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

STATE OF NEVADA, CANNABIS  
COMPLIANCE BOARD,

Case No. 2022-75

Petitioner,

vs.

GB SCIENCES LAS VEGAS, LLC,

Respondent.

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

The Cannabis Compliance Board (the “CCB”), by and through its counsel, Aaron D. Ford, Attorney General for the State of Nevada, and L. Kristopher Rath, Esq., Senior Deputy Attorney General, hereby enters into this Stipulation and Order for Settlement of Disciplinary Action (“Stipulation and Order”) with Respondent GB Sciences Las Vegas, LLC (hereinafter “GBSLV” or “Respondent”), by and through its counsel of record, Adam Fulton, Esq. Pursuant to this Stipulation and Order, GBSLV and CCB (collectively, the “Parties”) hereby stipulate and agree that CCB Case No. 2022-75 (the “Administrative Action”) shall be fully and finally settled and resolved upon terms and conditions set out herein.

**PERTINENT FACTS**

1. Respondent is domestic limited liability company registered in the State of Nevada and licensed to operate a medical cannabis production facility with license No. P075 and an adult-use cannabis production facility with license No. RP075. The Nevada Secretary of State currently lists GB Sciences, Inc., as the Managing Member of this limited liability company. However, as discussed below, with CCB’s approval of a transfer of interest request, GBSLV is now owned by AJE Management, LLC.

2. On December 14, 2021, CCB held a public meeting at which it considered a

1 transfer of interest application ("TOI") submitted by Respondent. Specifically, CCB  
2 considered TOI No. 21062. In sum, No. 21062 sought a transfer of 100% of the ownership  
3 interest of GBSLV from its parent company, GB Sciences, Inc., to AJE Management, LLC.

4 3. On presentation of TOI No. 21062 to the CCB at its December 14, 2021,  
5 meeting, CCB staff identified several areas of concern, including the fact that there were  
6 failures to timely file multiple sales and use tax returns over several years. Although there  
7 were no amounts due, the returns were still required to be filed each month.

8 4. At the CCB's meeting on December 14, 2021, the CCB unanimously approved  
9 TOI No. 21062 and also referred the issue of the late tax returns back to the CCB staff and  
10 the Attorney General's office to further investigate possible disciplinary action, as well as  
11 the potential for a settlement agreement to resolve regulatory violations.

12 5. Subsequently, CCB staff, working with the Attorney General's Office, entered  
13 into good faith settlement negotiations with GBSLV, though its counsel, Adam Fulton,  
14 Esq., to attempt to resolve the violations at issue. The Parties were able to come to a  
15 mutually acceptable resolution of this matter which is acceptable to CCB staff and the  
16 Attorney General, without the necessity of filing a Complaint for Disciplinary Action.  
17 GBSLV has agreed to waive the filing and service of a CCB Complaint and the Parties  
18 understand and agree that this Stipulation and Order must be approved by majority vote  
19 of the members of the CCB to become effective.

20 6. As set forth herein, Respondent stipulates to pay a \$7,500 civil penalty for  
21 three violations of NCCR 4.060(1)(a)(1) for failing to submit monthly tax reports and to  
22 accept a warning from CCB pursuant to NCCR 4.060(2)(a)(1), in lieu of the CCB filing and  
23 serving a Complaint for Disciplinary Action ("Complaint") and proceeding to a disciplinary  
24 hearing.

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1 altered, amended, or modified without the express written consent of the Parties and all  
2 alterations, amendments and/or modifications must be in writing.

3 11. In an effort to avoid the cost and uncertainty of a disciplinary hearing, GBSLV  
4 has agreed to settle this matter. For purposes of settling this matter, GBSLV acknowledges  
5 that the facts contained in the paragraphs in the above "Pertinent Facts" portion of this  
6 Stipulation and Order are true and correct. Without waiving any constitutional rights  
7 against self-incrimination, GBSLV further acknowledges that, if the CCB filed and served  
8 a Complaint and the matter proceeded to an administrative hearing, the "Pertinent Facts"  
9 could be found to constitute multiple violations of Title 56 of NRS (NRS Chapters 678A  
10 through 678D), and the NCCR, with civil penalties up to and including over \$250,000 in  
11 total for P075 and RP075 for each tax return or report filed late, if this matter went to an  
12 administrative hearing.

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

19 13. To resolve the Administrative Action, and only for those purposes and no  
20 other, GBSLV specifically admits to the following violations with respect to CCB Case No.  
21 2022-75 for licenses P075 and RP075:

- 22 a. Three violations of NCCR 4.060(1)(a)(1) for failing to submit multiple  
23 monthly tax reports, which constitutes three Category V violations.

24 14. With respect to P075 and RP075, GBSLV further agrees to pay a civil penalty  
25 in the amount of \$7,500<sup>1</sup> in consideration for its admitted violations in Paragraph 13(a)  
26 and accept a formal CCB warning in consideration for its admitted first Category V  
27 violation in Paragraph 13(a), and in consideration for the CCB's agreement to resolve the  
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<sup>1</sup> To be apportioned \$3,750 to P075 and \$3,750 to RP075.

1 Administrative Action on the terms set forth herein.

2 15. If the CCB approves this Stipulation and Order, it shall be deemed and  
3 considered disciplinary action by the CCB against GBSLV.

4 16. Both parties acknowledge that the CCB has jurisdiction to consider and order  
5 this Stipulation and Order because GBSLV holds privileged licenses regulated by the CCB  
6 as of July 1, 2020. GBSLV expressly, knowingly, and intentionally waives the 21-day and/or  
7 5-day notice requirements contained in the Nevada Open Meeting Law and acknowledges  
8 that this Stipulation and Order may be presented to the CCB for its consideration and  
9 potential ratification at the CCB's meeting on March 22, 2022.

10 **STIPULATED ADJUDICATION**

11 Based upon the above acknowledgments of the Parties and their mutual agreement,  
12 the Parties stipulate and agree that the following terms of discipline shall be imposed by  
13 the CCB in this matter:

14 17. Violations: As to licenses P075 and RP075, GBSLV is found to have committed  
15 three (3) Category V violations, as set forth in Paragraph 13(a), above.

16 18. Imposition of Civil Penalties. GBSLV shall pay a total civil penalty in the  
17 amount of seven thousand five hundred dollars (\$7,500) within the time set forth in  
18 Paragraph 20 below, to be apportioned as set forth in Paragraph 14, above.

19 19. Formal Warning. In accordance with NCCR 4.060(2)(a)(1), the CCB hereby  
20 issues a formal warning to GBSLV, as to its first Category V violation in the immediately  
21 preceding 3 years: GBSLV shall timely submit monthly tax and sales reports, as well as  
22 payments. Failure to do so in the future will invoke additional progressive discipline and  
23 shall be considered an aggravating factor in considering the amount of civil penalties in  
24 any future disciplinary actions.

25 20. Payment of Civil Penalties. *If the CCB approves this Stipulation and Order*  
26 *at its March 22, 2022, meeting*, GBSLV must pay the civil penalty set forth in this  
27 agreement no later than 5:00 p.m., Pacific Time, on Thursday, April 21, 2022. *If the CCB*  
28 *approves this Stipulation and Order, or an Amended Stipulation and Order, at a CCB*

1 meeting which occurs after March 22, 2021, then GBSLV must pay the civil penalty set  
2 forth in this agreement within 30 days of the date the CCB approves this Stipulation and  
3 Order<sup>2</sup>. GBSLV acknowledges that it is critical to comply with the strict requirements of  
4 the deadline for payment. GBSLV agrees that, should it fail to timely make timely payment  
5 of the civil penalty, the following penalties and procedures will be in effect:

6 a. CCB will allow a five-business day grace period for late payment<sup>3</sup>.

7 b. If payment is not physically received by CCB at its Carson City office by 5:00  
8 p.m., Pacific Time, on the last day of the grace period, GBSLV shall be deemed  
9 to be in breach of this Stipulation and Order, deemed to be in default, and  
10 shall pay all amounts due under this Stipulation and Order, as well as an  
11 additional late payment penalty of twenty-five thousand dollars (\$25,000),  
12 and shall have its licenses P075 and RP075 immediately suspended, with such  
13 suspension remaining in place until all amounts due under this Stipulation  
14 and Order are paid in full (inclusive of the \$25,000 late payment penalty). The  
15 CCB will enter an order of default to this effect after default and all amounts  
16 due under this subsection shall be immediately due and payable to CCB. If  
17 all amounts due under this section are not paid within 90 days after the date  
18 of the order of default, licenses P075 and RP075 shall be deemed voluntarily  
19 surrendered. GBSLV agrees it cannot and will not file any petition for judicial  
20 review and/or any action in any forum for relief from this order of default and  
21 that CCB may file any judicial action necessary to recover the amounts owed  
22 under this subsection, along with its attorneys' fees and costs for recovery of  
23 amounts owed.

24 c. GBSLV may petition the CCB for an extension of the date to pay the civil  
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26 <sup>2</sup> Should the due date fall on a Saturday, Sunday, or a holiday recognized by the State of Nevada, payment  
27 shall be due on the first following business day, to be received no later than 5:00 p.m., Pacific Time, on that  
28 date.

<sup>3</sup> If a check or other form of payment is returned for insufficient funds, or otherwise rejected, the failed  
payment will not be considered a payment and no additional time beyond the five business day grace period  
will be granted for payment.

1 penalty. However, for the CCB to consider any such petition, the CCB must  
2 receive said petition no later than 5 business days prior to the payment  
3 deadline (which does not include any grace period). The CCB is not required  
4 to grant such a petition. In such a petition, GBSLV must demonstrate to the  
5 satisfaction of the CCB that there are extraordinary and unusual  
6 circumstances necessitating the extension requested. The CCB may delegate  
7 the decision as to whether to grant such a petition to the CCB Chair.

8 d. If an extension is granted under Paragraph 20(c), there shall be no grace  
9 period on the new payment date. If GBSLV does not pay by the new payment  
10 date, the provisions and penalties of Paragraph 20(b) apply.

11 21. Plan of Correction. Respondent represents and warrants that it has  
12 submitted a plan of correction, which CCB staff has approved, that will remedy and  
13 prevent the recurrence of the violations set forth in this Stipulation and Order. In  
14 summary, the plan of correction includes the following: GBSLV has instituted a standard  
15 operating procedure ("SOP") to ensure tax returns are timely submitted and payments are  
16 timely made. This SOP requires both the company accountant and general manager to set  
17 digital calendars with reminders alerting both individuals two weeks prior to the 15<sup>th</sup> day  
18 of each month to notify the company of tax reports and payments deadlines. A second  
19 reminder is set for the 13<sup>th</sup> day of each month. This SOP further requires the general  
20 manager confirm with the accountant to ensure the submission has occurred. This SOP  
21 emphasizes zero returns must still be filed, even if there were no transactions during the  
22 month. All returns and reports must be signed by the facility's point of contact. This SOP  
23 also sets forth the procedures for submitting tax reports, returns, and payments.

24 22. Contingency if Approval Denied. If approval of this Stipulation and Order is  
25 denied by CCB, GBSLV and counsel for the CCB agree to resume settlement negotiations  
26 in good faith and attempt to reach an agreement to amend this Stipulation and Order and  
27 resubmit an amended Stipulation and Order to the CCB to review for approval at a  
28 subsequent regularly scheduled meeting. If such an agreement cannot be reached, the

1 Parties agree to proceed with the Administrative Action, which shall include the filing and  
2 service of a disciplinary complaint and a disciplinary hearing before the CCB or its assigned  
3 hearing officer. Should the Administrative Action proceed for the reasons set forth in this  
4 Paragraph, CCB preserves all its claims and arguments in the Administrative Action as  
5 set forth in its Complaint (to be filed) and GBSLV preserves all its defenses and arguments  
6 it may assert. An unapproved Stipulation and Order shall not be admissible as evidence or  
7 referenced in argument at any disciplinary hearing in CCB Case No. 2022-75 or any other  
8 matter involving the CCB.

9       23. Contingency if Approval Conditioned. If the CCB approves this Stipulation  
10 and Order, but said approval is contingent on certain conditions, the parties will undertake  
11 further good faith negotiations to include said conditions in an amended stipulation and  
12 order for execution by the CCB Chair. If GBSLV does not agree to the certain conditions  
13 imposed by the CCB, the parties will undertake additional negotiations and attempt to  
14 reach an agreement to amend this Stipulation and Order and resubmit an amended  
15 Stipulation and Order to the CCB to review for approval at a subsequent regularly  
16 scheduled meeting. If such an agreement cannot be reached, the Parties agree to proceed  
17 with the Administrative Action, which shall include the filing and service of a disciplinary  
18 complaint and a disciplinary hearing before the CCB or its assigned hearing officer. Should  
19 the Administrative Action proceed for the reasons set forth in this Paragraph, CCB  
20 preserves all its claims and arguments in the Administrative Action as set forth in its  
21 Complaint (to be filed) and GBSLV preserves all its defenses and arguments it may assert.  
22 An unapproved Stipulation and Order shall not be admissible as evidence or referenced in  
23 argument at any disciplinary hearing in CCB Case No. 2022-75 or any other matter.

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

26       25. Communications with CCB Members. GBSLV understands that this  
27 Stipulation and Order will be presented to the CCB in open session at a duly noticed and  
28 scheduled CCB meeting. GBSLV understands that the CCB has the right to decide in its



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

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

1 its Complaint, the matters set forth in this Stipulation and Order, or the administration of  
2 CCB Case No. 2022-75.

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

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

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

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

26       30. Voluntary and Informed Agreement. The Respondent represents that its  
27 owners, officers, managers, and/or its directors, who are responsible for and able to legally  
28 bind GBSLV have read completely and understand fully the terms of this Stipulation and

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

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

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

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

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

1 of law principles.

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

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


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


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


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

1 evidence.

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.

5  
6  Date: 3-14-22  
7 Adam Fulton, Esq. (Nev. Bar No. 11572)  
8 Counsel for Respondent GBSLV

9  
10  Date: 3-14-22  
11 (printed name DAVID WEINER),  
12 On behalf of Respondent GBSLV

13  
14  
15  Date: 3/15/2022  
16 L. Kristopher Rath (Nev. Bar No. 5749)  
17 Senior Deputy Attorney General  
18 Counsel for Cannabis Compliance Board

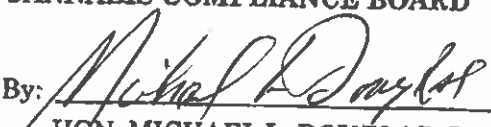
19 **ORDER**

20 WHEREAS, on 22<sup>nd</sup> day of March, 2022, the Nevada Cannabis Compliance Board  
21 approved and adopted all the terms and conditions set forth in the Stipulation and Order  
22 for Settlement of disciplinary Action with GBSLV.

23 IT IS SO ORDERED.

24 SIGNED AND EFFECTIVE this 22<sup>nd</sup> day of March, 2022.

25  
26 STATE OF NEVADA,  
27 CANNABIS COMPLIANCE BOARD

28 By:   
HON. MICHAEL L. DOUGLAS, CHAIR