

1 **BEFORE THE CANNABIS COMPLIANCE BOARD**
2 **STATE OF NEVADA**

3
4 STATE OF NEVADA, CANNABIS
COMPLIANCE BOARD,

Case No. 2020-16

5 Petitioner,

6 vs.

7 ALICIA NINA CASTILE,

8 Respondent.
9

10 **COMPLAINT FOR DISCIPLINARY ACTION**

11 The Cannabis Compliance Board of the State of Nevada (the "CCB"), by and through
12 counsel, Aaron D. Ford, Attorney General of the State of Nevada, L. Kristopher Rath, Esq.,
13 Senior Deputy Attorney General, and Ashley A. Balducci, Esq., Senior Deputy Attorney
14 General, having a reasonable basis to believe that Respondent Alicia Nina Castile
15 ("Castile" or "Respondent") has violated provisions of Chapters 453A and 453D of the
16 Nevada Revised Statutes ("NRS") and Chapters 453A and 453D of the Nevada
17 Administrative Code ("NAC"), hereby issues its Complaint, stating the CCB's charges and
18 allegations as follows:

19 **JURISDICTION**

20 1. Castile previously held the following cannabis establishment agent
21 registration cards:

22

Number	Establishment Category	Role	Application Date	Expiration Date
1708022363	Production	Employee	4/4/2017	4/16/2018
1708022358	Cultivation	Employee	4/4/2017	4/23/2018
1708029506	Dispensary	Employee	10/11/2017	10/11/2018
1708029508	Distributor	Employee	10/11/2017	10/11/2018
1800003118	Cultivation	Employee	5/14/2018	5/15/2019

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1800003120	Production	Employee	5/14/2018	5/15/2019
1900011825	Cultivation	Employee	5/14/2019	5/13/2020
1900011827	Production	Employee	5/14/2019	5/13/2020

The aforementioned cannabis establishment agent registration cards in this Paragraph shall hereinafter be referred to as the "Prior Agent Cards."

2. In the application for the Prior Agent Cards, Castile signed the "Applicant Dispense/Divert Pledge Form" and pledged "not to dispense or otherwise divert marijuana to any person who is not authorized to possess marijuana in accordance with provisions of Nevada Revised Statute 453A and/or NRS 453D."

3. Laws 2019, c. 595, § 240, eff. July 1, 2020, states, in pertinent part, as follows:

1. The administrative regulations adopted by the Department of Taxation pursuant to chapters 453A and 453D of NRS governing the licensing and regulation of marijuana establishments and medical marijuana establishments remain in force and are hereby transferred to become the administrative regulations of the Cannabis Compliance Board on July 1, 2020. On and after July 1, 2020, these regulations must be interpreted in a manner so that all references to the Department of Taxation and its constituent parts are read and interpreted as being references to the Cannabis Compliance Board and its constituent parts, regardless of whether those references have been conformed pursuant to section 244 of this act at the time of interpretation...

3. Any action taken by the Department of Taxation or its constituent parts pursuant to chapter 453A and 453D of NRS governing the licensing and regulation of marijuana establishments and medical marijuana establishments before July 1, 2020, remains in effect as if taken by the Cannabis Compliance Board or its constituent parts on and after July 1, 2020.

4. Effective July 1, 2020, and pursuant to NRS 678A.350, the CCB superseded the Marijuana Enforcement Division of the Department of Taxation (the "Department") in enforcing Nevada's laws and regulations for the cannabis industry.

5. As set forth below, the events at issue in this Complaint occurred prior to July

1 1, 2020, when Castile held the following Prior Agent Cards¹ pursuant to NRS Chapters
2 453A and 453D and NAC Chapters 453A and 453D. Therefore, Castile is subject to the
3 jurisdiction of the CCB and subject to discipline pursuant to NRS 678A through 678D and
4 the relevant provisions of NRS Chapters 453A and 453D and NAC 453A and 453D.
5 Violations are referenced herein to the statutes and regulations in effect at the time each
6 said violation occurred.

7 6. Pursuant to NRS 678A.500 and 678A.510(1), the CCB's Executive Director
8 has transmitted the details of the suspected violations of Castile to the Attorney General
9 and the Attorney General has conducted an investigation of the suspected violations. The
10 Attorney General has recommended to the Executive Director that further proceedings are
11 warranted, as set forth in this Complaint. Pursuant to NRS 678A.510(2)(b), the CCB has
12 authorized service of this Complaint pursuant to NRS 678A.510(1) to proceed with the
13 appropriate disciplinary action under NRS 678A.520 through 678A.600.

14 **FACTUAL ALLEGATIONS**

15 7. CCB incorporates all prior Paragraphs as though fully set forth herein.

16 8. On March 8, 2019, the Department's Inspectors Kimberly Wayman
17 ("Inspector Wayman") and Elizabeth Perez ("Inspector Perez") conducted an inspection at
18 a cannabis establishment located at 1324 South 3rd Street, North Las Vegas, Nevada
19 89104 ("dispensary") after the Department received an anonymous complaint alleging the
20 unauthorized breakdown of cannabis flower in an employee breakroom at a dispensary.²

21 9. During this inspection, Wayman and Perez reviewed and obtained sign-in
22 sheets for visitors. According to the visitor sign-in sheets, from 5:04 p.m. to 6:00 p.m., on
23 February 21, 2019, Castile visited the dispensary for "inventory." Inspectors Wayman and
24 Perez requested video surveillance of the dispensary's employee breakroom for February
25

26 ¹ Prior to July 1, 2020, cannabis establishment agent registration cards were known as
marijuana establishment agent registration cards.

27 ² NAC 453D.446(1)(d) provides that "[i]f preparation or packaging of concentrated
28 marijuana and marijuana products is done in the building, a designated area for the
preparation or packaging that: (1) Includes work space that can be sanitized; and (2) Is only
used for the preparation or packaging of concentrated marijuana or marijuana products."

1 21, 2019 and February 22, 2019.

2 10. On February 21, 2019, Castile's Prior Agent Cards only authorized her to work
3 or volunteer in a production or cultivation facility and not a dispensary.

4 11. The Department's Compliance Audit Investigator II Shandon Snow
5 ("Investigator Snow") reviewed the video surveillance and observed Castile along with Alex
6 Rodriguez, William Giron, and Brian Porras separate cannabis flower in an employee break
7 room at the dispensary on February 21, 2019. The video surveillance also showed Castile
8 put a bag of the cannabis flower in her pocket.

9 VIOLATIONS OF LAW

10 12. CCB incorporates all prior Paragraphs as though fully set forth herein.

11 13. As to the Prior Agent Cards, Respondent violated NAC 453D.348(2) and NAC
12 453D.905(3)(e)(1) for failing to have in the immediate possession a marijuana
13 establishment agent registration card or proof of temporary registration to work or
14 volunteer in a dispensary on February 21, 2019. Because Castile only had marijuana
15 establishment registration cards to work or volunteer at a production or cultivation facility,
16 this is a Category IV violation under NAC 453D.905(3)(e)(1). The first Category IV violation
17 carries a fine of not more than \$1,250.

18 14. As to the Prior Agent Cards, Respondent knowingly violated NAC
19 453D.365(3)(a) by diverting marijuana product when video surveillance showed Castile put
20 a bag of the cannabis flower she separated in her pocket on February 21, 2019. The
21 Department may revoke a marijuana establishment agent card pursuant to NAC
22 453D.365(3)(a) and NAC 453D.354(4). Alternatively, should the CCB find that Respondent
23 unknowingly diverted marijuana product, then Respondent violated NAC
24 453D.905(3)(d)(19). This is a Category III violation. The first Category III violation carries
25 a fine of not more than \$2,500.

26 DISCIPLINE AUTHORIZED

27 15. Pursuant to the provisions of NRS 678A.600, NRS 678D.450, NRS 453D.228,
28 NAC 453A.348, NAC453A.350, NAC 453D.365, NAC 453D.900, and NAC 453D.905, the

1 CCB has the discretion to impose the following disciplinary actions:

- 2 1. Revoke the Prior Agent Cards;
- 3 2. Suspend the Prior Agent Cards;
- 4 3. Impose a civil penalty of not more than \$35,000 for each separate violation of
- 5 Chapter 453D on the Prior Agent Cards; and
- 6 4. Take such other disciplinary action as the CCB deems appropriate.

7 The CCB may order one or any combination of the discipline described above.

8 **RELIEF REQUESTED**

9 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose
10 civil penalties against Castile in the amount of \$1,250 for violating NAC 453D.348(2) and
11 NAC 453D.905(3)(e)(1) on February 21, 2019. Pursuant to NAC 453D.940(8)(a) and NCCR
12 4.030(1)(b), counsel for the CCB respectfully requests a determination from CCB that
13 Castile be barred from applying for any cannabis establishment agent registration card for
14 9 years and 11 months following the imposition of revocation of her Prior Agent Cards. The
15 CCB further reserves its rights to seek additional costs incurred as this matter proceeds
16 through hearing and rehearing, if applicable.

17 **NOTICE TO RESPONDENT**

18 **PLEASE TAKE NOTICE**, that Respondent has a right to request a hearing on the
19 charges set forth herein, pursuant to NRS 678A.510 through 678A.590. **Failure to**
20 **demand a hearing constitutes a waiver of the right to a hearing and to judicial**
21 **review of any decision or order of the Board, but the Board may order a hearing**
22 **even if the respondent so waives his or her right.** NRS 678A.520(2)(e).

23 **PLEASE TAKE NOTICE**, that Respondent **must answer this Complaint**
24 **within 20 days after service of this Complaint**, unless granted an extension. Pursuant
25 to NRS 678A.520(2), in the answer Respondent:

- 26 (a) Must state in short and plain terms the defenses to each claim asserted.
- 27 (b) Must admit or deny the facts alleged in the complaint.

1 (c) Must state which allegations the respondent is without knowledge or information
2 form a belief as to their truth. Such allegations shall be deemed denied.

3 (d) Must affirmatively set forth any matter which constitutes an avoidance or
4 affirmative defense.

5 (e) May demand a hearing. **Failure to demand a hearing constitutes a waiver**
6 **of the right to a hearing and to judicial review of any decision or order of**
7 **the Board**, but the Board may order a hearing even if the respondent so waives his
8 or her right.

9 **Failure to answer or to appear at the hearing constitutes an admission by**
10 **the respondent of all facts alleged in the Complaint. The Board may take action**
11 **based on such an admission and on other evidence without further notice to the**
12 **respondent. NRS 678A.520(3).**

13 The Board shall determine the time and place of the hearing as soon as is reasonably
14 practical after receiving the respondent's answer. The Board shall deliver or send by
15 registered or certified mail a notice of hearing to all parties at least 10 days before the
16 hearing. The hearing must be held within 45 days after receiving the respondent's answer
17 unless an expedited hearing is determined to be appropriate by the Board, in which event
18 the hearing must be held as soon as practicable. NRS 678A.520(4).

19 Respondent's Answer and Request for Hearing must be either: mailed via registered
20 mail, return receipt; or delivered in person; or emailed to:

21 Tyler Klimas, Executive Director
22 Cannabis Compliance Board
23 555 E. Washington Avenue, Suite 4100
24 Las Vegas, Nevada 89101
25 tklimas@ccb.nv.gov

26 If served by email, Respondent must ensure that it receives an acknowledgement of receipt
27 email from CCB as proof of service.

28 As RESPONDENT, you are specifically informed that you have the right to appear
and be heard in your defense, either personally or through your counsel of choice at your
own expense. At the hearing, the CCB has the burden of proving the allegations in the

1 Complaint, although any failure on your part to maintain any documents, records,
2 surveillance video, and/or any other items required pursuant to the relevant statutes and
3 regulations shall create a rebuttal presumption that such items would be harmful to your
4 case. The CCB will call witnesses and present evidence against you. You have the right to
5 respond and to present relevant evidence and argument on all issues involved. You have
6 the right to call and examine witnesses, introduce exhibits, and cross-examine opposing
7 witnesses on any matter relevant to the issues involved.

8 You have the right to request that the CCB issue subpoenas to compel witnesses to
9 testify and/or evidence to be offered on your behalf. In making this request, you may be
10 required to demonstrate the relevance of the witness's testimony and/or evidence.

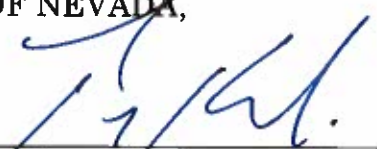
11 If Respondent does not wish to dispute the charges and allegations set forth herein,
12 within 30 days of the service of this Complaint, Respondent may pay the civil penalties set
13 forth above in the total amount of \$1,250 and surrender the Prior Agent Cards to:

14 Tyler Klimas, Executive Director
15 Cannabis Compliance Board
16 555 E. Washington Avenue, Suite 4100
17 Las Vegas, Nevada 89101

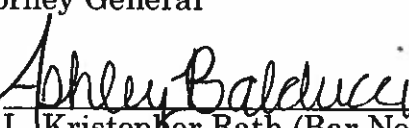
18 YOU ARE HEREBY ORDERED to immediately cease the activity described above
19 which is a violation of Nevada law.

20 DATED: August 25, 2020.

21 STATE OF NEVADA,

22 By: 
23 Tyler Klimas, Executive Director
24 555 E. Washington Avenue, Suite 4100
25 Las Vegas, Nevada 89101
26 (702) 486-2300

27 AARON D. FORD
28 Attorney General

By: 
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Attorneys for the Department

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