

1 interior surfaces that were smooth and easily cleanable.

2 2. IPL has not filed an Answer in the Administrative Action. Rather, IPL chose
3 to engage in negotiations to resolve this matter prior to answering the Complaint.

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

8 4. On or about October 14, 2021, the Parties agreed to a Stay of Proceedings
9 pending negotiations, which was approved by the CCB Chair on or about October 18, 2021.

10 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

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

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

25 6. Should this Stipulation and Order be rejected by the CCB or not timely
26 performed by IPL, it is agreed that presentation to and consideration by the CCB of such
27 proposed stipulation or other documents or matters pertaining to the consideration of this
28 Stipulation and Order shall not unfairly or illegally prejudice the CCB or any of its

1 members from further participation, consideration, adjudication, and/or resolution of these
2 proceedings and that no CCB member shall be disqualified or challenged for bias.

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

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

10 9. In an effort to avoid the cost and uncertainty of a disciplinary hearing, IPL
11 has agreed to settle this matter. For purposes of settling this matter, IPL acknowledges
12 that the facts contained in the paragraphs in the above "Pertinent Facts" portion of this
13 Stipulation and Order are true and correct. Without waiving any constitutional rights
14 against self-incrimination, IPL further acknowledges that certain facts contained in the
15 CCB's Complaint in Case No. 2021-43 could be found to constitute violations of Title 56 of
16 NRS (NRS Chapters 678A through 678D), and the NCCR, with penalties up to and
17 including suspension, and/or civil penalties of up to \$42,500 for P020 and RP020, if this
18 matter proceeded to an administrative hearing.

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

25 11. To resolve the Administrative Action, and only for those purposes and no
26 other, IPL specifically admits to the following violations with respect to the Complaint in
27 CCB Case No. 2021-43 for licenses P020 and RP020:

28 a. One violation of NCCR 4.040(1)(a)(14), for failing to maintain a

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required surveillance system, which constitutes one Category II violation.

b. One violation of NCCR 4.055(1)(a)(10), for failing to maintain hand washing facilities that are fully stocked, which constitutes one Category IV violation.

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

13. With respect to P020 and RP020, IPL further agrees to pay a civil penalty in the amount of \$42,500¹ in consideration for its admitted violations in Paragraph 11, above, and in consideration of the CCB's agreement to resolve the Administrative Action on the terms set forth herein.

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

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

STIPULATED ADJUDICATION

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

16. Violations: As to licenses P020 and RP020, IPL is found to have committed one Category II violation and one Category IV violation, as set forth in Paragraphs 11(a) and 11(b), above.

¹ To be apportioned \$21,250 to P020 and \$21,250 to RP020.

1 17. Imposition of Civil Penalties. IPL shall pay a total civil penalty in the amount
2 of forty-two thousand, five hundred dollars (\$42,500) within the time set forth in Paragraph
3 18 below, to be apportioned as set forth in Paragraph 13, above.

4 18. Payment of Civil Penalties. IPL must pay the civil penalty set forth in this
5 agreement within 30 days of the date the CCB approves this Stipulation and Order². IPL
6 acknowledges that it is critical to comply with the strict requirements of the deadline for
7 payment. IPL agrees that, should it fail to timely make timely payment of the civil penalty,
8 the following penalties and procedures will be in effect:

9 a. CCB will allow a five-business day grace period for late payment³.

10 b. If payment is not physically received by the CCB at its Carson City office by
11 5:00 p.m., Pacific Time, on the last day of the grace period, IPL shall be
12 deemed in default and deemed to have admitted all allegations in the CCB's
13 Complaint in Case No. 2021-43 and shall pay all penalties and receive all
14 discipline set forth under the "Relief Requested" section of the Complaint,
15 inclusive of a 20 day suspension of licenses P020 and RP020 (effective on the
16 date of the order of default) and civil penalties of \$42,500, plus a \$20,000 late
17 payment penalty, for a total of \$62,500. The CCB will enter an order of default
18 to this effect after default and all amounts due under this subsection shall be
19 immediately due and payable to the CCB. If all amounts set forth in this
20 section are not paid within 20 days of the date of the order of default,
21 Respondent's licenses shall remain suspended until payment is made in full.
22 If all amounts due under this section are not paid within 90 days after the
23 date of the order of default, licenses P020 and RP020 shall be deemed
24 voluntarily surrendered. IPL agrees it cannot and will not file any petition for
25 judicial review and/or any action in any forum for relief from this order of
26

27 ² Should the CCB approve this Stipulation and Order at its November 16, 2021, meeting, payment would be
due on Thursday, December 16, 2021.

28 ³ 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 default and that the CCB may file any judicial action necessary to recover the
2 amounts owed under this subsection, along with its attorneys' fees and costs
3 for recovery of amounts owed.

- 4 c. IPL may petition the CCB for an extension of 30-days to pay the civil penalty.
5 However, for the CCB to consider any such petition, the CCB must receive
6 said petition no later than 5 business days prior to the payment deadline
7 (which does not include any grace period). The CCB is not required to grant
8 such a petition. In such a petition, IPL must demonstrate to the satisfaction
9 of the CCB that there are extraordinary and unusual circumstances
10 necessitating the extension requested. The CCB may delegate the decision as
11 to whether to grant such a petition to the CCB Chair.
- 12 d. If an extension is granted under Paragraph 18(c), there shall be no grace
13 period on the new payment date. If IPL does not pay by the new payment
14 date, the provisions and penalties of Paragraph 18(b) apply.

15 19. Plan of Correction. Respondent represents and warrants that it has
16 submitted a plan of correction, which the CCB's staff has approved, that will remedy and
17 prevent the recurrence of the violations set forth in this Stipulation and Order and alleged
18 in the Complaint. In summary, the plan of correction includes the following: (1) IPL stocked
19 the subject hand sink with soap and added the restocking of its hand sink to its monthly
20 inspection checklist; (2) IPL installed a camera in the room that did not have one on or
21 about February 22, 2021; (3) IPL adjusted its hot water heater to ensure it could reach at
22 least 120°F; and (4) IPL removed the trash bag and caution tape used to cover half of a
23 window and replaced these with plexiglass to permanently close the window's gap.
24 Respondent further represents and warrants that it is now, as of the date it has executed
25 this Stipulation and Order, operating in full compliance with NRS Title 56 and NCCR.

26 20. Contingency if Approval Denied. If approval of this Stipulation and Order is
27 denied by the CCB, IPL and counsel for the CCB agree to resume settlement negotiations
28 in good faith and attempt to reach an agreement to amend this Stipulation and Order and

1 resubmit an amended Stipulation and Order to the CCB to review for approval at a
2 subsequent regularly scheduled meeting. If such an agreement cannot be reached, the
3 Parties agree to proceed with the Administrative Action, which shall include a disciplinary
4 hearing before the CCB or its assigned hearing officer. IPL shall file its answer to the
5 Complaint no later than December 10, 2021. Should the Administrative Action proceed for
6 the reasons set forth in this Paragraph, the CCB preserves all its claims and arguments in
7 the Administrative Action as set forth in its Complaint and IPL preserves all its defenses
8 and arguments set forth in its Answer (to be filed) and withdraws all waivers set forth
9 herein. An unapproved Stipulation and Order shall not be admissible as evidence or
10 referenced in argument at any disciplinary hearing in CCB Case No. 2021-43 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 IPL 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 a disciplinary hearing before the CCB
21 or its assigned hearing officer. IPL shall file its answer to the Complaint no later than
22 December 10, 2021. Should the Administrative Action proceed for the reasons set forth in
23 this Paragraph, CCB preserves all its claims and arguments in the Administrative Action
24 as set forth in its Complaint and IPL preserves all its defenses and arguments asserted in
25 its Answer (to be filed) and withdraws all waivers set forth herein. An unapproved
26 Stipulation and Order shall not be admissible as evidence or referenced in argument at any
27 disciplinary hearing in CCB Case No. 2021-43 or any other matter.

28 22. Closure of Disciplinary Action. Once this Stipulation and Order is fully

1 performed by IPL, the Administrative Action will be closed.

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

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

1 actions, causes of action, suits, debts, judgments, executions, claims and demands
2 whatsoever, known or unknown, in law or equity, that Respondent ever had, now has, may
3 have or claim to have against any and/or all of the persons, government agencies or entities
4 named in this Paragraph, arising out of, or by reason of, the CCB's investigation of the
5 matters set forth in its Complaint, the matters set forth in this Stipulation and Order, or
6 the administration of CCB Case No. 2021-43.

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

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

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

27 27. Further Assurances. The Parties shall cooperate in executing such additional
28 documents and performing such further acts as may be reasonably necessary to give effect

1 to the purposes and provisions of this Stipulation and Order.

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

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

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

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

1 Order.

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

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

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

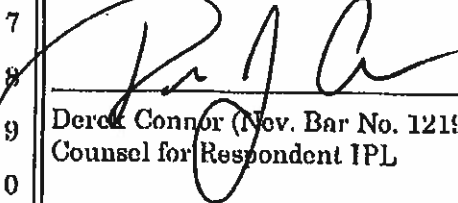
16 35. Time is of the Essence. Time is of the essence in the performance of all terms
17 of this Stipulation and Order.

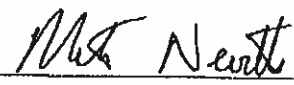
18 36. Severability. If any portion of this Stipulation and Order, or its application
19 thereof to any person or circumstance, shall be deemed to any extent to be invalid, illegal,
20 or unenforceable as a matter of law, all remaining clauses of this Stipulation and Order
21 and its application thereof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


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

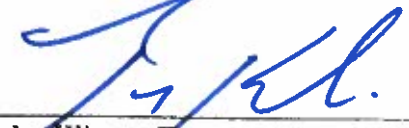
1 electronic facsimile or email, which signatures shall be binding and effective as original
2 wet ink signatures hereupon. All fully executed copies of this Stipulation and Order are
3 duplicate originals, equally admissible in evidence.

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

7
8  Date: 11/10/2021
9 Derek Connor (Nev. Bar No. 12194)
10 Counsel for Respondent IPL

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

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

23  Date: 11/12/2021
24 Tyler Klimas, Executive Director for the
25 Cannabis Compliance Board
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ORDER

WHEREAS, on 16th 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 IPL.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 16th day of November, 2021.

**STATE OF NEVADA,
CANNABIS COMPLIANCE BOARD**

By: 
HON. MICHAEL L. DOUGLAS, CHAIR