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BEFORE THE CANNABIS COMPLIANCE BOARD
STATE OF NEVADA

STATE OF NEVADA, CANNABIS
COMPLIANCE BOARD,

Petitioner,

Case No. 2021-38

vs.

ACRES CULTIVATION LLC, ACRES
DISPENSARY LLC, ACRES MEDICAL
LLC, LAS VEGAS NATURAL
CAREGIVERS LLC, and Naturex II, LLC,

Respondents.

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 Respondents, Acres Cultivation LLC ("Acres Cultivation"), Acres
Dispensary LLC ("Acres Dispensary"), Acres Medical LLC ("Acres Medical"),
Las Vegas Natural Caregivers L.L.C. ("LVNC"), and Naturex II, LLC

1 ("Naturex II")¹ by and through their counsel, Amanda N. Connor, Esq. of the
2 Law Offices of Connor & Connor, PLLC. Pursuant to this Stipulation and
3 Order, Respondents and CCB (collectively, the "Parties") hereby stipulate and
4 agree that CCB Case No. 2021-38 (the "Administrative Action") shall be fully
5 and finally settled and resolved upon terms and conditions set out herein.

6 **PERTINENT FACTS**

7 1. Respondent Acres Cultivation is a registered domestic limited-
8 liability company licensed in Nevada to operate medical and adult-use
9 cannabis cultivation (C013 and RC013) and medical and adult use cannabis
10 production (P012 and RP012) establishments

11 2. Respondent Acres Dispensary is a registered domestic limited-
12 liability company licensed in Nevada to operate medical and adult-use
13 dispensary (D208 and RD208) establishments.

14 3. Respondent Acres Medical is a registered domestic limited-
15 liability company licensed in Nevada to operate medical and adult use
16 cannabis production (P011 and RP011), adult-use dispensary (RD011) and
17 cannabis distribution (T012) establishments.

18 4. Respondent LVNC is a registered domestic limited-liability
19 company licensed in Nevada to operate medical and adult-use cannabis
20 cultivation (C015 and RC015) establishments.

21 5. Respondent Naturex II is a registered domestic limited-liability
22 company licensed in Nevada to operate medical and adult-use cannabis
23 dispensary (D080 and RD080) establishments.

24 6. On April 27, 2021 CCB held a public meeting and considered

25 _____
26 ¹ Acres Cultivation, Acres Dispensary, Acres Medical LLC, LVNC, and Naturex II may be
27 collectively referred to herein as "Respondents"

1 transfer of interest applications (“TOIs”) submitted by Respondent LVNC and
2 Naturex II, LLC to the Department of Taxation (“Department”) in 2019². On
3 investigation, CCB staff found areas of concerns related to a potential
4 purchase of partial membership interest in Naturex II, LLC, prior to receiving
5 Board approval based on statements in Curaleaf Holdings, Inc. Consolidated
6 Financial Statements, the issuance of securities to certain Curaleaf Holdings,
7 Inc., officers and directors as a part of executive compensation packages that
8 was below five percent of outstanding shares between 2019 and 2020, and the
9 October 2019 divestment of a certain shareholder’s shares of Curaleaf
10 Holdings, Inc., prior to receiving Board approvals.

11 7. At the April 27, 2021, CCB meeting, the CCB discussed
12 conditionally approving the aforementioned pending TOI’s on Respondents
13 stipulating to certain violations and/or civil penalties. As set forth herein,
14 Respondents stipulate to pay a \$35,000 civil penalty for violation of NAC
15 453D.905(3)(b)(4) in lieu of the CCB filing and serving a Complaint for
16 Disciplinary Action (“Complaint”) and proceeding to a disciplinary hearing.

17 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

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

20 8. All Respondents have entered into this Stipulation and Order on
21 their own behalves and with full authority to resolve the claims against them
22 and are aware of their rights to contest the violations pending against them.
23 These rights include the filing and service of a disciplinary complaint
24 specifying the charges against Respondents, representation by an attorney at

25 ² TOI No.’s 19071, 19090, and 19091. TOI No. 21015 was assigned in error and is deemed
26 withdrawn.

1 Respondents' own expense, the right to a hearing on any violations or
2 allegations formally filed, the right to confront and cross-examine witnesses
3 called to testify against Respondents, the right to present evidence on
4 Respondents' own behalves, the right present witnesses to testify on
5 Respondents' behalves, the right to obtain any other type of formal judicial
6 review of this matter, and any other rights which may be accorded to
7 Respondents pursuant to provisions of NRS Chapters 678A through 678D,
8 NAC Chapters 453A and 453D, the NCCR, and any other provisions of Nevada
9 law. Respondents, and each of them, are waiving all these rights by entering
10 into this Stipulation and Order. If the CCB rejects this Stipulation and Order,
11 or any portion thereof, Respondents reserve the right to withdraw any or all
12 waivers.

13 9. Should this Stipulation and Order be rejected by the CCB or not
14 timely performed by Respondents, it is agreed that presentation to and
15 consideration by the CCB of such proposed stipulation or other documents or
16 matters pertaining to the consideration of this Stipulation and Order shall not
17 unfairly or illegally prejudice the CCB or any of its members from further
18 participation, consideration, adjudication, or resolution of these proceedings
19 and that no CCB member shall be disqualified or challenged for bias.

20 10. Respondents acknowledge that this Stipulation and Order shall
21 only become effective after the CCB has approved it.

22 11. All Respondents enter this Stipulation and Order after being fully
23 advised of Respondents' rights and as to the consequences of this Stipulation
24 and Order. This Stipulation and Order embodies the entire agreement reached
25 between the CCB and all Respondents. It may not be altered, amended, or
26 modified without the express written consent of the Parties and all alterations,
27 amendments and/or modifications must be in writing.

1 12. In an effort to avoid the cost and uncertainty of a disciplinary
2 hearing, the Parties have agreed to settle this matter. In settling this matter,
3 Respondents all acknowledge that the facts contained in the paragraphs in the
4 above "Pertinent Facts" portion of this Stipulation and Order are true and
5 correct. Respondents further acknowledge that, if the CCB filed and served a
6 Complaint or Complaints as to each of them, the "Pertinent Facts" could be
7 found to constitute on or more violations of Title 56 of NRS (NRS Chapters
8 678A through 678D), NRS Chapters 453A and 453D and NAC Chapters 453A
9 and 453D, with civil penalties of \$10,000, or more, per violation and a
10 revocation or suspension of each of the Respondents' licenses and certificates,
11 if this matter went to an administrative hearing.

12 13. To resolve the Administrative Action, and only for those purposes
13 and no other, Respondents specifically admit to the following violation with
14 respect to CCB Case No. 2021-38: One violation of NAC 453D.905(3)(b)(4) for
15 failing to notify the Department of a change of ownership. This violation is
16 applicable to each Respondent for the following certificates and licenses: (a) for
17 Respondent Acres Cultivation: C013; RC013; P012; and RP012; (b) for
18 Respondent Acres Dispensary: D208 and RD208; (c) for Respondent Acres
19 Medical LLC: RD011; P011; RP011 and T012; (d) for Respondent LVNC: C015
20 and RC015; and (e) for Respondent Naturex II: D080 and RD080.

21 14. Respondents agree to pay a civil penalty of thirty-five thousand
22 dollars (\$35,000)³ in consideration of the CCB's agreement to fully resolve the
23 Administrative Action on the terms set forth herein.

24 15. If the CCB approves this Stipulation and Order, it shall be

25 ³ This \$35,000 civil penalty shall be apportioned \$2,500.00 each as to C013; RC013; P012;
26 RP012; D208; RD208; RD011; P011; RP011; T012; C015; RC015; D080; and RD080.

1 deemed and considered disciplinary action by the Board against each of the
2 Respondents as to each of the certificates and licenses set forth in Paragraph
3 13, above.

4 16. Both parties acknowledge that the CCB has jurisdiction to
5 consider and order this Stipulation and Order because Respondents hold
6 privileged certificates/licenses regulated by the CCB as of July 1, 2020.
7 Respondents expressly, knowingly, and intentionally waive the 21-day and/or
8 5-day notice requirements contained in the Nevada Open Meeting Law and
9 acknowledges that this Stipulation and Order may be presented to the CCB for
10 its consideration and potential ratification at the Board's meeting on May 25,
11 2021.

12 STIPULATED ADJUDICATION

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

16 17. One Category II Violation. Respondents shall be deemed to have
17 committed a Category II violation, as to each and every license and certificate
18 set forth in Paragraph 13, above, effective on the date the CCB approves this
19 Stipulation and Order.

20 18. Imposition and Payment of Civil Penalties. Respondents shall pay
21 a total civil penalty in the amount of thirty-five thousand dollars (\$35,000)
22 within 30 days of the date the CCB approves this Stipulation and Order, to be
23 apportioned as set forth in Paragraph 14, above. Should Respondent's fail to
24 timely pay said civil penalty, Respondents shall be deemed in breach of this
25 Stipulation and Order and deemed to be in default. In such case, CCB shall
26 issue an order of default. In case of default, CCB may file disciplinary actions
27 against Respondents involving any transactions relating to TOI No.'s 19071,
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1 19090, and/ or 19091. Respondents agree they cannot and will not file any
2 petition for judicial review and/or any action in any forum for relief from this
3 order of default and that CCB may file any judicial action necessary to recover
4 the amounts owed under this subsection, along with its attorneys' fees and
5 costs for recovery of amounts owed. Notwithstanding the foregoing,
6 Respondents may request one extension to pay said civil penalty no later than
7 5 business days prior to its due date, which may or may not be granted at the
8 discretion of CCB's Executive Director. If such an extension is granted, then
9 failure to pay said civil penalty by said extended due date shall invoke the
10 penalties set forth in this Paragraph. At such time as the civil penalty is paid,
11 the pending TOIs shall be deemed approved by the CCB and the waivers
12 pursuant to NCCR 5.110, 5.112, and 5.125, are approved and expire on such
13 Agenda date as Respondents' next TOI application is heard.

14 19. Potential Future Action against Respondents. The Parties agree
15 that, pursuant to the specific facts of this case, the progressive disciplinary
16 provisions of NAC 453D.905(4)(b) of two years shall apply to the disciplinary
17 actions herein. Said two-year period shall commence on the date the CCB
18 approves this agreement. Any additional Category II violations within said
19 two-year period would invoke the progressive disciplinary provisions of NAC
20 453D.905(4)(b). After said two-year period expires, the CCB may still consider
21 the compliance history of Respondents under NCCR 4.030(2). In addition to
22 the factors listed for consideration in NCCR 4.030(2), in any future
23 disciplinary action involving the licenses and certificates of Respondents at
24 issue in this case, CCB will also take into account and consider the fact that
25 Respondents have cooperated in and negotiated in good faith in the resolution
26 of CCB Case No. 2021-38. Notwithstanding anything in this Stipulation and
27 Order, CCB reserves its rights to further investigate, and potentially bring any
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1 disciplinary or other actions, any transactions involved with and/or related to
2 TOI No.'s 19071, 19090, and/ or 19091, for any issues unrelated to NAC
3 453D.905(3)(b)(4) and/or NCCR 4.040(1)(a)(6). Respondents and their counsel
4 agree to provide CCB staff with any additional documents and/or information
5 regarding such transactions, at the request of CCB staff.

6 20. Contingency if Approval Denied. If approval of this Stipulation
7 and Order is denied by CCB, Respondents and counsel for the CCB agree to
8 resume settlement negotiations in good faith and attempt to reach an
9 agreement to amend this Stipulation and Order and resubmit an amended
10 Stipulation and Order to the CCB to review for approval at its next regularly
11 scheduled meeting. If such an agreement cannot be reached, the Parties agree
12 to proceed with an Administrative Action, which shall include the filing and
13 service of a disciplinary complaint and a disciplinary hearing before the CCB
14 or its assigned hearing officer. Should the Administrative Action proceed for
15 the reasons set forth in this Paragraph, CCB preserves all its claims and
16 arguments in the Administrative Action as set forth in its Complaint (to be
17 filed) and Respondent preserves all its defenses and arguments it may assert.
18 An unapproved Stipulation and Order shall not be admissible as evidence or
19 referenced in argument at any disciplinary hearing in CCB Case No. 2021-38
20 or any other matter involving the CCB.

21 21. Contingency if Approval Conditioned. If the CCB approves this
22 Stipulation and Order, but said approval is contingent on certain conditions,
23 the parties will undertake further good faith negotiations to include said
24 conditions in an amended Stipulation and Order for execution by the CCB
25 Chair. If Respondents do not agree to the certain conditions imposed by the
26 CCB, the parties will undertake additional negotiations and attempt to reach
27 an agreement to amend this Stipulation and Order and resubmit an amended
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1 Stipulation and Order to the CCB to review for approval at its next regularly
2 scheduled meeting. If such an agreement cannot be reached, the Parties agree
3 to proceed with the Administrative Action, which shall include the filing and
4 service of a Complaint and a disciplinary hearing before the CCB or its
5 assigned hearing officer. Should the Administrative Action proceed for the
6 reasons set forth in this Paragraph, CCB preserves all its claims and
7 arguments in the Administrative Action as set forth in its Complaint (to be
8 filed) and Respondent preserves all its defenses and arguments it may assert.
9 An unapproved Stipulation and Order shall not be admissible as evidence or
10 referenced in argument at any disciplinary hearing in CCB Case No. 2021-38
11 or any other matter involving the CCB.

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

14 23. Communications with CCB Members. Respondents understand
15 that this Stipulation and Order will be presented to the CCB in open session at
16 a duly noticed and scheduled CCB meeting. Respondents understand that the
17 CCB has the right to decide in its own discretion whether or not to approve
18 this Stipulation and Order. The CCB's counsel, which is the Nevada Attorney
19 General and its staff attorneys, will recommend approval of this Stipulation
20 and Order. In the course of seeking CCB acceptance of this Stipulation and
21 Order, counsel for CCB may communicate directly with individual CCB
22 members one at a time. Respondents acknowledge that such communications
23 may be made or conducted *ex parte*, without notice or an opportunity for
24 Respondents to be heard on their parts until the public CCB meeting where
25 this Stipulation and Order is discussed, and that such contacts and
26 communications may include, but may not be limited to, matters concerning
27 this Stipulation and Order, the Administrative Action and any and all

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

10 24. Release. In execution of this agreement, Respondents, and each
11 of them, agree that the State of Nevada, the CCB, the Office of the Attorney
12 General, and each of their members, staff, attorneys, investigators, experts,
13 hearing officers, consultants, employees, and agents are immune from any
14 liability for any decision or action taken in good faith in response to
15 information and data acquired by the CCB. Respondents, and each of them,
16 agree to release the State of Nevada, the CCB, the Office of the Attorney
17 General, and each of their members, staff, attorneys, investigators, experts,
18 hearing officers, consultants, employees, and agents from any and all manner
19 of actions, causes of action, suits, debts, judgments, executions, claims and
20 demands whatsoever, known or unknown, in law or equity, that Respondents
21 ever had, now has, may have or claim to have against any and/or all of the
22 persons, government agencies or entities named in this Paragraph, arising out
23 of, or by reason of, CCB's investigation of the matters set forth in this
24 Stipulation and Order, or the administration of CCB Case No. 2021-38.

25 25. No Precedence. The Parties agree that this Stipulation and Order
26 shall not constitute a precedent for any other issues or proceedings before the

1 CCB and/or in any other forum, other than those set forth in this Stipulation
2 and Order. Furthermore, this Stipulation and Order shall not be admissible in
3 any other proceeding or action with respect to proof of fact or any other matter
4 and/or any other licensee and/or cannabis establishment registered agent.

5 Notwithstanding the foregoing, the CCB may consider the discipline
6 imposed herein in any future disciplinary action against Respondents, as
7 required under NCCR 4.030(2), along with the other factors set forth in NCCR
8 4.030(2), and possible progressive discipline pursuant to NAC 453D.905 and/or
9 NCCR 4.035 through 4.060⁴. As every case concerns different facts and details,
10 this Stipulation does not act as precedence to bind CCB to impose any
11 particular penalty, to charge or allege any particular violation, and/or to
12 impose any particular disciplinary action in the future for these Respondents,
13 or any other respondents in another CCB case, for violations of the same
14 statutes and/or regulations addressed in this Stipulation and Order. Likewise,
15 CCB is not bound by any previous settlement agreements it has approved in
entering into this Stipulation and Order.

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

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

22 28. Voluntary and Informed Agreement. Respondents represent that
23 their owners, officers, and/or its directors, who are responsible for and able to
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26 ⁴ Except as may otherwise be limited under Paragraph 19 above, with respect to progressive discipline.

1 legally bind Respondents have read completely and understand fully the terms
2 of this Stipulation and Order, that such terms are fully understood and
3 voluntarily accepted by Respondents in advance of and as memorialized by the
4 signing of this Stipulation and Order, and that Respondents' signature to this
5 Stipulation and Order indicates same. Respondents further represent that
6 they have voluntarily entered into this Stipulation and Order to make a full,
7 final, and complete compromise upon the terms and conditions set forth
8 herein. Respondents further represent that any releases, waivers, discharges,
9 covenants, and agreements provided for in this Stipulation and Order have
10 been knowingly and voluntarily granted and without any duress or undue
11 influence of any nature from any person or entity. The Parties, and each of
12 them, hereby expressly acknowledge that they are each represented by counsel
13 of their own choice in this matter or have had an opportunity to obtain
14 representation by counsel of their choice, and have been advised by counsel
15 accordingly.

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

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

25 31. Construction. The headings of all Sections and Paragraphs of
26 this Stipulation and Order are inserted solely for the convenience of reference

1 and are not a part of the Stipulation and Order and are not intended to govern,
2 limit, or aid in the construction or interpretation of any term or provision of
3 this Stipulation and Order. In the event of a conflict between such caption and
4 the paragraph at the head of which it appears, the paragraph and not such
5 caption shall govern in the construction of this Stipulation and Order.

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

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

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

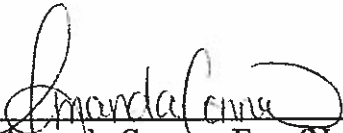
20 35. Time is of the Essence. Time is of the essence in the performance
21 of all terms of this Stipulation and Order.

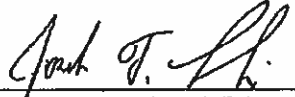
22 36. Severability. If any portion of this Stipulation and Order, or its
23 application thereof to any person or circumstance, shall be deemed to any
24 extent to be invalid, illegal, or unenforceable as a matter of law, all remaining
25 clauses of this Stipulation and Order and its application thereof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

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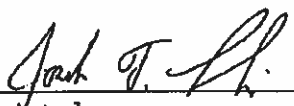
1 executed in counterparts, each of which when so executed and upon delivery to
2 counsel of record for the Parties and/or the Parties shall be deemed an original
3 ("Counterparts"). This Stipulation and Order shall be deemed executed when
4 Counterparts of this Stipulation and Order have been executed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

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


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16 Amanda Connor, Esq. (Nev. Bar No. 12193) Date: 5/21/2021
17 Counsel for Respondents Acres Cultivation
18 LLC; Acres Dispensary LLC; Acres Medical
19 LLC; Las Vegas Natural Caregivers LLC;
and Naturex II, LLC

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22 Printed name: Joseph F. Lusardi Date: 05/21/2021
23 On behalf of Acres Cultivation LLC

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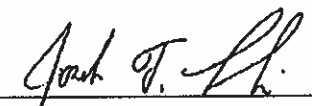
Printed name: Joseph F. Lusardi Date: 05/21/2021
On behalf of Acres Dispensary LLC



Printed name: Joseph F. Lusardi Date: 05/21/2021
On behalf of, Acres Medical LLC



Printed name: Joseph F. Lusardi Date: 05/21/2021
On behalf of, Las Vegas Natural Caregivers L.L.C.



Printed name: Joseph F. Lusardi Date: 05/21/2021
On behalf of, Naturex II, L.L.C.



Date: 5/21/2021
L. Kristopher Rath (Nev. Bar No. 5749)
Ashley Balducci (Nev. Bar No. 12687)
Senior Deputy Attorney General
Counsel for Cannabis Compliance Board



Date: 5/24/21
Tyler Klimas, Executive Director for the Cannabis Compliance Board

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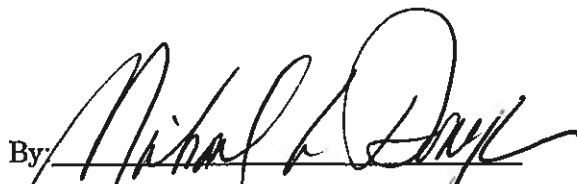
ORDER

WHEREAS, on 25th day of May 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 Respondents Acres Cultivation LLC, Acres Dispensary LLC, Acres Medical LLC, Las Vegas Natural Caregivers LLC, and Naturex II, LLC.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 25th day of May, 2021.

**STATE OF NEVADA,
CANNABIS COMPLIANCE BOARD**

By: 
HON. MICHAEL L. DOUGLAS, CHAIR