

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

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

Case No. 2021-49

5 Petitioner,

6 vs.

7 **GREEN CROSS OF AMERICA, INC.,**

8 Respondent.

9
10 **COMPLAINT FOR DISCIPLINARY ACTION**

11 The Cannabis Compliance Board of the State of Nevada (the "CCB"), by and through
12 counsel, Aaron D. Ford, Attorney General of the State of Nevada, Mike Detmer, Senior
13 Deputy Attorney General, L. Kristopher Rath, Esq., Senior Deputy Attorney General, and
14 Ashley A. Balducci, Esq., Senior Deputy Attorney General, having a reasonable basis to
15 believe that GREEN CROSS OF AMERICA, INC. ("GCA" or "Respondent") has violated
16 provisions of Chapters 678A through 678D of the Nevada Revised Statutes ("NRS"), and
17 the Nevada Cannabis Compliance Regulations ("NCCR"), hereby issues its Complaint,
18 stating the CCB's charges and allegations as follows:

19 **JURISDICTION**

20 1. During all relevant times mentioned in this Complaint, GCA held¹ the
21 following licenses:

22 ID	License/Certificate	Last Issued / Renewed	Address
23 C035	Medical Cultivation 59236238729804377085	6/30/18	
24 RC035	Adult-use Cultivation 60040931748706185991	12/31/18	

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27
28 ¹ As detailed further below, GCA has not properly perfected renewal of its licenses, so they are currently expired.

1 2. During all relevant times mentioned in this Complaint, GCA is and was
2 registered as a domestic corporation in the State of Nevada. The Nevada Secretary of State
3 lists for GCA Moosa Kohanim as President, Secretary, and Director. GCA designated
4 James Allen as the CCB's point of contact. According to the CCB's records as of October 22,
5 2021, the owners of GCA are Joan Restifo, Steven Restifo, Guy Marzola, John Ocegüera,
6 Moosa Kohanim, Charmin Thomas, and Peter Gnecco.

7 3. As GCA holds its expired licenses and certificates with CCB, it is subject to
8 NRS Title 56 and the NCCR for the violations asserted herein. Therefore, GCA is subject
9 to the jurisdiction of the CCB and subject to discipline pursuant to NRS 678A through 678D
10 and the relevant provisions of the NCCR.

11 4. Pursuant to NRS 678A.500 and 678A.510(1), the CCB's Executive Director
12 has transmitted the details of the suspected violations of GCA to the Attorney General and
13 the Attorney General has conducted an investigation of the suspected violations to
14 determine whether they warrant proceedings for disciplinary action. The Attorney General
15 has recommended to the Executive Director that further proceedings are warranted, as set
16 forth in this CCB Complaint. The CCB has authorized proceeding with disciplinary action
17 against GCA, pursuant to NRS 678A.510(2)(b). Pursuant to NRS 678A.520(1), the CCB's
18 Executive Director has authorized service of this Complaint upon Respondent.

19 **FACTUAL ALLEGATIONS**

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

21 6. As noted above, GCA is a domestic corporation in the State of Nevada. The
22 Department last renewed its medical cultivation license on June 30, 2018, and the adult-
23 use cultivation license on December 31, 2018. However, the medical cultivation certificate
24 expired on June 30, 2019, and the adult-use cultivation license expired on December 31,
25 2019. GCA failed to renew in 2020 and 2021. As evidenced below and despite the expiration
26 of the certificate and license, GCA did not cease its operations in medical and/or adult-use
27 cannabis cultivation at its facility located at [REDACTED]
28 [REDACTED] (the "Facility").

1 7. On or about August 25, 2021, CCB agents arrived at the Facility to conduct a
2 routine inspection. Upon their arrival, CCB agents contacted GCA's attorney/point-of-
3 contact, James Allen ("Allen"), by phone to let him know that they were there to inspect.
4 Allen stated that the Facility was non-operational; there was no product at the Facility;
5 and there was a contractor named "Mack" at the Facility to conduct repairs.

6 8. Thereafter, CCB agents met an individual at the Facility who identified
7 himself as Mack McNeil ("McNeil"). McNeil was the only individual who was observed at
8 the Facility throughout the inspection. In speaking with CCB agents, McNeil stated there
9 was no cannabis within the Facility and that he was a security contractor, but he did not
10 have, nor had he applied for, an agent card.

11 9. Additionally, when the CCB agents requested McNeil provide them access to
12 the Facility, he initially represented that he did not have access to the interior because he
13 did not have an agent card. However, after CCB agents cited their regulatory authority to
14 inspect the Facility, McNeil retrieved keys to unlock the doors and he walked with CCB
15 agents into the Facility.

16 10. During the inspection, CCB agents found that the GCA did not have adequate
17 security measures. These deficiencies include, but are not necessarily limited to:

18 a. GCA's Facility had no functional video surveillance cameras operating
19 and/or recording within the facility. Specifically, CCB agents observed
20 an absence of required security cameras at both entrances to the
21 Facility as well as the 9 rooms within the Facility, 2 of which stored
22 cannabis plants (discussed infra.).

23 b. GCA's security alarm for the facility had been disconnected/severed.

24 11. CCB agents also found in a room labeled as "Mother-Clone", 359 cannabis
25 plant clones divided into 13 trays, as well as 102 untagged cannabis plants, all of which

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1 were outside the state's seed-to-sale tracking system, known as METRC. The 102 cannabis
2 plants were labeled/identified as the following strains:

- 3 a. White Cookies;
- 4 b. Monkey OG;
- 5 c. SS;
- 6 d. Fire OG;
- 7 e. GSC JH; and
- 8 f. Gorilla Glue.

9 12. CCB agents further discovered an unlabeled and locked room ("Unlabeled
10 Room") within the Facility that CCB agents could not open or access. McNeil told the CCB
11 agents that he could not access/open the locked room but that it also contained cannabis
12 plants. CCB Compliance Enforcement Investigator II, Shandon Snow ("Enforcement
13 Investigator Snow"), later obtained access to the locked room when he returned on or about
14 August 26, 2021, with the Nye County Sherriff's Department. Enforcement Investigator
15 Snow found within the Unlabeled Room, 92 mature plants that were untagged and outside
16 the seed to sale tracking system. The cannabis plants in the Unlabeled Room were
17 labeled/identified as the following strains:

- 18 a. SS;
- 19 b. T-1;
- 20 c. GHC JH; and
- 21 d. White Cookies.

22 13. Based on the foregoing circumstances, both Allen and McNeil made one or
23 more false statements to the CCB agents including but not limited to: 1) the Facility was
24 non-operational; 2) there was no cannabis plants inside the Facility; and/or 3) McNeil did
25 not have access to the Facility.

26 14. As of October 22, 2021, except for one owner, all the other owners of record for
27 GCA currently do not have active cannabis agent registration cards and/or pending
28 applications for cannabis agent registration cards. On September 24, 2019, Nye County

1 Board of County Commissioners revoked the Special Use Permits (SU-14-0008 and SU-
2 2014-000043) granted to GCA for medical and recreational marijuana cultivation and
3 revoked the marijuana licenses (MM-2018-000060 and RM-2018-000022) granted to GCA
4 for medical and recreational marijuana cultivation.

5 15. On or about August 26, 2021, the CCB voted 5-0 to summarily suspend GCA
6 for the deficiencies identified during the routine inspection on August 25, 2021, which
7 imperatively required emergency action to protect the public health, safety and/or welfare.
8 GCA proposed and started to institute corrective action but has yet to correct all
9 deficiencies to lift the summary suspension.

10 VIOLATIONS OF LAW

11 16. CCB incorporates all prior Paragraphs as though fully set forth herein.

12 17. As to certificate C035 and license RC035, GCA violated NRS 678B.210(1),
13 NRS 678B.250(1), and NCCR 4.035(1)(a)(2), by operating a medical and adult-use cannabis
14 cultivation facility without all required permits, certificates, registrations and/or licenses.
15 Specifically, as set forth in Paragraphs 6 and 14, above, GCA continued and/or allowed
16 medical and/or adult-use cannabis to be cultivated at the Facility despite its state
17 certificates/licenses having expired and local licenses revoked. These are two Category I
18 violations which, pursuant to NCCR 4.035(2)(a) - (b), carries a civil penalty of up to \$90,000
19 and revocation of GCA's license and certificate.

20 18. As to certificate C035 and license RC035, Respondent GCA violated NRS
21 678B.340, NCCR 5.120, and NCCR 4.055(1)(a)(1) by failing to have a cannabis agent at the
22 Facility in immediate possession of a valid cannabis establishment registration card or
23 proof of registration. Specifically, as set forth in Paragraphs 8 and 14, above, McNeil was
24 working as a "security contractor" without a valid cannabis registration agent card or proof
25 of registration in his possession, as he had applied for neither. Additionally, six owners of
26 record for GCA had no active cannabis registration agent cards or pending applications.
27 These omissions constitute seven Category IV violations which, pursuant to NCCR
28

1 4.055(2), carries a civil penalty of up to \$165,000 and revocation of GCA's certificate and
2 license.

3 19. As to certificate C035 and license RC035, Respondent GCA violated NCCR
4 5.075, NCCR 4.035(1)(a)(10), and/or NCCR 4.035(1)(a)(11) by failing to immediately admit
5 regulatory personnel into the Facility and/or refusing to allow CCB agents into the
6 premises of the Facility and/or by refusing CCB's inspection of the Facility. Specifically, as
7 set forth in Paragraphs 9 and 12, above, GCA and/or McNeil failed to immediately provide
8 the CCB agents' ingress into the Facility, as its doors were locked, and McNeil stated he
9 could not access/enter the locked Facility. It was not until the CCB Agents cited their
10 regulatory authority to inspect the Facility that McNeil unlocked the Facility's doors and
11 allowed their entry. As set forth above, CCB agents still were denied access to certain
12 portions of the facility, regardless. As a third Category I violation, 4.035(2)(a)(2) requires
13 revocation of GCA's license and certificate. As a fourth Category I Violation, NCCR
14 4.035(2)(a)(2) requires the revocation of GCA's license and certificate.

15 20. As to certificate C035 and license RC035, Respondent GCA violated NCCR
16 6.085(1)(c)(3)(III), NCCR 6.085(1)(c)(3)(V) and NCCR 4.040(1)(a)(14), by failing to maintain
17 a required surveillance system. Specifically, as set forth in Paragraph 10, above, CCB
18 agents found no operating and/or recording video surveillance cameras located at neither
19 entrance to the Facility, nor were any surveillance cameras located in any of the 9 rooms
20 within the Facility. This is at least 9 Category II violations, which carries a civil penalty of
21 not more than \$100,000 and revocation of GCA's cultivation license and certificate. NCCR
22 4.040(2)(a)(1)-(3).

23 21. As to certificate C035 and license RC035, Respondent GCA violated NCCR
24 6.085(1)(c)(1) and NCCR 4.040(1)(a)(14), by failing to maintain a required security alarm.
25 Specifically, as set forth in Paragraph 10, above, CCB agents found that the Facility's
26 security alarm and been disconnected/severed. As a tenth Category II violation, NCCR
27 4.040(2)(a) requires the revocation of GCA's cultivation license and certificate. NCCR
28 4.040(2)(a)(3).

1 22. As to certificate C035 and license RC035, Respondent GCA violated NRS
2 678C.430, NCCR 6.080(7), NCCR 6.082, NCCR 4.050(1)(a)(4), and/or NCCR 4.050(1)(a)(3),
3 (4), and (13) by failing to meet seed to sale tracking requirements, failing to tag all plants,
4 and storing cannabis products outside the seed to sale tracking system. Specifically, as set
5 forth in Paragraphs 11 and 12, above, GCA cultivated and/or allowed the cultivation of
6 cannabis without METRC tags on all 6 strains of cannabis plants found in the Mother Clone
7 Room containing 102 mature plants and 4 strains of cannabis plants found in the Unlabeled
8 Room containing 92 mature plants. These violations constitute at least ten Category III
9 violations, which carries a civil penalty of \$220,000 and revocation. NCCR 4.050(2)(a)(1)-
10 (5). In the alternative, the CCB may find up 194 violations for each untagged cannabis
11 plant. If 194 violations are found, the civil penalty is \$220,000 and require revocation of
12 GCA's cultivation license and certificate. NCCR 4.050(2)(a)(1)-(5).

13 23. As to certificate C035 and license RC035, Respondent GCA violated NCCR
14 4.050(1)(a)(4), and/or NCCR 4.050(1)(a)(13), by failing to meet seed to sale tracking
15 requirements and storing cannabis products outside the seed to sale tracking system.
16 Specifically, as set forth in Paragraph 11, above, GCA cultivated and/or allowed the
17 cultivation of cannabis without inputting data in the states' seed to sale tracking system
18 the 13 trays of clones (cumulatively totaling 359 clones/baby-plants) found within the
19 Facility. As these violations result in more than five Category III violations or they require
20 revocation. NCCR 4.050(2)(a)(1)-(5).

21 24. As to certificate C035 and license RC035, Respondent GCA violated NCCR
22 4.035(1)(a)(3) by making intentionally false statements to Board Agents. Specifically, as set
23 forth in Paragraphs 7, 11, 12, and 13, above, Allen (as GCA's point of contact and
24 representative) told CCB agents that the Facility was non-operational and further that
25 there was no product in the Facility. In the alternative, even if Allen did not know that the
26 Facility was operational and/or that there was product in the Facility, he nonetheless
27 violated NCCR 4.040(1)(a)(1) for making unintentional false statements to CCB Agents. As
28 intentional false statements, these violations constitute at least one Category I violation or

1 two separate Category I violations, which requires revocation as either the fourth or fifth
2 Category I violation. As unintentional false statements, these violations constitute at least
3 one additional Category II violation or, in the alternative, two separate Category II
4 violations, which requires revocation. NCCR 4.040(2)(a)(3). As an additional alternative,
5 Allen's statements/conduct amount to one or more instances of the intentional or
6 unintentional concealment of evidence in violation of NCCR 4.035(1)(a)(4) or NCCR
7 4.040(1)(a)(2), respectively. A violation of NCCR 4.035(1)(a)(4) is a Category I violation and
8 NCCR 4.040(1)(a)(2) is a Category II violation. As these violations result in more than one
9 Category I violation or more than two Category II violations, they require revocation.
10 NCCR 4.035(2)(a)(2); 4.040(2)(a)(3).

11 25. As to certificate C035 and license RC035, Respondent GCA violated NCCR
12 4.035(1)(a)(3) by making intentionally false statements to Board Agents. Specifically, as set
13 forth in Paragraphs 8-9, 11-13, above, McNeil, told CCB agents that he could not access the
14 interior of the Facility and further that there were no cannabis plants within the Facility,
15 both of which he knew to be untrue statements. In the alternative, even if McNeil did not
16 know that he had access to the Facility and/or that the plants within the Facility were
17 cannabis, this nonetheless violated NCCR 4.040(1)(a)(1) as having made an unintentional
18 false statement(s). As intentional false statements, these violations constitute an
19 additional Category I violation or two additional, separate Category I violations, either of
20 which requires revocation. As unintentional false statements, these violations constitute
21 an additional Category II violation or, in the alternative, two additional separate Category
22 II violations, either of which requires revocation. As an additional alternative, McNeil's
23 statements/conduct amount to one or more instances of the intentional or unintentional
24 concealment of evidence in violation of NCCR 4.035(1)(a)(4) or NCCR 4.040(1)(a)(2),
25 respectively. As these violations result in more than one Category I violation or more than
26 two Category II violations, they require revocation. NCCR 4.035(2)(a)(2); NCCR
27 4.040(2)(a)(3).

28 . . .

1 **DISCIPLINE AUTHORIZED**

2 Pursuant to the provisions of NRS 678A.600, NCCR 4.020, 4.030, 4.035 through
3 4.060, and 5.100, the CCB has the discretion to impose the following disciplinary actions:

- 4 1. Suspend the cultivation certificate and license of GCA;
5 2. Impose a civil penalty of not more than \$90,000 for each separate violation of
6 NRS Title 56 and the NCCR on the cultivation certificate and license of GCA; and
7 3. Take such other disciplinary action as the CCB deems appropriate.

8 The CCB may order one or any combination of the discipline described above.

9 **RELIEF REQUESTED**

10 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose:

- 11 - Revocation of GCA's medical cultivation certificate and adult-use cultivation
12 license; and
13 - Civil penalties against GCA in the amount of \$565,000.

14 **NOTICE TO RESPONDENT**

15 **PLEASE TAKE NOTICE**, that Respondent has a right to request a hearing on the
16 charges set forth herein, pursuant to NRS 678A.510 through 678A.590. **Failure to**
17 **demand a hearing constitutes a waiver of the right to a hearing and to judicial**
18 **review of any decision or order of the Board, but the Board may order a hearing**
19 **even if the respondent so waives his or her right.** NRS 678A.520(2)(e).

20 **PLEASE TAKE NOTICE**, you, as the Respondent, **must answer this Complaint**
21 **within 20 days after service of this Complaint**, unless granted an extension. Pursuant
22 to NRS 678A.520(2), in the answer Respondent:

- 23 (a) Must state in short and plain terms the defenses to each claim asserted.
24 (b) Must admit or deny the facts alleged in the complaint.
25 (c) Must state which allegations the respondent is without knowledge or information
26 form a belief as to their truth. Such allegations shall be deemed denied.
27 (d) Must affirmatively set forth any matter which constitutes an avoidance or
28 affirmative defense.

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 may assign a hearing officer
11 to conduct the hearing under NCCR 2.070, 4.095, and 4.110. The Board or its assigned
12 hearing officer shall deliver or send by registered or certified mail a notice of hearing to all
13 parties at least 10 days before the hearing. The hearing must be held within 45 days after
14 receiving the respondent's answer unless an expedited hearing is determined to be
15 appropriate by the Board, in which event the hearing must be held as soon as practicable.
16 NRS 678A.520(4). The Chair of the Board or the assigned hearing officer may grant one or
17 more extensions to the 45-day requirement pursuant to the request of a party or an
18 agreement by both parties.

19 Respondent's Answer and Request for Hearing must be either: mailed via registered
20 mail, return receipt; or emailed to:

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

26 If served by email, Respondent must ensure that it receives an acknowledgement of receipt
27 email from CCB as proof of service.

28 As the Respondent, you are specifically informed that you have the right to appear
and be heard in your defense, either personally or through your counsel of choice at your
own expense. At the hearing, the CCB has the burden of proving the allegations in the

1 Complaint. The CCB will call witnesses and present evidence against you. You have the
2 right to respond and to present relevant evidence and argument on all issues involved. You
3 have the right to call and examine witnesses, introduce exhibits, and cross-examine
4 opposing witnesses on any matter relevant to the issues involved.

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


8 If the Respondent does not wish to dispute the charges and allegations set forth
9 herein, within 30 days of the service of this Complaint, Respondent may pay the civil
10 penalties set forth above in the total amount of \$ 565,000 and surrender its certificate and
11 license on notice to:

12 Tyler Klimas, Executive Director
13 Cannabis Compliance Board
14 555 E. Washington Avenue, Suite 4100
15 Las Vegas, Nevada 89101

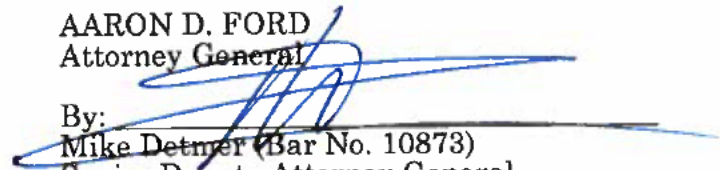
16 YOU ARE HEREBY ORDERED to immediately cease the activity described above
17 which is a violation of Nevada law.

18 DATED: October 26, 2021.

19 STATE OF NEVADA,
20 CANNABIS COMPLIANCE BOARD

21 By: 
22 Tyler Klimas, Executive Director
23 555 E. Washington Avenue, Suite 4100
24 Las Vegas, Nevada 89101
25 (702) 486-2300

26 AARON D. FORD
27 Attorney General

28 By: 
Mike Detmer (Bar No. 10873)
Senior Deputy Attorney General
Ashley A. Balducci (Bar No. 12687)
Senior Deputy Attorney General
L. Kristopher Rath (Bar No. 5749)
Senior Deputy Attorney General
555 E. Washington Ave, Suite 3900
Las Vegas, Nevada 89101
(702) 486-9287
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: James Allen

Address on file with CCB: [REDACTED]

Date of Service: October 26, 2021

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

Executed on October 26, 2021
(date)

[Signature]
(signature)