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

STATE OF NEVADA, CANNABIS  
COMPLIANCE BOARD,

Case No. 2021-35

Petitioner,

vs.

MY LIFE ORGANICS, INC.,

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 My Life Organics, Inc. ("MLO" or "Respondent") by and through its counsel, Lesley B. Miller, Esq., and Briana E. Martinez, Esq., of the law firm of Kaempfer Crowell. Pursuant to this Stipulation and Order, Respondent and CCB (collectively, the "Parties") hereby stipulate and agree that CCB Case No. 2021-35 (the "Administrative Action") shall be fully and finally settled and resolved upon terms and conditions set out herein.

**PERTINENT FACTS**

1. Respondent MLO is a registered domestic corporation in Nevada licensed to operate medical and adult-use cannabis cultivation establishments (certificate C175 and license RC175).
2. On February 23, 2021, CCB held a public meeting at which it considered multiple transfer of interest applications ("TOI") submitted by Respondent. Specifically,

1 CCB considered TOI No. 16005<sup>1</sup> and TOI No. 19017. TOI No. 19017 was filed on  
2 February 28, 2019, with the Marijuana Enforcement Division of the Department of  
3 Taxation, CCB's predecessor, and sought to eliminate the interests of one owner of MLO.  
4 TOI No. 19017 was also amended that same day to request an increase the number of  
5 shares of MLO. TOI No. 19017 sought a change in the ownership interests of several  
6 owners of MLO.

7 3. On investigation of TOI No. 19017, CCB staff found that certain ownership  
8 transfers had been made and completed prior to approval by a cannabis licensing  
9 authority in Nevada<sup>2</sup>. Prior to the CCB's February 23, 2021 meeting, CCB staff and  
10 counsel for the CCB (the Office of the Nevada Attorney General) conferred with MLO and  
11 its counsel on this issue and reached an agreement in principle to resolve the matter,  
12 subject to CCB approval. The parties presented this mutually agreeable proposal for  
13 resolution of the unapproved transfer of interest to the CCB at its February 23, 2021,  
14 meeting. After hearing from CCB staff and Respondent, and considering various options  
15 for proceeding, the CCB voted to accept the resolution proposed by CCB staff and the  
16 Attorney General, subject to the preparation and execution of a stipulated settlement  
17 agreement. As a result, TOI No. 19017 will be approved, subject to the CCB's approval of  
18 this Stipulation and Order and payment of the agreed upon civil penalty.

19 4. In accordance with the agreement in principle to resolve this matter,  
20 Respondent has stipulated to pay a \$15,000 civil penalty for one violation of NAC  
21 453D.905(3)(b)(4) in lieu of the CCB filing and serving a Complaint for Disciplinary  
22 Action ("Complaint") and proceeding to a disciplinary hearing. Should the CCB approve  
23 this Stipulation and Order, TOI No. 19017 filed by MLO, and as amended, shall be  
24 deemed approved on the CCB's receipt of payment of the aforementioned civil penalty.

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<sup>1</sup> TOI No. 16005 was issued in error and has now been administratively withdrawn. It is not at issue in  
28 this Stipulation and Order.

<sup>2</sup> Including the CCB's predecessor, the Department of Taxation (Marijuana Enforcement Division), as well  
as the CCB.

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2 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

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

5 5. Respondent has entered into this Stipulation and Order on its own behalf  
6 and with full authority to resolve the claims against it and is aware of its rights to contest  
7 the violations pending against it. These rights include the filing and service of a  
8 disciplinary complaint specifying the charges against Respondent, representation by an  
9 attorney at Respondent's own expense, the right to a hearing on any violations or  
10 allegations formally filed, the right to confront and cross-examine witnesses called to  
11 testify against Respondent, the right to present evidence on Respondent's own behalf, the  
12 right present witnesses to testify on Respondent's behalf, the right to obtain any other  
13 type of formal judicial review of this matter, and any other rights which may be accorded  
14 to Respondent pursuant to provisions of NRS Chapters 678A through 678D, NAC  
15 Chapters 453A and 453D, the NCCR, and any other provisions of Nevada law.  
16 Respondent is waiving all these rights by entering into this Stipulation and Order. If the  
17 CCB rejects this Stipulation and Order, or any portion thereof, Respondent reserves the  
18 right to withdraw any or all waivers.

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

26 7. Respondent acknowledges that this Stipulation and Order shall only become  
27 effective after the CCB has approved it.

28 8. Respondent enters into this Stipulation and Order after being fully advised

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

6 9. In an effort to avoid the cost and uncertainty of a disciplinary hearing, the  
7 Parties have agreed to settle this matter. In settling this matter, Respondent  
8 acknowledges that the facts contained in the paragraphs in the above "Pertinent Facts"  
9 portion of this Stipulation and Order are true and correct. Respondent further  
10 acknowledges that, if the CCB filed and served a Complaint, the "Pertinent Facts" could  
11 be found to constitute one or more violations of Title 56 of NRS (NRS Chapters 678A  
12 through 678D), NRS Chapters 453A and 453D and NAC Chapters 453A and 453D, with  
13 civil penalties of up to \$10,000 per violation and a suspension of Respondent's licenses  
14 and certificates for not more than 20 days, if this matter went to an administrative  
15 hearing.

16 10. To resolve the Administrative Action, and only for those purposes and no  
17 other, Respondent specifically admits to the following violation with respect to CCB Case  
18 No. 2021-35: One violation of NAC 453D.905(3)(b)(4) for failing to notify the Department  
19 of a change of ownership. This violation is applicable to Respondent for the each of the  
20 following certificates and licenses: C175 and RC175.

21 11. Respondent agrees to pay a civil penalty of fifteen thousand dollars  
22 (\$15,000)<sup>3</sup> in consideration of the CCB's agreement to fully resolve the Administrative  
23 Action on the terms set forth herein.

24 12. If the CCB approves this Stipulation and Order, it shall be deemed and  
25 considered disciplinary action by the Board against the Respondent as to each certificate  
26 and license set forth in Paragraph 10, above.

27 13. Both parties acknowledge that the CCB has jurisdiction to consider and  
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<sup>3</sup> This \$15,000 civil penalty shall be apportioned \$7,500.00 each as to C175 and RC175.

1 order this Stipulation and Order because Respondent holds privileged certificates/licenses  
2 regulated by the CCB as of July 1, 2020. Respondent expressly, knowingly, and  
3 intentionally waives the 21-day and/or 5-day notice requirements contained in the  
4 Nevada Open Meeting Law and acknowledges that this Stipulation and Order may be  
5 presented to the CCB for its consideration and potential ratification at the Board's  
6 meeting on March 23, 2021.

### 7 STIPULATED ADJUDICATION

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

11 14. One Category II Violation. Respondent shall be deemed to have committed a  
12 Category II violation, as to each and every license and certificate set forth in Paragraph  
13 10, above, effective on the date the CCB approves this Stipulation and Order.

14 15. Imposition and Payment of Civil Penalties. Respondent shall pay a total  
15 civil penalty in the amount of fifteen thousand dollars (\$15,000) within 30 days of the  
16 date the CCB approves this Stipulation and Order, to be apportioned as set forth in  
17 Paragraph 11, above.

18 16. Potential Future Action against Respondent. The Parties agree that,  
19 pursuant to the specific facts of this case, the progressive disciplinary provisions of NAC  
20 453D.905(4)(b) of two years shall apply to the disciplinary actions herein. Said two-year  
21 period shall commence on the date the CCB approves this agreement. Any additional  
22 Category II violations within said two-year period would invoke the progressive  
23 disciplinary provisions of NAC 453D.905(4)(b). After said two-year period expires, the  
24 CCB may still consider the compliance history of Respondent under NCCR 4.030(2). In  
25 addition to the factors listed for consideration in NCCR 4.030(2), in any future  
26 disciplinary action involving the licenses and certificates of Respondent at issue in this  
27 case, CCB will also take into account and consider the fact that Respondent has  
28 cooperated in and negotiated in good faith in the resolution of CCB Case No. 2021-035.

1           17. Contingency if Approval Denied. If approval of this Stipulation and Order is  
2 denied by CCB, Respondent and counsel for the CCB agree to resume settlement  
3 negotiations in good faith and attempt to reach an agreement to amend this Stipulation  
4 and Order and resubmit an amended Stipulation and Order to the CCB to review for  
5 approval at its next regularly scheduled meeting. If such an agreement cannot be  
6 reached, the Parties agree to proceed with the Administrative Action, which shall include  
7 the filing and service of a disciplinary complaint and a disciplinary hearing before the  
8 CCB or its assigned hearing officer. Should the Administrative Action proceed for the  
9 reasons set forth in this Paragraph, CCB preserves all its claims and arguments in the  
10 Administrative Action as set forth in its Complaint<sup>4</sup> (to be filed) and Respondent  
11 preserves all its defenses and arguments it may assert. An unapproved Stipulation and  
12 Order shall not be admissible as evidence or referenced in argument at any disciplinary  
13 hearing in CCB Case No. 2021-35 or any other matter involving the CCB.

14           18. Contingency if Approval Conditioned. If the CCB approves this Stipulation  
15 and Order, but said approval is contingent on certain conditions, the Parties will  
16 undertake further good faith negotiations to include said conditions in an amended  
17 Stipulation and Order for execution by the CCB Chair. If Respondent does not agree to  
18 the certain conditions imposed by the CCB, the parties will undertake additional  
19 negotiations and attempt to reach an agreement to amend this Stipulation and Order and  
20 resubmit an amended Stipulation and Order to the CCB to review for approval at its next  
21 regularly scheduled meeting. If such an agreement cannot be reached, the Parties agree  
22 to proceed with the Administrative Action, which shall include the filing and service of a  
23 Complaint and a disciplinary hearing before the CCB or its assigned hearing officer.  
24 Should the Administrative Action proceed for the reasons set forth in this Paragraph,  
25 CCB preserves all its claims and arguments in the Administrative Action as set forth in  
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28 <sup>4</sup> If the Parties cannot reach a final agreement approved by CCB, then CCB shall not be limited by this Stipulation and Order in the filing of a Complaint for disciplinary action, which may include allegations which are not contained in this Stipulation and Order.

1 its Complaint<sup>5</sup> (to be filed) and Respondent preserves all its defenses and arguments it  
2 may assert. An unapproved Stipulation and Order shall not be admissible as evidence or  
3 referenced in argument at any disciplinary hearing in CCB Case No. 2021-35 or any other  
4 matter involving the CCB.

5 19. Closure of Disciplinary Action. Once this Stipulation and Order is fully  
6 performed by Respondent, the Administrative Action will be closed.

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

27 \_\_\_\_\_  
28 <sup>5</sup> If the Parties cannot reach a final agreement approved by CCB, then CCB shall not be limited by this  
Stipulation and Order in the filing of a Complaint for disciplinary action, which may include allegations  
which are not contained in this Stipulation and Order.

1 from the Nevada Attorney General's Office.

2       21. Release. In execution of this agreement, Respondent agrees that the State of  
3 Nevada, the CCB, the Office of the Attorney General, and each of their members, staff,  
4 attorneys, investigators, experts, hearing officers, consultants and agents are immune  
5 from any liability for any decision or action taken in good faith in response to information  
6 and data acquired by the CCB. Respondent agrees to release the State of Nevada, the  
7 CCB, the Office of the Attorney General, and each of their members, staff, attorneys,  
8 investigators, experts, hearing officers, consultants and agents from any and all manner  
9 of actions, causes of action, suits, debts, judgments, executions, claims and demands  
10 whatsoever, known or unknown, in law or equity, that Respondent ever had, now has,  
11 may have or claim to have against any and/or all of the persons, government agencies or  
12 entities named in this Paragraph, arising out of, or by reason of, CCB's investigation of  
13 the matters set forth in this Stipulation and Order, or the administration of CCB Case  
14 No. 2021-35.

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

21       Notwithstanding the foregoing, the CCB may consider the discipline imposed  
22 herein in any future disciplinary action against Respondent, as required under NCCR  
23 4.030(2), along with the other factors set forth in NCCR 4.030(2), and possible progressive  
24 discipline pursuant to NCCR 4.035 through 4.060. 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 this Respondent, or any other respondent,  
28 for violations of the same statutes and/or regulations addressed in this Stipulation and



1 Order. Likewise, CCB is not bound by any previous settlement agreements it has  
2 approved in entering into this Stipulation and Order.

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

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

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

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

27 27. Binding Effect. This Stipulation and Order shall be binding upon and inure  
28 to the benefit of the Parties hereto and the Parties' respective successors, predecessors,

1 parents, affiliates, shareholders, employees, heirs, executors, assigns, and administrators.

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

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

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

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


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

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

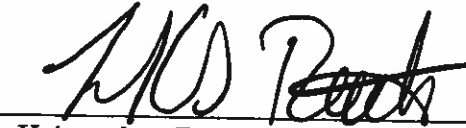
28       34. Counterparts and Copies. This Stipulation and Order may be executed in

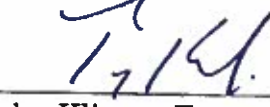
1 counterparts, each of which when so executed and upon delivery to counsel of record for  
2 the Parties and/or the Parties shall be deemed an original ("Counterparts"). This  
3 Stipulation and Order shall be deemed executed when Counterparts of this Stipulation  
4 and Order have been executed by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

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

13   
14 \_\_\_\_\_ Date: 3/8/21  
15 Lesley B. Miller (Nev. Bar No. 7987)  
16 Briana E. Martinez (Nev. Bar No. 14919)  
17 KAEMPFER CROWELL  
18 Counsel for Respondent MLO

19   
20 \_\_\_\_\_ Date: 3/9/2021  
21 Neal Bartoletta, President, Secretary,  
22 Treasurer and Director  
23 On behalf of MLO

24   
25 \_\_\_\_\_ Date: 3/9/2021  
26 L. Kristopher Rath (Nev. Bar No. 5749)  
27 Ashley Balducci (Nev. Bar No. 12687)  
28 Senior Deputy Attorney General  
Counsel for Cannabis Compliance Board

29   
30 \_\_\_\_\_ Date: 3/15/2021  
31 Tyler Klimas, Executive Director for the  
32 Cannabis Compliance Board

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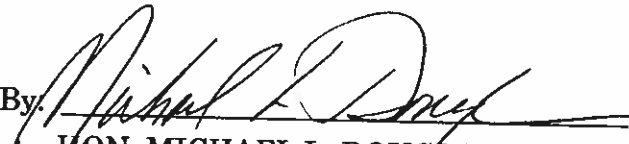
**ORDER**

WHEREAS, on 23<sup>rd</sup> day of March 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 Respondent MLO of Nevada NLV, LLC.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 23<sup>rd</sup> day of March, 2021.

**STATE OF NEVADA,  
CANNABIS COMPLIANCE BOARD**

By:   
HON. MICHAEL L. DOUGLAS, CHAIR