

1 Secretary of State lists the Manager of NMG as Robert Hasman. Mr. Stephan Hoffman is
2 listed as the Point of Contact for NMG with the CCB.

3 3. The investigation at issue in this matter took place on August 5, 2020, and
4 the violations set forth herein occurred and/or were found to exist on that date. Effective
5 July 1, 2020 and pursuant to NRS 678A.350, the CCB superseded the Marijuana
6 Enforcement Division of the Department of Taxation (the "Department") in enforcing
7 Nevada's laws and regulations for the cannabis industry. The NCCR's became effective as
8 of August 5, 2020. As a result, NMG is subject to NRS Title 56 and the NCCR's for the
9 violations asserted herein. Therefore, NMG is subject to the jurisdiction of the CCB and
10 subject to discipline pursuant to NRS 678A through 678D and the relevant provisions of
11 the NCCR's.

12 4. Pursuant to NRS 678A.500 and 678A.510(1), the CCB's Executive Director
13 has transmitted the details of the suspected violations of NMG to the Attorney General and
14 the Attorney General has conducted an investigation of the suspected violations to
15 determine whether they warrant proceedings for disciplinary action. The Attorney General
16 has recommended to the Executive Director that further proceedings are warranted, as set
17 forth in this CCB Complaint. The Executive Director has transmitted this recommendation
18 and information to the CCB. Pursuant to NRS 678A.510(2)(b), the CCB has voted to
19 proceed with appropriate disciplinary action under NRS 678A.520 through 678A.600, and
20 has authorized service of this CCB Complaint upon Respondent pursuant to NRS
21 678A.510(1).

22 FACTUAL ALLEGATIONS

23 5. CCB incorporates all prior Paragraphs as though fully set forth herein.

24 6. On August 5, 2020, due to a complaint received from an individual, CCB
25 agents investigated of the NMG medical and adult-use cultivation facility at [REDACTED]

26 [REDACTED] The Board agents for this investigation were Jason Banales
27 and Terrence Whittier.

1 7. Not all of the individual's complaint allegations were substantiated, but
2 certain allegations were substantiated and CCB agents found other violations when they
3 arrived at the NMG facility on August 5, 2020.

4 8. Specifically, CCB agents found that six employees working at the facility on
5 August 5, 2020, did not have valid agent cards. The following six employees were working
6 at the facility with expired agent cards;

- 7 a. Nicholas Dnistransky;
- 8 b. Ruben Benitez;
- 9 c. Bryan Lewis;
- 10 d. David Zuniga;
- 11 e. Ricky Romero; and
- 12 f. Marcus Theus

13 9. In addition, one of the aforementioned employees, Nicholas Dnistransky,
14 made an intentionally false statement to the CCB agents. During the August 5, 2020,
15 investigation, CCB agents advised Mr. Dnistransky that he must leave the facility because
16 his agent card had expired. Mr. Dnistransky then asked to gather his personal items prior
17 to leaving the facility and was granted permission to do that. However, Mr. Dnistransky's
18 request to gather personal belongings was knowingly false. Upon review of security footage
19 from this time period, CCB agents found that, rather than simply gathering personal
20 belongings, Mr. Dnistransky in fact went back into the facility and aided and abetted
21 employee Marcus Theus in an unauthorized exit of the facility in an attempt to avoid CCB
22 agents from uncovering the fact Mr. Theus was also working with an expired agent card.

23 10. During the course of the investigation, CCB agents also found that NMG
24 failed to maintain security measures to prevent unauthorized access to limited access
25 areas, as an employee was observed exiting through a side roll-up door.

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1 VIOLATIONS OF LAW

2 11. CCB incorporates all prior Paragraphs as though fully set forth herein.

3 12. As to certificate C144 and license RC144, Respondent NMG violated NCCR
4 6.070(6) and NCCR 4.055(1)(a)(1) by failing to have six employees in immediate possession
5 of their valid cannabis establishment agent registration cards. Specifically, as detailed in
6 Paragraph 8 above, six employees had no valid agent cards in their possession while
7 working at NMG's cultivation facility on August 5, 2020. These omissions constitute six
8 separate and distinct Category IV violations. NCCR 4.055. Pursuant to NCCR 4.055, the
9 first such violation carries a fine of \$5,000. The second such violation carries a fine of
10 \$10,000 and/or a suspension of not more than 7 days. The third such violation carries a
11 fine of \$20,000 and/or a suspension of not more than 10 days. The fourth such violation
12 carries a fine of \$40,000 and/or a suspension of not more than 20 days. The fifth such
13 violation carries a fine of \$80,000 and a suspension of not more than 30 days. The sixth
14 such violation requires revocation of NMG's certificate and license.

15 13. As to certificate C144 and license RC144, Respondent NMG violated NCCR
16 4.035(1)(a)(3) by making an intentionally false statement to a CCB agent. Specifically,
17 NMG, through its employee and agent Nicholas Dnistransky falsely advised a CCB agent
18 that Mr. Dnistransky wanted to remain in the facility briefly to gather personal belongings
19 after being asked to leave for failing to hold a valid agent card. In fact, Mr. Dnistransky
20 did not remain in the facility for that purpose alone, but rather to aid and abet a fellow
21 employee Marcus Theus in surreptitiously fleeing undetected from the facility to prevent
22 the CCB agents from discovering Marcus Theus was not in possession of a valid agent card.
23 These acts also constitute a violation of NCCR 4.035(1)(a)(11) for obstructing regulatory
24 personnel from performing their official duties. These violations constitute a Category I
25 violation, which carries a fine of \$90,000 and a suspension of up to 30 days. NCCR
26 4.035(2)(a)(1). In the alternative, should the CCB find these acts and omissions to be
27 unintentional on the part of NMG, then these acts and omissions still constitute a violation
28 of NCCR 4.040(1)(a)(1) for making an unintentional false statement or representation of

1 fact to a Board agent. In that case, this is a Category II violation, which carries a fine of
2 \$25,000 and a suspension of up to 20 days.

3 14. As to certificate C144 and license RC144, Respondent NMG violated NCCR
4 6.085 and NCCR 4.050(1)(a)(5) by failing to follow an approved security plan. Specifically,
5 NWG failed to maintain security measures to prevent unauthorized access to limited access
6 areas, as evidenced by the fact that employee Marc Theus was able to exit through a side
7 roll-up door, as set forth in Paragraph 9, above. NCCR 6.085(1)(a) requires one single
8 secure entrance to a cannabis establishment building and NCCR 6.085(1)(d) requires
9 policies and procedures that restrict access to areas that contain cannabis to only those
10 authorized to be in those areas. This violation is a Category III violation, which carries a
11 fine of \$10,000.

12 DISCIPLINE AUTHORIZED

13 Pursuant to the provisions of NRS 678A.600, NCCR 4.020, NCCR 4.030, NCCR 4.035
14 through 4.060, and NCCR 5.100, the CCB has the discretion to impose the following
15 disciplinary actions:

- 16 1. Revoke the certificate and license of NMG;
- 17 2. Suspend the certificate and license of NMG;
- 18 3. Impose a civil penalty of not more than \$90,000 for each separate violation of
19 NRS Title 56 and the NCCR's on the certificate and license of NMG; and
- 20 4. Take such other disciplinary action as the CCB deems appropriate.

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

22 RELIEF REQUESTED

23 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose
24 the penalty of revocation against the certificate and license of NMG, C144 and RC144.

25 In addition, counsel for CCB requests the CCB impose civil penalties against NMG
26 in the amount of \$255,000. Counsel for the CCB further requests the amount expended for
27 CCB's time and effort, pursuant to NCCR 6.025, for its costs to date, of \$527.25. In sum,
28 counsel for the CCB respectfully requests the CCB order revocation of NMG's certificate

1 and license and order fines, penalties, and costs in the total amount of \$255,527.25. CCB
2 reserves its rights to seek additional costs incurred as this matter proceeds through hearing
3 and rehearing, if applicable.

4 NOTICE TO RESPONDENT

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

10 PLEASE TAKE NOTICE, you, as the Respondent, must answer this Complaint
11 within 20 days after service of this Complaint, unless granted an extension. Pursuant
12 to NRS 678A.520(2), in the answer Respondent:

13 (a) Must state in short and plain terms the defenses to each claim asserted.

14 (b) Must admit or deny the facts alleged in the complaint.

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

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

19 (e) May demand a hearing. Failure to demand a hearing constitutes a waiver
20 of the right to a hearing and to judicial review of any decision or order of
21 the Board, but the Board may order a hearing even if the respondent so waives his
22 or her right.

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

27 The Board shall determine the time and place of the hearing as soon as is reasonably
28 practical after receiving the Respondent's answer. The Board shall deliver or send by

1 registered or certified mail a notice of hearing to all parties at least 10 days before the
2 hearing. The hearing must be held within 45 days after receiving the Respondent's answer
3 unless an expedited hearing is determined to be appropriate by the Board, in which event
4 the hearing must be held as soon as practicable. NRS 678A.520(4).

5 Respondent's answer and Request for Hearing must be either: mailed via registered
6 mail, return receipt; or emailed to:

7 Tyler Klimas, Executive Director
8 Cannabis Compliance Board
9 555 E. Washington Avenue, Suite 4100
10 Las Vegas, Nevada 89101
11 tklimas@ccb.nv.gov

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

14 As the Respondent, you are specifically informed that you have the right to appear
15 and be heard in your defense, either personally or through your counsel of choice at your
16 own expense. At the hearing, the CCB has the burden of proving the allegations in the
17 Complaint. The CCB will call witnesses and present evidence against you. You have the
18 right to respond and to present relevant evidence and argument on all issues involved. You
19 have the right to call and examine witnesses, introduce exhibits, and cross-examine
20 opposing witnesses on any matter relevant to the issues involved.

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

24 If the respondent does not wish to dispute the charges and allegations set forth
25 herein, within 30 days of the service of this Complaint, Respondent may pay the civil

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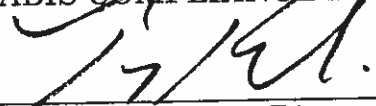
1 penalties and costs set forth above in the total amount of \$255,527.25 and surrender its
2 license and certificate to:

3 Tyler Klimas, Executive Director
4 Cannabis Compliance Board
5 555 E. Washington Avenue, Suite 4100
6 Las Vegas, Nevada 89101

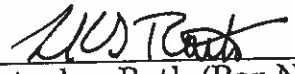
7 YOU ARE HEREBY ORDERED to immediately cease the activity described above
8 which is a violation of Nevada law.

9 DATED: October 20, 2020.

10 STATE OF NEVADA,
11 CANNABIS COMPLIANCE BOARD

12 By: 
13 Tyler Klimas, Executive Director
14 555 E. Washington Avenue, Suite 4100
15 Las Vegas, Nevada 89101
16 (702) 486-2300

17 AARON D. FORD
18 Attorney General

19 By: 
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