

1 October 9, 2020. Respondent Polaris's Answer generally denied the allegations in the
2 Complaint and asserted certain Affirmative Defenses. The Parties then commenced the
3 disciplinary process under NRS Chapter 678A.

4 3. During the time the parties were engaged in the disciplinary process, the
5 Parties engaged in good faith negotiations to reach an agreement that is mutually
6 acceptable to Respondent and counsel for the CCB for resolution of this matter, with the
7 understanding that this Stipulation and Order must be approved by majority vote of the
8 members of the CCB at a hearing duly noticed for the purpose of such a vote. Accordingly,
9 the parties entered into an agreement to stay the disciplinary process to allow the CCB to
10 consider this Stipulation and Order for approval.

11 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

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

14 4. Polaris has entered into this Stipulation and Order on its own behalf and the
15 person signing on behalf of Polaris has full authority to resolve the claims against it and is
16 aware of Polaris's rights to contest the violations pending against it. These rights include
17 representation by an attorney at Polaris's own expense, the right to a hearing on any
18 violations or allegations formally filed, the right to confront and cross-examine witnesses
19 called to testify against Polaris, the right to present evidence on Polaris's own behalf, the
20 right to have witnesses testify on Polaris's behalf, the right to obtain any other type of
21 formal judicial review of this matter, and any other rights which may be accorded to Polaris
22 pursuant to provisions of NRS Chapters 678A through 678D, NRS Chapters 453A and
23 453D, NAC Chapters 453A and 453D, the Nevada Cannabis Compliance Regulations
24 (NCCR), and any other provisions of Nevada law. Polaris is waiving all these rights by
25 entering into this Stipulation and Order. If the CCB rejects this Stipulation and Order, or
26 any portion thereof, Polaris reserves the right to withdraw any or all such waivers.

27 5. Should this Stipulation and Order be rejected by the CCB or not timely
28 performed by Polaris, it is agreed that presentation to and consideration by the CCB of

1 such proposed stipulation or other documents or matters pertaining to the consideration of
2 this Stipulation and Order shall not unfairly or illegally prejudice the CCB or any of its
3 members from further participation, consideration, adjudication, and/or resolution of these
4 proceedings and that no CCB member shall be disqualified or challenged for bias.

5 6. Polaris acknowledges that this Stipulation and Order shall only become
6 effective after the CCB has approved it.

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

12 8. In an effort to avoid the cost and uncertainty of a disciplinary hearing, Polaris
13 has agreed to settle this matter. For purposes of settling this matter, Polaris acknowledges
14 that the facts contained in the paragraphs in the above "Pertinent Facts" portion of this
15 Stipulation and Order are true and correct. Without waiving any constitutional rights
16 against self-incrimination, Polaris further acknowledges that certain facts contained in the
17 CCB Complaint in Case No. 2020-017 could be found to constitute violations of NRS
18 Chapters 453A and 453D and NAC Chapters 453A and 453D, with penalties up to and
19 including revocation, suspension, and/or a civil penalty of \$23,250, plus time and effort
20 costs, for C168 and RC168, if this matter went to an administrative hearing.

21 9. In settling this matter the Executive Director for the CCB and counsel for the
22 CCB have considered the factors set forth in NCCR 4.030(2) and NAC 453D.905(2),
23 including: the gravity of the violations; the economic benefit or savings, if any, resulting
24 from the violations; the size of the business of the violator; the history of compliance with
25 the Nevada statutes and regulations governing marijuana/cannabis by the violator; actions
26 taken to remedy and/or correct the violations; and the effect of the penalty on the ability of
27 the violator to continue in business.

28 10. To resolve the Administrative Action, and only for those purposes and no

1 other, Polaris specifically admits to the following violations with respect to the Complaint
2 in CCB Case No. 2020-017 for certificate C168 and license RC168:

3 a. One violation of NAC 453D.905(3)(d)(4), for failure to tag bulk cannabis
4 and cannabis products, thereby failing to comply with seed to sale
5 tracking requirements, which constitutes one Category III violation.

6 b. One violation of 453D.905(3)(f)(6), for improperly maintaining a floor
7 sink in a soiled condition, which constitutes one Category V violation.

8 11. As to the remaining allegations in the Complaint, Polaris neither admits nor
9 denies those allegations and no civil penalties shall be assessed as to the remaining
10 violations.

11 12. With respect to C168 and RC168, Polaris further agrees to pay a civil penalty
12 in the amount of \$12,500, plus time and effort costs in the amount of \$8,500, for a total
13 payment of penalties and costs in the amount of \$21,000¹, in consideration for its admitted
14 violations in Paragraph 10, above, and in consideration of CCB's agreement to resolve the
15 Administrative Action on the terms set forth herein. Said sum must be paid within 30 days
16 of CCB approval of this Stipulation and Order.

17 13. Polaris further agrees that it shall destroy all untagged cannabis and
18 cannabis products, as described in Paragraphs 11 through 13 of the Complaint and
19 quarantined due to the January 27, 2020, inspection, via a Plan of Disposal² to be pre-
20 approved by the CCB.

21 14. If the CCB approves this Stipulation and Order, it shall be deemed and
22 considered disciplinary action by the CCB against Polaris.

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

28 ¹ To be apportioned \$10,500 to C168 and \$10,500 to RC168.

² Polaris has already submitted a Plan of Disposal, should this Stipulation and Order be approved, and CCB staff have approved the Plan of Disposal, subject to a mutually agreeable date being set for it.

1 acknowledges that this Stipulation and Order may be presented to the CCB for its
2 consideration and potential ratification at the CCB's meeting on 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 16. Violations: As to certificate C168 and license RC168, Polaris is found to have
8 one Category III violation, and one Category V violation, as set forth in Paragraphs 10(a)
9 and 10(b), above. In accordance with NAC 453D.905(4)(f)(1), the CCB hereby issues a
10 formal warning to Polaris, as to its first Category V violation for certificate C168 and license
11 RC168: Polaris shall undertake measures to ensure its facilities are maintained cleanly
12 and in good repair, as required under the NCCR and Title 56 of the NRS.

13 17. Imposition and Payment of Civil Penalties and Costs. Polaris shall pay a total
14 amount, inclusive of a civil penalty and time and effort costs, of twenty-one thousand
15 dollars (\$21,000) within 30 days of the date the CCB approves this Stipulation and Order,
16 to be apportioned as set forth in Paragraph 12 , above.

17 18. Agreed Destruction and Disposal Plan. Pursuant to Paragraph 13, above,
18 Polaris shall submit to CCB staff a Plan of Disposal³ for all of the untagged bulk cannabis
19 and all of the cannabis product that was quarantined as a result of the January 27, 2020,
20 inspection. Said Plan of Disposal shall be submitted to the CCB Executive Director no later
21 than 30 days after the CCB approves this Stipulation and Order. The Plan of Disposal must
22 include procedures for the proper destruction of the untagged bulk cannabis and cannabis
23 products, including the planned date of destruction, the videotaping of the destruction, the
24 witnessing by CCB staff of the destruction, and complete documentation of the destruction.
25 No destruction shall commence prior to CCB approval of the plan of destruction.

26 19. Plan of Correction. Respondent represents and warrants that it has put in
27 place a plan of correction to remedy and to prevent the recurrence of the violations set forth

28 ³ Polaris has already submitted a Plan of Disposal, should this Stipulation and Order be approved, and CCB
staff have approved the Plan of Disposal, subject to a mutually agreeable date being set for it.

1 in this Stipulation and Order. Respondent further represents and warrants that it is now,
2 as of the date it has executed this Stipulation and Order, operating in full compliance with
3 NRS Title 56 and the NCCR. In summary, the plan of correction is as follows: (1) Polaris
4 has instituted revised standard operating procedures ("SOPs") for bulk cannabis and
5 cannabis products to ensure METRC tags are properly placed on plants, lots, and products,
6 and that cannabis and cannabis products are properly tracked through harvesting and
7 processing; (2) Polaris has instituted revised SOPs to ensure employees are properly
8 trained and monitored in the tracking of cannabis and cannabis products; and (3) Polaris
9 has fixed the disrepair issues set forth in the Complaint, revised SOPs to update cleaning
10 procedures, and more specifically designated which sinks are to be used for hand washing
11 only.

12 20. Contingency if Approval Denied. If approval of this Stipulation and Order is
13 denied by the CCB, Polaris and counsel for the CCB agree to resume settlement
14 negotiations in good faith and attempt to reach an agreement to amend this Stipulation
15 and Order and resubmit an amended Stipulation and Order to the CCB to review for
16 approval at its next regularly scheduled meeting. If such an agreement cannot be reached,
17 the Parties agree to proceed with the Administrative Action, which shall include the
18 completion of the previously agreed upon discovery and a disciplinary hearing before the
19 CCB or its assigned hearing officer. Should the Administrative Action proceed for the
20 reasons set forth in this Paragraph, the CCB preserves all its claims and arguments in the
21 Administrative Action as set forth in its Complaint and Polaris preserves all its defenses
22 and arguments set forth in its Answer. An unapproved Stipulation and Order shall not be
23 admissible as evidence or referenced in argument at any disciplinary hearing in CCB Case
24 No. 2020-017 or any other matter involving the CCB.

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

1 imposed by the CCB, the parties will undertake additional negotiations and attempt to
2 reach an agreement to amend this Stipulation and Order and resubmit an amended
3 Stipulation and Order to the CCB to review any Amended Stipulation and Order for
4 approval at its next regularly scheduled meeting. If such an Amended Stipulation and
5 Order cannot be reached, the Parties agree to proceed with the Administrative Action,
6 which shall include a disciplinary hearing before the CCB or its assigned hearing officer.
7 Should the Administrative Action proceed for the reasons set forth in this Paragraph, the
8 CCB preserves all its claims and arguments in the Administrative Action as set forth in its
9 Complaint and Polaris preserves all its defenses and arguments asserted in its Answer. An
10 unapproved Amended Stipulation and Order shall not be admissible as evidence or
11 referenced in argument at any disciplinary hearing in CCB Case No. 2020-017 or any other
12 matter involving the CCB.

13 22. Closure of Disciplinary Action. Once this Stipulation and Order is fully
14 performed by Polaris, the Administrative Action will be closed.

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

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

7 24. Release. In execution of this agreement, Respondent agrees that the State of
8 Nevada, the CCB, the Office of the Attorney General, and each of their members, staff,
9 attorneys, investigators, experts, hearing officers, consultants and agents are immune from
10 any liability for any decision or action taken in good faith in response to information and
11 data acquired by the CCB. Respondent agrees to release the State of Nevada, the CCB, the
12 Office of the Attorney General, and each of their members, staff, attorneys, investigators,
13 experts, hearing officers, consultants and agents from any and all manner of actions, causes
14 of action, suits, debts, judgments, executions, claims and demands whatsoever, known or
15 unknown, in law or equity, that Respondent ever had, now has, may have or claim to have
16 against any and/or all of the persons, government agencies or entities named in this
17 Paragraph, arising out of, or by reason of, CCB's investigation of the matters set forth in
18 its Complaint, the matters set forth in this Stipulation and Order, or the administration of
19 CCB Case No. 2020-017.

20 25. No Precedence. The Parties agree that this Stipulation and Order shall not
21 constitute a precedent for any other issues or proceedings before the CCB and/or in any
22 other forum, other than those set forth in this Stipulation and Order. Furthermore, this
23 Stipulation and Order shall not be admissible in any other proceeding or action with respect
24 to proof of fact or any other matter and/or any other licensee and/or cannabis establishment
25 registered agent.

26 Notwithstanding the foregoing, the CCB may consider the discipline imposed herein
27 in any future disciplinary action against Respondent, as required under NCCR 4.030(2),
28 along with the other factors set forth in NCCR 4.030(2), and possible progressive discipline

1 pursuant to NCCR 4.035 through 4.060. As every case concerns different facts and details,
2 this Stipulation does not act as precedence to bind CCB to impose any particular penalty,
3 to charge or allege any particular violation, and/or to impose any particular disciplinary
4 action in the future for this Respondent, or any other respondent, for violations of the same
5 statutes and/or regulations addressed in this Stipulation and Order. Likewise, CCB is not
6 bound by any previous settlement agreements it has approved in entering into this
7 Stipulation and Order.

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

10 27. Further Assurances. The Parties shall cooperate in executing such additional
11 documents and performing such further acts as may be reasonably necessary to give effect
12 to the purposes and provisions of this Stipulation and Order.

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

26 29. Warranties of Authority. The Parties to this Stipulation and Order, and each
27 of them, expressly warrant and represent to all other Parties that each has the full right,
28 title, and authority to enter into and to carry out its obligations hereunder, with the sole

1 exception of the required approval of this Stipulation and Order by the CCB. The Parties
2 also expressly acknowledge the foregoing authority.

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

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

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

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

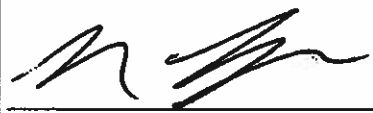
22 34. Interpretation. This Stipulation and Order is the result of negotiations among
23 the Parties who have each negotiated and reviewed its terms. In the event a Court ever
24 construes this Agreement, the Parties expressly agree, consent, and assent that such Court
25 shall not construe this Agreement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

27 35. Time is of the Essence. Time is of the essence in the performance of all terms
28 of this Stipulation and Order.


1 36. Severability. If any portion of this Stipulation and Order, or its application
2 thereof to any person or circumstance, shall be deemed to any extent to be invalid, illegal,
3 or unenforceable as a matter of law, all remaining clauses of this Stipulation and Order
4 and its application thereof shall be not affected and shall remain enforceable to the fullest
5 extent permitted by law.

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


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

18  #15271 Date: 2/12/2021

19
20 TISHA BLACK (Bar No. 5876)
21 RUSTY GRAF (Bar No. 6322)
22 Counsel for Respondent Polaris

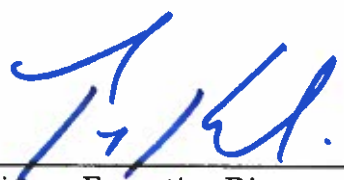
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24  Date: 2/12/21
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26 (printed name Lee McCue),
27 On behalf of Respondent Polaris
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Date: 2/13/2021

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



Date: 2/14/21

Tyler Klimas, Executive Director for the
Cannabis Compliance Board

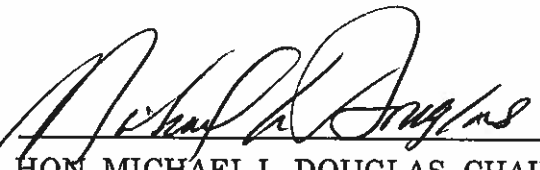
ORDER

WHEREAS, on 23rd day of February, 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 Polaris.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 23rd day of February, 2021.

STATE OF NEVADA,
CANNABIS COMPLIANCE BOARD

By: 
HON. MICHAEL L. DOUGLAS, CHAIR