BEFORE THE CANNABIS COMPLIANCE BOARD STATE OF NEVADA

STATE OF NEVADA, CANNABIS COMPLIANCE BOARD,

Case No. 2020-15

Petitioner,

vs.

BRIAN NICKELOS PORRAS.

Respondent.

STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION

The Cannabis Compliance Board (the "CCB"), by and through its counsel, Aaron D. Ford, Attorney General for the State of Nevada, L. Kristopher Rath, Esq., Senior Deputy Attorney General and Ashley A. Balducci, Esq., Senior Deputy Attorney General, hereby enters into this Stipulation and Order for Settlement of Disciplinary Action ("Stipulation and Order") with Respondent Brian Nickelos Porras ("Respondent"), pro se. Pursuant to this Stipulation and Order, Respondent and CCB (collectively, the "Parties") hereby stipulate and agree that CCB Case No. 2020-15 (the "Administrative Action") shall be fully and finally settled and resolved upon terms and conditions set out herein.

PERTINENT FACTS

1. On August 25, 2020, CCB initiated this disciplinary action via the service and filing of a Complaint for Disciplinary Action (the "Complaint"). The Complaint alleges that, contrary to Nevada law, Respondent worked in a dispensary when he was only authorized to work in a production facility and put a bag of cannabis flower in his pocket without prior authorization. The Complaint further alleged a violation of NAC 453D.905(3)(e)(1), a Category IV violation; a violation of NAC 453D.365(3)(a), a revocable offense; or alternatively, a violation of NAC 453D.905(3)(d)(19), a Category III violation.¹

¹ The events at issue occurred prior to July 1, 2020, when NAC Chapters 453A and 453D were the regulations in effect for cannabis establishments.

2. Respondent has not answered the Complaint, but the parties have engaged in good faith negotiations to reach an agreement that is mutually acceptable to Respondent and counsel for the CCB for resolution of this matter, with the understanding that this Stipulation and Order must be approved by majority vote of the members of the CCB.

ACKNOWLEDGEMENTS AND APPLICABLE LAW

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

- 3. Respondent has entered into this Stipulation and Order on his own behalf and with full authority to resolve the claims against him and is aware of his rights to contest the violations pending against him. These rights include representation by an attorney at Respondent's own expense, the right to a hearing on any violations or allegations formally filed, the right to confront and cross-examine witnesses called to testify against Respondent, the right to present evidence on Respondent's own behalf, the right to testify on Respondent's behalf, the right to obtain any other type of formal judicial review of this matter, and any other rights which may be accorded to Respondent pursuant to provisions of NRS Chapters 678A through 678D, NAC Chapters 453A and 453D, and any other provisions of Nevada law. Respondent is waiving all these rights by entering into this Stipulation and Order.
- 4. Should this Stipulation and Order be rejected by the CCB or not timely performed by Respondent, it is agreed that presentation to and consideration by the CCB of such proposed stipulation or other documents or matters pertaining to the consideration of this Stipulation and Order shall not unfairly or illegally prejudice the CCB or any of its members from further participation, consideration, adjudication, or resolution of these proceedings and that no CCB member shall be disqualified or challenged for bias.
- 5. Respondent acknowledges that this Stipulation and Order shall only become effective after the CCB has approved it.
- 6. Respondent enters this Stipulation and Order after being fully advised of Respondent's rights and as to the consequences of this Stipulation and Order. This

Stipulation and Order embodies the entire agreement reached between the CCB and Respondent. It may not be altered, amended, or modified without the express written consent of the Parties and all alterations, amendments and/or modifications must be in writing.

- 7. In an effort to avoid the cost and uncertainty of a disciplinary hearing, Respondent has agreed to settle this matter. In settling this matter, Respondent acknowledges that the facts contained in the paragraphs in the above "Pertinent Facts" portion of this Stipulation and Order are true and correct. Respondent further acknowledges that certain facts contained in the CCB Complaint in Case No. 2020-15 could be found to constitute violations of Title 56 of NRS (NRS Chapters 678A through 678D), NRS Chapters 453A and 453D and NAC Chapters 453A and 453D, with penalties up to and including a civil penalty of \$1,250 and a revocation of his cannabis establishment agent registration cards for 9 years and 11 months, if this matter went to an administrative hearing.
- 8. To resolve the Administrative Action, Respondent specifically admits to selling or otherwise diverting marijuana to a person who is not authorized by law to possess marijuana, a revocable offense pursuant to NAC 453D.365(3)(a), with respect to the Complaint in CCB Case No. 2020-15.
- 9. Respondent further agrees to revocation of his cannabis establishment agent registration cards, prior and existing, for a four-year period from the date the CCB approves this Stipulation and Order and agrees to pay the civil penalty of \$1,250 within the four-year revocation period. If Respondent fails to pay the civil penalty of \$1,250 within the four-year revocation period, then his cannabis establishment agent registration cards, prior and existing, will be revoked for nine years and 11 months in consideration for his admitted violation of NAC 453D.365(3)(a) and in consideration of CCB's agreement to resolve the Administrative Action on the terms set forth herein. At the end of the four years or nine year and 11-month revocation period, Respondent may request reinstatement of his cannabis establishment agent registration cards from the CCB pursuant to NCCR 4.030(b).

- 10. If the CCB approves this Stipulation and Order, it shall be deemed and considered disciplinary action by the Board against Respondent.
- 11. Both parties acknowledge that the CCB has jurisdiction to consider and order this Stipulation and Order because Respondent holds and/or held privileged cannabis establishment agent registration cards regulated by the CCB as of July 1, 2020. Respondent expressly, knowingly, and intentionally waives the 21-day and/or 5-day notice requirements contained in the Nevada Open Meeting Law and acknowledges that this Stipulation and Order may be presented to the CCB for its consideration and potential ratification at the Board's meeting on December 18, 2020.

STIPULATED ADJUDICATION

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

- 12. Revocation. Respondent's prior and existing cannabis establishment agent registration cards are deemed revoked for a four-year period only if Respondent pays the civil penalty of \$1,250 within that time or nine years and 11 months if Respondent fails to pay the civil penalty of \$1,250 within the four-year revocation period, effective on the date the CCB approves this Stipulation and Order. Should Respondent seek reinstatement of his cannabis establishment agent registration cards after the revocation period, the CCB may consider this discipline in determining whether to reinstate Respondent's cannabis establishment agent registration cards. In exchange for Respondent's agreements herein, CCB shall not seek any further discipline against him for the violations alleged in the Complaint.
- 13. <u>Surrender of Agent Cards</u>. Respondent shall surrender any cannabis establishment agent registration cards in his possession to the CCB within 30 days of the date the CCB approves this Stipulation and Order.
- 14. <u>Contingency if Approval Denied</u>. If approval of this Stipulation and Order is denied by CCB, Respondent and counsel for the CCB agree to resume settlement

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negotiations in good faith and attempt to reach an agreement to amend this Stipulation and Order and resubmit an amended Stipulation and Order to the CCB to review for approval at its next regularly scheduled meeting. If such an agreement cannot be reached, the Parties agree to proceed with the Administrative Action, which shall include a disciplinary hearing before the CCB or its assigned hearing officer. Should the Administrative Action proceed for the reasons set forth in this Paragraph, CCB preserves all its claims and arguments in the Administrative Action as set forth in its Complaint and Respondent preserves all the defenses and arguments he may assert. An unapproved Stipulation and Order shall not be admissible as evidence or referenced in argument at any disciplinary hearing in CCB Case No. 2020-15 or any other matter involving the CCB.

- 15. Contingency if Approval Conditioned. If the CCB approves this Stipulation and Order, but said approval is contingent on certain conditions, the parties will undertake further good faith negotiations to include said conditions in an amended Stipulation and Order for execution by the CCB Chair. If Respondent does not agree to the certain conditions imposed by the CCB, the parties will undertake additional negotiations and attempt to reach an agreement to amend this Stipulation and Order and resubmit an amended Stipulation and Order to the CCB to review for approval at its next regularly scheduled meeting. If such an agreement cannot be reached, the Parties agree to proceed with the Administrative Action, which shall include a disciplinary hearing before the CCB or its assigned hearing officer. Should the Administrative Action proceed for the reasons set forth in this Paragraph, CCB preserves all its claims and arguments in the Administrative Action as set forth in its Complaint and Respondent preserves all the defenses and arguments he may assert. An unapproved Stipulation and Order shall not be admissible as evidence or referenced in argument at any disciplinary hearing in CCB Case No. 2020-15 or any other matter involving the CCB.
- 16. <u>Closure of Disciplinary Action.</u> Once this Stipulation and Order is fully performed by Respondent, the Administrative Action will be closed.
 - 17. Communications with CCB Members. Respondent understands that this

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

Nevada, the CCB, the Office of the Attorney General, and each of their members, staff, attorneys, investigators, experts, hearing officers, consultants and agents are immune from any liability for any decision or action taken in good faith in response to information and data acquired by the CCB. Respondent agrees to release the State of Nevada, the CCB, the Office of the Attorney General, and each of their members, staff, attorneys, investigators, experts, hearing officers, consultants and agents from any and all manner of actions, causes of action, suits, debts, judgments, executions, claims and demands whatsoever, known or

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unknown, in law or equity, that Respondent ever had, now has, may have or claim to have against any and/or all of the persons, government agencies or entities named in this Paragraph, arising out of, or by reason of, CCB's investigation of the matters set forth in its Complaint, the matters set forth in this Stipulation and Order, or the administration of CCB Case No. 2020-15.

- 19. No Precedence. The Parties agree that this Stipulation and Order shall not constitute a precedent for any other issues or proceedings before the CCB and/or in any other forum, other than those set forth in this Stipulation and Order. Furthermore, this Stipulation and Order shall not be admissible in any other proceeding or action with respect to proof of fact or any other matter and/or any other licensee and/or cannabis establishment registered agent, except proceedings brought to enforce this Stipulation and Order under its terms and/or for the CCB's consideration of future disciplinary action against this Respondent. The CCB may consider the discipline imposed herein in any future disciplinary action against Respondent, as required under NCCR 4.030(2), along with the other factors set forth in NCCR 4.030(2), and possible progressive discipline pursuant to NAC 453D.905 and/or NCCR 4.035 through 4.060. As every case concerns different facts and details, this Stipulation does not act as precedence to bind CCB to impose any particular penalty, to charge or allege any particular violation, and/or to impose any particular disciplinary action in the future for this Respondent, or any other respondent, for violations of the same statutes and/or regulations addressed in this Stipulation and Order. Likewise, CCB is not bound by any previous settlement agreements it has approved in entering into this Stipulation and Order.
- 20. Attorneys' Fees and Costs. The Parties each agree to bear their own attorneys' fees and costs.
- 21. <u>Further Assurances.</u> The Parties shall cooperate in executing such additional documents and performing such further acts as may be reasonably necessary to give effect to the purposes and provisions of this Stipulation and Order.
 - 22. Voluntary and Informed Agreement. Respondent represents that he has read

completely and understands fully the terms of this Stipulation and Order, that such terms are fully understood and voluntarily accepted by Respondent in advance of and as memorialized by the signing of this Stipulation and Order, and that Respondent's signature to this Stipulation and Order indicates same. Respondent further represents that he has voluntarily entered into this Stipulation and Order to make a full, final, and complete compromise upon the terms and conditions set forth herein. Respondent further represents that any releases, waivers, discharges, covenants, and agreements provided for in this Stipulation and Order have been knowingly and voluntarily granted and without any duress or undue influence of any nature from any person or entity. The Parties, and each of them, hereby expressly acknowledge that they are each represented by counsel of their own choice in this matter or have had an opportunity to obtain representation by counsel of their choice, and have been advised by counsel or opted not to seek advice from counsel. Respondent acknowledges that he has the right and opportunity to have this Stipulation and Order reviewed by the counsel of his choice and to obtain advice from the counsel of his choice regarding this Stipulation and Order.

- 23. Warranties of Authority. The Parties to this Stipulation and Order, and each of them, expressly warrant and represent to all other Parties that each has the full right, title, and authority to enter into and to carry out its obligations hereunder, with the sole exception of the required approval of this Stipulation and Order by the CCB. The Parties also expressly acknowledge the foregoing authority.
- 24. <u>Binding Effect</u>. This Stipulation and Order shall be binding upon and inure to the benefit of the Parties hereto and the Parties' respective successors, predecessors, parents, affiliates, shareholders, employees, heirs, executors, assigns, and administrators.
- 25. <u>Construction</u>. The headings of all Sections and Paragraphs of this Stipulation and Order are inserted solely for the convenience of reference and are not a part of the Stipulation and Order and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision of this Stipulation and Order. In the event of a conflict between such caption and the paragraph at the head of which it appears, the

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

- 26. Governing Law. This Stipulation and Order shall be governed by and construed in accordance with the laws of the State of Nevada, without reference to conflict of law principles.
- 27. <u>Jurisdiction and Forum Selection</u>. The Parties consent to the jurisdiction of the Eighth Judicial District Court of the State of Nevada, in and for Clark County, to resolve any disputes related to the terms or enforcement of this Stipulation and Order.
- 28. <u>Interpretation</u>. This Stipulation and Order is the result of negotiations among the Parties who have each negotiated and reviewed its terms. In the event a Court ever construes this Agreement, the Parties expressly agree, consent, and assent that such Court shall not construe this Agreement or any provision hereof against any Party as its drafter for purposes of interpreting any ambiguity or uncertainty in this Stipulation and Order.
- 29. <u>Time is of the Essence</u>. Time is of the essence in the performance of all terms of this Stipulation and Order.
- 30. Severability. If any portion of this Stipulation and Order, or its application thereof to any person or circumstance, shall be deemed to any extent to be invalid, illegal, or unenforceable as a matter of law, all remaining clauses of this Stipulation and Order and its application thereof shall be not affected and shall remain enforceable to the fullest extent permitted by law.
- 31. Counterparts and Copies. This Stipulation and Order may be executed in counterparts, each of which when so executed and upon delivery to counsel of record for the Parties and/or the Parties shall be deemed an original ("Counterparts"). This Stipulation and Order shall be deemed executed when Counterparts of this Stipulation and Order have been executed by all the Parties and/or their counsel; such Counterparts taken together shall be deemed to be the Agreement. This Stipulation and Order may be executed by signatures provided by electronic facsimile or email, which signatures shall be binding and effective as original wet ink signatures hereupon. All fully executed copies of this

1	Stipulation and Order are duplicate originals, equally admissible in evidence.
2	IN WITNESS WHEREOF, this Stipulation and Order has been executed by the
3	Parties and attested by their duly authorized representatives as of the date(s) so indicated.
4	The Effective Date of this Stipulation and Order shall be the date it is ordered by the CCB.
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6	Brian Nickelos Portas Date: 12.21-2020
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œ 9	Ashley Balduli Date: 01/05/2021
10	Ashley Balducci (Nev. Bar No. 12687)
11	Senior Deputy Attorney General Counsel for Cannabis Compliance Board
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13	7/4. Date: 1/15/2021
14	Tyler Klimas, Executive Director for the Cannabis Compliance Board
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16	ORDER
17	WHEREAS, on 26thday of January 2021, the Nevada Cannabis Compliance Board
18	approved and adopted all the terms and conditions set forth in the Stipulation and Order
19	for Settlement of Disciplinary Action with Brian Nickelos Porras.
20	IT IS SO ORDERED.
21	SIGNED AND EFFECTIVE this day of, 2021.
22	STATE OF NEVADA,
23	CANNABIS COMPLIANCE BOARD
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25	By: When And
26	HON. MICHAEL L. DOUGLAS, CHAIR
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