter alternative to a permit was allowed as a temporary measure during COVID, until 12/31/2021. Licensee claimed to misunderstand the guidance and to believe that only a successful test was required. The guidance is clearly explained on the OLCC website. After this inspection, employees began filing their worker permit applications. A harvest inspection on October 14, 2020 discovered that fencing was inadequate to prevent public access to the outdoor marijuana grows. This had been raised with Licensee back on October 30, 2018, at which time it was supposed to be corrected; again on November 2, 2019 and December 11, 2019 this problem was found to persist, and Licensee had been given another chance to fix it. The fencing Licensee put in place to fix this was found to be rolled back at the time of the October 2020 inspection. Inspectors determined that the problem was fixed by March 8, 2021.

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first and second Category III violations within two years, charged at the first level. Any subsequent Category III violation 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 each Category III violation charged at the first level is a 10-day license suspension or a \$2,500.00 civil penalty. Violation Number One was aggravated a total of six days for repeated misconduct, because it involved more than one employee, and because employees worked without a permit for more than six months.
3. Staff recommended a 26-day license suspension or a civil penalty of \$6,500.00. The Commission will reduce the sanction for each violation by three days.
4. Licensee will either pay a \$5,000.00 civil penalty before 5:00 PM on June 15, 2022 **OR** serve a 20-day suspension beginning at 12:00 PM (noon) on June 22, 2022 and ending at 12:00 PM (noon) on July 12, 2022.
5. Licensee withdraws its Request for Hearing in this matter.
6. 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. 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 Commission and will be reviewed by the Commissioners at their May 2022 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.

5. Russerick Enterprises, LLC  
Richard Zimmerman, Member  
Eric Sessoms, Member  
Eric Taras, Member  
Russell Taras, Member  
dba **TH3 FARMS**

(Producer)

OAR 845-025-2020(1)(c), (2)(a) - On or about June 22, 2019, Licensee or Licensee's employees, agents, or representatives operated other than its license permitted when Licensee's employee, agent, or representative Shawn Quine transferred or delivered marijuana to individuals who were not licensed marijuana processors, wholesalers, retailers, laboratories, non-profit dispensaries, or research certificate holders, or a license representative thereof.

(Category I)

OAR 845-025-7540(1). - On or about June 21, 2019, Licensee or Licensee's employees, agents, or representatives entered data into CTS that did not fully and transparently account for all inventory tracking activities when marijuana pre-rolls that had been transferred to a retail licensee were returned to Licensee's custody and control after being purchased for use and display for business and/or promotional purposes at an event called BudFest, but not recorded in CTS as being in its inventory.

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

OAR 845-025-8520(2) - On or about June 22, 2019, Licensee or Licensee's employees, agents, or representatives failed to require one or more individuals to produce identification as required by ORS 475B.216 before selling or providing a marijuana item to that person when they provided marijuana pre-rolls to attendees at an event called BudFest without asking for or checking the attendees' identification.

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

Note: Licensee was charged with these violations by Amended Notice dated March 31, 2021. Staff recommended the sanction of license cancellation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

**AGGRAVATION**

Staff proposed to aggravate the penalty because the violations were repeated.

**SYNOPSIS:** Licensee was one of several marijuana businesses to take part in an unapproved promotional event called Budfest that took place at an unlicensed location. Several businesses participated as vendors, with tents and branded merchandize to promote their business to people who had purchased tickets to attend the event. Licensee, who held a producer license, transferred numerous prerolls to a retailer, and arranged with that retailer to have one of Licensee's employees purchase the prerolls using his OMMP card. Those prerolls were then taken to the Budfest event, where two undercover inspectors were given two of the prerolls by Licensee's marketing manager. Following the report on Licensee's involvement in the Budfest event, a site inspection was conducted where no other violations were discovered. The inspector for this matter also noted that

(continue **TH3 FARMS**)

Licensee had been an extremely compliant licensee, appeared to be a good operator, and had been very cooperative with the Commission in general and with this inspector in particular.

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first Category I, Category III, and Category IV violations within two years. Any subsequent Category III or Category IV violation 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. Commission staff originally proposed for these violations the standard sanction of license cancellation. Staff proposed to aggravate the penalty because the violations were repeated.
3. The Commission will reduce the sanction for Violation Number One and impose a 32-day suspension or \$5,280.00 civil penalty for that violation. The Commission will impose a 12-day suspension or \$1,980.00 civil penalty for Violation Number Two, and a nine-day or \$1,450.00 civil penalty for Violation Number Three.
4. Licensee will pay an \$8,745.00 civil penalty before 5:00 PM on June 15, 2022 **OR** serve a 53-day suspension beginning at 12:00 PM (noon) on June 22, 2022 and ending at 12:00 PM (noon) on August 14, 2022.
5. Licensee withdraws its request for a hearing.
6. 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.
7. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their May 2022 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.

6. Nova Paths, LLC  
Ash Gupte, Member  
dba **NOVA PATHS**

(Processor)

On or about April 10, 2019, April 30, 2019, May 3, 2019, and May 20, 2019, Licensee and/or Licensee's employees, agents, or representatives transferred to other licensees marijuana items for ultimate sale to a consumer that were not packaged and/or labeled in accordance with OAR 845-025-7000 to 845-025-7190, when approximately 15,974 units of cannabinoid products (as defined by OAR 845-025-7000(9)(b)) were transferred using labels that failed to disclose an added substance (as defined in OAR 845-025-7000(2)) on the label ingredient list of its Trout vape cartridge product lines, specifically non-marijuana terpenes from True Terpenes and/or a diluent called "Viscosity," in violation of OAR 845-025-7030(17)(b) and/or OAR 845-025-7120(9). Each transfer and/or sale of an individual marijuana item that failed to list an added substance on the label is a violation of ORS 475C.604(1)(a)(E); ORS 475C.612(1)(a)(B)(i)(iii); ORS 475C.644(1); and/or OAR 845-025-7170(1)(2).

(Category I)

Note: Licensee was charged with these violations by Amended Notice dated March 8, 2022. Staff recommended the standard sanction of a \$40,000.00 civil penalty for these violations. Licensee requested a hearing and now wishes to enter into this settlement agreement.

**SYNOPSIS:** On October 2, 2019, OLCC learned that vape cartridges manufactured under the "Trout" brand at this processor contained adulterants suspected in the EVALI crisis. Investigation disclosed that Nova Paths contracted with Trout to manufacture these vape cartridges under the Nova Paths processor license, and that labels had been approved for these products under that license. Nova Paths processor then transferred the vape cartridges on four days to Nova Paths wholesaler license for ultimate sale to consumers. The labels on the vape cartridges failed to disclose that the cartridges contained non-marijuana terpenes and a diluent called Viscosity, in violation of OLCC labeling rules. Under OLCC policy, the maximum penalty of \$40,000 for four days of improper transfers was sought. Nova Paths was fully cooperative with the OLCC in its recall efforts, and in consideration of that cooperation the matter is proposed to be settled for a reduced penalty.

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice.
2. The standard sanction for these violations is a \$40,000.00 civil penalty. The Commission will reduce the sanction to a \$30,000.00 civil penalty.
3. Licensee will pay the \$30,000.00 civil penalty before 5:00 PM on June 15, 2022.
4. Licensee withdraws its Request for Hearing in this matter.
5. The terms of this Settlement Agreement and the Final Order entered based on this Agreement are binding on Licensee and any of its agents, employees, representatives, successors or assigns.

(continue **NOVA PATHS**)

6. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their May 2022 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.