

ADMINISTRATIVE HEARINGS DIVISION  
August 15, 2024

**STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA LICENSING CASES**

1. Emerald Green, Inc.  
Yerong Kurusz, Pres/Sec<sup>1</sup>  
dba **VILLAGE GREEN**

(Appl. for MJ PROD)

OAR 845-025-1115 states, in relevant part:

- (2) The Commission may deny an initial or renewal application, unless the applicant shows good cause to overcome the denial criteria, if the Commission has reasonable cause to believe that:
  - (a) The applicant: \*\*\*
  - (E) Does not have a good record of compliance with ORS 475C.005 to 475C.525, or these rules prior to or after licensure \*\*\*
- (3) The Commission may refuse to issue a license to any license applicant or refuse to renew the license of any licensee or laboratory licensee when conditions exist in relation to any person having a financial interest in the business or in the place of business which would constitute grounds for refusing to issue a license or for revocation or suspension of a license if such person were the license applicant, licensee, or laboratory licensee.

OAR 845-025-1015 defines “financial interest” in relevant part:

- (38) “Financial interest” means having an interest in an applicant, licensee, or laboratory licensee, such that the performance of the business causes, or is capable of causing, an individual, or a legal entity with which the individual is affiliated, to benefit or suffer financially.
  - (a) Financial interest includes but is not limited to: \*\*\*
  - (B) Lending money, real property or personal property to an applicant, licensee, or laboratory licensee for use in the business that constitutes a substantial portion of the business cost or is lent at a commercially unreasonable rate

Note: Licensee was issued a Notice of Proposed License Restrictions dated July 23, 2024. Licensee wishes to dispose of this licensing matter by settlement agreement, including the imposition of the listed restrictions.

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<sup>1</sup> Also known as “Ye Rong Kurusz.”

(continue **VILLAGE GREEN**)

**SYNOPSIS:** Applicant, Emerald Green, Inc. (Yerong Kurusz, President/Secretary), applied for a marijuana producer license at a premises currently owned by a company under the control of Yafei Li. That gives Mr. Li a financial interest in this application. Mr. Li has a poor record of compliance; he accepted responsibility for two Category I, and three Category III violations arising from incidents in 2022 through 2023.. Because a person with a financial interest in the application has a poor record of compliance, the Commission could deny this application. Instead, under the settlement, Applicant will be issued the license subject to the below stated restrictions, in order to ensure Mr. Li or any entity he manages, controls, or has an ownership in, has no involvement in or control over the new licensee or its business.

### **TERMS OF AGREEMENT**

1. This Settlement Agreement resolves only the bases for denial identified in the Notice.
2. Applicant admits to the facts described in the Notice and that OLCC has a basis to deny the Applicant's application as described in the Notice.
3. Applicant shall comply with the following restrictions upon signing this Settlement Agreement and at all times when licensed unless or until the restrictions are removed or modified by the Commission in writing:
  - a. Applicant will not allow Yafei Li, or any legal entity that Yafei Li manages, controls, or holds an ownership interest in, to take any part in the operation or management of the business or to provide any services to the business.<sup>2</sup>
  - b. Applicant will not allow Yafei Li, or any legal entity that Yafei Li manages, controls, or holds an ownership interest in, to be an employee or agent of the business or otherwise act in a representative capacity on behalf of the business.
  - c. Applicant will not allow Yafei Li, or any legal entity that Yafei Li manages, controls, or holds an ownership interest in, to be present on the premises proposed to be licensed or licensed premises at any time.
4. Upon execution and final approval of this Settlement Agreement by the Commission, Commission staff will continue to process Applicant's application in accordance with applicable statutes and rules. Any license issued pursuant to the application will include the restrictions listed in this Settlement Agreement. Nothing in this Settlement Agreement prevents the Commission from considering facts, violations, or qualifications, currently known or unknown, that are not specifically identified in the Notice and resolved by this Settlement Agreement when processing the application, including when determining whether to issue or deny the license or impose additional restrictions.

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<sup>2</sup> For the purposes of this Settlement Agreement and Final Order, "business" means the business proposed to be licensed or after licensure, the licensed business.

(continue **VILLAGE GREEN**)

5. Applicant accepts this Settlement Agreement without any conditions or reservations. Applicant is aware of Applicant's right to seek judicial review if this matter was not resolved through this Settlement Agreement. Applicant is aware of Applicant's right to seek judicial review of a final order issued in the matter. Applicant freely and voluntarily waives all such rights to judicial review. In full satisfaction and settlement of this matter, Applicant agrees to the Commission's issuance of a Final Order incorporating this Settlement Agreement as described in paragraph 6.
6. This Settlement Agreement is conditioned upon the final approval by the Commission and will be reviewed by the Commissioners at a commission meeting. If the Commission does not accept and approve this agreement in its entirety, it is deemed null and void, and Applicant's hearing rights, if any, will be restored. If the Commission accepts and approves this agreement in its entirety, Applicant withdraws any request for hearing.
7. If the Applicant fails to comply with any restrictions in this Settlement Agreement at any time after signing this Settlement Agreement or at any time after a license has been issued, unless the restriction has been removed or modified by the Commission in writing, the Commission may do any or a combination of the following: deny the application, impose civil penalties, suspend, or revoke the license issued to Applicant under this Settlement Agreement. If OLCC notifies Applicant that Applicant has violated this Settlement Agreement, Applicant will be given the opportunity to contest whether or not Applicant violated the Settlement Agreement in a contested case proceeding. Applicant may not contest the facts or the basis for the denial contained in the Notice or the appropriateness of OLCC's decision to deny, suspend, or revoke the license or to impose civil penalties. Applicant agrees that the failure to comply with any restriction in this Settlement Agreement poses a significant risk to health and safety authorizing OLCC to revoke a license under ORS 475C.265(3)(a).
8. The parties agree that this Settlement Agreement constitutes the sole, entire, and complete agreement between the parties to resolve the administrative proceeding commenced by the Notice and that no promises, inducements, or agreement not herein expressed have been made and that all terms of this Settlement Agreement are contractual and not a mere recital.
9. Applicant releases and waives 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 Notice or this Settlement Agreement, 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 attorney's fees or costs.
10. Applicant is an Oregon corporation. Yerong Kurusz is President/Secretary of Applicant. Applicant represents and warrants that Yerong Kurusz individually has the authority to enter into this Settlement Agreement and bind Applicant on its behalf.
11. The parties agree that this Settlement Agreement and Final Order may be executed in one or more multiple counterparts, including facsimile, scanned, and electronically transmitted counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.
12. The Settlement Agreement must be signed and received by the Commission by September 1, 2024, or this settlement offer is deemed withdrawn.