

Overview:

- PINK PS2 is a 2.13-acre standard lease located in Pinkham Stream, Pinkham Bay, Steuben, Washington County.
- PINK PS2 is authorized for the cultivation of American oysters (*C. Virginica*) using suspended and bottom culture techniques.
- On December 18, 2018, the lease was renewed for a 10-year term that began on December 4, 2017, and ends on December 3, 2027.
- This report summarizes issues of non-compliance or potential non-compliance from December 4, 2017, to the publication date of this report (October 3, 2025).

Bond:

Chapter 2.75(8) provides that the lessee must maintain an escrow account or performance bond. Charles Wallace is required to have a \$5,000 bond in place. It is the responsibility of each leaseholder to ensure their bond is and remains current.

- In 2021, 2022, 2024, and 2025 DMR had to request updated bonds from Charles Wallace.
- On August 1, 2024, DMR received notice from Charles Wallace's insurance company that the bond would be cancelled effective September 5, 2024.
- On October 1, 2024, DMR requested an updated bond from Charles Wallace and gave him until October 31, 2024, to provide an updated bond. DMR did not receive an updated bond by the deadline.
- On June 25, 2025, DMR notified Charles Wallace that he had until July 25, 2025, to provide an updated bond but none was received.

Aquaculture Compliance Report

Summary: Over the term of the lease, Charles Wallace has not maintained a bond on the site. The site has been without a bond since at least September 5, 2024. As of October 3, 2025, DMR has not received a current bond.

Rent:

Chapter 2.75(8) also provides that the lessee must pay rent in a timely manner. Charles Wallace is required to pay annual rent in the amount of \$213.00, and payment is due by September 30 each year.

- 2019: DMR had to restrict Charles Wallace's ability to renew commercial licenses until lease rent fees were paid.
- 2022: The rent payment was due on September 30, 2022, but went unpaid. On March 2, 2023, DMR notified Charles Wallace that 2022 rent was outstanding and needed to be paid. The balance remained unpaid.
- 2023: The rent payment was due on September 30, 2023, but went unpaid. On January 24, 2024, DMR notified Charles Wallace that 2023 rent was outstanding and needed to be paid. The balance remained unpaid.
- On June 25, 2025, DMR notified Charles Wallace that rent from 2022 and 2023 was still outstanding and needed to be paid in full by July 25, 2025. The balance was not paid by the deadline.
- According to accounting records, Charles Wallace has since paid the outstanding rent owed.

Summary: Charles Wallace owed outstanding rent over two annual billing cycles. September 30, 2022, rent was overdue by nearly three years and September 30, 2023, rent was overdue by nearly two years.

Aquaculture Compliance Report

Compliance with Lease Agreement

The lease agreement requires compliance with all Department laws and regulations.

- In accordance with 12 M.R.S.A. §6810-B an Aquaculture Harvest License is required to remove, possess, transport, or sell organisms cultured on a lease site. According to licensing records, Charles Wallace has never held an Aquaculture Harvest License.
- PINK PS2 is located in Growing Area EK, section R2, which has been in a restricted classification since April 23, 2023.¹ In accordance with 12 M.R.S.A. § 6172 it is unlawful to dig, take, or possess any oysters from the waters where PINK PS2 is located. An exception to the restriction is provided for aquaculture leases provided they obtain a relay permit from the Department, which would allow the product to be moved to another aquaculture site for purging at least 60 days prior to harvest for market. The Department has no record of relay permits from Charles Wallace.

Summary: Charles Wallace has not previously held and does not currently hold an Aquaculture Harvester License and has not requested or received relay permits.

Aquaculture Inspection

- DMR inspection staff conducted an inspection of the site on May 29, 2025.
- The site was not marked in accordance with Chapter 2.80 of DMR's regulations and there was no sign of aquaculture activities occurring.
- Charles Wallace was given until July 25, 2025, to submit photographs demonstrating that the lease site was marked. Charles Wallace did not submit photographs by the deadline.

¹ PINK PS2 was also in the restricted classification from April 26, 2016, through April 29, 2021, when it was upgraded to approved. It was downgraded to restricted again on April 23, 2023.

Aquaculture Compliance Report

Summary: PINK PS2 was not marked in accordance with Chapter 2.80 of DMR's regulations and Charles Wallace did not take action to bring the site back into compliance in accordance with the specified deadline. The lease is also conditioned to require that the site be marked.

Additional Considerations:

- During the May 29, 2025, inspection there were no signs of aquaculture activity occurring. Charles Wallace has not held an Aquaculture Harvester License and has never requested a relay permit from DMR. It is possible that PINK PS2 is not being utilized.
- A review of the compliance record indicates that DMR has notified Charles Wallace many times about his lack of compliance and has provided opportunities for Charles Wallace to rectify the issues in a timely manner. However, Charles Wallace has not taken measures to rectify the issues and has been largely unresponsive to DMR reminders and correspondence.