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October 2, 2020

STATE OF NEVADA  
CANNABIS COMPLIANCE BOARD  
Via Email: [regulations@ccb.nv.gov](mailto:regulations@ccb.nv.gov)

RE: Input on Proposed Amendments and/or Additions to the Nevada Cannabis Compliance Board Regulations (NCCR) 5 and 6

Dear CCB Members,

Thank you for the opportunity to review and provide comment on the proposed changes to State of Nevada Regulations for cannabis (Sections 5 and 6). Crooked Wine (DBA Blackbird Logistics) holds two distribution licenses in Nevada, in the cities of Reno and Las Vegas.

The following summary identifies the proposed regulation that we feel garners the need for more discussion and revision.

**6.072 (2) Additional Training Requirements for Retail Cannabis Stores**

Blackbird supports establishing minimum training requirements for licensed operators as a means to reducing the potential for theft, diversion, or improper handling of cannabis goods in the supply chain. However, clarification is needed on the applicability of the proposed retail training requirements, as they may not apply to third-party delivery companies, such as ours. Blackbird operates as a third-party retail delivery service for the majority of retailers in Nevada. Section 6.072 (2) needs to be revised to clearly state whether or not the retail training requirements apply to third-party contract delivery service drivers, who also hold retail agent cards. We feel that Section 6.072 (6) distribution training requirements adequately cover the minimum knowledge needed for retail delivery drivers.

Sincerely,

**Crooked Wine (DBA Blackbird Logistics)**

Tim Conder, CEO

[tim@myblackbird.com](mailto:tim@myblackbird.com)

316 California #30, Reno, NV 89509

October 5, 2020

**Via Email Only**

Cannabis Compliance Board  
555 E. Washington Ave., Suite 4100  
Las Vegas, NV 89101  
regulations@ccb.nv.gov

**Re: Comment on Proposed Amendment and/or Additions to Nevada Cannabis Compliance Board Regulations (NCCR)**

To Whom It May Concern:

This public comment on the proposed amendment and/or additions to Nevada Cannabis Compliance Board Regulations (NCCR) is being provided pursuant to the notice dated September 30, 2020 requesting input from interested parties. Green Thumb Industries Inc. is providing this public comment as an interested party; Green Thumb Industries Inc., through several wholly owned subsidiaries, holds interest in several cannabis licenses in the state of Nevada. Green Thumb Industries Inc. provides comment and respectfully suggests that the Board amend proposed section 5.127, specifically with regards to the following:

- 5.127(1) – The specific date of a publicly traded company’s annual general meeting may not yet be set, while a timeframe for when the meeting will be held (such as by the end of the second quarter of 2021) may be set, a specific date cannot be provided until the meeting is officially noticed and scheduled. Therefore, it is suggested that this section be amended to state that notice must be provided to the Cannabis Compliance Board a minimum of thirty (30) days prior to the annual general meeting.
- 5.127(2) – While Green Thumb Industries Inc. does not object specifically to providing names and addresses of non-objecting shareholders, the sensitive and confidential nature of this information should be recognized. Therefore, the regulation should be amended to note the information made available to the Cannabis Compliance Board is confidential and not to be disclosed and the information should be made available for review through a review meeting.
- 5.127(2)(b) – The requirement to explain why the names and addresses of objecting beneficial owners through reasonable cost and effort cannot be obtained should be removed. Shareholders in a publicly traded company often do not purchase their interests directly from the company, but instead purchase them on the public market, often through a financial intermediary or brokerage house. As a result, the shareholder’s name and information is typically unknown to the company until the shareholder completes any required public filings. U.S. brokerage houses and financial intermediaries are not permitted to provide the private information to any shareholder that objects to having such information provided. Thus, simply it is not possible for any public company licensee to obtain this information, for reasons that are known and understood now. Such a

requirement to make an attempt to obtain unavailable information and provide an explanation of this is an added and unnecessary burden when it is already known that the information cannot be obtained. Therefore, the requirement should be for the licensee to provide all names and addresses of which the company has actual knowledge and can reasonably obtain.

- o 5.110(10)(e) – It is unclear if this provision is meant to apply to publicly traded companies, but if it does apply, it gives them 30 days after providing the annual disclosures to obtain agent cards for all individuals with 5% or more interest in the cannabis establishments or 30 days from when the individual obtains 5% interest in the cannabis establishment. Due to the nature of public company ownership, when individuals obtain ownership not directly from the company but on a public market, typically indirectly through brokerage houses, individuals may exceed the proposed 5% threshold for short periods (even only for a day or two), and are likely to be unknown to the publicly traded company. It is also unclear if 5.110(10)(e) requires a transfer be submitted to the Cannabis Compliance Board in advance to identify when such changes in a 5% interest holder occur. Thirty days is not sufficient time to obtain the agent cards of shareholders unknown to the publicly traded company. These shareholders (particularly the ones whose ownership just around the 5% threshold) are buying shares on the stock market, typically through brokerage houses, and are unknown to the publicly traded company. To expect the company to compel the unknown individual to complete an agent card application, including fingerprints, and have it submitted within 30 days is unreasonable. As described above, because a shareholder of a publicly traded company can purchase its shares indirectly through brokerage houses (and not directly through the publicly traded company), the publicly traded company has no enforcement authority to force a shareholder to comply with the agent card requirement. The requirement for shareholders in publicly traded companies with 5% interest or more in the cannabis establishment should be clearly addressed in 5.127 and should take into consideration the challenges of obtaining information and contacting unknown shareholders buying shares on a stock exchange and to then require those unaffiliated shareholders to obtain an agent card.

Green Thumb Industries Inc. appreciates the time and effort the Cannabis Compliance Board has given in developing regulations to address the unique challenges of publicly traded companies. While the company appreciates the Board's efforts to provide clarity to the requirements, as they were not previously addressed in regulations, Green Thumb Industries Inc. kindly requests the Cannabis Compliance Board considers the suggested changes to the proposed regulations, specifically NCCR 5.127.

**GREEN THUMB INDUSTRIES INC.**

  
By: Bret Kravitz

Its: Chief Corporate Counsel

Memo to: CCB

Memo from: MM Development Company, Inc. dba Planet 13

Subject: Comments to Proposed CCB Updates to Regulation 5 and 6

### Background

On September 30, 2020, the Cannabis Compliance Board (or “CCB”) sent notice seeking input from interested parties on proposed amendments and/or additions to NCCR 5.110, 5.112, 5.125, 5.127, 6.605, 6.072, and 6.140. The deadline provided for comments was 5:00 p.m. PST on October 5, and are to be written and emailed to [regulations@ccb.nv.gov](mailto:regulations@ccb.nv.gov).

MM Development Company, Inc. dba Planet 13 (or “MMDC”) is a Nevada licensed dispensary, cultivation, production, and distribution operator in Nevada, owned 100% by publicly traded Planet 13 Holdings, Inc., ticker symbol PLTH on the Canadian Securities Exchange.

We appreciate this opportunity to provide comment. Licensee proposed additions shall be denoted by [] and deletions are denoted using strikethrough.

#### Regulation 5.110 (10)(e) addition proposed by CCB:

The below [additions] are requested for purposes of providing both licensee and CCB staff additional time in the event that background checks, agent card applications, or administrative actions are taking more than 30 days for the CCB to complete. This would allow licensee operations to continue while mandatory regulatory actions are completed, such as ongoing background checks.

#### Proposed 5.110(10)(e)

(e) If such transfer shall increase an ownership interest of an owner with less than a five (5) percent interest to over a five (5) percent interest, whether voting or beneficial, then requirements pertaining to owners with over five (5) percent [ownership] interest apply as of thirty (30) days after the date the transfer is final. [At the sole discretion of the Board, the thirty (30) day requirement may be extended.]

#### Regulation 5.127, Addition proposed by the CCB:

Comment, 5.127(1) timing issue:

Publicly traded company’s next shareholder annual meeting must generally occur within 6 months following year end, and will generally not be specifically known until after the year-end. By way of example, on April 17, 2020, Planet 13’s Board of Directors made a resolution approving the 2020 Record Date of May 20, 2020, and the Annual Meeting Date of June 24, 2020.

Once a record date and annual meeting date is approved, the company sends out notice of the annual meeting date and an information circular to the shareholders that held ownership as of the record date. A true and correct copy of our notice and circular for the 2020 annual meeting can be seen at <https://www.planet13holdings.com/aggm/>, and is also uploaded to SEDAR.com on our company profile. Our recommendation is that the notice announcing the shareholder meeting, record date, and circular

that is provided to shareholders could be provided to CCB prior to the annual shareholder meeting. This requirement should be met annually at the shareholders meeting

Proposed 5.127 When a publicly traded company must give an updated list of owners to the Board.

1. Within ~~thirty (30)~~ [seven (7)] days [following notice of the annual meeting or general meeting of shareholders relating to a change in control and the record date to its shareholders] ~~from the effective date of this regulation~~, [each publicly traded company having an ownership interest in a cannabis establishment] shall notify the Board of the date of its next annual meeting [and shall provide a copy of the shareholder notice and meeting information circular to the Board].

2. A publicly traded company [having an ownership in a cannabis establishment], or cannabis establishment registered with a stock exchange and/or each establishment offering, having offered, or planning to offer shares for sale or portions of a company for sale-must submit disclosures annually within thirty (30) days ~~of~~[following] the company's annual meeting [and also at any other time when a general shareholders meeting is required relating to changes of control of the public company]. Such disclosures must include:

(a) An updated list of all officers and board members, and an updated list of all owners with an ownership interest over five (5) percent [as of the record date disclosed to the CCB under 5.127(1) above], whether voting or beneficial interest including a valid and current name and address of each person disclosed;

(b) An updated list of all beneficial owners regardless of amount or type of ownership. If a list of all beneficial owners cannot be obtained through reasonable cost and/or effort, the publicly traded company must provide an updated list of all non-objecting beneficial owners [having an ownership interest in the cannabis establishment as of the record date disclosed to the CCB under 5.127(1),] and explain why it cannot obtain a full list of all beneficial owners through reasonable cost and effort;

3. These are minimum requirements and do not in any way abridge or impact the Board or CCB staff from requesting further information or documentation. This section does not remove any requirements that would otherwise apply to a publicly traded company or any other entity subject to regulation by the Nevada Cannabis Compliance Board.

#### Regulation 6.072, Addition proposed by CCB

Numerous sources cite annual retail business employee turnover in excess of 60% for the years 2018 and later. Given the impact of the COVID pandemic, turnover rates for 2020 may rise even higher. Between the costs of meeting the high-turnover, and the business interruption of waiting for agent applications to process and then for the employee to complete training, this is a significant expense to licensees.

MM Development Company, Inc. analyzed the time between our employees submitting the agent card application and receiving the fingerprint portion of the application which is then completed and submitted by the prospective employee.

Average days it takes for fingerprint information to be emailed: 16.4 (sample size 18, August 14 – September 16, 2020)

Average days between fingerprint upload to temp being issues: 4.38. (sample size 9, results estimated, some of the applications selected are still pending results)

Given this timeline, and the additional requirements of training before an employee can start working under the proposed regulation, we proposed the following [additions]:

6.072 Training and instruction required before agent may begin work or service as volunteer.

1. ...

[7. In furtherance of paragraphs (1) through (6) in this Regulation 6.072, a cannabis establishment may permit the person identified as a prospective employee or prospective volunteer within the cannabis establishment for up to twenty-eight (28) days while the cannabis establishment agent application is being assembled and completed. The prospective employee or volunteer must be entered into a trainee log maintained by the cannabis establishment and obtain a trainee identification badge from a cannabis establishment agent before entering the premises of the cannabis establishment. A prospective employee or prospective volunteer:

(a) Must be escorted and monitored by a cannabis establishment agent at all times he or she is on the premises of the cannabis establishment;

(b) Must visibly display his or her trainee identification badge at all times he or she is on the premises of the cannabis establishment;

(c) Must not handle any cannabis or money whatsoever; and

(d) Must return the visitor identification badge.]



October 5, 2020

Director Tyler Klimas  
Executive Director  
Cannabis Compliance Board  
555 E. Washington Avenue, Suite 5100  
Las Vegas, NV 89101

Subject: Comments on Proposed Changes to NCCR Regulation 5

Dear Director Klimas,

On behalf of the members of the Nevada Dispensary Association ("NDA"), thank you for considering these written comments to the proposed changes to NCCR 5.

With respect to the proposed disclosure requirements of proposed NCCR 5.110(10)(e) and 5.127(2)(b), the NDA proposes that the disclosures be *to the best knowledge of the corporate officer/director submitting the report*. It is very possible that an individual could own more than a five (5) percent interest through multiple brokers and unassociated entities. Officers would have no ability to identify this, and attempting to confirm that ownership is nearly impossible.

As to the proposed NCCR 5.127(2)(b), we recommend identifying a threshold of ownership of the public company before disclosure is required. For example, one of our member companies has hundreds of millions of shares outstanding, owned by individuals, Exchange Traded Funds, and private investment companies. Disclosing a list of beneficial owners would be impractical and unduly burdensome, while at the same time providing limited probative value. Applying the five (5) percent threshold here would enable publicly traded companies to comply with this disclosure requirement.

The NDA continues to work with licensees to coordinate comments on the proposed regulations, and the Association plans on participating in the public workshop on these proposed changes and will submit additional comment at that time.

Thank you for your time and consideration.

Respectfully submitted,

A handwritten signature in black ink that reads "L. Martin".

Layke Martin, Esq.  
Nevada Dispensary Association

I would like to thank the CCB for taking my question.

We have a Medical Marijuana Dispensary. D098 WE purchased a Retail Marijuana Store License - January 24,2018. The town that We are in was not ready for a Recreational Marijuana Store at that time. Time has changed things in this Business and We are now working very closely with the Town to acquire the proper zoning to receive the Retail Recreational Marijuana License from the Town.

My Question is- When We receive the Town's License to have a Retail Marijuana Store is our State License that we paid for January 24, 2018 still Good? Or do we need to do anything else?



I would like to thank the CCB for taking my question.

My question is - When is the CCB going to have a Licensing Period so that the Owners that are holding a Medical Marijuana License or Provisional License for either a Cultivation, Production or/and Dispensary can Purchase a Recreational Marijuana License for these?