

# Nevada Cannabis Compliance Board

## Emergency Meeting Minutes November 18, 2021

The Nevada Cannabis Compliance Board (CCB) held a via remote technology system Zoom on November 18, 2021, beginning at 3:45 p.m.

### **Cannabis Compliance Board Members Present:**

**Michael Douglas, Chair**  
**Dennis Neilander**  
**Jerrie Merritt**

**Tyler Klimas, Executive Director, called the meeting to order at 3:57 p.m. and took roll.** Chairman Michael Douglas, Member Neilander, and Member Merritt were present via video connection.

#### **I. Public Comment**

There was no public comment.

#### **II. Consideration of Approval to File Amicus Curiae Brief on Behalf of the Cannabis Compliance Board in Nevada Supreme Court Appeal No. 83393. The CCB will consider filing an amicus curiae brief in Nevada Supreme Court Appeal No. 83393 between Petitioners Highland Partners NV LLC, MI-CW Holdings NV Fund 2 LLC, and MI-CW Holdings, LLC, Respondents the Eighth Judicial District Court of the State of Nevada, in and for the County of Clark; and the Honorable Elizabeth Gonzalez, District Judge, and Real Party of Interest Dotan Y. Melech, Receiver for CWNevada, LLC, a Nevada Limited Liability Company.**

Senior Deputy Attorney Ashley Balducci presented the matter to the Board. In regard to agenda item II, Ms. Balducci requested approval from the Board to file an amicus curiae brief in Supreme Court Case No. 83393 on behalf of the Cannabis Compliance Board. The issue involved statutes and regulations that govern the CCB and the predecessor state agency that regulated marijuana and cannabis. Ms. Balducci was available for questions from the Board.

Chair Douglas thought it was an important issue to clarify and to make sure the CCB's voice was heard in the matter. Chair Douglas would like to see the amicus curiae brief before it was filed and asked for a motion.

Ms. Balducci placed on the record that the specific issue involved public health and safety which was the purpose of regulating and licensing cannabis. The issue that is on appeal being asked to be decided by the Nevada Supreme Court is an issue of public health and safety due to the fact that the CCB and its predecessor agency were mandated and required to strictly regulate the cannabis industry and background check who was investing.

Member Merritt made a motion to approve the filing of the brief. Member Neilander seconded. All Members present said aye. Motion carried.

#### **III. Consideration of Emergency Order of Summary Suspension Pursuant to NCCR 4.105**

##### **A. The CCB will consider whether to issue an Emergency Order of Summary Suspension for The Harvest Foundation, LLC. (C086/RC086) pursuant to NCCR 4.105.**

Director Klimas stated that at the November 16 Board meeting, the Board approved service of a complaint for The Harvest Foundation, LLC. The complaint was served on November 18, 2021. The complaint alleged serious violations including multiple Category I and II violations, including diversion of cannabis and failure to maintain a security system which created a present threat to public health and safety. The owner is not present in Nevada and no employees were present at the facility at the last two inspections other than contractors, one of which was 18 years old. Hundreds of pounds of cannabis have gone missing since the previous week. The licensee indicated there was a theft on September 29, 2021, but this was not reported to the CCB. Quarantine stickers were placed on the doors, but it is unknown who may have keys to the facility and there was not an operational security system. The request before the Board was to consider an emergency order of summary suspension to ensure that the product onsite is protected. The CCB does not know who has access to the facility and would like additional enforcement action taken besides the quarantine stickers currently in place.

Chair Douglas asked if the person onsite had permission to be there and was the owner aware that someone was on the property. Director Klimas responded that the owner was aware, and the contractor had a contractor agent card, but he did not have a visitor ID badge as required and be escorted by an employee of the facility.

Chair Douglas asked about the communication with the owner via email or telephone. Director Klimas stated that there had been intermittent correspondence for the past several months, but the owner had not been attentive to the actions and needs of the facility to bring it into compliance. The service of the potential emergency order of summary suspension was discussed.

Chair Douglas asked if there was still product onsite. Director Klimas stated there was product onsite but the security surveillance system was not operable.

Member Neilander asked if it was known how much product was missing. Marijuana Program Supervisor Jason Bañales stated that on August 30, 2021, an inventory audit was conducted, and it was determined that one package was missing. On November 10, it was discovered that the majority of the product left after the August audit went missing.

Chair Douglas asked how the location and product be secured if the emergency order was issued. Director Klimas responded that staff was discussing options to remove or destroy the product.

Member Neilander asked what jurisdiction the location was in. Mr. Bañales provided the address and Senior Deputy Attorney General added that it was in unincorporated Clark County.

Member Merritt asked how long the cameras had been missing. Mr. Bañales responded that the owner claimed he discovered the cameras were destroyed on September 29, 2021. Mr. Bañales added that the electrician/contractor had a key to the facility.

Member Neilander asked if the licensee owned or leased the property. Mr. Bañales indicated that the property was leased.

Chair Douglas asked for a motion. Member Neilander made a motion to issue an emergency order of Summary Suspension as reflected in agenda item III. Member Merritt seconded. All Members present said aye. Motion carried.

The Chair directed CCB staff to determine how to expeditiously secure the product.

**IV. Public Comment**

There was no public comment.

**V. Adjournment**

Meeting adjourned at 4:15 p.m.