

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

3
4 **STATE OF NEVADA, CANNABIS**
 COMPLIANCE BOARD,

Case No. 2020-018

5 **Petitioner,**

6 **vs.**

7 **TRYKE COMPANIES RENO, LLC,**

8 **Respondent.**
9

10
11 **STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION**

12 The Cannabis Compliance Board (the “CCB”), by and through its counsel, Aaron D.
13 Ford, Attorney General for the State of Nevada, L. Kristopher Rath, Esq., Senior Deputy
14 Attorney General and Ashley A. Balducci, Esq., Senior Deputy Attorney General, hereby
15 enters into this Stipulation and Order for Settlement of Disciplinary Action (“Stipulation
16 and Order”) with Respondent Tryke Companies Reno, LLC (“Tryke Reno”), by and through
17 its counsel of record, Brett Scolari, Esq. Pursuant to this Stipulation and Order, Tryke Reno
18 and CCB (collectively, the “Parties”) hereby stipulate and agree that CCB Case No. 2020-
19 018 (the “Administrative Action”) shall be fully and finally settled and resolved upon terms
20 and conditions set out herein.

21 **PERTINENT FACTS**

22 1. On September 22, 2020, CCB initiated this disciplinary action via the service
23 and filing of a Complaint for Disciplinary Action (the “Complaint”). The Complaint alleges
24 that, contrary to Nevada law, Tryke Reno’s medical and adult use dispensary (D026 and
25 RD026) failed to meet seed to sale tracking requirements, did not comply with
26 requirements for disposal of cannabis waste, did not comply with packaging and labeling
27 requirements, and was unable to produce a security camera malfunction log on request by
28 CCB agents.

1 2. Tryke Reno has not filed an Answer in the Administrative Action. Rather,
2 Tryke Reno, while initially generally denying the allegations in the Complaint, chose to
3 engage in negotiations to resolve the matter prior to answering the Complaint. Tryke Reno
4 also undertook measures to correct certain alleged violations.

5 3. The parties have engaged in good faith negotiations to reach an agreement
6 that is mutually acceptable to Respondent and counsel for the CCB for resolution of this
7 matter, with the understanding that this Stipulation and Order must be approved by
8 majority vote of the members of the CCB.

9 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

10 This Stipulation and Order is made and based upon the following acknowledgements
11 by the Parties:

12 4. Tryke Reno has entered into this Stipulation and Order on its own behalf and
13 with full authority to resolve the claims against it and is aware of Tryke Reno's rights to
14 contest the violations pending against it. These rights include representation by an
15 attorney at Tryke Reno's own expense, the right to a hearing on any violations or
16 allegations formally filed, the right to confront and cross-examine witnesses called to testify
17 against Tryke Reno, the right to present evidence on Tryke Reno's own behalf, the right to
18 present witness testimony on Tryke Reno's behalf, the right to obtain any type of formal
19 judicial review of this matter, and any other rights which may be accorded to Tryke Reno
20 pursuant to provisions of NRS Chapters 678A through 678D, NAC Chapters 453A and
21 453D, and any other provisions of Nevada law. Tryke Reno is waiving all these rights by
22 entering into this Stipulation and Order.

23 5. Should this Stipulation and Order be rejected by the CCB or not timely
24 performed by Tryke Reno, it is agreed that presentation to and consideration by the CCB
25 of such proposed stipulation or other documents or matters pertaining to the consideration
26 of this Stipulation and Order shall not unfairly or illegally prejudice the CCB or any of its
27 members, and/or assigned hearing officers, from further participation, consideration,
28 adjudication, or resolution of these proceedings and that no CCB member shall be

1 disqualified or challenged for bias.

2 6. Tryke Reno acknowledges that this Stipulation and Order shall only become
3 effective after the CCB has approved it.

4 7. Tryke Reno enters this Stipulation and Order after being fully advised of
5 Tryke Reno's rights and as to the consequences of this Stipulation and Order. This
6 Stipulation and Order embodies the entire agreement reached between the CCB and Tryke
7 Reno. It may not be altered, amended, or modified without the express written consent of
8 the Parties and all alterations, amendments and/or modifications must be in writing.

9 8. In an effort to avoid the cost and uncertainty of a disciplinary hearing, Tryke
10 Reno has agreed to settle this matter. In settling this matter, Tryke Reno acknowledges
11 that the facts contained in the paragraphs in the above "Pertinent Facts" portion of this
12 Stipulation and Order are true and correct. Tryke Reno further acknowledges that certain
13 facts contained in the CCB Complaint in Case No. 2020-018 could be found to constitute
14 violations of Title 56 of NRS (NRS Chapters 678A through 678D), NRS Chapters 453A and
15 453D and NAC Chapters 453A and 453D, with penalties up to and including suspension of
16 its certificate and license and civil penalties and costs of \$17,555.50, if this matter went to
17 an administrative hearing.

18 9. In settling this matter the Executive Director for CCB and counsel for CCB
19 have considered the factors set forth in NCCR 4.030(2), including: the gravity of the
20 violations; the economic benefit or savings, if any, resulting from the violations; the size of
21 the business of the violator; the history of compliance with the NCCR and Title 56 of NRS
22 by the violator; actions taken to remedy and/or correct the violations; and the effect of the
23 penalty on the ability of the violator to continue in business.

24 10. To resolve the Administrative action, Tryke Reno specifically admits to the
25 following violations as to certificate D026 and license RD026 with respect to the Complaint
26 in CCB Case No. 2020-018:

- 27 a. One violation of NAC 453D.905(3)(d)(15), for improper disposal of
28 cannabis waste, a Category III violation.

1 b. One violation of NAC 453D.905(3)(d)(6), for failing to follow an
2 approved security plan, a second Category III violation.

3 c. Two violations of NAC 453D.905(3)(f)(6), for failing to comply with any
4 requirements not described in another category of violations, a
5 Category V violation.

6 11. As to the remaining allegations in the Complaint, Tryke Reno neither admits
7 nor denies those allegations and no civil penalties shall be assessed as to the remaining
8 violations.

9 12. Tryke Reno further agrees to pay a civil penalty and costs in the amount of
10 Ten Thousand Dollars (\$10,000.00) in consideration for its admitted violations in
11 Paragraph 10, above, and in consideration of CCB's agreement to resolve the
12 Administrative Action on the terms set forth herein. Said sum must be paid within 30 days
13 of the CCB's approval of this Stipulation and Order.

14 13. If the CCB approves this Stipulation and Order, it shall be deemed and
15 considered disciplinary action by the CCB against Tryke Reno.

16 14. Both parties acknowledge that the CCB has jurisdiction to consider and order
17 this Stipulation and Order because Tryke Reno holds privileged licenses/certificates
18 regulated by the CCB as of July 1, 2020. Tryke Reno expressly, knowingly, and
19 intentionally waives the 21-day and/or 5 day notice requirements contained in the Nevada
20 Open Meeting Law and acknowledges that this Stipulation and Order may be presented to
21 the CCB for its consideration and potential ratification at the Board's meeting on November
22 17, 2020.

23 **STIPULATED ADJUDICATION**

24 Based upon the above acknowledgments of the Parties and their mutual agreement,
25 the Parties stipulate and agree that the following terms of discipline shall be imposed by
26 the CCB in this matter:

27 15. Violations: As to certificate D026 and license RD026, Tryke Reno is found to
28 have two Category III violations and two Category V violation, as set forth in Paragraphs

1 10(a) through 10(c), above. In accordance with NAC 453D.905(4)(f)(1), the CCB hereby
2 issues a formal warning to Tryke Reno, as to its first Category V violation, for certificate
3 D026 and license RD026: Tryke Reno shall take precautions to ensure that the staff of its
4 facilities communicates properly with all CCB agents to provide the CCB immediate access
5 to items and documents to which NRS Title 56 and the NCCR's require immediate
6 production upon CCB request.

7 16. Imposition of Civil Penalties. Tryke Reno shall pay a total civil penalty in the
8 amount of Ten Thousand Dollars (\$10,000.00), which includes costs, to CCB within 30 days
9 of the date CCB approves this Stipulation and Order.

10 17. Contingency if Approval Denied. If approval of this Stipulation and Order is
11 denied by CCB, Tryke Reno and counsel for the CCB agree to resume settlement
12 negotiations in good faith and attempt to reach an agreement to amend this Stipulation
13 and Order and resubmit an amended Stipulation and Order to the CCB to review for
14 approval at its next regularly scheduled meeting. If such an agreement cannot be reached,
15 the Parties agree to proceed with the Administrative Action, which shall include a
16 disciplinary hearing before the CCB or its assigned hearing officer. Tryke Reno shall file
17 its answer to the Complaint no later than December 10, 2020. Should the Administrative
18 Action proceed for the reasons set forth in this Paragraph, CCB preserves all its claims and
19 arguments in the Administrative Action as set forth in its Complaint and Tryke Reno
20 preserves all its defenses and arguments set forth in its Answer (once said Answer is filed).
21 An unapproved Stipulation and Order shall not be admissible as evidence or referenced in
22 argument at any disciplinary hearing in CCB Case No. 2020-018 or any other matter
23 involving the CCB.

24 18. Contingency if Approval Conditioned. If the CCB approves this Stipulation
25 and Order, but said approval is contingent on certain conditions, the parties will undertake
26 further good faith negotiations to include said conditions in an amended stipulation and
27 order for execution by the CCB Chair. If Tryke Reno does not agree to the certain conditions
28 imposed by the CCB, the parties will undertake additional negotiations and attempt to

1 reach an agreement to amend this Stipulation and Order and resubmit an amended
2 Stipulation and Order to the CCB to review for approval at its next regularly scheduled
3 meeting. If such an agreement cannot be reached, the Parties agree to proceed with the
4 Administrative Action, which shall include a disciplinary hearing before the CCB or its
5 assigned hearing officer. Tryke Reno shall file its answer to the Complaint no later than
6 December 10, 2020. Should the Administrative Action proceed for the reasons set forth in
7 this Paragraph, CCB preserves all its claims and arguments in the Administrative Action
8 as set forth in its Complaint and Tryke Reno preserves all its defenses and arguments
9 asserted in its Answer (once said Answer is filed). An unapproved Stipulation and Order
10 shall not be admissible as evidence or referenced in argument at any disciplinary hearing
11 in CCB Case No. 2020-018 or any other matter involving the CCB.

12 19. Closure of Disciplinary Action. Once this Stipulation and Order is fully
13 performed by Tryke Reno, the Administrative Action will be closed.

14 20. Communications with CCB Members. Tryke Reno understands that this
15 Stipulation and Order will be presented to the CCB in open session at a duly noticed and
16 scheduled CCB meeting. Tryke Reno understands that the CCB has the right to decide in
17 its own discretion whether or not to approve this Stipulation and Order. The CCB's counsel,
18 which is the Nevada Attorney General and its staff attorneys, will recommend approval of
19 this Stipulation and Order. In the course of seeking CCB acceptance of this Stipulation and
20 Order, counsel for CCB may communicate directly with individual CCB members. Tryke
21 Reno acknowledges that such communications may be made or conducted *ex parte*, without
22 notice or opportunity for Tryke Reno to be heard on its part until the public CCB meeting
23 where this Stipulation and Order is discussed, and that such contacts and communications
24 may include, but may not be limited to, matters concerning this Stipulation and Order, the
25 Administrative Action and any and all information of every nature whatsoever related to
26 these matters. Tryke Reno agrees that it has no objections to such *ex parte* communications.
27 CCB agrees that Tryke Reno and/or its counsel may appear at the CCB meeting where this
28 Stipulation and Order is discussed and, if requested, respond to any questions that may be

1 addressed to Tryke Reno and/or the Attorney General's staff attorneys. Tryke Reno agrees
2 that, should the CCB decline to approve this Stipulation and Order, Tryke Reno will not
3 contest or otherwise object to any CCB member, and/or CCB appointed hearing officer,
4 hearing and adjudicating the Administrative Action based on the aforementioned *ex parte*
5 communications with anyone from the Nevada Attorney General's Office.

6 21. Release. In execution of this agreement, Respondent agrees that the State of
7 Nevada, the CCB, the Office of the Attorney General, and each of their members, staff,
8 attorneys, investigators, experts, hearing officers, consultants and agents are immune from
9 any liability for any decision or action taken in good faith in response to information and
10 data acquired by the CCB. Respondent agrees to release the State of Nevada, the CCB, the
11 Office of the Attorney General, and each of their members, staff, attorneys, investigators,
12 experts, hearing officers, consultants and agents from any and all manner of actions, causes
13 of action, suits, debts, judgments, executions, claims and demands whatsoever, known or
14 unknown, in law or equity, that Respondent ever had, now has, may have or claim to have
15 against any and/or all of the persons, government agencies or entities named in this
16 Paragraph, arising out of, or by reason of, CCB's investigation of the matters set forth in
17 its Complaint, the matters set forth in this Stipulation and Order, or the administration of
18 CCB Case No. 2020-018.

19 22. No Precedence. The Parties agree that this Stipulation and Order shall not
20 constitute a precedent for any other issues or proceedings before the CCB, other than those
21 set forth in this Stipulation and Order. Furthermore, this Stipulation and Order shall not
22 be admissible in any other proceeding or action with respect to any other matter and/or any
23 other licensee, except proceedings brought to enforce this Stipulation and Order under its
24 terms and/or for the CCB's consideration of future disciplinary action against this
25 Respondent, including progressive discipline pursuant to NAC 453D.905, and/or NCCR
26 4.035 through 4.060. As every case concerns different facts and details, this Stipulation
27 does not act as precedence to bind CCB to impose any particular penalty, to charge or allege
28 any particular violation, and/or to impose any particular disciplinary action in the future

1 for this Respondent, or any other respondent, for violations of the same statutes and/or
2 regulations addressed in this Stipulation and Order.

3 23. Attorneys' Fees and Costs. The Parties each agree to bear their own attorneys'
4 fees and costs.

5 24. Further Assurances. The Parties shall cooperate in executing such additional
6 documents and performing such further acts as may be reasonably necessary to give effect
7 to the purposes and provisions of this Stipulation and Order.

8 25. Voluntary and Informed Agreement. The Respondent represents that its
9 owners, officers, and/or its directors, who are responsible for and able to legally bind Tryke
10 Reno have read completely and understand fully the terms of this Stipulation and Order,
11 that such terms are fully understood and voluntarily accepted by Respondent in advance
12 of and as memorialized by the signing of this Stipulation and Order, and that the
13 Respondent's signature to this Stipulation and Order indicates same. Respondent further
14 represents that it has voluntarily entered into this Stipulation and Order to make a full,
15 final, and complete compromise upon the terms and conditions set forth herein.
16 Respondent further represents that any releases, waivers, discharges, covenants, and
17 agreements provided for in this Stipulation and Order have been knowingly and voluntarily
18 granted and without any duress or undue influence of any nature from any person or entity.
19 The Parties, and each of them, hereby expressly acknowledge that they are each
20 represented by counsel of their own choice in this matter and have been advised by counsel
21 accordingly.

22 26. Warranties of Authority. The Parties to this Stipulation and Order, and each
23 of them, expressly warrant and represent to all other Parties that each has the full right,
24 title, and authority to enter into and to carry out its obligations hereunder, with the sole
25 exception of the required approval of this Stipulation and Order by the CCB. The Parties
26 also expressly acknowledge the foregoing authority.

27 27. Binding Effect. This Stipulation and Order shall be binding upon and inure
28 to the benefit of the Parties hereto and the Parties' respective successors, predecessors,

1 parents, affiliates, shareholders, employees, heirs, executors, assigns, and administrators.

2 28. Construction. The headings of all Sections and Paragraphs of this Stipulation
3 and Order are inserted solely for the convenience of reference and are not a part of the
4 Stipulation and Order and are not intended to govern, limit, or aid in the construction or
5 interpretation of any term or provision of this Stipulation and Order. In the event of a
6 conflict between such caption and the paragraph at the head of which it appears, the
7 paragraph and not such caption shall govern in the construction of this Stipulation and
8 Order.

9 29. Governing Law. This Stipulation and Order shall be governed by and
10 construed in accordance with the laws of the State of Nevada, without reference to conflict
11 of law principles.

12 30. Jurisdiction and Forum Selection. The Parties consent to the jurisdiction of
13 the Eighth Judicial District Court of the State of Nevada, in and for Clark County, to
14 resolve any disputes related to the terms or enforcement of this Stipulation and Order. The
15 successful or prevailing Party or Parties in such action shall be entitled to recover
16 reasonable attorney fees, costs, and expenses actually incurred in initiating or responding
17 to such proceeding, in addition to any other relief to which it may be entitled.

18 31. Interpretation. This Stipulation and Order is the result of negotiations among
19 the Parties who have each negotiated and reviewed its terms. In the event a Court ever
20 construes this Agreement, the Parties expressly agree, consent, and assent that such Court
21 shall not construe this Agreement or any provision hereof against any Party as its drafter
22 for purposes of interpreting any ambiguity or uncertainty in this Stipulation and Order.

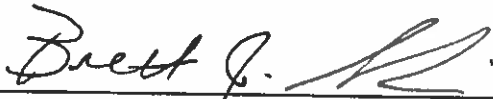
23 32. Time is of the Essence. Time is of the essence in the performance of all terms
24 of this Stipulation and Order.

25 33. Severability. If any portion of this Stipulation and Order, or its application
26 thereof to any person or circumstance, shall be deemed to any extent to be invalid, illegal,
27 or unenforceable as a matter of law, all remaining clauses of this Stipulation and Order
28 and its application thereof shall be not affected and shall remain enforceable to the fullest

1 extent permitted by law.

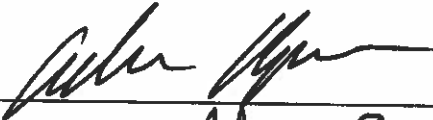
2 34. Counterparts and Copies. This Stipulation and Order may be executed in
3 counterparts, each of which when so executed and upon delivery to counsel of record for the
4 Parties shall be deemed an original ("Counterparts"). This Stipulation and Order shall be
5 deemed executed when Counterparts of this Stipulation and Order have been executed by
6 all the Parties and/or their counsel; such Counterparts taken together shall be deemed to
7 be the Agreement. This Stipulation and Order may be executed by signatures provided by
8 electronic facsimile or email, which signatures shall be binding and effective as original
9 wet ink signatures hereupon. All fully executed copies of this Stipulation and Order are
10 duplicate originals, equally admissible in evidence.

11 IN WITNESS WHEREOF, this Stipulation and Order has been executed by the
12 Parties and attested by their duly authorized representatives as of the date(s) so indicated.
13 The Effective Date of this Stipulation and Order shall be the date it is ordered by the CCB.

14 

15 Date: 10-26-2020

16 Brett Scolari, Esq. (Bar No. 8251)
17 Counsel for Respondent Tryke Reno

18 

19 Date: 10/26/2020

20 (printed name) Adam Ryan
21 On behalf of Respondent Tryke Reno

22 

23 Date: 10/27/2020

24 L. Kristopher Rath (Nev. Bar No. 5749)
25 Ashley Balducci (Nev. Bar No. 12687)
26 Senior Deputy Attorney General
27 Counsel for Cannabis Compliance Board

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Date: 11/5/20

Tyler Klimas, Executive Director for the Cannabis
Compliance Board

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ORDER

WHEREAS, on 17th day of November, 2020, the Nevada Cannabis Compliance Board approved and adopted all the terms and conditions set forth in the Stipulation and Order for Settlement of Disciplinary Action with Tryke Reno.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 17th day of November, 2020.

**STATE OF NEVADA,
CANNABIS COMPLIANCE BOARD**

By: 
HON. MICHAEL L. DOUGLAS, CHAIR