

Nevada Cannabis Compliance Board

Meeting Minutes January 25, 2022

The Nevada Cannabis Compliance Board (CCB) held a public meeting at 555 East Washington Ave, Room 2450, Las Vegas, Nevada and 1919 College Parkway Room 100, Carson City, Nevada on January 25, 2022, beginning at 9:00 a.m.

Cannabis Compliance Board Members Present:

Michael Douglas, Chair
Dennis Neilander
Jerrie Merritt
Riana Durrett
Bryan Young

Tyler Klimas, Executive Director, called the meeting to order and took roll. Chair Michael Douglas, Member Durrett, and Member Merritt were present in Las Vegas. Member Young was present in Carson City. Member Neilander was present via video connection. Deputy Attorney General Asheesh Bhalla confirmed that the Board complied with the Open Meeting Law requirements.

Chair Douglas noted that Agenda Item X (A – C), Consideration of Proposed Amendments and/or Additions to the Nevada Cannabis Compliance Regulations, would be pulled from the meeting agenda.

I. Public Comment.

Elijah Guttman provided comment on the regulations. Mr. Guttman claimed the \$250,000 liquid capital requirement made it clear that we don't want non-white people in the industry. Why go through the charade of creating equity licenses when the regulations prevent investment except by rich, white people. Mr. Guttman commented about minority verification being outsourced to a women's rights organization run by rich white women, and would he be considered black enough for their standards. Mr. Guttman asked why family members of people affected by drug always were allowed to apply. This would dilute the ability of people affected by the laws to obtain licenses. It should require the person affected by the laws to sign off on the family member applying under that status. Mr. Guttman recommended allowing all assets be considered, and open verification of status to an organization made up of black people. This distance requirements make it virtually impossible to invest lounges in minority communities as there are gaming establishments, churches, and community facilities on every corner.

II. Meeting Minutes

A. Consideration for approval of the December 14, 2021, Cannabis Compliance Board Meeting minutes.

B. Consideration for approval of the December 14, 2021, Cannabis Compliance Board Workshop minutes.

Chair Douglas asked for a motion for the approval of the minutes, with any changes or corrections to be considered, and they can be taken together. Member Neilander made a motion to approve. Member Durrett seconded the motion. All Board Members said aye. Chair Douglas abstained as he was not present at the meeting. Motion carried.

III. Consent Agenda

A. Complaints

Director Klimas stated that there were two complaints that the Attorney General's office had reviewed and recommended proceeding with disciplinary action.

1. As to Respondent A, the complaint alleged violations of NRS 678B, NCCR 4, and NCCR 7.
2. As to Respondent B, the complaint alleged violations of NRS 678B, NCCR 4, and NCCR 7.

Member Neilander made a motion to approve agenda item III A (1 and 2). Member Young seconded the motion. All Members said aye. Motion carried.

IV. Consideration for Approval of Proposed Settlement Agreements to Resolve Disciplinary Action.

Senior Deputy Attorney General L. Kristopher Rath presented the settlement agreements.

A. Cannabis Compliance Board vs. Nevada Organic Remedies, LLC (Case No. 2022-62)

Mr. Rath stated that the case did not involve a complaint. The parties reached an agreement to resolve the regulatory violation that the licensee self-reported to the CCB. The respondent agreed to waive the filing and service of a formal complaint. The matter involved an adult-use sale that exceeded the single sale transaction limit. In May 2021, Nevada Organic Remedies reported to the CCB via an incident report that one of its employees had completed the improper sale, had undertaken an internal investigation, and determined that its sales system transaction limit safeguard had been placed in the off position and the employee had overly relied on the safeguard to provide a warning. CCB staff reviewed the facts and then involved the Attorney General's office to negotiate with the respondent whether the violations could be resolved with a settlement agreement. As indicated in the settlement agreement, respondent admitted to one Category 3 violation and agreed to a \$62,500 civil penalty within 3 days of approval of the agreement. A plan of correction was reviewed and approved by CCB staff and included putting the safeguard in the "on" position and additional training for employees and managers. CCB staff agreed that the admitted violation, civil penalty, and corrective action addressed the areas of concern. The Attorney General requested approval of the settlement agreement.

Amanda Connor appeared on behalf of the respondent. Ms. Connor reiterated that the licensee self-reported and took corrective action on their own. Member Durrett asked for clarification on the transaction limit amount and asked if the CCB tracked disciplinary actions. Mr. Rath responded that the CCB did. Member Durrett asked if a record of previous disciplinary actions, if any, could be included in the future. Member Durrett was in favor of a lower penalty amount due to the matter being self-reported. Mr. Rath explained Nevada Organic Remedies had a prior Category 2 violation for a transfer of interest. This matter could have been pled as a second category 2 violation with a \$75,000 fine. Mr. Rath added that since it was self-reported, it was lowered to a Category 3 and the amount was negotiated. Ms. Connor commented that steep penalties on self-reports will discourage people in the industry from self-reporting.

Member Durrett made a motion approve the settlement agreement with under agenda item IV (A) with a reduced fine of \$45,000. Member Merritt seconded the motion. All Members said aye. Motion carried.

V. Request for Transfer of Interest

Chief Investigator David Staley presented the transfers of interest.

A. Healthcare Options for Patients Enterprises, LLC (TOI 17021A-17021D, 21026)

Healthcare Options for Patients, Enterprises, LLC (HOPE) submitted TOI requests for approval of internal transfers to provide for new minority investors to provide new capital and for Thomas Carson to become a 10.2% shareholder. Staff identified areas of concern regarding a TOI without prior CCB approval and late filed tax returns. There was also a disciplinary complaint proceeding against HOPE which involves issues with tax returns, monthly reports, and agent cards. Mr. Staley indicated it may be appropriate for the Board to approve the TOI and direct the Attorney General's office and CCB staff to include these areas of concern in current discussions regarding the existing complaint.

Briana Martinez, attorney, and Dr. Howard Rubin appeared on behalf of HOPE. Ms. Martinez thanked CCB staff for working with them on the transfers. Ms. Martinez asked if the Board could approve the transfers and negotiate any type of settlement with the disciplinary action they were currently settling.

Member Neilander made a disclosure that Ms. Martinez was an attorney at Kaempfer Crowell Law Firm where he is of counsel. Member Neilander has no pecuniary interest in the firm or this matter, works exclusively in gaming, and will participate in the matter.

Chair Douglas had concerns with the tax payment; it appeared that the taxes would be paid, the license renewed, and then taxes were outstanding again. This pattern is not acceptable and needs to change. Chair Douglas made a motion to approve the transfers of interest and refer to the Attorney General's office to review outstanding matters for further investigation. Member Durrett seconded the motion. All Members said aye. Motion carried.

B. The Cannavative Group, LLC (TOI 19036)

Member Young made a disclosure that he had a doctor/patient relationship with two individuals; Member Young did not know the individuals were in the cannabis industry until he received the documents and did not feel it would affect his ability to be objective regarding the transfer of interest.

Chief Staley stated TOI 19036 was filed by Cannavative to request approval for Cannavative to repurchase the shares of a deceased member, an internal reorganization of interests, and the addition of eight new minority investors. Cannavative

requested a waiver pursuant to NCCR 5.125 and staff suggested that if approved, the Board limit the waiver to expire on such a date as Cannavative's next TOI is heard. Staff identified no areas of concern.

Zara Ehasz and Ross Kline were available for questions. Ms. Ehasz, Director of Finance for Cannavative, addressed the Board and stated she had been working with Jeff Justus on the transfers and was grateful for his help. There were no questions from the Board.

Member Durrett made a motion to approve agenda item V (B). Member Merritt seconded the motion. All Members said aye. Motion carried.

VI. Consideration for Approval of Management Services Agreements

A. Tahoe Hydroponics Company, LLC and CSAC Acquisition NV Corp.

Chief Staley presented the management services agreement between Tahoe Hydroponics Company, LLC and CSAC Acquisition NV Corp, a subsidiary of Ayr Wellness Inc. The management agreement was for CSAC to provide Tahoe with business, organizational, strategic, management, and advisory services as well as cultivation and distribution logistics, operations guidance. Tahoe will maintain ultimate legal responsibility and control the operations. The management agreement was put in place pending the completion of staff's review of a transfer of interest application in which Ayr has applied to acquire Tahoe. CCB staff reviewed the agreement and found it appropriate. Staff recommended that the Board consider approval of the relationship between CSAC, Ayr Wellness, and Tahoe, rather than approval of the agreement itself.

Alicia Ashcraft appeared on behalf of CSAC. Jennifer Drake appeared on behalf of Ayr Wellness. Amanda Connor appeared on behalf of Tahoe Hydroponics. Member Durrett asked if the management agreement was in place because the transfer was pending. Ms. Ashcraft responded that was correct.

Member Durrett made a motion to approve the relationship between Tahoe Hydroponics Company, LLC and CSAC Acquisition NV Corp. under agenda item VI (A). Member Merritt seconded the motion. All Members said aye. Motion carried.

B. NV Green Inc. and CSAC Acquisition NV Corp.

Chief Staley presented the management services agreement between NV Green Inc. and CSAC Acquisition NV Corp, a subsidiary of Ayr Wellness Inc. The management agreement was for CSAC to provide NV Green with business, organizational, strategic, management, and advisory services as well as cultivation and production logistics and operations guidance. NV Green will maintain ultimate legal responsibility and control the operations. The management agreement was put in place pending the completion of staff's review of a transfer of interest application in which Ayr has applied to acquire NV Green. CCB staff reviewed the agreement and found it appropriate. Staff recommended that the Board consider approval of the relationship between CSAC, Ayr Wellness, and NV Green rather than approval of the agreement itself.

Alicia Ashcraft appeared on behalf of CSAC. Jennifer Drake appeared on behalf of Ayr Wellness. Amanda Connor appeared on behalf of NV Green and requested approval of the relationship. There were no questions from the Board.

Member Durrett made a motion to approve the relationship between NV Green, Inc. and CSAC Acquisition NV Corp. under agenda item VI (B). Member Merritt seconded the motion. All Members said aye. Motion carried.

Chair Douglas noted the CCB was looking at the present transfer of interest process and will try to streamline and improve the process in the future.

VII. Request for Consideration of Approval of Placement of Receiver

A. Green Cross of America, Inc. (continued from December 14, 2021 Meeting)

Senior Deputy Attorney General L. Kristopher Rath provided an update. Derek Connor was present as counsel and Kevin Singer was present as the cannabis receiver applicant. The matter first came before the board in October with the consideration of Brian Hardy as the receiver applicant. There were several objections and the matter was moved to the December meeting. At the December meeting, counsel for Green Cross and for the creditor Red Dot appeared along with Mr. Hardy. Mr. Hardy's application was withdrawn. The parties indicated they had agreed upon Mr. Singer as the receiver and would go through the process with the court to appoint Mr. Singer. On January 18, the court signed the order contingent on CCB approval. Green Cross remained on summary suspension and was not currently operational. There was separate complaint for disciplinary action filed for the violations found during the inspection that led to the summary

suspension. CCB staff recommended that the receiver provide the executive director with monthly reports on his activities, and that the motion include a requirement to have those reports submitted on the 15th day of each month.

Derek Connor introduced Mr. Singer. Chair Douglas asked if both parties had agreed to Mr. Singer. Mr. Connor stated there were two cases pending; the parties stipulated to dismiss one case and stipulated to agree to the appointment of Mr. Singer.

Chair Douglas asked Mr. Singer how he would handle overseeing the operations of a Nevada entity. Mr. Singer stated he has been a receiver for over 21 years and has run and operated more than 12 cannabis businesses. Mr. Singer has read NRS Section 56 and the Nevada Cannabis Compliance Regulations and will work with Mr. Connor to make sure that everything is in compliance. Member Durrett asked when the financial analysis will be done and what was Mr. Singer's general analysis. Mr. Singer responded that if he was approved to run and operate the facility, he would first go out and look at it. The goal as the receiver would be to transfer the business to somebody who can be approved by the Board to run and operate the business. They would work to get the fines and penalties paid. The financial analysis would not happen until after he was appointed. Mr. Singer stated that monthly reports would be done, and he would make recommendations to the parties and the court on how to proceed with the business. Member Durrett asked what would happen if there weren't finances to support the receiver being paid. Mr. Singer did not think that would occur as there was value. Mr. Singer added there was a preliminary financial assessment done and the goal was to get as many creditors paid as possible through the sale or transition of license.

Bryan Naddafi with Avalon Legal Group appeared on behalf of Stephen Restifo and Charmin Thomas, two owners of Green Cross of America. Mr. Restifo and Ms. Thomas did not have objections to Mr. Singer as the receiver.

Member Durrett made a motion to approve the placement of receiver Mr. Kevin Singer under agenda item VII (A) for Green Cross of America, Inc. Member Merritt seconded the motion. Chair Douglas noted that the receiver would receive proper approval from the Cannabis Compliance Board for her his receiver application. All Members said aye. Motion carried.

B. CSNLV, LLC

Mr. Rath introduced the matter. On December 1, 2021, Mr. Charles Indyg, sole owner of CSNLV passed away. Mr. Indyg submitted transfer of interest requests shortly before he passed away to transfer 50% of his interest to his daughter, Shayna Indyg and 50% to his longtime partner, Barbara Reuben. The TOI applications are pending review and as a result, CSNLV will need a receiver in place with CCB staff investigates the TOIs. Without a receiver, CSNLV would be operating without an owner possessing an agent card. Ms. Reuben was appointed as the executrix over Mr. Indyg's estate. Ms. Reuben requested Board approval for the application of Mr. Dotan Melech for placement as a cannabis receiver over the business. On December 13, 2021, CCB staff performed a full audit inspection of the licensee and found no violations or deficiencies. Counsel will seek court approval of Mr. Melech as receiver if the Board approves his placement. It was recommended that the order require monthly reports on the 15th of each month beginning in February.

Ms. Kimberly Maxson-Rushton appeared on behalf of CSNLV, LLC. Ms. Rushton indicated that Ms. Reuben had filed transfer of interest applications in October 2020, but they were not processed. The domicile of the estate is in New Jersey. The cultivation facility was a small operation and only 25% was operating as the rest was under construction. Ms. Rushton requested that if appointed, the terms of the receivership be made narrow as they hoped to have the transfers of interest up for approval in February. Ms. Rushton did not think a receiver was needed for less than 30 days. On December 13, a request for consideration of alternative means in lieu of the receivership was submitted. Ms. Rushton stated they were in confident in Mr. Melech as a receiver but requested consideration to grant Ms. Ruben a temporary agent card as an owner and allow her to continue in the process as the executrix until final approval.

John Savage and Dotan Melech were available for questions. Chair Douglas asked if anyone else had comments regarding the placement of receiver. Louis Magazzu appeared with Shayna Indyg and Barbara Reuben via video conference. Mr. Magazzu was the attorney for the estate and longtime friend and business partner of Mr. Indyg. Mr. Magazzu has represented cannabis entities in New Jersey. Ms. Reuben's background was in accounting and bookkeeping. Mr. Magazzu requested a waiver of the receiver due to the short window of time that one would need to be in place, and they would prepare any reports as required by the Board. To reduce costs, they felt that with efforts of local counsel, Ms. Reuben, Ms. Indyg and himself, they would be able to fulfill the requirements until the transfer of the license.

Mr. Rath added that this was a licensee that did not have an owner with an agent card at present. Mr. Rath and CCB staff felt that the receiver was necessary. CCB staff needs time to investigate the transfer of interest and determine suitability

for the new owners. Staff can't guarantee that the matter would be ready for the February meeting.

Member Neilander commented that legislation was enacted for this situation. The notion of having a temporary agent card instead of a receiver was not recognized in statute. The statute indicated the path of a receiver to be appointed. Mr. Rath agreed and added that a receiver had been appointed in a similar situation and was in place longer than anticipated. Member Neilander added that there was the additional protection of the court overseeing the matter. Member Durrett asked Mr. Melech if he was willing to be a receiver for a short period of time and step back if Ms. Reuben became licensed. Mr. Melech indicated he was willing to do that and added that having a receiver with cannabis experience and sharing that information with the new licensee was helpful. Ms. Rushton commented that her clients were familiar with the cannabis operation, the estate was settled, there were no creditors, and no contest to the will.

Chair Douglas stated that everything appeared in order, but the Board was cautious and acting with due diligence. Chair Douglas made a motion for the appointment of receiver. Member Durrett seconded the motion. All Members said aye. Motion carried.

C. A New Leaf Cultivation Center, LLC; A New Leaf Production Center, LLC

Mr. Rath provided an introduction to the Board. On January 12, 2022, the attorneys for the owners of A New Leaf filed a joint application and stipulation for an order appointing a receiver. The order stated that the owners agree that the management of the New Leaf entities was at an unreconcilable deadlock and said continuing management impasse supports appointment of an equity receiver and the New Leaf entities do not generate sufficient funds to pay the debts owed to their members and specific creditors. The application included a court order to appoint Dotan Melech as the agreed upon receiver but the court has not yet executed that stipulated order. As a result of the owners agreement, Mr. Melech has applied with the CCB for an agent card and requested approval for placement as a cannabis receiver. On January 18, 2022, CCB staff performed a full audit inspection of the facilities and found no deficiencies. The attorney general requested that if approved, the order include the requirement for the receiver to make monthly reports on the 15th of each month.

Mr. Ed Humphrey stated the summary provided by Mr. Rath was correct. There were two owners of each entity that inherited an unworkable operating agreement that required unanimous consent and has a lot of ambiguity. Mr. Humphrey indicated all third-party creditors have been paid or are current on payments. The members have contributed significant advancements in equity contributions. The only creditors owed money are insiders and minor trade creditors. The owners decided to pursue a receiver in lieu of litigation and agreed upon Mr. Melech. Mr. Melech has toured the facilities.

Ms. Leslie Bryan Hart represented the owners of Organics LLC. Ms. Hart did not have anything to add to Mr. Humphrey's description of events and was available to answer questions.

Member Neilander asked if the receiver would try to unwind the operating agreement. Mr. Humphrey responded that if turned over to the receiver, the parties would allow the receiver's business judgment to move things forward. A workable operating agreement and increase in profitability could come out of it.

Chair Douglas made a motion to appoint a receiver. Member Durrett seconded the motion. All Members said aye. Motion carried.

VIII. Consideration of Approval of Corrective Action Plan and Lifting Summary Suspension

Senior Deputy Attorney General Emily Bordelove presented the matter to the Board. On October 20, 2021, CCB agents conducted an investigation of the Kindibles facility. Agents discovered discrepancies with the inventory of a product versus the product on hand, production logs showing additional products that it ran after testing, and discrepancies in the amount of distillate reported used and the amount of product produced. On November 5, 2021, the CCB held an emergency board meeting and voted to summarily suspend Kindibles finding that it posed an immediate threat to the public's health, safety, and welfare. On November 23, 2021, Kindibles sent the CCB its amended final plan of correction that outlined its intent to terminate all relationships with existing staff and bring in more qualified staffing to oversee compliance, add security, destroy the affected product, cease production of the affected product, develop new brands, and hire on-site compliance officer with prior cannabis experience. CCB staff observed the destruction of the affected product. On December 9, 2021, the suspension was conditionally lifted upon approval of the Board. Kindibles was permitted to resume operations after its 34-day suspension.

Christina Gaucin, Stephanie Meehan, and Mason Cave appeared on behalf of Kindibles. Ms. Gaucin provided a brief summary and stated that the plan of correction addressed the deficiencies and implemented additional measures to ensure the resolution of the issues, and mitigates the possibility of the infractions going forward. Mason Cave was added as the in-house compliance

manager in addition to a compliance consultant. On December 13, 2021, Kindibles received reinstatement of operation from the Clark County Department of Business License. Ms. Gaucin requested the Board's consent to resume operations and formally lifting the suspension.

Member Neilander asked if the compliance officer was a full-time position. Mr. Cave responded that it was not full-time, but he was there and available weekly. Weekly reports are submitted and there was on-site assistant compliance. Member Durrett asked if there had been a compliance employee previously. Ms. Gaucin responded that there was and that person was no longer employed by them as a result of the actions.

Chair Douglas commented that there was a complete staff turnover and programs outlined to make sure staff was operating pursuant to the rules and regulations. Member Durrett made a motion to approve the corrective action plan and lifting of summary suspension under agenda item VIII (A). Member Merritt seconded the motion. All Members said aye. Motion carried.

IX. Consideration of Stipulation and Order to Dismiss with Prejudice

A. The CCB will consider the Stipulation and Order to Dismiss with Prejudice in the case of Zion Gardens, LLC v. State of Nevada, Department of Taxation, et al., Case No. A-21-844814-C, pending in Eighth Judicial District Court.

Senior Deputy Attorney General Ashley Balducci stated the stipulation and order to dismiss with prejudice that resolved litigation against Cannabis Compliance Board and other named state officials and agencies filed in the Eighth Judicial District Court. If approved, the litigation in Case No. A-21-844814-C will be dismissed with prejudice. Ms. Balducci was available for questions and requested that the Board approve item IX (A).

Ben Lehavi, attorney for Zion Gardens, appeared with co-counsel Jessica Guerra and stated they were in favor of the settlement and dismissal.

There were no questions from the Board. Chair Douglas made a motion to accept the stipulation of dismissal with prejudice. Member Durrett seconded the motion. All Members said aye. Motion carried.

X. Consideration of Proposed Amendments and/or Additions to the Nevada Cannabis Compliance Regulations

A. Regulation 1. Issuance of Regulations; Construction; Definitions

1. NCCR 1.082. "Diversity Applicant" defined. (for possible action)
2. NCCR 1.083. "Diversity Certifying Entity" defined. (for possible action)

B. Regulation 4. Disciplinary and Other Proceedings Before the Board

1. NCCR 4.035. Category I Violations. (for possible action)
2. NCCR 4.040. Category II Violations. (for possible action)

C. Regulation 5. Licensing, Background Checks, and Registration Cards

1. NCCR 5.045. Certification required to qualify as a diversity applicant. (for possible action)

Chair Douglas noted again that agenda item X was removed from the agenda for further study by the Board.

XI. Consideration for Approval to Extend February 5, 2022, Final Inspection Deadline

Chief of Administration Steve Gilbert provided an update on the extensions received to date and the number of conditional licenses that have not submitted a request for an extension of the February 5, 2022 deadline. The Board granted 41 individual license extension requests through the December 2021 Board meeting. There will be 41 individual license extension requests heard at the January Board meeting. There are 6 requests undergoing review that will be scheduled at a future Board meeting. There are 19 entities representing 20 individual licenses that have not submitted a request for an extension of the deadline.

Member Durrett asked if the Board could have a discussion item at a future Board meeting regarding the term "extenuating circumstances." Chair Douglas asked if the some of the items for consideration could be grouped together to expedite the process.

Chief Gilbert stated agenda items (A) through (I) involved entities that were settling parties to either the July 2020 or August 2020 settlement agreement which granted a 14-month extension to the settling parties with conditional licenses in jurisdictions with moratoriums on new adult-use cannabis establishments to obtain final inspections and approval from CCB. Mr. Gilbert asked the Board if they would like to take the items all together or individually.

Chair Douglas asked if a representative for those items could state their name for the record.

A. GreenMart of Nevada NLV, LLC (RD507)

Maggie McLetchie appeared on behalf of GreenMart of Nevada NLV, LLC.

B. Lone Mountain, LLC (RD596)

Amanda Connor appeared on behalf of Lone Mountain Partners, LLC.

C. TRNVP098, LLC (RD672)

D. TRNVP098, LLC (RD674)

Shane Terry appeared on behalf of TRNVP098, LLC.

E. Congeriem 1, LLC (RD266)

F. Congeriem 2, LLC (RD593)

G. Congeriem 4, LLC (RD597)

H. Congeriem 5, LLC (RD602)

I. Congeriem 3, LLC (RD594)

Adam Fulton appeared on behalf of Congeriem 1, 2, 4, 5, and 3. Chair Douglas noted that Congeriem 3 did not have a moratorium issue but rather a building progress issue. Mr. Fulton stated his client was able to locate land, secure a lease, but there were some construction issues. Paul Thomas from Congeriem was available to answer questions about the buildout. They were close to completing construction.

Member Durrett made a disclosure that Mr. Fulton represents her mother in business litigation matter and will proceed with participating in the matter as a reasonable person with independent judgment.

Chair Douglas made a motion to grant approval for a 12-month extension of the deadline for agenda items (A) through (I). Member Durrett seconded the motion. All Members said aye. Motion carried.

J. Two Skirts Cultivation and Production, LLC (C190, RC190, P125, RP125)

Chief Gilbert stated Two Skirts Cultivation and Production requested a 6-month extension of the deadline to perfect its conditional medical and adult-use cultivation and production licenses in Fernley jurisdictions. Two Skirts reported on its accomplishments but had supply chain issues because of COVID. Staff identified no areas of concern.

Adam Fulton stated the entity has spent a lot of time and money to become operational. A TOI was submitted in January 2021 which was still pending. In addition, a management services agreement was also still pending approval. Madelon Kaster was available via video conference to answer any questions.

Member Durrett made a motion to approve a 12-month extension for Two Skirts Cultivation and Production, LLC. Member Merritt seconded the motion. All Members said aye. Motion carried.

K. ETW Management Group, LLC (C203, RC203)

Chief Gilbert stated ETW Management Group, LLC requested a 12-month extension of the deadline to perfect its conditional adult-use cultivation license within Henderson jurisdiction. ETW made progress but was involved in a lawsuit with the management company at the establishment site and dealing with distance separation issues. Staff identified no areas of concern.

Adam Fulton and Paul Thomas appeared on behalf of ETW. Mr. Fulton stated the building was properly zoned for cultivation. After the purchase, the association changed the CCNR's to prevent cultivation and they have been in litigation since 2019. A church was missed on the initial distance separation study, so they are trying to determine if it is suitable.

There were no questions from the Board. Chair Douglas made a motion to approve a 12-month extension of the deadline. Member Durrett seconded the motion. All Members said aye. Motion carried.

L. ABC NV, LLC (RC120)

Chief Gilbert stated ABC NV, LLC requested a 12-month extension of the deadline to perfect its conditional adult-use cultivation license within Clark County jurisdiction. ABC NV began taking steps to perfect this license prior to CCB's approval of the TOI which transferred this license from the previous owner in December of 2021. It has taken steps in advance while awaiting approval of its special use permit application at the January Clark County Board of Commissions meeting. Staff identified no areas of concern.

Adam Fulton and Bill Moore appeared on behalf of ABC NV, LLC. Mr. Fulton stated they are in the process of obtaining the SUP and the matter is on the February 2, 2022 agenda.

There were no questions from the Board. Chair Douglas made a motion to approve a 12-month extension of the deadline. Member Durrett seconded the motion. All Members said aye. Motion carried.

M. TRNVP098, LLC (RD673)

Chief Gilbert stated TRNVP098 LLC requested an extension of the deadline for its conditional adult-use retail store license until Marcy 30, 2023 or 14 months after Mineral County adopts business licensing regulations, whichever is later. The County has no regulation allowing for retail-only dispensaries and a Mineral County representative indicated it would be difficult to obtain a special use permit due to concern from its residents. Staff identified no areas of concern.

Shane Terry appeared on behalf of TRNP098 and stated they have been in communication with Mineral County. They have provisions for medical dispensaries, and cultivation and production. Mr. Terry was hopeful it would change in the near future and was working on lobbying the staff. Chair Douglas asked about a possible site at Walker Lake. Mr. Terry indicated that the County would likely not want the location site to be in the City of Hawthorne, but it would depend on the final approval of the commission and what is adopted.

Member Neilander asked if there was a moratorium there. Mr. Terry responded that there was not a specific moratorium, but they have not moved to adopt regulations that would permit it. Some county staff indicated that if it was adopted, the Walker Lake area appeared to be the most promising location. Member Durrett asked for a list of which jurisdictions issued moratoriums and notices before the application period that they would not allow licenses. In addition, Member Durrett would like a status update on the case where they were about to file in district court that the local ban violated the initiative mission. Member Durrett felt that outcome of the case would be important if the courts determined that the locals could not do bans.

Chair Douglas made a motion to approve a 12-month extension of the deadline. Member Durrett seconded the motion. All Members said aye. Motion carried.

Chair Douglas noted that some jurisdictions have a complete ban and others that have technically permitted it but make the zoning requirements almost impossible.

N. Lone Mountain, LLC (RD601)

Chief Gilbert stated Lone Mountain, LLC requested a 14-month extension of the deadline for its conditional adult-use retail store license. The County has no regulation allowing for retail-only dispensaries and a Mineral County representative indicated it would be difficult to obtain a special use permit due to concern from its residents. Staff identified no areas of concern.

Amanda Connor appeared on behalf of Lone Mountain and James Leventis was available via video conference to answer any questions. Ms. Connor requested an extension based on the reasons covered by Chief Gilbert.

There were no questions from the Board. Chair Douglas made a motion to approve a 12-month extension of the deadline. Member Durrett seconded the motion. All Members said aye. Motion carried.

O. BBMC, LLC (T014)

Chief Gilbert stated BBMC, LLC requested a 12-month extension of the deadline for its conditional adult use distribution license within Clark County jurisdiction. BBMC submitted transfer of interest requests to the CCB and is waiting for those to be processed. At the December Board meeting, two of the transfer of interest requests were sent back to CCB staff for further research. As a result, BBMC was unable to comply with the February 5, 2022 deadline. Staff identified no areas of concern.

Amanda Connor and Derek Connor appeared on behalf of BBMC. Ms. Connor stated the facility was ready but due to issues with the pending transfer of interest, they have not been able to finalize the license.

Chair Douglas asked if a resolution for the TOI would be coming before the Board soon. Director Klimas responded that staff was working through the issues and did not have a timeframe for when it would be ready, so a 12-month extension would be appropriate.

Member Durrett made a motion to approve a 12-month extension of the deadline. Member Merritt seconded the motion. All Members said aye. Motion carried.

P. Essence Tropicana, LLC (RD317)

Chief Gilbert stated Essence Tropicana, LLC submitted a request for a 12-month extension for its conditional adult-use retail store in the Las Vegas jurisdiction. After identifying a site and obtaining a special use permit from the City of Las Vegas, Essence and the property’s landlord were unable to negotiate a material lease requiring Essence to relocate. Finding a suitable location to meet state and local requirements has been difficult. Staff identified no areas of concern.

Amanda Connor and Brendan Blume appeared on behalf of Essence Tropicana. Ms. Connor indicated they have been diligently looking to identify a location and working with city staff in business licensing.

Chair Douglas noted that there were complexities with zoning and secondary economic capitalism issues with landlords playing games with prospective licensees as to the costs and changing terms. Chair Douglas made a motion to approve a 12-month extension of the deadline. Member Durrett seconded the motion. All Members said aye. Motion carried.

Q. MM R & D, LLC (C208, P138, RD098)

Chief Gilbert stated MM R & D requested an extension of the deadline for its medical cultivation and production and adult-use retail store licenses in the City of Fallon jurisdiction. MM R & D was working to show the city the local support for its licenses and retained a government affairs professional to work with the city. Fallon’s nine land use districts prohibit cultivation, product manufacturing, and non-medical retail stores. Staff identified no areas of concern.

Daniel Giudici and Nathan Van Treese appeared on behalf of MM R & D. Mr. Giudici indicated Fallon had a moratorium on cultivation, production, and retail dispensary. Mr. Giudici requested a 14-month extension and felt that there was progress with the City of Fallon.

There were no questions from the Board. Chair Douglas made a motion to approve a 12-month extension of the deadline. Member Durrett seconded the motion. All Members said aye. Motion carried.

R. MM R & D, LLC (C209, P139)

Chief Gilbert stated MM R & D requested an extension of the deadline for its medical cultivation and production licenses within the City of Fernley jurisdiction. The pandemic shutdown hindered the ability to work with the City of Fernley and its search for a suitable site. MM R & D reported that the landowner has expressed approval to lease the property. Once the lease is executed, MM R & D can proceed with the special use permit application. Staff identified no areas of concern.

Daniel Giudici and Nathan Van Treese appeared on behalf of MM R & D. Mr. Giudici indicated that they have entered negotiations for the lease of the property.

Member Durrett commented that she will be mindful of licenses that look like they are developing in good faith versus licenses that are hanging on to the license to sell to the highest bidder. That would be a business decision and not extenuating circumstances and violates the spirit of the program.

Member Durrett made a motion to approve a 12-month extension of the deadline. Member Merritt seconded the motion. All Members said aye. Motion carried.

S. Harvest of Nevada, LLC (C205, RC205, P136, RP136)

Chief Gilbert stated Harvest of Nevada requested a 12-month extension of the deadline for its medical and adult-use cultivation and production licenses in the West Wendover jurisdiction. The licensee stated that construction and budgetary expectations were affected by COVID and Taxation’s litigation. West Wendover’s use of a third-party reviewer for local requirements has made the approval process lengthy. Staff identified no areas of concern.

Alicia Ashcraft appeared on behalf of Harvest of Nevada. Ms. Ashcraft stated that significant progress had been made on the facilities and significant amounts expended. They are about seven to eight months out from completion. Ms. Ashcraft requested a 12-month extension for consistency and out of an abundance of caution.

Member Neilander asked about the third-party review process and if that was something that Ms. Ashcraft had seen before. Ms. Ashcraft responded that it was rare but sometimes can be outsourced for efficiency and cost to an out of state company.

Member Durrett made a motion to approve a 12-month extension of the deadline. Member Merritt seconded the motion. All Members said aye. Motion carried.

T. FTLB, LLC (C210, P140)

Chief Gilbert stated FTLB requested a 12-month extension of the deadline for its medical cultivation and production licenses in Esmeralda County jurisdiction. FTLB reported significant delays after its initial location was determined to be unsuitable. FTLB reported additional delays with the second and third location sites. Once approved, the site will require significant improvements. Staff identified no areas of concern.

Alicia Ashcraft and Heather Wilson appeared on behalf of FTLB. Ms. Ashcraft stated that there were many challenges, including the local jurisdiction changing the address from one street to the cross street. A temporary portable structure has been procured and moved to the location. There are preliminary virtual walk-through inspections with the CCB and they hope to have the portable structure approved within the next few months. Ms. Ashcraft requested a 12-month extension for consistency and out of an abundance of caution.

Chair Douglas asked if it was still in Goldfield. Ms. Ashcraft responded that it was. Member Neilander asked if was in town or off the highway. Ms. Ashcraft responded it was a little bit outside which presents a challenge bringing utilities in.

Member Durrett made a motion to approve a 12-month extension of the deadline. Member Merritt seconded the motion. All Members said aye. Motion carried.

U. Moms Meds Management, LLC (C203, P135)

Chief Gilbert stated Moms Meds Management requested a 12-month extension for its medical cultivation and production licenses in the Mineral County jurisdiction. Moms Meds identified a property and obtained a special use permit in October 2019. After working to develop the property and having significant challenges, a new site was chosen with a special use permit granted in June 2021. Moms Meds entered into a Purchase and Sale Agreement and is retrofitting the existing structures. Staff identified no areas of concern.

Jeff Donato with Argentum appeared on behalf of Moms Meds Management. After encountering numerous challenges, the licensee did not feel that the first location would be ready by the deadline and decided to find another property that would give the licensee the best opportunity to meet the deadline. After receiving the land use approvals for the new location, the licensee submitted an application to change the location with the CCB. On September 9, 2021, the CCB approved the request to relocate. The licensee has been diligently working to complete its improvements to the existing structures. The interior improvements are complete. The C of O is expected by the first week of February, and then the licensee can schedule the final inspections with the CCB.

There were no questions from the Board. Member Durrett made a motion to approve a 12-month extension of the deadline. Member Merritt seconded the motion. All Members said aye. Motion carried.

V. NevCann, LLC (C056, RC056)

Chief Gilbert stated NevCann, LLC requested an extension of the deadline for its adult-use cultivation license in the Las Vegas jurisdiction. NevCann expects to complete construction by end of June 2022. NevCann incurred delays due to supply chain issues, labor, and materials. Staff identified no areas of concern.

Jeremy Youness and Rob Gurdison appeared on behalf of NevCann. Mr. Gurdison stated they had spent about 43% of their construction budget and were looking forward to finishing. They had three major setbacks including supply chain issue with mechanical units, internal construction issues, and planning and traffic.

Chair Douglas asked where the site was and what was the expected time of completion. Mr. Gurdison responded that completion was expected in early third quarter of the year but asked for 12-month extension in case any unforeseen issues arise. The location is in the City of Las Vegas near the arts district.

Member Durrett asked if funds had already been deposited into the voucher account. Mr. Gurdison stated that they had, and enough funds had been put in to get to the next stage of the project.

Member Durrett made a motion to approve a 12-month extension of the deadline. Member Merritt seconded the motion. All Members said aye. Motion carried.

W. Polaris Wellness Center, LLC (RD636)

Chief Gilbert stated Polaris Wellness Center requested a 12-month extension for its adult-use retail store license in Esmeralda jurisdiction. Polaris indicated Esmeralda County has had few actional agenda items on its Board of County Commissioner meeting agendas since 2017 making it difficult to get local jurisdiction approvals. Polaris is in lease negotiations and plans to seek approval in a future County Commission meeting. Staff identified no areas of concern.

Rusty Graf and Peter Ishak appeared on behalf of Polaris. There are problems caused by lack of infrastructure in the rural county. They have a new site that they hope to get approved, contracts to have the temporary building installed within the next couple of months. Mr. Graf requested a 12-month extension.

Chair Douglas asked where the location was. Mr. Graf responded that it was in Tonopah, right outside of Goldfield. Member Durrett made a motion to approve a 12-month extension of the deadline. Member Merritt seconded the motion. All Members said aye. Motion carried.

X. MM Development Company, Inc. (T077)

Chief Gilbert stated MM Development Company requested a 4-month extension for its distribution license in the Clark County jurisdiction. MM Development applied to add the conditional distribution license to its business license for its cultivation and production facility and discovered that the location was within 1,500 feet of an establishment holding a nonrestricted gaming license. It would need to go through a separate special use permit hearing. MM Development has engaged counsel to expedite a special use permit application at the location of one of its other licenses. Staff identified no areas of concern.

Leighton Koehler appeared on behalf of MM Development. Mr. Koehler stated Stacie Truesdell Michaels was retained to assist with filing the SUP application. Mr. Koehler stated that original application filed for SUP at the intended location did not include the distribution license. When the SUP was originally approved, the 1500-foot setback rule was not in place. MM Development would like to move the T077 license to another dispensary (RD215). MM Development has submitted an SUP application with Clark County and will go through the public hearing process. MM Development requested and extension to go through the approval process.

There were no questions from the Board. Member Durrett made a motion to approve a 12-month extension of the deadline. Member Merritt seconded the motion. All Members said aye. Motion carried.

Y. Miller Farms, LLC (C189, RC189)

Chief Gilbert stated Miller Farms requested an extension of the deadline for its medical and adult-use cultivation licenses until December 31, 2022 within the Winnemucca jurisdiction. Miller Farms reported delays due to COVID and is working with local jurisdiction and has contacted the CCB in determining whether a local business is determined a preschool or daycare in determining distance separation compliance. Staff identified no areas of concern.

Rendal and Michelle Miller appeared on behalf of Miller Farms. Ms. Miller indicated they had been successful in ending the moratorium, found a location, secured a lease and a contractor, and started to secure supplies. They have obtained the special use permit for the location. The City Manager was concerned with a preschool or daycare. The City determined that it was a daycare in December; a letter and formal determination was received last week. An address change location was submitted to the CCB. Ms. Miller requested an extension to become operational by the end of 2022.

There were no questions from the Board. Member Durrett made a motion to approve a 12-month extension of the deadline. Member Merritt seconded the motion. All Members said aye. Motion carried.

Z. Strive Wellness of Nevada, LLC (P131, C206)

Member Durrett made a disclosure that she served as an expert witness to a law firm that represented a party in litigation that involved Strive Wellness of Nevada. Member Durrett has not represented either of the parties. Out of an abundance of caution, Member Durrett will recuse herself from agenda item XI (Z).

Chief Gilbert stated Strive was issued provisional medical and cultivation licenses on April 11, 2018 within Nye County jurisdiction. Strive reported that once funding was secured, construction began in September 2021. Strive reported delays with water and permitting as well as supply chain issues. Strive has reached almost 70% completion on the facility and anticipates completion in September 2022. Strive requested an extension to February 28, 2023 due to anticipated additional delays. Staff identified areas of concern with the request, specifically two of the three owners (Donald Burton and Laurence Lemons) also own The Harvest Foundation, a licensee summarily suspended by the CCB on November 18, 2021 and the subject of a pending complaint for disciplinary action.

Chris Wolven, Nick Bolden, Sara Gullickson, Donald Burton and Lawrence Lemmons were available to answer questions. Mr. Wolven, Principal Officer, and Mr. Bolden, VP of Construction, were with Item Nine Labs, the operating construction partner with Strive Wellness. Mr. Wolven indicated they have faced substantial issues and challenges with the project since 2019, including an unsuitable location, financing, and switched general contractors. They had to resubmit for permits after the project shut down. Mr. Bolden indicated they expected temporary certificate of occupancy by end of February. They requested time to complete the project.

Chair Douglas commented that they were requesting an extension to put themselves in a position for licensing. There are issues with the ability to affect the operating facility due to problems with The Harvest Foundation license. Chair Douglas added that if the 12-month extension was approved, it did not necessarily mean that this facility would be licensed due to those concerns as the Board has not yet addressed that issue.

Member Merritt made a motion to approve a 12-month extension of the deadline. Member Young seconded the motion. Board Members said aye. Member Durrett abstained. Motion carried.

XII. Briefing to the Board from the Executive Director

Director Klimas stated that the CCB office moved from the Grant Sawyer Building to [700] East Warm Springs, but Board Meetings will continue to be held at the Grant Sawyer Building until the new Board Room is built. The demographic survey has been sent out and the last day to complete it will be Friday. All registered agents are required to submit their responses. The next draft of the lounge regulations are being finalized and the CCB will look to release those and schedule another workshop.

Chair Douglas stated the Board is looking at rules and regulations for the consumption lounges. The Board is trying to discern the regulations and what are the requirements set forth by legislature. The Board is guided by the requirements of the State of Nevada and not its own wishes.

XIII. Next Meeting Date

The next Board meeting is scheduled for February 22, 2022.

XIV. Items for Future Agendas

There were no additional items for future agendas.

XV. Public Comment

Antuan Robinson provided suggestions for cannabis consumption. Mr. Robinson works as a bartender and thought that tourists think of cannabis consumption as lawless behavior. There need to be spaces strategically placed on the Strip, downtown corridor, and the arts district for cannabis consumption. The spaces should be reasonably sized, with ventilation to prevent odor, and no advertising. Spaces could be offered by existing establishments.

Berwyn Thompkins of IGTM Vegas Group and Victoria Williams of ACC of Illinois and ACC Transportation provided public comment. Mr. Thompkins and Ms. Williams have provided instruction in cannabis and are looking to secure a consumption lounge license. Ms. Williams added that they have been approved to provide training in other states for regulations, compliance, and sexual harassment training. Ms. Williams was awarded the first cannabis transportation license in Illinois and wrote the dispensary training manual for Illinois. They hope to come back to Las Vegas and education on the responsible use of cannabis in consumption spaces. Mr. Thompkins stated they have been involved in social equity and diversity in cannabis.

A'Esha Goins with Black Boy Consulting provided public comment regarding agenda item X. Ms. Goins thanked the Board for being conscious of the difference between diversity and social equity. Ms. Goins would like inclusion and diversity in the marketplace but did not want to water down the trauma experienced by those affected by the war on drugs.

Ms. Goins stated on behalf of CEIC, Cannabis Equity and Inclusion Community, that the persons most harmed by the war on drugs are people. The ACLU did a study in 2020 that stated that Black and Latinx people are three times more likely to be convicted of possession in those states that are not regulated. People are still in jail because of cannabis and yet there are people making money off the industry. Ms. Goins will work for the marketplace to be inclusive and represent the community and would like to ensure that the Board considers and remembers those people affected.

XVI. Adjournment

Meeting adjourned at 11:52 a.m.