

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

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

Case No. 2022-81

5 **Petitioner,**

6 **vs.**

7 **TRYKE COMPANIES SO NV, LLC**
8 **(D030, RD030),**

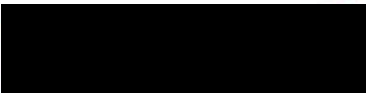
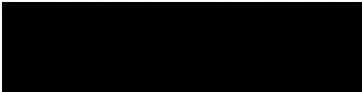
9 **Respondent.**

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 D030
15 and RD030 ("TRYKE D030" 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

20 **JURISDICTION**

21 1. During all relevant times mentioned in this Complaint, TRYKE D030 held,
22 and currently holds, the following relevant licenses:

23 ID	Licenses	Last Issued / Renewed	Address
24 D030	Medical Dispensary 80541135839237642530	6/17/021	
26 RD030	Adult-use Retail Sales Store 56426800972005264608	6/17/2021	

27
28 2. During all relevant times mentioned in this Complaint, TRYKE D030 is and

1 was registered as a domestic limited liability company in the State of Nevada. The Nevada
2 Secretary of State lists Seacoast Investments Fund II, LLC, as the Managing Member.
3 Brett Scolari is listed as the Point of Contact for TRYKE D030 with the CCB.

4 3. As TRYKE D030 holds its relevant licenses with the CCB, it is subject to NRS
5 Title 56 and the NCCR for the violations asserted herein. Therefore, TRYKE D030 is
6 subject to the jurisdiction of the CCB and subject to discipline pursuant to NRS 678A
7 through 678D and the relevant provisions of the NCCR.

8 4. Pursuant to NRS 678A.500 and 678A.510(1), the CCB's Executive Director
9 has transmitted the details of the suspected violations of TRYKE D030 to the Attorney
10 General and the Attorney General has conducted an investigation of the suspected
11 violations to determine whether they warrant proceedings for disciplinary action. The
12 Attorney General has recommended to the Executive Director that further proceedings are
13 warranted, as set forth in this CCB Complaint. The Executive Director has transmitted
14 this recommendation and information to the CCB. Pursuant to NRS 678A.510(2)(b), the
15 CCB has voted to proceed with appropriate disciplinary action under NRS 678A.520
16 through 678A.600. Pursuant to NRS 678A.520(1), the CCB's Executive Director has
17 authorized service of this Complaint upon Respondent.

18 FACTUAL ALLEGATIONS

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

20 6. On or about January 26 and January 28, 2022, the CCB's staff conducted an
21 audit, inspection, and investigation of the TRYKE D030 medical and adult-use dispensary
22 facility located at [REDACTED] (the "January
23 Investigation"). The primary Board Agents conducting the January Investigation were
24 Erica Scott, Christine Shoemaker, and Shandon Snow.

25 7. During the January Investigation, on or about January 26, 2022, the Board
26 Agents found that 100 packages of cannabis and cannabis products were being stored in a
27 closet located in the corporate office area and outside of the designated facility vault. This
28 closet had no security camera, and the improperly stored cannabis and cannabis products
were not visible on any security cameras.

8. Also, on or about January 26, 2022, the Board Agents found that TRYKE D030
had failed to follow seed-to-sale tracking requirements. First, the facility was unable to
physically locate 5 out of the 5 medical cannabis packages TRYKE D030 reported as

1 physically located at the facility in its medical seed-to-sale tracking system (METRC).
2 Second, the facility was unable to physically locate 290 out of the 923 adult-use cannabis
3 packages TRYKE D030 reported as physically located at the facility in its adult-use
4 METRC.

5 9. The Board Agents returned to the TRYKE D030 facility for follow-up
6 investigation on or about January 28, 2022. This follow-up was intended in part to verify
7 that the cannabis and cannabis products located in the unsecure closet had been moved to
8 a secure location and to do a recount to confirm or adjust the METRC discrepancies noted
9 in Paragraph 8, above. After arrival at the facility, the Board Agents advised TRYKE
10 D030's compliance manager, [REDACTED], that a follow-up inventory assessment was
11 necessary on the facility's second floor where the unsecure closet was located and that this
12 inspection would include employee desks, working areas, cabinets, lockers, and/or other
13 closets and areas.

14 10. After inspecting the unsecure closet referenced in Paragraph 7, above, the
15 Board Agents began to search the two desks located next to the unsecure closet. At about
16 that time (1100), [REDACTED] approached and identified himself as the president of
17 TRYKE D030. [REDACTED] queried the Board Agents on their inspection of the desks and
18 Ms. Scott informed him this was part of the continuation of the investigation from two days
19 earlier in which it was found that there was missing inventory based on seed-to-sale
20 tracking records. At about that point [REDACTED] and [REDACTED] (another facility
21 employee) told all the Board Agents present that the Board Agents were prohibited from
22 conducting any further inspection of the office area. Ms. Scott explained that the Board
23 Agents were entitled by law to inspect any part of a licensee's premises. [REDACTED] using
24 belittling and intimidating language, continued to demand the Board Agents cease their
25 inspection of the office area. As a result, Ms. Scott was forced to call in CCB enforcement
26 officer Shandon Snow. Officer Snow arrived at the facility at approximately 1130 and, after
27 locating the other Board Agents on site, made contact with [REDACTED]. Officer Snow also
28 observed that a facility employee was working with cannabis product on one of the office
desks in question. Officer Snow advised [REDACTED] that Board Agents would continue
with their inspection of the office area because they were permitted to do so under both
regulation and statute. [REDACTED] became agitated and verbally combative and would
not yield to the CCB's statutory and regulatory authority until Mr. Snow provided him with

1 printed copies of the relevant statutes and regulations concerning the CCB's authority to
2 investigate and inspect licensees.

3 11. The Board Agents then proceeded to inspect the employee desks in the office
4 area and found multiple cannabis products that were untagged and without accompanying
5 sales receipts. The products that could not be identified via their labeling and within
6 METRC were quarantined. Officer Snow requested TRYKE D030 provide video for
7 January 28, 2022, for the camera above the desk areas in question. Video from another
8 angle at the end of the hall was given and received on site on January 28. The Board Agents
9 then left the facility at approximately 1400. Respondent later provided additional video
10 footage for certain cameras for the date in question.

11 12. After the request for the videos and after Officer Snow had received, but not
12 yet reviewed the videos, on February 3, 2022, TRYKE D030 "self-reported" that the videos
13 showed that employee [REDACTED] at approximately 1145 on January 28, 2022, and
14 during the course of the ongoing CCB investigation, removed and concealed 6 packages of
15 cannabis and cannabis products, as well as 4 CBD items, from the office area the Board
16 Agents were attempting to inspect. [REDACTED] hid these items in another room during
17 the inspection. The video footage provided confirmed [REDACTED] committed these
18 illegal acts.

19 13. Additionally, during the course of the January Investigation, the Board
20 Agents found TRYKE D030 had submitted false quarterly inventory reports to the CCB.
21 First, the fourth quarter inventory report for RD030 for 2021, submitted on January 3,
22 2022, did not account for the inventory recorded at that time in METRC. The facility
23 submitted a METRC clean-up list on February 4, 2022, that showed 290 packages were
24 unaccounted for at the time the fourth quarter inventory report was submitted. Second, the
25 fourth quarter inventory report for D030 for 2021 was also false. This inventory report
26 showed a medical inventory of zero, when, in fact, METRC recorded 5 medical packages in
27 inventory. If the quarterly reports had been performed properly, Respondent would have
28 been aware of these inventory discrepancies and could have investigated these issues
without having to wait until the January Investigation to alert it to these inventory
discrepancies.

VIOLATIONS OF LAW

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

3 15. As to licenses D030 and RD030, Respondent violated NCCR 5.070(1), NCCR
4 5.075(1), (3), and (6), and NCCR 4.035(1)(a)(11) by obstructing regulatory personnel from
5 performing their official duties. Specifically, as set forth in Paragraphs 9 through 11, above,
6 Respondent, by and through its officers and employees, refused to allow Board Agents to
7 inspect the office portion of its facility on or about January 28, 2022. These acts forced the
8 Board Agents present at the time to call in the CCB's Enforcement Officer, Mr. Snow, to
9 attempt to diffuse this obstruction. Respondent continued to obstruct Mr. Snow and the
10 other Board Agents from performing their duties, before finally relenting to the required
11 inspection. These obstructive acts allowed for [REDACTED] to abscond with and hide
12 multiple cannabis packages during the course of the inspection. These acts and omissions
13 constitute a Category I violation, which carries a civil penalty of up to \$90,000 and a
14 suspension for not more than 30 days or a revocation of Respondent's licenses. NCCR
15 4.035(2)(a)(1).

16 16. As to licenses D030 and RD030, Respondent violated NCCR 5.075(6)(a) &
17 (6)(b) and NCCR 4.035(1)(a)(4) by intentionally concealing evidence from the Board and
18 Board Agents. Specifically, as set forth in Paragraph 12, above, Respondent's employee
19 and/or agent [REDACTED] removed and concealed 6 packages of cannabis and
20 cannabis products, as well as 4 CBD items, from the office area the CCB agents were
21 attempting to inspect during the course of said inspection. These acts and omissions
22 constitute a second Category I violation, which carries the requirement of revocation of
23 licenses D030 and RD030. NCCR 4.035(2)(a)(2). In the alternative, should the acts and
24 omissions set forth in this Paragraph be found to be unintentional, then they constitute a
25 Category II violation under NCCR 4.040(1)(a)(2), which would carry a civil penalty of up to
26 \$25,000 and suspension of up to 20 days of licenses D030 and RD030. NCCR 4.040(2)(a)(1).

27 17. As to licenses D030 and RD030, Respondent violated NRS 678B.510(6), NCCR
28 6.085(1)(c)(3) and NCCR 4.040(1)(a)(14) by failing to maintain required surveillance

1 systems. Specifically, as set forth in Paragraph 7, Respondent did not maintain any video
2 cameras in a closet within its office space which was used to store at least 100 packages of
3 cannabis and cannabis products. This constitutes a Category II violation, which carries a
4 civil penalty of up to \$25,000 and a suspension of not more than 20 days. NCCR
5 4.040(2)(a)(1). In the alternative, should the violations set forth in Paragraph 16 be found
6 to constitute a Category II violation, then the violation set forth in this Paragraph would
7 be a second Category II violation, which would then carry a civil penalty of \$75,000 and
8 suspension of up to 30 days of licenses D030 and RD030. NCCR 4.040(2)(a)(2).

9 18. As to licenses D030 and RD030, Respondent violated NCCR 6.080(7)(c) and
10 NCCR 4.040(1)(a)(2), by making an unintentionally false statement or representation to
11 the Board or Board Agents. Specifically, as set forth in Paragraph 13, above, Respondent
12 provided false information in its quarterly inventory reports to the Board for the fourth
13 quarter of 2021. These inventory reports did not account for the inventory recorded at the
14 time in METRC and Respondent failed to reconcile these differences and report the
15 significant variances as required under NCCR 6.080(7)(c). These omissions constitute at
16 least a second Category II violation, which carries a civil penalty of up to \$75,000 and a
17 suspension for not more than 30 days. NCCR 4.040(2)(a)(2). In the alternative, should these
18 violations constitute a third Category II violation, this would require the revocation of
19 licenses D030 and RD030. NCCR 4.040(2)(a)(3).

20 19. As to licenses D030 and RD030, Respondent violated NCCR 6.080(6) & (7) and
21 NCCR 4.050(1)(a)(3) by failing to follow seed-to-sale tracking requirements. Specifically, as
22 set forth in Paragraph 8, above, Respondent was unable to physically locate numerous
23 packages reported in METRC in its physical inventories for both D030 and RD030. This
24 constitutes a Category III violation, which carries a civil penalty of up to \$10,000. NCCR
25 4.050(2)(a)(1).

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

1 **DISCIPLINE AUTHORIZED**

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

- 5 1. Revoke licenses D030 and RD030;
6 2. Suspend licenses D030 and RD030;
7 3. Impose a civil penalty of not more than \$90,000 for each separate violation of
8 NRS Title 56 and the NCCR on D030 and RD030; and
9 4. Take such other disciplinary action as the CCB deems appropriate.

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

11 **RELIEF REQUESTED**

12 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose
13 the penalty of revocation against licenses D030 and RD030. In addition, counsel for CCB
14 requests the CCB impose civil penalties against TRYKE D030's licenses D030 and RD030
15 in the amount of \$200,000.

16 **NOTICE TO RESPONDENT**

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

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

- 25 (a) Must state in short and plain terms the defenses to each claim asserted.
26 (b) Must admit or deny the facts alleged in the complaint.
27 (c) Must state which allegations the respondent is without knowledge or information
28 form a belief as to their truth. Such allegations shall be deemed denied.

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

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

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

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

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 East Warm Springs Road, Ste. 100
22 Las Vegas, Nevada 89119
23 tklimas@ccb.nv.gov

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

27 As the Respondent, you are specifically informed that you have the right to appear
28 and be heard in your defense, either personally or through your counsel of choice at your
own expense. At the hearing, the CCB has the burden of proving the allegations in the
Complaint. The CCB will call witnesses and present evidence against you. You have the

1 right to respond and to present relevant evidence and argument on all issues involved. You
2 have the right to call and examine witnesses, introduce exhibits, and cross-examine
3 opposing witnesses on any matter relevant to the issues involved.

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


7 If the Respondent does not wish to dispute the charges and allegations set forth
8 herein, within 30 days of the service of this Complaint, Respondent may pay the civil
9 penalties set forth above in the total amount of \$200,000 and surrender licenses D030 and
10 RD030 on notice to:

11 Tyler Klimas, Executive Director
12 Cannabis Compliance Board
13 700 East Warm Springs Road, Ste. 100
Las Vegas, Nevada 89119


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

16 DATED: April 26, 2022.

17 STATE OF NEVADA, CANNABIS COMPLIANCE BOARD

18
19 By: 
20 Tyler Klimas, Executive Director
21 700 East Warm Springs Road, Ste. 100
Las Vegas, Nevada 89119
(702) 486-2300

22 AARON D. FORD
23 Attorney General

24 By: 
25 L. Kristopher Rath (Bar No. 5749)
26 Senior Deputy Attorney General
27 555 E. Washington Ave, Suite 3900
Las Vegas, Nevada 89101
(702) 486-3420

28 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)