

1 chose to engage in negotiations to resolve the matter prior to answering the Complaint.

2 3. The Parties have engaged in good faith negotiations to reach an agreement
3 that is mutually acceptable to Respondent and counsel for the CCB for resolution of this
4 matter, with the understanding that this Stipulation and Order must be approved by
5 majority vote of the members of the CCB to become effective.

6 4. On or about September 13, 2021, the Parties agreed to a Stay of Proceedings
7 pending negotiations, which was approved by the CCB Chair on or about September 14,
8 2021.

9 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

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

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

24 6. Should this Stipulation and Order be rejected by the CCB or not timely
25 performed by NLVG, it is agreed that presentation to and consideration by the CCB of such
26 proposed stipulation or other documents or matters pertaining to the consideration of this
27 Stipulation and Order shall not unfairly or illegally prejudice the CCB or any of its
28 members from further participation, consideration, adjudication, and/or resolution of these

1 proceedings and that no CCB member shall be disqualified or challenged for bias.

2 7. NLVG acknowledges that this Stipulation and Order shall only become
3 effective after the CCB has approved it.

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

9 9. In an effort to avoid the cost and uncertainty of a disciplinary hearing, NLVG
10 has agreed to settle this matter. For purposes of settling this matter, NLVG acknowledges
11 that the facts contained in the paragraphs in the above "Pertinent Facts" portion of this
12 Stipulation and Order are true and correct. Without waiving any constitutional rights
13 against self-incrimination, NLVG further acknowledges that certain facts contained in the
14 CCB Complaint in Case No. 2021-40 could be found to constitute violations of Title 56 of
15 NRS (NRS Chapters 678A through 678D), and the NCCR, with penalties up to and
16 including suspension, and/or civil penalties of up to \$70,000 for C155 and RC155, if this
17 matter proceeded to an administrative hearing.

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

24 11. To resolve the Administrative Action, and only for those purposes and no
25 other, NLVG specifically admits to the following violations with respect to the Complaint
26 in CCB Case No. 2021-40 for certificate C155 and license RC155:

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

1 violation.

2 b. One violation of NCCR 4.050(1)(a)(4), for failing to tag plants as
3 required, which constitutes one Category III violation.

4 c. One violation of NCCR 4.055(1)(a)(8), by improperly storing cannabis
5 or cannabis products, which is a Category IV violation.

6 d. One violation of NCCR 4.055(1)(a)(11), by allowing infestation by
7 pests, which is a second Category IV violation.

8 12. As to the remaining allegations in the Complaint, NLVG neither admits nor
9 denies those allegations and no civil penalties shall be assessed as to the remaining
10 violations.

11 13. With respect to C155 and RC155, NLVG further agrees to pay a civil penalty
12 in the amount of \$48,000¹ in consideration for its admitted violations in Paragraph 11,
13 above, and in consideration of CCB's agreement to resolve the Administrative Action on
14 the terms set forth herein. Said sum may be paid in installments, as set forth specifically
15 in Paragraphs 18 through 19, below.

16 14. If the CCB approves this Stipulation and Order, it shall be deemed and
17 considered disciplinary action by the CCB against NLVG.

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

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¹ To be apportioned \$24,000 to C155 and \$24,000 to RC155.

1 **STIPULATED ADJUDICATION**

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

5 16. Violations: As to certificate C155 and license RC155, NLVG is found to have
6 committed one Category II violation, one Category III violation, and two Category IV
7 violations, as set forth in Paragraphs 11(a), 11(b), 11(c), and 11(d), above.

8 17. Imposition of Civil Penalties. NLVG shall pay a total civil penalty in the
9 amount of forty-eight thousand dollars (\$48,000) within the time set forth in Paragraphs
10 18 and 19 below, to be apportioned as set forth in Paragraph 13, above.

11 18. Payment of Civil Penalties. NLVG must pay the civil penalty set forth in this
12 agreement within the time frames set forth in this Paragraph and Paragraph 19. NLVG
13 may pay the lump sum of \$48,000 in civil penalties within 30 days of the date the CCB
14 approves this Stipulation and Order. In the alternative, NLVG may select to pay the civil
15 penalties in five monthly installments of \$9,600.00² each month (the "Payment Plan
16 Option"). Under the Payment Plan Option, NLVG must pay the first installment on the
17 15th calendar day of the month³ following the CCB meeting at which this Stipulation and
18 Order is approved and then, thereafter, on the 15th day of each month⁴ for the next four
19 months. For example, if this Stipulation and Order is approved at the October 26, 2021,
20 CCB meeting, the payment of \$9,600 each month would be due as follows:

Monday, November 15, 2021	1 st Installment
Wednesday, December 15, 2021	2 nd Installment
Tuesday, January 18, 2022	3 rd Installment
Tuesday, February 15, 2022	4 th Installment

25
26 ² Said monthly payments shall be attributed \$4,800 to C155 and \$4,800 to RC155.

27 ³ Payment must be physically received at the CCB's Carson City office no later than 5:00 p.m., Pacific Time,
28 on the 15th day of the month on which it is due. If the 15th day of the month falls on a Saturday, Sunday, or
a holiday recognized by the State of Nevada, payment shall be due on the first following business day.

⁴ As set forth in footnote 3, above, if the 15th day of the months falls on a Saturday, Sunday, or a holiday
recognized by the State of Nevada, payment shall be due on the first following business day.

NLVG may pay any installment prior to its due date.

19. Penalties for Failure to Comply with Payment Plan Option. NLVG acknowledges that it is critical to comply with the strict requirements of the Payment Plan Option. NLVG agrees that, should it fail to timely make any installment payment the following penalties and procedures will be in effect:

- a. CCB will allow a five-business day grace period for late payment⁵.
- b. If payment is not physically received by CCB at its Carson City office by 5:00 p.m., Pacific Time, on the last day of the grace period, NLVG shall be deemed in default and deemed to have admitted all allegations in the CCB Complaint in Case No. 2021-40 and shall pay all penalties and receive all discipline set forth under the "Relief Requested" section of the Complaint, inclusive of a 20 day suspension of certificate C155 and license RC155 (effective on the date of the order of default) and civil penalties of \$70,000. The CCB will enter an order of default to this effect after default and all amounts due under this subsection shall be immediately due and payable to CCB. If all amounts set forth in this section are not paid within 20 days of the date of the order of default, Respondent's licenses and certificates shall remain suspended until payment is made in full. If all amounts due under this section are not paid within 90 days after the date of the order of default, certificate C155 and license RC155 shall be deemed voluntarily surrendered. NLVG agrees it cannot and will not file any petition for judicial review and/or any action in any forum for relief from this order of default and that CCB may file any judicial action necessary to recover the amounts owed under this subsection, along with its attorneys' fees and costs for

⁵ 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 day grace period will be granted for payment.

1 recovery of amounts owed.

2 c. NLVG may petition the CCB for an extension of 30-days to pay any of
3 the installments set forth in Paragraph 18. However, for the CCB to
4 consider any such petition, the CCB must receive said petition no later
5 than 5 business days prior to the installment deadline (which does not
6 include any grace period). The CCB is not required to grant such a
7 petition. In such a petition, NLVG must demonstrate to the satisfaction
8 of CCB that there are extraordinary and unusual circumstances
9 necessitating the extension requested. CCB may delegate the decision
10 as to whether to grant such a petition to the CCB Chair.

11 d. If an extension is granted under Paragraph 18(c), there shall be no
12 grace period on the new payment date or dates. If NLVG does not pay
13 by the new payment date or dates, the provisions and penalties of
14 Paragraph 18(b) apply.

15 20. Plan of Correction. Respondent represents and warrants that it has
16 submitted a plan of correction, which CCB staff has approved, that will remedy and
17 prevent the recurrence of the violations set forth in this Stipulation and Order. In
18 summary, the plan of correction includes the following: (1) NLVG has cleaned out the vault
19 room and removed the shelf that was blocking the sole camera's view of that entire room;
20 (2) NLVG has tagged all plants which should have been tagged and will continue to tag all
21 plants over 8 inches high; (3) NLVG has gathered and properly destroyed the loose cannabis
22 pieces found on the shelves of the packing room. It has also instructed its staff on the
23 proper cleaning and destruction of cannabis waste in the packaging room on a daily basis;
24 and (4) NLVG has instituted policies and procedures to remove all fly traps daily, weekly,
25 and/or as needed, to maintain proper pest control, and has instructed all staff on proper
26 pest control procedures. Respondent further represents and warrants that it is now, as of
27 the date it has executed this Stipulation and Order, operating in full compliance with NRS
28 Title 56 and NCCR.

1 21. Contingency if Approval Denied. If approval of this Stipulation and Order is
2 denied by CCB, NLVG and counsel for the CCB agree to resume settlement negotiations in
3 good faith and attempt to reach an agreement to amend this Stipulation and Order and
4 resubmit an amended Stipulation and Order to the CCB to review for approval at its next
5 regularly scheduled meeting. If such an agreement cannot be reached, the Parties agree to
6 proceed with the Administrative Action, which shall include a disciplinary hearing before
7 the CCB or its assigned hearing officer. NLVG shall file its answer to the Complaint no
8 later than November 19, 2021. Should the Administrative Action proceed for the reasons
9 set forth in this Paragraph, CCB preserves all its claims and arguments in the
10 Administrative Action as set forth in its Complaint and NLVG preserves all its defenses
11 and arguments set forth in its Answer (to be filed) and withdraws all waivers set forth
12 herein. An unapproved Stipulation and Order shall not be admissible as evidence or
13 referenced in argument at any disciplinary hearing in CCB Case No. 2021-40 or any other
14 matter involving the CCB.

15 22. Contingency if Approval Conditioned. If the CCB approves this Stipulation
16 and Order, but said approval is contingent on certain conditions, the parties will undertake
17 further good faith negotiations to include said conditions in an amended stipulation and
18 order for execution by the CCB Chair. If NLVG does not agree to the certain conditions
19 imposed by the CCB, the parties will undertake additional negotiations and attempt to
20 reach an agreement to amend this Stipulation and Order and resubmit an amended
21 Stipulation and Order to the CCB to review for approval at its next regularly scheduled
22 meeting. If such an agreement cannot be reached, the Parties agree to proceed with the
23 Administrative Action, which shall include a disciplinary hearing before the CCB or its
24 assigned hearing officer. NLVG shall file its answer to the Complaint no later than
25 November 19, 2021. Should the Administrative Action proceed for the reasons set forth in
26 this Paragraph, CCB preserves all its claims and arguments in the Administrative Action
27 as set forth in its Complaint and NLVG preserves all its defenses and arguments asserted
28 in its Answer (to be filed) and withdraws all waivers set forth herein. An unapproved

1 Stipulation and Order shall not be admissible as evidence or referenced in argument at any
2 disciplinary hearing in CCB Case No. 2021-40 or any other matter.

3 23. Closure of Disciplinary Action. Once this Stipulation and Order is fully
4 performed by NLVG, the Administrative Action will be closed.

5 24. Communications with CCB Members. NLVG understands that this
6 Stipulation and Order will be presented to the CCB in open session at a duly noticed and
7 scheduled CCB meeting. NLVG understands that the CCB has the right to decide in its
8 own discretion whether or not to approve this Stipulation and Order. The CCB's counsel,
9 which is the Nevada Attorney General and its staff attorneys, will recommend approval of
10 this Stipulation and Order. In the course of seeking CCB acceptance of this Stipulation and
11 Order, counsel for CCB may communicate directly with individual CCB members. NLVG
12 acknowledges that such communications may be made or conducted *ex parte*, without notice
13 or opportunity for NLVG to be heard on its part until the public CCB meeting where this
14 Stipulation and Order is discussed, and that such contacts and communications may
15 include, but may not be limited to, matters concerning this Stipulation and Order, the
16 Administrative Action, and any and all information of every nature whatsoever related to
17 these matters. NLVG agrees that it has no objections to such *ex parte* communications.
18 CCB agrees that NLVG and/or its counsel may appear at the CCB meeting where this
19 Stipulation and Order is discussed and, if requested, respond to any questions that may be
20 addressed to NLVG and/or the Attorney General's staff attorneys. NLVG agrees that,
21 should the CCB decline to approve this Stipulation and Order, NLVG will not contest or
22 otherwise object to any CCB member, and/or CCB appointed hearing officer, hearing and
23 adjudicating the Administrative Action based on the aforementioned *ex parte*
24 communications with anyone from the Nevada Attorney General's Office.

25 25. Release. In execution of this agreement, Respondent agrees that the State of
26 Nevada, the CCB, the Office of the Attorney General, and each of their members, staff,
27 attorneys, investigators, experts, hearing officers, consultants and agents are immune from
28 any liability for any decision or action taken in good faith in response to information and

1 data acquired by the CCB. Respondent agrees to release the State of Nevada, the CCB, the
2 Office of the Attorney General, and each of their members, staff, attorneys, investigators,
3 experts, hearing officers, consultants and agents from any and all manner of actions, causes
4 of action, suits, debts, judgments, executions, claims and demands whatsoever, known or
5 unknown, in law or equity, that Respondent ever had, now has, may have or claim to have
6 against any and/or all of the persons, government agencies or entities named in this
7 Paragraph, arising out of, or by reason of, CCB's investigation of the matters set forth in
8 its Complaint, the matters set forth in this Stipulation and Order, or the administration of
9 CCB Case No. 2021-40.

10 26. No Precedence. The Parties agree that this Stipulation and Order shall not
11 constitute a precedent for any other issues or proceedings before the CCB and/or in any
12 other forum, other than those set forth in this Stipulation and Order. Furthermore, this
13 Stipulation and Order shall not be admissible in any other proceeding or action with respect
14 to proof of fact or any other matter and/or any other licensee and/or cannabis establishment
15 registered agent, except proceedings brought to enforce this Stipulation and Order under
16 its terms and/or for the CCB's consideration of future disciplinary action against this
17 Respondent.

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

28 27. Attorneys' Fees and Costs. The Parties each agree to bear their own attorneys'

1 fees and costs.

2 28. Further Assurances. The Parties shall cooperate in executing such additional
3 documents and performing such further acts as may be reasonably necessary to give effect
4 to the purposes and provisions of this Stipulation and Order.

5 29. Voluntary and Informed Agreement. The Respondent represents that its
6 owners, officers, and/or its directors, who are responsible for and able to legally bind NLVG
7 have read completely and understand fully the terms of this Stipulation and Order, that
8 such terms are fully understood and voluntarily accepted by Respondent in advance of and
9 as memorialized by the signing of this Stipulation and Order, and that the Respondent's
10 signature to this Stipulation and Order indicates same. Respondent further represents that
11 it has voluntarily entered into this Stipulation and Order to make a full, final, and complete
12 compromise upon the terms and conditions set forth herein. Respondent further represents
13 that any releases, waivers, discharges, covenants, and agreements provided for in this
14 Stipulation and Order have been knowingly and voluntarily granted and without any
15 duress or undue influence of any nature from any person or entity. The Parties, and each
16 of them, hereby expressly acknowledge that they are each represented by counsel of their
17 own choice in this matter and have been advised by counsel accordingly.

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

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

26 32. Construction. The headings of all Sections and Paragraphs of this Stipulation
27 and Order are inserted solely for the convenience of reference and are not a part of the
28 Stipulation and Order and are not intended to govern, limit, or aid in the construction or

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

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

8 34. Jurisdiction and Forum Selection. The Parties consent to the jurisdiction of
9 the Eighth Judicial District Court of the State of Nevada, in and for Clark County, to
10 resolve any disputes related to the terms or enforcement of this Stipulation and Order. The
11 successful or prevailing Party or Parties in such action shall be entitled to recover
12 reasonable attorney fees, costs, and expenses actually incurred in initiating or responding
13 to such proceeding, in addition to any other relief to which it may be entitled.

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

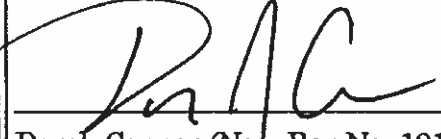
19 36. Time is of the Essence. Time is of the essence in the performance of all terms
20 of this Stipulation and Order.

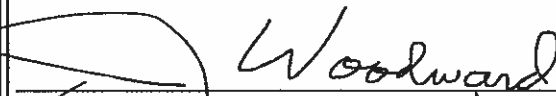
21 37. Severability. If any portion of this Stipulation and Order, or its application
22 thereof to any person or circumstance, shall be deemed to any extent to be invalid, illegal,
23 or unenforceable as a matter of law, all remaining clauses of this Stipulation and Order
24 and its application thereof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


26 38. Counterparts and Copies. This Stipulation and Order may be executed in
27 counterparts, each of which when so executed and upon delivery to counsel of record for the
28 Parties shall be deemed an original ("Counterparts"). This Stipulation and Order shall be


1 deemed executed when Counterparts of this Stipulation and Order have been executed by
2 all the Parties and/or their counsel; such Counterparts taken together shall be deemed to
3 be the Agreement. This Stipulation and Order may be executed by signatures provided by
4 electronic facsimile or email, which signatures shall be binding and effective as original
5 wet ink signatures hereupon. All fully executed copies of this Stipulation and Order are
6 duplicate originals, equally admissible in evidence.

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

10
11  Date: 10/08/2021
12 Derek Connor (Nev. Bar No. 12194)
13 Counsel for Respondent NLVG

14
15
16  Date: 10/08/2021
17 (printed name: Judith Woodward)
18 On behalf of Respondent NLVG

19
20
21  Date: 10/8/2021
22 L. Kristopher Rath (Nev. Bar No. 5749)
23 Ashley Balducci (Nev. Bar No. 12687)
24 Senior Deputy Attorney General
25 Counsel for Cannabis Compliance Board

26
27  Date: 10/15/21
28 Tyler Klimas, Executive Director for the
Cannabis Compliance Board

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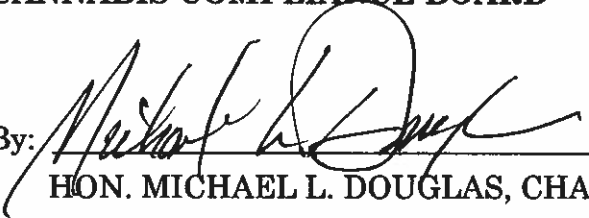
ORDER

WHEREAS, on 26th 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 NLVG.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 26th day of October, 2021.

**STATE OF NEVADA,
CANNABIS COMPLIANCE BOARD**

By: 
HON. MICHAEL L. DOUGLAS, CHAIR