



1 use customer via EHL's curbside service.

2 3. After receiving the aforementioned self-report, CCB staff commenced an  
3 investigation, which confirmed the facts set forth in Paragraph 2, above.

4 4. Thereafter, CCB staff, working with the Attorney General's Office, entered  
5 into good faith settlement negotiations with EHL, through its counsel, to attempt to resolve  
6 the violations at issue. The Parties were able to come to a mutually acceptable resolution  
7 of this matter which is acceptable to CCB staff and the Attorney General, without the  
8 necessity of filing a Complaint for Disciplinary Action. EHL has agreed to waive the filing  
9 and service of a CCB Complaint and the Parties understand and agree that this Stipulation  
10 and Order must be approved by majority vote of the members of the CCB to become  
11 effective.

12 5. As set forth herein, Respondent stipulates to pay a \$25,000 civil penalty for  
13 one violation of NCCR 4.050(1)(a)(16) for exceeding the maximum serving requirements for  
14 cannabis products, in lieu of the CCB filing and serving a Complaint for Disciplinary Action  
15 ("Complaint") and proceeding to a disciplinary hearing.

16 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

17 This Stipulation and Order is made and based upon the following acknowledgements  
18 by the Parties:

19 6. EHL has entered into this Stipulation and Order on its own behalf and with  
20 full authority to resolve the claims against it and is aware of EHL's rights to contest the  
21 violations pending against it. These rights include the filing and service of a disciplinary  
22 complaint specifying the charges against Respondent, representation by an attorney at  
23 EHL's own expense, the right to a hearing on any violations or allegations formally filed,  
24 the right to confront and cross-examine witnesses called to testify against EHL, the right  
25 to present evidence on EHL's own behalf, the right to have witnesses testify on EHL's  
26 behalf, the right to obtain any other type of formal judicial review of this matter, and any  
27 other rights which may be accorded to EHL pursuant to provisions of NRS Chapters 678A  
28 through 678D, the Nevada Cannabis Compliance Regulations (NCCR), and any other

1 provisions of Nevada law. EHL is waiving all these rights by entering into this Stipulation  
2 and Order. If the CCB rejects this Stipulation and Order, or any portion thereof, EHL  
3 reserves the right to withdraw any or all such waivers.

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

10 8. EHL acknowledges that this Stipulation and Order shall only become effective  
11 after the CCB has approved it.

12 9. EHL enters this Stipulation and Order after being fully advised of EHL's  
13 rights and as to the consequences of this Stipulation and Order. This Stipulation and Order  
14 embodies the entire agreement reached between the CCB and EHL. It may not be altered,  
15 amended, or modified without the express written consent of the Parties and all alterations,  
16 amendments and/or modifications must be in writing.

17 10. In an effort to avoid the cost and uncertainty of a disciplinary hearing, EHL  
18 has agreed to settle this matter. For purposes of settling this matter, EHL acknowledges  
19 that the facts contained in the paragraphs in the above "Pertinent Facts" portion of this  
20 Stipulation and Order are true and correct. Without waiving any constitutional rights  
21 against self-incrimination, EHL further acknowledges that, if the CCB filed and served a  
22 Complaint and the matter proceeded to an administrative hearing, the "Pertinent facts"  
23 could be found to constitute violations of Title 56 of NRS (NRS Chapters 678A through  
24 678D), and the NCCR, with penalties up to and including suspension and/or civil penalties  
25 of up to \$40,000 for D042 and RD042.

26 11. In settling this matter the Executive Director for CCB and counsel for CCB  
27 have considered the factors set forth in NCCR 4.030(2), including: the gravity of the  
28 violations; the economic benefit or savings, if any, resulting from the violations; the size of

1 the business of the violator; the history of compliance with the NCCR and Title 56 of NRS  
2 by the violator; actions taken to remedy and/or correct the violations; and the effect of the  
3 penalty on the ability of the violator to continue in business. Mitigating factors in this case  
4 include that fact that EHL self-reported the events at issue, swiftly took remedial action to  
5 ensure such violations would not occur in the future and negotiated in good faith to resolve  
6 the matter without the need for the filing and service of a Complaint.

7 12. To resolve the Administrative Action, and only for those purposes and no  
8 other, EHL specifically admits to the following violation with respect to CCB Case No.  
9 2021-51 for licenses D042 and RD042:

10 a. One violation of NCCR 4.050(1)(a)(16), for exceeding the maximum  
11 serving requirements for cannabis products, which constitutes one  
12 Category III violation.

13 13. With respect to D042 and RD042, EHL further agrees to pay a civil penalty in  
14 the amount of \$25,000<sup>1</sup> in consideration for its admitted violations in Paragraph 12, above,  
15 and in consideration for the CCB's agreement to resolve the Administrative Action on the  
16 terms set forth herein.

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

19 15. Both parties acknowledge that the CCB has jurisdiction to consider and order  
20 this Stipulation and Order because EHL holds privileged licenses/certificates regulated by  
21 the CCB as of July 1, 2020. EHL expressly, knowingly, and intentionally waives the 21-day  
22 and/or 5 day notice requirements contained in the Nevada Open Meeting Law and  
23 acknowledges that this Stipulation and Order may be presented to the CCB for its  
24 consideration and potential ratification at the CCB's meeting on November 16, 2021.

#### 25 **STIPULATED ADJUDICATION**

26 Based upon the above acknowledgments of the Parties and their mutual agreement,  
27 the Parties stipulate and agree that the following terms of discipline shall be imposed by  
28

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<sup>1</sup> To be apportioned \$12,500 to D042 and \$12,500 to RD042.

1 the CCB in this matter:

2 16. Violations: As to licenses D042 and RD042, EHL is found to have committed  
3 one Category III violation, as set forth in Paragraph 12(a), above.

4 17. Imposition of Civil Penalties. EHL shall pay a total civil penalty in the  
5 amount of twenty-five thousand dollars (\$25,000) within the time set forth in Paragraph  
6 18 below, to be apportioned as set forth in Paragraph 13, above.

7 18. Payment of Civil Penalties. EHL must pay the civil penalty set forth in this  
8 agreement within 30 days of the date the CCB approves this Stipulation and Order<sup>2</sup>. EHL  
9 acknowledges that it is critical to comply with the strict requirements of the deadline for  
10 payment. EHL agrees that, should it fail to timely make timely payment of the civil penalty,  
11 the following penalties and procedures will be in effect:

- 12 a. CCB will allow a five-business day grace period for late payment<sup>3</sup>.
- 13 b. If payment is not physically received by CCB at its Carson City office by 5:00  
14 p.m., Pacific Time, on the last day of the grace period, EHL shall be deemed  
15 to be in breach of this Stipulation and Order, deemed to be in default, and  
16 shall pay all amounts due under this Stipulation and Order, as well as an  
17 additional late payment penalty of twenty-five thousand dollars (\$25,000),  
18 and shall have its licenses D042 and RD042 immediately suspended, with  
19 such suspensions remaining in place until all amounts due under this  
20 Stipulation and Order are paid in full (inclusive of the \$25,000 late payment  
21 penalty). The CCB will enter an order of default to this effect after default  
22 and all amounts due under this subsection shall be immediately due and  
23 payable to CCB. If all amounts due under this section are not paid within 90  
24 days after the date of the order of default, licenses D042 and RD042 shall be  
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26 <sup>2</sup> Should the CCB approve this Stipulation and Order at its November 16, 2021, meeting, payment would be  
27 due on Thursday, December 16, 2021, and must be received on that day by 5:00 p.m. at the CCB's Carson  
City office.

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 deemed voluntarily surrendered. EHL agrees it cannot and will not file any  
2 petition for judicial review and/or any action in any forum for relief from this  
3 order of default and that CCB may file any judicial action necessary to recover  
4 the amounts owed under this subsection, along with its attorneys' fees and  
5 costs for recovery of amounts owed.

6 c. EHL may petition the CCB for an extension of 30-days to pay the civil  
7 penalty. However, for the CCB to consider any such petition, the CCB must  
8 receive said petition no later than 5 business days prior to the payment  
9 deadline (which does not include any grace period). The CCB is not required  
10 to grant such a petition. In such a petition, EHL must demonstrate to the  
11 satisfaction of CCB that there are extraordinary and unusual circumstances  
12 necessitating the extension requested. CCB may delegate the decision as to  
13 whether to grant such a petition to the CCB Chair.

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

17 19. Plan of Correction. Respondent represents and warrants that it has  
18 submitted a plan of correction, which CCB staff has approved, that will remedy and  
19 prevent the recurrence of the violations set forth in this Stipulation and Order. In  
20 summary, the plan of correction includes the following: (1) EHL, via its point of sale  
21 software vendor, has implemented a safeguard that will not allow a medical cannabis  
22 product to be added to a customer's order at the point of sale level, unless the required  
23 medical documentation is in the software system; and (2) EHL has re-trained its employees  
24 on the new point of sale system it has implemented. Respondent further represents and  
25 warrants that it is now, as of the date it has executed this Stipulation and Order, operating  
26 in full compliance with NRS Title 56 and NCCR.

27 20. Contingency if Approval Denied. If approval of this Stipulation and Order is  
28 denied by CCB, EHL and counsel for the CCB agree to resume settlement negotiations in

1 good faith and attempt to reach an agreement to amend this Stipulation and Order and  
2 resubmit an amended Stipulation and Order to the CCB to review for approval at a  
3 subsequent regularly scheduled meeting. If such an agreement cannot be reached, the  
4 Parties agree to proceed with the Administrative Action, which shall include the filing and  
5 service of a disciplinary complaint and a disciplinary hearing before the CCB or its assigned  
6 hearing officer. Should the Administrative Action proceed for the reasons set forth in this  
7 Paragraph, CCB preserves all its claims and arguments in the Administrative Action as  
8 set forth in its Complaint (to be filed) and EHL preserves all its defenses and arguments it  
9 may assert. An unapproved Stipulation and Order shall not be admissible as evidence or  
10 referenced in argument at any disciplinary hearing in CCB Case No. 2021-51 or any other  
11 matter involving the CCB.

12       21. Contingency if Approval Conditioned. If the CCB approves this Stipulation  
13 and Order, but said approval is contingent on certain conditions, the parties will undertake  
14 further good faith negotiations to include said conditions in an amended stipulation and  
15 order for execution by the CCB Chair. If EHL does not agree to the certain conditions  
16 imposed by the CCB, the parties will undertake additional negotiations and attempt to  
17 reach an agreement to amend this Stipulation and Order and resubmit an amended  
18 Stipulation and Order to the CCB to review for approval at a subsequent regularly  
19 scheduled meeting. If such an agreement cannot be reached, the Parties agree to proceed  
20 with the Administrative Action, which shall include the filing and service of a disciplinary  
21 complaint and a disciplinary hearing before the CCB or its assigned hearing officer. Should  
22 the Administrative Action proceed for the reasons set forth in this Paragraph, CCB  
23 preserves all its claims and arguments in the Administrative Action as set forth in its  
24 Complaint (to be filed) and EHL preserves all its defenses and arguments it may assert.  
25 An unapproved Stipulation and Order shall not be admissible as evidence or referenced in  
26 argument at any disciplinary hearing in CCB Case No. 2021-51 or any other matter.

27       22. Closure of Disciplinary Action. Once this Stipulation and Order is fully  
28 performed by EHL, the Administrative Action will be closed.

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

21           24.    Release. In execution of this agreement, Respondent agrees that the State of  
22 Nevada, the CCB, the Office of the Attorney General, and each of their members, staff,  
23 attorneys, investigators, experts, hearing officers, consultants and agents are immune from  
24 any liability for any decision or action taken in good faith in response to information and  
25 data acquired by the CCB. Respondent agrees to release the State of Nevada, the CCB, the  
26 Office of the Attorney General, and each of their members, staff, attorneys, investigators,  
27 experts, hearing officers, consultants and agents from any and all manner of actions, causes  
28 of action, suits, debts, judgments, executions, claims and demands whatsoever, known or



1 unknown, in law or equity, that Respondent ever had, now has, may have or claim to have  
2 against any and/or all of the persons, government agencies or entities named in this  
3 Paragraph, arising out of, or by reason of, CCB's investigation of the matters set forth in  
4 its Complaint, the matters set forth in this Stipulation and Order, or the administration of  
5 CCB Case No. 2021-51.

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

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

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

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

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

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

19           30.    Binding Effect. This Stipulation and Order shall be binding upon and inure  
20 to the benefit of the Parties hereto and the Parties' respective successors, predecessors,  
21 parents, affiliates, shareholders, employees, heirs, executors, assigns, and administrators.

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

1           32.   Governing Law. This Stipulation and Order shall be governed by and  
2 construed in accordance with the laws of the State of Nevada, without reference to conflict  
3 of law principles.

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

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

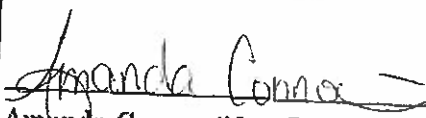
15          35.   Time is of the Essence. Time is of the essence in the performance of all terms  
16 of this Stipulation and Order.


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


22          37.   Counterparts and Copies. This Stipulation and Order may be executed in  
23 counterparts, each of which when so executed and upon delivery to counsel of record for the  
24 Parties shall be deemed an original ("Counterparts"). This Stipulation and Order shall be  
25 deemed executed when Counterparts of this Stipulation and Order have been executed by  
26 all the Parties and/or their counsel; such Counterparts taken together shall be deemed to  
27 be the Agreement. This Stipulation and Order may be executed by signatures provided by  
28 electronic facsimile or email, which signatures shall be binding and effective as original


1 wet ink signatures hereupon. All fully executed copies of this Stipulation and Order are  
2 duplicate originals, equally admissible in evidence.

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

6  
7  Date: 11/10/2021  
8 Amanda Connor (Nev. Bar No. 12193)  
9 Counsel for Respondent EHL

10  Date: 11-10-2021  
11 Printed name: Michael J. Neville  
12 Title: Assistant General Counsel for Green  
13 Thumb Industries Inc.  
14 On behalf of Respondent EHL.

15  Date: 11/12/2021  
16 I. Kristopher Rath (Nev. Bar No. 5749)  
17 Ashley Balducci (Nev. Bar No. 12687)  
18 Senior Deputy Attorney General  
19 Counsel for Cannabis Compliance Board

20  Date: 11/12/2021  
21 Tyler Klimas, Executive Director for the  
22 Cannabis Compliance Board

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**ORDER**

WHEREAS, on 16<sup>th</sup> day of November, 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 EHL.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 16<sup>th</sup> day of November, 2021.

**STATE OF NEVADA,  
CANNABIS COMPLIANCE BOARD**

By:   
HON. MICHAEL L. DOUGLAS, CHAIR