

ADMINISTRATIVE HEARINGS DIVISION

January 20, 2022

STIPULATED SETTLEMENT AGREEMENT FOR MARIJUANA VIOLATION CASES

1. FHL Group, LLC
HKH Consortium, LLC, Member
Hans Hedemann, Member
Karen Hedemann, Member
CTL Consortium, LLC, Member
Calvin Lui, Member
Theresa Lui, Member
Richard Fuller, Member
Pantropic, LLC, Member
Scott Locke, Member
dba **PACIFIC ORCHARDS**

OAR 845-025-1450(2)(j) - On or about May 15, 2019, Licensee Richard Fuller failed to make video surveillance records and recordings available immediately upon request to the Commission in a format specified by the Commission for the purpose of ensuring compliance with ORS Chapter 475B and OAR Chapter 845 Division 025, when Inspector J. Tallmadge asked Fuller to show him recorded footage and Fuller was unable to do so.

(1st Level Category II)

(Producer)

OAR 845-025-1420(2)(a)(b) - On or about May 15, 2019, Licensee and/or its employees, agents or representatives failed to have a security alarm system able to detect unauthorized entry onto the licensed premises and unauthorized activity where mature marijuana plants and useable marijuana were present, and/or programmed to notify a licensee, license representative or authorized personnel in the event of an unauthorized entry, when inspectors were able to walk in the main gate undetected, and half of the contact sensor for the gate was missing, rendering it inoperative.

(1st Level Category III)

Note: Licensee was charged with these violations by Notice dated November 4, 2020. The total proposed sanction was a 40-day suspension or Licensee could pay a \$1,650.00 civil penalty in lieu of 10 days suspension with the remaining 30 days mandatory. Licensee requested a hearing and now wishes to enter into this settlement agreement.

SYNOPSIS: During a premises inspection an inspector requested to view recorded footage to ensure compliance. Licensee was unable to access any footage and stated the last time the system was used was during the initial pre-license inspection. Licensee admitted he had removed the contact sensor on the premises front gate about a month prior to the inspection when a truck delivered gravel to the premises and it had not been reinstalled.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. This was Licensee's first Category II violation and first Category III violation within two years. Any subsequent Category II or Category III violation with an occurrence date within the same two years from the date of the corresponding Category II or Category III violation set out in the Notice 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.

(continue PACIFIC ORCHARDS)

2. The standard sanction for Violation One is a 30-day suspension. The standard sanction for Violation Two is a 10-day suspension or a \$1,650.00 civil penalty. The total proposed sanction was a 40-day suspension. Licensee could pay a \$1,650.00 civil penalty in lieu of 10 days with the remaining 30 days mandatory.
3. The Commission will reduce the sanction for Violation One to a 21-day suspension. The Commission will reduce the sanction for Violation Two to a seven-day suspension or a \$1,155.00 civil penalty.
4. Licensee will either pay a \$1,155.00 civil penalty before 5:00 PM on February 15, 2022, and serve a 21-day license suspension beginning at 12:00 PM (noon) on February 22, 2022 and ending at 12:00 PM on March 15, 2022 **OR** serve a 28-day license suspension beginning at 12:00 PM (noon) on February 22, 2022 and ending at 12:00 PM (noon) on March 22, 2022.
5. 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 the licensee.
6. This agreement is conditional upon final approval of the Commission and will be reviewed by the Commissioners at their January 2022 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Licensees' hearing rights, if any, will be restored. If the agreement is accepted and approved in its entirety by the Commission, Licensees waive 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.