

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

3 STATE OF NEVADA, CANNABIS
4 COMPLIANCE BOARD,

Case No. 2022-78

5 Petitioner,

6 vs.

7 SILVER SAGE WELLNESS, LLC
8 (D049, RD049),

9 Respondent.

10
11 **COMPLAINT FOR DISCIPLINARY ACTION**

12 The Cannabis Compliance Board of the State of Nevada (the "CCB"), by and through
13 counsel, Aaron D. Ford, Attorney General of the State of Nevada, Mike Detmer, Senior
14 Deputy Attorney General, and Ashley A. Balducci, Esq., Senior Deputy Attorney General,
15 having a reasonable basis to believe that SILVER SAGE WELLNESS, LLC (D049, RD049)
16 ("SSWD" or "Respondent") has violated provisions of Chapters 678A through 678D of the
17 Nevada Revised Statutes ("NRS"), and the Nevada Cannabis Compliance Regulations
18 ("NCCR"), hereby issues its Complaint, stating the CCB's charges and allegations as
19 follows:

20 **JURISDICTION**

21 1. During all relevant times mentioned in this Complaint, SSWD held, and
22 currently holds, the following relevant licenses (collectively referred to as "Licenses"):

23 ID	License	Last Issued / Renewed	Address
24 D049	Medical Cannabis Dispensary 99085786069504731304	5/24/21	4626 W. Charleston Blvd. Las Vegas, NV 89102
26 RD049	Adult-use Cannabis Retail Store 48309202150183437033	5/24/21	4626 W. Charleston Blvd. Las Vegas, NV 89102

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28 2. During all relevant times mentioned in this Complaint, SSWD is and was

1 registered as a Domestic Limited-Liability Company in the State of Nevada. The Nevada
2 Secretary of State lists the managers of SSWD as James and Pamela Blasco.

3 3. As SSWD holds its Licenses with the CCB, it is subject to NRS Title 56 and
4 the NCCR for the violations asserted herein. Therefore, SSWD is subject to the jurisdiction
5 of the CCB and subject to discipline pursuant to Chapters NRS 678A through 678D of the
6 NRS and the relevant provisions of the NCCR.

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

15 **FACTUAL ALLEGATIONS**

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

17 6. On or about July 26, 2021, the CCB's agents conducted an audit of the SSWD
18 medical cannabis dispensary and adult-use cannabis retail store located at 4626 W.
19 Charleston Blvd., Las Vegas, NV 89102 ("Dispensary"). The CCB's agents for this audit
20 included Marijuana Auditor II, Erica Scott, Marijuana Auditor II Christy Thurston, and
21 Marijuana Auditor II Marvin Taylor (hereinafter individually and/or collectively referred
22 to as the "CCB's agent(s)").

23 7. During the audit, the CCB's agents discovered multiple instances in which
24 SSWD's Dispensary failed to follow the State's seed-to-sale tracking requirements, and/or
25 stored cannabis/cannabis products outside the State's seed-to-sale tracking system, and/or
26 violated the State's seed-to-seed sale tracking requirements for one or more
27 cannabis/cannabis products including, but not limited to:

28 a. One (1) package of Nighttime Tincture with METRC Tag No. ending in

1 13637 ("NT") which SSWD reported in METRC on March 21, 2021, in a
2 quantity of zero (0) when the physical count conducted discovered one
3 (1) to still be physically present in SSWD's Dispensary; and

- 4 b. One (1) package of Monkey Business Sky Resin Sugar with METRC
5 Tag No. ending in 17096 ("MBSRS") which SSWD reported in METRC
6 on June 1, 2021, in a quantity of zero (0) when the physical count
7 conducted discovered one (1) to still be physically present in SSWD's
8 Dispensary.

9 8. During the audit, the CCB's agents requested SSWD provide video
10 surveillance footage for the destruction of seven (7) packages of the cannabis/cannabis
11 product, "BHO Diamonds G-6" with METRC Tag No. ending in 12549 ("BHOD") that SSWD
12 recorded in METRC, as well as SSWD's waste disposal log, by SSWD's inventory manager
13 Joseph Foley ("Foley") as waste and disposed/destroyed on June 19, 2021. In response to
14 this request, SSWD provided video surveillance camera footage from July 7, 2021 (7/7/21
15 Footage). Upon review, the CCB's agents could not verify the disposal/destruction of the
16 seven (7) packages of BHOD because the 7/7/21 Footage contained an obstructed recording
17 of the individuals/events.

18 9. After receiving the obstructed 7/7/21 Footage, the CCB's agents requested
19 unobstructed video surveillance footage of the destruction of the seven (7) packages of
20 BHOD. Additionally, the CCB's agents requested video surveillance footage for the
21 destruction of the following one hundred (100) cannabis/cannabis products which were also
22 recorded by SSWD as waste and disposed/destroyed on June 23, 2021 and/or July 13, 2021:

- 23 a. Sixteen (16) packages of "Ambrosia Sequoia Strawberry" with METRC
24 Tag No. ending in 12329 ("AS"),
25 b. Fifteen (15) "Vada Wheeler Peak Medical Sugar Free Milk Chocolate
26 Bar" with METRC Tag No. ending in 2048 ("VWP") (Medical Only),
27 c. Sixty-eight (68) "Pre-Roll-1G-Last OG-102920B83-ABLOG01" with
28 METRC Tag No. ending in 10539 ("LOG"), and

1 d. One (1) "Poison Headband Cured Resin Badder" with METRC Tag No.
2 ending in 17628 ("PHCRB").

3 10. SSWD responded to the above requests by stating that, on July 7, 2021, the
4 City of Las Vegas (the "City") inspected SSWD and discovered the seven (7) packages of
5 BHOD to still be physically present in the Dispensary, despite SSWD recording these seven
6 (7) packages of BHOD packages as waste and disposed/destroyed in METRC and SSWD's
7 waste disposal log on June 19, 2021. SSWD explained that SSWD only then
8 disposed/destroyed the seven (7) packages of BHOD on July 7, 2021, when the City
9 inspected and found the seven (7) packages in the Dispensary.

10 11. In addition to the above, SSWD told the CCB's agents that subsequent to the
11 City's inspection, it learned that Foley and two of SSWD employees Sarah Evans ("Evans")
12 and/or Nicole Brown ("Brown"), who were acting under Foley's direction, had recorded
13 SSWD cannabis/cannabis products into SSWD's waste disposal log and METRC as waste
14 disposed/destroyed, and then gifted, at no charge, said cannabis/cannabis products,
15 including the one hundred and seven (107) cannabis/cannabis products referenced above in
16 Paragraphs 8-10, to themselves and/or others, including other SSWD employees who did
17 not pay any amount or consideration for said cannabis/cannabis products nor did they
18 receive a receipt for the transaction.

19 **VIOLATIONS OF LAW**

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

21 13. As to Licenses D049 and RD049, Respondent violated NCCR 6.075(1)(c)
22 and/or NCCR 6.080(6)-(7) and/or NCCR 4.050(1)(a)(3) and/or NCCR 4.050(1)(a)(12)-(13) by
23 failing to keep any required records, including seed-to-sale tracking requirements and/or
24 by storing cannabis products outside the seed-to-sale tracking system and/or violating seed-
25 to-seed sale tracking requirements. Specifically, as set forth in Paragraph 7, above, SSWD
26 previously reported in METRC one (1) package of NT with METRC Tag No. ending in 13637
27 and one (1) package of MBSRS with METRC Tag No. ending in 17096 as zero (0) when the
28 CCB's agents discovered both physically present in SSWD's Dispensary. These

1 acts/omissions constitute either one (1) Category III violation and/or two (2) separate
2 Category III violations. Pursuant to NCCR 4.050(2)(a), a first Category III violation
3 requires a civil penalty of not more than \$10,000 and a second Category III violation
4 requires a civil penalty of not more than \$30,000 and/or a suspension for not more than 10
5 days of Respondent's Licenses.

6 14. As to Licenses D049 and RD049, Respondent violated NCCR 6.075(1)(c)
7 and/or NCCR 6.080(6)-(7) and/or NCCR 4.050(1)(a)(3) and/or NCCR 4.050(1)(a)(12)-(13) by
8 failing to keep any required records, including seed-to-sale tracking requirements and/or
9 by storing cannabis products outside the seed-to-sale tracking system and/or violating seed-
10 to-seed tracking requirements. Specifically, as set forth in Paragraph 8, above, SSWD
11 reported in METRC and SSWD's waste disposal log the seven (7) packages of BHOD as
12 waste and disposed/destroyed on June 19, 2021, despite them physically remaining in
13 SSWD's Dispensary until July 7, 2021, when the City discovered its existence. These
14 acts/omissions constitute either one (1) Category III violation or in the alternative seven
15 (7) separate Category III violations. Pursuant to NCCR 4.050(2)(a), a second Category III
16 violation requires a civil penalty of not more than \$30,000 and/or a suspension for not more
17 than 10 days of Respondent's Licenses, a third Category III violation requires a civil
18 penalty of not more than \$90,000 and/or a suspension for not more than 20 days of
19 Respondent's Licenses, a fourth Category III violation requires a civil penalty of not more
20 than \$90,000 and a suspension for not more than 60 days of Respondent's Licenses, and a
21 fifth or subsequent Category III violation requires revocation of Respondent's Licenses.

22 15. As to Licenses D049 and RD049, Respondent violated NCCR 6.085(1)(c)(3)
23 and/or NCCR 6.085(2)(b) and/or NCCR 4.040(1)(a)(14) by failing to maintain required
24 surveillance systems. Specifically, as set forth in Paragraphs 9-11, above, SSWD
25 obstructed, and/or allowed to be obstructed, a video surveillance camera within SSWD's
26 Dispensary which could not, due to said obstruction, record one or more individuals and/or
27 events that occurred on July 7, 2021, within SSWD's Dispensary. Pursuant to NCCR
28 4.040(2)(a), a first Category II violation requires a civil penalty of not more than \$25,000

1 and a suspension for not more than 20 days of Respondent's Licenses.

2 16. As to Licenses D049 and RD049, Respondent violated NCCR 6.120(1)(d)
3 and/or NCCR 10.080(1)-(4) and/or NCCR 4.050(1)(a)(14) by failing to meet requirements
4 for disposal of cannabis waste. Specifically, as set forth in Paragraphs 8-12, above, SSWD
5 logged one hundred (100) cannabis/cannabis products as waste and disposed/destroyed in
6 METRC and SSWD's waste disposal log but rather than waste and dispose/destroy the
7 cannabis/cannabis products, SSWD's employees gave and/or gifted the cannabis/cannabis
8 products to themselves and/or others, including other SSWD employees. These
9 acts/omissions constitute either one Category III violation or in the alternative one hundred
10 (100) separate Category III violations. Pursuant to NCCR 4.050(2)(a), a third Category III
11 violation requires a civil penalty of not more than \$90,000 and/or a suspension for not more
12 than 20 days of Respondent's Licenses, a fourth Category III violation requires a civil
13 penalty of not more than \$90,000 and a suspension for not more than 60 days of
14 Respondent's Licenses, and a fifth or subsequent Category III violation requires revocation
15 of Respondent's Licenses.

16 **DISCIPLINE AUTHORIZED**

17 Pursuant to the provisions of NRS 678A.600, NCCR 4.020, 4.030, 4.035 through
18 4.060, and 5.100, the CCB has the discretion to impose the following disciplinary actions:

- 19 1. Revoke the Licenses of SSWD;
- 20 2. Suspend the Licenses of SSWD;
- 21 3. Impose a civil penalty of not more than \$90,000 for each separate violation of
22 NRS Title 56 and the NCCR on the Licenses of SSWD; and
- 23 4. Take such other disciplinary action as the CCB deems appropriate.

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

25 **RELIEF REQUESTED**

26 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose a
27 civil penalty of \$245,000 and revocation of SSWD's Licenses for the violations. The CCB
28 reserves its rights to seek additional costs incurred as this matter proceeds through hearing

1 and rehearing, if applicable.

2 **NOTICE TO RESPONDENT**

3 **PLEASE TAKE NOTICE**, that Respondent has a right to request a hearing on the
4 charges set forth herein, pursuant to NRS 678A.510 through 678A.590. **Failure to**
5 **demand a hearing constitutes a waiver of the right to a hearing and to judicial**
6 **review of any decision or order of the Board, but the Board may order a hearing**
7 **even if the respondent so waives their right.** NRS 678A.520(2)(e).

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

11 (a) Must state in short and plain terms the defenses to each claim asserted.

12 (b) Must admit or deny the facts alleged in the complaint.

13 (c) Must state which allegations the respondent is without knowledge or information
14 to form a belief as to their truth. Such allegations shall be deemed denied.

15 (d) Must affirmatively set forth any matter which constitutes an avoidance or
16 affirmative defense.

17 (e) May demand a hearing. **Failure to demand a hearing constitutes a waiver**
18 **of the right to a hearing and to judicial review of any decision or order of**
19 **the Board**, but the Board may order a hearing even if the respondent so waives
20 their right.

21 **Failure to answer or to appear at the hearing constitutes an admission by**
22 **the respondent of all facts alleged in the Complaint. The Board may take action**
23 **based on such an admission and on other evidence without further notice to the**
24 **respondent.** NRS 678A.520(3).

25 The Board shall determine the time and place of the hearing as soon as is reasonably
26 practical after receiving the Respondent's answer. The Board may assign a hearing officer
27 to conduct the hearing under NCCR 2.070, 4.095, and 4.110. The Board or its assigned
28 hearing officer shall deliver or send by registered or certified mail a notice of hearing to all

1 parties at least 10 days before the hearing. The hearing must be held within 45 days after
2 receiving the respondent's answer unless an expedited hearing is determined to be
3 appropriate by the Board, in which event the hearing must be held as soon as practicable.
4 NRS 678A.520(4). The Chair of the Board or the assigned hearing officer may grant one or
5 more extensions to the 45-day requirement pursuant to the request of a party or an
6 agreement by both parties.

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

9 Tyler Klimas, Executive Director
10 Cannabis Compliance Board
11 700 East Warm Springs Road, Suite 100
12 Las Vegas, Nevada 89119
13 tklimas@ccb.nv.gov

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

18 As the Respondent, you are specifically informed that you have the right to appear
19 and be heard in your defense, either personally or through your counsel of choice at your
20 own expense. At the hearing, the CCB has the burden of proving the allegations in the
21 Complaint. The CCB will call witnesses and present evidence against you. You have the
22 right to respond and to present relevant evidence and argument on all issues involved. You
23 have the right to call and examine witnesses, introduce exhibits, and cross-examine
24 opposing witnesses on any matter relevant to the issues involved.

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

28 If the Respondent does not wish to dispute the charges and allegations set forth
herein, within 30 days of the service of this Complaint, Respondent may, pay the civil
penalties set forth above in the total amount of \$245,000 and surrender its Licenses,

1 specifically D049 and RD049, on notice to:

2 Tyler Klimas, Executive Director
3 Cannabis Compliance Board
4 700 East Warm Springs Road, Suite 100
5 Las Vegas, Nevada 89119

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

8 DATED: March 29th, 2022.

9 STATE OF NEVADA, CANNABIS COMPLIANCE BOARD

10
11 By: 

12 Tyler Klimas, Executive Director
13 700 East Warm Springs Road, Suite 100
14 Las Vegas, Nevada 89119
15 (775) 687-6299

16 AARON D. FORD
17 Attorney General

18 By: 

19 Michael D. Detmer (Bar No. 10873)
20 Senior Deputy Attorney General
21 Ashley A. Balducci (Bar No. 12687)
22 Senior Deputy Attorney General
23 555 E. Washington Ave, Suite 3900
24 Las Vegas, Nevada 89101
25 (702) 486-3420

26 Attorneys for the Cannabis Compliance Board
27
28

**DECLARATION AND CERTIFICATE OF SERVICE OF
COMPLAINT FOR DISCIPLINARY ACTION
(Service via Mail)**

I, Amber Virkler, hereby certify and affirm that:

1. I am over the age of 18 years old.
2. I am a Board Agent of the Cannabis Compliance Board ("CCB"), as defined in NCR 1.068.
3. Pursuant to NRS 678A.520 and NCCR 4.075, I have served the Respondent herein with the Complaint for Disciplinary Action ("Complaint") in the above captioned matter as follows:

By placing a true and correct copy of the Complaint to be deposited for mailing in the United States Mail in a sealed envelope via registered or certified mail, prepaid in Las Vegas, Nevada, to Respondent's point of contact with the CCB under NCCR 2.050 at Respondent's address on file with the Board as follow:

Name of point of contact served: Braly Joy

Address on file with CCB: [REDACTED]

Date of Service: March 30, 2022

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 30, 2022
(date)


(signature)

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