

Nevada Cannabis Compliance Board

Meeting Minutes January 26, 2021

The Nevada Cannabis Compliance Board (CCB) held a public meeting on January 26, 2021, beginning at 9:00 a.m. In compliance with the Governor's Emergency Directive #006 dated March 22, 2020 and Emergency Directive #029 dated July 31, 2020, the Meeting was conducted by means of electronic communication.

Cannabis Compliance Board Members Present:

Michael Douglas, Chair
Jerrie Merritt
Dennis Neilander
Riana Durrett
Dr. Bryan Young

Tyler Klimas, Executive Director, called the meeting to order and took roll. Chairman Michael Douglas was present in Las Vegas. Member Dennis Neilander, Member Jerrie Merritt, Member Riana Durrett, and Member Dr. Bryan Young were present via video connection. Deputy Attorney General Asheesh Bhalla confirmed that the meeting complied with open meeting law requirements.

I. Public Comment

Executive Director Klimas stated all public comment received up until the start of the meeting will be read into the record. Any public comment received after the start of the meeting will be read into the record at the second public comment period. Tiana Bohner, Public Information Officer, read public comment into the record.

Ziel Equipment Sales & Services submitted public comment regarding NCCR 12.065. Ziel offered supplemental comments to issues raised at the January 19 workshop. Cannabis is not analogous to over-the-counter medications, and is not strictly a "food", but is frequently ingested and often labeled similarly. Requiring labeling consistent with 21 C.F.R § 179.26 continues this commonsense approach. Labeling with CFU measurements is burdensome and confusing for consumers, and it does not advance the purpose of 12.065. Labeling should reflect established science. The CCB should amend 12.065 to clarify this labeling requirement applies to ionizing radiation.

Brian Porras provided a statement on his behalf regarding the incident with the unpacking of cannabis product in a non-packaging facility and the taking of cannabis. Mr. Porras stated he was doing as asked by his supervisor in fear of losing his job.

II. A. Consideration for approval of the December 18, 2020 Cannabis Compliance Board Meeting minutes

Chair Douglas asked for a motion on agenda item II A. Member Merritt made a motion to approve the minutes. Member Neilander seconded. All members said aye. Motion carried.

III. Briefing to the Board Regarding January 19, 2021 Workshop

Member Young stated that numerous public comments were received in favor of changing or eliminating the regulation, and also statements in favor of continuing with the regulation as it is written. Member Young was not prepared to make a recommendation regarding the regulation and would like to revisit the topic at the next Board meeting.

IV. Consent Agenda

A. Complaints. Executive Director Klimas stated that pursuant to NRS 678A.510, the Attorney General reviewed these violations and recommended proceeding with disciplinary action. Klimas presented the violations alleged and requested the Board vote to authorize the service of a complaint for disciplinary action for each licensee.

For Licensee A, the complaint alleged multiple violations of NRS 453A, multiple violations of NAC 453A, and multiple violations of NAC 453D.

Member Neilander made a motion to approve agenda item IV A, for service of complaint. Member Young seconded. All Members said aye. Motion carried.

V. Request for Transfer of Interest

Chief Compliance Audit Investigator David Staley presented agenda item V which consisted of five transfer of interest (TOI) applications.

Item A was for Nye Farm Tech, LTD (TOI 10773) that was previously heard at the December 18 Board meeting. At the December 18 meeting, the Board conditionally approved the transfer of interest, conditioned that Nye Farm submit the income statements and balance sheets requested by staff, as well as any additional transfer documentation supporting Nye Farm's assertion that no unapproved TOIs have occurred. On January 11, 2021, Nye Farm submitted the required income statements and balance sheets, but no additional information. Rick Saga was available to answer questions.

Chair Douglas asked about the ownership interest of Dokmai Sullivan, due to Nye Farm being unable to make contact with him. Mr. Staley responded that Nye Farm was moving forward on the transfer of Sullivan's ownership pursuant to their articles of incorporation which provided the opportunity for them to handle this type of situation. Mr. Saga stated that in 2017, the transfer paperwork was notarized to transfer the percentages. Dr. Renu Jain and Randy Jain's percentages were also transferred.

Member Neilander asked Mr. Staley if Nye Farm has complied with the requests made at the last meeting. Mr. Staley responded that they submitted the income statements and balance sheets, but they did not provide additional information to support that an unapproved transfer did not occur.

Member Neilander moved to not approve the TOI, but have the applicant negotiate with the Attorney General's office to come to a stipulated agreement to resolve the unapproved TOI and bring that back to the Board. This would be a TOI with a stipulated settlement. Chair Douglas seconded the motion. All members said aye. Motion carried.

Item B consisted of the TOI applications (TOI 17002 and 17012) filed by NCMM, LLC that requested approval for the forfeiture of various owner's membership interest in NCMM due to failures to meet additional capital call requirements, and the reassignment of those interests to existing members. TOI 20020 was also filed by NCMM to request approved for Valerie Small to acquire all of Justin Mohny's 77.9503% membership interest. Staff identified areas of concern with TOIs 17002 and 17012 because the various transfers occurred without prior Department of Taxation approval, apparent violations of NAC 453D.315. Staff identified no areas of concern regarding TOI 20020. Valerie Small was available to answer questions.

Michael Becker, counsel on behalf of NCMM, stated that NCMM was placed into a predicament because they have an operating agreement that they are bound to adhere to. There was a cash call and one of the parties, Black Diamond, did not contribute to the cash call. Black Diamond's member resigned from the board in January 2016. NCMM was forced to take legal action to enforce the operating agreement. They operated in good faith according to what they believed to be their obligations under the operating agreement. Mr. Becker added that there was some confusion regarding the requirements of the transfer under NRS 453. Mr. Becker asked the Board to consider granting the transfers of ownership.

Member Neilander asked if NCMM was aware that at the time the transfer was made, the statutes and regulation required prior approval. Mr. Becker was not counsel at that time and deferred the question to Valerie Small. Ms. Small responded that it was an honest mistake and most likely did not know prior approval was required. They thought they were doing everything correctly. The lawyer, Bob Biederman, who completed the paperwork has since passed away. Ms. Small was told that they thought everything had been done correctly.

Member Neilander asked Mr. Staley what the records reflected. Mr. Staley responded that for the transfers of interest in question, the licensee submitted a TOI application prior to the transaction occurring. The capital call contributions were made in March 2016; the TOI application was filed on February 13, 2017; and the default judgment in regard to BD Tech Enterprises, Inc. was entered by the court on January 29, 2019. For BD Tech,

there as an application filed before the transfer occurred. It appears that the transfers for Jason Burke and Sheryl Cork occurred before the applications were filed, but there was not definitive information proving that. Ms. Small stated that everything was submitted properly for Black Diamond, but she did not recall if Sheryl Cork and Jason Burke were done properly.

Member Neilander if there was anything in the record to show why there was a delay in handling the matter. Mr. Staley responded that the delay was due to ongoing litigation with BD Tech Enterprises. Staff was waiting for the final default judgment by the court, and there was the extended review period.

Member Durrett commented that while there were a lot of mitigating factors in this case, but the licensees have a duty to follow up on what is going on with their licenses. Member Durrett would support a small or smaller fine.

Member Durrett made a motion to proceed with the transfers of interest and offer a \$2,500 fine. Member Neilander seconded the motion. Member Neilander added that in gaming and in general, the operating agreements, bylaws, and regulations need to mesh together. The CCB has seen cases where the business documents don't contemplate the regulations and are at odds. The industry will need to take the regulations into account as part of their business plan.

Chair Douglas restated there was a conditional approval of the TOI, on the stipulated agreement of NCMM to accept a disciplinary action as to Category II violations as to the licenses, and the amount was \$2,500. The Attorney General's office would work to draft the stipulation and order to be heard at a future meeting. All Members said aye. Motion carried.

Item C was the TOI application for CPCM Holdings, LLC (TOI 20019) to request approval for an existing shareholder, Phillip Peckman to reorganize existing and individual membership for tax, estate planning, and liability protection reasons. Mr. Peckman's individual membership will not change, but it will be partially held through a new entity, PCP Legacy Trust as an intermediary. CPCM requested a waiver of NCCR 5.110 pursuant to NCCR 5.125 for Julie Murray. Staff identified no areas of concern and recommends any waiver approved to expire on such agenda date as CPCM's next TOI application is heard. Amanda Conner was available to answer questions.

Member Neilander made a motion for approval with the condition that the waiver pertaining to Julie Murray is limited to expire on the agenda date on which the next TOI is heard. Member Merritt seconded. All Members said aye. Motion carried.

Item D was the TOI application for Vegas Valley Growers, LLC (TOI 18016) to request approval for existing shareholders Laura Sciacca-Di Battista and James Sciacca to see a portion of their membership to new investors John Disanto and Claudio Sciacca. Vegas Valley Growers requested a waiver of NCCR 5.110 pursuant to NCCR 5.125. Staff identified no areas of concern and recommends any waiver approved to expire on such agenda date as Vegas Valley Growers next TOI application is heard. Michael Quebbemann was available for questions.

There were no questions from the Board. Member Durrett made a motion to approve the application for transfer of interest with the condition that the waiver is limited to expire on such agenda date as Vegas Valley Grower's next TOI application is heard. Member Merritt seconded. All Members said aye. Motion carried.

Member Durrett made a disclosure in regard to agenda item E. Ms. Durrett was of counsel to Maggie McLetchie's law firm working mainly on standard operating procedures. Ms. Durrett did not believe any of the work she did would give her bias towards the outcome of the matter.

Item E was the TOI application for GreenMart of Nevada NLV, LLC and iAnthus Capitol Holdings (TOI 19034) to request approval for iAnthus to acquire GreenMart and its Nevada cannabis licenses. iAnthus is in the final stages of a recapitalization and under the British Columbia Business Corporations Act. Pursuant to a court-approved restructuring agreement, iAnthus's secured and unsecured creditors will acquire over 97% ownership of iAnthus. iAnthus amended TOI 19034 to request prior approval of its acquisition by its creditors. iAnthus requested waivers pursuant to NCCR 5.112 and 5.125 of the requirements of NCCR 5.110. The companies have adequately addressed the required items and staff suggests that any waivers approved to expire on such agenda date as iAnthus's next TOI application is heard.

Staff identified an area of concern because iAnthus completed the acquisition of GreenMart on February 5, 2019, two months before it filed TOI application 19034 on April 16, 2019, an apparent violation of NAC 453D.315. There are no areas of concern regarding the proposed acquisition of iAnthus by its creditors. Margaret McLetchie representing GreenMart, and Andrew Ryan and Erin McCarthy representing iAnthus were available for questions.

Ms. McLetchie stated that GreenMart and iAnthus recognize the importance of seeking and obtaining advance approval for transfers and regret not filing the transfer earlier. There was a number of mitigating factors for the timing of this transfer application. There was a lack of clarity regarding how the transfers up the chain should work at the time that the transfer application was submitted and when the transaction was entered. The transfer application was more of a merger between MPX and iAnthus. While the merger was announced before April 2019, the communications recognized that the merger was not fully effective unless and until approval from the State of Nevada was obtained. iAnthus was required to recognize the revenue for tax reasons. This transfer has been pending for some time, and updates were provided to Taxation and the CCB. Key leadership remains in place and the new officers and directors of the parent company went through the background check process. They are seeking approval for the ownership of GreenMart by iAnthus and preapproval for a restructuring at iAnthus. They have worked closely with Mr. Staley to provide the required documentation. GreenMart and iAnthus are committed to being compliant and transparent and seek approval of the TOI without conditions.

Chair Douglas asked what the operating documents said whether they indicated an approval, an effective date, subject to approval. Ms. McLetchie responded that the merger agreement recognized the need for regulatory approval, and the public communications indicated same. Mr. Staley commented that the press release issued on February 5, 2019 indicated that the acquisition of MPX was completed, but there was not language that indicated the acquisition was conditioned on State of Nevada regulatory approval. Ms. McLetchie responded that subsequent press releases clarified that regulatory approval was needed. Mr. Staley recognized that the applicant has been helpful and responsive to requests, and after discussions began the press releases included the language that the acquisition was pending approval. Prior to those discussions, iAnthus reported to the public that the transaction was completed and were no conditions or additional approvals required.

Chair Douglas stated that he would like this matter to go back to CCB staff to review the documents, so it is clear if there was a violation or not. If there was a violation, then the Board would look at a possible fine of \$10,000. Chair Douglas made a motion to refer the matter to staff for further review. Member Durrett asked if the motion could include the request to identify with documents staff feels should have reflected the transfer was not effective and which documents they feel didn't include that, to the extent possible. Member Durrett seconded the motion. All Members said aye. Motion carried.

VI. Consideration for Approval of Independent Contractor Agreement between Vegas Valley Growers, LLC and TGC LV, LLC

Mr. Staley presented the agenda item VI which was the request for approval of an independent contractor agreement between Vegas Valley Growers, LLC, and Michael Kassabian. CCB staff reviewed the agreement and found it appropriate.

Member Neilander asked for clarification regarding the contract and Ms. Small. Mr. Staley responded that this was a different contract, and that Ms. Small's management contract will be going away with her acquisition and control of the company.

There were no additional questions from the Board. Member Neilander made a motion to approve the independent contractor agreement. Member Merritt seconded. All Members said aye. Motion carried.

VII. Consideration of Proposed Settlement Agreements to Resolve Disciplinary Action

Senior Deputy Attorney General L. Kristopher Rath presented seven settlement agreements for the Board's consideration.

Agenda item VII A was Cannabis Compliance Board vs. Herbal Care, LLC (Case No. 2020-05). This matter initiated under the Dept. of Taxation and was filed and served on July 21, 2020. The settlement agreement also resolves a lawsuit that was filed against the Dept. of Taxation. In summary, Herbal Care's current owners will pay a civil penalty and will no longer operate a cannabis facility. They are permitted to sell their license and

certificate within a specific time. They will not be allowed to reapply for agent cards or apply to hold ownership interest in Herbal Care until January 2027 and would need CCB approval at that time. The complaint alleged violations of seed to sale tracking requirements, employees without valid agent cards in their possession, providing the Department with inaccurate information, improper destruction of product, and facility disrepair issues. To resolve the matter, respondent admitted to one Category 1 violation, two Category 2 violations, two Category 3 violations, and seven Category 5 violations. The civil penalty is \$125,000 to be paid within the timeframe outlined in the settlement agreement. The Attorney General recommends and requests approval of the settlement agreement.

Ed Humphrey, counsel for respondent, stated Mr. Rath accurately stated the history of the case and asked for CCB's approval.

Member Neilander made a motion to approve the settlement agreement. Member Durrett seconded. All Members said aye. Motion carried.

Agenda Item VII B was Cannabis Compliance Board vs. Fidelis Holdings, LLC (Case No. 2020-08). The complaint was filed and served on August 25, 2020. The respondent filed its answer on October 1, 2020 and the CCB assigned a hearing officer. During the course of the administrative process, counsel for Fidelis and the Attorney General's office came to a mutually agreeable proposal for resolution of the matter. The allegations in the complaint involved allegedly inaccurate of false statements being provided to Department investigators, operating the facility without required permits for certain machinery, failure to follow seed to sale tracking requirements, use of unapproved pesticides, and agents without valid agent cards in their immediate possession. To resolve the matter, the respondent admitted to two Category 2 violations, two Category 3 violations, and two Category 4 violations. Respondent agreed to a \$75,000 civil penalty. Respondent provided a plan of correction which has been approved and they are required to provide a plan of destruction for their quarantined cannabis within 30 days to be approved by CCB staff. The Attorney General recommends and requests approval of the settlement agreement.

Michael Cristalli, counsel for respondent, agreed with the representations and asked the Board to adopt the proposed settlement agreement.

Member Neilander made a motion to approve the settlement agreement and stipulation. Member Merritt seconded. All Members said aye. Motion carried.

Agenda Item VII C was Cannabis Compliance Board vs. Brian Porras (Case No. 2020-15). This was a disciplinary action seeking revocation of an agent car and \$1,250 civil penalty. The complaint was filed and served on August 25, 2020. The complaint alleged respondent was working at a dispensary when he was only authorized to work in a production facility and diversion of cannabis. Respondent negotiated with CCB counsel to resolve the matter. Respondent admitted to one violation of NAC 453D.365(3)(a), a revocable offense. Respondent agreed to revocation of his cannabis establishment agent card for four years from the date CCB approves the settlement. Respondent agreed to pay \$1,250 civil penalty within four years. If the civil penalty is not paid within four years, then the revocation period will be nine years and eleven months. At the end of the revocation period, the respondent may apply to reinstate his cannabis establishment agent card, subject to CCB approval. This is the same compromise that other cannabis agents involved in the incident have accepted and the CCB has approved. To add comment to the public comment submitted by the respondent, Mr. Rath stated the respondent waived his right to a hearing so the CCB cannot consider further evidence. The respondent did not admit to a violation of not being authorized to work at the subject facility. Respondent signed the settlement agreement on December 21, 2020. The Attorney General recommends and requests approval of the settlement.

Mr. Porras stated that he was trying to do as he was told so that he wouldn't lose his job, but still lost his job. It is difficult to find a job at this time. Mr. Porras stated that he was unable to secure counsel or assistance from other persons. Mr. Porras argued that the incident was two years ago.

Chair Douglas stated the Mr. Porras could agree with the settlement that he signed, or he could withdraw, and the matter would go to hearing. Mr. Porras stated he was not withdrawing.

Chair Douglas made a motion to approve the stipulation and order for settlement. Member Durrett seconded. All Members said aye. Motion carried. Chair Douglas asked staff to look into what licenses are viable in regard to Mr. Pageant.

Member Durrett made a disclosure for agenda items VII (D), (E), and (F). Member Durrett worked with the Nevada Dispensary Association where the licensees were members. They called Ms. Durrett about the incidents addressed in the stipulations. Ms. Durrett does not believe she received any confidential information at that time and would not abstain.

Agenda Item D was Cannabis Compliance Board vs. Desert Aire Wellness, LLC, (Case No. 2020-23). The complaint was filed and served on November 17, 2020. The respondent engaged in settlement discussions. The allegations in the complaint concerned the sale of cannabis product that had not been approved for sale. The Department of Taxation had issued an advisory and directive requiring all cannabis dispensaries to check their inventory and destroy or return the product to the cultivation facilities. In this case, the respondent inadvertently sold the subject cannabis product. A plan of correction was submitted and approved. To resolve the matter, the respondent admitted to one Category 3 violation and a \$7,500 civil penalty. The Attorney General recommends and requests approval of the settlement agreement.

Amanda Connor, counsel for respondent, thanked the CCB staff and requested approval of the settlement agreement.

Member Neilander made a motion to approve the settlement agreement. Member Durrett seconded. All Members said aye. Motion carried.

Agenda Item E was Cannabis Compliance Board vs. Waveseer of Las Vegas (Case No. 2020-24). The complaint was filed and served on November 17, 2020. The respondent engaged in settlement discussions. The allegations in the complaint concerned the sale of cannabis product that had not been approved for sale. This matter involved the same scenario as the previous case. A plan of correction was submitted and approved. To resolve the matter, the respondent admitted to one Category 3 violation and a \$7,500 civil penalty. The Attorney General recommends and requests approval of the settlement agreement.

Alicia Ashcraft, counsel for respondent, was grateful to appear and requested approval of the settlement agreement.

Member Neilander made a motion to approve the settlement agreement. Chair Douglas seconded. All Members said aye. Motion carried.

Agenda Item F was Cannabis Compliance Board vs. Paradise Wellness Center (Case No. 2020-25). The complaint was filed and served on November 17, 2020. The respondent engaged in settlement discussions. The allegations in the complaint concerned the sale of cannabis product that had not been approved for sale. This matter involved the same scenario as the previous two cases. Respondent claimed they had not received the directive. A plan of correction was submitted and approved. To resolve the matter, the respondent admitted to one Category 3 violation and a \$7,500 civil penalty. The Attorney General recommends and requests approval of the settlement agreement.

Ross Goodman, counsel for respondent, thanked Mr. Rath for his efforts and requested approval of the settlement agreement.

Member Neilander made a motion to approve the settlement agreement. Member Merritt seconded. All Members said aye. Motion carried.

Agenda Item G was Cannabis Compliance Board vs. Nevada Organic Remedies, Wellness Orchards of Nevada, and Henderson Organic Remedies (Case No. 2021-28). The case did not involve a complaint, rather the Board approved transfers of interest contingent on the licensees paying a civil penalty for failure to notify the CCB of transfers of interest taking place prior to the approval of the Department of Taxation or the CCB. Respondents waived their rights to filing and service of the disciplinary complaint and admitted to the imposition of one Category 2 violation and agreed to \$25,000 civil penalty. The settlement memorialized the respondent's

agreements to the recommended terms from the December 18, 2020 meeting. The Attorney General recommends and requests approval of the settlement agreements.

Amanda Connor thanked the CCB staff for their work and requested approval of the settlement agreement.

Member Neilander made a motion to approve the settlement agreement. Member Durrett seconded. All Members said aye. Motion carried.

VIII. Petition Filed Pursuant to NRS 678A.460(1)(d)

Deputy Director Michael Miles introduced the petition filed by THC Nevada, LLC, who holds a cannabis cultivation license. THC Nevada requested relief from NCCR 11.075(7) which limits the number of quality assurance retests that a cannabis cultivation facility or cannabis production facility can request within a calendar year to a maximum of fifty lots or production runs. It also requires the destruction of the entire lot or production run for any subsequent failure of a quality assurance test within a calendar year. Failure for moisture content is not counted as a quality assurance test failure pursuant to this subsection.

Amy Sugden, Nick Puliz, and Steven Cohen appeared on behalf of THC Nevada, doing business as FloraVega. Mr. Cohen stated that the petition focused on the limitations regarding fifty failed tests and the cultivation facility being prohibited from testing further batches or product for the balance of the applicable calendar year. THC Nevada has attempted to preserve those standards yet allow for the recognition that certain cultivators test significantly more product than others.

Ms. Sugden presented a slide show which included a picture to indicate the mass in which FloraVega operates, with harvests every week. FloraVega operates at a size of 45,000 square feet and has the same standard of test limits as a facility at 5,000 square feet. They proposed new language that eliminates the fifty cap but ensures that no product will reach constituents and customers that does not pass testing. They proposed substituting fifty cap with assuring that quality assurance tests can be retested up to four times. Every five-pound lot must be tested, and variations can occur which is why testing often has to be redone.

Nick Puliz is the general manager of THC Nevada, which produced on average 570 pounds of finished flower and 140 pounds of trim per month, with the average number of 32 tests per week during the last six weeks. If there is a 10% failure, then THC Nevada will run out of retests in about four months with the current limit. Their proposal does not affect the safety of the final product, but it increases the amount of data collected and amount of taxes the State will collect. The proposal increases the reliance on lab testing and keeps the market pricing reasonable to end consumers.

Karalin Cronkhite, Health Program Manager II of the CCB, discussed the process and purposes of requesting a quality assurance retest. If a lot or production run fails testing, the facilities typically request to send it to extraction, and this process will usually destroy the contaminant. If a facility wanted to challenge the lab results and have it verified by another laboratory, it would submit a request to retest to the CCB for review. If approved, they are assigned to a new laboratory for retesting. This lab is only allowed to test the secondary secured sample from the original testing lab. The purpose of the retest is only to challenge the result, not to remediate the product. On average, about ten facilities reach the limit each year which is less than 4% of all cultivation and production licenses. The limit of 50 was selected with large cultivators in mind. The CCB felt that allowing more than that would encourage cultivators to keep retesting until they got the results that they like.

Chair Douglas asked if Ms. Cronkhite thought that they needed the ability to conduct additional tests per lot because of the number of lots they produced. Ms. Cronkhite responded it was her understanding that they would like the ability to test each lot four times, rather than have the one single retest limited to 50 per year. Mr. Cohen stated that they were focused on the sheer volume of THC's production testing because they test so many lots per year. They are not focused on shopping for results.

Deputy Director Miles stated an option would be to allow facilities to request the retest through the program supervisor for the first 40 lots or production runs. They would need approval from the Executive Director for the 40th to the 50th. Approval for any additional retests beyond 50 would need to be presented to the Board for approval. Another option is to leave the regulation as it is.

Mr. Cohen responded that THC would be in accord with that recommendation. They are looking to not have an arbitrary cutoff of 50. Member Durrett stated that the limit was originally set at 20 and then changed to 50 due to industry response. Member Durrett did not think the limit should be raised, but she appreciated the suggestion to allow the CCB to not have an arbitrary number.

Chair Douglas stated that he was concerned that because of the amount they were producing, they were using up the number of tests quickly. Chair Douglas would like staff to look into that issue. Chair Douglas would like CCB staff to solicit public comment and then possibly schedule it for a workshop if necessitated. Chair Douglas added that the CCB needed to be sensitive to the industry growth and not penalize anyone.

IX. Briefing to the Board Regarding Sale of CWNevada, LLC's Unrevoked Licenses/Certificates (D010, RD010, C010, RC0101, T021, P009, RP009, and RC011 and Request to Chair for Extension of Sale Deadline

Senior Deputy Attorney General Ashley Balducci presented agenda item IX. CWNevada requested an extension of the sale deadline from January 21, 2021 to February 19, 2021 from the Chair, due to circumstances that prevented the court from hearing the receiver's motion to approve the sale on January 4, 2021. On January 25, the court approved the sale of CWNevada's unrevoked certificates and licenses with payment due on January 29, 2021. Receiver's counsel intends to work with the successful bidder to submit the transfer of interest applications to the CCB as soon as possible.

There were no questions from the Board.

X. Briefing to the Board from the Executive Director

Director Klimas provided updates to a few items. The Governor's recommended budget for fiscal years 2022 and 2023 included ten additional positions for the Cannabis Compliance Board. The budget is pending final legislative approval. On July 1, 2021, the CCB will be able to release ten positions currently on vacancy hold due to budget reductions that were needed for the current fiscal year.

The Department of Health and Human Services in conjunction with the Attorney General's office held a virtual public health cannabis and vaping summit in mid-January. CCB staff and Member Durrett participated in the panel discussions. Data collection and analysis will be crucial for the state as it works to protect the public health and safety, and the CCB will look to increase its capacities in data collection.

Member Merritt was invited to give remarks on behalf of the CCB at an event honoring Dr. Martin Luther King, Jr. The event focused on the achievements of Dr. King, and the cannabis industry and ways to ensure inclusiveness and to further the opportunity for all of our communities to participate in this industry.

Chair Douglas also wanted to thank Member Young for his work on the workshop. Director Klimas thanked the public for their participation in the workshop as well.

XI. Next Meeting Date

Chair Douglas stated the next meeting date is February 23, 2021.

XII. Items for Future Agendas

Chair Douglas would like updates on the what the Nevada Legislature is considering that affects the cannabis industry.

XIII. Public Comment

Ms. Bohner read public comment from Will Adler on behalf of Scientists for Consumer Safety (SCS) regarding upcoming changes to the Metrc interface effective February 1, 2021. SCS is willing to support and comply with changes but requested an adequate timeframe for implantation (2 months) to rewrite software and test the systems to allow for automated data transfer and entry from laboratories to Metrc.

Director Klimas stated that the timing concerns for the changes were brought up in Metrc training and the date has already been pushed to March 1, 2021. That date can be pushed back if needed.

XIV. Adjournment

Meeting adjourned at 11:18 am.