

# ADMINISTRATIVE HEARINGS DIVISION

June 17, 2021

## STIPULATED SETTLEMENT AGREEMENTS FOR MARIJUANA VIOLATION CASES

### 1. RAELYNN STAMPS

(Worker Permit #01NM86)

OAR 845-025-5590(1)(a) – On October 16, 2018, Permittee was convicted of Burglary in the Second Degree, ORS 164.215, a Class C felony involving deception or dishonesty, which was within two years of the permit application date of June 4, 2018.

(Category I)

Note: Permittee was charged with this violation by Notice dated April 21, 2021. Permittee originally requested a hearing and now wishes to enter into this settlement agreement.

**SYNOPSIS:** Permittee was convicted of a felony within two years of her permit application date, which could be a basis to revoke her marijuana worker permit. Due to extenuating circumstances surrounding the conviction, it was determined that she would not be a risk for future compliance problems and that she should be allowed to retain her permit.

### TERMS OF AGREEMENT

1. Permittee accepts responsibility for the violation as set out in the Notice. This was Permittee's first Category I violation. Any subsequent violation of this type may result in permit revocation.
2. Commission staff recommended the standard sanction of permit revocation for this violation.
3. The Commission will reduce the penalty to a 30-day suspension or a \$750.00 civil penalty.
4. Permittee will pay a \$750.00 civil penalty before 5:00 PM on July 15, 2021 **OR** serve a 30-day suspension beginning at 7:00 AM on July 22, 2021 and ending at 7:00 AM on August 21, 2021.
5. Permittee withdraws the request for hearing in this matter.
6. If Permittee's worker permit expires and is not renewed, or is surrendered before the Commission issues a final order on this allegation, Permittee agrees to accept a Letter of Reprimand for the violation. This reprimand will become a permanent part of Permittee's Commission file and may be considered in any future application for any permit by the Permittee.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their June 2021 Commission Meeting. If the agreement is not accepted and approved in its entirety by the Commission it is deemed null and void and Permittee's hearing rights will be restored. If the agreement is accepted and approved in its entirety by the Commission, Permittee 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. Lopaka Farms, LLC  
Robert Wald, Member  
Max Murray, Member  
dba **ATLAS FARMS**

(Producer)

ORS 475B.261(2), OAR 845-025-5500(4 ) – On or before September 25, 2019, Licensee and/or Licensee’s employees, agents, or representatives failed to verify that marijuana workers Javonte Hughes, Isaiah Guillen, Christopher Hubbard, and/or Ryan Carrillo had valid marijuana worker permits before allowing them to perform any work of the kind described in ORS 475B.261(1) and/or OAR 845-025-5500(1) on the licensed premises

(1<sup>st</sup> Level Category III)

Note: Licensee was charged with this violation by notice dated April 21, 2021. Licensee originally requested a hearing and now wishes to enter into this settlement agreement.

**AGGRAVATION**

This violation was aggravated by two days because the violation involved more than one employee.

**SYNOPSIS:** An inspection of the licensed premises revealed four employees working without worker permits. Licensee represented that going forward, all employees working at the premises who handled marijuana would have permits, and any employee without a permit would not be permitted to do so.

**TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violation as set out in the Notice.
2. This was Licensee’s first Category III violation within two years. Any subsequent Category III violation within the same two years will be charged at the second level. This 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.
3. The standard sanction for this violation is a 10-day suspension or civil penalty of \$1,650.00. Staff added two days of aggravation because the violation involved more than one employee. The total proposed sanction was a 12-day license suspension or \$1,980.00 civil penalty.
4. The Commission will reduce the sanction by three days.
5. Licensee will pay a \$1,485.00 civil penalty before 5:00 PM on July 15, 2021 **OR** serve a nine-day suspension beginning at 12:00 PM (noon) on July 22, 2021 and ending at 12:00 PM (noon) on July 31, 2021.
6. 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 that licensee.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their June 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

3. ZPD, LLC  
Zane Dorr, Member  
dba **EUFLORIA**

(Producer)

OAR 845-025-1160(2) – On or about March 12, 2020, Licensee failed to notify the Commission within 24 hours of the conviction for a misdemeanor or felony of an individual listed in the application for the above-referenced recreational marijuana license, or subsequently identified as an applicant, licensee or individual with a financial interest, when Zane Dorr was convicted on or about March 12, 2020 of Criminal Driving While Suspended or Revoked, ORS 811.182(4), a Class A Misdemeanor, and Licensee and/or their employees, agents or representatives failed to provide notice to the Commission within 24 hours of his conviction.

(Category I)

OAR 845-025-1450(2)(j) – On or about October 29, 2019, November 11, 2019, and/or November 19, 2019, Licensee and/or its employees, agents or representatives 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 845 division 025, when they were unable to produce video of the surveillance system upon request by one or more OLCC inspectors.

(1st Level Category II)

Note: Licensee was charged with this violation by notice dated March 2, 2021. Licensee originally requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Violation Number Two was aggravated for repeated misconduct.

**SYNOPSIS:** The sole member of this producer licensee failed to notify the Commission of his conviction of the listed misdemeanor within 24 hours as required by the rule; it was first disclosed nearly seven months later. The rule as in effect at that time stated that this was a Category I violation. As part of Commission response to industry concerns, it has recently been downgraded to a Category II. This was accounted for in settlement. For Violation Two, the Licensee had ongoing difficulties accessing video recordings due in part to issues with the security contractor but maintains that the system is now fully operational.

**TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first Category I violation and first Category II violation within two years. Any subsequent Category II violation within the same two years 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.
2. The standard sanction for the Category I violation is license cancellation. The standard sanction for the Category II violation is a 30-day license suspension. Violation Number Two was aggravated for repeated misconduct.

(Continue **EUFLORIA**)

3. The Commission will reduce the sanction for Violation Number One to a 30-day suspension or a \$7,500.00 civil penalty. The Commission will reduce the sanction for Violation Number Two to a 23-day suspension or a \$3,795.00 civil penalty.
4. Licensee will either pay an \$11,295.00 civil penalty before 5:00 PM on July 15, 2021 **OR** serve a 53-day suspension beginning at 12:00 PM (noon) on July 22, 2021 and ending at 12:00 PM (noon) on September 13, 2021.
5. Licensee withdraws its Request for Hearing in this matter.
6. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on these allegations, the licensee agrees to accept a Letter of Reprimand. 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.
7. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their June 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.

4. Skunk Valley Farm, LLC  
Jasper Smith, Managing Member  
Christine Smith, Member  
Terrald Willy, Member  
Jan Willy, Member  
dba **SKUNK VALLEY FARM**

(Producer)

OAR 845-025-8540(1)(a) (Alternate Violation One) - On or about September 11, 2018, Licensee, and/or its employees, agents, or representatives made a false statement or representation to the Commission in order to induce or prevent action or investigation by the Commission when Licensee Jasper Smith denied that there was marijuana in the an unapproved building when there was marijuana present.

(1<sup>st</sup> Level Category II)

OAR 845-025-1440(1) - On or about September 11, 2018, Licensee and/or Licensee's employees, agents, or representatives failed to ensure that the licensed premises had camera coverage at all points of ingress and egress to and from the licensed premises, all limited access areas as that term is defined in OAR 845-025-1015, and/or all points of entry to or exit from limited access areas at the greenhouses and a shipping container being used to dry marijuana.

Withdrawn (1<sup>st</sup> Level Category III)

OAR 845-025-1175(1) - From about September 5, 2018 to about September 11, 2018, Licensee and/or Licensee's employees, agents, or representatives made physical changes to the licensed premises that materially or substantially altered the licensed premises or the usage of the licensed premises from the plans originally approved by the Commission without the Commission's prior written approval when Licensee used an unapproved building for storing harvested marijuana.

(1<sup>st</sup> Level Category III)

OAR 845-025-7520(1)(c) - On or about September 11, 2018 and September 18, 2018, Licensee and/or its employees, agents, or representatives failed to tag individual marijuana plants with a Unique Identification (UID) tag no later than when each plant reached a height of twenty four inches or when the individual plant was identified as female, whichever was sooner when there were a large number of untagged plants.

(1<sup>st</sup> Level Category III)

Note: Licensee was charged with these violations by Amended Notice dated October 22, 2020. The proposed sanction was license cancellation. Licensee requested a hearing and the matter proceeded to a contested case hearing on November 17-19, 2020. At the time a settlement agreement was reached, a proposed order had not yet been issued.

AGGRAVATION

Violation Number Four was aggravated because the violation was intentional.

(Continue **SKUNK VALLEY FARM**)

**SYNOPSIS:** On September 11, 2018, inspectors conducting a harvest inspection observed untagged marijuana plants and an unapproved structure containing marijuana at the premises. A false statement was made to the inspectors about whether the structure contained marijuana. This is resolved as a material but non-intentional misrepresentation. Violation Number Two regarding camera coverage is withdrawn because the evidence showed that there was some camera coverage in the area in question, but the issue was over the sufficiency of coverage.

### **TERMS OF AGREEMENT**

1. In order to dispose of the charged violation by settlement and to achieve certainty and finality without further proceedings, Licensee no longer contests Alternative Violation Number One, Violation Number Three and Violation Number Four and the Commission withdraws Violation Number One and Violation Number Two. These were Licensee's first Category II and first and second Category III violations within two years, resolved at the first level. Any subsequent Category II or Category III violations within the same two years 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.
2. The standard sanction for a Category II violation is a 30-day license suspension. The standard sanction for a Category III violation is a ten-day license suspension or a \$1,650.00 civil penalty. Violation Number Four was aggravated because the violation was intentional.
3. Commission staff originally proposed license cancellation. The Commission will reduce the sanction for Alternate Violation Number One to a 21-day license suspension; Licensee may pay a \$2,145.00 civil penalty in lieu of 13 days of suspension, with the remaining 8 days of the suspension mandatory. The Commission will reduce the sanction for Violation Number Three to a seven-day license suspension or a \$1,155.00 civil penalty, and will reduce the sanction for Violation Number Four to a nine-day license suspension or a \$1,485.00 civil penalty.
4. Licensee will pay a \$4,785.00 civil penalty before 5:00 PM on July 15, 2021, **AND** serve an eight-day suspension beginning at 12:00 PM (noon) on July 22, 2021 and ending at 12:00 PM (noon) on July 30, 2021; **OR** serve a 37-day suspension beginning at 12:00 PM (noon) on July 22, 2021 and ending at 12:00 PM (noon) on August 28, 2021.
5. Licensee withdraws its request for a hearing and any right it may have had to entry of a final order in this matter based on anything other than this Settlement Agreement.
6. In consideration of the forbearance stated herein, Licensee agrees to release and waive 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 Notices, the Proposed Order, or this Settlement Agreement and the final order based hereon, 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 attorneys fees or costs.
7. If a licensee's interest in the license expires or is transferred before the Commission issues a final order on these incidents, the licensee agrees to accept a Letter of Reprimand for the violations accepted in paragraph 1 above. 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.

(Continue **SKUNK VALLEY FARM**)

8. This agreement is conditional upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their June 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.

5. Agile Retailers, Inc.  
Patrick Learned, Pres/Dir/Stockholder  
Anna Blazeovich, Sec/Dir/Stockholder  
Anna Blazeovich, Personal Rep.<sup>[1]</sup>  
dba **STONE AGE GARDENS**

(Producer)

OAR 845-025-1450(1)(a)(b) - On or about July 20, 2019, Licensee or Licensee's employees, agents, or representatives failed to have cameras that continuously recorded, 24 hours a day, in all areas where mature marijuana plants, immature marijuana plants, useable marijuana or waste may have been present on the licensed premises, and/or at all points of ingress and egress to areas where mature marijuana plants, immature marijuana plants, useable marijuana or waste were present, when all cameras in the outdoor canopy, inside canopy, conex storage containers, trim room, and immature plant room, were not functioning.

(Category I)

OAR 845-025-1450(2)(k) - On or before July 20, 2019 Licensee or Licensee's employees, agents, or representatives failed to immediately notify the Commission of any surveillance equipment failure or system outage that lasted 30 minutes or more.

(1<sup>st</sup> Level Category II)

OAR 845-025-1175(1), (2) and (6) - On or before July 20, 2019 and/or January 30, 2020, Licensee or its employees, agents, or representatives made physical changes to the licensed premises that materially or substantially altered the licensed premises or the usage of the licensed premises from the plans originally approved by the Commission without the Commission's prior written approval, when multiple unapproved conex containers used for storing and drying marijuana were observed on the licensed premises.

( 1<sup>st</sup> Level Category III)

Note: Licensee was charged with these violations by Notice dated January 27, 2021. The proposed sanction was license cancellation. Licensee requested a hearing and now wishes to enter into this settlement agreement.

AGGRAVATION

Violations Number One and Number Three were aggravated because they were repeated.

**SYNOPSIS:** Inspection revealed that none of the cameras covering marijuana in the outdoor canopy or drying/storage area were operational. No notice of camera outage had been provided to OLCC as required by the applicable rule. Licensee is in the process of selling its business, and agrees to surrender its license by September 15, 2021.

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<sup>1</sup> The caption originally listed Michael Blazeovich, Director/Stockholder, based on the license structure on the date of the violations. The Commission has been advised that Michael Blazeovich is deceased and that Anna Blazeovich is his estate's personal representative.



(Continue **STONE AGE GARDENS**)

**TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. These were Licensee's first Category I, first Category II, and first Category III violations within two years. Violations Number One and Number Three were aggravated because they were repeated.
2. Commission staff proposed the standard sanction of license cancellation and seizure and destruction of marijuana items for these violations.
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 September 15, 2021, whichever is earlier. If Licensee's license expires on or before September 15, 2021 and Licensee chooses to keep its license active beyond the expiration date, Licensee understands and agrees that it will have to timely submit a renewal application and any required fees. Renewal will not create any rights beyond the final surrender date.
4. Licensee understands and agrees that the Commission is not representing or guaranteeing that a new owner will be licensable at all, 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.
5. Each licensee agrees to accept a letter of reprimand for the violations specified in paragraph 1 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.
6. 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.
7. Licensee withdraws its Request for Hearing in this matter.
8. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their June 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.

6. Hill Holding Company, LLC  
Trevor Hill, Member  
Jose Carrillo, Member  
dba **HILL VENTURES**  
(Producer)

OAR 845-025-7540(1)(2), (4) - On or about October 10, 2019 and/or about October 28, 2019, Licensee and/or Licensee's employees, agents, or representatives intentionally failed to enter data into CTS that fully and transparently accounted for all inventory tracking activities (as that term is defined in OAR 845-025-1015(38)), when on October 10, 2019 data was entered in CTS showing the creation of cultivation batches that were backdated to September 5, 2019 and the change of growth phase was immediately backdated to September 15, 2019; and on October 28, 2019 when data was entered in CTS showing the creation of cultivation batches on July 15, 2019 and/or July 30, 2019 and/or August 13, 2019 and the destruction of those plants was immediately backdated to October 18, 2019 and/or October 19, 2019.

(Category I)

OAR 845-025-8540(1)(a), (b) - On October 16, 2019, Licensee's employees, agents, or representatives intentionally made false statements or representations to the Commission in order to induce or prevent action or investigation by the Commission when Louis Collazo and Derek Williams told Inspectors J. Vargas and A. Del Pizzo that they had completed tagging all marijuana plants when in fact at least 10 untagged mature marijuana plants were observed on the premises and later Collazo and Williams stated that they had ran out of UID tags after they tagged as many plants as they could.

(Category I)

OAR 845-025-1160(4)(a)(A)(B) - On or about April 1, 2020, Licensee and/or Licensee's employees, agents, or representatives failed to notify the Commission of a change to its corporate or ownership structure, or in who has a financial interest in the business, prior to making such a change when EEK, Inc. obtained an ownership and/or financial interest in the licensed business without prior Commission approval.

(Category I)

Note: Licensee was charged with these violations by Second Amended Notice issued on March 10, 2021. The proposed sanction was license cancellation and refusal to renew the license. Licensee requested a hearing and now wishes to enter into this settlement agreement.

#### AGGRAVATION

Commission staff also proposed to aggravate the penalty because Violation Number Two was repeated.

**SYNOPSIS:** Multiple site visits uncovered issues with marijuana tracking at the licensed premises, and further investigation showed that licensee had allowed a third party to obtain an ownership and/or financial interest in the licensed premises without notification to or authorization by the Commission. Licensee has agreed to surrender the license by September 15, 2021 and will sell the business to an individual or entity other than the one alleged to have obtained the unauthorized interest.

### **TERMS OF AGREEMENT**

1. Licensee accepts responsibility for the violations as set out in the Notice. Violation Numbers One, Two, and Three were Licensee's first through third Category I violations. 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.
2. Commission staff proposed the standard sanction of license cancellation, seizure and destruction of marijuana items, and refusal to renew the license for these violations. Commission staff also proposed to aggravate the penalty because Violation Number Two was repeated.
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 on September 15, 2021, 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 have an approved license on or before September 15, 2021. 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.
5. Licensee agrees, represents, and warrants that the business will not be sold to the entity and/or individuals alleged to have obtained an unapproved financial and/or ownership interest in the licensed business, namely EEK, Inc. or any officer, director, or stockholder thereof, or any parent, subsidiary, affiliate, or successor of EEK, Inc.
6. Each licensee agrees to accept a letter of reprimand for the violations specified above. This letter of 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 hereby relinquishes any and all interest in any marijuana items in its inventory that have not been transferred before the effective date of license surrender, and agrees that the Commission may seize and destroy any such marijuana items.
8. Licensee withdraws its request for hearing.
9. The terms of this Settlement Agreement and the Final Order entered based on this Agreement are binding on Licensee and any of its agents, employees, representatives, successors or assigns.
10. This agreement is conditioned upon final approval of the Oregon Liquor Control Commission and will be reviewed by the Commissioners at their June 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.