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

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

Case No. 2021-33

Petitioner,

vs.

**NYE FARM TECH, LTD,**

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 Nye Farm Tech, Ltd. ("NFT" or "Respondent"). Pursuant to this Stipulation and Order, Respondent and CCB (collectively, the "Parties") hereby stipulate and agree that CCB Case No. 2021-33 (the "Administrative Action") shall be fully and finally settled and resolved upon terms and conditions set out herein.

**PERTINENT FACTS**

1. Respondent NFT is a registered domestic limited-liability company licensed in Nevada to operate medical and adult-use cannabis cultivation establishments with certificate C169 and license RC169.

2. On December 18, 2020, CCB held a public meeting at which it considered transfer of interest applications ("TOI") submitted by Respondent. Specifically, CCB considered TOI No. 17003, which requested approval of a four-part company ownership reorganization which would allow for 3 owners to resign and permit a change in the ownership percentages of several remaining owners.

1           3.     On initial investigation of the TOI requests, CCB staff found that further  
2 information was required to evaluate the request. During the CCB meeting of December  
3 18, 2020, the CCB deferred final approval of the TOI until Respondent could provide further  
4 information and documents.

5           4.     At its meeting on January 26, 2021, the CCB had CCB staff present the TOI  
6 request once again and it was noted that Respondent had not provided all information  
7 requested at the prior CCB meeting. The CCB referred the matter back to CCB staff and  
8 the Attorney General's Office for further evaluation and potential settlement of any  
9 disciplinary issues with respect to unapproved transfers of interest.

10          5.     Thereafter, CCB staff and Senior Deputy Attorney General L. Kristopher  
11 Rath communicated with Respondent's Point of Contact, Mr. Rick Saga. Mr. Saga produced  
12 additional documents for review, including K-1 forms and amended K-1 forms for  
13 Respondent for 2018 and 2019. The Attorney General and CCB staff determined that  
14 unapproved transfers of interest had occurred. Respondent, through its Point of Contact,  
15 Mr. Saga<sup>1</sup>, agreed to enter into a settlement agreement with CCB, including an admission  
16 to two Category II violations for failing to notify the CCB or the Department of Taxation,  
17 Marijuana Enforcement Division ("the Department") of transfers of interest that had  
18 occurred without prior approval from CCB or the Department.

19          6.     Accordingly, Respondent has conferred with CCB staff and the Office of the  
20 Attorney General, as counsel for CCB, and the Parties have come to an agreement to resolve  
21 this matter as set forth in this Stipulation and Order. Respondent has stipulated to pay a  
22 \$15,000 civil penalty for two violations of NAC 453D.905(3)(b)(4)<sup>2</sup> in lieu of the CCB filing  
23 and serving a Complaint for Disciplinary Action ("Complaint") and proceeding to a  
24 disciplinary hearing. Should the CCB approve this Stipulation and Order, TOI No. 17003  
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26 \_\_\_\_\_  
27 <sup>1</sup> Mr. Saga was fully advised of Respondent's right to obtain counsel during this process and Respondent's  
28 right to have counsel review this Agreement. Mr. Saga, on behalf of Respondent, freely and voluntarily  
declined to retain counsel for Respondent during the course of these negotiations and/or to review this  
Agreement.

<sup>2</sup> The events at issue occurred prior to July 1, 2020, when NAC Chapters 453A and 453D were the regulations  
in effect for cannabis establishments.

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1 shall be deemed approved on the CCB's receipt of payment of the aforementioned civil  
2 penalty.

3 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

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

6 7. Mr. Rick Saga represents and warrants that he is the Point of Contact for  
7 Respondent, a current managing member of Respondent, and duly authorized to execute  
8 this Stipulation and Order on behalf of Respondent and to bind Respondent to all terms  
9 and conditions herein. Respondent has entered into this Stipulation and Order on its own  
10 behalf and with full authority to resolve the claims against it and is aware of its rights to  
11 contest the violations pending against it. These rights include the filing and service of a  
12 disciplinary complaint specifying the charges against Respondent, representation by an  
13 attorney at Respondent's own expense, the right to a hearing on any violations or  
14 allegations formally filed, the right to confront and cross-examine witnesses called to testify  
15 against Respondent, the right to present evidence on Respondent's own behalf, the right  
16 present witnesses to testify on Respondent's behalf, the right to obtain any other type of  
17 formal judicial review of this matter, and any other rights which may be accorded to  
18 Respondent pursuant to provisions of NRS Chapters 678A through 678D, NAC Chapters  
19 453A and 453D, the Nevada Cannabis Compliance Regulations ("NCCR"), and any other  
20 provisions of Nevada law. Respondent is waiving all these rights by entering into this  
21 Stipulation and Order. If the CCB rejects this Stipulation and Order, or any portion thereof,  
22 Respondent reserves the right to withdraw any or all waivers.

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



1 9. Respondent acknowledges that this Stipulation and Order shall only become  
2 effective after the CCB has approved it.

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

9 11. In an effort to avoid the cost and uncertainty of a disciplinary hearing, the  
10 Parties have agreed to settle this matter. In settling this matter, Respondent acknowledges  
11 that the facts contained in the paragraphs in the above "Pertinent Facts" portion of this  
12 Stipulation and Order are true and correct. Respondent further acknowledges that, if the  
13 CCB filed and served a Complaint, the "Pertinent Facts" could be found to constitute one  
14 or more violations of Title 56 of NRS (NRS Chapters 678A through 678D), NRS Chapters  
15 453A and 453D and NAC Chapters 453A and 453D, with civil penalties of up to \$10,000  
16 per violation and a suspension or revocation of Respondent's license and certificate, if this  
17 matter went to an administrative hearing.

18 12. To resolve the Administrative Action, and only for those purposes and no  
19 other, Respondent specifically admits to the following violations with respect to CCB Case  
20 No. 2021-33: Two violations of NAC 453D.905(3)(b)(4) for failing to notify the Department  
21 of changes of ownership. These violations are applicable to Respondent for both the  
22 certificate C169 and license RC169.

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

26 14. If the CCB approves this Stipulation and Order, it shall be deemed and

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28 <sup>3</sup> This \$15,000 civil penalty shall be apportioned \$7,500.00 each as to C169 and RC169.

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1 considered disciplinary action by the Board against the Respondent as to each certificate  
2 and license set forth in Paragraph 12, above.

3 15. Both parties acknowledge that the CCB has jurisdiction to consider and order  
4 this Stipulation and Order because Respondent holds privileged certificates/licenses  
5 regulated by the CCB as of July 1, 2020. Respondent expressly, knowingly, and  
6 intentionally waives the 21-day and/or 5-day notice requirements contained in the Nevada  
7 Open Meeting Law and acknowledges that this Stipulation and Order may be presented to  
8 the CCB for its consideration and potential ratification at the Board's meeting on March  
9 23, 2021.

10 **STIPULATED ADJUDICATION**

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

14 16. Two Category II Violations. Respondent shall be deemed to have committed  
15 two Category II violations, as to each and every license and certificate set forth in  
16 Paragraph 12, above, effective on the date the CCB approves this Stipulation and Order.  
17 Specifically, Respondent committed two violations of NAC 453D.905(3)(b)(4) for failing to  
18 notify the Department of changes of ownership.

19 17. Imposition and Payment of Civil Penalties. Respondent shall pay a total civil  
20 penalty in the amount of fifteen thousand dollars (\$15,000) within 30 days of the date the  
21 CCB approves this Stipulation and Order, to be apportioned as set forth in Paragraph 13,  
22 above.

23 18. Potential Future Action against Respondent. The Parties agree that,  
24 pursuant to the specific facts of this case, the progressive disciplinary provisions of NAC  
25 453D.905(4)(b) of two years shall apply to the disciplinary actions herein. Said two-year  
26 period shall commence on the date the CCB approves this agreement. Any additional  
27 Category II violations within said two-year period would invoke the progressive  
28 disciplinary provisions of NAC 453D.905(4)(b), which could include revocation of the license

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1 and certificate at issue. After said two-year period expires, the CCB may still consider the  
2 compliance history of Respondent under NCCR 4.030(2). In addition to the factors listed  
3 for consideration in NCCR 4.030(2), in any future disciplinary action involving the licenses  
4 and certificates of Respondent at issue in this case, CCB will also take into account and  
5 consider the fact that Respondent has cooperated in and negotiated in good faith in the  
6 resolution of CCB Case No. 2021-33.

7       **19. Contingency if Approval Denied.** If approval of this Stipulation and Order is  
8 denied by CCB, Respondent and counsel for the CCB agree to resume settlement  
9 negotiations in good faith and attempt to reach an agreement to amend this Stipulation  
10 and Order and resubmit an amended Stipulation and Order to the CCB to review for  
11 approval at its next regularly scheduled meeting. If such an agreement cannot be reached,  
12 the Parties agree to proceed with the Administrative Action, which shall include the filing  
13 and service of a disciplinary complaint and a disciplinary hearing before the CCB or its  
14 assigned hearing officer. Should the Administrative Action proceed for the reasons set forth  
15 in this Paragraph, CCB preserves all its claims and arguments in the Administrative  
16 Action as set forth in its Complaint<sup>4</sup> (to be filed) and Respondent preserves all its defenses  
17 and arguments it may assert. An unapproved Stipulation and Order shall not be admissible  
18 as evidence or referenced in argument at any disciplinary hearing in CCB Case No. 2021-  
19 33 or any other matter involving the CCB.

20       **20. Contingency if Approval Conditioned.** If the CCB approves this Stipulation  
21 and Order, but said approval is contingent on certain conditions, the Parties will undertake  
22 further good faith negotiations to include said conditions in an amended Stipulation and  
23 Order for execution by the CCB Chair. If Respondent does not agree to the certain  
24 conditions imposed by the CCB, the parties will undertake additional negotiations and  
25 attempt to reach an agreement to amend this Stipulation and Order and resubmit an  
26 amended Stipulation and Order to the CCB to review for approval at its next regularly  
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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 additional  
allegations which are not contained in this Stipulation and Order.

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1 scheduled meeting. If such an agreement cannot be reached, the Parties agree to proceed  
2 with the Administrative Action, which shall include the filing and service of a Complaint  
3 and a disciplinary hearing before the CCB or its assigned hearing officer. Should the  
4 Administrative Action proceed for the reasons set forth in this Paragraph, CCB preserves  
5 all its claims and arguments in the Administrative Action as set forth in its Complaint<sup>6</sup> (to  
6 be filed) and Respondent preserves all its defenses and arguments it may assert. An  
7 unapproved Stipulation and Order shall not be admissible as evidence or referenced in  
8 argument at any disciplinary hearing in CCB Case No. 2021-33 or any other matter  
9 involving the CCB.

10 21. Closure of Disciplinary Action. Once this Stipulation and Order is fully  
11 performed by Respondent, the Administrative Action will be closed.

12 22. Approval of TOI. Should the CCB approve this Stipulation and Order, TOI  
13 No. 17003 filed by NFT shall be deemed approved upon the CCB's receipt of payment of the  
14 civil penalty set forth in Paragraphs 6, 13 and 17, above.

15 23. Communications with CCB Members. Respondent 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. Respondent understands that the CCB has the right to decide in  
18 its 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.  
22 Respondent acknowledge that such communications may be made or conducted *ex parte*,  
23 without notice or an opportunity for Respondent to be heard on its part until the public  
24 CCB meeting where this Stipulation and Order is discussed, and that such contacts and  
25 communications may include, but may not be limited to, matters concerning this  
26 Stipulation and Order, the Administrative Action and any and all information of every

27 <sup>6</sup> If the Parties cannot reach a final agreement approved by CCB, then CCB shall not be limited by this  
28 Stipulation and Order in the filing of a Complaint for disciplinary action, which may include additional  
allegations which are not contained in this Stipulation and Order.



1 nature whatsoever related to these matters. Respondent agrees that it has no objections to  
2 such *ex parte* communications. CCB agrees that Respondent and/or its counsel may appear  
3 at the CCB meeting where this Stipulation and Order is discussed and, if requested,  
4 respond to any questions that may be addressed to Respondent and/or the Attorney  
5 General's staff attorneys. Respondent agrees that, should the CCB decline to approve this  
6 Stipulation and Order, Respondent will not contest or otherwise object to any CCB member,  
7 and/or CCB appointed hearing officer, hearing and adjudicating the Administrative Action  
8 based on the aforementioned *ex parte* communications with anyone from the Nevada  
9 Attorney General's Office.

10       24. Release. In execution of this agreement, Respondent, agrees that the State of  
11 Nevada, the CCB, the Office of the Attorney General, and each of their members, staff,  
12 attorneys, investigators, experts, hearing officers, consultants and agents are immune from  
13 any liability for any decision or action taken in good faith in response to information and  
14 data acquired by the CCB. Respondent agrees to release the State of Nevada, the CCB, the  
15 Office of the Attorney General, and each of their members, staff, attorneys, investigators,  
16 experts, hearing officers, consultants and agents from any and all manner of actions, causes  
17 of action, suits, debts, judgments, executions, claims and demands whatsoever, known or  
18 unknown, in law or equity, that Respondent ever had, now has, may have or claim to have  
19 against any and/or all of the persons, government agencies or entities named in this  
20 Paragraph, arising out of, or by reason of, CCB's investigation of the matters set forth in  
21 this Stipulation and Order, and/or the administration of CCB Case No. 2021-33 and/or TOI  
22 No. 17003.

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





1 Notwithstanding the foregoing, the CCB may consider the discipline imposed herein  
2 in any future disciplinary action against Respondent, as required under NCCR 4.030(2),  
3 along with the other factors set forth in NCCR 4.030(2), and possible progressive discipline  
4 pursuant to NCCR 4.035 through 4.060. As every case concerns different facts and details,  
5 this Stipulation does not act as precedence to bind CCB to impose any particular penalty,  
6 to charge or allege any particular violation, and/or to impose any particular disciplinary  
7 action in the future for this Respondent, or any other respondent, for violations of the same  
8 statutes and/or regulations addressed in this Stipulation and Order. Likewise, CCB is not  
9 bound by any previous settlement agreements it has approved in entering into this  
10 Stipulation and Order.

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

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

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



1 of their choice, and have been advised by counsel, or opted not to seek advice from counsel.  
2 Mr. Rick Saga, on behalf of Respondent, acknowledges that Respondent has the right and  
3 has had the opportunity to have this Stipulation and Order reviewed by the counsel of  
4 Respondent's choice and to obtain advice from the counsel of Respondent's choice regarding  
5 this Stipulation and Order.

6       29. Warranties of Authority. The Parties to this Stipulation and Order, and each  
7 of them, expressly warrant and represent to all other Parties that each has the full right,  
8 title, and authority to enter into and to carry out its obligations hereunder, with the sole  
9 exception of the required approval of this Stipulation and Order by the CCB. The Parties  
10 also expressly acknowledge the foregoing authority.

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

14       31. Construction. The headings of all Sections and Paragraphs of this Stipulation  
15 and Order are inserted solely for the convenience of reference and are not a part of the  
16 Stipulation and Order and are not intended to govern, limit, or aid in the construction or  
17 interpretation of any term or provision of this Stipulation and Order. In the event of a  
18 conflict between such caption and the paragraph at the head of which it appears, the  
19 paragraph and not such caption shall govern in the construction of this Stipulation and  
20 Order.

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

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

27       34. Interpretation. This Stipulation and Order is the result of negotiations among  
28 the Parties who have each negotiated and reviewed its terms. In the event a Court ever

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1 construes this Agreement, the Parties expressly agree, consent, and assent that such Court  
2 shall not construe this Agreement or any provision hereof against any Party as its drafter  
3 for purposes of interpreting any ambiguity or uncertainty in this Stipulation and Order.

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

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


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


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

  
\_\_\_\_\_  
Rick Sagar, Managing Member  
On behalf of Nye Farm Tech, Ltd.      Date: MARCH 10 2021.

  
\_\_\_\_\_  
L. Kristopher Rath (Nev. Bar No. 5749)  
Ashley Balducci (Nev. Bar No. 12687)  
Senior Deputy Attorney General  
Counsel for Cannabis Compliance Board      Date: 3/10/2021


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

**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 NFT of Nevada NLV, LLC.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 24<sup>th</sup> day of March, 2021.

STATE OF NEVADA,  
CANNABIS COMPLIANCE BOARD  
  
By:   
\_\_\_\_\_  
HON. MICHAEL L. DOUGLAS, CHAIR