

ADMINISTRATIVE HEARINGS DIVISION

January 16, 2025

STIPULATED SETTLEMENT AGREEMENT FOR MARIJUANA VIOLATION CASE

1. La Mota Front Ave, LLC, Co-Licensee
Aaron Mitchell, Member
Rosa Cazares, Manager
Veriede Holding, LLC, Co-Licensee
Rosa Cazares, Manager
dba **LA MOTA FRONT AVE LLC**

(Producer)

OAR 845-025-7540(1), (2) - On or about May 9, 2023, Licensee or Licensee's employees, agents, or representatives failed to enter data into the METRC Cannabis Tracking System (CTS) that fully and transparently accounted for all inventory tracking activities, when Licensee's CTS account reported Licensee had six active packages of marijuana¹ on the premises, but when OLCC Inspector C. Henderson visited the premises, the packages could not be located. Proof of any single failure to fully and transparently account for inventory tracking activities on the stated date(s) is sufficient to establish this violation.

(1st Level Category III)

SYNOPSIS: OLCC received notification that there were issues discovered during an audit of Licensee's METRC account. Licensee's METRC account reported six active packages of marijuana on the premises but upon an inspection by OLCC, the packages could not be located at the premises. OLCC also discovered other issues involving Licensee's UID tagging and tracking of marijuana in METRC. Licensee later told OLCC that the six packages had been wasted out but was unable to provide proof that this is what had occurred to the packages. Licensee then failed to update METRC with the information they provided as required.

Note: Licensee was charged with this violation by Notice dated November 5, 2024. The total proposed a penalty of a 10-day license suspension or a \$2,550.00 civil penalty. Licensee wishes to enter into this settlement agreement.

AGGRAVATION

Commission staff determined that the violation was repeated and proposed aggravating the penalty by two percent (zero days) or \$50.00.

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 III violation within two years. Any subsequent Category III violations within the same two years will be charged starting at the second level. 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 a 10-day license suspension or a civil penalty of \$2,500.00. Commission staff determined that the violation was repeated. OAR 845-025-8590(6)(e)(B). Accordingly, the Notice proposed aggravating the penalty by two percent (zero days) or \$50.00. The Notice proposed a total penalty of a 10-day license suspension or a \$2,550.00 civil penalty.

¹ The packages had unique identification tag numbers: 1A4010300021F5D000000054; 1A4010300021F5D000000067; 1A4010300021F5D000000068; 1A4010300021F5D000000069; 1A4010300021F5D000000070; and 1A4010300021F5D000000071.

(LA MOTA FRONT AVE LLC)

4. As an alternative to the proposed penalty in the Notice, Licensee shall either pay a \$1,800.00 civil penalty before 5:00 PM on February 17, 2025, **OR** serve a 7-day suspension beginning at 7:00 AM on February 24, 2025, and ending at 7:00 AM on March 3, 2025. If the full penalty is not paid prior to 5:00 PM on February 17, 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 be hold a marijuana license and is conduct that poses a significant risk to public health and safety under ORS 475C.265(3)(a).
5. 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.
6. 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 7.
7. This Settlement Agreement is conditioned upon final approval by the Commission and will be reviewed by the Commissioners at their January 2025 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.
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. 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.
10. Licensee of record is an Oregon limited liability company. Rosa Cazares is a Manager of Licensee of record. Licensee of record represents and warrants that Rosa Cazares individually has the authority to enter into this Settlement Agreement and bind Licensee of record on its behalf.

(LA MOTA FRONT AVE LLC)

11. 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.
12. The Settlement Agreement must be signed and received by the Commission by December 5, 2024, or this settlement offer is deemed withdrawn