



1           3.     During the time the Parties were engaged in the disciplinary process, the  
2 Parties engaged in good faith negotiations to reach an agreement that is mutually  
3 acceptable to Respondent and counsel for the CCB for resolution of this matter, with the  
4 understanding that this Stipulation and Order must be approved by majority vote of the  
5 members of the CCB to become effective. Accordingly, the Parties entered into an  
6 agreement to stay the disciplinary process (approved by CCB's assigned hearing officer) to  
7 allow the CCB to consider this Stipulation and Order for approval.

8                                   **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

9           This Stipulation and Order is made and based upon the following acknowledgements  
10 by the Parties:

11           4.     AMA has entered into this Stipulation and Order on its own behalf and with  
12 full authority to resolve the claims against it and is aware of AMA's rights to contest the  
13 violations pending against it. These rights include representation by an attorney at AMA's  
14 own expense, the right to a hearing on any violations and/or allegations formally filed, the  
15 right to confront and cross-examine witnesses called to testify against AMA, the right to  
16 present evidence on AMA's own behalf, the right to have witnesses testify on AMA's behalf,  
17 the right to obtain any other type of formal judicial review of this matter, and any other  
18 rights which may be accorded to AMA pursuant to provisions of NRS Chapters 678A  
19 through 678D, the Nevada Cannabis Compliance Regulations ("NCCR"), and any other  
20 provisions of Nevada law. AMA is waiving all these rights by entering into this Stipulation  
21 and Order. If the CCB rejects this Stipulation and Order, AMA reserves the right to  
22 withdraw any or all such waivers.

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

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

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

8           8.     In an effort to avoid the cost and uncertainty of a disciplinary hearing, AMA  
9 has agreed to settle this matter. For purposes of settling this matter, AMA acknowledges  
10 that the facts contained in the paragraphs in the above "Pertinent Facts" portion of this  
11 Stipulation and Order are true and correct. Without waiving any constitutional rights  
12 against self-incrimination, AMA further acknowledges that certain facts contained in the  
13 CCB Complaint in Case No. 2021-44 could be found to constitute violations of Title 56 of  
14 NRS (NRS Chapters 678A through 678D), and the NCCR, with penalties up to and  
15 including suspension, and/or civil penalties of up to \$25,000 for C087 and RC087, if this  
16 matter proceeded to an administrative hearing.

17           9.     In settling this matter the Executive Director for CCB and counsel for CCB  
18 have considered the factors set forth in NCCR 4.030(2), including: the gravity of the  
19 violations; the economic benefit or savings, if any, resulting from the violations; the size of  
20 the business of the violator; the history of compliance with the NCCR and Title 56 of NRS  
21 by the violator; actions taken to remedy and/or correct the violations; and the effect of the  
22 penalty on the ability of the violator to continue in business.

23           10.    To resolve the Administrative Action, and only for those purposes and no  
24 other, AMA specifically admits to the following violation with respect to the Complaint in  
25 CCB Case No. 2021-44 for certificate C087 and license RC087:

- 26                   a. One violation of NCCR 4.040(1)(a)(14), for failing to maintain a  
27                   required surveillance system, which constitutes one Category II  
28                   violation.

1 11. As to the remaining allegations in the Complaint, AMA neither admits nor  
2 denies those allegations and no civil penalties shall be assessed as to the remaining  
3 violations.

4 12. With respect to C087 and RC087, AMA further agrees to pay a civil penalty  
5 in the amount of \$20,000<sup>1</sup> in consideration for its admitted violations in Paragraph 10,  
6 above, and in consideration of CCB's agreement to resolve the Administrative Action on  
7 the terms set forth herein.

8 13. If the CCB approves this Stipulation and Order, it shall be deemed and  
9 considered disciplinary action by the CCB against AMA.

10 14. Both parties acknowledge that the CCB has jurisdiction to consider and order  
11 this Stipulation and Order because AMA holds privileged licenses/certificates regulated by  
12 the CCB as of July 1, 2020. AMA expressly, knowingly, and intentionally waives the 21-  
13 day and/or 5 day notice requirements contained in the Nevada Open Meeting Law and  
14 acknowledges that this Stipulation and Order may be presented to the CCB for its  
15 consideration and potential ratification at the CCB's meeting on October 26, 2021.

#### 16 STIPULATED ADJUDICATION

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

20 15. Violation: As to licenses C087 and RC087, AMA is found to have committed  
21 one Category II violation, as set forth in Paragraph 10, above.

22 16. Imposition of Civil Penalty. AMA shall pay a total civil penalty in the amount  
23 of twenty thousand dollars (\$20,000) within 30 days of the date the CCB approves this  
24 Stipulation and Order, to be apportioned as set forth in Paragraph 12, above.

25 17. Payment of Civil Penalty. AMA must pay the civil penalty set forth in this  
26 agreement within 30 days of the date the CCB approves this Stipulation and Order<sup>2</sup>. AMA  
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28 <sup>1</sup> To be apportioned \$10,000 to C087 and \$10,000 to RC087.

<sup>2</sup> Should the CCB approve this Stipulation and Order at its October 26, 2021, meeting, payment would be due on Monday, November 29, 2021, as November 25 and 26, 2021, are Nevada State Holidays.

1 acknowledges that it is critical to comply with the strict requirements of the deadline for  
2 payment. AMA agrees that, should it fail to timely make timely payment of the civil  
3 penalty, the following penalties and procedures will be in effect:

- 4 a. CCB will allow a five-business day grace period for late payment<sup>3</sup>.
- 5 b. If payment is not physically received by CCB at its Carson City office  
6 by 5:00 p.m., Pacific Time, on the last day of the grace period, AMA  
7 shall be deemed in default and deemed to have admitted all allegations  
8 in the CCB Complaint in Case No. 2021-44 and shall pay all penalties  
9 and receive all discipline set forth under the "Relief Requested" section  
10 of the Complaint, inclusive of a 20 day suspension of licenses C087 and  
11 RC087 (effective on the date of the order of default) and civil penalties  
12 of \$25,000. The CCB will enter an order of default to this effect after  
13 default and all amounts due under this subsection shall be immediately  
14 due and payable to CCB. If all amounts set forth in this section are not  
15 paid within 20 days of the date of the order of default, Respondent's  
16 licenses and certificates shall remain suspended until payment is made  
17 in full. If all amounts due under this section are not paid within 90  
18 days after the date of the order of default, licenses C087 and RC087  
19 shall be deemed voluntarily surrendered. AMA agrees it cannot and  
20 will not file any petition for judicial review and/or any action in any  
21 forum for relief from this order of default and that CCB may file any  
22 judicial action necessary to recover the amounts owed under this  
23 subsection, along with its attorneys' fees and costs for recovery of  
24 amounts owed.
- 25 c. AMA may petition the CCB for an extension of 30-days to pay the civil  
26 penalty. However, for the CCB to consider any such petition, the CCB  
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28 <sup>3</sup> If a check or other form of payment is returned for insufficient funds, or otherwise rejected, the failed payment will not be considered a payment and no additional time beyond the five business day grace period will be granted for payment.

1 must receive said petition no later than 5 business days prior to the  
2 payment deadline (which does not include any grace period). The CCB  
3 is not required to grant such a petition. In such a petition, AMA must  
4 demonstrate to the satisfaction of CCB that there are extraordinary  
5 and unusual circumstances necessitating the extension requested. CCB  
6 may delegate the decision as to whether to grant such a petition to the  
7 CCB Chair.

8 d. If an extension is granted under Paragraph 17(c), there shall be no  
9 grace period on the new payment date. If AMA does not pay by the new  
10 payment date, the provisions and penalties of Paragraph 17(b) apply.

11 18. Plan of Correction. Respondent represents and warrants that it has  
12 submitted a plan of correction, which CCB staff has approved, that will remedy and  
13 prevent the recurrence of the violations set forth in this Stipulation and Order. In  
14 summary, the plan of correction includes the following: AMA undertook further  
15 investigation and determined that it was unable to provide the video footage CCB staff  
16 requested because its camera hard drives had been surreptitiously formatted and the data  
17 deleted. To prevent such an occurrence in the future, AMA disabled the remote access  
18 software to create a more secure system. AMA also engaged an IT consultant to ensure that  
19 an audible and visual notification will be displayed on its computer screens, if there is any  
20 system malfunction. Respondent further represents and warrants that it is now, as of the  
21 date it has executed this Stipulation and Order, operating in full compliance with NRS  
22 Title 56 and NCCR.

23 19. Contingency if Approval Denied. If approval of this Stipulation and Order is  
24 denied by CCB, AMA and counsel for the CCB agree to resume settlement negotiations in  
25 good faith and attempt to reach an agreement to amend this Stipulation and Order and  
26 resubmit an amended Stipulation and Order to the CCB to review for approval at its next  
27 regularly scheduled meeting. If such an agreement cannot be reached, the Parties agree to  
28 proceed with the Administrative Action, which shall include a disciplinary hearing before

1 the CCB or its assigned hearing officer. Should the Administrative Action proceed for the  
2 reasons set forth in this Paragraph, CCB preserves all its claims and arguments in the  
3 Administrative Action as set forth in its Complaint and AMA preserves all its defenses and  
4 arguments set forth in its Answer and withdraws all waivers set forth herein. An  
5 unapproved Stipulation and Order shall not be admissible as evidence or referenced in  
6 argument at any disciplinary hearing in CCB Case No. 2021-44 or any other matter  
7 involving the CCB.

8       20. Contingency if Approval Conditioned. If the CCB approves this Stipulation  
9 and Order, but said approval is contingent on certain conditions, the parties will undertake  
10 further good faith negotiations to include said conditions in an amended stipulation and  
11 order for execution by the CCB Chair. If AMA does not agree to the certain conditions  
12 imposed by the CCB, the parties will undertake additional negotiations and attempt to  
13 reach an agreement to amend this Stipulation and Order and resubmit an amended  
14 Stipulation and Order to the CCB to review for approval at its next regularly scheduled  
15 meeting. If such an agreement cannot be reached, the Parties agree to proceed with the  
16 Administrative Action, which shall include a disciplinary hearing before the CCB or its  
17 assigned hearing officer. Should the Administrative Action proceed for the reasons set forth  
18 in this Paragraph, CCB preserves all its claims and arguments in the Administrative  
19 Action as set forth in its Complaint and AMA preserves all its defenses and arguments  
20 asserted in its Answer and withdraws all waivers set forth herein. An unapproved  
21 Stipulation and Order shall not be admissible as evidence or referenced in argument at any  
22 disciplinary hearing in CCB Case No. 2021-44 or any other matter.

23       21. Closure of Disciplinary Action. Once this Stipulation and Order is fully  
24 performed by AMA, the Administrative Action will be closed.

25       22. Communications with CCB Members. AMA understands that this Stipulation  
26 and Order will be presented to the CCB in open session at a duly noticed and scheduled  
27 CCB meeting. AMA understands that the CCB has the right to decide in its own discretion  
28 whether or not to approve this Stipulation and Order. The CCB's counsel, which is the

1 Nevada Attorney General and its staff attorneys, will recommend approval of this  
2 Stipulation and Order. In the course of seeking CCB acceptance of this Stipulation and  
3 Order, counsel for CCB may communicate directly with individual CCB members. AMA  
4 acknowledges that such communications may be made or conducted *ex parte*, without notice  
5 or opportunity for AMA to be heard on its part until the public CCB meeting where this  
6 Stipulation and Order is discussed, and that such contacts and communications may  
7 include, but may not be limited to, matters concerning this Stipulation and Order, the  
8 Administrative Action, and any and all information of every nature whatsoever related to  
9 these matters. AMA agrees that it has no objections to such *ex parte* communications. CCB  
10 agrees that AMA and/or its counsel may appear at the CCB meeting where this Stipulation  
11 and Order is discussed and, if requested, respond to any questions that may be addressed  
12 to AMA and/or the Attorney General's staff attorneys. AMA agrees that, should the CCB  
13 decline to approve this Stipulation and Order, AMA will not contest or otherwise object to  
14 any CCB member, and/or CCB appointed hearing officer, hearing and adjudicating the  
15 Administrative Action based on the aforementioned *ex parte* communications with anyone  
16 from the Nevada Attorney General's Office.

17       23. Release. In execution of this agreement, Respondent agrees that the State of  
18 Nevada, the CCB, the Office of the Attorney General, and each of their members, staff,  
19 attorneys, investigators, experts, hearing officers, consultants and agents are immune from  
20 any liability for any decision or action taken in good faith in response to information and  
21 data acquired by the CCB. Respondent agrees to release the State of Nevada, the CCB, the  
22 Office of the Attorney General, and each of their members, staff, attorneys, investigators,  
23 experts, hearing officers, consultants and agents from any and all manner of actions, causes  
24 of action, suits, debts, judgments, executions, claims and demands whatsoever, known or  
25 unknown, in law or equity, that Respondent ever had, now has, may have or claim to have  
26 against any and/or all of the persons, government agencies or entities named in this  
27 Paragraph, arising out of, or by reason of, CCB's investigation of the matters set forth in  
28 its Complaint, the matters set forth in this Stipulation and Order, or the administration of



1 CCB Case No. 2021-44.

2 24. No Precedence. The Parties agree that this Stipulation and Order shall not  
3 constitute a precedent for any other issues or proceedings before the CCB and/or in any  
4 other forum, other than those set forth in this Stipulation and Order. Furthermore, this  
5 Stipulation and Order shall not be admissible in any other proceeding or action with respect  
6 to proof of fact or any other matter and/or any other licensee and/or cannabis establishment  
7 registered agent, except proceedings brought to enforce this Stipulation and Order under  
8 its terms and/or for the CCB's consideration of future disciplinary action against this  
9 Respondent.

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

20 25. Attorneys' Fees and Costs. The Parties each agree to bear their own attorneys'  
21 fees and costs.

22 26. Further Assurances. The Parties shall cooperate in executing such additional  
23 documents and performing such further acts as may be reasonably necessary to give effect  
24 to the purposes and provisions of this Stipulation and Order.

25 27. Voluntary and Informed Agreement. The Respondent represents that its  
26 owners, officers, and/or its directors, who are responsible for and able to legally bind AMA  
27 have read completely and understand fully the terms of this Stipulation and Order, that  
28 such terms are fully understood and voluntarily accepted by Respondent in advance of and

1 as memorialized by the signing of this Stipulation and Order, and that the Respondent's  
2 signature to this Stipulation and Order indicates same. Respondent further represents that  
3 it has voluntarily entered into this Stipulation and Order to make a full, final, and complete  
4 compromise upon the terms and conditions set forth herein. Respondent further represents  
5 that any releases, waivers, discharges, covenants, and agreements provided for in this  
6 Stipulation and Order have been knowingly and voluntarily granted and without any  
7 duress or undue influence of any nature from any person or entity. The Parties, and each  
8 of them, hereby expressly acknowledge that they are each represented by counsel of their  
9 own choice in this matter and have been advised by counsel accordingly.

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

15       29. Binding Effect. This Stipulation and Order shall be binding upon and inure  
16 to the benefit of the Parties hereto and the Parties' respective successors, predecessors,  
17 parents, affiliates, shareholders, employees, heirs, executors, assigns, and administrators.

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

25       31. Governing Law. This Stipulation and Order shall be governed by and  
26 construed in accordance with the laws of the State of Nevada, without reference to conflict  
27 of law principles.

28       32. Jurisdiction and Forum Selection. The Parties consent to the jurisdiction of

1 the Eighth Judicial District Court of the State of Nevada, in and for Clark County, to  
2 resolve any disputes related to the terms or enforcement of this Stipulation and Order. The  
3 successful or prevailing Party or Parties in such action shall be entitled to recover  
4 reasonable attorney fees, costs, and expenses actually incurred in initiating or responding  
5 to such proceeding, in addition to any other relief to which it may be entitled.

6 33. Interpretation. This Stipulation and Order is the result of negotiations among  
7 the Parties who have each negotiated and reviewed its terms. In the event a Court ever  
8 construes this Agreement, the Parties expressly agree, consent, and assent that such Court  
9 shall not construe this Agreement or any provision hereof against any Party as its drafter  
10 for purposes of interpreting any ambiguity or uncertainty in this Stipulation and Order.

11 34. Time is of the Essence. Time is of the essence in the performance of all terms  
12 of this Stipulation and Order.

13 35. Severability. If any portion of this Stipulation and Order, or its application  
14 thereof to any person or circumstance, shall be deemed to any extent to be invalid, illegal,  
15 or unenforceable as a matter of law, all remaining clauses of this Stipulation and Order  
16 and its application thereof shall be not affected and shall remain enforceable to the fullest  
17 extent permitted by law.

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

27 IN WITNESS WHEREOF, this Stipulation and Order has been executed by the  
28 Parties and attested by their duly authorized representatives as of the date(s) so indicated.

1 The Effective Date of this Stipulation and Order shall be the date it is ordered by the CCB.


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 Date: 10/13/2021


Caleb Zobrist (Nev. Bar No. 11750)  
Counsel for Respondent AMA

 Date: OCT. 12, 2021

(printed name: E. MARK ZOBRIST)  
On behalf of Respondent AMA

 Date: OCT. 13, 2021

L. Kristopher Rath (Nev. Bar No. 5749)  
Ashley Balducci (Nev. Bar No. 12687)  
Senior Deputy Attorney General  
Counsel for Cannabis Compliance Board

 Date: 10/15/21

Tyler Klimas, Executive Director for the  
Cannabis Compliance Board

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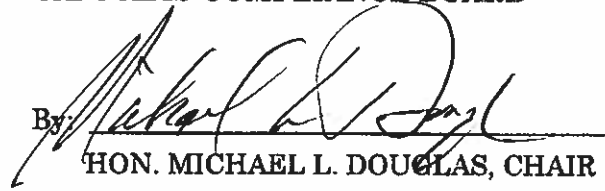
**ORDER**

WHEREAS, on 26<sup>th</sup> day of October, 2021, the Nevada Cannabis Compliance Board approved and adopted all the terms and conditions set forth in the Stipulation and Order for Settlement of Disciplinary Action with AMA.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 26<sup>th</sup> day of October, 2021.

**STATE OF NEVADA,  
CANNABIS COMPLIANCE BOARD**

By:   
HON. MICHAEL L. DOUGLAS, CHAIR