

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

3 **STATE OF NEVADA, CANNABIS**
4 **COMPLIANCE BOARD,**

Case No. 2021-53

5 **Petitioner,**

6 **vs.**

7 **HEALTHCARE OPTIONS FOR**
8 **PATIENTS ENTERPRISES, LLC,**

9 **Respondent.**

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,
14 Ashley A. Balducci, Esq., Senior Deputy Attorney General, and Emily Bordelove, Esq.,
15 Senior Deputy Attorney General, having a reasonable basis to believe that Healthcare
16 Options for Patients Enterprises, LLC ("HOPE" or "Respondent") has violated provisions
17 of Chapters 678A through 678D of the Nevada Revised Statutes ("NRS"), and the Nevada
18 Cannabis Compliance Regulations ("NCCR"), hereby issues its Complaint, stating the
19 CCB's charges and allegations as follows:

20 **JURISDICTION**

21 1. During all relevant times mentioned in this Complaint, HOPE held, and
22 currently holds, the following licenses (collectively "licenses"):

23 ID	Licenses	Last Issued / Renewed	Address
24 C129	Medical Cultivation 52535698987090648986	6/15/21	
26 RC129	Adult-use Cultivation 07154062603138326198	3/1/21	
28 P064	Medical Production 33424753971276505597	6/15/21	

3 2. During all relevant times mentioned in this Complaint, HOPE is and was
4 registered as a Domestic Limited Liability Company in the State of Nevada. The Nevada
5 Secretary of State lists the managers of HOPE as Tyler Rubin and Howard Rubin.

6 3. As HOPE holds its licenses with CCB, it is subject to NRS Title 56 and the
7 NCCR for the violations asserted herein. Therefore, HOPE is subject to the jurisdiction of
8 the CCB and subject to discipline pursuant to NRS 678A through 678D and the relevant
9 provisions of the NCCR.

10 4. Pursuant to NRS 678A.500 and 678A.510(1), the CCB's Executive Director
11 has transmitted the details of the suspected violations of HOPE to the Attorney General
12 and the Attorney General has conducted an investigation of the suspected violations to
13 determine whether they warrant proceedings for disciplinary action. The Attorney General
14 has recommended to the CCB's Executive Director that further proceedings are warranted,
15 as set forth in this CCB Complaint. The CCB has authorized proceeding with disciplinary
16 action against HOPE, pursuant to NRS 678A.510(2)(b). Pursuant to NRS 678A.520(1), the
17 CCB's Executive Director has authorized service of this Complaint upon Respondent.

18 **FACTUAL ALLEGATIONS**

19 5. CCB incorporates all prior Paragraphs as though fully set forth herein.

20 6. On or about September 15, 2021, Cannabis Auditor II, Dawn Boyter ("Boyter"
21 or the "CCB Agent") conducted a routine audit of HOPE's medical and adult-use cannabis
22 cultivation and production licenses ("Facility"). CCB records list the current owners of
23 HOPE's licenses are Stephanie Greenfield, Nathan Greenfield, Howard Rubin, Jon
24 Greenfield, Marilyn Miller, Sally Greenfield, Michael Bonanno, Patrice Sowers, Jason
25 Sturtsman, Stephen Mikrut, John Cooper, Tyler Rubin, Joseph Rubin, Stephen Brent,
26 Anna Rubin, Dan Roman, and Joseph Greenfield.

27 7. During the audit/inspection, the CCB Agent discovered that five of the above
28 referenced owners who hold less than 5 percent ownership interest did not have, nor had

they applied for, a temporary or cannabis establishment agent registration card as required by NRS 678B.340 and NCCR 5.120; nor had they applied for a waiver regarding the same under NCCR 5.125. These owners include Joseph Greenfield, Nathan Greenfield, Stephanie Greenfield, Dan Roman, and Anna Rubin.

8. As required by NCCR 6.135, HOPE submitted quarterly sales reports for its medical and adult-use production licenses detailing its purchases and sales of cannabis and/or cannabis products during the months of October, November, and December of 2020 (Q4 Report). During the audit the CCB Agent observed that the sales HOPE listed for the adult-use production facility in the Q4 Report were inconsistent with what HOPE reported in its Sales and Use Tax Returns for those months. Specifically, HOPE reported in Q4 Report and in its corresponding Sales and Use Tax Returns the following sales amounts:

2020 4th Quarter Sales Report and Sales and Use Tax Returns				
	October	November	December	Total
Sales and Use Tax Returns	\$23,604.00	\$11,004.04	\$14,020.00	\$48,628.04
Quarterly Reports	\$21,104.18	\$11,004.04	\$6,820.00	\$38,928.22
Variance	\$2,499.82	0	\$7,200.00	\$9,699.82

As evidenced by the above, there are variances/inconsistencies between what HOPE reported for its sales for the months of October (variance/discrepancy of \$2,499.82) and December (variance/discrepancy of \$7,200).

9. Furthermore, during the audit the CCB agent observed that HOPE's medical and adult-use production licenses had failed to submit multiple quarterly inventory reports, as required under NCCR 4.060(1)(a)(7), for its cannabis and/or cannabis products. Specifically, HOPE did not submit quarterly inventory reports for its medical production license as follows: Quarter 1 of 2020; Quarter 2 of 2020; Quarter 3 of 2020; Quarter 4 of 2020; Quarter 1 of 2021; and Quarter 2 of 2021. As for the adult-use production license, HOPE failed to submit quarterly inventory reports as follows: Quarter 1 of 2020; Quarter 3 of 2020; Quarter 4 of 2020; Quarter 1 of 2021; and Quarter 2 of 2021.

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Violations of Law

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

Licenses C129 and RC129

11. As to Licenses C129 and RC129, Respondent HOPE violated NRS 678B.340, NCCR 5.125, 5.120(3), and 4.055(1)(a)(1) for failing to have in the immediate possession of each a valid cannabis establishment agent registration card. Specifically, as set forth in Paragraphs 6 and 7, above, five of the owners of record who hold less than 5 percent ownership interest in HOPE's licenses did not have, nor had they applied for, a temporary or cannabis establishment registration agent card; nor had they applied for a waiver of an agent card, as required under NCCR 5.125. These omissions constitute five separate and distinct Category IV violations. NCCR 4.055. Pursuant to NCCR 4.055(2)(a)(1), the first such violation carries a fine of \$5,000. The second such violation carries a fine of \$10,000 and/or a suspension of not more than 7 days. NCCR 4.055(2)(a)(2). The third such violation carries a fine of \$20,000 and/or a suspension of not more than 10 days. NCCR 4.055(2)(a)(3). The fourth such violation carries a fine of \$40,000 and/or a suspension of not more than 20 days. NCCR 4.055(2)(a)(4). The fifth such violation carries a fine of \$80,000 and/or a suspension of not more than 30 days. NCCR 4.055(2)(a)(5).

Licenses P064 and RP064

12. As to Licenses P064 and RP064, Respondent HOPE violated NRS 678B.340, NCCR 5.125, 5.120(3), and 4.055(1)(a)(1) for failing to have in the immediate possession of each a valid cannabis establishment agent registration card. Specifically, as set forth in Paragraphs 6 and 7, above, five of the owners of record who hold less than 5 percent ownership interest in HOPE's licenses did not have, nor had they applied for, a temporary or cannabis establishment registration agent card; nor had they applied for a waiver of an agent card, as required under NCCR 5.125. These omissions constitute five separate and distinct Category IV violations. NCCR 4.055. Pursuant to NCCR 4.055(2)(a)(1), the first such violation carries a fine of \$5,000. The second such violation carries a fine of \$10,000 and/or a suspension of not more than 7 days. NCCR 4.055(2)(a)(2). The third such violation

1 carries a fine of \$20,000 and/or a suspension of not more than 10 days. NCCR 4.055(2)(a)(3).
2 The fourth such violation carries a fine of \$40,000 and/or a suspension of not more than 20
3 days. NCCR 4.055(2)(a)(4). The fifth such violation carries a fine of \$80,000 and/or a
4 suspension of not more than 30 days. NCCR 4.055(2)(a)(5).

5 **License RP064**

6 13. As to License RP064, Respondent HOPE violated NCCR 6.135, 4.060(1)(a)(7),
7 4.035(1)(a)(3), and/or 4.040(1)(a)(1), by making either an intentional and/or unintentional
8 false statement to the CCB in its Q4 Report. Specifically, as set forth in Paragraph 8, above,
9 HOPE submitted to the CCB the Q4 Report for 2020 wherein the sales listed did not
10 reconcile with the sales provided in HOPE's Sales and Use Tax Returns for those same
11 months. As noted above, the Q4 Report and Sales and Use Tax Returns for those months
12 showed a \$2,499.82 discrepancy for October, and a \$7,200.00 discrepancy for December. If
13 intentional, these acts/omissions constitute at least one Category I violation, which would
14 require a \$90,000 civil penalty and a 30 day suspension, or two separate Category I
15 violations, which would require the revocation of the licenses. NCCR 4.035(2)(a)(1)-(2). If
16 unintentional, these violations constitute at least one Category II violation, which carries
17 a civil penalty of not more than \$25,000 and a suspension of not more than 20 days or, in
18 the alternative, two separate Category II violations, which carries a civil penalty of not
19 more than \$75,000 and a suspension for not more than 30 days. NCCR 4.040(2)(a)(1)-(3).

20 **License P064 and RP064**

21 14. As to Licenses P064 and RP064, Respondent HOPE violated NCCR 6.135,
22 and/or 4.060(1)(a)(7) by failing to properly submit quarterly inventory reports, monthly
23 sales reports, or other reports required by the CCB. Specifically, as set forth in Paragraph
24 9, HOPE did not submit quarterly inventory reports for its medical production license as
25 follows: Quarter 1 of 2020; Quarter 2 of 2020; Quarter 3 of 2020; Quarter 4 of 2020; Quarter
26 1 of 2021; and Quarter 2 of 2021. As for the adult-use production license, HOPE failed to
27 submit quarterly inventory reports as follows: Quarter 1 of 2020; Quarter 3 of 2020;
28 Quarter 4 of 2020; Quarter 1 of 2021; and Quarter 2 of 2021. As for P064, these

1 acts/omissions constitute six Category V violations which would require a civil penalty of
2 not more than \$38,750.00 and/or a suspension of not more than 40 days. NCCR
3 4.060(2)(a)(1)-(6). As for RP064, these acts/omissions constitute five Category V violations
4 which would require a civil penalty of not more than \$18,750.00 and/or a suspension of not
5 more than 20 days. NCCR 4.060(2)(a)(1)-(5).

6 **DISCIPLINE AUTHORIZED**

7 Pursuant to the provisions of NRS 678A.600, NCCR 4.020, 4.030, 4.035 through
8 4.060, and 5.100, the CCB has the discretion to impose the following disciplinary actions:

- 9 1. Revoke the licenses of HOPE;
- 10 2. Suspend the licenses of HOPE;
- 11 3. Impose a civil penalty of not more than \$90,000 for each separate violation of
12 NRS Title 56 and the NCCR on the licenses of HOPE; and
- 13 4. Take such other disciplinary action as the CCB deems appropriate.

14 The CCB may order one or any combination of the discipline described above.

15 **RELIEF REQUESTED**

16 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose
17 the following penalties:

- 18 1. As to C129 and RC129, the CCB should impose a civil penalty of \$155,000 and a
19 30-day suspension for the violation in Paragraph 11;
- 20 2. As to P064, the CCB should impose a civil penalty of \$116,250 and a 55-day
21 suspension for the violations in Paragraphs 12 and 14; and
- 22 3. As to RP064, the CCB should impose a civil penalty of \$186,250 and revocation
23 for the violations in Paragraphs 12 through 14.

24 **NOTICE TO RESPONDENT**

25 **PLEASE TAKE NOTICE**, that Respondent has a right to request a hearing on the
26 charges set forth herein, pursuant to NRS 678A.510 through 678A.590. **Failure to**
27 **demand a hearing constitutes a waiver of the right to a hearing and to judicial**
28

1 review of any decision or order of the Board, but the Board may order a hearing
2 even if the respondent so waives his or her right. NRS 678A.520(2)(e).

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

6 (a) Must state in short and plain terms the defenses to each claim asserted.

7 (b) Must admit or deny the facts alleged in the complaint.

8 (c) Must state which allegations the respondent is without knowledge or information
9 form a belief as to their truth. Such allegations shall be deemed denied.

10 (d) Must affirmatively set forth any matter which constitutes an avoidance or
11 affirmative defense.

12 (e) May demand a hearing. **Failure to demand a hearing constitutes a waiver**
13 **of the right to a hearing and to judicial review of any decision or order of**
14 **the Board**, but the Board may order a hearing even if the respondent so waives his
15 or her right.

16 **Failure to answer or to appear at the hearing constitutes an admission by**
17 **the respondent of all facts alleged in the Complaint. The Board may take action**
18 **based on such an admission and on other evidence without further notice to the**
19 **respondent. NRS 678A.520(3).**

20 The Board shall determine the time and place of the hearing as soon as is reasonably
21 practical after receiving the Respondent's answer. The Board may assign a hearing officer
22 to conduct the hearing under NCCR 2.070, 4.095, and 4.110. The Board or its assigned
23 hearing officer shall deliver or send by registered or certified mail a notice of hearing to all
24 parties at least 10 days before the hearing. The hearing must be held within 45 days after
25 receiving the respondent's answer unless an expedited hearing is determined to be
26 appropriate by the Board, in which event the hearing must be held as soon as practicable.
27 NRS 678A.520(4). The Chair of the Board or the assigned hearing officer may grant one or
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1 more extensions to the 45-day requirement pursuant to the request of a party or an
2 agreement by both parties.

3 Respondent's Answer and Request for Hearing must be either: mailed via registered
4 mail, return receipt; or emailed to:

5 Tyler Klimas, Executive Director
6 Cannabis Compliance Board
7 555 E. Washington Avenue, Suite 4100
8 Las Vegas, Nevada 89101
tklimas@ccb.nv.gov

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

11 As the Respondent, you are specifically informed that you have the right to appear
12 and be heard in your defense, either personally or through your counsel of choice at your
13 own expense. At the hearing, the CCB has the burden of proving the allegations in the
14 Complaint. The CCB will call witnesses and present evidence against you. You have the
15 right to respond and to present relevant evidence and argument on all issues involved. You
16 have the right to call and examine witnesses, introduce exhibits, and cross-examine
17 opposing witnesses on any matter relevant to the issues involved.

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


21 If the Respondent does not wish to dispute the charges and allegations set forth
22 herein, within 30 days of the service of this Complaint, Respondent may pay the civil
23 penalties set forth above in the total amount of \$457,500 and discontinue its cultivation
24 operations for 30 days and its medical production for 55 days during which its licenses are
25 suspended, and surrender its adult-use production license on notice to:

26 Tyler Klimas, Executive Director
27 Cannabis Compliance Board
28 555 E. Washington Avenue, Suite 4100
Las Vegas, Nevada 89101

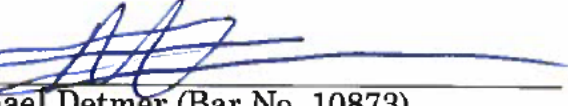
1 YOU ARE HEREBY ORDERED to immediately cease the activity described above
2 which is a violation of Nevada law.

3 DATED: December 3, 2021.

4 STATE OF NEVADA, CANNABIS COMPLIANCE BOARD

5
6 By: 
7 Tyler Klimas, Executive Director
8 555 E. Washington Avenue, Suite 4100
 Las Vegas, Nevada 89101
 (702) 486-2300

9 AARON D. FORD
10 Attorney General

11 By: 
12 Michael Detmer (Bar No. 10873)
13 Senior Deputy Attorney General
14 L. Kristopher Rath (Bar No. 5749)
15 Senior Deputy Attorney General
16 Ashley A. Balducci (Bar No. 12687)
17 Senior Deputy Attorney General
18 Emily Bordelove (Bar No. 13202)
19 Senior Deputy Attorney General
20 555 E. Washington Ave, Suite 3900
21 Las Vegas, Nevada 89101
22 (702) 486-9287

23 Attorneys for the Cannabis Compliance Board
24
25
26
27
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**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: Howard Rubin

Address on file with CCB: 


Date of Service: December 8, 2021

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

Executed on 12/8/2021
(date)


(signature)