

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

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

Case No. 2021-39

5    Petitioner,

6 vs.

7 **FSWFL, LLC,**

8    Respondent.  
9

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11    **STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION**

12    The Cannabis Compliance Board (the “CCB”), by and through its counsel, Aaron D.  
13 Ford, Attorney General for the State of Nevada, L. Kristopher Rath, Esq., Senior Deputy  
14 Attorney General and Ashley A. Balducci, Esq., Senior Deputy Attorney General, hereby  
15 enters into this Stipulation and Order for Settlement of Disciplinary Action (“Stipulation  
16 and Order”) with Respondent FSWFL, LLC (hereinafter “FSWFL” or “Respondent”), by and  
17 through its counsel of record, Brian R. Hardy, Esq. of the law firm of Marquis Aurbach  
18 Coffing. Pursuant to this Stipulation and Order, FSWFL and CCB (collectively, the  
19 “Parties”) hereby stipulate and agree that CCB Case No. 2021-39 (the “Administrative  
20 Action”) shall be fully and finally settled and resolved upon terms and conditions set out  
21 herein.

22    **PERTINENT FACTS**

23    1.        On August 3, 2021, CCB initiated this disciplinary action via the service and  
24 filing of a Complaint for Disciplinary Action (the “Complaint”). The Complaint alleges,  
25 *inter alia*, that, contrary to Nevada law, the FSWFL cannabis cultivation facility (C138 and  
26 RC138) failed to meet seed to sale tracking requirements, failed to tag all plants, and failed  
27 to meet the requirements for disposal of cannabis waste. The Complaint further alleges,  
28 *inter alia*, that, contrary to Nevada Law, the FSWFL cannabis production facility (P086

1 and RP086) failed to follow seed to sale tracking requirements, stored cannabis outside the  
2 seed to sale tracking system, and failed to meet the requirements for disposal of cannabis  
3 waste.

4 2. After receiving an extension of time to do so, FSWFL filed an Answer and  
5 Demand for Hearing on September 7, 2021, generally denying the allegations in the  
6 Complaint and setting forth a variety of affirmative defenses. The Parties then commenced  
7 the disciplinary process under NRS Chapter 678A.

8 3. During the time the Parties were engaged in the disciplinary process, the  
9 Parties engaged in good faith negotiations to reach an agreement that is mutually  
10 acceptable to Respondent, CCB staff, and counsel for the CCB for resolution of this matter,  
11 with the understanding that this Stipulation and Order must be approved by majority vote  
12 of the members of the CCB to become effective.

13 4. Accordingly, on or about November 15, 2021, the Parties entered into an  
14 agreement to stay the disciplinary process (approved by the CCB's assigned Hearing  
15 Officer) to allow the CCB to consider this Stipulation and Order for approval at an open  
16 CCB meeting.

#### 17 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

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

20 5. FSWFL has entered into this Stipulation and Order on its own behalf and  
21 with full authority to resolve the claims against it and is aware of FSWFL's rights to contest  
22 the violations pending against it. These rights include representation by an attorney at  
23 FSWFL'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 FSWFL, the right  
25 to present evidence on FSWFL's own behalf, the right to have witnesses testify on FSWFL'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 FSWFL pursuant to provisions of NRS Chapters  
28 678A through 678D, the Nevada Cannabis Compliance Regulations (NCCR), and any other

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

4 6. Should this Stipulation and Order be rejected by the CCB or not timely  
5 performed by FSWFL, it is agreed that presentation to and consideration by the CCB of  
6 such proposed stipulation or other documents or matters pertaining to the consideration of  
7 this 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 7. Should this Stipulation and Order be rejected by the CCB, it is agreed that  
11 presentation to and consideration by the CCB of such proposed stipulation or other  
12 documents or matters pertaining to the consideration of this Stipulation and Order shall  
13 not unfairly or illegally prejudice FSWFL from further participation, consideration,  
14 adjudication, and/or resolution of these proceedings and that nothing herein shall be  
15 considered as an admission of liability in any such proceedings.

16 8. FSWFL acknowledges that this Stipulation and Order shall only become  
17 effective after the CCB has approved it.

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

23 10. In an effort to avoid the cost and uncertainty of a disciplinary hearing, FSWFL  
24 has agreed to settle this matter. For purposes of settling this matter, FSWFL acknowledges  
25 that the facts contained in the paragraphs in the above "Pertinent Facts" portion of this  
26 Stipulation and Order are true and correct. Without waiving any constitutional rights  
27 against self-incrimination, FSWFL further acknowledges that certain facts contained in  
28 the CCB Complaint in Case No. 2021-39 could be found to constitute violations of Title 56

1 of NRS (NRS Chapters 678A through 678D), and the NCCR, with penalties up to and  
2 including revocation, suspension, and/or a civil penalties of up to \$220,000 for C138 and  
3 RC138, and civil penalties of up to \$220,000 for P086 and RP086, for total civil penalties of  
4 up to \$440,000, if this matter went to an administrative hearing.

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

11 12. To resolve the Administrative Action, and only for that purpose and no other,  
12 FSWFL specifically admits to the following violations with respect to the Complaint in CCB  
13 Case No. 2021-39 for licenses C138 and RC138:

- 14 a. One violation of NCCR 4.050(1)(a)(13), for storing cannabis outside the  
15 seed to sale tracking system, which constitutes one Category III  
16 violation.
- 17 b. One violation of NCCR 4.050(1)(a)(14), for failing to meet requirements  
18 for disposal of cannabis waste, which constitutes a second Category III  
19 violation.

20 13. To resolve the Administrative Action, and only for that purpose and no other,  
21 FSWFL specifically admits to the following violations with respect to the Complaint in CCB  
22 Case No. 2021-39 for licenses P086 and RP086:

- 23 a. One violation of NCCR 4.050(1)(a)(3), for failing to follow seed to sale  
24 tracking requirements, which constitutes one Category III violation.
- 25 b. One violation of NCCR 4.050(1)(a)(13), for storing cannabis outside the  
26 seed to sale tracking system, which constitutes a second Category III  
27 violation.
- 28 c. One violation of NCCR 4.050(1)(a)(14), for failing to meet requirements

1 for disposal of cannabis waste, which constitutes a third Category III  
2 violation.

3 14. As to the remaining allegations in the Complaint, FSWFL neither admits nor  
4 denies those allegations and no civil penalties shall be assessed as to the remaining  
5 violations.

6 15. With respect to C138 and RC138, FSWFL further agrees to pay a civil penalty  
7 in the amount of \$30,000<sup>1</sup> in consideration for its admitted violations in Paragraph 12,  
8 above, and in consideration for CCB's agreement to resolve the Administrative Action on  
9 the terms set forth herein. Said sum may be paid in installments, as set forth specifically  
10 in Paragraphs 21 through 22, below.

11 16. With respect to P086 and RP086, FSWFL further agrees to pay a civil penalty  
12 in the amount of \$120,000<sup>2</sup> in consideration for its admitted violations in Paragraph 13,  
13 above, and in consideration for CCB's agreement to resolve the Administrative Action on  
14 the terms set forth herein. Said sum may be paid in installments, as set forth specifically  
15 in Paragraphs 21 through 22, below.

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

18 18. Both parties acknowledge that the CCB has jurisdiction to consider and order  
19 this Stipulation and Order because FSWFL holds privileged licenses regulated by the CCB  
20 as of July 1, 2020. FSWFL expressly, knowingly, and intentionally waives the 21-day  
21 and/or 5-day notice requirements contained in the Nevada Open Meeting Law and  
22 acknowledges that this Stipulation and Order may be presented to the CCB for its  
23 consideration and potential ratification at the CCB's meeting on December 14, 2021.

24 **STIPULATED ADJUDICATION**

25 Based upon the above acknowledgments of the Parties and their mutual agreement,  
26 the Parties stipulate and agree that the following terms of discipline shall be imposed by  
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<sup>1</sup> To be apportioned \$15,000 to C138 and \$15,000 to RC138.

<sup>2</sup> To be apportioned \$60,000 to P086 and \$60,000 to RP086.

1 the CCB in this matter:

2 19. Violations: As to licenses C138 and RC138, FSWFL is found to have  
3 committed two Category III violations, as set forth in Paragraphs 12(a) and 12(b), above.  
4 As to licenses P086 and RP086, FSWFL is found to have committed three Category III  
5 violations, as set forth in Paragraphs 13(a), 13(b) and 13(c), above.

6 20. Imposition of Civil Penalties. FSWFL shall pay a total civil penalty in the  
7 amount of one hundred and fifty thousand dollars (\$150,000) within the time set forth in  
8 Paragraphs 21 and 22 below, to be apportioned as set forth in Paragraphs 15 and 16, above.  
9 The Parties acknowledge and agree that the terms of this Stipulation and Order shall  
10 exclusively govern the resolution of the investigation of the matters set forth in the  
11 Complaint and the facts and circumstances giving rise to CCB Case No. 2021-39, and CCB  
12 will not pursue separate disciplinary action against FSWFL, or any other persons or  
13 entities, including, by way of example, the owners, officers, and/or board members of  
14 FSWFL or the cannabis establishment agent cards of any of the same, arising out of the  
15 investigation of the matters set forth in the Complaint and/or the facts and circumstances  
16 giving rise to CCB Case No. 2021-39. Nothing in this Paragraph shall preclude the CCB  
17 from considering the discipline imposed herein in future disciplinary actions and/or for  
18 possible progressive discipline, as set forth in Paragraph 29, below.

19 21. Payment of Civil Penalties. FSWFL must pay the total civil penalty set forth  
20 in this agreement within the time frames set forth in this Paragraph and Paragraph 22.  
21 FSWFL may pay the lump sum of \$150,000 in civil penalties within 30 days of the date the  
22 CCB approves this Stipulation and Order<sup>3</sup>. In the alternative, FSWFL may elect to pay the  
23 civil penalties in twelve monthly installments of \$12,500.00<sup>4</sup> each month (the "Payment  
24 Plan Option"). Under the Payment Plan Option, FSWFL must pay the first installment on  
25  
26

27 <sup>3</sup> Which would be Thursday, January 13, 2022, if the CCB approves this Stipulation and Order at its  
28 December 14, 2021, meeting.

<sup>4</sup> Said \$12,500 monthly payments shall be attributed as follows: \$1,250 to C138; \$1,250 to RC138; \$5,000 to P086; and \$5,000 to RP086. However, Respondent may make one payment totaling \$12,500 each month.

1 the 15<sup>th</sup> calendar day of the month<sup>5</sup> following the CCB meeting at which this Stipulation  
2 and Order is approved and, thereafter, on the 15<sup>th</sup> day of each month<sup>6</sup> for the next eleven  
3 months. For example, if this Stipulation and Order is approved at the December 14, 2021,  
4 CCB meeting, the payment of \$12,500 each month would be due as follows (with each  
5 installment deadline listed):

6	Tuesday, January 18, 2022	1 <sup>st</sup> Installment
7	Tuesday, February 15, 2022	2 <sup>nd</sup> Installment
8	Tuesday, March 15, 2022	3 <sup>rd</sup> Installment
9	Friday, April 15, 2022	4 <sup>th</sup> Installment
10	Monday, May 16, 2022	5 <sup>th</sup> Installment
11	Wednesday, June 15, 2022	6 <sup>th</sup> Installment
12	Friday, July 15, 2022	7 <sup>th</sup> Installment
13	Monday, August 15, 2022	8 <sup>th</sup> Installment
14	Thursday, September 15, 2022	9 <sup>th</sup> Installment
15	Monday, October 17, 2022	10 <sup>th</sup> Installment
16	Tuesday, November 15, 2022	11 <sup>th</sup> Installment
17	Thursday, December 15, 2022	12 <sup>th</sup> Installment

18 FSWFL may pay any installment prior to its due date.

19 22. Penalties for Failure to Comply with Payment Plan Option. FSWFL  
20 acknowledges that it is critical to comply with the strict requirements of the Payment Plan  
21 Option. FSWFL agrees that, should it fail to timely make any installment payment the  
22 following penalties and procedures will be in effect:

- 23 a. CCB will allow a five-business day grace period for any late payment.
- 24 b. If payment is not physically received by CCB at its Carson City office  
25 by 5:00 p.m., Pacific Time, on the last day of such grace period, FSWFL  
26

27 <sup>5</sup> Payment must be physically received at the CCB's Carson City office no later than 5:00 p.m., Pacific Time,  
28 on the 15<sup>th</sup> day of the month on which it is due. If the 15<sup>th</sup> day of the months falls on a Saturday, Sunday, or  
a holiday recognized by the State of Nevada, payment shall be due on the first following business day.

<sup>6</sup> As set forth in footnote 5, above, if the 15<sup>th</sup> day of the months falls on a Saturday, Sunday, or a holiday  
recognized by the State of Nevada, payment shall be due on the first following business day.

1 shall be deemed in default and deemed to have admitted all allegations  
2 in the CCB Complaint in Case No. 2021-39 and shall pay all penalties  
3 and receive all discipline set forth under the "Relief Requested" section  
4 of the Complaint, inclusive of revocation of licenses C138, RC138, P086,  
5 and RP086, and civil penalties totaling \$440,000. The CCB will enter  
6 an order of default to this effect after default and all amounts due under  
7 this subsection shall be immediately due and payable to CCB. FSWFL  
8 agrees it cannot and will not file any petition for judicial review and/or  
9 any action in any forum for relief from this order of default and that  
10 CCB may file any judicial action necessary to recover the amounts owed  
11 under this subsection, along with its attorneys' fees and costs for  
12 recovery of amounts owed.

13 c. FSWFL may petition the CCB for an extension of 30-days to pay any of  
14 the installments set forth in Paragraph 21. However, for the CCB to  
15 consider any such petition, the CCB must receive said petition no later  
16 than 5 business days prior to the installment deadline at issue (which  
17 does not include any grace period). The CCB is not required to grant  
18 such a petition. In such a petition, FSWFL must demonstrate to the  
19 satisfaction of CCB that there are extraordinary and unusual  
20 circumstances necessitating the extension requested and specify which  
21 installment deadline or deadlines for which it is seeking an extension.  
22 CCB may delegate the decision as to whether to grant such a petition  
23 to the CCB Chair.

24 d. If an extension is granted under Paragraph 22(c), there shall be no  
25 grace period on the new payment date or dates. If FSWFL does not pay  
26 by the new payment date or dates, the provisions and penalties of  
27 Paragraph 22(b) apply.

28 23. Plan of Correction. Respondent represents and warrants that it has submitted



1 and put in place a plan of correction, which CCB staff has approved, that will remedy and  
2 prevent the recurrence of the violations set forth in this Stipulation and Order. In  
3 summary, the plan of correction includes the following: (1) FSWFL implemented a system  
4 whereby all plant tags will be moved with the flower bins until a METRC tag for each bin  
5 is ready. This was implemented on September 30, 2020; (2) Also, on September 30, 2020,  
6 all fresh frozen cannabis bags found untagged were tagged with METRC tags. The protocol  
7 going forward has been changed to include creating METRC tags for fresh frozen cannabis  
8 during processing as soon as the bag is weighed; (3) FSWFL employee Marc Salac was  
9 assigned oversight over the processes set forth under (1) and (2), above, to ensure  
10 compliance; (4) FSWFL set up a process in which new METRC tags under the production  
11 licenses are created and used, once the fresh frozen bags of cannabis are transferred to the  
12 production facility; (5) FSWFL voluntarily destroyed the cannabis product that could not  
13 be reconciled in METRC; (6) FSWFL implemented a new protocol to update the weights in  
14 METRC as soon as the dry flower is dry after washing; and (7) FSWFL's waste logs now  
15 include the agent card numbers for the cannabis agent destroying the cannabis or cannabis  
16 product, the agent card numbers for those cannabis agents witnessing the destruction, and  
17 the method of destruction. Respondent further represents and warrants that it is now, as  
18 of the date it has executed this Stipulation and Order, operating in full compliance with  
19 NRS Title 56 and NCCR.

20       24. Contingency if Approval Denied. If approval of this Stipulation and Order is  
21 denied by CCB, FSWFL and counsel for the CCB agree to resume settlement negotiations  
22 in good faith and attempt to reach an agreement to amend this Stipulation and Order and  
23 resubmit an amended Stipulation and Order to the CCB to review for approval at a  
24 subsequent regularly scheduled meeting. If such an agreement cannot be reached, the  
25 Parties agree to proceed with the Administrative Action, the stay in such action shall be  
26 lifted pursuant to the November 15, 2021, agreement between the Parties and the matter  
27 shall proceed to a disciplinary hearing before the CCB's assigned hearing officer. Should  
28 the Administrative Action proceed for the reasons set forth in this Paragraph, CCB

1 preserves all its claims and arguments in the Administrative Action as set forth in its  
2 Complaint and FSWFL preserves all its defenses and arguments set forth in its Answer,  
3 and withdraws all admissions and/or waivers set forth herein. An unapproved Stipulation  
4 and Order shall not be admissible as evidence or referenced in argument at any disciplinary  
5 hearing in CCB Case No. 2021-39 or any other matter involving the CCB.

6       25. Contingency if Approval Conditioned. If the CCB approves this Stipulation  
7 and Order, but said approval is contingent on certain conditions, the parties will undertake  
8 further good faith negotiations to include said conditions in an amended stipulation and  
9 order for execution by the CCB Chair. If FSWFL does not agree to the certain conditions  
10 imposed by the CCB, the parties will undertake additional negotiations and attempt to  
11 reach an agreement to amend this Stipulation and Order and resubmit an amended  
12 Stipulation and Order to the CCB to review for approval at its next regularly scheduled  
13 meeting. If such an agreement cannot be reached, the Parties agree to proceed with the  
14 Administrative Action, the stay in such action shall be lifted pursuant to the November 15,  
15 2021, agreement between the Parties and the matter shall proceed to a disciplinary hearing  
16 before the CCB's assigned hearing officer. Should the Administrative Action proceed for  
17 the reasons set forth in this Paragraph, CCB preserves all its claims and arguments in the  
18 Administrative Action as set forth in its Complaint and FSWFL preserves all its defenses  
19 and arguments asserted in its Answer and withdraws all admissions and/or waivers set  
20 forth herein. An unapproved Stipulation and Order shall not be admissible as evidence or  
21 referenced in argument at any disciplinary hearing in CCB Case No. 2021-39 or any other  
22 matter.

23       26. Closure of Disciplinary Action. Once this Stipulation and Order is fully  
24 performed by FSWFL, the Administrative Action will be closed.

25       27. Communications with CCB Members. FSWFL understands that this  
26 Stipulation and Order will be presented to the CCB in open session at a duly noticed and  
27 scheduled CCB meeting. FSWFL understands that the CCB has the right to decide in its  
28 own discretion whether or not to approve this Stipulation and Order. The CCB's counsel,

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

17 28. Release. In execution of this agreement, Respondent agrees that the State of  
18 Nevada, the CCB, the Office of the Attorney General, and each of their members, staff,  
19 attorneys, investigators, experts, hearing officers, consultants and agents are immune from  
20 any liability for any decision or action taken in good faith in response to information and  
21 data acquired by the CCB. Respondent agrees to release the State of Nevada, the CCB, the  
22 Office of the Attorney General, and each of their members, staff, attorneys, investigators,  
23 experts, hearing officers, consultants and agents from any and all manner of actions, causes  
24 of action, suits, debts, judgments, executions, claims and demands whatsoever, known or  
25 unknown, in law or equity, that Respondent ever had, now has, may have or claim to have  
26 against any and/or all of the persons, government agencies or entities named in this  
27 Paragraph, arising out of, or by reason of, CCB's investigation of the matters set forth in  
28 its Complaint, the matters set forth in this Stipulation and Order, or the administration of

1 CCB Case No. 2021-39.

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

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

20 30. Attorneys' Fees and Costs. The Parties each agree to bear their own attorneys'  
21 fees and costs.

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

25 32. Voluntary and Informed Agreement. The Respondent represents that its  
26 owners, officers, and/or its directors, who are responsible for and able to legally bind  
27 FSWFL have read completely and understand fully the terms of this Stipulation and Order,  
28 that such terms are fully understood and voluntarily accepted by Respondent in advance

1 of and as memorialized by the signing of this Stipulation and Order, and that the  
2 Respondent's signature to this Stipulation and Order indicates same. Respondent further  
3 represents that it has voluntarily entered into this Stipulation and Order to make a full,  
4 final, and complete compromise upon the terms and conditions set forth herein.  
5 Respondent further represents that any releases, waivers, discharges, covenants, and  
6 agreements provided for in this Stipulation and Order have been knowingly and voluntarily  
7 granted and without any duress or undue influence of any nature from any person or entity.  
8 The Parties, and each of them, hereby expressly acknowledge that they are each  
9 represented by counsel of their own choice in this matter and have been advised by counsel  
10 accordingly.

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

16       34. Binding Effect. This Stipulation and Order shall be binding upon and inure  
17 to the benefit of the Parties hereto and the Parties' respective successors, predecessors,  
18 parents, affiliates, shareholders, employees, heirs, executors, assigns, and administrators.

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

26       36. Governing Law. This Stipulation and Order shall be governed by and  
27 construed in accordance with the laws of the State of Nevada, without reference to conflict  
28 of law principles.

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

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

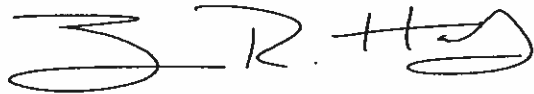
12           39.    Time is of the Essence. Time is of the essence in the performance of all terms  
13 of this Stipulation and Order.

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

19           41.    Counterparts and Copies. This Stipulation and Order may be executed in  
20 counterparts, each of which when so executed and upon delivery to counsel of record for the  
21 Parties shall be deemed an original ("Counterparts"). This Stipulation and Order shall be  
22 deemed executed when Counterparts of this Stipulation and Order have been executed by  
23 all the Parties and/or their counsel; such Counterparts taken together shall be deemed to  
24 be the Agreement. This Stipulation and Order may be executed by signatures provided by  
25 electronic facsimile or email, which signatures shall be binding and effective as original  
26 wet ink signatures hereupon. All fully executed copies of this Stipulation and Order are  
27 duplicate originals, equally admissible in evidence.

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2 IN WITNESS WHEREOF, this Stipulation and Order has been executed by the  
3 Parties and attested by their duly authorized representatives as of the date(s) so indicated.  
4 The Effective Date of this Stipulation and Order shall be the date it is ordered by the CCB.  
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8 Date: Dec. 10, 2021

9 Brian R. Hardy (Nev. Bar No. 10068)  
10 Counsel for Respondent FSWFL

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13 Date: 12/13/2021

14 (printed name Lindsay Werner),  
15 On behalf of Respondent FSWFL

16  
17  
18 

19 Date: 12/10/2021

20 L. Kristopher Rath (Nev. Bar No. 5749)  
21 Ashley Balducci (Nev. Bar No. 12687)  
22 Senior Deputy Attorney General  
23 Counsel for Cannabis Compliance Board

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26 Date: 12/14/21

27 Tyler Klimas, Executive Director for the  
28 Cannabis Compliance Board

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**ORDER**

WHEREAS, on 14<sup>th</sup> day of December, 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 FSWFL.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 14<sup>th</sup> day of December, 2021.

**STATE OF NEVADA,  
CANNABIS COMPLIANCE BOARD**

By: Michael Douglas  
HON. MICHAEL L. DOUGLAS, CHAIR