

# CLARK HILL

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August 21, 2020

## **Via Electronic Mail**

Chairman Douglas  
Nevada Cannabis Compliance Board  
555 E. Washington Avenue, Suite 4100  
Las Vegas, NV 89101

Re: MediFarm LLC d/b/a Blum (RD088; D088)  
Request Change of Location

Dear Chairman Douglas:

This is in response to the submission by Cheyenne Medical LLC d/b/a Thrive (hereinafter Thrive) (RD263) and their change of location request. Thrive argues that the approval of the special use permit for the location at 2975 Sammy Davis Jr. Drive, Las Vegas Nevada 89109 (APN: 162-09-302-007), is enough to meet the distance requirement as the use was given to the landowner prior to the change in the regulation on November 23, 2019. Thrive was not the licensee on that SUP and failed to apply before the imposition of the new separation requirements. In fact, the original licensee on this SUP wasn't a county marijuana establishment licensee and was not qualified for that location.

Thrive fails to acknowledge that Medifarm applied for the change of location on November 21, 2019 before the change in the separation requirement. Thereby, giving them "grandfathered" status to the location. Thereafter, the DOT Marijuana Division approved Medifarm's request. The regulation clearly states that "medical and adult-use marijuana establishments must not be located within 1,500 feet of non-restricted gaming establishments." A marijuana establishment is the licensee. Not the landlord who holds the use. Medifarm, as the licensee applied for the change of location prior to the new separation requirements. And after careful consideration by the Department Medifarm received approval for the change.

The only qualified licensee for that location would be Medifarm LLC d/b/a Blum. All other applicants would be ineligible according to NRS 453D.210 5 (c)(3), NRS 678B.210(3)(a)(2)(II) and NRS 678B.250(3)(a)(2)(II).

Please do not hesitate to contact me if you have any questions. We are pleased to provide further information should you so require in order to complete your review of this matter.

Sincerely,

CLARK HILL PLLC

/s/ Michael V. Cristalli, Esq.

Michael V. Cristalli, Esq.

MVC/tb

## Amber Virkler

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**From:** Jake Long <jacob.long0925@gmail.com>  
**Sent:** Monday, August 24, 2020 3:13 AM  
**To:** CCB Meetings  
**Subject:** 8/25 public meeting question

To whom it may concern,

My name is Jake. I arrived to Nevada in June seeking employment in the Cannabis industry here.

Given the perceivable amount of preparation time, the CCB's resources are far from adequate. The accela website used for application is not user friendly and frankly outdated. The available information on the CCB is jumbled and overly complicated. There's two websites, which is erroneous.

There is little to no publicity available about your launch in July. You have no social media preference, no new media information available, no live chat available on your website and you have no mobile-friendly interface options (isn't there an app for everything these days?).

Applying for an agent card carries an exuberant financial cost, and applying for multiple classifications means submitting the same information multiple times. You'd think having to pay almost \$500 for permission to work in your desired field might at least be a user-friendly process.

There is little to no transparency in the presence you seek to impose on Nevada's cannabis industry. In the 8 weeks it took to find the right information and take the proper initial steps, the industry professionals I spoke to were seemingly ignorant of your existence entirely. In my efforts to apply for an agent card, I contacted the CCB and was met with minimal assistance peppered with cold indifference.

All but one representative in the CCB corresponded with a sort of "deal with it" attitude, comparable to the professionalism you'd get from a(n) HMO. Not quite rude, but very indifferent. All the while, my grievances and feedback about your system were ignored completely.

There's no mandate on courtesy, but there's enough unpleasantness in the world without the assistance of more grey bureaucrats. I'd like to think a lot more could have been accomplished over the phone, but calling the CCB isn't an option.

Overall, I'd rate my experience thus far about 6 out of 10. Generously...

My question is twofold:

1) why is there still so much room for improvement, and what (if any) steps are you taking to improve the overall user experience?

And 2): in the modern age of telephones, internet, and live chat, why is correspondence with the CCB limited strictly to email and so devoid of basic professional courtesy?

Thank you for your time and have a great day. (See how easy it is???)

P.S.: I'd be glad to offer my assistance in helping to improve things over there. I could offer your team some training tips on soft skills, and probably find you some digital experts to help make things more efficient online. It doesn't take a PhD to see what can be done better.

- Jake



High Sierra Holistics  
[rhernst@gmail.com](mailto:rhernst@gmail.com)

Dear Chairman Douglas and members of the CCB,

I am one of the managing member of High Sierra Holistics LLC(HSH) located in Northern Nevada. I am writing in favor of the settlement between High Sierra Holistics and TRNVP098 LLC. HSH is a locally owned cultivation and production facility in Reno, Nevada. With this proposed settlement, HSH hopes to open a dispensary in Lyon County, Nevada. This will create new employment opportunities and will provide the county additional tax revenue in a time when tax revenues are desperately needed. This settlement will allow all settling parties to continue to move forward and hopefully open other recreational marijuana dispensaries throughout the state.

HSH has been involved with the Nevada cannabis industry since 2016 when it acquired its production and cultivation licenses for medicinal marijuana. Since that time, we have been providing jobs to many Northern Nevada residents, and we look forward to expanding and employing even more local residents at this dispensary. HSH has been diligently working towards a resolution of this litigation in this case since 2019 and believes this resolution is in the best interest of all parties including the State of Nevada.

High Sierra Holistics respectfully requests the approval of this settlement agreement from the CCB. Thank you for your time and consideration in the matter.

Sincerely,

Russell Ernst



**Public Comment by Mitchell D. Britten on Behalf on behalf of Cheyenne Medical LLC, dba  
"Thrive" For Agenda item VI**

Cheyenne Medical LLC, dba "Thrive" respectfully submits this public comment regarding agenda item VI.

Thrive welcomes this opportunity to put facts on the record demonstrating to the public and this Honorable Board why their change of location request is legally justified and should be granted.

It is no secret that the granting of new adult use retail store licenses has been mired in lengthy and complicated litigation. That litigation, which the local press has dubbed "World War Weed", impacts virtually every aspect of the industry, including this change of location request, which would ordinarily be considered a very routine matter. The opposition to Thrive's change of location request has nothing to do with the merits of their request, but is rather just another attempt by certain parties to the litigation to seek avenues of recovery outside of the courtroom, to try and take what they did not earn, and to try to improve their perceived legal position.

Medifarm is familiar with the legal requirements for a valid lease and knows that a contract for the sale or use of land must be in writing. Medifarm's claim that it is negotiating in good faith with the landlord is completely without legal merit as mere negotiations give them no legal right to use the property. Medifarm knows they have no right to the Sammy Davis Jr Dr property, but Medifarm isn't really here to secure a right to the property, they are simply here to delay/deny Thrive the use of the property, or attempt to exert leverage on Thrive in the hopes of a settlement. Medifarm is likely doing this because they fear that allowing Thrive to open their retail store at the Sammy Davis Jr Dr property will hurt their, and certain other plaintiffs', position in the Department of Taxation ("DOT") litigation.

The public and the Board should also be aware of the relationships involved. Discovery in the DOT litigation has revealed that Medifarm's attorney, Michael Cristalli, is on the board of Qualcann, a marijuana establishment with a vested interest in the outcome of this matter due to its position in the DOT litigation. Mr. Cristalli's firm, Clark Hill, represents several of the plaintiffs in the DOT litigation, plaintiffs who were not a part of the recent settlement. It should be noted that Mr. Cristalli attempted to use this hearing as leverage to further his and his client's economic interests by offering to "settle" if Thrive would give up one of its licenses in the City of Las Vegas. If Thrive does not accept, Mr. Cristalli threatened even further litigation. Mr. Cristalli and Medifarm should not be allowed to abuse the process any further to delay the rights of other parties with their spurious claims and strong-arm tactics. Thrive's customers and employees should not have to wait while Medifarm tries to create a cannabis version of Dickens' Bleak House, here in Nevada.


The facts and law show that the Board is legally justified in approving the requested change of location. As stated in its submission for change of location, the Clark County Board of County Commissioners approved a special use permit for the proposed location, 2975 Sammy Davis Jr. Drive, Las Vegas Nevada 89109 (APN: 162-09-302-007), on December 14, 2017. The special use permit for the location is conditioned upon receipt of a final business license by December 6, 2021, which was extended from an original date of December 6, 2019. *Id.*

Because the special use permit at the proposed location was approved by the local authorities before the revisions to NRS 453D.210, Thrive's change of location request should be approved as the revisions to 453D.210 were clearly not meant to apply retroactively. We believe that by including an

effective date of November 23, 2019 for the revisions to NRS 453D.210 (Section 216.7 of Assembly Bill 533), and upon passage for other sections of Assembly Bill 533, that the Legislature clearly intended that locations approved prior to that date to be exempt from the new distance restrictions. Any other reading of the revisions to NRS 453D.210 would result in applying the new distance restrictions retroactively, which is strongly disfavored by Nevada law. Notably, Mr. Cristalli's law firm, Clark Hill, recently argued that changes to Nevada law under NRS 678B (in the context of the ownership) were not retroactive in a recent pleading they filed in the DOT litigation.

The Sammy Davis Jr Dr property already has a special use permit that was approved by the local authorities, almost two years prior to the effective date of the subsequent legislation imposing the additional distance separation restrictions. The legislature made no indication that such restrictions would apply retroactively. A timeline of events is attached hereto as ***Exhibit A*** for your reference.

Based on the foregoing, Thrive respectfully requests that its change of location, submitted on or around May 15, 2020 for RD263, be approved. If you have any questions, please let me know. Thank you.



8/24/2020

Mitchell D. Britten  
Cheyenne Medical LLC, dba "Thrive"



## EXHIBIT A

- On November 11, 2019, Medifarm LLC dba "Blum" submitted a change of location request to the Department of Taxation proposing to move its dispensary certificate (D088) and its retail store license (RD088) to 2975 Sammy Davis Jr. Drive, Las Vegas, Nevada 89109.
- On January 10, 2020, the Department of Taxation approved Medifarm LLC's change of location request.
- On May 15, 2020 Cheyenne Medical LLC dba "Thrive" submitted a change of location request to the 2975 Sammy Davis Jr. Drive, Las Vegas, Nevada 89109. As an exhibit to the change of location, the Landlord provided a signed letter to the Department of Taxation identifying its desire to have Cheyenne Medical LLC be the tenant at 2975 Sammy Davis Jr. Dr., Las Vegas, Nevada 89109.
- On July 30, 2020, Deputy Attorney General Ashley Balducci requested Thrive provide a copy of the lease for the Sammy Davis Jr Dr property. Thrive provided the requested lease document on July 30, 2020.
- On July 30, 2020 Deputy Attorney General Ashley Balducci requested Thrive provide a legal justification or a distance separation survey for the Sammy Davis Jr Dr property showing separation from non-restricted gaming licenses. Thrive provided the requested legal justification on August 4, 2020.
- On July 30, 2020, Deputy Attorney General Ashley Balducci requested Medifarm LLC provide documentation related to its legal right to use the Sammy Davis Jr Dr property. The Attorney General's office requested a response from Medifarm LLC within seven (7) business days otherwise Medifarm LLC's change of location request would be rescinded. Thrive is unaware if Medifarm LLC responded.

**Public Comment by Michael Talla on behalf of 2975 Sammy Davis Jr Drive LLC  
For Agenda item VI**

Michael Talla, on behalf of 2975 Sammy Davis Jr Drive LLC, respectfully submits this public comment regarding agenda item VI. I am the Manager of 2975 Sammy Davis Jr Drive LLC which owns the property where Cheyenne Medical LLC, dba Thrive, has requested to move its retail store license. I am grateful to have this opportunity to put on the record before the public and this Honorable Board as to why Thrive's request is legally justified and should be granted.

It is true that other parties had been in negotiations with me regarding a lease agreement for the Sammy Davis Jr Drive property, specifically a third party who claimed to be in negotiations to purchase a retail store license from Medifarm LLC dba Blum. I am unsure of the third party's affiliation with Medifarm, or of their authority to act on their behalf. Medifarm never executed a lease for the Sammy Davis Jr Drive property and has no legal right to the use of the property. Any claim that Medifarm is still in "good faith" negotiations with the owner of the Sammy Davis Jr Drive property are false. Thrive has executed a lease for the property and is the only tenant with rights to use the premises. Even if Medifarm were still in negotiations, as the Board is likely aware, a contract for real estate must be in writing pursuant to Nevada law and there is no written contract granting Medifarm rights to use the property in any capacity. Medifarm and their attorneys likely know this and are likely only objecting to Thrive's change of location request to delay and try to force the landlord to comply with their demands.

Thrive's change of location request is legally justified. As the Board is aware, the Sammy Davis Jr Drive property already has a special use permit approved by the local authorities. The special use permit was approved almost two years prior to the effective date of the legislation that imposed additional distance separation restrictions. The restrictions do not apply retroactively, and therefore do not apply to Thrive's change of location request as the Sammy Davis Jr Drive property is effectively "grandfathered." If the Board were to accept Medifarm's position, when it has no right to the Sammy Davis Drive property, it would effectively create a public policy to allow cannabis establishments to block the use of properties simply by receiving approval of a change of location, even when such establishment has no contract to utilize the property. Such a policy would effectively be a taking of a property owner's rights (who has obtained land use to permit the property to be used as a cannabis establishment) and would do nothing to serve the public interest.

The voters of Nevada voted to approve the opening of new adult use cannabis retail stores. Now perhaps more than ever in our history, our state needs these new retail stores and the jobs they will bring. We need commercial properties rented, we need the jobs that tenant improvements will bring, we need the security and retail jobs that these stores create, and we need to serve Nevada's visitors as our state struggles to get back on its feet after this unprecedented pandemic.

For the foregoing reasons, I respectfully request that Thrive's change of location, submitted on or about May 15, 2020 for RD263, be approved. If you have any questions, please let me know. Thank you.



Michael Talla  
2975 Sammy Davis Jr Drive LLC

## Amber Virkler

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**From:** Ardea Canepa-Rotoli <acanepa@msclawyers.com>  
**Sent:** Monday, August 24, 2020 5:08 PM  
**To:** CCB Meetings  
**Cc:** Eva Segerblom; Darcy Boesch  
**Subject:** Re: 8-25-2020 public comment - New Leaf

The law firm of Maddox, Segerblom and Canepa, LLP represents A New Leaf Production Center, LLC ("New Leaf") and is writing this public comment on behalf of New Leaf with regards to a renewal application that was mailed and emailed on August 10, 2020. The renewal packet was submitted with a cover letter detailing our client's unusual circumstances and need for an expedited decision by the Cannabis Compliance Board ("CCB"). On behalf of our client, we respectfully request that the CCB please take a look at the package that was submitted, and if a decision cannot be made during the August 25, 2020 board meeting, that the issue please be placed on the agenda as an action item for the CCB's September meeting. Time is of the essence for our client. Thank you in advance for your consideration.

Respectfully,  
Ardea Canepa-Rotoli  
Managing Partner  
**MADDOX, SEGERBLOM AND CANEPA, LLP**  
10403 Double R Blvd  
Reno, NV 89521  
Phone: 775-322-3666  
Fax: 775-322-6338  
*Licensed in Nevada and California*

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*Please note that if you are contacting us with an inquiry, you are not a client of this firm until you formally retain us in writing to act on your behalf.*

To the Esteemed Members of the Cannabis Compliance Board,

I am writing this letter in support of the proposed settlement agreement in Consent Agenda item V.E.2 between TRNVP098, LLC and High Sierra Holistics, LLC.

I am the founder and CEO of TRNVP098, LLC and just like the settlement agreements that were approved in the previous hearing, we feel like this is another positive step towards resolving an issue that has been a shadow over our industry since the second round of dispensary licensing. I realize the challenges in regards to satisfying all concerns and interests of the parties involved in the litigation, but we feel that not only is this a positive step for our industry's growth, but I also feel that the specifics of this settlement address some of the very concerns that were brought up during the process.

Not only does this proposed settlement help free up valuable financial and personal resources that the State of Nevada has had to incur through this litigation, but it also addresses two fundamental concerns in regards to the application process:

- 1) that dispensary licenses were not equally distributed to companies that previously did not have a dispensary, and;
- 2) that diversity was not emphasized throughout the process.

As a result of this settlement not only would licenses be distributed amongst two companies that did not previously own a dispensary, but allowing TRNVP098, LLC to keep its remaining dispensary licenses results in dispensary awards going to a company that qualifies as a 100% owned minority and service-disabled veteran owned business in accordance with NRS 75A. I understand that this is just a small part of the equation, but it's also small step in the right direction for diversity and equality.

Accompanying our settlement proposal all parties have also completed and executed the proper Transfer of Interest documentation as required by the CCB. As outlined in the settlement all parties are currently marijuana license holders and have previously qualified through background checks. We would also request that the accompanied Transfer of Interest documentation be approved at this time in conjunction with our settlement proposal so that all parties can complete this settlement in its entirety and immediately return their focus to creating business that are both impactful to the communities that they serve while also contributing to the continuous growth of Nevada's cannabis industry and State economic recovery.

Thank you for your consideration, and we're honored to contribute to a resolution that can help put this behind all parties involved.

Regards,

Shane Terry  
CEO, TRNVP098, LLC



Direct Phone (702) 832-1900  
Direct Fax (702) 832-1901  
EMAIL: krushton@cooperlevenson.com

August 24, 2020

Nevada Cannabis Compliance Board  
555 E. Washington Avenue, Suite 4200  
Las Vegas, NV 89101

Dear Chairman Douglas and CCB Members,

On behalf of RAD Sources Technologies, Inc. ("RAD Source"), this correspondence is intended to serve as public comment at the regularly scheduled August CCB meeting with respect to Regulation 12.065 ("Reg 12.065"). There are several fundamental problems with Reg 12.065, including:

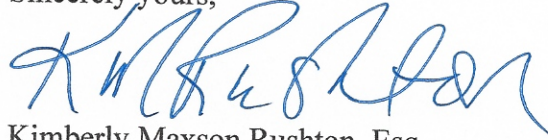
1. Reg 12.065 was improperly considered and approved by the CCB during the July meeting, having failed to meet the noticing standards set forth in Nevada Revised Statute 678A.460. This specific point was raised by RAD Source prior to the July meeting and thereafter in various correspondences sent to the Nevada Attorney General's Office and Executive Director Klimas.
2. Reg 12.065 specifically uses the term "radiation." Radiation is the emission or transmission of energy in the form of waves or particles through space or through a material medium. This includes electromagnetic radiation such as radio waves, microwaves, infrared, visible light, ultraviolet, x-rays, and gamma radiation. Thus, a number of common practices in the cannabis industry including but not limited to exposure to sunshine and ambient lights, the utilization of grow lights, and sterilization and decontamination processes using radio frequency and ionizing radiation are radiation. However, despite the CCB's knowledge of the various forms of radiation used in the cannabis industry, Reg 12.065 was drafted specifically in response to a writ of mandamus directing the CCB's predecessor – the Department of Taxation, Marijuana Enforcement Division – to immediately cease an arbitrary and capricious ban on RAD Source equipment using x-ray (ionizing) radiation. Furthermore, despite its inartful drafting, said regulation appears intended to apply to only that form of radiation. As such, Reg. 12.065 in its current form is not a legally proper regulation of general applicability.
3. Reg 12.065 is further flawed in that it applies food regulations to cannabis products; and again, only the subset of cannabis products treated using RAD Source equipment. The court issuing the writ of mandamus in *RAD Source Technologies, Inc. v. State of Nevada, Dept. of Taxation – Marijuana Enforcement Division* has already addressed the state's problem with attempting to apply food regulations to cannabis, which is not food (see attached Order).

Page 2

4. Lastly, the CCB is in possession of scientific studies, data, and other reports and information, including the results of a safety study requested from one of RAD Source's Nevada customers by certain CCB staff, and conducted using a RAD Source machine in Nevada, all of which clearly show that the use of ionizing radiation, and specifically the use of x-ray irradiation by a RAD Source machine, is a safe and effective method for sterilization and decontamination of cannabis flower. As such, Reg 12.065, at least with respect to RAD Source, is entirely unnecessary.

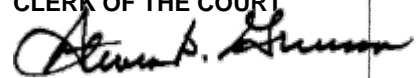
In sum, Reg. 12.065 is unlawful in its current form, and RAD Source respectfully requests that Reg. 12.065 be tabled for further review and discussion.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Kimberly Maxson Rushton", written in a cursive style.

Kimberly Maxson Rushton, Esq.





1 **ORDG**

2 **H1 LAW GROUP**

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8 *Attorneys for Plaintiff RAD Source Technologies, Inc.*

9 EIGHTH JUDICIAL DISTRICT COURT

10 CLARK COUNTY, NEVADA

11 RAD SOURCE TECHNOLOGIES, INC., a  
12 Florida Corporation,

13 Plaintiff,

14 vs.

Case No.: A-19-805074-W

Dept. 29

15 THE STATE OF NEVADA *ex rel.*  
16 DEPARTMENT OF TAXATION, MARIJUANA  
17 ENFORCEMENT DIVISION,

18 Defendant.

**ORDER GRANTING RAD SOURCE  
TECHNOLOGIES, INC.'S PETITION  
FOR WRIT OF MANDAMUS**

19 This matter came before the Court for hearing on January 15, 2020 and January 22, 2020  
20 on Plaintiff RAD Source Technologies, Inc. ("RAD Source")'s (1) *Motion for Order to Show*  
21 *Cause Why a Writ of Certiorari, Mandamus, and/or Prohibition Should Not Issue;*  
22 *(2) Alternative Motion for Preliminary Injunction; and (3) Application for Order Shortening Time*  
23 *(the "Motion").* Having fully reviewed the Motion as well as the exhibits and declarations attached  
24 thereto; the opposition filed by the Defendant The State of Nevada *ex rel.* Department of Taxation,  
25 Marijuana Enforcement Division (the "Department") and the exhibits thereto; the reply in support  
26 of the Motion filed by RAD Source the exhibits and declarations attached thereto; all evidence and  
27 argument presented at the January 15, 2020 and January 22, 2020 hearings; RAD Source's  
28 *Response to February 4, 2020 Minute Order* filed February 20, 2020 and the exhibits thereto; and

1 RAD Source's *Amended Complaint and Petition for Writ of Certiorari, Mandamus, Prohibition,*  
2 *Declaratory Judgment, Intentional Interference with Contractual Relations, and Intention*  
3 *Interference with Prospective Economic Advantage* filed December 12, 2019, and good cause  
4 appearing, the Court makes the following Findings of Fact and Conclusions of Law and enters an  
5 Order granting RAD Source's Petition for a Writ of Mandamus:

6 **FINDINGS OF FACT**

7 1. RAD Source is a private company that was founded in 1997 and which develops  
8 and manufactures renewable, non-isotope, ionizing radiation products worldwide.

9 2. RAD Source's patented and proprietary QUASTAR® technology produces high  
10 output X-ray radiation efficiently and reliably for a wide variety of irradiation applications  
11 including blood, cell and tissue, insects, biological research, and viral inactivation.

12 3. RAD Source's equipment is utilized in these various applications throughout the  
13 United States and worldwide.

14 4. Currently, RAD Source's equipment resides in hundreds of major pharmaceutical  
15 labs, healthcare institutions, and renowned universities worldwide. RAD Source's client list  
16 includes the American Red Cross, the Mayo Clinic, and the U.S. Food and Drug  
17 Administration's National Center for Toxicological Research.

18 5. Irradiation is the process by which an object is exposed to radiation, i.e., energy  
19 transmitted in waves or streams of particles. Types of electromagnetic radiation include visible  
20 light, radio frequency, microwaves, infrared light, ultraviolet light, X-rays, and gamma rays.

21 6. Ionizing radiation is a term describing the effect of removing electrons from an  
22 atom. FDA and USDA regulations allowing the use of ionizing radiation for pathogen reduction,  
23 antimicrobial decontamination, and phytosanitary treatment do not distinguish between gamma  
24 or x-ray produced ionizing radiation. In short, it is widely understood and accepted that gamma  
25 and x-ray irradiation are functional equivalents.

26 7. Ionizing radiation is a safe, widely utilized, and well-studied process that is used  
27 in marijuana decontamination, sterilization, blood transfusion, immunology and oncology  
28 research, and agriculture, among others.

1 8. X-ray irradiation technology is accepted by the American Red Cross, the Mayo  
2 Clinic, and the U.S. Food and Drug Administration's National Center for Toxicological  
3 Research, as well as by medical facilities and universities throughout the United States and the  
4 world.

5 9. Ionizing radiation is recognized as a safe and effective method to treat food for  
6 human consumption by FDA, the World Health Organization (WHO), the Centers for Disease  
7 Control and Prevention (CDC), and the U.S. Department of Agriculture (USDA).

8 10. Irradiation is beneficial for prevention of foodborne illness, preservation, control  
9 of insects, delay of sprouting and ripening, and sterilization.

10 11. Ionizing radiation, and in particular X-rays, will not cause any of the irradiated  
11 products to become radioactive or leave any radioactive residue.

12 12. RAD Source is the developer of the RS 420 Line of X-ray Irradiators, which are  
13 used for the safe and effective treatment of marijuana.

14 13. Title 21, Chapter I, Subchapter B, Part 179 of the Code of Federal Regulations  
15 ("C.F.R.") specifically uses the term, and permits, "ionizing radiation" for food treatment. The  
16 regulation further sets forth the operational parameters for X-ray equipment that is approved for  
17 use on food. RAD Source's RS 420 machines are fully compliant with these parameters.

18 14. Within the United States, the RS 420 Line has been used to treat marijuana in  
19 many state-regulated marijuana markets outside Nevada.

20 15. The RS 420 machines conform to federal safety and operational guidelines for  
21 cabinet X-ray devices, and are surveyed for emission safety on two occasions before being put  
22 into use.

23 ***Public Health and Safety Concerns***  
24 ***Related to Untreated Marijuana***

25 16. Given the multiple steps involved in harvesting, drying, processing, and  
26 packaging marijuana, it can be difficult to maintain perfectly sterile conditions throughout the  
27 entire marijuana production process. In order to ensure the safety of the product ultimately  
28

1 delivered to the consumer, growers utilize decontamination processes in the everyday processing  
2 of marijuana product and in converting quarantined product into safe, useable product.

3 17. Moreover, just like cultivating any other crop, marijuana is subject to a wide  
4 range of potential contaminants including yeast, mold, insects, and other pathogens.

5 18. The most concerning pathogen in the marijuana industry is Aspergillus. There  
6 have been documented cases of medicinal marijuana patients who have died from aspergillosis, a  
7 condition caused by inhaling Aspergillus spores. The Department recently issued a public health  
8 and safety advisory warning concerning the presence of Aspergillus in Nevada marijuana,  
9 highlighting the importance of this issue and the significance of potential impact on the health  
10 and safety of Nevada citizens and consumers.

11 ***The RS 420 Line Was in Use in Nevada for***  
12 ***Two Years Before the Department Imposed a "Moratorium"***  
***on the Use of the Machines***

13 19. From March 2017 through March 2019, Nevada marijuana growers utilized the  
14 RS 420 Line in everyday processing of marijuana to reduce yeast, mold (e.g., Aspergillus), and  
15 other pathogens and in converting quarantined product into safe, useable marijuana product.

16 20. In March 2019, without any prior notice to RAD Source, the Department informed  
17 RAD Source customers they were not allowed to continue using the RS 420 Line of equipment.

18 21. RAD Source immediately and consistently engaged in communications with the  
19 Department to try to resolve any concerns the Department may have regarding its technology.

20 22. On April 9, 2019, Dave Witkowski, DOT Inspector II, communicated to RAD  
21 Source a list of six criteria that the Department required in order to approve the use of irradiation  
22 instrumentation utilizing ionizing radiation to treat marijuana and marijuana products.

23 23. The following week, the Department acknowledged that RAD Source had  
24 addressed all but one of the six criteria to its satisfaction. The single remaining item the  
25 Department required was certification from the U.S. Food and Drug Administration ("FDA") or  
26 a letter of exemption from FDA (the "FDA Requirement").

27 ///

28 ///

1 *The Single Remaining Item on the Checklist,*  
2 *the FDA Requirement, Is Impossible to Obtain*

3 24. Marijuana and anything made from marijuana, such as edible marijuana products,  
4 do not constitute "food" regulated by FDA.

5 25. Marijuana is a controlled substance under the Controlled Substances Act ("CSA")  
6 and its production, possession, and distribution are federally proscribed. 21 U.S.C. § 801 *et seq.*  
7 Therefore, it is not possible for RAD Source, nor any end user or any other party, to obtain FDA  
8 approval for devices used to process marijuana.

9 26. In its effort to appease the Department, RAD Source reached out to FDA to  
10 inquire as to the possibility of obtaining some form of certification or letter of exemption per the  
11 Department's request and requirement for the same. In response, a representative of FDA  
12 informed RAD Source that: (i) the request being made by the Department is impossible as  
13 marijuana products do not constitute food; and (ii) FDA, as a federal agency, will not review or  
14 issue any certification or letter of exemption on a marijuana product because it is not legally  
15 permitted under federal law.

16 27. RAD Source had multiple discussions with Department representatives and  
17 counsel, in person and over the phone, and providing documentation explaining (1) marijuana is  
18 not a "food" and therefore is not subject to FDA oversight, and (2) as marijuana is a federally  
19 controlled substance, it is impossible to satisfy the FDA Requirement.

20 28. However, the Department continued to prohibit the use of the RS 420 Line based  
21 on the FDA Requirement.

22 29. The FDA Requirement is not embodied, or in any way referenced, in any Nevada  
23 Revised Statute or Nevada Administrative Code provision. Instead, the Department appears to  
24 have created the FDA Requirement outside of the Department's standard process of enacting  
25 rules and regulations and outside of the procedures required under Nevada's Administrative  
26 Procedures Act, as codified in NRS Chapter 233B.

27 30. The Department has not required other marijuana treatment processes or  
28 equipment to meet the FDA Requirement.

**CONCLUSIONS OF LAW**

1  
2 1. "A writ of mandamus is available to compel the performance of an act that the  
3 law requires as a duty resulting from an office, trust, or station or to control an arbitrary or  
4 capricious exercise of discretion." *Nevada Yellow Cab Corp. v. Eighth Judicial Dist. Court*  
5 *in & for Cty. of Clark*, 132 Nev. 784, 787, 383 P.3d 246, 248 (2016) (quoting *Humphries v.*  
6 *Eighth Judicial Dist. Court*, 129 Nev. 788, 791, 312 P.3d 484, 486 (2013)). For a writ to  
7 issue, generally a party must not have "an adequate and speedy legal remedy." *Id.*

8 2. The Department is prohibited under Nevada law from creating regulations that  
9 make the operation of recreational marijuana establishments unreasonably impracticable.  
10 NRS 453D.020(1); NRS 453D.020(3); NRS 453D.200(f).

11 3. The Department violated NRS 453D.200(f) and failed to perform acts which  
12 the law compels it to perform by prohibiting the use of the RS 420 Line without any  
13 justification, hearing, or notice.

14 4. Additionally, the Department violated NRS 453D.200(f) and failed to perform  
15 acts which the law compels it to perform by creating impossible standards for RAD Source to  
16 meet, namely requiring FDA certification or an FDA letter of exemption in order to lift the  
17 ban on the RS 420 Line.

18 5. To the extent the Department's actions were an exercise of discretion, the  
19 Department has acted arbitrarily and capriciously by banning RAD Source's RS 420 Line,  
20 which is a safe and effective method for treating marijuana.

21 6. To the extent the Department's actions were an exercise of discretion, the  
22 Department has acted arbitrarily and capriciously by requiring RAD source to meet  
23 impossible and inapplicable requirement of obtaining FDA certification or FDA letter of  
24 exemption before approving the RS 420 Line for treating marijuana.

25 7. To the extent the Department's actions were an exercise of discretion, the  
26 Department has acted arbitrarily and capriciously by applying different standards to similarly  
27 situated competitors.  
28



8. Additionally, when an agency engages in conduct that constitutes the making of a regulation, it must adhere to the notice and hearing requirements set forth under NRS 233B.060 and 233B.061. *S. Nevada Operating Engineers Contract Compliance Tr. v. Johnson*, 121 Nev. 523, 528, 119 P.3d 720, 724 (2005).

9. An agency engages in prohibited ad hoc rulemaking when it promulgates standards of general applicability that effect policy without complying with the Nevada APA. *See Las Vegas Transit Sys., Inc. v. Las Vegas Strip Trolley*, 105 Nev. 575, 780 P.2d 1145 (1989); NRS 233B.038.

10. The Department's self-defined "moratorium" on ionizing radiation technology is in violation of Nevada's Administrative Procedures Act because the moratorium was enacted in violation of NRS Chapter 233B.

11. RAD Source was denied a right to appeal the Department's decisions and actions. Therefore, there is no plain, speedy, and adequate remedy in the ordinary course of law to correct the Department's failure to perform the acts required by law or to correct the Department's arbitrary and capricious use of discretion.

12. If any of the Conclusions of Law are properly findings of fact, they shall be treated as thought appropriately identified and designated.

### ORDER

**IT IS HEREBY ADJUDGED ORDERED AND DECREED** that Plaintiffs' Petition for Writ of Mandamus is GRANTED. The Department of Taxation is hereby ordered to (1) immediately lift the prohibition on the RS 420 Line and allow the RS 420 machines to return to operation, and (2) cease and desist from requiring the RS 420 Line to meet the impossible FDA Requirement.

DATED this 7th day of July 2020.

  
DISTRICT COURT JUDGE  
DEPARTMENT 29

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3 

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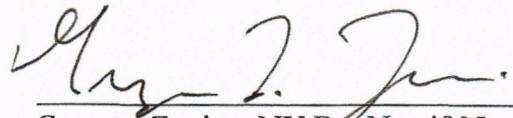
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## Amber Virkler

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**From:** Sigal Chattah <sigal@thegoodlawyerlv.com>  
**Sent:** Monday, August 24, 2020 10:56 PM  
**To:** CCB Meetings  
**Subject:** Fwd:  
**Attachments:** CCB 8.25.20.docx

Please see attached objection to Agenda Item C tomorrow.

Thank You

Sigal Chattah, Esq.

--

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Dear Commissioners

Please accept this objection to agenda item C, Request for Transfer of Interest of the below listed companies. The subject transfers are the result of a settlement agreement procured during the course of litigation of the Eighth Judicial District Court case In Re: Department of Taxation.

These transfers between Plaintiffs and Intervenors should not be approved as the rankings of said plaintiffs would have precluded them from obtaining licenses under chapter NRS 453D, which delineates that the applications must have been completed and satisfactory to grant the licenses.

It is incomprehensible, how the Parties with the respective rankings below, now somehow qualify to obtain licenses despite two years of litigation by the DOT and Intervenors that they would never have qualified and that the intervenors were rightfully awarded licenses.

Both the DOT and Intervenors providing the licenses are judicially estopped from making such representations, insinuating that the below named Parties, should now be awarded licenses. Accordingly, these companies' requests for transfer should be denied. These companies and their respective rankings for Clark County and are as follows:

1. Nevada PURE LLC , *ranked 65 , 61*
2. LivFree Wellness, *ranked 27,*
3. MM Development Company, Inc., *ranked 12, 11*
4. Qualcan, LLC – *ranked 7, 11, 9*
5. Nevada Wellness Center, LLC, *ranked 72, 54, 69*
6. ETW Management Group, LLC, *ranked 30,71, 68*
7. Global Harmony LLC, *ranked 28, 64, 49, 60*
8. Just Quality, *ranked 29,68, 65*
9. Libra Wellness Center, LLC, *ranked 32, 95, 70, 85*
10. Rombough Real Estate, Inc., *ranked 49, 41*
11. Zion Gardens LLC , *ranked 23*

## Amber Virkler

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**From:** Amy Sugden <amy@sugdenlaw.com>  
**Sent:** Tuesday, August 25, 2020 12:02 AM  
**To:** CCB Meetings  
**Subject:** Public Comment - August 25, 2020 Meeting  
**Attachments:** FINAL-SIGNED-SETTLEMENT-AGREEMENT[1].pdf; Exhibit 1.pdf

Dear CCB,

I once again write to you regarding my client, THC Nevada, LLC's objection to another last ditch effort to try and have the CCB rubber stamp a settlement agreement that may be rendered completely unenforceable by the Honorable Elizabeth Gonzalez of the Eighth Judicial District when she issues her decision on the 2018 dispensary application process in its entirety. It is expected that Judge Gonzalez will issue her decision on or about September 4, 2020 – less than 8 business days away and yet here we are on another emergency three-day notice meeting.

Specifically, THC Nevada objects to Items "C" on "D" on the Agenda . Change of requests for ownerships have been on hold and/or backlogged at the State level **for over a year** – and now, in a grossly self-serving manner, the settling parties in the dispensary litigation somehow get to jump to the front of the line because they have unilaterally designated themselves as most important? This type of preferential treatment to certain licensees OVER others is exactly what the CCB is supposed to avoid, unlike its predecessor, the DOT.

More concerning is how the CCB **could have possibly undertaken the due diligence** needed to even consider approving these transfers as of August 19, when the Notice for this Meeting was posted. The Partial Settlement Agreement at issue was purportedly executed on July 28, 2020. Twenty-two days. The CCB is representing that it has undergone all the necessary due diligence in 22 days to transfer over FIFTY-SIX (56) licenses – as identified on the Agenda? This is amazing.

Anything that has to be set on no less than three (3) emergency agendas to receive stealth like approval is suspicious. The CCB was appointed to DO BETTER than the DOT. We ask you to take that charge and actually execute on it.

We ask you to at the very least provide supporting materials for your emergency meeting **in advance** so that the public can intelligently and comprehensively provide input – and sadly, this has not occurred for today's meeting.

To the extent that the entirety of the 2018 licensing process should be turned on its head, including nullifying the **conditional** award of all the licenses issued, the CCB should be proceeding with extreme caution. Why cannot the CCB wait 8 days until the Court is anticipated to make its ruling to see whether or not the licenses that are attempting to be transferred are actually validly held or not? Otherwise, the CCB is at great risk of sanctioning the transfer of rogue licenses and further embarrassing this State.

I almost did not prepare a written response this time because it seemed there was very little to no meaningful actual discussion at the last CCB meeting voting to approve the partial settlement agreement. I am erring however, on the optimistic side of caution that someone will actually take the time to consider the public comments this time and respond to them in a meaningful manner – at least let us know we have been heard.

I, and I'm certain many others, look forward to hearing the CCB's consideration of the public it was appointed to serve.

Respectfully,  
Amy Sugden



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## SETTLEMENT AGREEMENT

This Settlement Agreement is entered into as of July \_\_\_, 2020 (the “Effective Date”) (this “Agreement”), among LivFree Wellness, LLC, a Nevada limited liability company (“LivFree”), MM Development Company, Inc., a Nevada corporation, (“MM”); ETW Management Group LLC, Global Harmony LLC, Just Quality, LLC, Libra Wellness Center, LLC, Rombough Real Estate, Inc., and Zion Gardens LLC, (collectively the “ETW Plaintiffs”); Nevada Wellness Center, LLC, a Nevada limited liability company (“NWC”); Qualcan, LLC, a Nevada limited liability company (“Qualcan”) (collectively, “Settling Plaintiffs” or individually, a “Settling Plaintiff”); Lone Mountain Partners, LLC, a Nevada limited liability company (“Lone Mountain”); Nevada Organic Remedies, LLC, a Nevada limited liability company (“NOR”); Greenmart of Nevada NLV, LLC, a Nevada limited liability company (“GreenMart”); Helping Hands Wellness Center, Inc., a Nevada corporation (“Helping Hands”); CPCM Holdings, LLC, a Nevada limited liability company, Cheyenne Medical, LLC, a Nevada limited liability company, and Commerce Park Medical, LLC, a Nevada limited liability company (collectively “Thrive”); and the State of Nevada, Department of Taxation (“DOT”) (collectively “Settling Defendants” or individually, a “Settling Defendant”).

### RECITALS

- A. LivFree, MM, ETW Plaintiffs, NWC, Qualcan, Lone Mountain, NOR, GreenMart, Helping Hands, Thrive, and the DOT (collectively the “Settling Parties” and individually, a “Settling Party”) are all parties to a consolidated lawsuit pending in the District Court, Clark County, Nevada, as Case No. A-19-787004-B (the “Lawsuit”).
- B. Within the Lawsuit there are claims and counterclaims relating to the disputes at issue in the Lawsuit (the “Disputes”).
- C. The parties want to compromise and settle the Disputes in the Lawsuit by dismissing the claims in the Lawsuit by and between the Settling Parties, each Settling Party to bear its own costs and attorneys’ fees, and to exchange mutual releases as provided in this Agreement.

NOW THEREFORE the Settling Parties agree:

### DESCRIPTION OF TRANSFERS AND ISSUANCES OF LICENSES

1. The Settling Defendants hereby assign (subject to DOT and/or Cannabis Compliance Board (“CCB”) approval) all rights, interest and title in the various Nevada retail marijuana dispensary conditional licenses (the “Conditionally Approved Licenses”) to other entities as set forth below provided that each of the conditions set forth in this Agreement, including those set forth in Paragraphs 5-8 hereof, shall first be fulfilled:

- Lone Mountain hereby assigns 1 City of Las Vegas conditional license to Qualcan;
- Lone Mountain hereby assigns 1 Washoe County – City of Reno conditional license, 1 Lincoln County conditional license, 1 Esmerelda conditional license, and 1 Eureka County conditional license to ETW Plaintiffs;

- Helping Hands hereby assigns 1 Unincorporated Clark County conditional license to LivFree;
- NOR hereby assigns 1 Unincorporated Clark County conditional license to MM;
- NOR hereby assigns 1 Carson City conditional license to Qualcan;
- GreenMart hereby assigns 1 Unincorporated Clark County conditional license to NWC;
- Thrive hereby assigns 1 Clark County – City of Henderson conditional license (RD266) to ETW Management or a related-entity designee; and
- Lone Mountain hereby assigns 1 Douglas County conditional license to Thrive<sup>1</sup>.

2. LivFree Henderson. To fully resolve the potential MM and LivFree appeals, the DOT and/or CCB agrees to issue a conditional Henderson license to LivFree and LivFree agrees that it will hold such license in abeyance (the “Limited Henderson License”) until such time as both of the following two conditions are satisfied and provided that no Settling Party has exercised the “put option” described below: (1) the Henderson moratorium and/or restriction on the opening of additional adult-use cannabis establishments (the “Henderson Moratorium”) is lifted; AND (2) the issuance of a final inspection certificate for this Henderson license does not require the DOT and/or CCB to exceed the current cap for Clark County licenses (presently 80 licenses) or any adjusted cap for Clark County licenses. Nothing herein shall be construed to excuse or eliminate any and all requirements or duties that LivFree is or maybe required to fulfill under state or local law pertaining to the Henderson conditional license in the event that conditions precedent 1 and 2 are fulfilled. Nothing in this Paragraph 2 shall prevent any Settling Parties issued conditional licenses in the City of Henderson from perfecting those conditional licenses if the Henderson Moratorium is lifted.

LivFree expressly does not commit to undertake any efforts to eliminate the existing Henderson Moratorium and, in fact, expressly reserves the right to undertake lobbying efforts to preserve any Henderson Moratorium, provided, however, that LivFree shall not seek any legal action to prevent the Henderson Moratorium from being lifted or seeking its continuance. Further, LivFree shall not engage in any tortious interference with any Settling Parties’ ability to perfect any Henderson license and/or to receive the issuance of a final inspection certificate from both the City of Henderson and the State of Nevada (CCB). LivFree agrees that the existing Henderson Moratorium applies to the Henderson conditional license issued to LivFree hereunder (but does not apply to LivFree’s existing operational Henderson dispensary license). To assist the DOT and/or CCB in reducing any potential issues with the current cap for Clark County licenses, LivFree agrees that, for a period of 5 years (the “Option Period”) following execution of this Agreement, it will pay \$250,000, or any other price on which the parties are able to agree, to purchase one Henderson conditional licenses. No such Settling Defendant shall have any obligation whatsoever to sell LivFree any such Henderson conditional licenses and nothing in this Agreement should be construed as any indication that the DOT and/or CCB is suggesting that any Settling Defendant should exercise this “put option.” However, LivFree agrees that any Settling Defendant, at their respective option (not obligation) and in their sole and unfettered discretion,

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<sup>1</sup> Lone Mountain agrees that, subject to agreement to final terms by all parties to the Lawsuit, it will contribute its remaining Lander County, Mineral County, and White Pine County conditional licenses to a Global Settlement.

shall have a “put option” to sell to LivFree, and LivFree shall have the obligation to purchase, one such license from any Settling Defendant, whichever decides to exercise the option first (if at all), for \$250,000, or any other price on which the parties are able to agree, during the Option Period.

Nothing in this Paragraph 2 shall be construed to (a) prevent or limit any Settling Defendant’s ability to operate the conditional Henderson licenses during the Option Period, (b) prevent or limit any Settling Defendant’s ability to sell, assign, or otherwise transfer any Henderson conditional licenses during the Option Period to any other party at any time and upon any such terms as such Settling Defendant may agree, and (c) apply to any other licenses held by any affiliate of any Settling Defendant. Further, LivFree and DOT and/or CCB agree that the grant of any “put option” pursuant to this Paragraph 2 shall not constitute the creation of an “interest” (ownership or otherwise) in the Henderson conditional licenses for LivFree.

If LivFree acquires one of the conditional licenses through the exercise of the “put option”, LivFree agrees that it will surrender either the Limited Henderson License or the license acquired through the “put option” (at LivFree’s discretion to determine which of those options it will choose) to allow the DOT and/or CCB to reduce the existing or any future cap on total Clark County licenses. In no event shall LivFree have two additional Henderson conditional licenses by getting one directly or indirectly through this settlement (or any further settlement of the Lawsuit) and another through an exercise of the “put option”, in addition to the already existing LivFree Henderson license.

In the event that the pre-condition of lifting the Henderson moratorium occurs and LivFree is not able to exercise in good faith the “put option”, LivFree agrees to remain solely responsible for any and all local government and county approvals necessary for the CCB to reallocate a license which was not applied for during the September 2018 retail marijuana store competition.

3. All licensees described in this Agreement must be in good standing.
4. No license transfer pursuant to this Agreement can create a monopoly, as prohibited in NRS 678B.230 and NRS 678B.270.

#### DISSOLUTION OF BOND AND INJUNCTION

5. As a condition and term of this settlement, within 2 business days of the execution of this Agreement by all Parties, Settling Plaintiffs shall file a motion for a return of the cash bond that they have posted and seek an order shortening time. Contemporaneously, Settling Plaintiffs will withdraw the pending Motion for Case Terminating Sanctions filed against the DOT seeking to strike its Answer to the Lawsuit.
6. As a condition and term of this settlement, the CCB agrees to make a good faith effort to expedite and process GreenMart’s previously submitted Change of Ownership request for transfer of interests and/or ownership (“CHOW”) .
7. As a condition and term of this settlement, DOT will notify the Court and will file an appropriate Motion on OST in the Lawsuit informing the Court that it has determined that Lone Mountain, NOR, GreenMart, and Helping Hands (each, a “Tier 3 Party”) have satisfied the DOT that each such Settling Defendant provided the information necessary in their respective applications to allow the DOT and/or CCB to conduct all necessary background checks and related actions and that Lone Mountain, NOR, GreenMart, and Helping Hands are being reassigned to Tier 2 status in the Lawsuit for purposes of the Preliminary Injunction or any other injunction that may be issued in the Lawsuit or any related proceedings. The Motion to be filed by DOT will

indicate the DOT's approval of the applications of the previously designated Tier 3 Defendant Intervenor and that final inspections may be completed for any establishments owned by Lone Mountain, NOR, GreenMart, and Helping Hands. All Parties will join in the DOT's Motion. The reassignment of the settling Tier 3 parties into Tier 2, is a material condition of this Agreement and a material condition and requirement for the assignments contained in Paragraph 1. In the event that a Tier 3 Party is prevented or precluded reassignment to Tier 2 or otherwise remains enjoined from perfecting its conditional licenses for any reason, whether by a court, another party to the Lawsuit, any third party, or otherwise, the assignments of conditional licenses identified in Paragraph 1 shall be void and of no effect, with title to the licenses identified in Paragraph 1 to remain with the transferring party and this Agreement shall be terminated without any further force or effect. In such instance, the DOT and/or CCB (or successor entity, as appropriate) and the proposed assignee shall perform all actions and execute all documents to ensure that such licenses remain with the affected transferring party.

#### TIMING OF TRANSFERS

8. As a condition and term of this settlement, after the conditions precedent in Paragraphs 5-7 are met, the CCB agrees to make a good faith effort to expedite any and all CHOW requests for the transfer of licenses from existing licensee to another existing licensee as set forth in Paragraph 1 above. The CCB agrees that it will make a good faith effort to expedite and process all CHOWs after submission thereof. For purposes of approving the transfers, LivFree, MM, ETW Plaintiffs, NWC, Qualcan, and Thrive were previously and are currently approved by the DOT as owners and operators of medical and retail marijuana dispensary licenses in the state of Nevada. In compliance with NRS/NAC 453D, these parties have operated retail marijuana dispensaries without any suspensions or revocations of those licenses. Any delays in approvals of the CHOWs due to no fault of transferor shall not be deemed a breach of this Agreement.

#### RELEASES AND DISMISSALS

9. As a condition and term of this settlement, within two business days after the conditions precedent in Paragraphs 5-8 are met, the parties will execute mutual releases in the form attached hereto as Exhibit B, with each party to bear its own costs and attorneys' fees.

10. As a condition and term of this settlement, within two business days after the conditions precedent in Paragraphs 5-8 are met, Settling Plaintiffs shall move to dismiss any and all claims in the cases listed below (the "Dismissed Claims"):

- a. MM Development/LivFree action (Case No. A-18-785818-W);<sup>2</sup>
- b. In Re: DOT Litigation (A-19-787004-B);
- c. Nevada Wellness Center action (A-19-787540-W);<sup>3</sup>
- d. Qualcan action (A-19-801416-B).

Settling Plaintiffs will dismiss the Dismissed Claims with prejudice against each Settling Party hereto, as applicable, and without costs or fees to or from any such Settling Party, Settling

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<sup>2</sup> However, MM will not dismiss its counterclaims against D.H. Flamingo in the associated cases.

<sup>3</sup> NWC's claims against Defendant Jorge Pupo will remain and not be dismissed as a result of this settlement.



Defendants reserve their rights to seek fees and costs from any Non-Settling Plaintiff (as defined below) in the Lawsuit.

11. LivFree/MM agree to stipulate with the DOT to dismiss the pending writ petition regarding the cell phone of Rino Tenorio (Supreme Court Case No. 79825).

12. MM Development, Nevada Wellness Center, and Liv Free agree to relinquish any and all administrative appeals to DOT and CCB which they may have or have arising out of the September 2018 retail marijuana store competition.

#### CONTINUED PARTICIPATION BY SETTling PLAINTIFFS

13. Further, upon the execution of this Agreement, the Settling Plaintiffs will file a Motion to Intervene as Defendants/Intervenors in the Lawsuit and participate in the Lawsuit in good faith and shall use best efforts to defend against the Lawsuit.

14. If any Settling Party settles any other matter related to the Lawsuit (each, a “Future Settlement”), every other Settling Party shall be included as released parties in such Future Settlement on the same release terms and conditions as set forth herein; provided, however, that any Settling Party receiving such release shall bear its own costs and attorneys’ fees with respect thereto as provided in this Agreement.

#### ADDITIONAL TERMS RELATING TO LICENSES AND TRANSFERS

15. As a condition and term of this settlement, the CCB agrees to make a good faith effort to expedite and process:

- a. a CHOW to be filed by Helping Hands;
- b. any CHOW submitted by NOR with respect to its licenses as the expedited handling of such CHOW requests may be necessary under the pending Companies’ Creditors’ Arrangement Act proceeding involving NOR’s parent company;
- c. a CHOW to be submitted by Lone Mountain; and
- d. any CHOW to be submitted by MM with respect to the transfer of cultivation and production licenses (medical and recreational) from West Coast Development Nevada, LLC.

16. DOT and/or CCB further agrees to perform final inspections on an expedited time period – within 5 business days of the request for inspection – for the new locations for the conditional licenses for the NOR proposed dispensary in Reno, NV and the MM proposed dispensary in Unincorporated Clark County, and any and all of Thrive’s conditional licenses to be designated by Thrive.

17. DOT and/or CCB agrees to, in good faith, expedite the processing of Thrive’s pending Change of Location Request for its Unincorporated Clark County license (RD263).

18. DOT and/or CCB agrees that all parties to this Agreement shall receive a fourteen (14)-month extension of the current deadline of December 5, 2020 to February 5, 2022, for conditional licensees to obtain final inspections and approval from DOT and/or CCB on any and all conditional licenses received and that comparable extensions shall be extended to other parties that settle claims in this Lawsuit with the DOT and/or CCB. Notwithstanding the foregoing, for any jurisdiction that currently has a moratorium on new adult-use cannabis establishments (including

but not limited to the City of Henderson, Douglas County, and the City of Reno), DOT and/or CCB agrees to extend the deadline for any Settling Party to obtain final inspections and approval from DOT and/or CCB on any and all conditional licenses in such jurisdiction for a period of fourteen (14) months after the date any moratorium is lifted in such jurisdiction.

19. LivFree agrees to reimburse Helping Hands for its expenses, through January 31, 2020 totaling \$890,000, related to building out the designated location at 8605 S. Eastern Ave., Las Vegas, NV 89123 for the Unincorporated Clark County license. Payment of the \$890,000 by LivFree is contingent upon approval of a special use permit ("SUP") for this location by the Clark County Commission and will be made no later than 10 business days after final approval of the SUP. LivFree will submit the application for the SUP in good faith no later than forty-five (45) days following the Effective Date or 45 days after the conclusion of trial, whichever is later. Helping Hands makes no representations or warranties regarding the SUP for the Eastern location. If Clark County does not approve the SUP for such location on or before March 31, 2021, LivFree may request a SUP at a different location and would not be required to pay Helping Hands \$890,000.

20. LivFree agrees to assume the lease, attached hereto as Exhibit A, for the premises located at 8605 S. Eastern Ave., Las Vegas, NV 89123 upon receipt of an estoppel certificate executed by the landlord. Assumption of the lease by LivFree is contingent upon approval of a SUP for this location by the Clark County Commission and will be made no later than 10 business days after final approval of the SUP. Helping Hands will remain liable for lease payments until LivFree assumes the lease and LivFree will have no liability on the lease if the SUP is not approved.

21. LivFree agrees to pay to Thrive the amount of \$400,000 and Helping Hands agrees to pay to Thrive the amount of \$100,000 upon approval of the transfer of the Thrive conditional license as set forth in paragraph 1 of this Agreement. LivFree and Helping Hands agree to cooperate with Thrive to report the payment set out in this Paragraph in the most tax-advantaged way to Thrive and its affiliates.

#### REPRESENTATIONS AND WARRANTIES

22. In the event that the DOT is no longer responsible for performing any of the conditions and/or requirements in this Agreement, then the entity that is responsible for performing such duties (e.g., the CCB or any related entity) shall be subject to the conditions and requirements provided in this Agreement. The State of Nevada, DOT represents and warrants that it has authority to sign this Agreement and bind the CCB.

23. Lone Mountain represents and warrants that it has full and complete control to assign the conditional licenses it was awarded, that there are no ownership disputes and Lone Mountain shall indemnify, defend and hold settling parties harmless from any and all costs, damages, fees (including attorneys' fees) or liability claimed by the entity claiming an ownership interest in the Lone Mountain conditional licenses being transferred for only up to the time when the license transfer is completed. Lone Mountain is not responsible for securing any ownership transfer approvals from the DOT or CCB for any license Lone Mountain transfers hereunder. The designated assignee of the Lone Mountain conditional license will be responsible for all costs associated with the ownership transfer applications with the state and any local jurisdiction (including any costs incurred by Lone Mountain). Nothing contained herein shall limit, waive, or revoke the DOT's or CCB's rights, powers, or duties under Nevada Administrative Code 453D.312.

24. NOR represents and warrants that it has full and complete control to assign the conditional licenses it was awarded, that there are no ownership disputes or any persons claiming to have an interest in the conditional license being transferred and NOR shall indemnify, defend and hold settling parties harmless from any and all costs, damages, fees (including attorneys' fees) or liability claimed by any person or entity claiming an ownership interest in any of the NOR conditional licenses. NOR is not responsible for securing any ownership transfer approvals from the DOT or CCB for any license NOR transfers hereunder. The designated plaintiff assignee of any NOR conditional license will be responsible for all costs associated with the ownership transfer applications with the state and any local jurisdiction (including any costs incurred by NOR). NOR represents and warrants that any pending legal proceedings involving its Parent Company in Canada do not affect its ability to transfer the above licenses. Nothing contained herein shall limit, waive, or revoke the DOT's or CCB's rights, powers, or duties under Nevada Administrative Code 453D.312.

25. GreenMart represents and warrants that it has full and complete control to assign the conditional licenses it was awarded, that there are no ownership disputes and GreenMart shall indemnify, defend and hold the Settling Party to which GreenMart's Clark County license is transferred hereunder (i.e, NWC) harmless from any and all costs, damages, fees (including attorneys' fees) or liability claimed by the entity claiming an ownership interest in the Greenmart conditional licenses being transferred for only up to the time when the license transfer is completed. GreenMart is not responsible for securing any ownership transfer approvals from the DOT or CCB for any license GreenMart transfers hereunder. The designated plaintiff assignee of the GreenMart conditional license will be responsible for all costs associated with the ownership transfer applications with the state and any local jurisdiction (including any costs incurred by GreenMart). Nothing contained herein shall limit, waive, or revoke the DOT's or CCB's rights, powers, or duties under Nevada Administrative Code 453D.312.

26. Helping Hands represents and warrants that it has full and complete control to assign the conditional licenses it was awarded, that there are no ownership disputes or any persons claiming to have an interest in the conditional license being transferred and Helping Hands shall indemnify, defend and hold settling parties harmless from any and all costs, damages, fees (including attorneys' fees) or liability claimed by any person or entity claiming an ownership interest in any of the Helping Hands conditional licenses. Nothing contained herein shall limit, waive, or revoke the DOT's or CCB's rights, powers, or duties under Nevada Administrative Code 453D.312.

27. Thrive represents and warrants that it has full and complete control to assign the conditional license it was awarded, that there are no ownership disputes and Thrive shall indemnify, defend and hold settling parties harmless from any and all costs, damages, fees (including attorneys' fees) or liability claimed by the entity claiming an ownership interest in the Thrive conditional license being transferred for only up to the time when the license transfer is completed. Nothing contained herein shall limit, waive, or revoke the DOT's or CCB's rights, powers, or duties under Nevada Administrative Code 453D.312.

28. Each of the Settling Parties hereto represent and warrant that they have had an adequate opportunity to seek and receive legal advice and counsel from an attorney of their choice regarding the content and effect of this Agreement, have actually received such counsel and advice as they deem prudent to receive in these circumstances, have read this Agreement in its entirety, understand all provisions of this Agreement and their import and effect, and enter into and execute this Agreement freely and voluntarily.

29. Each of the Settling Parties warrant and represent there are no other agreements made between any Settling Plaintiffs and any Settling Defendants involving conditions related to the transfer of any conditional licenses or related to any marijuana consumption lounges in the State of Nevada.

#### OTHER TERMS

30. The CCB agrees to recommend an industry funded study to the Cannabis Advisory Commission, a duly authorized public body pursuant to NRS 678A.300 and NRS 678A.310, to gather information and make recommendations to the CCB on the following matters: (1) what are reasonable additional actions, if any, can be taken to deter black-market sales; (2) analysis of adequacy of number and commercial need for additional marijuana licenses, if any, to serve the citizens of Nevada, including consideration of minority access to licensure, (3) recommendations of changes, if any, relating to state and local fees and taxation of the marijuana industry, and (4) analysis of adequacy of safeguards to protect minors.

31. Purpose of Compromise and Settlement. The parties have each entered into this Agreement solely for the purpose of settling and compromising the Disputes and the Lawsuit and nothing contained in this Agreement or its performance shall be deemed to be an admission or acknowledgment of: liability, the existence of damages or the amount of any damages relating to the Disputes or the Lawsuit.

32. Non-Participating Party Procedure: The Settling Parties agree to cooperate to obtain final resolution of Lawsuit (“Global Settlement”) consistent with this Agreement.

33. Non-Transferability. For a period of 2 years from July 1, 2020, no license transferred to a Settling Plaintiff herein may be transferred to any entity without prior written approval of the party giving up the designated license in this Agreement. This prohibition on transfers shall not apply to good faith corporate mergers, buyouts and/or acquisitions, which shall not be utilized for purposes of circumventing this paragraph. For this same period of time, LivFree and MM or related entities will not obtain ownership of any GreenMart licenses transferred herein. This non-transferability provision shall not be circumvented by, including but not limited to, any consulting, management or licensing/IP agreement, or by other means. Specifically excepted from this prohibition is a transfer from a Settling Party to an additional plaintiff in the Lawsuit (“a Non-settling Plaintiff”) provided that any such transfer is only utilized towards a global or more inclusive resolution of the Lawsuit (e.g., a transfer of a rural license from an ETW Plaintiff to a Non-settling plaintiffs such as Rural Remedies if Rural Remedies and NWC give complete releases approved by the State), subject to the consent of the Settling Defendant who transferred the license pursuant to this Agreement , which shall not be unreasonably withheld.

34. Cooperation & Non-Interference. The parties agree that they will not use or refer to the Lawsuit as part of any interactions with or lobbying efforts to any governmental agency to prevent any other party from obtaining local government approval and/or from obtaining an approval at final inspection for the licenses retained by any party or assigned to any party, including but limited to a party seeking an extension or trying to secure additional time to obtain and SUP from a local jurisdiction.

Despite the assignment of rural county licenses to certain Settling Parties, all parties hereto expressly reserve their right to vigorously oppose any legislative action regarding the relocation of such licenses to different jurisdictions. MM, LivFree, Qualcan, Thrive, and others have

expressly informed the Settling Parties that they are vehemently opposed to any such transfer. In the event of such transfer, MM, LivFree, Qualcan, Thrive and others expressly reserve their rights to file a declaratory relief action to prevent such relocation and/or seek other appropriate legal remedies.

35. Location of Adult-Use Establishments. The Parties agree that the physical address of any adult-use cannabis establishment utilizing any of the conditional licenses transferred pursuant to Paragraph 1 of this Agreement may not be within 1,500 feet of any adult-use cannabis establishment that existed as of the Effective Date of this Agreement. Nothing in this paragraph applies to any other licenses held by any parties or any entity that already has a special use permit.

#### GENERAL PROVISIONS

36. No Wrongdoing. The Parties acknowledge that this Agreement is entered into solely for the purpose of compromising disputed claims and avoiding the time and expense of litigation. It is expressly understood and agreed that this Agreement represents the settlement of disputed claims and nothing contained in this Agreement shall constitute or be treated as an admission of any wrongdoing or liability on the part of any Party hereto.

37. Enforcement. In the event of the breach of this Agreement by any party, the remedies of the non-breaching parties shall be limited to enforcement of this Agreement for breach of this Agreement.

38. Mediation. If any of the Parties breaches or terminates this Agreement but one of the other Parties disputes the basis for that breach or termination, the Parties agree that in the first instance, they shall attempt to resolve such dispute through mediation with the Honorable Jennifer Togliatti (Retired) at Advanced Resolution Management (“ARM”) (or, if she is not available, a mediator agreed upon by the Parties).

This Agreement to mediate all disputes applies even if some person or entity claims that this Agreement is void, voidable or unenforceable for any reason.

39. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties and their respective heirs, successors and assigns. With this Agreement requiring approval of the Nevada Tax Commission, the binding effect of this Agreement specifically includes the CCB as successor to the DOT in its capacity as regulator of the marijuana program in the State of Nevada. Except as specifically provided in prior paragraphs of this Agreement, this Agreement is not intended to create, and shall not create, any rights in any person who is not a party to this Agreement.

40. Entire Agreement. This Agreement contains the entire agreement between the parties and may not be changed or terminated orally but only by a written instrument executed by the parties after the date of this Agreement.

41. Construction. The terms and conditions of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any party. The parties acknowledge that each of them has reviewed this Agreement and has had the opportunity to have it reviewed by their attorneys and that any rule or construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement, including its exhibits or any amendments.

42. Partial Invalidity. Except with respect to Paragraph 7, if any term of this Agreement or the application of any term of this Agreement should be held by a court of competent jurisdiction to be invalid, void or unenforceable, all provisions, covenants and conditions of this Agreement, and all of its applications, not held invalid, void or unenforceable, shall continue in full force and effect and shall not be affected, impaired or invalidated in any way.

43. Attorneys' Fees. In any action or proceeding to enforce the terms of this Agreement or to redress any violation of this Agreement, the prevailing party shall be entitled to recover as damages its attorneys' fees and costs incurred, including but not limited to mediation fees, whether or not the action is reduced to judgment. For the purposes of this provision, the "prevailing party" shall be that party who has been successful with regard to the main issue, even if that party did not prevail on all the issues.

44. Governing Law and Forum. The laws of the State of Nevada applicable to contracts made or to be wholly performed there (without giving effect to choice of law or conflict of law principles) shall govern the validity, construction, performance and effect of this Agreement. Any lawsuit to interpret or enforce the terms of this Agreement shall be brought in a court of competent jurisdiction in Clark County, Nevada. The Parties acknowledge the matters involved in the Lawsuit and this Agreement may involve conduct and concepts in violation of Federal law regardless of compliance with applicable State law. The Parties expressly waive the defense of illegality under the Federal Controlled Substances Act.

45. Necessary Action. Each of the Settling Parties shall do any act or thing and execute any or all documents or instruments necessary or proper to effectuate the provisions and intent of this Agreement.

46. Counterparts. This Agreement may be executed in any number of counterparts, each of which when duly executed and delivered shall be an original, but all such counterparts shall constitute one and the same agreement. Any signature page of this Agreement may be detached from any counterpart without impairing the legal effect of any signatures, and may be attached to another counterpart, identical in form, but having attached to it one or more additional signature pages. This Agreement may be executed by signatures provided by electronic facsimile transmission (also known as "Fax" copies), or by electronic signature, which signatures shall be as binding and effective as original signatures.

47. Notices. Any and all notices and demands by or from any party required or desired to be given under this Agreement shall be in writing and shall be validly given or made if served either personally or if deposited in the United States mail, certified or registered, postage prepaid, return receipt requested. If such notice or demand is served by registered or certified mail in the manner provided, service shall be conclusively deemed given upon receipt or attempted delivery, whichever is sooner.

48. Miscellaneous. The headers or captions appearing at the commencement of the paragraph of this Agreement are descriptive only and for convenience in reference to this Agreement and shall not define, limit or describe the scope or intent of this Agreement, nor in any way affect this Agreement.

Masculine or feminine pronouns shall be substituted for the neuter form and vice versa and the plural shall be substituted for the singular form and vice versa in any place or places in this Agreement in which the context requires such substitution or substitutions, and references to "or"

7/28/2020

are used in the inclusive sense of “and/or”.

*[Signatures on following pages]*

7/27/2020


IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

<p>LIVFREE WELLNESS, LLC</p> <p>By: <u>[Signature]</u></p> <p>Print Name: <u>Will Kemp</u></p> <p>Title: <u>Attorney-In-Fact</u></p>	<p>MM DEVELOPMENT COMPANY, INC.</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
<p>ETW MANAGEMENT GROUP LLC</p> <p>By: <u>[Signature]</u></p> <p>Print Name: <u>Adam K Burt</u></p> <p>Title: <u>owner</u></p>	<p>GLOBAL HARMONY LLC</p> <p>By: <u>[Signature]</u></p> <p>Print Name: <u>Adam K Burt</u></p> <p>Title: <u>owner</u></p>
<p>ZION GARDENS LLC</p> <p>By: <u>[Signature]</u></p> <p>Print Name: <u>Adam K Burt</u></p> <p>Title: <u>owner</u></p>	<p>JUST QUALITY LLC</p> <p>By: <u>[Signature]</u></p> <p>Print Name: <u>Adam K Burt</u></p> <p>Title: <u>owner</u></p>
<p>LIBRA WELLNESS CENTER, LLC</p> <p>By: <u>[Signature]</u></p> <p>Print Name: <u>Adam K Burt</u></p> <p>Title: <u>owner</u></p>	<p>ROMBOUGH REAL ESTATE, INC.</p> <p>By: <u>[Signature]</u></p> <p>Print Name: <u>Adam K Burt</u></p> <p>Title: <u>owner</u></p>





7/27/2020


IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

<p>LIVFREE WELLNESS, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>MM DEVELOPMENT COMPANY, INC.</p> <p>By:  _____</p> <p>Print Name: Leighton Koehler</p> <p>Title: General Counsel</p>
<p>ETW MANAGEMENT GROUP LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>GLOBAL HARMONY LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
<p>ZION GARDENS LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>JUST QUALITY, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
<p>LIBRA WELLNESS CENTER, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>ROMBOUGH REAL ESTATE, INC.</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>

7/27/2020

NEVADA WELLNESS CENTER, LLC By: <u></u> Print Name: <u>Theodore Pantaleo</u> Title: <u>ATTY</u>	QUALCAN, LLC By: <u></u> Print Name: <u>Peter S. Christensen</u> Title: <u>Attorney</u>
LONE MOUNTAIN PARTNERS, LLC By: _____ Print Name: _____ Title: _____	NEVADA ORGANIC REMEDIES, LLC By: _____ Print Name: _____ Title: _____
GREENMART OF NEVADA NLV, LLC By: _____ Print Name: _____ Title: _____	HELPING HANDS WELLNESS CENTER, INC. By: _____ Print Name: _____ Title: _____
	CPCM Holdings, LLC, CHEYENNE MEDICAL, LLC, and COMMERCE PARK MEDICAL, LLC By: _____ Print Name: _____ Title: _____


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<p>NEVADA WELLNESS CENTER, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>QUALCAN, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
<p>LONE MOUNTAIN PARTNERS, LLC</p> <p>By: _____ </p> <p>Print Name: <u>George Archos</u></p> <p>Title: <u>Manager</u></p>	<p>NEVADA ORGANIC REMEDIES, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
<p>GREENMART OF NEVADA NLV, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>HELPING HANDS WELLNESS CENTER, INC.</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
	<p>CPCM Holdings, LLC, CHEYENNE MEDICAL, LLC, and COMMERCE PARK MEDICAL, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>

7/27/2020

<p>NEVADA WELLNESS CENTER, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>QUALCAN, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
<p>LONE MOUNTAIN PARTNERS, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>NEVADA ORGANIC REMEDIES, LLC</p> <p>By: <u>Raymond C. Whitaker III</u></p> <p>Print Name: <u>Raymond C. Whitaker III</u></p> <p>Title: <u>Authorized Person</u></p>
<p>GREENMART OF NEVADA NLV, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>HELPING HANDS WELLNESS CENTER, INC.</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
	<p>CPCM Holdings, LLC, CHEYENNE MEDICAL, LLC, and COMMERCE PARK MEDICAL, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>

7/27/2020

<p>NEVADA WELLNESS CENTER, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>QUALCAN, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
<p>LONE MOUNTAIN PARTNERS, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>NEVADA ORGANIC REMEDIES, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
<p>GREENMART OF NEVADA NLV, LLC</p> <p>By: <u></u></p> <p>Print Name: Elizabeth Stavola</p> <p>Title: Manager</p>	<p>HELPING HANDS WELLNESS CENTER, INC.</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
	<p>CPCM Holdings, LLC, CHEYENNE MEDICAL, LLC, and COMMERCE PARK MEDICAL, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>

7/27/2020

NEVADA WELLNESS CENTER, LLC By: _____ Print Name: _____ Title: _____	QUALCAN, LLC By: _____ Print Name: _____ Title: _____
LONE MOUNTAIN PARTNERS, LLC By: _____ Print Name: _____ Title: _____	NEVADA ORGANIC REMEDIES, LLC By: _____ Print Name: _____ Title: _____
GREENMART OF NEVADA NLV, LLC By: _____ Print Name: _____ Title: _____	HELPING HANDS WELLNESS CENTER, INC. By: <u>Mares J</u> Print Name: <u>Kearis Turtogian</u> Title: <u>PRESIDENT</u>
	CPCM Holdings, LLC, CHEYENNE MEDICAL, LLC, and COMMERCE PARK MEDICAL, LLC By: _____ Print Name: _____ Title: _____

7/28/2020

NEVADA WELLNESS CENTER, LLC By: _____ Print Name: _____ Title: _____	QUALCAN, LLC By: _____ Print Name: _____ Title: _____
LONE MOUNTAIN PARTNERS, LLC By: _____ Print Name: _____ Title: _____	NEVADA ORGANIC REMEDIES, LLC By: _____ Print Name: _____ Title: _____
GREENMART OF NEVADA NLV, LLC By: _____ Print Name: _____ Title: _____	HELPING HANDS WELLNESS CENTER, INC. By: _____ Print Name: _____ Title: _____
	CPCM Holdings, LLC, CHEYENNE MEDICAL, LLC, and COMMERCE PARK MEDICAL, LLC By:  _____ Print Name: _____ Title: _____





7/28/2020

STATE OF NEVADA, DEPARTMENT OF  
TAXATION

By: Melanie Y

Print Name: Melanie Young

Title: Executive Director



# **Exhibit A**

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Exhibit A contains confidential lease terms for  
Helping Hands/LivFree Unincorporated Clark  
County Location\*

\* Confidential terms will be disclosed to Cannabis Compliance Board to the extent the CCB requires.

# **Exhibit B**

## Mutual Release

This Mutual Release (the “Release”) is entered into as \_\_\_\_\_, 2020 (the “Effective Date”), among LivFree Wellness, LLC, a Nevada limited liability company (“LivFree”), MM Development Company, Inc., a Nevada corporation, (“MM”); ETW Management Group LLC, Global Harmony LLC, Just Quality, LLC, Libra Wellness Center, LLC, Rombough Real Estate, Inc., and Zion Gardens LLC, (collectively the “ETW Plaintiffs”); Nevada Wellness Center, LLC, a Nevada limited liability company (“NWC”); Qualcan, LLC, a Nevada limited liability company (“Qualcan”) (collectively, “Settling Plaintiffs” or individually, a “Settling Plaintiff”); Lone Mountain Partners, LLC, a Nevada limited liability company (“Lone Mountain”); Nevada Organic Remedies, LLC, a Nevada limited liability company (“NOR”); Greenmart of Nevada NLV, LLC, a Nevada limited liability company (“GreenMart”); Helping Hands Wellness Center, Inc., a Nevada corporation (“Helping Hands”); CPCM Holdings, LLC, a Nevada limited liability company, Cheyenne Medical, LLC, a Nevada limited liability company, and Commerce Park Medical, LLC, a Nevada limited liability company (collectively “Thrive”); and the State of Nevada, Department of Taxation (“DOT”) (collectively “Settling Defendants” or individually, a “Settling Defendant”).

WHEREAS, the Settling Plaintiffs and the Settling Defendants (each individually, a “Party” and collectively, the “Parties”) entered that certain Settlement Agreement entered into as of July \_\_, 2020 (the “Settlement Agreement”); and

WHEREAS, the Parties desire to execute this Release in accordance with the terms and conditions of this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Company and Vendor hereby agree as follows:

1. Except for such rights, claims or obligations as may be created by the Settlement Agreement, LivFree, MM, ETW Plaintiffs, NWC, and Qualcan, forever, fully and unconditionally release and discharge:

Lone Mountain, NOR, Greenmart, Helping Hands, Thrive and the DOT, their past, present, and future subsidiaries, parents, affiliates, partners, joint venturers, heirs, successors, assigns, contractors, subcontractors, officers, directors, shareholders, members, managers, employees, accountants, agents, representatives, attorneys, insurers, successors and assigns (in their individual and representative capacities),

from any and all claims, demands, losses, damages, actions, causes of action, suits, debts, promises, liabilities, obligations, liens, costs, expenses, attorneys’ fees, indemnities, subrogations (contractual or equitable) or duties, of any nature, character or description whatsoever, whether known or unknown, at law or in equity, fixed or contingent, accrued or not yet accrued, matured or not yet matured, anticipated or unanticipated, asserted or unasserted,

arising out of or related to, directly or indirectly, the Lawsuit and the Disputes, as defined in the corresponding Settlement Agreement.

2. Except for such rights, claims or obligations as may be created by the Settlement Agreement, Lone Mountain, NOR, Greenmart, Helping Hands, Thrive and the DOT, forever, fully and unconditionally releases and discharges:

LivFree, MM, ETW Plaintiffs, NWC, and Qualcan, their past, present, and future subsidiaries, parents, affiliates, partners, joint venturers, heirs, successors, assigns, contractors, subcontractors, officers, directors, shareholders, members, managers, employees, accountants, agents, representatives, attorneys, insurers, successors and assigns (in their individual and representative capacities),

from any and all claims, demands, losses, damages, actions, causes of action, suits, debts, promises, liabilities, obligations, liens, costs, expenses, attorneys' fees, indemnities, subrogations (contractual or equitable) or duties, of any nature, character or description whatsoever, whether known or unknown, at law or in equity, fixed or contingent, accrued or not yet accrued, matured or not yet matured, anticipated or unanticipated, asserted or unasserted,

arising out of or related to, directly or indirectly, the Lawsuit and the Disputes, as defined in the corresponding Settlement Agreement.

3. Each Party jointly and severally acknowledges that they may later discover material facts in addition to, or different from, those which they now know, suspect or believe to be true with respect to the Disputes, the Lawsuit or the negotiation, execution or performance of this Agreement. Each party further acknowledges that there may be future events, circumstances or occurrences materially different from those they know or believe likely to occur. It is the intention of the parties to fully, finally and forever settle and release all claims and differences relating to the Disputes or the Lawsuit. The releases provided in this Agreement shall remain in full force and effect notwithstanding the discovery or existence of any such additional or different facts or occurrence of any such future events, circumstances or conditions.
4. Each Party affirms that it has not filed with any governmental agency or court any type of action or report against any of the other Party other than the Lawsuit, and currently knows of no existing act or omission by any other Party that may constitute a claim or liability excluded from the releases set forth herein.
5. Effect of Release. In the event of any inconsistencies between this Release and the Settlement Agreement, the terms of this Release shall govern and control. Except as provided for herein, all other terms and conditions of the Settlement Agreement shall remain unchanged and the parties hereby reaffirm the terms and conditions of the Settlement Agreement. This Release may only be varied by a document, in writing, of even or subsequent date hereof, executed by the parties hereto.

6. Counterparts. This Release may be executed in any number of counterparts, whether by original, copy, email or telecopy signature, each of which, when executed and delivered, will be deemed an original, but all of which together will constitute one binding agreement and instrument
7. Paragraphs 35 through 47 of the Settlement Agreement are hereby incorporated as if fully set forth herein and govern the interpretation of this Release.

*[Signature Page Follows]*

<p>LIVFREE WELLNESS, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>MM DEVELOPMENT COMPANY, INC.</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
<p>ETW MANAGEMENT GROUP LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>GLOBAL HARMONY LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
<p>ZION GARDENS LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>JUST QUALITY, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>
<p>LIBRA WELLNESS CENTER, LLC</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>	<p>ROMBOUGH REAL ESTATE, INC.</p> <p>By: _____</p> <p>Print Name: _____</p> <p>Title: _____</p>

NEVADA WELLNESS CENTER, LLC  By: _____  Print Name: _____  Title: _____	QUALCAN, LLC  By: _____  Print Name: _____  Title: _____
LONE MOUNTAIN PARTNERS, LLC  By: _____  Print Name: _____  Title: _____	NEVADA ORGANIC REMEDIES, LLC  By: _____  Print Name: _____  Title: _____
GREENMART OF NEVADA NLV, LLC  By: _____  Print Name: _____  Title: _____	HELPING HANDS WELLNESS CENTER, INC.  By: _____  Print Name: _____  Title: _____
	CPCM Holdings, LLC, CHEYENNE MEDICAL, LLC, and COMMERCE PARK MEDICAL, LLC  By: _____  Print Name: _____  Title: _____



STATE OF NEVADA, DEPARTMENT OF  
TAXATION

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**REGISTER OF ACTIONS****CASE No. A-19-787004-B****In Re: D.O.T. Litigation**§  
§  
§  
§  
§  
§  
§  
§Case Type: **Other Business Court Matters**  
Date Filed: **01/04/2019**  
Location: **Department 11**  
Cross-Reference Case Number: **A787004**  
Supreme Court No.: **79669**  
**80230****RELATED CASE INFORMATION****Related Cases**A-18-785818-W (Consolidated)  
A-18-786357-W (Consolidated)  
A-19-786962-B (Consolidated)  
A-19-787035-C (Consolidated)  
A-19-787540-W (Consolidated)  
A-19-787726-C (Consolidated)  
A-19-801416-B (Consolidated)**PARTY INFORMATION****Consolidated** Natural Medicine LLC  
**Case Party****Lead Attorneys**  
**Jeffrey A. Bondavid**  
*Retained*  
702-385-6114(W)**Consolidated** Nevada Wellness Center, LLC  
**Case Party****Theodore Parker**  
*Retained*  
7028388600(W)**Consolidated** Rural Remedies LLC  
**Case Party****Clarence E. Gamble, ESQ**  
*Retained*  
303-733-6353(W)**Consolidated** Waveseer of Nevada LLC  
**Case Party****Jeffrey F. Barr**  
*Retained*  
702-678-5070(W)**Counter** Cheyenne Medical LLC  
**Claimant****Joseph A. Gutierrez**  
*Retained*  
702-629-7900(W)**Counter** Commerce Park Medical LLC  
**Claimant****Joseph A. Gutierrez**  
*Retained*  
702-629-7900(W)**Counter** CPCM Holdings LLC *Doing Business*  
**Claimant** As Thrive Cannabis Marketplace**Joseph A. Gutierrez**  
*Retained*  
702-629-7900(W)**Counter** Essence Henderson LLC  
**Claimant****James J Pisanelli**  
*Retained*  
702-214-2100(W)**Counter** Essence Tropicana LLC  
**Claimant****James J Pisanelli**  
*Retained*  
702-214-2100(W)**Counter** Integral Associates LLC *Doing Business*  
**Claimant** As Essence Cannabis Dispensaries**Todd L Bice**  
*Retained*  
702-214-2100(W)**Counter** ETW Management Group LLC  
**Defendant****Adam K. Bult**  
*Retained*

		7028623300(W)
Counter Defendant	Global Harmony LLC	<b>Adam K. Bult</b> <i>Retained</i> 7028623300(W)
Counter Defendant	Green Leaf Farms Holdings LLC	<b>Nicolas R. Donath</b> <i>Retained</i> 702-460-0718(W)
Counter Defendant	Green Therapeutics LLC	<b>Nicolas R. Donath</b> <i>Retained</i> 702-460-0718(W)
Counter Defendant	Herbal Choice Inc.	<b>Sigal Chattah</b> <i>Retained</i> 702-360-6200(W)
Counter Defendant	Just Quality, LLC	<b>Adam K. Bult</b> <i>Retained</i> 7028623300(W)
Counter Defendant	Libra Wellness Center, LLC	<b>Adam K. Bult</b> <i>Retained</i> 7028623300(W)
Counter Defendant	MMOF Vegas Retail, Inc.	<b>Adam K. Bult</b> <i>Retained</i> 7028623300(W)
Counter Defendant	NEVCANN LLC	<b>Nicolas R. Donath</b> <i>Retained</i> 702-460-0718(W)
Counter Defendant	Red Earth LLC	<b>Nicolas R. Donath</b> <i>Retained</i> 702-460-0718(W)
Counter Defendant	Rombough Real Estate Inc <i>Doing Business As</i> Mother Herb, Inc.	<b>Adam K. Bult</b> <i>Retained</i> 7028623300(W)
Counter Defendant	THC Nevada LLC	<b>Amy L. Sugden</b> <i>Retained</i> 702-307-1500(W)
Counter Defendant	Zion Gardens LLC	<b>Adam K. Bult</b> <i>Retained</i> 7028623300(W)
Defendant	Cannabis Compliance Board	
Defendant	Cheyenne Medical LLC	<b>Joseph A. Gutierrez</b> <i>Retained</i> 702-629-7900(W)
Defendant	Circle S Farms LLC	<b>Jennifer L. Braster</b> <i>Retained</i> 702-420-7000(W)

Defendant	Clear River LLC	<b>Brigid M. Higgins</b> <i>Retained</i> 702-869-8801(W)
Defendant	Commerce Park Medical LLC	<b>Joseph A. Gutierrez</b> <i>Retained</i> 702-629-7900(W)
Defendant	Deep Roots Medical, LLC	<b>Richard D. Williamson</b> <i>Retained</i> 7753256656(W)
Defendant	Essence Henderson LLC	<b>James J Pisanelli</b> <i>Retained</i> 702-214-2100(W)
Defendant	Essence Tropicana LLC	<b>James J Pisanelli</b> <i>Retained</i> 702-214-2100(W)
Defendant	Eureka NewGen Farms LLC	
Defendant	Green Therapeutics LLC	
Defendant	Greenmart of Nevada NLV LLC	<b>Margaret A. McLetchie</b> <i>Retained</i> 702-728-5300(W)
Defendant	Helping Hands Wellness Center Inc	<b>Jared B Kahn</b> <i>Retained</i> 702-468-0808(W)
Defendant	Lone Mountain Partners LLC	<b>Eric D. Hone</b> <i>Retained</i> 702-608-3720(W)
Defendant	Nevada Dept of Taxation	<b>Steven G. Shevorski</b> <i>Retained</i> 702-634-5000(W)
Defendant	Nevada Organic Remedies LLC	<b>David Koch</b> <i>Retained</i> 702-318-5041(W)
Defendant	Polaris Wellness Center LLC	
Defendant	Pupo, Jorge	<b>Diane L. Welch, ESQ</b>

*Retained*  
702-385-2500(W)

**Defendant**      **Pure Tonic Concentrates LLC**

**Rick R. Hsu**  
*Retained*  
7028272000(W)

**Defendant**      **TRNVP098**

**Lee I. Iglody**  
*Retained*  
702-800-5482(W)

**Defendant**      **Wellness Connection of Nevada LLC**

**L. Christopher Rose**  
*Retained*  
702-257-1483(W)

**Intervenor  
Defendant**      **Cheyenne Medical LLC**

**Joseph A. Gutierrez**  
*Retained*  
702-629-7900(W)

**Intervenor  
Defendant**      **Commerce Park Medical LLC**

**Joseph A. Gutierrez**  
*Retained*  
702-629-7900(W)

**Intervenor  
Defendant**      **CPCM Holdings LLC *Doing Business*  
As Thrive Cannabis Marketplace**

**Joseph A. Gutierrez**  
*Retained*  
702-629-7900(W)

**Intervenor  
Defendant**      **Essence Henderson LLC**

**James J Pisanelli**  
*Retained*  
702-214-2100(W)

**Intervenor  
Defendant**      **Essence Tropicana LLC**

**James J Pisanelli**  
*Retained*  
702-214-2100(W)

**Intervenor  
Defendant**      **GreenMart of Nevada NLV LLC**

**Margaret A. McLetchie**  
*Retained*  
702-728-5300(W)

**Intervenor  
Defendant**      **Integral Associates LLC *Doing Business*  
As Essence Cannabis Dispensaries**

**Todd L Bice**  
*Retained*  
702-214-2100(W)

**Intervenor  
Defendant**      **Lone Mountain Partners, LLC**

**Eric D. Hone**  
*Retained*  
702-608-3720(W)

**Intervenor  
Defendant**      **Nevada Organic Remedies LLC**

**David Koch**  
*Retained*  
702-318-5041(W)

**Other**      **Qualcan LLC**

**Peter S Christiansen**  
*Retained*  
702-240-7979(W)

**Plaintiff**      **ETW Management Group LLC**

**Adam K. Bult**  
*Retained*  
7028623300(W)

Plaintiff	Global Harmony LLC	<b>Adam K. Bult</b> <i>Retained</i> 7028623300(W)
Plaintiff	Green Leaf Farms Holdings LLC	<b>Nicolas R. Donath</b> <i>Retained</i> 702-460-0718(W)
Plaintiff	Green Therapeutics LLC	<b>Nicolas R. Donath</b> <i>Retained</i> 702-460-0718(W)
Plaintiff	Herbal Choice Inc.	<b>Sigal Chattah</b> <i>Retained</i> 702-360-6200(W)
Plaintiff	Just Quality, LLC	<b>Adam K. Bult</b> <i>Retained</i> 7028623300(W)
Plaintiff	Libra Wellness Center, LLC	<b>Adam K. Bult</b> <i>Retained</i> 7028623300(W)
Plaintiff	MMOF Vegas Retail, Inc.	<b>Adam K. Bult</b> <i>Retained</i> 7028623300(W)
Plaintiff	NEVCANN LLC	<b>Nicolas R. Donath</b> <i>Retained</i> 702-460-0718(W)
Plaintiff	Red Earth LLC	<b>Nicolas R. Donath</b> <i>Retained</i> 702-460-0718(W)
Plaintiff	Rombough Real Estate Inc <i>Doing Business</i> As Mother Herb, Inc.	<b>Adam K. Bult</b> <i>Retained</i> 7028623300(W)
Plaintiff	THC Nevada LLC	<b>Amy L. Sugden</b> <i>Retained</i> 702-307-1500(W)
Plaintiff	Zion Gardens LLC	<b>Adam K. Bult</b> <i>Retained</i> 7028623300(W)

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**EVENTS & ORDERS OF THE COURT**

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	<b>DISPOSITIONS</b>
05/09/2020	<b>Order of Dismissal</b> (Judicial Officer: Gonzalez, Elizabeth) Debtors: ETW Management Group LLC (Plaintiff), Global Harmony LLC (Counter Defendant), Green Leaf Farms Holdings LLC (Plaintiff), Herbal Choice Inc. (Plaintiff), Just Quality, LLC (Plaintiff), Libra Wellness Center, LLC (Plaintiff), Rombough Real Estate Inc (Plaintiff), NEVCANN LLC (Plaintiff), Red Earth LLC (Plaintiff), THC Nevada LLC (Plaintiff), Zion Gardens LLC (Plaintiff), Green Therapeutics LLC (Plaintiff), MMOF Vegas Retail, Inc. (Plaintiff) Creditors: Strive Wellness of Nevada LLC (Consolidated Case Party) Judgment: 05/09/2020, Docketed: 05/13/2020
05/13/2020	<b>Order of Dismissal</b> (Judicial Officer: Gonzalez, Elizabeth) Debtors: ETW Management Group LLC (Plaintiff), Global Harmony LLC (Plaintiff), Green Leaf Farms Holdings LLC (Plaintiff), Herbal Choice Inc. (Plaintiff), Just Quality, LLC (Plaintiff), Libra Wellness Center, LLC (Plaintiff), Rombough Real Estate Inc (Plaintiff), NEVCANN LLC (Plaintiff), Red Earth LLC (Plaintiff), THC Nevada LLC (Plaintiff), Zion Gardens LLC (Plaintiff), Green Therapeutics LLC (Plaintiff), MMOF Vegas Retail, Inc. (Plaintiff) Creditors: Green Life Productions LLC (Consolidated Case Party) Judgment: 05/13/2020, Docketed: 05/13/2020
05/14/2020	<b>Order of Dismissal</b> (Judicial Officer: Gonzalez, Elizabeth) Debtors: ETW Management Group LLC (Plaintiff), Global Harmony LLC (Plaintiff), Green Leaf Farms Holdings LLC (Plaintiff), Herbal Choice Inc. (Plaintiff), Just Quality, LLC (Plaintiff), Libra Wellness Center, LLC (Plaintiff), Rombough Real Estate Inc (Plaintiff), NEVCANN LLC (Plaintiff),

[Minutes](#)

Result: Minute Order - No Hearing Held

08/24/2020	<b>Joinder</b> Clear River LLC's Joinder to DOT's Reply Responding to TGIG Plaintiffs' Petition for Judicial Review
08/24/2020	<b>Joinder</b> Clear River, LLC's Joinder to Deep Roots Medical LLC's Answering Brief in Opposition to Petition for Judicial Review
08/24/2020	<b>Joinder</b> The Essence Entities' Joinder to 1) Deep Roots Medical, LLC's Answering Brief in Opposition to Petition for Judicial Review and 2) Department of Taxation's Reply Responding to TGIG Plaintiffs' Petition for Judicial Review
08/24/2020	<b>Joinder</b> Lone Mountain Partners, LLC'S Joinder to: (1) Department of Taxation's Reply Responding to TGIG Plaintiffs Petition for Judicial Review; and (2) Defendant Deep Roots Medical, LLC'S Answering Brief In Opposition to Petition for Judicial Review
08/24/2020	<b>Joinder</b> Circle S Farm's LLC's Joinder to (1) Deep Roots Medical, LLC's Answering Brief in Opposition to Petition for Judicial Review and (2) Department of Taxation's Reply Reponding to TGIG Plaintiffs' Prtition for Judicial Review
08/24/2020	<b>Joinder</b> GreenMart of Nevada NLV LLC's Joinder to (1) Deep Roots Medical, LLC's Answering Brief in Opposition to Petition for Judicial Review and (2) Department of Taxation's Reply Responding to TGIG Plaintiffs' Petition for Judicial Review
08/24/2020	<b>Joinder</b> HELPING HANDS WELLNESS CENTER, INC. S JOINDER TO VARIOUS BRIEFS IN OPPOSITION
09/04/2020	<b>Status Check</b> (3:00 AM) (Judicial Officer Gonzalez, Elizabeth) <i>Status Check: Decision</i>
09/08/2020	<b>Petition for Judicial Review</b> (9:00 AM) (Judicial Officer Gonzalez, Elizabeth) <i>Petition for Judicial Review (Trial Phase 1) **Official start time TBD**</i>
09/18/2020	<b>Motion</b> (3:00 AM) (Judicial Officer Gonzalez, Elizabeth) <i>Motion Requesting Judicial Signature on the Proposed Order for Voluntary Dismissal of Tryke Companies SO NV, LLC, Tryke Companies Reno, LLC, and Nuleaf Incline Dispensary, LLC</i>
09/18/2020	<b>CANCELED Motion</b> (3:00 AM) (Judicial Officer Gonzalez, Elizabeth) <i>Vacated - Duplicate Entry</i> <i>Motion Requesting Judicial Signature on the Proposed Order for Voluntary Dismissal of Tryke Companies SO NV, LLC, Tryke Companies Reno, LLC, and Nuleaf Incline Dispensary, LLC</i>
10/09/2020	<b>CANCELED Status Check</b> (3:00 AM) (Judicial Officer Gonzalez, Elizabeth) <i>Vacated - On in Error</i> <i>Status Check: Status of Completion of Settlement Conference</i>

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**FINANCIAL INFORMATION**

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<b>Consolidated Case Party</b> Clear River, LLC			
Total Financial Assessment			600.00
Total Payments and Credits			600.00
<b>Balance Due as of 08/24/2020</b>			<b>0.00</b>
03/18/2020	Transaction Assessment		200.00
03/18/2020	Efile Payment	Receipt # 2020-16525-CCCLK	(200.00)
03/18/2020	Transaction Assessment		200.00
03/18/2020	Efile Payment	Receipt # 2020-16530-CCCLK	(200.00)
03/18/2020	Transaction Assessment		200.00
03/18/2020	Efile Payment	Receipt # 2020-16535-CCCLK	(200.00)
<b>Consolidated Case Party</b> Compassionate Team of Las Vegas LLC			
Total Financial Assessment			200.00
Total Payments and Credits			200.00
<b>Balance Due as of 08/24/2020</b>			<b>0.00</b>
03/20/2020	Transaction Assessment		200.00
03/20/2020	Efile Payment	Receipt # 2020-17035-CCCLK	(200.00)
<b>Consolidated Case Party</b> D H Flamingo Inc			
Total Financial Assessment			1,713.00
Total Payments and Credits			1,713.00
<b>Balance Due as of 08/24/2020</b>			<b>0.00</b>
02/11/2020	Transaction Assessment		1,513.00
03/03/2020	Payment (Window)	Receipt # 2020-13028-CCCLK	(1,513.00)
04/03/2020	Transaction Assessment		200.00
04/03/2020	Efile Payment	Receipt # 2020-19107-CCCLK	(200.00)
<b>Consolidated Case Party</b> High Sierra Holistics LLC			
Total Financial Assessment			2,106.00
Total Payments and Credits			2,106.00
<b>Balance Due as of 08/24/2020</b>			<b>0.00</b>
12/18/2019	Transaction Assessment		1,483.00
03/02/2020	Payment (Phone)	Receipt # 2020-12760-CCCLK	(1,483.00)
05/14/2020	Transaction Assessment		200.00

## Amber Virkler

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**From:** Cassandra Dittus <cdittus970@gmail.com>  
**Sent:** Tuesday, August 25, 2020 6:33 AM  
**To:** CCB Meetings  
**Subject:** Public comment- CCB

Members of the CCB;

My name is Cassandra and my comment today is in support of Chairman Neilanders previous commentary during review of the proposed regulations. During this review Mr. Neilander gave insight that the chain of process for complaints before they are brought to the attention of the board members has a distinct need for clarification and request for transparency through this process. If the CCB board is to have transparency and stand on the side of impartial review of documentation provided in complaints, the review of complaints done solely by the executive director and allowing of the decision to be made under that position alone has created the same problem the tax department had under the direction of Jorge Pupo at the helm of the Nevada Cannabis program.

Mr. Pupo's improprieties and the extent of his actions have yet to be seen how deep the rabbit hole will go. As we speak, across the US, federal agencies have begun to spike due to the corruption of actors, such as Mr. Pupo, taking liberties with Public Positions of trust. As Governor Sisolak came to office and dove head first into the issues condemning the handling of the cannabis program operations that gave way to the CCB board. Nevada has begun to dub itself The Gold Standard in Cannabis oversight Under the concept that this board will thoroughly review everything associated with possible Improprieties. If the board is required to have layers between them and potential reports of violations, how are they to be the Face of, and attest to upholding those values, if they don't know what they don't know.

In no reflection of Mr. Klimas, and solely in reference to the actions of Mr. Pupo. the process leaves a gaping hole in which one person is at the helm of the administrative department and the sole party responsible for deciding whether a complaint filed to the Board will even be seen by its members, let alone let them have a chance to review and decide the course of action upon the complaint.

To my understanding, the purpose of the Board and its seated members was to provide an impartial grouping of educated members to review and collaborate on whether an issue deserves further investigation. The action of permitting that task to remain under one person's authority is perpetuating the already massive problem the Tax department had in the first place.

This leads to the thoughts surrounding the approvals of the Licensees slated on the agenda today. There is currently a large amount of information that has been provided to CCB regarding the need for review of this decision in depth and in entirety of the complaint, and a deep need to be reviewed by the actual board regarding before approval. Regarding the licenses on the agenda for final approval, Though they aren't in litigation at this time, like so many of Mr. Pupo's licensees, these licenses specifically stem from another instance under the authority and guidance of Mr. Pupo and specifically from a licensing period that was immediately preceding the September 2018 period which launched the largest cannabis lawsuit in the US. There is more to know and Understand about these licenses if you simply make sure the transparency is available to the members of the Board and then as well the public regarding their history, where they are rooted, and with whom.

With diligence and to the best of your Abilities, as members of the gold standard of Compliance Enforcement, all eyes are on you to make sure the first licenses under your authority and Given approval by the board members does not perpetuate the Same unethical practices named in the Department of Tax lawsuit that is still in progress, and same complaints still being submitted over and over again to this board via public comments and complaints.

This is the one shot for the CCB to stand above and beyond the proceeding enforcement and licensing agency and show that nothing whatsoever will be swept under the rug by the CCB in their mission to be pioneers and industry leaders in cannabis compliance.

Thank you.

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**Cassandra Dittus**  
**Dice, LLC**  
**970.689.8962**  
**[CDittus970@gmail.com](mailto:CDittus970@gmail.com)**

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