

ADMINISTRATIVE HEARINGS DIVISION

October 21, 2021

STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

1. Nature Based Corporation
Yen Nguyen, President/Stockholder
Men-Truc Nguyen, Secretary/ Stkhldr
dba **HYDROGANICS**

(Producer)

OAR 845-025-1030(5), OAR 845-025-1115(2) (c), and/or OAR 845-025-1160(4). - From about September 5, 2018 to about July 12, 2019, Licensee and/or its employees, agents or representatives failed to notify the Commission of the names and other required information for all individuals and legal entities who are applicants within the meaning of OAR 845-025-1030(3)(4), and/or the names and other required information for all individual and legal entities who had a financial interest in the business, as defined in OAR 845-025-1015(23) (2018 version) or -1015(24)(2019 version), and/or an ownership interest in the business as defined in OAR 845-025-1045(3), when the following applicants and/or persons or entities with a financial interest and/or ownership interest were not disclosed to the Commission: Bin Ho, Thomas Cox, Thuc Nguyen (aka Taylor Winn), Tyler Shin, and/or Josh Prunty.

(Category I)

Note: Licensee was charged with this violation by an Amended Notice dated July 27, 2021. Staff proposed the standard sanction of license cancellation, seizure and destruction of marijuana items, and a refusal to renew the license for this violation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

SYNOPSIS: Licensee Nature Based Corporation failed to disclose and obtain approval for multiple interested parties for this license. Licensee has surrendered other licenses for similar conduct.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violation as set out in the Notice. This was Licensee's first Category I violation.
2. Commission staff proposed the standard sanction of license cancellation, seizure and destruction of marijuana items, and refusal to renew for this violation.
3. Licensee has begun the process of selling the business. Licensee hereby surrenders its license effective on the date the transfer of ownership of the business is completed or at 12:00 PM (noon) on January 21, 2022, whichever is earlier. Licensee agrees that its license will not be renewed.
4. Licensee understands and agrees that the Commission is not representing or guaranteeing that a new owner will be licensable, or will have an approved license on or before the date of surrender. 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.

(continue **HYDROGANICS**)

5. Licensee agrees, represents, and warrants that the business will not be sold or transferred to Bin Ho, Thomas Cox, Thuc Nguyen (aka Taylor Winn), Tyler Shin, and/or Josh Prunty, or to any business or entity in which Bin Ho, Thomas Cox, Thuc Nguyen (aka Taylor Winn), Tyler Shin, and/or Josh Prunty hold an ownership interest or a financial interest as defined in OAR 845-025-1015(29), OAR 845-025-1045(5), or to any entity in which Bin Ho, Thomas Cox, Thuc Nguyen (aka Taylor Winn), Tyler Shin, and/or Josh Prunty hold an interest sufficient to make them an applicant for the new license as defined in OAR 845-025-1045(3), (4).
6. Each licensee agrees to accept a letter of reprimand for the violation stated above. This letter of reprimand will become a permanent part of each licensee's Commission file and may be considered in any future or pending application for any license or permit by the licensee.
7. Licensee agrees that any marijuana items not properly transferred to another licensee prior to the date of surrender may be seized and destroyed by the Commission.
8. Licensee withdraws its Request for Hearing in this matter.
9. This agreement is conditioned upon final approval of the Oregon Liquor and Cannabis Commission and will be reviewed by the Commissioners at their October 2021 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. Highly Distributed, LLC
Jamin Giersbach, Member
Melissa Giersbach, Member
dba **HIGHLY DISTRIBUTED**

(Wholesale)

OAR 845-025-3500(1), (2) - On or before January 22, 2020, Licensee and/or its employees, agents, or representatives operated other than their license permits, when they stored 23 large black storage bins containing marijuana in an unlicensed garage.

(Category I)

OAR 845-025-1230(6) (b) - On or before January 24, 2020, Licensee and/or Licensee's employees, agents, or representatives permitted on-site consumption of an alcoholic beverage when Licensee's employee admitted to drinking part of a bottle of tequila prior to putting it in a freezer on the premises.

(1st Category III)

Note: Licensee was charged with these violations by an Amended Notice of Proposed Letter of Reprimand, dated October 5, 2021. Licensee requested a hearing and now wishes to enter into this settlement agreement.

SYNOPSIS— Licensee stored 23 large black storage bins containing marijuana in an unlicensed garage. Licensee also permitted on-site consumption of alcohol. Licensee's wholesaler license expired on April 2, 2021 and accepts the proposed Letter of Reprimand.

TERMS OF AGREEMENT

1. Licensee accepts responsibility for the violations as set out in the Notice. This was Licensee's first Category I violation and first Category III violation. Any subsequent Category III violation within the same two years will be charged at the second level.
2. Commission staff originally proposed a Letter of Reprimand for these violations.
3. 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 a license or permit by that licensee.
4. Licensee withdraws its Request for Hearing in this matter.
5. This agreement is conditioned upon final approval of the Oregon Liquor and Cannabis Commission and will be reviewed by the Commissioners at their October 2021 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.