

ADMINISTRATIVE HEARINGS DIVISION

December 19, 2024

STIPULATED SETTLEMENT AGREEMENT FOR MARIJUANA VIOLATION CASES

1. Everett Holdings, LLC
Feng Chen, Applicant
Kevin Wong, Applicant
Michael Chan, Applicant
Neil Chan, Applicant
Tony Ngo, Applicant
dba **BUDLANDIA**
7536 NE MLK Blvd
Portland, OR 97211

(Retailer)

ORS 475C.213 and OAR 845-025-8520(1) - On or about February 21, 2024, Licensee's employee, agent, or representative Krystal Gibbs sold, delivered, transferred, or made available a marijuana item to a minor decoy, a person under 21 years of age who did not hold a valid OMMP patient or caregiver card

(1st Level Category II(b))

Note: Licensee was charged with this violation by Notice dated August 14, 2024. The total proposed a penalty of a 27-day license suspension or a \$4,455.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

MITIGATION

Commission staff determined that the Licensee was not personally involved in or aware of the violation occurring. Accordingly, the Notice proposed mitigating the penalty by three days.

TERMS OF AGREEMENT

1. The Settlement Agreement resolves only the violation identified in the Notice.
2. Licensee admits the facts described in the Notice and accepts responsibility for the violation as described in the Notice. This was Licensee's first Category II(b) violation within two years. Any subsequent Category II(b) violations within the same two years will be charged starting at the second level. Upon execution and final approval of this Settlement by the Commission, this violation shall become a permanent part of 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 the violation described in the Notice is a 30-day suspension or a civil penalty of \$4,950.00. Commission staff determined that the Licensee was not personally involved in or aware of the violation occurring. OAR 845-025-8590(5)(d)(F). Accordingly, the Notice proposed mitigating the penalty by three days or \$495.00. The Notice proposed a penalty of a 27-day license suspension or a \$4,455.00 civil penalty.
4. As an alternative to the proposed penalty in the Notice, Licensee shall either pay a \$3,135.00 civil penalty before 5:00 PM on January 15, 2025 **OR** serve a 19-day suspension beginning at 7:00 AM on January 22, 2025 and ending at 7:00 AM on February 10, 2025. If the full penalty is not paid prior to 5:00 PM on January 15, 2025, then Licensee shall serve the full suspension. If Licensee or its employees, agents, or representatives act in any way that is not allowed by rule or statute while under suspension, OLCC may file a violation against Licensee and Licensee's license may be cancelled, suspended, or Licensee may receive a civil penalty. If OLCC notifies Licensee that Licensee has violated a rule or statute while under suspension, Licensee will be given the opportunity to contest the alleged violation in a contested case proceeding and the appropriateness of OLCC's decision to deny, suspend, or revoke the license or impose civil penalties. Licensee agrees that any action taken in violation of OAR 845-025-8580 while the Licensee is serving a suspension establishes Licensee lacks the judgment and capabilities to comply with rules and statutes as required to hold a marijuana license and is conduct that poses a significant risk to public health and safety under ORS 475C.265(3)(a).

(continued **BUDLANDIA**)

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 charge, 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 the Licensee.
7. Licensee accepts this Settlement Agreement without any conditions or reservations. Licensee is aware of Licensee's right to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review if this matter was not resolved through this Settlement Agreement. Licensee is aware of Licensee's right to seek judicial review of a final order issued in the matter. Licensee freely and voluntarily waives all such rights to a contested case hearing, judicial review, or to otherwise challenge this Settlement Agreement and the Final Order incorporating this Settlement Agreement. In full satisfaction and settlement of this matter, Licensee agrees to Commission's issuance of a Final Order incorporating this Settlement Agreement as described in paragraph 8.
8. This Settlement Agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their December 2024 meeting. If the Settlement 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.
9. 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.
10. Licensee 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.
11. Licensee of record is an Oregon limited liability company. Feng Chen is an Applicant of Licensee of record. Licensee of record represents and warrants that Feng Chen individually has the authority to enter into this Settlement Agreement and bind Licensee of record on its behalf.
12. The parties agree that this Settlement Agreement and Final Order Incorporating Settlement Agreement 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.
13. The Settlement Agreement must be signed and received by the Commission by 5:00 PM on October 9, 2024, or this settlement offer is deemed withdrawn.

2. Process Development Labs, LLC
Oscar Aviles, Member
Jorge Aviles, Member
dba **ORIGINAL EXTRACTS**

(Processor)

OAR 845-025-8520(3)(c)(A) - On or about March 25, 2024, while the Licensee had marijuana items physically present at the licensed premises, Licensee failed to retain control of, or the right of access to, the licensed premises, when the landlord of the premises secured an eviction judgment against the Licensee and none of the grounds for exceptions stated in OAR 845-025-8520(3)(c)(B) apply.

(Category I)

Note: Licensee was charged with this violation by Notice dated October 9, 2024. The standard sanction for the violation described in the Notice is license cancellation and seizure and destruction of marijuana remaining at the former licensed premises. Licensee requested a hearing and now wishes to enter into this settlement agreement.

SYNOPSIS: The premises' landlord secured an eviction judgment against this Licensee and Licensee lost legal and physical access to the premises while marijuana items were still present. Licensee did not notify the Commission before they lost access to the premises. The remaining marijuana items, which consisted of about five to ten pounds of marijuana items that the inspector described as in poor condition, were secured and destroyed. Licensee is in the process of selling their business.

TERMS OF AGREEMENT

1. This Settlement Agreement resolves only the violation identified in the Notice.
2. Licensee admits the facts described in the Notice and accepts responsibility for the violation described in the Notice. This was Licensee's first Category I violation within two years. Upon execution and final approval of this Settlement Agreement by the Commission, this violation shall become a permanent part of Licensee's Commission file and may be considered in any future application for any license or permit by the Licensee.
3. The standard sanction for the violation described in the Notice is license cancellation and seizure and destruction of marijuana remaining at the former licensed premises after the effective date of the order of license cancellation.
4. As an alternative to the proposed penalty in the Notice:
 - a. Each licensee shall accept a Letter of Reprimand for the violation set forth in the Notice.
 - b. Licensee is in the process of a Change of Ownership for License No. 100427194F1. Licensee hereby surrenders License No. 100427194F1 effective on the date the Change of Ownership application is approved and completed, or at 7:00 AM on March 19, 2025, whichever is earlier.
 - c. Licensee understands and agrees that the Commission is not representing or guaranteeing that a new owner will have an approved license on or before March 19, 2025, or at any time. Licensee understands and agrees that any new owner 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.
 - d. Licensee understands and agrees that OLCC may seize and destroy any marijuana items that remain on the formerly licensed premises of License No. 100427194F1, or in Licensee's METRC cannabis tracking system inventory, after the surrender of License No. 100427194F1.
5. Licensee withdraws the request for a hearing.

(continue **ORIGINAL EXTRACTS**)

6. If Licensee's interest in the license expires or is transferred before the Commission issues the final order incorporating this Settlement Agreement, the Licensee agrees to accept a Letter of Reprimand for the violation. This reprimand becomes 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.
7. Licensee accepts this Settlement Agreement without any conditions or reservations. Licensee is aware of Licensee's right to a contested case hearing under the Administrative Procedures Act (ORS Chapter 183) and to judicial review if this matter was not resolved through this Settlement Agreement. Licensee is aware of Licensee's right to seek judicial review of a final order issued in the matter. Licensee freely and voluntarily waives all such rights to a contested case hearing, judicial review, or to otherwise challenge this Settlement Agreement and the Final Order incorporating this Settlement Agreement. In full satisfaction and settlement of this matter, Licensee agrees to Commission's issuance of a Final Order incorporating this Settlement Agreement as described in paragraph 12.
8. This Settlement Agreement is conditioned upon final approval by the Commission and will be reviewed by the Commissioners at their December 2024 meeting. If the Settlement 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.
9. 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.
10. Licensee 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.
11. Licensee of record is an Oregon limited liability company. Oscar Aviles is a Member of the Licensee of record. Licensee of record represents and warrants that Oscar Aviles individually has the authority to enter into this Settlement Agreement and bind Licensee of record on its behalf.
12. The parties agree that this Settlement Agreement and Final Order Incorporating Settlement Agreement 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.
13. The Settlement Agreement must be signed and received by the Commission by November 27, 2024, or this settlement offer is deemed withdrawn.