



1           2.     NMG has not filed an Answer in the Administrative Action. Rather, NMG,  
2 while initially generally denying the allegations in the Complaint, chose to engage in  
3 negotiations to resolve the matter prior to answering the Complaint.

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

8                           **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

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

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

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

1           6. NMG acknowledges that this Stipulation and Order shall only become  
2 effective after the CCB has approved it.

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

8           8. In an effort to avoid the cost and uncertainty of a disciplinary hearing, NMG  
9 has agreed to settle this matter. For purposes of settling this matter, NMG acknowledges  
10 that the facts contained in the paragraphs in the above "Pertinent Facts" portion of this  
11 Stipulation and Order are true and correct. Without waiving any constitutional rights  
12 against self-incrimination, NMG further acknowledges that certain facts contained in the  
13 CCB Complaint in Case No. 2020-22 could be found to constitute violations of Title 56 of  
14 NRS (NRS Chapters 678A through 678D), and the NCCR, with penalties up to and  
15 including revocation, suspension, and/or a civil penalty and costs of \$255,657.25 for C144  
16 and RC144, if this matter went to an administrative hearing.

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

23           10. To resolve the Administrative Action, and only for those purposes and no  
24 other, NMG specifically admits to the following violations with respect to the Complaint in  
25 CCB Case No. 2020-22 for certificate C144 and license RC144:

- 26           a. Three violations of NCCR 4.055(1)(a)(1), for failing to have three  
27           cannabis agents in immediate possession of valid cannabis agent cards,  
28           which constitutes three Category IV violations.



1 the Parties stipulate and agree that the following terms of discipline shall be imposed by  
2 the CCB in this matter:

3 16. Violations: As to certificate C144 and license RC144, NMG is found to have  
4 one Category II violation, three Category IV violations, and one Category V violation, as  
5 set forth in Paragraphs 10(a), 10(b), and 10(c), above. In accordance with NCCR  
6 4.060(2)(a)(1), the CCB hereby issues a formal warning to NMG, as to its first Category V  
7 violation for certificate C144 and license RC144: NMG shall take precautions to ensure  
8 that the staff of its facilities complies with its approved security plan. The Parties stipulate  
9 and agree that nothing in this Stipulation and Order shall preclude CCB from pursuing  
10 any separate disciplinary actions against the cannabis agents named in Paragraph 8 of the  
11 CCB Complaint in Case No. 2020-22, and/or any other NMG cannabis agents found to be  
12 in noncompliance with NRS Title 56 and/or NCCR. Said disciplinary actions would be  
13 separate and apart from any disciplinary actions against NMG arising out of the subject  
14 investigation of August 5, 2020 or prior investigations regarding the same violations.

15 17. Imposition of Civil Penalties. NMG shall pay a total civil penalty, inclusive of  
16 time and effort costs, in the amount of fifty thousand dollars (\$50,000) within the time set  
17 forth in Paragraphs 18 and 19 below, to be apportioned as set forth in Paragraph 13 , above.

18 18. Payment of Civil Penalties. NMG must pay the civil penalty set forth in this  
19 agreement within the time frames set forth in this Paragraph and Paragraph 19. NMG  
20 may pay the lump sum of \$50,000 in civil penalties within 30 days of the date the CCB  
21 approves this Stipulation and Order. In the alternative, NMG may select to pay the civil  
22 penalties in five monthly installments of \$10,000.00<sup>2</sup> each month (the "Payment Plan  
23 Option"). Under the Payment Plan Option, NMG must pay the first installment on the first  
24 business day of the month<sup>3</sup> following the CCB meeting at which this Stipulation and Order  
25 is approved and then, thereafter, on the first business day of each month for the next four  
26 months. For example, if this Stipulation and Order is approved at the December 18, 2020,

27 <sup>2</sup> Said monthly payments shall be attributed \$5,000 to C144 and \$5,000 to RC144.

28 <sup>3</sup> Payment must be physically received at the CCB's Carson City office no later than 5:00 p.m., Pacific Time, on the first business day of the month on which it is due.

1 CCB meeting, the payment of \$10,000 each month would be due as follows:

2	Monday, January 4, 2021	1 <sup>st</sup> Installment
3	Monday, February 1, 2021	2 <sup>nd</sup> Installment
4	Monday, March 1, 2021	3 <sup>rd</sup> Installment
5	Thursday, April 1, 2021	4 <sup>th</sup> Installment
6	Monday, May 3, 2021	5 <sup>th</sup> and Final Installment

7 If this Stipulation and Order is approved at the January 26, 2021, CCB meeting,  
8 the payment of \$10,000 each month would be due as follows:

9	Monday, February 1, 2021	1 <sup>st</sup> Installment
10	Monday, March 1, 2021	2 <sup>nd</sup> Installment
11	Thursday, April 1, 2021	3 <sup>rd</sup> Installment
12	Monday, May 3, 2021	4 <sup>th</sup> Installment
13	Tuesday, June 1, 2021	5 <sup>th</sup> and Final Installment

14 NMG may pay any installment prior to its due date.

15 19. Penalties for Failure to Comply with Payment Plan Option. NMG  
16 acknowledges that it is critical to comply with the strict requirements of the Payment Plan  
17 Option. NMG agrees that, should it fail to timely make any installment payment the  
18 following penalties and procedures will be in effect:

- 19 a. CCB will allow a five-business day grace period for late payment.
- 20 b. If payment is not physically received by CCB at its Carson City office  
21 by 5:00 p.m., Pacific Time, on the last day of the grace period, NMG  
22 shall be deemed in default and deemed to have admitted all allegations  
23 in the CCB Complaint in Case No. 2020-22 and shall pay all penalties  
24 and receive all discipline set forth under the "Relief Requested" section  
25 of the Complaint, inclusive of revocation of certificate C144 and license  
26 RC144 and civil penalties and costs totaling \$255,657.25. The CCB will  
27 enter an order of default to this effect after default and all amounts due  
28 under this subsection shall be immediately due and payable to CCB.

1 NMG agrees it cannot and will not file any petition for judicial review  
2 and/or any action in any forum for relief from this order of default.

3 c. NMG may petition the CCB for an extension of 30-days to pay any of  
4 the installments set forth in Paragraph 18. However, for the CCB to  
5 consider any such petition, the CCB must receive said petition no later  
6 than 5 business days prior to the installment deadline (which does not  
7 include any grace period). The CCB is not required to grant such a  
8 petition. In such a petition, NMG must demonstrate to the satisfaction  
9 of CCB that there are extraordinary and unusual circumstances  
10 necessitating the extension requested. CCB may delegate the decision  
11 as to whether to grant such a petition to the CCB Chair.

12 d. If an extension is granted under Paragraph 19(c), there shall be no  
13 grace period on the new payment date or dates. If NMG does not pay  
14 by the new payment date or dates, the provisions of Paragraph 19(b)  
15 apply.

16 20. Plan of Correction. Respondent represents and warrants that it has put in  
17 place a plan of correction to remedy and to prevent the recurrence of the violations set forth  
18 in this Stipulation and Order. Respondent further represents and warrants that it is now,  
19 as of the date it has executed this Stipulation and Order, operating in full compliance with  
20 NRS Title 56 and NCCR. In summary, the plan of correction is as follows: (1) The employees  
21 without valid agent cards were escorted out of the facility and were not allowed on the  
22 premises without valid agent cards. Also, a separate employee has been designated to  
23 ensure all employee agent cards are up to date and do not expire before renewal; (2) The  
24 employees involved in misrepresentation to CCB agents were suspended without pay for  
25 30 days and on return are subject to a 90-day corrective plan of action; and (3) The facility's  
26 limited area has been locked down and only permitted personnel have access. The facility  
27 has also reinforced its monitoring procedures for unauthorized access areas.

28 21. Contingency if Approval Denied. If approval of this Stipulation and Order is

1 denied by CCB, NMG and counsel for the CCB agree to resume settlement negotiations in  
2 good faith and attempt to reach an agreement to amend this Stipulation and Order and  
3 resubmit an amended Stipulation and Order to the CCB to review for approval at its next  
4 regularly scheduled meeting. If such an agreement cannot be reached, the Parties agree to  
5 proceed with the Administrative Action, which shall include a disciplinary hearing before  
6 the CCB or its assigned hearing officer. NMG shall file its answer to the Complaint no later  
7 than February 18, 2021. Should the Administrative Action proceed for the reasons set forth  
8 in this Paragraph, CCB preserves all its claims and arguments in the Administrative  
9 Action as set forth in its Complaint and NMG preserves all its defenses and arguments set  
10 forth in its Answer and withdraws all waivers set forth herein. An unapproved Stipulation  
11 and Order shall not be admissible as evidence or referenced in argument at any disciplinary  
12 hearing in CCB Case No. 2020-22 or any other matter involving the CCB.

13       22. Contingency if Approval Conditioned. If the CCB approves this Stipulation  
14 and Order, but said approval is contingent on certain conditions, the parties will undertake  
15 further good faith negotiations to include said conditions in an amended stipulation and  
16 order for execution by the CCB Chair. If NMG does not agree to the certain conditions  
17 imposed by the CCB, the parties will undertake additional negotiations and attempt to  
18 reach an agreement to amend this Stipulation and Order and resubmit an amended  
19 Stipulation and Order to the CCB to review for approval at its next regularly scheduled  
20 meeting. If such an agreement cannot be reached, the Parties agree to proceed with the  
21 Administrative Action, which shall include a disciplinary hearing before the CCB or its  
22 assigned hearing officer. NMG shall file its answer to the Complaint no later than February  
23 18, 2021. Should the Administrative Action proceed for the reasons set forth in this  
24 Paragraph, CCB preserves all its claims and arguments in the Administrative Action as  
25 set forth in its Complaint and NMG preserves all its defenses and arguments asserted in  
26 its Answer and withdraws all waivers set forth herein. An unapproved Stipulation and  
27 Order shall not be admissible as evidence or referenced in argument at any disciplinary  
28 hearing in CCB Case No. 2020-22 or any other matter.



1           23.    Closure of Disciplinary Action.  Once this Stipulation and Order is fully  
2 performed by NMG, the Administrative Action will be closed.

3           24.    Communications with CCB Members.  NMG understands that this  
4 Stipulation and Order will be presented to the CCB in open session at a duly noticed and  
5 scheduled CCB meeting. NMG understands that the CCB has the right to decide in its own  
6 discretion whether or not to approve this Stipulation and Order. The CCB's counsel, which  
7 is the Nevada Attorney General and its staff attorneys, will recommend approval of this  
8 Stipulation and Order. In the course of seeking CCB acceptance of this Stipulation and  
9 Order, counsel for CCB may communicate directly with individual CCB members. NMG  
10 acknowledges that such communications may be made or conducted *ex parte*, without notice  
11 or opportunity for NMG to be heard on its part until the public CCB meeting where this  
12 Stipulation and Order is discussed, and that such contacts and communications may  
13 include, but may not be limited to, matters concerning this Stipulation and Order, the  
14 Administrative Action and any and all information of every nature whatsoever related to  
15 these matters. NMG agrees that it has no objections to such *ex parte* communications. CCB  
16 agrees that NMG and/or its counsel may appear at the CCB meeting where this Stipulation  
17 and Order is discussed and, if requested, respond to any questions that may be addressed  
18 to NMG and/or the Attorney General's staff attorneys. NMG agrees that, should the CCB  
19 decline to approve this Stipulation and Order, NMG will not contest or otherwise object to  
20 any CCB member, and/or CCB appointed hearing officer, hearing and adjudicating the  
21 Administrative Action based on the aforementioned *ex parte* communications with anyone  
22 from the Nevada Attorney General's Office.

23           25.    Release.  In execution of this agreement, Respondent agrees that the State of  
24 Nevada, the CCB, the Office of the Attorney General, and each of their members, staff,  
25 attorneys, investigators, experts, hearing officers, consultants and agents are immune from  
26 any liability for any decision or action taken in good faith in response to information and  
27 data acquired by the CCB. Respondent agrees to release the State of Nevada, the CCB, the  
28 Office of the Attorney General, and each of their members, staff, attorneys, investigators,

1 experts, hearing officers, consultants and agents from any and all manner of actions, causes  
2 of action, suits, debts, judgments, executions, claims and demands whatsoever, known or  
3 unknown, in law or equity, that Respondent ever had, now has, may have or claim to have  
4 against any and/or all of the persons, government agencies or entities named in this  
5 Paragraph, arising out of, or by reason of, CCB's investigation of the matters set forth in  
6 its Complaint, the matters set forth in this Stipulation and Order, or the administration of  
7 CCB Case No. 2020-22.

8       26. No Precedence. The Parties agree that this Stipulation and Order shall not  
9 constitute a precedent for any other issues or proceedings before the CCB and/or in any  
10 other forum, other than those set forth in this Stipulation and Order. Furthermore, this  
11 Stipulation and Order shall not be admissible in any other proceeding or action with respect  
12 to proof of fact or any other matter and/or any other licensee and/or cannabis establishment  
13 registered agent, except proceedings brought to enforce this Stipulation and Order under  
14 its terms and/or for the CCB's consideration of future disciplinary action against this  
15 Respondent

16       The CCB may consider the discipline imposed herein in any future disciplinary  
17 action against Respondent, as required under NCCR 4.030(2), along with the other factors  
18 set forth in NCCR 4.030(2), and possible progressive discipline pursuant to NCCR 4.035  
19 through 4.060. As every case concerns different facts and details, this Stipulation does not  
20 act as precedence to bind CCB to impose any particular penalty, to charge or allege any  
21 particular violation, and/or to impose any particular disciplinary action in the future for  
22 this Respondent, or any other respondent, for violations of the same statutes and/or  
23 regulations addressed in this Stipulation and Order. Likewise, CCB is not bound by any  
24 previous settlement agreements it has approved in entering into this Stipulation and  
25 Order.

26       27. Attorneys' Fees and Costs. The Parties each agree to bear their own attorneys'  
27 fees and costs.

28       28. Further Assurances. The Parties shall cooperate in executing such additional

1 documents and performing such further acts as may be reasonably necessary to give effect  
2 to the purposes and provisions of this Stipulation and Order.

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

16       30. Warranties of Authority. The Parties to this Stipulation and Order, and each  
17 of them, expressly warrant and represent to all other Parties that each has the full right,  
18 title, and authority to enter into and to carry out its obligations hereunder, with the sole  
19 exception of the required approval of this Stipulation and Order by the CCB. The Parties  
20 also expressly acknowledge the foregoing authority.

21       31. Binding Effect. This Stipulation and Order shall be binding upon and inure  
22 to the benefit of the Parties hereto and the Parties' respective successors, predecessors,  
23 parents, affiliates, shareholders, employees, heirs, executors, assigns, and administrators.

24       32. Construction. The headings of all Sections and Paragraphs of this Stipulation  
25 and Order are inserted solely for the convenience of reference and are not a part of the  
26 Stipulation and Order and are not intended to govern, limit, or aid in the construction or  
27 interpretation of any term or provision of this Stipulation and Order. In the event of a  
28 conflict between such caption and the paragraph at the head of which it appears, the

1 paragraph and not such caption shall govern in the construction of this Stipulation and  
2 Order.

3 33. Governing Law. This Stipulation and Order shall be governed by and  
4 construed in accordance with the laws of the State of Nevada, without reference to conflict  
5 of law principles.

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

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

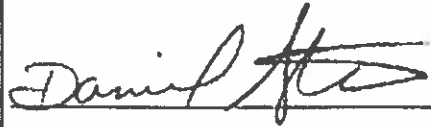
17 36. Time is of the Essence. Time is of the essence in the performance of all terms  
18 of this Stipulation and Order.

19 37. Severability. If any portion of this Stipulation and Order, or its application  
20 thereof to any person or circumstance, shall be deemed to any extent to be invalid, illegal,  
21 or unenforceable as a matter of law, all remaining clauses of this Stipulation and Order  
22 and its application thereof shall be not affected and shall remain enforceable to the fullest  
23 extent permitted by law.

24 38. Counterparts and Copies. This Stipulation and Order may be executed in  
25 counterparts, each of which when so executed and upon delivery to counsel of record for the  
26 Parties shall be deemed an original ("Counterparts"). This Stipulation and Order shall be  
27 deemed executed when Counterparts of this Stipulation and Order have been executed by  
28 all the Parties and/or their counsel; such Counterparts taken together shall be deemed to

1 be the Agreement. This Stipulation and Order may be executed by signatures provided by  
2 electronic facsimile or email, which signatures shall be binding and effective as original  
3 wet ink signatures hereupon. All fully executed copies of this Stipulation and Order are  
4 duplicate originals, equally admissible in evidence.

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

8  
9 

Date: 12/7/2020

10 Daniel Stewart (Nev. Bar No. 11287)  
11 Counsel for Respondent NMG

12 

Date: 6 Dec 2020

13 (printed name Stephen Hoffman),  
14 On behalf of Respondent NMG

15 

Date: 12/7/2020

16 L. Kristopher Rath (Nev. Bar No. 5749)  
17 Ashley Balducci (Nev. Bar No. 12687)  
18 Senior Deputy Attorney General  
19 Counsel for Cannabis Compliance Board

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Date: 12/9/2020

21 Tyler Klimas, Executive Director for the  
22 Cannabis Compliance Board

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ORDER

WHEREAS, on 18<sup>th</sup> day of December, 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 NMG.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 18<sup>th</sup> day of December, 2020.

STATE OF NEVADA,  
CANNABIS COMPLIANCE BOARD

By:   
HON. MICHAEL L. DOUGLAS, CHAIR