

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

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

Case No. 2021-28

5 **Petitioner,**

6
7 vs.

8 **NEVADA ORGANIC REMEDIES,
LLC; WELLNESS ORCHARDS OF
9 NEVADA, LLC; and HENDERSON
ORGANIC REMEDIES, LLC**

10 **Respondents.**
11

12
13 **STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION**

14 The Cannabis Compliance Board (the "CCB"), by and through its counsel, Aaron D.
15 Ford, Attorney General for the State of Nevada, L. Kristopher Rath, Esq., Senior Deputy
16 Attorney General and Ashley A. Balducci, Esq., Senior Deputy Attorney General, hereby
17 enters into this Stipulation and Order for Settlement of Disciplinary Action ("Stipulation
18 and Order") with Respondents Nevada Organic Remedies, LLC ("NOR") Wellness Orchard
19 of Nevada, LLC ("WON"), and Henderson Organic Remedies, LLC ("HOR")¹ by and through
20 their counsel, Amanda Connor, Esq. of the Law Offices of Connor & Connor, PLLC.
21 Pursuant to this Stipulation and Order, Respondents and CCB (collectively, the "Parties")
22 hereby stipulate and agree that CCB Case No. 2021-28 (the "Administrative Action") shall
23 be fully and finally settled and resolved upon terms and conditions set out herein.

24 **PERTINENT FACTS**

25 1. Respondent NOR is a registered domestic limited-liability company licensed
26 in Nevada to operate medical and adult-use cannabis cultivation (C094 and RC094),
27 medical and adult use cannabis production (P063 and RP063), cannabis distribution
28

¹ NOR, WON, and HOR, may be collectively referred to herein as "Respondents".

1 (T056), and medical and adult-use dispensary (D152, RD152, RD216, RD217, RD218,
2 RD219, and RD221) establishments.

3 2. Respondent WON is a registered domestic limited-liability company licensed
4 in Nevada to operate medical and adult-use cannabis cultivation establishments (C062 and
5 RC062).

6 3. Respondent HOR is a registered domestic limited-liability company licensed
7 in Nevada to operate medical and adult-use cannabis dispensary establishments (D107
8 and RD107).

9 4. On December 18, 2020, CCB held a public meeting and acted on multiple
10 transfer of interest applications ("TOI's") submitted by Respondents' parent company,
11 Green Growth Brands, Inc. ("GGB") to the Department of Taxation ("Department") during
12 2019 and to the CCB in October 2020. On investigation, CCB staff found that GGB had
13 made several transactions that had occurred prior to CCB or Department approval which
14 resulted in changes of the Respondents' ownership interests prior to approval of those
15 changes by the Department or CCB. All such issues occurred during 2019, prior to the
16 effective date of the Nevada Cannabis Compliance Regulations (NCCR). Therefore, the
17 CCB contends the unapproved transfers of interest by GGB were in violation of NAC
18 453D.315 and NAC 453D.905(3)(b)(4).

19 5. At the December 18, 2020, CCB meeting, the CCB discussed conditionally
20 approving the aforementioned pending TOI's on Respondents stipulating to a \$25,000 civil
21 penalty for the violation of NAC 453D.905(3)(b)(4). As set forth herein, Respondents
22 stipulate to pay a \$25,000 civil penalty for violation of NAC 453D.905(3)(b)(4) in lieu of the
23 CCB filing and serving a Complaint for Disciplinary Action ("Complaint") and proceeding
24 to a disciplinary hearing.

25 ACKNOWLEDGEMENTS AND APPLICABLE LAW

26 This Stipulation and Order is made and based upon the following acknowledgements
27 by the Parties:

28 6. All Respondents have entered into this Stipulation and Order on their own

1 behalves and with full authority to resolve the claims against them and are aware of their
2 rights to contest the violations pending against them. These rights include the filing and
3 service of a disciplinary complaint specifying the charges against Respondents,
4 representation by an attorney at Respondents' own expense, the right to a hearing on any
5 violations or allegations formally filed, the right to confront and cross-examine witnesses
6 called to testify against Respondents, the right to present evidence on Respondents' own
7 behalves, the right present witnesses to testify on Respondents' behalves, the right to
8 obtain any other type of formal judicial review of this matter, and any other rights which
9 may be accorded to Respondents pursuant to provisions of NRS Chapters 678A through
10 678D, NAC Chapters 453A and 453D, the NCCR, and any other provisions of Nevada law.
11 Respondents, and each of them, are waiving all these rights by entering into this
12 Stipulation and Order. If the CCB rejects this Stipulation and Order, or any portion thereof,
13 Respondents reserve the right to withdraw any or all waivers.

14 7. Should this Stipulation and Order be rejected by the CCB or not timely
15 performed by Respondents, it is agreed that presentation to and consideration by the CCB
16 of such proposed stipulation or other documents or matters pertaining to the consideration
17 of this Stipulation and Order shall not unfairly or illegally prejudice the CCB or any of its
18 members from further participation, consideration, adjudication, or resolution of these
19 proceedings and that no CCB member shall be disqualified or challenged for bias.

20 8. Respondents acknowledge that this Stipulation and Order shall only become
21 effective after the CCB has approved it.

22 9. All Respondents enter this Stipulation and Order after being fully advised of
23 Respondents' rights and as to the consequences of this Stipulation and Order. This
24 Stipulation and Order embodies the entire agreement reached between the CCB and all
25 Respondents. It may not be altered, amended, or modified without the express written
26 consent of the Parties and all alterations, amendments and/or modifications must be in
27 writing.

28 10. In an effort to avoid the cost and uncertainty of a disciplinary hearing, the

1 Parties have agreed to settle this matter. In settling this matter, Respondents all
2 acknowledge that the facts contained in the paragraphs in the above "Pertinent Facts"
3 portion of this Stipulation and Order are true and correct. Respondents further
4 acknowledge that, if the CCB filed and served a Complaint or Complaints as to each of
5 them, the "Pertinent Facts" could be found to constitute on or more violations of Title 56 of
6 NRS (NRS Chapters 678A through 678D), NRS Chapters 453A and 453D and NAC
7 Chapters 453A and 453D, with civil penalties of up to \$10,000 per violation and a
8 suspension of each of the Respondents' licenses and certificates for not more than 20 days,
9 if this matter went to an administrative hearing.

10 11. To resolve the Administrative Action, and only for those purposes and no
11 other, Respondents specifically admit to the following violation with respect to CCB Case
12 No. 2021-28: One violation of NAC 453D.905(3)(b)(4) for failing to notify the Department of
13 a change of ownership. This violation is applicable to each Respondent for the following
14 certificates and licenses: (a) for Respondent NOR: C094; RC094; P063; RP063; T056; D152;
15 RD152; RD216; RD217; RD218; RD219; and RD221; (b) for Respondent WON: C062 and
16 RC062; and (c) for Respondent HOR: D107 and RD107.

17 12. Respondents agree to pay a civil penalty of twenty-five thousand dollars
18 (\$25,000)² in consideration of the CCB's agreement to fully resolve the Administrative
19 Action on the terms set forth herein.

20 13. If the CCB approves this Stipulation and Order, it shall be deemed and
21 considered disciplinary action by the Board against each of the Respondents as to each of
22 the certificates and licenses set forth in Paragraph 11, above.

23 14. Both parties acknowledge that the CCB has jurisdiction to consider and order
24 this Stipulation and Order because Respondents hold privileged certificates/licenses
25 regulated by the CCB as of July 1, 2020. Respondents expressly, knowingly, and
26 intentionally waive the 21-day and/or 5-day notice requirements contained in the Nevada
27 Open Meeting Law and acknowledges that this Stipulation and Order may be presented to

28 ² This \$25,000 civil penalty shall be apportioned \$1,562.50 each as to C094; RC094; P063; RP063; T056; D152;
RD152; RD216; RD217; RD218; RD219; RD221; C062; RC062; D107 and RD107.

1 the CCB for its consideration and potential ratification at the Board's meeting on either
2 January 26, 2021, or February 23, 2021.

3 **STIPULATED ADJUDICATION**

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

7 15. One Category II Violation. Respondents shall be deemed to have committed a
8 Category II violation, as to each and every license and certificate set forth in Paragraph 11,
9 above, effective on the date the CCB approves this Stipulation and Order.

10 16. Imposition and Payment of Civil Penalties. Respondents shall pay a total civil
11 penalty in the amount of twenty-five thousand dollars (\$25,000) within 30 days of the date
12 the CCB approves this Stipulation and Order.

13 17. Potential Future Action against Respondents. The Parties agree that,
14 pursuant to the specific facts of this case, the progressive disciplinary provisions of NAC
15 453D.905(4)(b) of two years shall apply to the disciplinary actions herein. Any additional
16 Category II violations within said two-year period would invoke the progressive
17 disciplinary provisions of NAC 453D.905(4)(b). The CCB contends that said two-year
18 period shall commence as of the date the CCB approves this Stipulation and
19 Order. Respondents contend that this two-year period shall commence as of the date of the
20 alleged violations on January 29, 2019. The Parties agree that this issue shall be deferred
21 for resolution until there is disciplinary action within the two-year disputed time frame. If
22 there is no disciplinary action against Respondents within two years after the CCB
23 approves this Stipulation and Order, the Parties agree this issue shall be moot. If there is
24 such disciplinary action or actions within that two years, Respondents reserve their rights
25 to raise their contention that the two-year progressive disciplinary time period ended in
26 January 29, 2021, as an affirmative defense in such later disciplinary action or actions and
27 the issue will be adjudicated in that later administrative action or actions, pursuant to NRS
28 Title 56 and the NCCR, which will be subject to judicial review when final. Regardless,

1 after any such two-year period expires, the CCB may still consider the compliance history
2 of Respondents under NCCR 4.030(2). In addition to the factors listed for consideration in
3 NCCR 4.030(2), in any future disciplinary action involving Respondents, the CCB may take
4 into consideration Respondents' cooperation in the resolution of this Administrative Action.

5 18. Contingency if Approval Denied. If approval of this Stipulation and Order is
6 denied by CCB, Respondents and counsel for the CCB agree to resume settlement
7 negotiations in good faith and attempt to reach an agreement to amend this Stipulation
8 and Order and resubmit an amended Stipulation and Order to the CCB to review for
9 approval at its next regularly scheduled meeting. If such an agreement cannot be reached,
10 the Parties agree to proceed with an Administrative Action, which shall include the filing
11 and service of a disciplinary complaint and a disciplinary hearing before the CCB or its
12 assigned hearing officer. Should the Administrative Action proceed for the reasons set forth
13 in this Paragraph, CCB preserves all its claims and arguments in the Administrative
14 Action as set forth in its Complaint (to be filed) and Respondent preserves all its defenses
15 and arguments it may assert. An unapproved Stipulation and Order shall not be admissible
16 as evidence or referenced in argument at any disciplinary hearing in CCB Case No. 2021-
17 28 or any other matter involving the CCB.

18 19. Contingency if Approval Conditioned. If the CCB approves this Stipulation
19 and Order, but said approval is contingent on certain conditions, the parties will undertake
20 further good faith negotiations to include said conditions in an amended Stipulation and
21 Order for execution by the CCB Chair. If Respondents do not agree to the certain conditions
22 imposed by the CCB, the parties will undertake additional negotiations and attempt to
23 reach an agreement to amend this Stipulation and Order and resubmit an amended
24 Stipulation and Order to the CCB to review for approval at its next regularly scheduled
25 meeting. If such an agreement cannot be reached, the Parties agree to proceed with the
26 Administrative Action, which shall include the filing and service of a Complaint and a
27 disciplinary hearing before the CCB or its assigned hearing officer. Should the
28 Administrative Action proceed for the reasons set forth in this Paragraph, CCB preserves

1 all its claims and arguments in the Administrative Action as set forth in its Complaint (to
2 be filed) and Respondent preserves all its defenses and arguments it may assert. An
3 unapproved Stipulation and Order shall not be admissible as evidence or referenced in
4 argument at any disciplinary hearing in CCB Case No. 2021-28 or any other matter
5 involving the CCB.

6 20. Closure of Disciplinary Action. Once this Stipulation and Order is fully
7 performed by Respondents, the Administrative Action will be closed.

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

1 22. Release. In execution of this agreement, Respondents, and each of them,
2 agree that the State of Nevada, the CCB, the Office of the Attorney General, and each of
3 their members, staff, attorneys, investigators, experts, hearing officers, consultants and
4 agents are immune from any liability for any decision or action taken in good faith in
5 response to information and data acquired by the CCB. Respondents, and each of them,
6 agree to release the State of Nevada, the CCB, the Office of the Attorney General, and each
7 of their members, staff, attorneys, investigators, experts, hearing officers, consultants and
8 agents from any and all manner of actions, causes of action, suits, debts, judgments,
9 executions, claims and demands whatsoever, known or unknown, in law or equity, that
10 Respondents ever had, now has, may have or claim to have against any and/or all of the
11 persons, government agencies or entities named in this Paragraph, arising out of, or by
12 reason of, CCB's investigation of the matters set forth in this Stipulation and Order, or the
13 administration of CCB Case No. 2021-28.

14 23. No Precedence. The Parties agree that this Stipulation and Order shall not
15 constitute a precedent for any other issues or proceedings before the CCB and/or in any
16 other forum, other than those set forth in this Stipulation and Order. Furthermore, this
17 Stipulation and Order shall not be admissible in any other proceeding or action with respect
18 to proof of fact or any other matter and/or any other licensee and/or cannabis establishment
19 registered agent, except proceedings brought to enforce this Stipulation and Order under
20 its terms and/or for the CCB's consideration of future disciplinary action against these
21 Respondents. The CCB may consider the discipline imposed herein in any future
22 disciplinary action against Respondents, as required under NCCR 4.030(2), along with the
23 other factors set forth in NCCR 4.030(2), and possible progressive discipline pursuant to
24 NAC 453D.905 and/or NCCR 4.035 through 4.060³. As every case concerns different facts
25 and details, this Stipulation does not act as precedence to bind CCB to impose any
26 particular penalty, to charge or allege any particular violation, and/or to impose any
27 particular disciplinary action in the future for these Respondents, or any other respondents
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³ Except as may otherwise be limited under Paragraph 17 above, with respect to progressive discipline.

1 in another CCB case, for violations of the same statutes and/or regulations addressed in
2 this Stipulation and Order. Likewise, CCB is not bound by any previous settlement
3 agreements it has approved in entering into this Stipulation and Order.

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

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

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

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

1 28. Binding Effect. This Stipulation and Order shall be binding upon and inure
2 to the benefit of the Parties hereto and the Parties' respective successors, predecessors,
3 parents, affiliates, shareholders, employees, heirs, executors, assigns, and administrators.

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

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

14 31. Jurisdiction and Forum Selection. The Parties consent to the jurisdiction of
15 the Eighth Judicial District Court of the State of Nevada, in and for Clark County, to
16 resolve any disputes related to the terms or enforcement of this Stipulation and Order.

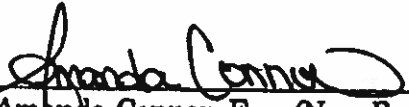
17 32. Interpretation. This Stipulation and Order is the result of negotiations among
18 the Parties who have each negotiated and reviewed its terms. In the event a Court ever
19 construes this Agreement, the Parties expressly agree, consent, and assent that such Court
20 shall not construe this Agreement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

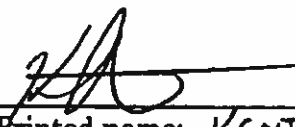
22 33. Time is of the Essence. Time is of the essence in the performance of all terms
23 of this Stipulation and Order.

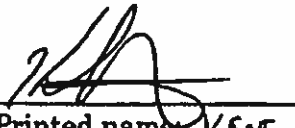
24 34. Severability. If any portion of this Stipulation and Order, or its application
25 thereof to any person or circumstance, shall be deemed to any extent to be invalid, illegal,
26 or unenforceable as a matter of law, all remaining clauses of this Stipulation and Order
27 and its application thereof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

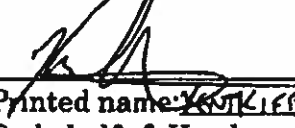
1 35. Counterparts and Copies. This Stipulation and Order may be executed in
2 counterparts, each of which when so executed and upon delivery to counsel of record for the
3 Parties and/or the Parties shall be deemed an original ("Counterparts"). This Stipulation
4 and Order shall be deemed executed when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

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

13
14  Date: 1/13/2021
15 Amanda Connor, Esq. (Nev. Bar No. 12193)
16 Counsel for Respondents Nevada Organic
17 Remedies, LLC; Wellness Orchards of
18 Nevada, LLC; and Henderson Organic
19 Remedies, LLC.

20  Date: 1.13.21
21 Printed name: KENT KIFFNER
22 On behalf of Nevada Organic Remedies, LLC

23  Date: 1.13.21
24 Printed name: KENT KIFFNER
25 On behalf of Wellness Orchards of Nevada,
26 LLC

27  Date: 1.13.21
28 Printed name: KENT KIFFNER
On behalf of, Henderson Organic Remedies,
LLC

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

Date: 1/13/2021

T.K.
Tyler Klimas, Executive Director for the
Cannabis Compliance Board

Date: 1/15/2021

ORDER

WHEREAS, on 26th day of January 2021, 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 Respondents Nevada Organic Remedies, LLC, Wellness Orchards of Nevada, LLC, and Henderson Organic Remedies, LLC..

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 26th day of January, 2021.

STATE OF NEVADA,
CANNABIS COMPLIANCE BOARD

By: [Signature]
HON. MICHAEL L. DOUGLAS, CHAIR