

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

3 STATE OF NEVADA, CANNABIS
4 COMPLIANCE BOARD,

Case No. 2021-55

5 Petitioner,

6 vs.

7 THE HARVEST FOUNDATION, LLC,

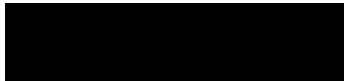
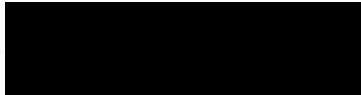
8 Respondent.

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, Michael 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 the Harvest Foundation, LLC, ("THF" or "Respondent") has violated provisions
16 of Chapters 678A through 678D of the Nevada Revised Statutes ("NRS"), and the Nevada
17 Cannabis Compliance Regulations ("NCCR"), hereby issues its Complaint, stating the
18 CCB's charges and allegations as follows:

19 **JURISDICTION**

20 1. During all relevant times mentioned in this Complaint, THF held, and
21 currently holds, the following licenses:

22 ID	Licenses	Last Issued / Renewed	Address
23 C086	Medical Cultivation 79521872948450004935	9/28/21	
25 RC086	Adult-use Cultivation 96448648950663179929	9/28/21	

27 ...

28 ...

1 2. During all relevant times mentioned in this Complaint, THF is and was
2 registered as a Domestic Limited-Liability Company in the State of Nevada. The Nevada
3 Secretary of State lists the managing managers of THF as Donald Burton ("Burton"),
4 Jeffrey Yokeil, and Larry Lemons. The CCB's records show that Burton is THF's point of
5 contact. THF's medical and adult-use cannabis cultivation facility is located at [REDACTED]
6 [REDACTED] (the "Facility").

7 3. As THF held and holds its licenses with the CCB, it is subject to NRS Title 56
8 and the NCCR for the violations asserted herein. Therefore, THF is subject to the
9 jurisdiction of the CCB and subject to discipline pursuant to NRS 678A through 678D and
10 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 THF 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 THF, 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. THF's medical and adult-use cannabis cultivation licenses expired on June 30,
22 2021. This is the basis for, and/or resulted in, subsequent discussed communications,
23 audits, inventories and inspections by/with CCB agents including Marijuana Program
24 Supervisor Jason Banales, Chief of Inspection and Audit Karalin Cronkite, Auditor II Erica
25 Scott, Marijuana Inspector II Christine Shoemaker, Marijuana Inspector II Fenton Harvey,
26 Auditor II Christine Thurston, and Health and Human Services Professional Trainee
27 Michele Courtney, (hereinafter collectively and/or individually as "CCB agent(s)").

28 ...

1 7. As a consequence of the expiration of THF's licenses, on or about July 2, 2021,
2 the CCB served THF a Notice ("7/2/21 Notice") that stated: (1) THF's licenses were expired
3 and it was therefore operating as an unlicensed cannabis establishment; (2) THF was
4 required to submit all outstanding renewal applications/documents, as well as satisfy all
5 unpaid fees (including the license renewal and "Time and Effort" fees); and (3) if THF failed
6 to submit the required documentation, and/or settle balances owed, it must submit to the
7 CCB a plan of its intent and method to cease its operations within 30 days of the 7/2/21
8 Notice's service¹.

9 8. In addition to the above, the 7/2/21 Notice stated that THF's continued non-
10 compliance would result in a mandate that all its operations be ceased no later than August
11 1, 2021, and further that all of its cannabis/cannabis-product be removed/destroyed
12 pursuant to a CCB approved plan. Lastly, the 7/2/21 Notice reminded THF that, pursuant
13 to NCCR 5.095, if THF failed to renew its licenses, and cure the aforementioned deficiencies
14 by September 28, 2021, its licenses would be deemed voluntarily surrendered.

15 9. THF did not comply with the 30-day deadline set forth in the 7/2/21 Notice,
16 nor did it provide a response to the CCB. As such, on or about August 4, 2021, the CCB
17 served THF further notice ("8/4/21 Notice") that stated: (1) despite the requests/notices
18 provided in the 7/2/21 Notice, the CCB had yet to receive from THF any renewal
19 documentation or fee payments; (2) as THF's licenses were expired, it was continuing to
20 operate as an unlicensed cannabis establishment; (3) CCB would remove THF's access to
21 METRC; (4) THF must cease its operations and submit a plan to the CCB by August 13,
22 2021, for the removal and/or destruction of its cannabis; and (5) reminded THF of NCCR
23 5.095's above referenced provision regarding the surrender of a license for failure to timely
24 renew the same.

25 10. On or about August 5, 2021, CCB agents attempted to conduct an inspection
26 of the Facility. However, the CCB agents found the Facility doors locked and the building
27 without a THF employee/agent on-site to facilitate their ingress into the building. After

28 ¹ No statute or regulation required CCB to provide any additional time to an expired licensee; the CCB simply provided additional time as a courtesy.

1 multiple failed efforts to gain access to the Facility, CCB agents contacted Burton, who was
2 in Texas, over the telephone. In the ensuing conversation, Burton represented that there
3 were no THF employees/agents who could allow CCB agents into the Facility. Burton
4 further represented in this conversation that the Facility had ceased operations and that
5 the cannabis within, which was reported in METRC to be in excess of 1,500 plants, was left
6 behind following the last day the Facility was in operation.

7 11. On or about August 26, 2021, having not heard from THF and/or Burton after
8 the August 5, 2021 inspection and teleconference, CCB agents reached out to Burton
9 requesting him to provide, within 48 hours, security camera footage displaying the inside
10 of the Facility ("8/26/21 Correspondence"). This footage was desired so that the CCB could
11 visually confirm the status of the cannabis located within. Burton responded to this request
12 by stating that he could not comply with this request as there were no THF
13 employees/agents at the Facility to procure and/or send the subject footage to the CCB. The
14 CCB never received the requested video footage, and THF later alleged that the security
15 cameras and footage had been destroyed during a theft.

16 12. On or about August 30, 2021, after further correspondence with Burton, CCB
17 agents were able to conduct an audit/inspection of the Facility ("8/30/21 Inspection").
18 During this inspection, CCB agents observed that 88 plants of THF's strain of "White
19 Runtz", which had been recorded in METRC, and as indicated by THF that they had been
20 left at the facility on the last day of operation, were unaccounted for. The remaining plants
21 in the facility were viewed by CCB agents as being in a condition consistent with plants
22 left unattended for a considerable period of time.

23 13. On or about September 1, 2021, CCB agents contacted Burton and requested
24 an explanation as to the missing "White Runtz" cannabis ("9/1/21 Correspondence"). CCB
25 agents also reiterated THF's required destruction plan regarding the cannabis located
26 within the Facility. Furthermore, Burton was again reminded of NCCR 5.095's above
27 referenced provision regarding the surrender of a license for failure to timely renew the
28 same.

1 14. In regard to the missing "White Runtz" cannabis, THF ultimately informed
2 CCB that this cannabis was stolen. As such, CCB asked for THF to provide the police report
3 regarding this alleged theft. The police report was provided to the CCB from THF on
4 November 12, 2021 as detailed in factual allegation 24.

5 15. On or about September 28, 2021, the last day in which THF could renew its
6 licenses before they would be considered voluntarily surrendered under NCCR 5.095, THF
7 renewed its licenses and paid its outstanding fees/balances just prior to close of business
8 that day. On this same day, CCB agents communicated to Burton that he needed to submit
9 a plan detailing how THF intended to come into compliance with the laws concerning
10 cannabis cultivation.

11 16. On or about November 8, 2021, CCB's Deputy Executive Director, notified
12 Burton that the CCB had yet to receive THF's plan for the removal/destruction of its
13 cannabis, despite multiple correspondences to THF/Burton stating that the
14 destruction/removal must be executed. The 11/8/21 Correspondence instructed THF that
15 this removal/destruction plan must be received no later than 5:00 p.m. on November 10,
16 2021 and that CCB agents must witness the destruction of the cannabis.

17 17. This same day (November 8, 2021), CCB agents arrived at the Facility to
18 conduct an inspection/audit ("11/8/21 Inspection"). Upon arrival, CCB agents observed:

- 19 a. The front door to the Facility was unlocked and they were able to enter
20 and walk throughout the Facility without impediment;
- 21 b. All of the Facility's rooms were unlocked, including its vault which
22 contained cannabis-product;
- 23 c. Within the Facility there was an electrician/contractor ("Electrician")
24 who was in one of the Facility's grow rooms. This Electrician was in
25 possession of a registered contractor's card but without a visitor's
26 identification badge and was unescorted by a THF employee/agent; and
- 27 d. In addition to the Electrician, there was also another male individual
28 present in the Facility, appearing to be accompanying the electrician

1 who identified himself to CCB agents as only 18 years of age (“Underage
2 Male”). Upon learning of his age, CCB agents escorted the Underage
3 Male from the Facility.

4 18. On or about November 9, 2021, the CCB served Burton/THF a “Statement of
5 Deficiencies” detailing the above referenced factors of non-compliance that CCB agents
6 observed during the 11/8/21 Inspection.

7 19. On or about November 10, 2021, Burton contacted CCB/CCB-agents
8 requesting a meeting to, in summary, bring THF into compliance with the
9 statutes/regulations governing cannabis cultivation.

10 20. In addition to the above, on or about November 10, 2021, CCB agents returned
11 to the Facility to complete its inspection/inventory of the Facility (“11/10/21 Inspection”).
12 During the 11/10/21 Inspection, CCB agents observed/discovered that:

- 13 a. The Electrician was again at the Facility, and continued to be present
14 without a visitor’s identification card and/or THF employee/agent
15 escort;
- 16 b. THF was not maintaining an up-to-date visitor log as evidenced by the
17 fact that the last entry on THF’s Facility’s log was August 30, 2021, and
18 was devoid of any subsequent entries including the previously
19 referenced Electrician and/or Underage Male; and
- 20 c. All of the Facility’s security cameras, security servers, and/or security
21 alarm, were removed, destroyed, and/or rendered inoperable.

22 21. At the conclusion of the 11/10/20 Inspection, CCB agents quarantined the
23 entirety of the Facility and the cannabis/cannabis-product observed within.

24 22. On or about November 12, 2021, upon final review and analysis of the
25 inventory completed during the 11/10/21 Inspection, and while also consulting METRC
26 records, the CCB agents observed/discovered:

- 27 a. 53 packages of cannabis (totaling 121,816.70 grams²) was missing.

28

² Approximately 268 pounds.

- 1 b. The flowering buds of 47 plants of Shirley strain were cut and removed.
- 2 c. 3 plants of Shirley strain cannabis were missing.
- 3 d. The harvests from the following cannabis strains were missing from the
- 4 Facility:
- 5 i. DosiFire (H06.21.21-R1-B5), which consisted of 137 plants
- 6 (totaling 43,780 grams³ in wet weight);
- 7 ii. Golden Nectar (H06.21.21-R2-B6), consisting of 53 plants
- 8 (totaling 18,994 grams⁴ in wet weight);
- 9 iii. Golden Nectar (H06.21.21.R2-B6), consisting of 56 plants
- 10 (totaling 22,155 grams⁵ in wet weight);
- 11 iv. Chem OG (H06.21.21-R2-B11), consisting of 103 plants (totaling
- 12 42,130 grams⁶ in wet weight); and
- 13 v. White Runtz (H06.21.21-R1-B1), consisting of 88 plants (totaling
- 14 50,600 grams⁷ wet weight).
- 15 e. 6 packages of cannabis contained less cannabis product than what had
- 16 been reported in METRC. This includes, but is not limited to, a package
- 17 of "Chem OG Flower" which, according to METRC, should have had
- 18 180.5019 grams of cannabis but was found to only have 65 grams of
- 19 cannabis product. This specific package was accompanied by a
- 20 handwritten note indicating the absent cannabis product was used to
- 21 make "Pre-rolls." However, these pre-rolls were not within the Facility.
- 22 f. THF failed to provide METRC tags on 19 packages of shake/trim that
- 23 were found in the Facility's vault (the strains of unlabeled packages
- 24 included, but are not necessarily limited to "BS," "HH," "Fukka OK,"
- 25 "Chem OG," and "DosiFire.")
- 26

27 ³ Approximately 96 pounds.

⁴ Approximately 42 pounds.

28 ⁵ Approximately 49 pounds.

⁶ Approximately 93 pounds.

⁷ Approximately 112 pounds.

1 23. On or about November 12, 2021, during a teleconference (“11/12/21
2 Teleconference”) between agents/representatives of both the CCB and THF, THF
3 represented for the first time, that, on or about September 29, 2021, it learned that the
4 Facility had been the subject of theft. According to THF, this theft explained the absence
5 of quantities of its cannabis, as well as the removal and/or destruction of some or all of the
6 Facility’s security cameras, computer servers, and/or equipment (“9/29/21 Incident”). Per
7 THF, the 9/29/21 Incident was reported to the Las Vegas Metropolitan Police Department
8 (LVMPD). The 9/29/21 Incident was not reported to the CCB prior to the 11/12/21
9 Teleconference.

10 24. Shortly after the 11/12/21 Teleconference, THF provided the following
11 documents to the CCB:

- 12 a. A CCB Incident Report and supplemental material for the alleged
13 August 30, 2021 theft. The supplemental material included an LVMPD
14 police report (Event # 210800132382) which contained a voluntary
15 statement authored by Burton wherein he made multiple
16 representations including, but not limited to: THF harvested cannabis
17 on June 21, 2021 before THF operations were to cease; on July 15, 2021,
18 some or all of THF’s security cameras were “cut” and/or footage erased;
19 that THF’s “entire inventory and procedures were on point besides
20 those 87 “White Runtz” flower;” and that the METRC tags for the
21 missing cannabis were found in one of the trash cans in the Facility.
22 This Incident Report and supporting material was not submitted to the
23 CCB prior to November 12, 2021, and only on request from CCB agents.
- 24 b. A CCB Incident Report and supplemental material for the alleged theft
25 that occurred on or about September 29, 2021. The supplemental
26 material did not include a police report but rather a LVMPD “Police
27 Contact Card” and what appeared to be photographs/video of the
28 Facility taken close in time to the purported theft and/or during

1 LVMPD's investigation concerning the same. This Incident Report and
2 supporting material was not submitted to the CCB prior to November
3 12, 2021, and only on request from CCB agents.

- 4 c. A letter entitled "Plan of Destruction" which stated that THF has
5 contacted a company to conduct an inventory of their cannabis prior to
6 its destruction. The letter further provided a desire to coordinate with
7 CCB a time for CCB agents to observe the destruction of the cannabis.
8

9 VIOLATIONS OF LAW

10 25. CCB incorporates all prior Paragraphs as though fully set forth herein.

11 26. As to licenses C086 and RC086, Respondent THF violated NCCR
12 4.035(1)(a)(15), by diverting and/or allowing for the diversion of cannabis and/or cannabis
13 products. Specifically, as set forth in paragraphs 12, 13, 14, 17, 18, 20, 22, and 24 (including
14 the respective corresponding subsections), above, on or prior to August 30, 2021, THF
15 diverted and/or allowed for the diversion of substantial amounts of cannabis and/or
16 cannabis product, including 88 plants of White Runtz strain cannabis. This is at least a
17 Category I violation which, pursuant to NCCR 4.035(2)(a), carries a civil penalty of not
18 more than \$90,000 and a suspension for not more than 30 days or revocation of THF's
19 licenses. Pursuant to NCCR 4.035(2)(b), as a charge constituting the diversion of cannabis
20 and/or cannabis product under NCCR 4.035(1)(a)(15), the revocation of the license is
21 required.

22 27. As to licenses C086 and RC086, Respondent THF violated NCCR 4.035(1)(a)
23 (15) by diverting and/or allowing for the diversion of cannabis and/or cannabis products.
24 Specifically, as set forth in paragraphs 17, 18, 20 through 24 (including respective
25 corresponding subsections), above, on or between August 30, 2021 and September 29, 2021,
26 THF diverted and/or allowed for the diversion of substantial amounts of cannabis and/or
27 cannabis product. The diverted cannabis and/or cannabis product includes, but is not
28 necessarily limited to: (1) 53 packages of cannabis (totaling 121,816.70 grams); (2) the

1 flowering buds of 47 plants of Shirley strain cannabis; (3) 3 plants of Shirley strain
2 cannabis; (4) the harvest of DosiFire strain cannabis (H06.21.21-R1-B5), which consisted of
3 137 cannabis plants (totaling 43,780 grams in wet weight); (5) the harvest of Golden Nectar
4 cannabis strain (H06.21.21-R2-B6), consisting of 53 cannabis plants (totaling 18,994 grams
5 in wet weight); (6) the harvest of Golden Nectar strain cannabis (H06.21.21.R2-B6),
6 consisting of 56 cannabis plants (totaling 22,155 grams in wet weight); (7) the harvest of
7 Chem OG cannabis strain (H06.21.21-R2-B11), consisting of 103 cannabis plants (totaling
8 42,130 grams in wet weight); and (8) 115.5019 grams of packaged cannabis. The
9 aforementioned acts and omissions constitute at least a second Category I violation or, in
10 the alternative, 8 separate Category I violations. Pursuant to NCCR 4.035(2)(a)(2), a second
11 or subsequent Category I violation requires the revocation of a license. Pursuant to NCCR
12 4.035(2)(b), as a charge constituting the diversion of cannabis and/or cannabis product
13 under NCCR 4.035(1)(a)(15), the revocation of the license is required.

14 28. As to licenses C086 and RC086, Respondent THF violated NRS 678B.510(5)
15 and/or NCCR 4.035(1)(a)(10) by failing to immediately admit regulatory personnel into the
16 premises of a cannabis establishment. Specifically, as set forth in paragraph 10, above,
17 when CCB agents attempted to inspect the Facility on August 5, 2021, they found it locked
18 and without any THF employee/designee onsite to provide access to the Facility.
19 Additionally, when CCB agents contacted Burton, they were told that there would not be
20 anyone available to allow entry into the building. This is a third Category I violation which,
21 pursuant to NCCR 4.035(2)(a)(2), requires the revocation of a license.

22 29. As to licenses C086 and RC086, Respondent THF violated NRS 678B.210(1),
23 NRS 678B.250(1), NCCR 4.035(1)(a)(2), and/or 4.050(1)(a)(13), by operating a cannabis
24 establishment without the necessary permits, certificates, registrations and/or licenses.
25 Specifically, as set forth in paragraphs 6 through 14, 16 through 18, and 20 through 24
26 (including the respective corresponding subsections), above, from June 30, 2021 to
27 September 28, 2021, THF continued to cultivate and/or house/store cannabis in its Facility
28 despite the fact that both of its licenses had expired. This is a fourth Category I violation

1 which, pursuant to NCCR 4.035(2)(a)(2) requires the revocation of a license.

2 30. As to licenses C0086 RC086, Respondent THF violated NRS 678B.210(1), NRS
3 678B.250(1), and/or NCCR 4.040(1)(a)(18) by failing to timely renew its expired licenses.
4 Specifically, as set forth in paragraphs 6 through 15 (including the respective
5 corresponding subsections, above, THF's licenses expired on June 30, 3021 and were not
6 renewed until September 28, 2021. This is a Category II violation which, pursuant to
7 NCCR 4.040(2)(a)(1) requires a civil penalty of not more than \$25,000 and a suspension for
8 not more 20 days.

9 31. As to licenses C086 and RC086, Respondent THF violated NRS 678B.340,
10 NCCR 6.070(2), and/or 4.040(1)(a)(4), (8), by allowing a person who is less than 21 years of
11 age to enter or remain in a cannabis establishment. Specifically, as set forth in paragraph
12 17 (including subsections), above, when CCB agents were inspecting the Facility on
13 November 8, 2021, they encountered an Underage Male who was less than 21 years of age,
14 who was working at the facility with the Electrician, and who did not have a cannabis
15 establishment agent registration card. This is a second Category II violation which,
16 pursuant to NCCR 4.040(2)(a)(2) requires a civil penalty of not more than \$75,000 and a
17 suspension for not more than 30 days.

18 32. As to licenses C086 and RC086, Respondent THF violated NCCR
19 6.085(1)(c)(3)(III), NCCR 6.085(1)(c)(3)(V) and NCCR 4.040(1)(a)(14), by failing to maintain
20 a required surveillance system. Specifically, as set forth in paragraph 17, 20, 23, and 24
21 (including the respective corresponding subsections), above, during the inspections of the
22 Facility on November 8, 2021 and/or November 10, 2021, CCB agents observed that the
23 Facility did not have any operating and/or recording video surveillance cameras. This is a
24 third Category II violation which, pursuant to NCCR 4.040(2)(a)(3), a third or subsequent
25 Category II violation requires the revocation of a license.

26 33. As to licenses C0086 and RC086, Respondent THF violated NCCR
27 6.085(1)(c)(1) and NCCR 4.040(1)(a)(14), by failing to maintain a required security alarm
28 and surveillance systems. Specifically, as set forth in paragraph 17, 20, 23 and 22

1 (including the respective corresponding subsections), above, CCB agents found that the
2 Facility's security alarm had been disconnected/severed. The security alarm was still
3 inoperable at the time of the 11/10/21 Inspection. This is a fourth Category II violation
4 which requires the revocation of a license. NCCR 4.040(2)(a)(3).

5 34. As to licenses C086 and RC086, Respondent THF violated NCCR 6.082(4)
6 and/or NCCR 4.050(1)(a)(22) by failing to tag cannabis and/or cannabis product as required.
7 Specifically, as set forth in paragraph 22 (including subsections), above, THF failed to
8 provide METRC tags on 19 packages of shake/trim that were found in the Facility's vault.
9 This is a first Category III violation which, pursuant to NCCR 4.050(2)(a)(1) requires a civil
10 penalty of not more than \$10,000. In the alternative, these acts and/or omissions constitute
11 19 separate Category III violations, which requires a civil penalty of not more than
12 \$220,000 and revocation. NCCR 4.050(2)(a).

13 35. As to licenses C086 and RC086, Respondent THF violated NRS 678B.510(3),
14 NCCR 6.085(1)(a), (c)-(d) and/or NCCR 4.050(1)(a)(5) by failing to follow an approved
15 security plan. Specifically, as set forth in paragraphs 17 (including subsections), above,
16 when CCB agents arrived at the Facility on November 8, 2021, the Facility was found to
17 be unlocked and all the doors within open, including the doors to the grow rooms and/or
18 vault. This is at least a second Category III violation which, pursuant to NCCR
19 4.050(2)(a)(2) requires a civil penalty of not more than \$30,000 and/or a suspension for not
20 more than 10 days or in the alternative the twentieth Category III violation, which requires
21 revocation. NCCR 4.050(2)(a).

22 36. As to licenses C086 and RC086, Respondent THF violated NCCR 6.130(1),
23 6.080(8), and/or NCCR 4.050(1)(a)(8) by failing to notify the Board or Board Agents within
24 24 hours after discovery of a serious incident or criminal activity on the premises of the
25 cannabis establishment. Specifically, as set forth in paragraphs 22, 23, and 24 (including
26 the respective corresponding subsections), above, THF did not notify the CCB of the alleged
27 9/29/21 Incident until November 12, 2021. This is at least a third Category III violation
28 which, pursuant to NCCR 4.050(2)(a)(3), requires a civil penalty of not more than \$90,000

1 and/or a suspension for not more than 20 days or in the alternative the twenty-first
2 Category III violation, which requires revocation. NCCR 4.050(2)(a).

3 37. As to licenses C086 and RC086, Respondent THF violated NCCR 6.070(2), (3),
4 and/or (4), 4.050(1)(a)(5), and/or 4.060(1)(a)(6) by failing to follow an approved security
5 plan. Specifically, as set forth in paragraphs 17, 18, and 20, above, during the 11/8/21
6 Inspection CCB agents observed/learned that there were two individuals within the
7 Facility, the Electrician and the Underage Male, who were within the Facility without
8 adherence to the requirements mandated by NCCR 6.070, including the possession of a
9 visitor identification badge. Similarly, the Electrician was again present during 11/10/21
10 Inspection and again without adherence to NCCR 6.070's requirements. This is at least a
11 fourth Category III violation which, pursuant to NCCR 4.050(2)(a) requires a civil penalty
12 of not more than \$90,000 and/or a suspension for not more than 60 days or in the alternative
13 a twenty-second Category III violation, which requires revocation. NCCR 4.050(2)(a).

14 38. As to licenses C086 and RC086, Respondent THF violated NCCR
15 4.055(1)(a)(14) by failing to properly respond to Board Agents' requests for documentation,
16 information, video, and other records. Specifically, as set forth in paragraphs 6 through 9,
17 11 through 16, 23 and 24 (including the respective corresponding subsections), above, THF
18 failed to: (1) timely and/or properly provide the CCB the requested renewal
19 applications/fees and/or plan of removal/destruction of its cannabis/cannabis-product as
20 requested/required in the 7/2/21 Notice; (2) timely and/or properly provide the CCB the
21 requested plan of removal/destruction of its cannabis/cannabis-product as
22 requested/required in the 8/4/21 Notice; (3) provide the security camera video/footage of the
23 Facility's interior as requested/required in the 8/26/21 Correspondence; (4) timely and/or
24 properly provide the plan of removal/destruction of its cannabis/cannabis-product as
25 requested/required in the 9/1/21 Correspondence; and (6) timely and/or properly provide
26 the plan of destruction of its cannabis/cannabis-product as requested/required in the
27 11/8/21 Correspondence. The preceding acts and/or omission constitute at least a first
28 Category IV violation which, pursuant to NCCR 4.055(2)(a)(1), requires a civil penalty of

1 not more than \$5,000. Alternatively, the preceding acts and/or omissions constitute 4
2 separate Category IV violations. A second category IV violation requires a civil penalty of
3 not more than \$10,000 and/or a suspension for not more than 7 days. NCCR 4.055(2)(a)(2).
4 A third Category IV violation requires a civil penalty of not more than \$20,000 and/or a
5 suspension for not more than 10 days. NCCR 4.055(2)(a)(3). A fourth Category IV violation
6 requires a civil penalty of not more than \$40,000 and/or a suspension for not more than 20
7 days. NCCR 4.055(2)(a)(4).

8 39. As to licenses C086 and RC086, Respondent THF violated NCCR 6.070(5)
9 and/or NCCR 4.050(1)(a)(3) by failing to keep required records. Specifically, as set forth in
10 Paragraphs 17, 18, 20 (including the respective corresponding subsections), above, THF
11 failed to maintain an up-to-date visitor log as evidenced by the fact that the Electrician,
12 who was within the Facility on November 8, 2021 and November 10, 2021, and the
13 Underage Male who was within the Facility on November 8, 2021, was not listed in the
14 Facility's visitor log. The last entry in THF's Facility log was dated August 30, 2021. This
15 is at least a fourth Category III violation which requires a civil penalty of not more than
16 \$90,000 and/or a suspension for not more than 60 days. NCCR 4.050(2)(a)(4). Alternatively,
17 the preceding may constitute the twenty-third and/or 3 separate Category III violations,
18 which requires revocation. NCCR 4.050(2)(a)(5).

19 40. As to licenses C086 and RC086, Respondent THF violated NCCR
20 4.060(1)(a)(7) by failing to properly submit reports required by the Board. Specifically, as
21 set forth in paragraphs 12, 13, 14, 22, 23, and 24 (including the respective corresponding
22 subsections), above, THF did not properly/timely submit/file CCB Incident Reports for the
23 alleged August 30, 2021 and September 29, 2021 thefts until November 12, 2021. This is
24 at least a first Category V violation which, pursuant to NCCR 4.060(2)(a)(1), would require
25 a warning from the CCB. In the alternative, the preceding acts and/or omissions constitute
26 2 separate Category V violations, and a second Category V violation requires a civil penalty
27 of not more than \$2,500. NCCR 4.060(2)(a)(2).

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 licenses of THF;
- 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 production certificate and license of THF; 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 THF's medical and adult-use cultivation licenses; and
- 12 - Civil penalties against THF in the amount of \$487,500.

13 **NOTICE TO RESPONDENT**

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

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


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

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

27 As the Respondent, you are specifically informed that you have the right to appear
28 and be heard in your defense, either personally or through your counsel of choice at your

1 own expense. At the hearing, the CCB has the burden of proving the allegations in the
2 Complaint. The CCB will call witnesses and present evidence against you. You have the
3 right to respond and to present relevant evidence and argument on all issues involved. You
4 have the right to call and examine witnesses, introduce exhibits, and cross-examine
5 opposing witnesses on any matter relevant to the issues involved.

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

9 If the Respondent does not wish to dispute the charges and allegations set forth
10 herein, within 30 days of the service of this Complaint, Respondent may, pay the civil
11 penalties set forth above in the total amount of \$ 487,500, and surrender its licenses on
12 notice to:

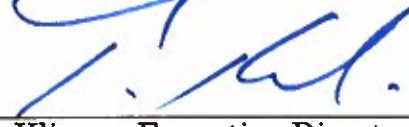
13 Tyler Klimas, Executive Director
14 Cannabis Compliance Board
15 555 E. Washington Avenue, Suite 4100
16 Las Vegas, Nevada 89101

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

3 DATED: November 18th, 2021.

4 STATE OF NEVADA, CANNABIS COMPLIANCE
5 BOARD

6 By: 
7 Tyler Klimas, Executive Director
8 555 E. Washington Avenue, Suite 4100
9 Las Vegas, Nevada 89101
10 (702) 486-2300

11 AARON D. FORD
12 Attorney General

13 By: 
14 Michael Detmer (Bar No. 10873)
15 Senior Deputy Attorney General
16 L. Kristopher Rath (Bar No. 5749)
17 Senior Deputy Attorney General
18 Ashley A. Balducci (Bar No. 12687)
19 Senior Deputy Attorney General
20 Emily N. Bordelove (Bar No. 13202)
21 555 E. Washington Ave, Suite 3900
22 Las Vegas, Nevada 89101
23 (702) 486-3420

24 Attorneys for the Cannabis Compliance Board
25
26
27
28

**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:

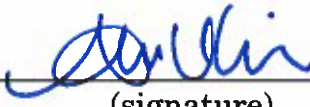
By placing a true and correct copy of the Complaint to be deposited for mailing in the United States Mail in a sealed envelope via registered or certified mail, prepaid in Las Vegas, Nevada, to Respondent's point of contact with the CCB under NCCR 2.050 at Respondent's address on file with the Board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

Name of point of contact served: Donald Burton

Address on file with CCB: [REDACTED]

Date of Service: November 18, 2021

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

Executed on November 18, 2021 
(date) (signature)