

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

STATE OF NEVADA, CANNABIS  
COMPLIANCE BOARD,

Petitioner,

Case No. 2022-58

vs.

FAITH COSBY,

Respondent.

**COMPLAINT FOR DISCIPLINARY ACTION**

The Cannabis Compliance Board of the State of Nevada (the "CCB"), by and through counsel, Aaron D. Ford, Attorney General of the State of Nevada Emily N. Bordelove, Esq., Senior Deputy Attorney General and Ashley A. Balducci, Esq., Senior Deputy Attorney General having a reasonable basis to believe that FAITH COSBY ("COSBY" or "Respondent") has violated provisions of Chapters, 678A through 678D of the Nevada Revised Statutes ("NRS"), and the Nevada Cannabis Compliance Regulations ("NCCR"), hereby issues its Complaint, stating the CCB's charges and allegations as follows:

**JURISDICTION**

1. COSBY currently holds the following cannabis establishment agent registration cards:

<b>ID No.</b>	<b>Cannabis Establishment</b>	<b>Application Date</b>	<b>Expiration Date</b>
██████████	Dispensary	December 15, 2020	January 11, 2023

2. In COSBY's application for Agent Card ██████████, COSBY executed an "Applicant Dispense/Divert Pledge" Form pledging not to "dispense or divert marijuana or marijuana products to **unauthorized persons.**" (emphasis added).

3. As set forth below, the events at issue in this CCB Complaint occurred after July 1, 2020, COSBY applied for COSBY's ██████████ Agent Card on December 15, 2020, and the CCB issued the agent card to COSBY. Therefore, COSBY is subject to the jurisdiction

1 of the CCB and subject to discipline pursuant to NRS 678A through 678D and the relevant  
2 provisions of the NCCR.

3 4. Pursuant to NRS 678A.500 and 678A.510(1), the CCB's Executive Director has  
4 transmitted the details of the suspected violations of COSBY to the Attorney General, and  
5 the Attorney General conducted an investigation of the suspected violations to determine  
6 whether they warrant proceedings for disciplinary action. The Attorney General has  
7 recommended to the Executive Director that further proceedings are warranted, as set  
8 forth in this CCB Complaint. The CCB has authorized proceeding with disciplinary action  
9 against COSBY, pursuant to NRS 678A.510(2)(b). Pursuant to NRS 678A.520(1), the CCB's  
10 Executive Director has authorized service of this Complaint upon COSBY.

### 11 **FACTUAL ALLEGATIONS**

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

13 6. On or about April 28, 2021, Essence Tropicana, LLC ("ETL") dispensary  
14 transmitted a Cannabis Establishment ("CE") Incident Report to the CCB, identifying  
15 incidents of an underage individual purchasing and attempting to purchase cannabis at its  
16 dispensary located on 7260 South Rainbow Blvd., Las Vegas, Nevada 89118.

17 7. According to the CE Incident Report, on or about April 15, 2021, an underage  
18 individual attempted to make a purchase at its dispensary, and her identification card did  
19 not successfully scan. At that time, ETL discovered that the individual was under 21 years  
20 of age,<sup>1</sup> and ETL escorted her from its premises. ETL initiated an investigation and found  
21 that this same underage individual completed prior purchases at its adult-use dispensary.  
22 ETL reported that it had terminated the ETL employees who allowed these sales.

23 8. On or about April 29, 2021, the CCB's Chief of Audits and Inspections Karalin  
24 Cronkhite ("Chief Cronkhite") investigated the CE Incident Report. During Chief  
25 Cronkhite's investigation, she discovered that ETL hired COSBY to work as a Guest  
26 Consultant stationed at reception to verify guests' identification cards by utilizing the

27 \_\_\_\_\_  
28 <sup>1</sup> Specifically, the individual was twenty (20) years ten (10) months, and fourteen (14) days old.

1 VeriScan scanning device. ETL reported that, on or about April 15, 2021, video surveillance  
2 footage showed COSBY scanning the underage individual's identification card in VeriScan  
3 and, upon information and belief, that COSBY ignored the VeriScan notification that the  
4 individual was underage. COSBY proceeded to allow the underage individual to enter the  
5 cannabis dispensary.

6 9. ETL subsequently settled with the CCB regarding its role in these sales and  
7 attempted sale as reflected in the settlement agreement filed in Case No. 2021-50

#### 8 VIOLATIONS OF LAW

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

10 11. As to COSBY's [REDACTED] Agent Card, COSBY's actions as described in  
11 Paragraph 8 violated NCCR 4.040(1)(a)(3). Specifically, on or about April 15, 2021, COSBY  
12 scanned an underage individual's identification card in VeriScan, and upon information  
13 and belief, COSBY ignored the VeriScan notification that the individual was underage.  
14 Thereby COSBY failed to verify the age of a person less than 21 years of age using the  
15 VeriScan system or independent from the VeriScan system. Accordingly, COSBY's actions,  
16 as described in Paragraph 8 and this Paragraph, constitute one (1) Category II violation  
17 under NCCR 4.040(2)(a)(2), carrying a civil penalty of not more than \$25,000, and a  
18 suspension of COSBY's [REDACTED] Agent Card for not more than twenty (20) days.

19 12. In the alternative, COSBY's actions, as described in Paragraphs 8 & 11, violated  
20 NCCR 4.040(1)(a)(4) by allowing a person who is less than 21 years of age to enter or remain  
21 in a cannabis establishment. Such a violation constitutes one (1) Category II violation  
22 under NCCR 4.040(2)(a)(2), carrying a civil penalty of not more than \$25,000 and a  
23 suspension of COSBY's [REDACTED] Agent Card for not more than twenty (20) days. In an  
24 additional alternative, COSBY's actions, as described in Paragraphs 8 & 11, violated NCCR  
25 4.050(1)(a)(7), by allowing activity which violates the laws of this State. Specifically,  
26 COSBY allowed an underaged individual to enter a cannabis dispensary. Such a violation  
27 constitutes one (1) Category III violation under NCCR 4.050(2)(a)(1) and carries a civil  
28 penalty of not more than \$10,000.

1 **DISCIPLINE AUTHORIZED**

2 Pursuant to the provisions of NRS 678A.600, NCCR 4.020, 4.030, 4.035 through  
3 4.060, and 5.100, the CCB has the discretion to impose the following disciplinary actions:

- 4 1. Suspend COSBY's [REDACTED] Agent Card; and  
5 2. Impose a civil penalty of not more than \$25,000 for each separate violation of NRS  
6 Title 56 and the NCCR on COSBY's [REDACTED] Agent Card; and  
7 3. Take such other disciplinary action as the CCB deems appropriate.

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

9 **RELIEF REQUESTED**

10 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose  
11 the penalty of a twenty (20) day suspension for COSBY's [REDACTED] Agent Card; and  
12 impose civil penalties against COSBY in the amount of \$25,000.

13 **NOTICE TO RESPONDENT**

14 **PLEASE TAKE NOTICE**, that Respondent has a right to request a hearing on the  
15 charges set forth herein, pursuant to NRS 678A.510 through 678A.590. **Failure to**  
16 **demand a hearing constitutes a waiver of the right to a hearing and to judicial**  
17 **review of any decision or order of the Board, but the Board may order a hearing,**  
18 **even if the Respondent so waives its right.** NRS 678A.520(2)(e).

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

- 22 (a) Must state in short and plain terms the defenses to each claim asserted.  
23 (b) Must admit or deny the facts alleged in the Complaint.  
24 (c) Must state which allegations the Respondent is without knowledge or  
25 information to form a belief as to their truth. Such allegations shall be deemed denied.  
26 (d) Must affirmatively set forth any matter which constitutes an avoidance or  
27 affirmative defense.  
28 (e) May demand a hearing. Failure to demand a hearing constitutes a waiver of the

1 right to a hearing and to judicial review of any decision or order of the Board, but the Board  
2 may order a hearing even if the Respondent so waives its right.

3 **Failure to Answer or to appear at the hearing constitutes an admission by the**  
4 **Respondent of all facts alleged in the Complaint. The Board may take action**  
5 **based on such an admission and on other evidence without further notice to the**  
6 **Respondent. NRS 678A.520(3).**

7 The Board shall determine the time and place of the hearing as soon as is reasonably  
8 practical after receiving the Respondent's Answer. The Board may assign a hearing officer  
9 to conduct the hearing under NCCR 2.070, 4.095, and 4.110. The Board or its assigned  
10 hearing officer shall deliver or send by registered or certified mail a notice of hearing to all  
11 parties at least ten (10) days before the hearing. The hearing must be held within forty-five  
12 (45) days after receiving Respondent's Answer unless an expedited hearing is determined  
13 to be appropriate by the Board, in which event the hearing must be held as soon as  
14 practicable. NRS 678A.520(4). The Chair of the Board or the assigned hearing officer may  
15 grant one or more extensions to the forty-five (45) day requirement pursuant to the request  
16 of a party or an agreement by both parties.

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

19 Tyler Klimas, Executive Director  
20 Cannabis Compliance Board  
21 700 E. Warm Springs Rd, Suite 100  
22 Las Vegas, NV 89119  
23 tklimas@ccb.nv.gov

24 If serving its Answer and Request for Hearing via email, Respondent must ensure  
25 that it receives an acknowledgement of receipt email from the CCB as proof of service.  
26 Respondent is also requested to email a copy of its Answer and Request for Hearing to the  
27 Senior Deputy Attorneys General listed below at abalducci@ag.nv.gov and  
28 ebordelove@ag.nv.gov.

As the Respondent, you are specifically informed that you have the right to appear  
and be heard in your defense, either personally or through your counsel of choice at your

1 own expense. At the hearing, the CCB has the burden of proving the allegations in the  
2 Complaint. The CCB will call witnesses and present evidence against you. You have the  
3 right to respond and to present relevant evidence and argument on all issues involved. You  
4 have the right to call and examine witnesses, introduce exhibits, and cross-examine  
5 opposing witnesses on any matter relevant to the issues involved.

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

9 If the Respondent does not wish to dispute the charges and allegations set forth  
10 herein, within thirty (30) days of the service of this Complaint, Respondent may pay the  
11 civil penalties set forth above in the total amount of \$ 25,000 and surrender Agent Card

12 [REDACTED] on notice to:

13 Tyler Klimas, Executive Director  
14 Cannabis Compliance Board  
15 700 E. Warm Springs Rd, Suite 100  
16 Las Vegas, NV 89119

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

19 DATED: February 25, 2022.

20 STATE OF NEVADA CANNABIS COMPLIANCE BOARD

21 By: \_\_\_\_\_

22 Tyler Klimas, Executive Director  
23 Nevada Cannabis Compliance Board  
24 700 E. Warm Springs Rd, Suite 100  
25 Las Vegas, NV 89119  
26 (775) 687-6299

27 AARON D. FORD  
28 Attorney General

By: \_\_\_\_\_

Emily N. Bordelove (Bar No. 13202)  
Senior Deputy Attorney General  
Ashley A. Balducci (Bar No. 12687)  
Senior Deputy Attorney General  
Attorneys for the Cannabis Compliance Board

