



1           2.       During all relevant times mentioned in this Complaint, Gravitas is and was  
2 registered as a domestic limited-liability company in the State of Nevada. Green Ache's  
3 Consulting Limited and Verdant Nevada L.L.C. are the managing members for Gravitas.  
4 Green Ache's Consulting Limited is and was registered as a domestic limited-liability  
5 company in the State of Nevada. Jo Ann Abajian and Barry J Fieldman are the managing  
6 members of Green Ache's Consulting Limited. Verdant Nevada L.L.C. is and was  
7 registered as a domestic limited-liability company in the State of/ Nevada. Ryan Hudson  
8 and Michael Thomsen are the managing members of Verdant Nevada L.L.C.

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

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

22           3. Any action taken by the Department of Taxation or its  
23 constituent parts pursuant to chapter 453A and 453D of NRS  
24 governing the licensing and regulation of marijuana  
25 establishments and medical marijuana establishments before  
26 July 1, 2020, remains in effect as if taken by the Cannabis  
27 Compliance Board or its constituent parts on and after July 1,  
28 2020.

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       Effective July 1, 2020, and pursuant to NRS 678A.350, the CCB superseded  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

26           5.       As set forth below, the events at issue in this Complaint occurred prior to July  
27 1, 2020, when Gravitas was licensed pursuant to NRS Chapters 453A and 453D and NAC  
28 Chapters 453A and 453D. Therefore, Gravitas is subject to the jurisdiction of the CCB and

1 subject to discipline pursuant to NRS 678A through 678D and the relevant provisions of  
2 NRS Chapters 453A and 453D and NAC 453A and 453D. Violations referenced herein are  
3 to the statutes and regulations in effect at the time each said violation occurred.

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

#### 11 **FACTUAL ALLEGATIONS**

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

13 8. On May 21, 2018, Gravitas self-reported an incident to the Department's Chief  
14 Investigator Damon Hernandez, via email, regarding cannabis product taken from  
15 Gravitas' production facility.

16 9. According to the Licensee Incident Report, Michael Anderson ("Mr.  
17 Anderson"), an employee of the production facility, reported taking cannabis product from  
18 Gravitas's production facility to his home that was subsequently taken to school by a minor  
19 living in the home. Gravitas became aware of cannabis product taken from the production  
20 facility by employees on May 17, 2018.

21 10. On May 29, 2018, Gravitas provided Certificates of Analysis showing the  
22 testing results for the cannabis product identified by Gravitas to have been taken from the  
23 production facility. Gravitas identified the following METRC tag numbers as associated  
24 with the cannabis products involved in the incident:

- 25 a. 1A4040300000E12000000574;
- 26 b. 1A4040300000E12000000576; and
- 27 c. 1A4040300000E12000000575.

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1           11. In addition to Gravitas conducting its own internal investigation, the  
2 Department's Compliance Audit Investigator II Shandon Snow ("Investigator Snow")  
3 conducted an investigation regarding the self-reported incident.

4           12. Investigator Snow obtained and reviewed METRC Package Adjustments  
5 reports and METRC Package Trace reports under Gravitas' recreational production license  
6 where Gravitas' employee, Luzmaria Esperanza, reported the cannabis product as "Waste"  
7 on April 19, 2018, and Gravitas' employee, Griffin Smith, reported on April 19, 2020,  
8 "Package Finished" on April 18, 2018, in the seed-to-sale tracking system, METRC, for the  
9 following cannabis products and quantities:

- 10                   a. Packaged 1,229 Each of HyBrid Sour Watermelon Gummies QTY: 10,
- 11                   b. Packaged 1,060 Each of HyBrid Tropical Twist Gummie QTY: 10, and
- 12                   c. Packaged 1,192 Each of HyBrid Tangerine Gummies QTY: 10

13 when Gravitas had not destroyed the cannabis product.

14           13. Gravitas provided disposal logs to the Department for the destruction of the  
15 cannabis product that identified February 28, 2018, as the date of destruction for the  
16 cannabis product when METRC showed the cannabis product in the testing stage on  
17 February 27, 2018, and received passing results on March 5, 2018. The disposal logs also  
18 did not identify the METRC tag numbers for the cannabis product, quantities, or contain a  
19 manager's signature and agent card number.

20           14. Gravitas provided production logs to the Department that contained  
21 incomplete information, including a discrepancy in the amount of grams for the HyBrid  
22 Tropical Twist Gummies.

23           15. Gravitas also reported the theft of the cannabis product to the Las Vegas  
24 Metropolitan Police Department ("LVMPD") on June 1, 2018.

25           16. Gravitas further provided video surveillance that showed on May 9, 2018,  
26 Gravitas' production facility Manager Foster Boone and Supervisor Robert Black allowing  
27 employees Mr. Anderson, Griffin Smith, Trevor Taplett, Lucy Esperanza, Dominic  
28

1 Vitagliano, Tyler Stuart, Keyona Littleton, Curtis Armistead, Steven Jones, and Alissa  
2 Sherley to take significant amounts of the cannabis product set for destruction.

3 17. Gravitas self-shut down the production facility on or about May 19, 2018, until  
4 on or about June 18, 2018, to conduct its own internal investigation of the incident and  
5 recover any cannabis product taken from Gravitas' production facility on May 9, 2018.

6 18. On July 2, 2018, Gravitas met with Investigator Snow to discuss the  
7 investigation and corrective actions taken by Gravitas, including but not limited to  
8 dismissing and re-training of the employees.

9 19. On November 1, 2018, Gravitas, with the Department's staff witnessing,  
10 destroyed any of the remaining cannabis product recovered from Gravitas' internal  
11 investigation.

#### 12 VIOLATIONS OF LAW

13 20. CCB incorporates all prior Paragraphs as though fully set forth herein.

14 21. As to P013 and RP013, Respondent violated NAC 453D.905(3)(a)(3) for  
15 making an intentionally false statement(s) to the Department on April 19, 2018, by  
16 reporting the three strains as destroyed in METRC when the destruction had not occurred.  
17 This is a Category I violation under NAC 453D.905(3)(a)(3). The first Category I violation  
18 carries a fine of not more than \$35,000 and a suspension of not more than 30 days or  
19 revocation of the license. The second Category I violation requires revocation of the license.

20 22. As to P013 and RP013, Respondent violated NAC 453D.340 and NAC  
21 453D.905(3)(d)(19) when Gravitas' production facility manager and supervisor allowed ten  
22 (10) employees to divert a significant amount of cannabis product on May 9, 2018. This is  
23 a Category III violation under NAC 453D.905(3)(d)(19). The first Category III violation  
24 carries a fine of not more than \$2,500. The second Category III violation carries a fine of  
25 not more than \$5,000 or a suspension for not more than 10 days of the license. The third  
26 Category III carries a fine of not more than \$10,000 or a suspension for not more than 20  
27 days of a license. The fourth Category III requires a suspension for not more than 30 days  
28 of a license. The fifth Category III requires revocation of a license.

1 **DISCIPLINE AUTHORIZED**

2 23. Pursuant to the provisions of NRS 678A.600, NRS 678D.450, NRS 453D.228,  
3 NAC 453A.348, NAC453A.350, NAC 453D.365, NAC 453D.900, and NAC 453D.905, the  
4 CCB has the discretion to impose the following disciplinary actions:

- 5 1. Revoke licenses P013 and RP013;
- 6 2. Suspend licenses P013 and RP013;
- 7 3. Impose a civil penalty of not more than \$35,000 for each separate violation of  
8 Chapter 453D on the licenses; and
- 9 4. Take such other disciplinary action as the CCB deems appropriate.

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

11 **RELIEF REQUESTED**

12 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose  
13 the penalty of revocation against Gravitas' licenses P013 and RP013. Pursuant to NAC  
14 453D.940(8)(a), counsel for the CCB respectfully requests a determination from the CCB  
15 that Gravitas be barred from applying for any cannabis establishment license for 9 years  
16 and 11 months following the imposition of revocation. In addition, counsel for the CCB  
17 requests the CCB impose civil penalties against Gravitas in the amount of \$52,500. The  
18 CCB further reserves its rights to seek additional costs incurred as this matter proceeds  
19 through hearing and rehearing, if applicable.

20 **NOTICE TO RESPONDENT**

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

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

- 4           (a) Must state in short and plain terms the defenses to each claim asserted.
- 5           (b) Must admit or deny the facts alleged in the complaint.
- 6           (c) Must state which allegations the respondent is without knowledge or  
7 information form a belief as to their truth. Such allegations shall be deemed  
8 denied.
- 9           (d) Must affirmatively set forth any matter which constitutes an avoidance or  
10 affirmative defense.
- 11           (e) May demand a hearing.

12           **Failure to demand a hearing constitutes a waiver of the right to a hearing and to**  
13 **judicial review of any decision or order of the Board**, but the Board may order a  
14 hearing even if the respondent so waives his or her right.

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

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

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

27           Tyler Klimas, Executive Director  
28           Cannabis Compliance Board  
29           555 E. Washington Avenue, Suite 4100  
30           Las Vegas, Nevada 89101  
31           [tklimas@ccb.nv.gov](mailto:tklimas@ccb.nv.gov)

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

1 As RESPONDENT, you are specifically informed that you have the right to appear  
2 and be heard in your defense, either personally or through your counsel of choice at your  
3 own expense. At the hearing, the CCB has the burden of proving the allegations in the  
4 Complaint, although any failure on your part to maintain any documents, records,  
5 surveillance video, and/or any other items required pursuant to the relevant statutes and  
6 regulations shall create a rebuttal presumption that such items would be harmful to your  
7 case. The CCB will call witnesses and present evidence against you. You have the right to  
8 respond and to present relevant evidence and argument on all issues involved. You have  
9 the right to call and examine witnesses, introduce exhibits, and cross-examine opposing  
10 witnesses on any matter relevant to the issues involved.

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

14 If Respondent does not wish to dispute the charges and allegations set forth herein,  
15 within 30 days of the service of this Complaint, Respondent may pay the civil penalties set  
16 forth above in the total amount of \$52,500 and surrender licenses P013 and RP013 to:

17 Tyler Klimas, Executive Director  
18 Cannabis Compliance Board  
19 555 E. Washington Avenue, Suite 4100  
Las Vegas, Nevada 89101

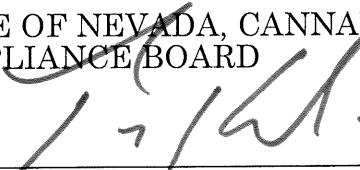
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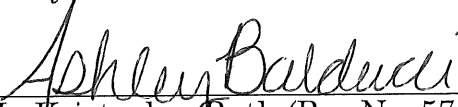
1 YOU ARE HEREBY ORDERED to immediately cease the activity described above  
2 which is a violation of Nevada law.

3 DATED: September 22, 2020.

4 STATE OF NEVADA, CANNABIS  
5 COMPLIANCE BOARD

6 By:   
7 Tyler Klimas, Executive Director  
8 555 E. Washington Avenue, Suite 4100  
9 Las Vegas, Nevada 89101  
10 (702) 486-2300

11 AARON D. FORD  
12 Attorney General

13 By:   
14 L. Kristopher Rath (Bar No. 5749)  
15 Senior Deputy Attorney General  
16 Ashley A. Balducci, (Bar No. 12687)  
17 Senior Deputy Attorney General  
18 555 E. Washington Ave, Suite 3900  
19 Las Vegas, Nevada 89101  
20 (702) 486-9287  
21 Attorneys for the Department  
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