

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

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

Case No. 2022-84

5 **Petitioner,**

6 **vs.**

7 **TRYKE COMPANIES SO NV, LLC**
8 **(D033, RD033),**


9 **Respondent.**

10 **COMPLAINT FOR DISCIPLINARY ACTION**

11 The Cannabis Compliance Board of the State of Nevada (the "CCB"), by and through
12 its counsel, Aaron D. Ford, Attorney General of the State of Nevada, and L. Kristopher
13 Rath, Esq., Senior Deputy Attorney General, having a reasonable basis to believe that
14 Respondent Tryke Companies SO NV, LLC, under license identification numbers D033
15 and RD033 ("TRYKE D033" or "Respondent") has violated provisions of Chapters 678A
16 through 678D of the Nevada Revised Statutes ("NRS"), and the Nevada Cannabis
17 Compliance Regulations ("NCCR"), hereby issues its Complaint, stating the CCB's charges
18 and allegations as follows:

19 **JURISDICTION**

20 1. During all relevant times mentioned in this Complaint, TRYKE D033 held,
21 and currently holds, the following relevant licenses:

22 ID	Licenses	Last Issued / Renewed	Address
23 D033	Medical Dispensary 64610453975496632368	6/17/021	
25 RD033	Adult-use Retail Store 21012999822242883351	6/17/2021	

27 2. During all relevant times mentioned in this Complaint, TRYKE D033 is and
28 was registered as a domestic limited liability company in the State of Nevada. The Nevada

1 Secretary of State lists Seacoast Investments Fund II, LLC, as the Managing Member.
2 Brett Scolari is listed as the Point of Contact for TRYKE D033 with the CCB.

3 3. As TRYKE D033 holds its relevant licenses with the CCB, it is subject to NRS
4 Title 56 and the NCCR for the violations asserted herein. Therefore, TRYKE D033 is
5 subject to the jurisdiction of the CCB and subject to discipline pursuant to NRS 678A
6 through 678D 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 TRYKE D033 to the Attorney
9 General and the Attorney General has conducted an investigation of the suspected
10 violations to determine whether they warrant proceedings for disciplinary action. The
11 Attorney General has recommended to the Executive Director that further proceedings are
12 warranted, as set forth in this CCB Complaint. The Executive Director has transmitted
13 this recommendation and information to the CCB. Pursuant to NRS 678A.510(2)(b), the
14 CCB has voted to proceed with appropriate disciplinary action under NRS 678A.520
15 through 678A.600. Pursuant to NRS 678A.520(1), the CCB's Executive Director has
16 authorized service of this Complaint upon Respondent.

17 **FACTUAL ALLEGATIONS**

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

19 6. On or about January 26, 2022, Board Agents conducted an audit, inspection,
20 and investigation of the TRYKE D033 medical dispensary and adult-use retail store facility
21 (hereinafter referred to as "facility") located at [REDACTED]
22 [REDACTED] (the "January Investigation"). The Board Agents who conducted the
23 January Investigation were Meiny Trisno and Kristine Vasilevsky ("Board Agents").

24 7. During the January Investigation, the CCB agents found that TRYKE D033
25 had failed to follow seed-to-sale tracking requirements. First, the facility was unable to
26 physically locate 6 out of the 6 medical cannabis packages that TRYKE D033 reported in
27 the State's seed-to-sale tracking system ("METRC") for medical cannabis inventory as
28 physically located in the facility. Second, the facility was unable to physically locate 1,877
out of the 2,461 adult-use cannabis packages reported as in its adult-use inventory in
METRC.

8. In addition, the CCB agents found four separate cannabis products that were
physically located in the facility, but had been recorded in METRC as a zero quantity, as

1 follows:

METRC Tag No. Ending	Product Description	Product Type	METRC Quantity	On-Hand	Variance
3666	Tester Peach 2:1 CBD:THC Gummies - 50mg - WYD	Infused Edible	0 ea	2 ea	+2 ea
3675	Tester Pomegranate 1:1 Gummies - 100mg - WYD	Infused Edible	0 ea	10 ea	+10 ea
3687	Tester Raspberry Sativa Gummies - 100mg - WYD	Infused Edible	0 ea	2 ea	+2 ea
7950	Tester Ice Cream Cake Live Resin Infused - PR1g - PAN	Infused Pre-rolls	0 ea	1 ea	+1 ea

14 The foregoing failures to report on-hand products in METRC are separate and distinct
15 failures to follow seed-to-sale tracking requirements from those set forth in Paragraph 7.

16 9. In addition, during the January Investigation, Board Agents also found
17 TRYKE D033 had submitted false quarterly inventory reports to the CCB. First, the fourth
18 quarter inventory report for RD033 for 2021, submitted on January 3, 2022, did not account
19 for the adult-use inventory the 1,877 packages referenced in Paragraph 7 and recorded as
20 physically located in the facility at that time in METRC. The facility submitted a METRC
21 clean-up list on February 4, 2022, for the 1,877 packages referenced in Paragraph 7 at the
22 time the fourth quarter inventory report was submitted. Second, the fourth quarter
23 inventory report for D033 for 2021, submitted on January 3, 2022, did not account for the
24 six cannabis products for medical use only referenced in Paragraph 7 and recorded as
25 physically located in the facility at that time in METRC. If the quarterly reports had been
26 performed and prepared properly, Respondent would have been aware of the missing
27 packages and could have investigated these issues without having to wait until the January
28 Investigation to alert it to these inventory discrepancies.

10. The January Investigation further uncovered the fact that TRYKE D033 had
failed to provide the CCB with the required timely notice of one employee's termination

1 and had failed to provide the CCB with the required timely notice of the hiring of five other
2 employees at its facility. Specifically, Respondent provided the CCB agents an employee
3 shift schedule that showed 6 more employees than were documented in METRC. Employee
4 [REDACTED] had been terminated without timely notice to the CCB and [REDACTED]
5 [REDACTED] has continued to be listed as an employee of the facility in METRC. The
6 following five employees were working at TRYKE D033, but were not recorded as employed
7 there in METRC: [REDACTED]

8 11. Additionally, during the course of the January Investigation, the Board
9 Agents found that both the employee and customer restrooms were not stocked with paper
10 towels, as required.

11 12. Due to the fact that cannabis products were physically located at the facility,
12 but were not recorded in METRC, as set forth in Paragraph 8, above, TRYKE D033 was
13 required to destroy said quarantined cannabis products and agreed to do so. On or about
14 April 4, 2022, Board Agent Meiny Trisno audited and investigated this destruction process
15 (the "April Investigation"). The CCB agent conducting the April Investigation was Meiny
16 Trisno ("Agent Trisno").

17 13. As part of the April Investigation, Agent Trisno found that TRYKE D033 had
18 failed to properly maintain and complete its destruction log. Specifically, the destruction
19 log TRYKE D033 provided did not list the date of the destruction and did not list the
20 METRC tags as identification for the cannabis products destroyed. Also, the employees
21 signing the destruction log indicated 3 units of cannabis product Tester Peach 2:1
22 CBD:THC Gummies - 50 mg (METRC tag ending in 3666) were destroyed, when only two
23 units of this package were set forth in the quarantine list and video of the destruction
24 demonstrated only 2 units of this cannabis product were destroyed.

25 14. Additionally, TRYKE D033 failed to properly destroy the quarantined
26 cannabis products in accordance with its own standard operating procedures for
27 destruction. Specifically, TRYKE D033 failed to grind these cannabis products during the
28 destruction process.

VIOLATIONS OF LAW

1
2 15. CCB incorporates all prior Paragraphs as though fully set forth herein.

3 16. As to licenses D033 and RD033, Respondent violated NCCR 6.080(7)(c) and
4 NCCR 4.040(1)(a)(1), by making an unintentionally false statement or representation to
5 the Board or Board Agents. Specifically, as set forth in Paragraph 9, above, Respondent
6 provided false information in its quarterly inventory reports to the Board for the fourth
7 quarter of 2021. These inventory reports did not account for the inventory recorded at the
8 time in METRC and Respondent failed to reconcile these differences and report these
9 significant variances as required under NCCR 6.080(7)(c). These omissions constitute a
10 Category II violation, which carries a civil penalty of up to \$25,000 and a suspension for
11 not more than 20 days. NCCR 4.040(2)(a)(1).

12 17. As to licenses D033 and RD033, Respondent violated NCCR 6.080(6) & (7) and
13 NCCR 4.050(1)(a)(3) by failing to follow seed-to-sale tracking requirements. Specifically, as
14 set forth in Paragraph 7, above, the facility was unable to physically locate 6 out of the 6
15 medical cannabis packages reported as in inventory in METRC and was unable to
16 physically locate 1,877 out of the 2,461 adult-use cannabis packages reported as in its adult-
17 use inventory in METRC. This constitutes a Category III violation, which carries a civil
18 penalty of up to \$10,000. NCCR 4.050(2)(a)(1).

19 18. As to licenses D033 and RD033, Respondent violated NCCR 6.080(6) & (7) and
20 NCCR 4.050(1)(a)(3), (13) by failing to follow seed-to-sale tracking requirements and/or
21 storing or delivering unapproved cannabis product or a cannabis product outside the seed-
22 to-sale tracking system. Specifically, as set forth in Paragraph 8, above, Respondent had
23 four cannabis products on hand in physical inventory that were not found in METRC,
24 requiring destruction of said cannabis products because they could not be tracked. These
25 omissions constitute a second Category III violation, which carries a civil penalty of up to
26 \$30,000 and/or a suspension for not more than 10 days. NCCR 4.050(2)(a)(2).

27 19. As to licenses D033 and RD033, Respondent violated NCCR 6.080(6)(a) &
28 (d)(9) and NCCR 4.050(1)(a)(14) for failing to meet the requirements for disposal of

1 cannabis waste. As set forth in Paragraph 13, above, TRYKE D033 failed to properly
2 complete destruction logs, including failing to list the date of destruction, failing to list the
3 METRC tags as identification, and incorrectly listing a unit of cannabis product as
4 destroyed when it was not. This constitutes a third Category III violation, which carries a
5 civil penalty of up to \$90,000 and/or a suspension for not more than 20 days. NCCR
6 4.050(2)(a)(3).

7 20. As to licenses D033 and RD033, Respondent violated NCCR 10.080(1)(b) &
8 10.080(3) and NCCR 4.050(1)(a)(14) for failing to meet the requirements for disposal of
9 cannabis waste. Specifically, as set forth in Paragraph 14, above, TRYKE D033 failed to
10 grind the quarantined cannabis products during the destruction process, contrary to its
11 own standard operating procedures for destruction. This constitutes a fourth Category III
12 violation, which carries a civil penalty of up to \$90,000 and a suspension for not more than
13 60 days.

14 21. As to licenses D033 and RD033, Respondent violated NCCR 6.087(3) & (4) and
15 NCCR 4.060(1)(a)(7) by failing to submit required reports to the Board, in particular, the
16 required written notices to the Board reporting the termination and/or hiring of certain
17 employees at the TRYKE D033 facility. As set forth in Paragraph 10, above, TRYKE D033
18 failed to timely provide the Board the required written notice of the termination of one
19 employee and failed to timely provide the Board with the required written notice of the
20 commencement of work of five other employees at the TRYKE D033 facility. These
21 omissions constitute six separate and distinct Category V violations. The first Category V
22 violation carries the penalty of a formal warning. NCCR 4.060(2)(a)(1). The second
23 through sixth Category V violations carry a total civil penalty of \$77,500 and/or a
24 suspension of no more than 40 days. NCCR 4.060(2)(a)(2) through (6).

25 22. As to licenses D033 and RD033, Respondent violated NCCR 6.095((1)(a)(5)
26 and NCCR 4.060(1)(a)(6) by failing to stock both the employee and customer restrooms with
27 paper towels, as set forth in Paragraph 11, above. This constitutes a seventh Category V
28 violation, which carries a civil penalty of up to \$40,000 and/or a suspension for not more

1 than 20 days. NCCR 4.060(2)(a)(6).

2 23. The CCB reserves its rights to pursue any separate disciplinary actions
3 against the individual agent cards of the employees and/or agents of Respondent who
4 participated in and/or perpetrated the acts and omissions set forth in this Complaint.

5 DISCIPLINE AUTHORIZED

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

9 1. Suspend licenses D033 and RD033;

10 2. Impose a civil penalty of not more than \$90,000 for each separate violation of
11 NRS Title 56 and the NCCR on D033 and RD033; and

12 3. Take such other disciplinary action as the CCB deems appropriate.

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

14 RELIEF REQUESTED

15 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose
16 the penalty of a 170-day suspension of licenses D033 and RD033. In addition, counsel for
17 CCB requests the CCB impose civil penalties against TRYKE D033's licenses D033 and
18 RD033 in the amount of \$362,500.

19 NOTICE TO RESPONDENT

20 PLEASE TAKE NOTICE, that Respondent has a right to request a hearing on the
21 charges set forth herein, pursuant to NRS 678A.510 through 678A.590. Failure to
22 demand a hearing constitutes a waiver of the right to a hearing and to judicial
23 review of any decision or order of the Board, but the Board may order a hearing
24 even if the respondent so waives his or her right. NRS 678A.520(2)(e).

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

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

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

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

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

6 (e) May demand a hearing. Failure to demand a hearing constitutes a waiver
7 of the right to a hearing and to judicial review of any decision or order of
8 the Board, but the Board may order a hearing even if the respondent so waives his
9 or her right.

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

14 The Board shall determine the time and place of the hearing as soon as is reasonably
15 practical after receiving the Respondent's answer. The Board shall deliver or send by
16 registered or certified mail a notice of hearing to all parties at least 10 days before the
17 hearing. The hearing must be held within 45 days after receiving the respondent's answer
18 unless an expedited hearing is determined to be appropriate by the Board, in which event
19 the hearing must be held as soon as practicable. NRS 678A.520(4).

20 Respondent's answer and Request for Hearing must be either: mailed via registered
21 mail, return receipt; or emailed to:

22 Tyler Klimas, Executive Director
23 Cannabis Compliance Board
24 700 East Warm Springs Road, Ste. 100
25 Las Vegas, Nevada 89119
26 tklimas@ccb.nv.gov

27 If served by email, Respondent must ensure that it receives an acknowledgement of receipt
28 email from CCB as proof of service. Respondent is also requested to email a copy of its
Answer to the Senior Deputy Attorney General listed below at lrath@ag.nv.gov.

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

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

11 If the Respondent does not wish to dispute the charges and allegations set forth
12 herein, within 30 days of the service of this Complaint, Respondent may pay the civil
13 penalties set forth above in the total amount of \$362,500 and cease operation of licenses
14 D033 and RD033 for 170 days, on notice to:

15 Tyler Klimas, Executive Director
16 Cannabis Compliance Board
17 700 East Warm Springs Road, Ste. 100
Las Vegas, Nevada 89119

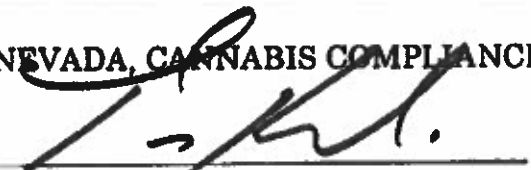
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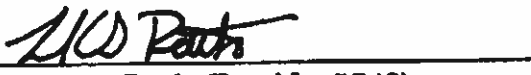
YOU ARE HEREBY ORDERED to immediately cease the activity described above
which is a violation of Nevada law.

DATED: April 26, 2022.

STATE OF NEVADA, CANNABIS COMPLIANCE BOARD

By: 
Tyler Klimas, Executive Director
700 East Warm Springs Road, Ste. 100
Las Vegas, Nevada 89119
(702) 486-2300

AARON D. FORD
Attorney General

By: 
L. Kristopher Rath (Bar No. 5749)
Senior Deputy Attorney General
555 E. Washington Ave, Suite 3900
Las Vegas, Nevada 89101
(702) 486-3420
Attorneys for the Cannabis Compliance Board

**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 NCCR 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 follows:

Name of point of contact served: Brett Scolari

Address on file with CCB: [REDACTED]

Date of Service: April 28, 2022

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

Executed on April 28, 2022 

(date) (signature)

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