

ADMINISTRATIVE HEARINGS DIVISION

June 20, 2024

STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

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| 1. Lucky Piyao, LLC
Kevin Wong, Member
Wei Zhen, Member
dba THE CANNA SHOP
925 N Anchor Way
Portland, OR 97217 | ORS 475C.213 and OAR 845-025-8520(1) - On or about July 14, 2023, Licensee's employee, agent, or representative Michael Bunn sold, delivered, transferred, or made available a marijuana item to minor decoy, a person under 21 years of age who did not hold a valid OMMP patient or caregiver card. | Note: Licensee was charged with this violation by Notice dated March 26, 2024. The total proposed penalty was a 27-day license suspension or a civil penalty of \$4,455.00. Licensee requested a hearing and now wishes to enter into this settlement agreement. |
| (Retailer) | (1 st Level Category II(b)) | <u>AGGRAVATED</u>
Commission staff proposed mitigating the penalty by three days or \$495.00. |

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out 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. The 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.
- 7.
2. The standard sanction for this violation is a 30-day suspension or a \$4,950.00 civil penalty. 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 total proposed penalty was a 27-day license suspension or a civil penalty of \$4,455.00.
3. The Commission will reduce the sanction for the violation by eight days.
4. Licensee will either pay a \$3,135.00 civil penalty before 5:00 PM on July 15, 2024, OR serve a 19-day license suspension beginning at 7:00 AM on July 22, 2024, and ending at 7:00 AM on August 10, 2024.
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. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their June 2024 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. Brown Bag Partners, LLC
Marianne Cursetjee, Managing Mbr
Todd Meredith, Member
dba **ALIBI CANNABIS**
PO Box 2711
Clackamas, OR 97015

(Producer)

OAR 845-025-1440(1)(b) - On or between January 1, 2023 and January 31, 2023, Licensee failed to have camera coverage for all limited access areas as defined in OAR 845-025-1015, when a portion of the “Dry” room within a limited access area of the licensed premises did not have camera coverage.

(1st Level Category II)

OAR 845-025-7540(1) - On or about January 4, 2023 and January 5, 2023, Licensee intentionally failed to enter data into CTS that fully and transparently accounted for all inventory tracking activities, when Licensee Todd Meredith removed marijuana from the “Dry” room and took it off the licensed premises without accounting for the marijuana transportation in the METRC Cannabis Tracking System (CTS).

(1st Level Category II)

Note: Licensee was charged with this violation by Notice dated February 7, 2024. The total proposed penalty was a 62-day license suspension or a \$15,500.00 civil penalty. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATED

Commission staff determined that they should both be charged at the first level. Staff recommended aggravation because the violation was repeated.

SYNOPSIS: A review of Licensee’s camera footage revealed that a portion of their dry room was not visible on video surveillance. This unrecorded area of the room was a space used by the Licensee to dry and cure marijuana, with packages of marijuana moving into and out of the unrecorded space. During the OLCC’s investigation, Licensee was observed on the video surveillance recordings, on two occasions, removing packages of marijuana from the licensed premises without accounting for the transportation of the marijuana in the METRC Cannabis Tracking System. After being served with this notice, Licensee has placed additional cameras in the dry room, addressing the issue of camera coverage.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee’s first and second Category II violations within two years. Any subsequent Category II violations within the same two years will be charged starting at the third level. The 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 the licensee.
2. The standard sanction for a Category II violation is a 30-day license suspension or a \$7,500.00 civil penalty for the first violation of this type within two years, and a 40-day license suspension or \$10,000.00 civil penalty for the second violation of this type within two years. Because the violations were discovered concurrently, Commission staff determined that they should both be charged at the first level. Staff recommended aggravation because the violation was repeated. The total proposed penalty was a 62-day license suspension or a \$15,500.00 civil penalty.
3. The Commission will reduce the sanction for Violation Number One and Violation Number Two by nine days each.

(CONTINUED: **ALIBI CANNABIS**)

4. Licensee will either pay a \$11,000.00 civil penalty before 5:00 PM on July 15, 2024 **OR** serve a 44-day license suspension beginning at 7:00 AM on July 22, 2024, and ending at 7:00 AM on September 4, 2024.
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 charges, the licensee agrees to accept a Letter of Reprimand for these 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 the licensee.
7. This agreement is conditioned upon final approval of the Commission and will be reviewed by the Commissioners at their June 2024 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
8. Procedures Act (ORS Chapter 183) and to judicial review, or to otherwise challenge this agreement and the final order.