## BEFORE THE CANNABIS COMPLIANCE BOARD STATE OF NEVADA

STATE OF NEVADA, CANNABIS COMPLIANCE BOARD,

Petitioner,

Case No. 2022-79

VS.

SETH HOLYCROSS,

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 Michael D. Detmer, Esq., Senior Deputy Attorney General, and Ashley A. Balducci, Esq., Senior Deputy Attorney General, having a reasonable basis to believe that SETH HOLYCROSS ("Holycross" or "Respondent") has violated provisions of Title 56 of the Nevada Revised Statutes ("NRS"), and the Nevada Cannabis Compliance Board Regulations ("NCCR"), hereby issues its Complaint, stating the CCB's charges and allegations as follows:

#### JURISDICTION

1. During all relevant times mentioned in this Complaint, Holycross held, and currently holds, the following cannabis establishment agent registration card ("agent card"):

ID No.

# Cannabis Establishment Cultivation

Application Date February 2, 2021

- 2. As set forth below, the events at issue occurred after July 1, 2020, Holycross, applied for his agent card on February 2, 2021, and the CCB issued the agent card to Holycross. Therefore, Holycross is subject to the jurisdiction of the CCB and subject to discipline pursuant to NRS 678A through 678D and the NCCR.
- 3. Pursuant to NRS 678A.500 and 678A.510(1), the CCB's Executive Director has transmitted the details of the suspected violations of Holycross to the Attorney General

5.

III

 $_{27} \|$ 

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

### **FACTUAL ALLEGATIONS**

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

The CCB received an anonymous complaint that, on or about June 5, 2021, an

- employee/agent of Silver Sage Wellness's cultivation facility ("SSWC") identified as Seth Holycross ("Holycross"), had brought an underage female ("UF"), who was later identified as his daughter, into SSWC's medical and adult-use cultivation facility located at

  The complaint further stated that Holycross brought the UF into SSWC's facility to look at its freshly harvested cannabis. Based on this complaint, the CCB's agents conducted an investigation into the allegations. The CCB's agents investigating this complaint was Compliance Enforcement Investigator Shandon
- 6. As part of the investigation, the CCB's agents spoke with the SSWC's facility's manager, Leslie Vorhees ("Vorhees"), and one of SSWC's owner, Christopher Sarret ("Sarret"). Sarret and Vorhees confirmed that SSWC employed Holycross as a cultivation manager at SSWC's facility.

Snow and Compliance Audit Investigator III Rachel Branner (hereinafter individually

and/or collectively referred to as the "CCB agent(s)").

7. The CCB's agents also reviewed photos/surveillance-photos of Holycross with the UF within the interior of SSWC's facility.

4

5

6 7

9

8

10

11 12

13

14

15 16

17

18

19 20

21 22

23

24 25

26

27 28

8. The CCB's agents further spoke with Holycross. Holycross admitted to the CCB's agents that the UF was his daughter, that she was less than 21 years of age, and that he had brought her into SSWC's facility and "didn't know what the big deal was."

### VIOLATIONS OF LAW

- 9. CCB incorporates all prior Paragraphs as though fully set forth herein.
- 10. As to Holycross's agent card, Holycross violated NCCR 6.070(2) and/or NCCR 8.015(1) and/or NCCR 4.040(1)(a)(4) and/or by allowing a person who is less than 21 years of age to enter or remain in a cannabis cultivation facility, a Category II violation which requires a civil penalty of not more than \$25,000 and a suspension of not more than 20 days. NCCR 4.040(2)(a)(1).

#### DISCIPLINE AUTHORIZED

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

- 1. Revoke the agent card;
- 2. Suspend the agent card;
- 3. Impose a civil penalty of not more than \$90,000; and
- 4. Take such other disciplinary actions as the CCB deems appropriate.

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

## RELIEF REQUESTED

Based on the foregoing, counsel for the CCB respectfully request the CCB impose a civil penalty of \$25,000 and that Respondent's agent card be suspended for 20 days pursuant to NCCR 4.040(2)(a)(1). The CCB reserves its rights to seek additional costs incurred as this matter proceeds through hearing and rehearing, if applicable.

#### NOTICE TO RESPONDENT

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

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

- (a) Must state in short and plain terms the defenses to each claim asserted.
- (b) Must admit or deny the facts alleged in the complaint.
- (c) Must state which allegations the respondent is without knowledge or information to form a belief as to their truth. Such allegations shall be deemed denied.
- (d) Must affirmatively set forth any matter which constitutes an avoidance or affirmative defense.
- (e) May demand a hearing. Failure to demand a hearing constitutes a waiver of the right to a hearing and to judicial review of any decision or order of the Board, but the Board may order a hearing even if the respondent so waives their right.

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

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

3

**4** 5

7

8

6

9 10

1112

13 14

1516

17

18 19

2021

22

23

24

25

26

27

28 ||///

III

III

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

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

If serving its Answer and Request for Hearing via email, Respondent must ensure that it receives an acknowledgement of receipt email from the CCB as proof of service. Respondent is also requested to email a copy of its Answer and Request for Hearing to the Senior Deputy Attorneys General listed below at mdetmer@ag.nv.gov and abalducci@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 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 right to respond and to present relevant evidence and argument on all issues involved. You have the right to call and examine witnesses, introduce exhibits, and cross-examine opposing witnesses on any matter relevant to the issues involved.

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

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 \$25,000 and accept the 20-day suspension, on notice to:

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

1	YOU ARE HEREBY ORDERED to immediately cease the activity described above	
2	which is a violation of Nevada law.	
3	DATED: April 6th, 2022.	
4	STATE OF NEVADA, CANNABIS COMPLIANCE BOARD	
5	Pour 73/4.	
6	By: Tyler Khmas, Executive Director 700 Fact Warm Springs Bood, Suite 100	
7	700 East Warm Springs Road, Suite 100 Las Vegas, Nevada 89119 (775) 687-6299	
8	(110) 001-0299	
9	AARON D. FORD	
10	Attorney General	
11	By: Ashley Balducci	
12	Michael D. Detmer (Bar No. 10873) Senior Deputy Attorney General	
13	Senior Deputy Attorney General Ashley A. Balducci (Bar No. 12687) Senior Deputy Attorney General	
14	555 E. Washington Ave, Suite 3900 Las Vegas, Nevada 89101	
15   16	(702) 486-3420 Attorneys for the Cannabis Compliance Board	
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
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: Seth Holycross	
Address on file with CCB:	
Date of Service: April 15, 2022	

do l'Ili

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

Executed on April 15, 2022	_ (SAM)UM
(date)	(signature)

20

15

16

17

18

19

21

22

2324

25

26

27

28