

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

3 STATE OF NEVADA, CANNABIS
4 COMPLIANCE BOARD,

Case No. 2021-42

5 Petitioner,

6 vs.

7 ACC ENTERPRISES, LLC,

8 Respondent.
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10 **FINDINGS OF FACT, CONCLUSIONS OF LAW, AND EMERGENCY ORDER**
11 **PLACING RECEIVER TO OPERATE RESPONDENT**

12 This matter came before the Cannabis Compliance Board, State of Nevada (the
13 “CCB”), on July 29, 2021, pursuant to NCCR 4.105, with the following CCB members in
14 attendance: Chair Michael Douglas, Member Dennis Neilander, and Member Jerrie
15 Merritt. The CCB having heard the testimony of the CCB’s Executive Director Tyler Klimas
16 and the applicant for Receiver William Leonard, Jr., having heard from counsel for
17 Respondent ACC Enterprises, LLC (“ACC”), Adam Fulton, Esq., and having reviewed the
18 evidence presented, now hereby enters the following Findings of Fact, Conclusions of Law,
19 and Emergency Order Placing Receiver to Operate ACC:
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21 **FINDINGS OF FACT**

22 1. Respondent ACC is the holder of medical and adult use cannabis cultivation
23 licenses, with identification numbers C130 and RC130.

24 2. Respondent ACC is a domestic limited liability company registered in Nevada,
25 according to the Nevada Secretary of State. The Nevada Secretary of State, as of July 28,
26 2021, lists Howard Misle as the sole managing member of ACC.

27 3. On July 18, 2021, Howard Misle died.

28 4. Since the death of Howard Misle on July 18, 2021, ACC has not had an owner
with a valid cannabis establishment registration agent card. Although there are currently

1 employees of ACC operating the establishment who possess valid cannabis establishment
2 registration agent cards, there are currently no surviving owners of the licensee holding
3 such agent card and, as such, no one to take overall responsibility for the acts and/or
4 omissions of the licensee.

5 5. There is the imminent potential for impairment to the health and safety of the
6 public because ACC does not currently have an owner with a valid cannabis establishment
7 registration agent card to take control of the company and to be responsible for any acts or
8 omissions of the company.

9 6. CCB staff must further investigate ownership issues and ownership transfers
10 which may have taken place without regulatory approval and other potential violations of
11 regulations and statutes which may have occurred.

12 7. Should ACC submit any requests for transfers of ownership interests for new
13 owners, CCB staff must take time to investigate the suitability and qualifications of such
14 proposed new owners prior to granting approval of any such transfers of interest.

15 8. Counsel for ACC has represented that ACC is the third largest employer in
16 Pahrump, Nevada, and ACC's closure would have a substantial negative impact on its
17 multiple employees and, potentially, a negative economic impact on Pahrump.

18 9. Based on the foregoing facts, the CCB finds it appropriate to place a Receiver
19 to take possession of, manage the operations of, and take responsibility for ACC's
20 compliance with Nevada law.

21 10. William Leonard, Jr. ("Mr. Leonard"), has submitted an application for a
22 cannabis establishment agent registration card and the CCB has issued Mr. Leonard a
23 temporary cannabis establishment registration agent card. A final cannabis establishment
24 registration agent card will be issued after the full background check has been completed.

25 11. Pursuant to A.B. 326, Section 1.69 (effective July 1, 2021¹) CCB and its staff
26 have examined Mr. Leonard's qualifications and credentials and found Mr. Leonard to be
27 an acceptable Receiver to operate and manage ACC.

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¹ See Section 3 of A.B. 326.

1 12. Counsel for ACC and the widow and heir of Howard Misle, Meghan Konecne,
2 have requested and are agreeable to the placement of Mr. Leonard as Receiver to manage,
3 operate, take control of, and be responsible for ACC’s compliance with Nevada law, pending
4 resolution of the current investigation of ownership issues, other potential violations, and
5 approval of potential transfers of ownership interests.

6 **CONCLUSIONS OF LAW**

7 13. As Respondent holds a privileged license issued by the CCB, Respondent is
8 subject to the jurisdiction of the CCB pursuant to NRS 678A through 678D and the NCCR.

9 14. Pursuant to NRS 678A.005(4), the Nevada Legislature found and declared to
10 be the public policy of this State that “[a]ll cannabis establishment...must therefore be
11 licensed, controlled and assisted to protect the public health, safety, morals, good order and
12 general welfare of the inhabitants of the State, to foster the stability and success of the
13 cannabis industry to preserve the competitive economy and policies of free competition of
14 the State of Nevada.”

15 15. NCCR 4.105(1) provides, in part, that if, “ there could be an impairment of the
16 health and safety of the public, the Executive Director... will convene an emergency Board
17 meeting telephonically”.

18 16. A.B. 326, Section 1.69, effective July 1, 2021, sets forth the qualifications for
19 the placement of a Receiver for a cannabis establishment.

20 17. The CCB finds that Mr. Leonard meets the requirements of A.B. 326, Section
21 1.69, to be placed as Receiver for ACC.

22 18. Based on the foregoing factual findings and the preponderance of the evidence,
23 the CCB voted 3-0 that the issuance of an Emergency Order of Placement of a Receiver is
24 imperatively required to protect the public health, safety, and welfare.

25 **ORDER REGARDING PLACEMENT OF RECEIVER**

26 For good cause appearing to the CCB, by a 3-0 vote, the CCB finds that the public
27 health, safety, and welfare imperatively requires emergency action to warrant the issuance
28 of an Emergency Order of Placement of Receiver, this Emergency Order is effective

1 immediately.

2 As Receiver for ACC, Mr. Leonard shall immediately take possession and control of
3 ACC and manage the operations of ACC in the best interests of the licensee. The Receiver's
4 duties shall include operating and managing ACC, ensuring ACC's compliance with
5 Nevada Law, and responding to any and all inquiries and investigation requests from the
6 CCB and its staff. The Receiver shall be subject to all the responsibilities and requirements
7 of a cannabis agent card holder under NRS Title 56 and the Nevada Cannabis Compliance
8 Regulations, including but not limited to any disciplinary provisions. The Receiver shall be
9 independent and may not be represented by counsel for ACC and/or counsel for the Estate
10 of Howard Misle. The Receiver may retain independent counsel to represent the Receiver.
11 The Receiver shall provide CCB with a report of his initial activities with ACC no later
12 than Monday, August 16, 2021, and shall provide reports to the CCB thereafter on a
13 monthly basis, on the 15th day of each month, or the first business day thereafter. The
14 Receiver shall remain in place until CCB has approved his removal. ACC may apply to the
15 CCB to remove the Receiver at any time, but the CCB must approve removal by a majority
16 vote. ACC is responsible for payment of the Receiver's fees and costs for the execution of
17 his duties as set forth herein.

18 The Receiver's reports shall be submitted to:

19 Tyler Klimas, Executive Director
20 Cannabis Compliance Board
21 555 E. Washington Venue, Suite 4100
22 Las Vegas, Nevada 89101
23 tklimas@ccb.nv.gov

24 The CCB's agreement to placement of the Receiver does not preclude the CCB from
25 assessing fines and/or pursuing disciplinary action against Respondent for any violations
26 connected with the operations and/or management of ACC, whether occurring prior to,

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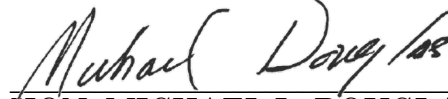
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1 during, or after the term of the Receiver. ACC will receive the due process required under
2 Nevada law for any such disciplinary actions.

3 **IT IS SO ORDERED.**

4 DATED: July 29, 2021.

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

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HON. MICHAEL L. DOUGLAS, CHAIR

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CERTIFICATE OF SERVICE

I hereby certify that I am an employee of the Cannabis Compliance Board and I have this day served the foregoing Findings of Fact, Conclusions of Law, and Emergency Order Placing Receiver to Operate Respondent in Case No. 2021-42 to the following:

By electronic mail to:

Adam Fulton, Esq., Counsel for Respondent ACC Enterprises, LLC at afulton@jfnvlaw.com

L. Kristopher Rath, Counsel for Petitioner Cannabis Compliance Board at lrath@ag.nv.gov

Dated at Las Vegas, Nevada this 29th day of July 2021.



Amber Virkler, Executive Assistant