

1 2. During all relevant times mentioned in this Complaint, Helios is and was
2 registered as a domestic limited liability company in the State of Nevada. The Nevada
3 Secretary of State lists the Manager of Helios as Hydrovize International, Inc. During all
4 relevant times mentioned in this Complaint, Hydrovize International, Inc., is and was
5 registered as a domestic corporation in the State of Nevada. The Nevada Secretary of State
6 lists the President of Hydrovize International, Inc. as West H. Plischke (“Plischke”), the
7 Treasurer as Plischke, and the Secretary as Kiera Sears (“Sears”). Sears is listed as the
8 Point of Contact for Helios with the CCB. As of September 8, 2021, the owners of record
9 with the CCB are Irene Howard, Plischke, Johanna Thidling, Hans Heller, Caleb Putnam,
10 Orlando Padilla, Sears, Arturo Rodriguez, Aurelio Carlos, Jr., Christian Klump, Abraam
11 Mikhael, Christopher Hicks, and Yvonne Bin.

12 3. Laws 2019, c. 595, § 240, eff. July 1, 2020, states, in pertinent part, as follows:

13 1. The administrative regulations adopted by the Department of Taxation
14 pursuant to chapters 453A and 453D of NRS governing the licensing and
15 regulation of marijuana establishments and medical marijuana
16 establishments remain in force and are hereby transferred to become the
17 administrative regulations of the Cannabis Compliance Board on July 1, 2020.
18 On and after July 1, 2020, these regulations must be interpreted in a manner
19 so that all references to the Department of Taxation and its constituent parts
20 are read and interpreted as being references to the Cannabis Compliance
21 Board and its constituent parts, regardless of whether those references have
22 been conformed pursuant to section 244 of this act at the time of
23 interpretation...

24 3. Any action taken by the Department of Taxation or its constituent parts
25 pursuant to chapter 453A and 453D of NRS governing the licensing and
26 regulation of marijuana establishments and medical marijuana
27 establishments before July 1, 2020, remains in effect as if taken by the
28 Cannabis Compliance Board or its constituent parts on and after July 1, 2020.

29 4. Effective July 1, 2020, and pursuant to NRS 678A.350, the CCB superseded
30 the Marijuana Enforcement Division of the Department of Taxation (the “Department”) in
31 enforcing Nevada’s laws and regulations for the cannabis industry.

32 5. As set forth below, the events at issue in this CCB Complaint occurred prior
33 to and after July 1, 2020, when Helios was licensed pursuant to NRS Chapters 453A and

1 453D and NAC Chapters 453A and 453D, but before the Nevada Cannabis Compliance
2 Board Regulations went into effect. Helios is subject to the jurisdiction of the CCB and
3 subject to discipline pursuant to NRS 678A through 678D and the relevant provisions of
4 NRS Chapters 453A and 453D and NAC 453A and 453D. Violations are referenced herein
5 to the statutes and regulations in effect at the time each said violation occurred and/or was
6 discovered. Pursuant to NCCR 4.010, the procedural rules set forth in NRS 678A.500
7 through 678A.640 apply to this disciplinary proceeding.

8 6. Pursuant to NRS 678A.500 and 678A.510(1), the CCB's Executive Director
9 has transmitted the details of the suspected violations of Helios to the Attorney General
10 and the Attorney General has investigated the suspected violations to determine whether
11 they warrant proceedings for disciplinary action. The Attorney General has recommended
12 to the Executive Director that further proceedings are warranted, as set forth in this
13 Complaint. The Executive Director has transmitted this recommendation and information
14 to the CCB. Pursuant to NRS 678A.510(2)(b), the CCB has voted to proceed with
15 appropriate disciplinary action under NRS 678A.520 through 678A.600. Pursuant to NRS
16 678A.520(1), the CCB's Executive Director has authorized service of this Complaint upon
17 Respondent.

18 **FACTUAL ALLEGATIONS**

19 7. CCB incorporates all prior Paragraphs as though fully set forth herein.

20 **A. History of Noncompliance**

21 **a. Statement of Deficiencies – May 11, 2018**

22 8. On or about May 7, 2018, the Department's Inspector Nataliya Wood ("Wood")
23 and Auditor Stephen Rudy ("Rudy") (collectively "investigators") conducted a routine
24 inspection and audit at Helios' facility where they identified, among other things, eight bins
25 containing packaged marijuana in secure storage without package tags or other identifying
26 information affixed to the bins. Two of the bins with package tags, test results and other
27 identifying documents mistakenly used the bin numbers instead of lot numbers on their
28 internal inventory control documents. Four identified small packages and a jar of

1 marijuana were in secure storage where the employees could not provide the associated
2 batch/lot/harvest/test results.

3 9. On or about May 24, 2018, Helios proposed a Plan of Correction to the
4 Statement of Deficiencies that the Department approved on or about May 29, 2018.

5 **b. Statement of Deficiencies – March 6, 2019**

6 10. On or about March 1, 2019, Wood and Rudy conducted a routine inspection
7 and audit at Helios' facility where they discovered in a secure storage room a bin with four
8 bags of trim and eight bags of very fine trim/cannabis dust/kief without any METRC tags.
9 A freezer in the facility also contained thirteen packets of cannabis products without
10 METRC tags. Helios's staff could not identify what these items were. Wood and Rudy noted
11 this was a repeat violation from the May 7, 2018, inspection. Investigators also discovered
12 four trays of plants in their vegetative phase that did not have individual METRC tags,
13 even though the plants had grown substantially higher than eight inches.

14 11. On or about March 18, 2019, Helios proposed a Plan of Correction to the
15 Statement of Deficiencies that the Department approved on or about March 29, 2019.

16 **c. Summary Suspension – October 18, 2019**

17 12. On or about August 7, 2019, Wood and the Department's Auditor Ashley
18 Leano ("Leano") (collectively "investigators") conducted a routine inspection and audit at
19 Helios' facility and discovered approximately 390 cannabis plants without METRC tags or
20 any other tags to identify source, quantity, strain, and other required information. Helios'
21 staff did not provide any documentation from METRC for the untagged and unlabeled
22 cannabis plants.¹ Leano quarantined the untagged cannabis plants pending the results of
23 the investigation. When investigators walked and checked the rooms in Helios' facility,
24 Plischke reported that four days prior a fire occurred in one of the rooms containing
25 cannabis plants that damaged and/or destroyed cannabis plants.² Leano reviewed video
26

27 ¹ METRC is the name for the State's seed-to-sale tracking system. METRC, seed-to-sale inventory system, or
seed-to-sale tracking are used synonymously throughout this Complaint for Disciplinary Action.

28 ² It is a Category II violation under NAC 453D.905(3)(9) for a cannabis establishment to fail to cease operation
and notify the Department during an imminent health hazard. NAC 453D.905(5)(h) identifies a fire as an
imminent health hazard.

1 surveillance that revealed the fire occurred fifteen days prior and not four days. The
2 Department's investigators discovered approximately 22 untagged cannabis plants in the
3 room where the fire started. Plischke indicated the METRC tags fell off the cannabis plants
4 while cleaning the cannabis plants after the fire. Helios only provided the Department with
5 18 METRC tags.

6 13. On or about October 17, 2019, Plischke informed the Department that it was
7 becoming necessary to harvest the untagged cannabis plants in quarantine. Plischke
8 requested permission to harvest the untagged cannabis plants and then placed in another
9 room under quarantine pending the outcome of the investigation. On or about October 18,
10 2019, the Department issued a Summary Suspension of Helios' medical cultivation
11 certificate and recreational cultivation license for the untagged cannabis plants discovered
12 during the routine inspection and audit on or about August 7, 2019.

13 14. On or about October 22, 2019, Helios submitted a Plan of Correction where
14 Helios proposed destruction of the 390 untagged cannabis plants and a \$2,500 civil penalty
15 to be paid to the Department to lift the suspension. Leano and the Department's Health
16 Program Manager III Steve Gilbert ("Gilbert") witnessed Helios destroy and dump the 390
17 untagged cannabis plants. The Department vacated the hearing on the summary
18 suspension after Helios paid the \$2,500 civil penalty and destroyed the 390 untagged
19 cannabis plants on or before October 26, 2019.

20 **B. Tax Non-Compliance - June 30, 2019 - June 30, 2020**

21 15. Helios has a history of filing late tax returns with either partial or no payment
22 of the wholesale cannabis tax owed for the following tax periods:

23	Period	Tax	Penalty	Interest	Total AR	Post Mark Date	Reason
24	06/30/19	\$	\$3,810.45	\$1,430.94	\$5,241.39	12/09/19	Late Filed/ Partial Remittance
25	08/31/19	\$	\$1,446.93	\$325.92	\$1,772.85	12/09/19	Late Filed/ No Remittance
26	09/30/19	\$	\$2,133.00	\$1,791.48	\$3,924.48	10/31/19	No Remittance
27							
28							

1	12/31/19	\$	\$1,925.00	\$2,275.17	\$4,200.17	01/29/20	No Remittance
2	01/31/20	\$40,694.30	\$6,020.93	\$8,371.74	\$55,086.97	04/20/20	Late Filed/ No Remittance
3	02/29/20	\$18,715.44	\$2,641.56	\$3,277.35	\$24,634.35	03/31/20	No Remittance
4	03/31/20	\$33,032.04	\$3,303.20	\$4,211.59	\$40,546.83	04/20/20	No Remittance
5	04/30/20	\$8,568.35	\$856.84	\$1,028.20	\$10,453.39	05/13/20	Late Filed/ Partial Remittance
6	05/31/20	\$21,205.11	\$2,120.51	\$2,385.57	\$25,711.19	06/09/20	No Remittance
7	06/30/20	\$19,154.03	\$1,915.40	\$2,011.17	\$23,080.60	07/09/20	No Remittance
8		\$141,369.27	\$26,173.82	\$30,289.94	\$197,833.03		

10 **C. Complaint - March 3, 2020**

11 16. On or about March 3, 2020, the Department's Investigator Jeffrey Justus
12 ("Justus") received a complaint from a complainant by the name of Jennifer Dunlap
13 ("Dunlap") regarding Helios. Among other things, Dunlap alleged Helios sold contaminated
14 cannabis and mislabeled cannabis in the illicit market as opposed to destroying it. Dunlap
15 also alleged that all employees at Helios had access to the vault that stored the cannabis
16 product. Dunlap alleged that the owner told employees to falsify inventory documents and
17 sales (sales and receipts did not always match). Dunlap alleged that Helios inaccurately
18 entered weights with cannabis altered or removed from inventory to make it match to what
19 was in METRC. Dunlap alleged cannabis stock was improperly stored and labeled. Dunlap
20 identified February 3, 2020, as the date these issues occurred.

21 17. Justus and Leano (collectively "investigators") investigated the allegations in
22 Dunlap's complaint, which included, but was not limited to, inspecting Helios' facility,
23 inventorying Helios' facility, and interviewing current and/or past employees of Helios, who
24 all requested to remain anonymous.

25 18. On or about March 3, 2020, investigators called and emailed Dunlap without
26 any response.

27 19. On or about March 4, 2020, investigators visited the address for Dunlap, but
28 no one answered. That same day, investigators arrived at Helios' facility at approximately

1 12:12 p.m., spoke with Georgina Miller ("Miller"), Helios' Compliance Officer, explained the
2 reason for the visit, and requested 45 days of video surveillance for all interior and exterior
3 cameras. Miller said to investigators that she would start as soon as she could get an
4 external hard drive. Investigators also began a complete inventory of all cannabis and
5 cannabis product. Investigators found several items untagged as follows:

Item #	Description/ Location
1	1 glass jar with 3.5 grams of marijuana on a shelf in vault room.
2	10 small glass jars with 1 grams of marijuana on a shelf in vault room.
3	1 large clear plastic bag with marijuana bud found on a white bin in vault room. Weight 557.92 grams
4	1 small clear plastic bag with marijuana shake with blue tape (H22-Ringo's Gift" written on it) found in a white bin in vault room. Weight 90.27 grams
5	1 clear glass with green lid (tape on lid with "H-22 Starkiller" written on it) with an unknown amount of marijuana seeds inside glass.
6	1 clear plastic bag with unknown amount of marijuana seeds with "H16 Candyland" written on it found in a large opaque bin with green lid under the counter in the main office.
7	1 clear plastic bag with unknown amount of marijuana seeds in a bag with "H16 Original Glue" written on it found in a large opaque bin with green lid under the counter in the main office.
8	1 clear plastic bag with unknown amount of marijuana seeds in a bag with "H17 Candyland" written on it found in a large opaque bin with green lid under the counter in the main office.
9	1 clear plastic bag with unknown amount of marijuana seeds in a bag with "H15 Candyland" written on it found in a large opaque bin with green lid under the counter in the main office.
10	1 clear plastic bag with unknown amount of marijuana seeds in a bag with "H15 Purple Punch" written on it found in a large opaque bin with green lid under the counter in the main office.

23 Investigators placed an evidence tag on the items, photographed the items, and placed the
24 items in a large white bin. Justus placed a red quarantine seal on all 4 sides of the bin. The
25 bin was placed in the vault, which was the only place that was secure with limited access.
26 Investigators told Miller that they would be back the next day to complete the inventory.
27 Investigators left Helios' facility at or about 5:15 p.m.

28 ///

1 20. At approximately 6:27 p.m., Witness #1 met with investigators. Witness #1
2 told investigators that they had seen cannabis lots more than five pounds. Witness #1
3 reported observing Plischke open a bag of cannabis, scoop out the cannabis, leave, and then
4 leave the bag open. The cannabis Plischke scooped out was not returned and disappeared.
5 There were variances in weights for bags containing cannabis. A certain weight would be
6 recorded initially and then the next day the weight would change significantly. Cannabis
7 was missing in pounds. Plischke also used, without the Department's approval, an "Ice
8 Machine."

9 21. At approximately 7:19 p.m., Witness #2 spoke with investigators and wrote a
10 statement. Witness #2 wrote that they had seen a lot of irregular and improper handling
11 of cannabis and cannabis product. Witness #2 had knowledge of improper tagging,
12 recording, and accounting for product in METRC. Bags of cannabis entered in METRC as
13 destroyed were later found in bins in the vault room. Witness #2 discussed improper
14 tagging and entering of information into METRC with Plischke, who told Witness #2 it was
15 too much work, not important and too much data entry. Witness #2 researched the strains
16 of plants and found numerous errors when packaged product was moved over from the
17 medical to recreational license, such as strain names between harvest and initial
18 packaging, flower lots over 5 pounds, etc. Witness #2 alleged that Plischke falsified
19 documents showing the strain "Starkiller" was an accidental cross breed. Plischke's cousin,
20 Eric West ("West"), told Witness #2 that he found a seed in a purchase that he made at
21 another dispensary and gave that seed to Plischke. Plischke also said to Witness #2 that
22 the strain "Ringo's Gift" genetics came from a purchase West made at another dispensary.
23 Witness #2 wrote that no communication was received from the cultivation team or
24 Plischke regarding germinating seeds until Harvest 22. These new items appeared to be
25 packaged and ready for testing but Witness #2 felt the harvested plants should be destroyed
26 due to lack of knowledge of possible cross breeding or hermaphrodite plants creating seed
27 due to stress. Witness #2 wrote there was a serious financial crisis with Helios. Paychecks
28 bounced, former employees filed claims with the Nevada Labor Commissioner to try and

1 recover wages not paid to them, there was missing money (over \$2 million) and there were
2 problems with QuickBooks reconciliations and issues with Plischke's personal CPA.
3 Witness #2 wrote that in November 2019, Plischke used an unapproved ice water extraction
4 machine to process untracked material into "hash." Witness #2 wrote that the ice water
5 hash was never recorded in METRC, and they have no idea where it went. Witness #2 has
6 been to Plischke's house and seen several "Tupperware" containers of "Hydro star" product
7 in them. Plischke told Witness #2 that he only smokes Hydrostar "weed" and thinks it's the
8 best.

9 22. On or about March 5, 2020, at approximately 12:15 p.m., investigators arrived
10 at Helios' facility to finish the inventory. During the inventory, investigators also found
11 items #11 through #18, as set forth below, were either untagged, underweight, overweight,
12 or had multiple METRC tags. Investigators placed an evidence tag on them, photographed
13 them, and placed them in a large white bin. Justus placed a red quarantine seal on all 4
14 sides of the bin. Investigators placed the bin in the vault on a shelf above the first
15 quarantined bin. The following cannabis products were either untagged, underweight,
16 overweight, or had multiple METRC tags was quarantined by investigators:

17	11	Small clear plastic bag with marijuana bud with no other marking on bag. Weight 163.3 grams. Found in a white bin in the vault room. (untagged)
18	12	Small clear plastic bag with marijuana shake in it with no other marking on the bag. Weight 104.33 grams. Found in a white bin in the vault room. (untagged)
19	13	Large clear plastic bag with marijuana bud and plastic bowl with no other marking on the bag. Weight 576.06 grams. Found in a white bin in the vault room. (untagged)
20	14	Large clear plastic bag with marijuana shake with no other marking on the bag. Weigh 1,247.38 grams. Found in a white bin in the vault room. (untagged)
21	15	Large clear plastic bag with marijuana shake in it with no other markings on the bag. Weight 1,102.23 grams. Found in a white bin in the vault room. (untagged)
22	16	Large clear plastic bag with marijuana bud and shake with METRC tag with #2778 and "H21 Original Glue l.1 2.78 lbs." written on it. Found in white bin in the vault room. Weight 535.24 grams. (tagged but incorrect

	weight)
17	Small clear plastic bag with marijuana popcorn and shake in it. METRC tag with #2776“H21 X 6011 5 lbs.” written on it. Found in a white bin in the vault room. Weight 312.98 grams. (tagged but incorrect weight)
18	Large clear plastic bag with marijuana popcorn and shake in it. METRC tag with #0686“H9 Purple Punch Kief” written on it, Medical METRC tag # 0573 “H7 Eye of Tiger OG X” written on it and “H17 Ionic Bond” written in black on the plastic bag. (2 tags for three different strains; one tag medical and one tag recreational)
Total for Items 1-18: 4,603.88 grams	
10.15 lbs.	

Due to the discrepancies found by investigators during the inventory, Justus asked Plischke for documentation for all strains and their origins.

23. In addition to items 1 through 18, investigators discovered additional METRC variances while conducting a full inventory of Helios' facility on or about March 4, 2020, and March 5, 2020. First, investigators found 43 packages (40.5 pounds of cannabis) not physically in Helios' facility despite METRC showing the location of the 43 packages at Helios' facility. Investigators identified the missing packages as follows:

No.	Package	Item	METRC Quantity
1	1A4040300004B01000002717	SKY FUEL OG X 3.5G TESTER	52.50
2	1A4040300004B01000002832	SKY FUEL OG X 3.5g	1106.00
3	1A4040300004B01000002833	SKY FUEL OG X 3.5g DISPLAY	10.50
4	1A4040300004B01000000283	SKYFUEL OG BULK FLOWER	2993.71
5	1A4040300004B01000002810	SKY FUEL OG X 1.0g PRE-ROLL	177.00
6	1A4040300004B01000002811	SKY FUEL OG X 1.0g PRE-ROLL	333.00
7	1A4040300004B01000000701	SKY FUEL OG X PRE-ROLLS	1424.05
8	1A4040300004B01000001226	SKY FUEL OG TRIM / SHAKE	183.84
9	1A4040300004B01000001815	IONIC BOND X BULK	59.17
10	1A4040300004B01000000216	IONIC BOND BULK FLOWER	52.39
11	1A4040300004B01000001799	IONIC BOND BULK WASTE	294.84
12	1A4040300004B01000002864	RINGOS GIFT PLANT	0.00
13			
14	1A4040300004B01000002494	EYE OF TIGER OG BULK FLOWER	572.66
15	1A4040300004B01000002779	EYE OF TIGER OG X BULK	336.37
16	1A4040300004B01000002780	EYE OF TIGER OG X BULK	443.59
17	1A4040300004B01000002782	EYE OF TIGER OG BULK FLOWER	516.12
18	1A4040300004B01000002401	EYE OF TIGER OG X BULK	188.60

18	1A4040300004B01000002860	EYE OF TIGER OG X 3.5g	1060.50
19	1A4040300004B01000002861	EYE OF TIGER OG X 3.5g DISPLAY	10.50
20	1A4040300004B01000002862	EYE OF TIGER OG X 3.5G TESTER	10.50
21	1A4040300004B01000001798	EYE OF TIGER BULK WASTE	1143.06
22	1A4040300004B01000002699	PURPLE PUNCH 3.5g DISPLAY	10.50
23	1A4040300004B01000002700	PURPLE PUNCH 3.5g TESTER	10.50
24	1A4040300004B01000002714	PURPLE PUNCH 3.5g TESTER	52.50
25	1A4040300004B01000002718	PURPLE PUNCH 3.5g TESTER	52.50
26	1A4040300004B01000002722	PURPLE PUNCH 3.5g	434.00
27	1A4040300004B01000001803	PURPLE PUNCH BULK WASTE	734.82
28	1A4040300004B01000001800	PURPLE PUNCH BULK WASTE	489.88
29	1A4040300004B01000002855	WEDDING CAKE 3.5g	1393.00
30	1A4040300004B01000002856	WEDDING CAKE 3.5g DISPLAY	10.50
31	1A4040300004B01000002857	WEDDING CAKE 3.5g TESTER	10.50
32	1A4040300004B01000002831	WEDDING CAKE X 3.5g	1330.00
33	1A4040300004B01000002830	WEDDING CAKE X 3.5g DISPLAY	10.50
34	1A4040300004B01000002859	WEDDING CAKE X 3.5g TESTER	10.50
35	1A4040300004B01000001804	WEDDING CAKE X BULK WASTE	503.49
36	1A4040300004B01000002865	ORIGINAL GLUE 3.5g	717.50
37	1A4040300004B01000002866	ORIGINAL GLUE 3.5g DISPLAY	10.50
38	1A4040300004B01000002867	ORIGINAL GLUE 3.5g TESTER	10.50
39	1A4040300004B01000002473	CANDYLAND SMALL BULK FLOWER	576.06
40	1A4040300004B01000001801	CANDYLAND BULK WASTE	308.44
41	1A4040300004B01000001802	ATLAS OG BULK WASTE	458.13
42	1A4040300004B01000002716	ORIGINAL GLUE X 3.5g TESTER	105.00
43	1A4040300004B01000002051	ORIGINAL GLUE X BULK FLOWER	163.47
Total in Grams:			18371.69
Converted to Pounds:			453.59
Total in Pounds:			40.50

24. Second, investigators discovered a total of 54 packages weighed less than what Helios reported in METRC, totaling a variance of 24.34 pounds. Investigators identified the packages weighing less than what Helios reported in METRC as follows:

No.	Package	Item	METRC Weight	Pack Weight	Variance
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1	1	1A4040300004B01000002481	BLUE MAGIC OG BULK FLOWER	890.04	879.97	10.07
2	2	1A4040300004B01000002488	CANDYLAND BULK FLOWER	122.47	104.33	18.14
3	3	1A4040300004B01000002344	CANDYLAND KIEF	526.44	326.59	199.85
4	4	1A4040300004B01000001839	CANDYLAND TRIM/SHAKE	3144.46	3098.04	46.43
5	5	1A4040300004B01000002496	EYE OF TIGER OG BULK FLOWER	284.53	281.23	3.30
6	6	1A4040300004B01000002499	EYE OF TIGER OG BULK FLOWER	107.22	99.79	7.43
7	7	1A4040300004B01000002501	EYE OF TIGER OG BULK FLOWER	98.21	90.72	7.49
8	8	1A4040300004B01000002219	EYE OF TIGER OG BULK FLOWER	807.39	771.11	36.29
9	9	1A4040300004B01000002679	EYE OF TIGER OG X BULK	23.50	22.70	0.80
10	10	1A4040300004B01000002492	EYE OF TIGER OG X BULK	129.89	122.47	7.42
11	11	1A4040300004B01000002624	EYE OF TIGER OG FRESH FROZEN	15369.02	11566.61	3802.41
12	12	1A4040300004B01000002507	GELATO #4 BULK FLOWER	294.84	31.75	263.09
13	13	1A4040300004B01000002541	GG #4 BULK FLOWER	562.46	548.85	13.61
14	14	1A4040300004B01000002542	GG #4 BULK FLOWER	408.24	394.63	13.61
15	15	1A4040300004B01000002547	IONIC BOND BULK FLOWER	367.41	349.27	18.15
16	16	1A4040300004B01000002290	IONIC BOND WASTE	2915.10	2844.02	71.08
17	17	1A4040300004B01000002223	NZT OG BULK	2257.98	2245.28	12.70
18	18	1A4040300004B01000002224	NZT OG BULK	842.77	816.47	26.31
19	19	1A4040300004B01000002569	NZT OG BULK FLOWER	63.80	61.92	1.88
20	20	1A4040300004B01000002546	NZT OG BULK FLOWER	70.99	66.45	4.54
21	21	1A4040300004B01000002543	NZT OG BULK FLOWER	86.18	80.06	6.12
22	22	1A4040300004B01000001838	NZT OG TRIM	1782.66	1778.08	4.58
23	23	1A4040300004B01000001270	NZT OG TRIM / SHAKE	1016.05	988.83	27.22
24	24	1A4040300004B01000002812	ORIGINAL GLUE 1.0g PRE-ROLL	224.00	214.00	10.00
25	25	1A4040300004B01000002776	ORIGINAL GLUE X BULK FLOWER	1302.56	270.39	1032.17
26	26	1A4040300004B01000002489	PURPLE PUNCH BULK FLOWER	57.40	57.29	0.11
27	27	1A4040300004B01000002483	PURPLE PUNCH BULK FLOWER	98.12	90.72	7.40
28	28	1A4040300004B01000002530	PURPLE PUNCH BULK FLOWER	943.48	934.40	9.07
29	29	1A4040300004B01000002535	PURPLE PUNCH BULK FLOWER	889.04	875.43	13.61
30	30	1A4040300004B01000002534	PURPLE PUNCH BULK FLOWER	762.04	748.43	13.61
31	31	1A4040300004B01000002568	PURPLE PUNCH BULK FLOWER	843.68	825.54	18.14

32	1A4040300004B01000002486	PURPLE PUNCH BULK FLOWER	154.22	136.08	18.14
33	1A4040300004B01000002537	PURPLE PUNCH BULK FLOWER	122.47	104.33	18.14
34	1A4040300004B01000002539	PURPLE PUNCH BULK FLOWER	1088.62	1070.48	18.15
35	1A4040300004B01000002538	PURPLE PUNCH BULK FLOWER	866.36	848.22	18.15
36	1A4040300004B01000002532	PURPLE PUNCH BULK FLOWER	916.26	893.58	22.68
37	1A4040300004B01000002490	PURPLE PUNCH BULK FLOWER	105.67	66.36	39.31
38	1A4040300004B01000002844	PURPLE PUNCH X BULK	1190.00	1188.41	1.59
39	1A4040300004B01000002508	PURPLE PUNCH TRIM	1183.62	1179.34	4.28
40	1A4040300004B01000002533	PURPLE PUNCH TRIM	454.91	430.91	23.99
41	1A4040300004B01000001808	PURPLE PUNCH TRIM	1524.07	1478.71	45.36
42	1A4040300004B01000002318	PURPLE PUNCH BULK WASTE	811.48	802.86	8.62
43	1A4040300004B01000002476	SKY FUEL OG BULK FLOWER	70.96	68.04	2.92
44	1A4040300004B01000002500	SKY FUEL OG BULK FLOWER	104.33	90.72	13.61
45	1A4040300004B01000002498	SKY FUEL OG BULK FLOWER	177.00	149.68	27.32
46	1A4040300004B01000002746	SKY FUEL OG BULK FLOWER	1105.44	766.57	338.86
47	1A4040300004B01000002745	SKY FUEL OG X BULK FLOWER	1976.53	576.06	1400.47
48	1A4040300004B01000002190	SKY FUEL OG TRIM	1025.12	1016.05	9.07
49	1A4040300004B01000001807	SKY FUEL OG TRIM	1642.00	1628.40	13.61
50	1A4040300004B01000002854	STAR KILLER	1247.40	1247.38	0.02
51	1A4040300004B01000002623	WEDDING CAKE FRESH FROZEN	11577.69	8359.71	3217.98
52	1A4040300004B01000002298	WEDDING CAKE TRIM/SHAKE	1546.75	1487.78	58.97
53	1A4040300004B01000002506	WHITE ANGEL BULK FLOWER	98.21	95.25	2.95
54	1A4040300004B01000002300	WHITE ANGEL TRIM	2122.81	2091.06	31.75
Total in Grams:			11042.57		
Converted to Pounds:			453.59		
Total in Pounds:			24.34		

25. Third, investigators discovered a total of 61 packages weighed more than what Helios reported in METRC, totaling a variance of 9.19 pounds. Investigators identified the packages weighing more than what Helios reported in METRC as follows:

///

No.	Package	Item	METRC Quantity	Pack Weight	Variance
1	1A4040300004B01000002477	ATLAS OG BULK FLOWER	308.44	312.98	-4.54
2	1A4040300004B01000002554	ATLAS OG BULK FLOWER	81.64	86.18	-4.54
3	1A4040300004B01000002565	ATLAS OG BULK FLOWER	371.95	376.48	-4.53
4	1A4040300004B01000002560	ATLAS OG BULK FLOWER	476.28	480.81	-4.53
5	1A4040300004B01000002478	ATLAS OG BULK FLOWER	232.81	235.96	-3.15
6	1A4040300004B01000002553	BLUE MAGIC OG BULK FLOWER	67.08	72.57	-5.49
7	1A4040300004B01000002479	BLUE MAGIC OG BULK FLOWER	308.44	312.98	-4.54
8	1A4040300004B01000002852	CANDYLAND KIEF	390.00	399.16	-9.16
9	1A4040300004B01000002456	CANDYLAND BULK FLOWER	86.18	95.25	-9.07
10	1A4040300004B01000002487	CANDYLAND BULK FLOWER	181.44	185.97	-4.54
11	1A4040300004B01000002851	CANDYLAND X BULK	2263.00	2277.03	-14.03
12	1A4040300004B01000002853	CANDYLAND TRIM/SHAKE	1735.00	1741.79	-6.79
13	1A4040300004B01000002485	Eye Of Tiger Bulk Flower	244.94	262.50	-17.56
14	1A4040300004B01000002404	EYE OF TIGER OG BULK FLOWER	2257.98	2286.11	-28.12
15	1A4040300004B01000002559	EYE OF TIGER OG BULK FLOWER	208.65	213.19	-4.54
16	1A4040300004B01000002567	EYE OF TIGER OG BULK FLOWER	489.90	494.42	-4.52
17	1A4040300004B01000002495	EYE OF TIGER OG BULK FLOWER	217.50	217.72	-0.22
18	1A4040300004B01000002848	EYE OF TIGER OG X BULK	2267.00	2277.03	-10.03
19	1A4040300004B01000002849	EYE OF TIGER OG X BULK	1250.00	1251.91	-1.91
20	1A4040300004B01000002840	EYE OF TIGER OG X S1	1329.03	1333.56	-4.54
21	1A4040300004B01000002838	EYE OF TIGER OG X S2	1020.58	1025.12	-4.54
22	1A4040300004B01000002419	EYE OF TIGER OG TRIM	448.15	480.81	-32.66
23	1A4040300004B01000002781	EYE OF TIGER OG TRIM	4036.97	4055.12	-18.15
24	1A4040300004B01000002850	EYE OF TIGER OG TRIM	3755.00	3760.28	-5.28
25	1A4040300004B01000002033	EYE OF TIGER OG FRESH FROZEN	14130.49	15476.57	-1346.08
26	1A4040300004B01000002653	IONIC BOND BULK FLOWER	1383.46	1387.99	-4.53
27	1A4040300004B01000002562	NZT OG BULK FLOWER	326.60	784.71	-458.11
28	1A4040300004B01000002497	NZT OG BULK FLOWER	154.74	589.67	-434.93
29	1A4040300004B01000002540	NZT OG BULK FLOWER	101.81	104.32	-2.51
30	1A4040300004B01000002846	NZT OG X	2140.00	2150.03	-10.03
31	1A4040300004B01000002847	NZT OG TRIM	3640.00	3646.88	-6.88

1	32	1A4040300004B01000002778	ORIGINAL GLUE BULK FLOWER	275.74	508.02	-232.28
2	33	1A4040300004B01000002777	ORIGINAL GLUE TRIM	3388.33	3397.41	-9.07
3	34	1A4040300004B01000002564	PURPLE PUNCH BULK FLOWER	562.46	648.64	-86.18
4	35	1A4040300004B01000000935	PURPLE PUNCH BULK FLOWER	625.00	703.07	-78.07
5	36	1A4040300004B01000002531	PURPLE PUNCH BULK FLOWER	1192.95	1206.52	-13.57
6	37	1A4040300004B01000002556	PURPLE PUNCH BULK FLOWER	81.64	86.18	-4.54
7	38	1A4040300004B01000002536	PURPLE PUNCH BULK FLOWER	566.99	571.53	-4.53
8	39	1A4040300004B01000002566	PURPLE PUNCH BULK FLOWER	217.73	222.26	-4.53
9	40	1A4040300004B01000002845	PURPLE PUNCH TRIM	910.00	911.72	-1.72
10	41	1A4040300004B01000002096	PURPLE PUNCH BULK WASTE	2245.28	2313.32	-68.04
11	42	1A4040300004B01000002097	PURPLE PUNCH BULK WASTE	2249.82	2290.64	-40.82
12	43	1A4040300004B01000002098	PURPLE PUNCH BULK WASTE	2086.52	2113.74	-27.22
13	44	1A4040300004B01000002505	SHERBERT BULK FLOWER	73.92	77.11	-3.19
14	45	1A4040300004B01000002480	SKY FUEL OG BULK FLOWER	503.33	508.02	-4.69
15	46	1A4040300004B01000002563	SKY FUEL OG BULK FLOWER	317.51	322.05	-4.54
16	47	1A4040300004B01000002503	SKY FUEL OG BULK FLOWER	344.73	349.26	-4.52
17	48	1A4040300004B01000002744	SKY FUEL OG X BULK FLOWER	796.99	843.68	-46.69
18	49	1A4040300004B01000002842	SKY FUEL OG X S1	730.00	734.82	-4.82
19	50	1A4040300004B01000002843	SKY FUEL OG S1 TRIM	1290.00	1310.88	-20.88
20	51	1A4040300004B01000002747	SKY FUEL OG TRIM	5491.57	5506.61	-15.04
21	52	1A4040300004B01000002034	SKY FUEL OG FRESH FROZEN	12393.96	12537.29	-143.33
22	53	1A4040300004B01000002858	STAR KILLER TRIM	961.60	961.62	-0.02
23	54	1A4040300004B01000002189	TIGER LAND TRIM	635.03	644.10	-9.07
24	55	1A4040300004B01000002738	WEDDING CAKE BULK FLOWER	3.41	281.23	-277.82
25	56	1A4040300004B01000001823	WEDDING CAKE BULK FLOWER	204.12	208.65	-4.54
26	57	1A4040300004B01000002739	WEDDING CAKE X BULK	159.21	240.40	-81.20
27	58	1A4040300004B01000002740	WEDDING CAKE X BULK	245.72	267.62	-21.90
28	59	1A4040300004B01000002741	WEDDING CAKE TRIM/SHAKE	5110.85	5130.13	-19.28
	60	1A4040300004B01000002654	WHITE ANGEL BULK FLOWER	190.51	648.64	-458.12
	61	1A4040300004B01000002322	WHITE ANGEL BULK FLOWER	249.48	258.55	-9.07
	Total in Grams:					-4169.34

1	Converted to Pounds:	-453.59
2	Total in Pounds:	9.19

3 26. Investigators reviewed the waste logs for Helios' facility between December
4 26, 2019, and March 4, 2020, which revealed 423 entries that Helios failed to record in
5 METRC. Additionally, investigators identified from review of the waste logs for Helios'
6 facility between December 26, 2019, and March 4, 2020, sixteen entries in METRC for
7 waste missing in the waste logs and three entries where the weights in METRC did not
8 match the waste logs:

9	No.	Package	Item	METRC Quantity	Physical Waste log	Reason
10	1	1A4040300004B01000001788	SKY FUEL OG X 1.0g PRE-ROLL	-4 ea	4.4g	Waste
11	2	1A4040300004B01000001550	EYE OF TIGER OG PRE-ROLL 1.0g	-1 ea	1.1g	Waste
12	3	1A4040300004B01000001779	SKY FUEL OG 1.0g PRE-ROLL	-2 ea	2.2 g	Waste

14 27. Investigators further found three unapproved and operative ice water
15 extraction machines used to produce "bubble hash" in the "Trim or Processing" room inside
16 a large inoperative freezer in the Helios' facility. To date, Helios has not applied for
17 approval to use the three ice water extraction machines from the CCB. Investigators also
18 found a strain called Ringo's Gift open and drying in the secure store. METRC showed that
19 Helios harvested the strain on February 29, 2020. Investigators asked Plischke about the
20 package and he stated it was not completely dry so that is why it was open and inside the
21 room to continue the process.

22 28. On or about March 5, 2020, at approximately 5:09 p.m., Witness #3 wrote that
23 they had personally witnessed Hydrostar product that was not "sampled out" of METRC at
24 Plischke's home. They also knew Plischke overweighed and underweighed packages and
25 did not follow proper protocol regarding traceability of product.

26 29. On or about March 9, 2020, at approximately 12:30 p.m., Miller dropped off
27 documents regarding the strains of cannabis in Helios' facility and their origin, including
28 several requests to perform Research and Development ("R&D") of strains of cannabis that

1 were being grown in the facility. Miller provided a sales receipt dated December 23, 2017,
2 with a list of 13 strains of cannabis with a total of 21 plants. Two medical patients donated
3 the plants. Miller also provided a trip plan for the transportation of 21 cannabis plants to
4 Helios from the home of one of the medical patients. Miller further provided a receipt for a
5 purchase by Plischke from a dispensary on January 1, 2019, for the strain "Super Ringo."
6 Plischke does not have a medical card to donate, and no documentation of the donation was
7 provided to the Department. Conversely, West told investigators that he, not Plischke,
8 donated the strain to Helios. METRC showed that Helios entered "Ringo's Gift" on April 9,
9 2019," and then discontinued the strain on the same day.

10 30. On or about March 11, 2020, at approximately 10:00 a.m., Justus with
11 Department Inspector Brandon Vickrey ("Vickrey") went to Helios' facility to obtain a
12 written statement from Plischke regarding the origins of all the different strains of
13 cannabis he had in Helios' facility. Justus also checked with Ellen Burcham ("Burcham"),
14 Helios' Inventory Manager, to see how everything was since he and Leano did the
15 inventory. Burcham informed Justus that approximately eight pounds of cannabis trim
16 was missing from the vault. Burcham said to Justus that about two weeks ago she was
17 asked to make a list of available cannabis trim. Burcham went into the vault and found bin
18 "Zone 3 C3" with approximately eight pounds of "wedding cake" cannabis trim missing.
19 Burcham said she found it was also missing from the inventory list. Burcham told Miller
20 and both re-checked the entire vault, and the bin was not there. They checked the entire
21 facility and could not locate the missing bin. Burcham said that on March 10, 2020, while
22 Miller organized the bins in the vault, bin "Zone 3 C3" was empty in the back of the vault.
23 Justus asked why Burcham waited so long to report the missing bin and she said that she
24 wanted to make sure they checked everywhere in the facility to make sure it was not
25 misplaced. Justus located Miller and told her to have French help her do another complete
26 inventory of all the cannabis and cannabis products. Justus told Miller this needed to be
27 done immediately. Miller said she would start right away. After obtaining Plischke's
28 written statement regarding the strains, Vickrey and Justus left.

1 31. On or about March 11, 2020, at approximately 11:55 a.m., Witness #4 spoke
2 to investigators and said there was always variances when checking packages. They said
3 that if the variance was low, Plischke would take product from another package and bring
4 the weight up to what was reported in METRC. They said that as another way to rectify
5 weight issues with what a package weighed versus what METRC said, Plischke instructed
6 them to put a zero in the variance column regardless of what the scale indicated. They said
7 they knew this was wrong but feared retaliation, both verbal and physical, from Plischke,
8 if they failed to comply with his directions. They said they had seen Plischke take product
9 from another package to make up weight for underweight packages. He was mixing strains
10 without disclosing what he was doing or making an entry into METRC. Witness #4 also
11 said that Plischke was taking product from the facility to his house without "sampling it
12 out" in METRC for his personal use.

13 32. On or about March 11, 2020, at approximately 3:26 p.m., Justus called Lepori
14 Construction to check on the allegation that Plischke used his medical certificate and
15 recreational license as collateral. Justus was told that the owner was not in and would call
16 him back. At about 3:46 p.m., Justus received an email from Miller stating French and her
17 would be out of the office until March 16, 2020, and they would complete the inventory
18 then.

19 33. On or about March 12, 2020, at approximately 3:00 p.m., Frank Lepori
20 ("Lepori") of Lepori Construction called Justus. Justus explained his reason for calling him.
21 When Justus asked whether Plischke used his medical certificate and recreational license
22 as collateral for the construction agreement, Lepori was evasive and did not answer the
23 question. Lepori asked for the regulations which said Plischke could not use his
24 certificate/license as collateral. Justus emailed Lepori the regulations requested and ended
25 the call.

26 34. On or about March 13, 2020, at approximately 8:30 a.m., Justus called Lepori
27 Construction and spoke with Lona Coleman ("Coleman"), Office Manager, who confirmed
28 Plischke did use his medical certificate and recreational license as collateral for the

1 construction agreement. Justus requested a copy of the agreement, but after checking with
2 counsel, Coleman said counsel advised them not to give a copy.

3 35. On or about March 17, 2020, Miller met Justus to provide the METRC
4 inventory sheets and external hard drive. Miller said there was more missing packages.
5 Miller said an entire bin was missing from the vault and it was nowhere to be found. Miller
6 said she believed that bin contained the missing packages. The METRC inventory sheets
7 reported 32 packages missing.

8 36. On or about March 20, 2020, at approximately 9:47 a.m., Justus received an
9 email from Miller stating that she and French had located most of the missing packages.
10 Miller provided two attachments that showed all the missing items accounted for except
11 two packages; these two packages had been placed in quarantine by Leano and Justus.

12 37. On or about March 27, 2020, at approximately 4:20 p.m., Miller gave Justus
13 three external hard drives (one 10 TB and two 4 TB). Miller said it was not all cameras
14 requested, but Justus would be getting an email from an attorney by the name of Josh
15 Corelli who stated that Plischke could not complete the 45 days of ALL cameras due to the
16 downloading taking a long time; however, he said, 16 of the 25 cameras were completed.
17 Helios never provided the remaining video surveillance for the other 9 cameras as
18 requested by Justus.

19 38. Justus started reviewing the hard drives received and noticed the footage did
20 not include the "Nest" cameras over the safe and a camera in Room 4 where cannabis flower
21 is stored. The video surveillance revealed that on November 16, 2019, Plischke produced
22 what appeared to be "bubble" hash in an area with the unapproved ice water extraction
23 machines to make the cannabis product.

24 **D. Routine Inspection and Audit - July 16, 2020**

25 39. On or about July 16, 2020, Justus and Leano arrived at the Helios' cultivation
26 facility at 10:03 a.m. Sears met CCB agents at the door without wearing any face covering,
27 as required by the State's emergency directives at the time.

28 40. As Justus and Leano signed into the visitor log, Sears stated that she

1 performed an audit seven days prior where she ended up terminating seven employees.
2 Leano told Sears that her and Justus came to audit the cannabis establishment registration
3 agent cards for owners since several of the owners' agent cards had expired. Sears said the
4 owners' agent cards were in the vault. Leano asked to see them. Sears took Justus and
5 Leano to the vault where Justus and Leano confirmed that the owner agent cards for
6 Heller, Padilla, Putnam, and Thidling were expired.

7 41. Sears agent card, [REDACTED] had an expiration date of March 14, 2020.
8 She also had an agent card, [REDACTED] with an expiration date of July 10, 2019. Sears
9 stated that she relied on someone else for the information regarding the expiration of her
10 agent cards. Sears said that she checked METRC and it said her card expired on July 31,
11 2019. When Leano reiterated that Sears did not have an active agent card, Sears replied
12 with that she applied for renewal but did not have a temporary letter from the CCB.

13 42. Since Sears' agent card was expired, Leano asked Sears if she had been
14 signing in the visitor log and Sears replied that she had the first two days. Leano requested
15 a copy of the July visitor log. The visitor log revealed that on July 8, 2020, Sears signed in
16 at 4:00 p.m. and signed out at 11:00 p.m. and on July 9, 2020, signed in at 7:00 a.m. with
17 no sign out time. From July 10, 2020, to and including July 15, 2020, Sears did not sign in
18 or out of the visitor log.

19 43. Considering Sears had only an expired agent card in her possession, Leano
20 asked Sears if she had dealt with any cannabis or handled any money. Sears replied that
21 she handled money when she terminated the employees.

22 44. Justus checked with Ruth Del Rio ("Rio"), an agent card processor for the CCB,
23 on July 15, 2020, regarding the status of Sears' agent card. It was still expired. While Sears
24 had created a profile in Accela on July 6, 2020, the process was not completed, and the fees
25 were not paid. On July 16, 2020, Leano checked the status of Sears' agent card and there
26 was no change.

27 45. After speaking with Sears, Justus and Sears performed a walk thru of the
28 facility to check all agent cards. While checking all the rooms for employees in the facility,

1 Justus opened the door to the drying room and saw a piece of equipment that he had not
2 seen before during any other visits to the facility. Justus asked Plischke about the
3 equipment. Plischke identified the equipment as an Ozone Generator and disclosed that he
4 had been using it to help with a microbial issue he was having. Plischke stated that he
5 applied for a "Hazard" Certificate through the State. Justus informed Plischke that he
6 needed CCB approval prior to using the equipment. To date, Helios has not requested
7 approval from the CCB to use the Ozone Generator.

8 46. On or about August 10, 2020, Sears submitted an Incident Report to the CCB
9 claiming that former employees Meagan Geyer, French, Miller, Burcham, and Leslie Daley³
10 allegedly caused various METRC variances based on a report from METRC as of June 30,
11 2020. Sears submitted an excel worksheet with METRC variances where none of the
12 variances identified by Sears matched the variances identified by the Department's
13 investigators in March of 2020.⁴

14 47. The CCB conducted subsequent routine inspections and audits on or about
15 September 15, 2020, February 3, 2021, March 31, 2021, and June 22, 2021 at Helios' facility
16 where the CCB identified additional deficiencies that the CCB is not pursuing in this
17 Complaint. However, the CCB reserves the right to pursue discipline against Helios for
18 these subsequent deficiencies in a separation administrative action.

19 VIOLATIONS OF LAW

20 48. CCB incorporates all prior Paragraphs as though fully set forth herein.

21 **E. Tax Non-Compliance – June 30, 2019 – June 30, 2020**

22 49. As to certificate C177 and license RC177, Respondent Helios violated NAC
23 453A.320(3), NAC 453D.236, NRS 453D.500, NAC 372A.160, NAC 453D.905(3)(a)(5) and/or
24 NAC 453D.905(3)(d)(10) for intentionally failing to pay taxes to the Department or in the
25 alternative unintentionally failing to pay taxes to the Department. Specifically, as set forth
26

27 ³ These persons are believed to be five of the seven employees Sears terminated when the Department's
investigators conducted the routine inspection and audit on or about July 16, 2020.

28 ⁴ While six of the METRC packages identified by Sears were also identified by the Department's investigators,
the variances identified by Sears were still different from the variances identified by the Department's
investigators.

1 in Paragraph 15, above, Helios filed late returns with either partial or no payment of the
2 wholesale cannabis tax for 10 months. These violations constitute ten separate Category I
3 violations of NAC 453D.905(3)(a)(5), which requires a \$35,000 civil penalty and revocation.
4 NAC 453D.905(4)(a)(1)-(2). Alternatively, these violations constitute ten separate Category
5 III violations of NAC 453D.905(3)(d)(10), which requires a \$17,500 civil penalty and
6 revocation. NAC 453D.905(4)(d)(1)-(5).

7 **F. Complaint - March 3, 2020**

8 50. As to certificate C177 and license RC177, Respondent Helios violated NAC
9 453D.905(3)(a)(4) and/or NAC 453D.905(3)(b)(3) for intentionally destroying or concealing
10 evidence or in the alternative unintentionally destroying or concealing evidence.
11 Specifically, as set forth in Paragraphs 19, 37, and 38, above, Justus requested 45 days of
12 video surveillance for all interior and exterior cameras. Video surveillance for 9 cameras
13 were never provided. These violations constitute at least 9 separate Category I violations
14 of NAC 453D.905(3)(a)(4), which requires revocation. NAC 453D.905(4)(a)(1)-(2).
15 Alternatively, these violations constitute nine separate Category II violations of NAC
16 453D.905(3)(b)(3), which requires revocation. NAC 453D.905(4)(b)(1)-(3).

17 51. As to certificate C177 and license RC177, Respondent Helios violated NAC
18 453D.905(3)(b)(12) for operating unapproved extraction units. Specifically, as set forth in
19 Paragraphs 2-21, 27, and 38, above, on or about March 4, 2020, the Department's
20 investigators found three unapproved and operative ice water extraction machines used to
21 produce "bubble hash" in the "Trim or Processing" room inside a large inoperative freezer
22 in Helios' facility. The video surveillance revealed that on November 16, 2019, Plischke
23 used the ice water extraction machines to make what appeared to be "bubble" hash from
24 cannabis product. This violation constitutes a Category II violation of NAC
25 453D.905(3)(b)(12), which requires a \$10,000 civil penalty and a suspension for not more
26 than 20 days. NAC 453D.905(4)(b)(1)-(3). Alternatively, these violations constitute three
27 separate Category II violations of NAC 453D.905(3)(b)(12), which requires a \$30,000 civil
28 penalty and revocation. NAC 453D.905(4)(b)(1)-(3).

1 52. As to certificate C177 and license RC177, Respondent Helios violated NRS
2 453A.334(1)-(2), NAC 453D.315(3)-(7), and NAC 453D.905(3)(b)(4) for failing to notify the
3 Department of a change of ownership. Specifically, as set forth in Paragraphs 32-34, above,
4 Plischke used Helios' medical certificate and recreational license as collateral for a
5 construction agreement with Lepori Construction. This violation constitutes an additional
6 Category II violation of NAC 453D.905(3)(b)(4), which requires a \$20,000 civil penalty and
7 a suspension for not more than 30 days. NAC 453D.905(4)(b)(1)-(3).

8 53. As to certificate C177 and license RC177, Respondent Helios violated NAC
9 453A.414(4)-(5), NAC 453D.426(5)-(6), NAC 453D.905(3)(d)(4), and/or NAC
10 453D.905(3)(d)(5), and/or NAC 453D.905(d)(14) for failing to keep any required records,
11 including seed-to-sale requirements and/or failing to maintain a seed-to-sale inventory
12 system which adequately documents the flow of materials through the manufacturing
13 process and/or failing to tag all plants as required and/or storing or delivering an
14 unapproved marijuana product. Specifically, as set forth in Paragraphs 19 and 22, above,
15 the Department's investigators identified 15 items untagged, 2 items tagged with incorrect
16 weight, and one item with 2 tags for three different strains on or about March 4, 2020, and
17 March 5, 2020. These violations constitute 18 separate Category III violations of NAC
18 453D.905(3)(d)(4), and/or NAC 453D.905(3)(d)(5), and/or NAC 453D.905(d)(14), which
19 requires a civil penalty of \$17,500 and revocation. NAC 453D.905(4)(d)(1)-(5).

20 54. As to certificate C177 and license RC177, Respondent Helios violated NAC
21 453A.414(4)-(5), NAC 453D.426(5)-(6), and NAC 453D.905(3)(d)(4) for failing to maintain a
22 seed-to-sale inventory system which adequately documents the flow of materials through
23 the manufacturing process. Specifically, as set forth in Paragraphs 23-25, above, the
24 Department's investigators found 43 packages (40.5 pounds of cannabis) not physically in
25 Helios' facility despite METRC showing the location of the 43 packages at Helios' facility.
26 The Department's investigators also discovered a total of 54 packages weighed less than
27 what Helios reported in METRC, totaling a variance of 24.34 pounds. The Department's
28 investigators further discovered a total of 61 packages weighed more than what Helios

1 reported in METRC, totaling a variance of 9.19 pounds. These violations constitute 158
2 separate Category III violations of NAC 453D.905(3)(d)(4), which requires revocation. NAC
3 453D.905(4)(d)(1)-(5).

4 55. As to certificate C177 and license RC177, Respondent Helios violated NAC
5 453A.414(4)-(5), NAC 453D.426(5)-(6), NAC 453D.905(3)(d)(4), and/or NAC
6 453D.905(3)(d)(14) and/or NAC 453D.905(3)(d)(19) for failing to maintain a seed-to-sale
7 inventory system which adequately documents the flow of materials though the
8 manufacturing process and/or storing or delivering an unapproved marijuana product
9 and/or transporting or storing cannabis from an unlicensed source or diversion of cannabis
10 or cannabis products. Specifically, as set forth in Paragraphs 27 and 29, above, the
11 Department's investigators found no documentation of a donation for the strain "Ringo's
12 Gift." This violation constitutes an additional Category III violation of NAC
13 453D.905(3)(d)(4), and/or NAC 453D.905(3)(d)(14) and/or NAC 453D.905(3)(d)(19), which
14 requires revocation. NAC 453D.905(4)(d)(1)-(5).

15 56. As to certificate C177 and license RC177, Respondent Helios violated NAC
16 453A.414(4)-(5), NAC 453D.426(5)-(6), NAC 453D.905(3)(d)(4), and/or NAC
17 453D.905(3)(d)(15) for failing to maintain a seed-to-sale inventory system which adequately
18 documents the flow of materials though the manufacturing process and/or failing to meet
19 requirements for the disposal of cannabis waste. Specifically, as set forth in Paragraph 26,
20 above, the Department's investigators reviewed the waste logs for Helios' facility between
21 December 26, 2019, and March 4, 2020, which revealed 423 entries that Helios failed to
22 record in METRC. The Department's investigators also identified fourteen entries in
23 METRC for waste missing in the waste logs and three entries where the weights in METRC
24 did not match the waste logs. These violations constitute an additional 440 Category III
25 violations of NAC 453D.905(3)(d)(4), and/or NAC 453D.905(3)(d)(15), which requires
26 revocation. NAC 453D.905(4)(d)(1)-(5).

27 **G. Routine Inspection and Audit - July 16, 2020**

28 57. As to certificate C177 and license RC177, Respondent Helios violated NAC

1 453A.406(5), NAC 453A.410(1)-(2), NAC 453D.340(5), NAC 453D.418(2)-(3), NAC
2 453D.438(1)-(2), and NAC 453D.905(3)(e)(1) failing to display or have in the immediate
3 possession of each marijuana establishment agent a marijuana establishment agent
4 registration card or proof of temporary registration. Specifically, as set forth in Paragraphs
5 39-44, above, four owners with more than 5 percent ownership interest of Helios had
6 expired agent cards and Sears volunteered and/or worked at Helios with an expired agent
7 card. These violations constitute five separate Category IV violations of NAC
8 453D.905(3)(e)(1), which requires a civil penalty of \$18,750 and revocation. NAC
9 453D.905(4)(e)(1)-(5).

10 58. As to certificate C177 and license RC177, Respondent Helios violated NAC
11 453A.406, NAC 453D.418(2)-(6) and NAC 453D.905(3)(f)(6) for failing to comply with any
12 other requirements not described in another category of violations. Specifically, as set forth
13 in Paragraphs 39-44, above, Sears signed in only two of the nine days she had been at the
14 cultivation facility. For seven days, Sears walked around the cultivation facility unescorted
15 without wearing a visitor identification badge and handled money when paying the
16 terminated employees with cash. These violations constitute seven Category V violations
17 of NAC 453D.905(3)(f)(6), which requires a civil penalty of not more than \$19,500. NAC
18 453D.905(4)(f)(1)-(6).

19 59. As to certificate C177 and license RC177, Respondent Helios violated NAC
20 453D.410 and NAC 453D.905(3)(d)(12) for failing to notify the Department of a change in
21 equipment of the marijuana establishment. Specifically, as set forth in Paragraph 45,
22 above, Helios used an Ozone Generator without proper request for approval from the
23 Department. This is an additional Category III violation of NAC 453D.905(3)(d)(12,
24 requiring revocation. NAC 453D.905(4)(d)(1)-(5).

25 **DISCIPLINE AUTHORIZED**

26 Pursuant to the provisions of NRS 678A.600, NAC 453A.332, NAC 453D.312, NAC
27 453D.405, NAC 453D.900, and NAC 453D.905, the CCB has the discretion to impose the
28 following disciplinary actions:

1 (e) May demand a hearing. **Failure to demand a hearing constitutes a waiver**
2 **of the right to a hearing and to judicial review of any decision or order of**
3 **the Board**, but the Board may order a hearing even if the respondent so waives his
4 or her right.

5 **Failure to answer or to appear at the hearing constitutes an admission by**
6 **the respondent of all facts alleged in the Complaint. The Board may take action**
7 **based on such an admission and on other evidence without further notice to the**
8 **respondent. NRS 678A.520(3).**

9 The Board shall determine the time and place of the hearing as soon as is reasonably
10 practical after receiving the Respondent's answer. The Board shall deliver or send by
11 registered or certified mail a notice of hearing to all parties at least 10 days before the
12 hearing. The hearing must be held within 45 days after receiving the respondent's answer
13 unless an expedited hearing is determined to be appropriate by the Board, in which event
14 the hearing must be held as soon as practicable. NRS 678A.520(4).

15 Respondent's answer and Request for Hearing must be either: mailed via registered
16 mail, return receipt; or emailed to:

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

22 If served by email, Respondent must ensure that it receives an acknowledgement of receipt
23 email from CCB as proof of service. Respondent is also requested to email a copy of its
24 Answer to the Senior Deputy Attorneys General listed below at lrath@ag.nv.gov and
25 abalducci@ag.nv.gov .

26 As the Respondent, you are specifically informed that you have the right to appear
27 and be heard in your defense, either personally or through your counsel of choice at your
28 own expense. At the hearing, the CCB has the burden of proving the allegations in the
Complaint. The CCB will call witnesses and present evidence against you. You have the
right to respond and to present relevant evidence and argument on all issues involved. You

1 have the right to call and examine witnesses, introduce exhibits, and cross-examine
2 opposing witnesses on any matter relevant to the issues involved.

3 You have the right to request that the CCB issue subpoenas to compel witnesses to
4 testify and/or evidence to be offered on your behalf. In making this request, you may be
5 required to demonstrate the relevance of the witness's testimony and/or evidence.

6 If the Respondent does not wish to dispute the charges and allegations set forth
7 herein, within 30 days of the service of this Complaint, Respondent may pay the civil
8 penalties and costs set forth above in the total amount of \$120,750 and surrender certificate
9 C177 and license RC177 on notice to:

10 Tyler Klimas, Executive Director
11 Cannabis Compliance Board
12 555 E. Washington Avenue, Suite 4100
Las Vegas, Nevada 89101

13 YOU ARE HEREBY ORDERED to immediately cease the activity described above
14 which is a violation of Nevada law.

15 DATED: September 28, 2021.

16 STATE OF NEVADA, CANNABIS COMPLIANCE BOARD

17
18 By: 
Tyler Klimas, Executive Director
19 555 E. Washington Avenue, Suite 4100
20 Las Vegas, Nevada 89101
(775) 687-6299

21 AARON D. FORD
22 Attorney General

23 By: 
24 L. Kristopher Rath (Bar No. 5749)
Senior Deputy Attorney General
25 Ashley A. Balducci (Bar No. 12687)
Senior Deputy Attorney General
26 555 E. Washington Ave, Suite 3900
Las Vegas, Nevada 89101
27 (702) 486-3420

28 Attorneys for the Cannabis Compliance Board

**DECLARATION AND CERTIFICATE OF SERVICE OF
COMPLAINT FOR DISCIPLINARY ACTION
(Service via Mail)**

I, Amber Virkler, hereby certify and affirm that:

1. I am over the age of 18 years old.
2. I am a Board Agent of the Cannabis Compliance Board ("CCB"), as defined in NCR 1.068.
3. Pursuant to NRS 678A.520 and NCCR 4.075, I have served the Respondent herein with the Complaint for Disciplinary Action ("Complaint") in the above captioned matter as follows:

By placing a true and correct copy of the Complaint to be deposited for mailing in the United States Mail in a sealed envelope via registered or certified mail, prepaid in Las Vegas, Nevada, to Respondent's point of contact with the CCB under NCCR 2.050 at Respondent's address on file with the Board as follow:

Name of point of contact served: Kiera Sears

Address on file with CCB: [REDACTED]

Date of Service: September 28th, 2021

I declare under penalty of perjury that the foregoing is true and correct.

Executed on September 28, 2021
(date)

[Signature]
(signature)