BEFORE THE CANNABIS COMPLIANCE BOARD STATE OF NEVADA

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STATE OF NEVADA, CANNABIS COMPLIANCE BOARD,

Petitioner,

Respondent.

JEREMY SCOTT EVANS,

Case No. 2022-59

STIPULATION AND ORDER FOR SETTLEMENT OF 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 Emily N. Bordelove, Esq., Senior Deputy Attorney General, and Ashley A. Balducci, Esq., Senior Deputy Attorney General, hereby enters into this Stipulation and Order for Settlement of Disciplinary Action ("Stipulation and Order") with JEREMY SCOTT EVANS ("EVANS" or "Respondent") by and through his counsel of record Brian Hardy, Esq. and Domingue Bosa-Edwards, Esq., of Marquis Aurbach Chtd. Under this Stipulation and Order, EVANS and the CCB (collectively, the "Parties") hereby stipulate and agree that Case No. 2022-59 (the "Administrative Action") shall be fully and finally settled and resolved upon terms and conditions set out herein.

PERTINENT FACTS

On January 31, 2022, the CCB initiated this disciplinary action via the service and 1. filing of a Complaint for Disciplinary Action (the "Complaint"). The Complaint alleges that, contrary to Nevada law, EVANS failed to verify the age of an individual under 21 years of age by failing to scan the individual's identification card in the fully functioning Veriscan machine, the cannabis establishment's the electronic verification system, opting to visually examine the card instead, and dispensing cannabis to an underage individual. The Complaint further alleges that EVANS' actions constitute grounds for the immediate revocation of his cannabis establishment agent registration card pursuant to Nevada

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27 28 Revised Statutes ("NRS") 678B.385(2) and/or one (1) Category II violation under Nevada Cannabis Compliance Regulations ("NCCR") 4.040(1)(a)(3), which carries a civil penalty of not more than \$25,000 and a suspension for not more than twenty (20) days.

- On March 3, 2022, EVANS filed his Answer, generally denied the allegations in the Complaint, and requested a hearing. The CCB assigned a hearing officer on March 7, 2022, and the Parties participated in an Early Case Conference on March 29, 2022.
- 3. On April 12, 2022, due to ongoing settlement negotiations, the Parties agreed to a stay of the administrative action that the Hearing Officer approved.
- 4. The Parties have engaged in good faith negotiations to reach an agreement that is mutually acceptable to EVANS, CCB staff, and counsel for the CCB to resolve this matter, with the understanding that this Stipulation and Order must be approved by a majority vote of the members of the CCB.

ACKNOWLEDGEMENTS AND APPLICABLE LAW

This Stipulation and Order is made and based upon the following acknowledgments by the Parties:

- 5. EVANS has entered into this Stipulation and Order on his own behalf and with full authority to resolve the claims against him and is aware of his rights to contest the violations pending against him. These rights include representation by an attorney at EVANS' own expense, the right to a hearing on any violations or allegations formally filed, the right to confront and cross-examine witnesses called to testify against EVANS, the right to present evidence on EVANS' own behalf, the right to testify on EVANS' behalf, the right to obtain any other type of formal judicial review of this matter, and any other rights which may be accorded to EVANS under provisions of Title 56 of NRS (NRS Chapters 678A through 678D), the NCCR, and any other provisions of Nevada law. EVANS waives all these rights by entering into this Stipulation and Order.
- Should this Stipulation and Order be rejected by the CCB or not timely performed by EVANS, the Parties agree that presentation to and consideration by the CCB of such proposed stipulation or other documents or matters pertaining to the consideration of this

Stipulation and Order shall not unfairly or illegally prejudice the CCB or any of its members from further participation, consideration, adjudication, or resolution of these proceedings and that no CCB member shall be disqualified or challenged for bias.

- 7. EVANS acknowledges that this Stipulation and Order shall only become effective after the CCB has approved it.
- 8. EVANS enters this Stipulation and Order after being fully advised of EVANS' rights and as to the consequences of this Stipulation and Order. This Stipulation and Order embodies the entire agreement reached between the CCB and EVANS. It may not be altered, amended, or modified without the express written consent of the Parties. All alterations, amendments, and/or modifications to this Stipulation and Order must be in writing.
- 9. In an effort to avoid the cost and uncertainty of a disciplinary hearing, EVANS has agreed to settle this matter. In settling this matter, EVANS acknowledges that the facts contained in the Paragraphs in the above "PERTINENT FACTS" portion of this Stipulation and Order are true and correct. EVANS further acknowledges that specific facts contained in the Complaint in Case No. 2022-59 could be found to constitute violations of Title 56 of NRS (NRS Chapters 678A through 678D) and the NCCR, with penalties up to and including a civil penalty of \$25,000 and revocation of his cannabis establishment agent registration card if this matter went to an administrative hearing.
- 10. To resolve the Administrative Action, EVANS admits explicitly to allowing an underage individual to purchase cannabis under NCCR 7.020 & 4.040(1)(a)(3) with respect to the Complaint in CCB Case No. 2022-59 and agrees to the following:
 - a. A payment of a civil penalty of \$2,500, with a payment plan of \$625 every month for four (4) months, as outlined in Paragraph 15, "Payment of Civil Penalties," section below.
 - b. A fourteen (14) calendar day suspension of his cannabis establishment agent registration card, to commence on the date the CCB approves this Stipulation and Order. EVANS is prohibited from working in the cannabis

industry during this suspension period. This suspension does not impact his ability to work in a non-cannabis-related position or industry. Once the suspension period ends, EVANS may resume working in the cannabis industry.

- c. Successful completion of an online course or training on Age-Verification, for example, the We Card Employee Training Course. Evans must submit a course description to CCB staff before taking said course and obtain preapproval from CCB staff for the course he has selected. EVANS must submit to the CCB submit proof of attendance within sixty (60) days of the date the CCB approves this Stipulation and Order.
- d. Refrain from committing any other violations of the provisions of Title 56 of NRS (NRS Chapters 678A through 678D) and the NCCR for one (1) calendar year, to commence on the date the CCB approves this Stipulation and Order.
- 11. EVANS agrees and understands that his failure to abide by any of the settlement terms in Paragraph 10 above will result in EVANS defaulting on this Stipulation and Order with all allegations in the CCB Complaint in Case No. 2022-59 being deemed admitted. In the case of a default, EVANS shall pay all penalties and receive all discipline set forth under the "RELIEF REQUESTED" section of the Complaint. Such penalties include revocation of his cannabis establishment agent registration card (effective on the date of the order of default) and civil penalties of \$25,000. The CCB will enter an order of default to this effect after default, and all amounts due under this Paragraph shall be immediately due and payable to CCB. In the event of default, as described in this Paragraph, and in addition to all penalties due, to reinstate his revoked cannabis establishment agent registration card, EVANS must request reinstatement from the CCB under NCCR 4.100 after a nine (9) year and eleven (11) month period, to commence running on the date the CCB enters the default.
 - 12. If the CCB approves this Stipulation and Order, it shall be discipline by the Board

against EVANS.

13. Both Parties acknowledge that the CCB has jurisdiction to consider and order this discipline because EVANS holds and/or held a privileged cannabis establishment agent registration card regulated by the CCB as of July 1, 2020. EVANS expressly, knowingly, and intentionally waives the twenty-one (21) day and/or five (5) day notice requirements contained in the Nevada Open Meeting Law and acknowledges that this Stipulation and Order may be presented to the CCB for its consideration and potential ratification at the CCB's next meeting.

STIPULATED ADJUDICATION

Based upon the above acknowledgments of the Parties and their mutual agreement, the Parties stipulate and agree that the CCB shall impose the following terms of discipline in this matter:

- 14. <u>Suspension</u>. As outlined in Paragraph 10(b) above, EVANS' cannabis establishment agent registration card is suspended for a fourteen (14) calendar day period, to commence on the date the CCB approves this Stipulation and Order¹. In exchange for EVANS' agreements herein, the CCB shall not seek any further discipline against him for the violations alleged in the Complaint in Case No. 2022-59.
- 15. Payment of Civil Penalties. EVANS must pay the civil penalty set forth in this Stipulation and Order within the time frames set forth in this Paragraph. EVANS may pay the lump sum of \$2,500 in civil penalties within thirty (30) days of the date the CCB approves this Stipulation and Order. In the alternative, EVANS may pay the civil penalties in four (4) monthly installments of \$625.00 each month (the "Payment Plan Option"). Under the Payment Plan Option, EVANS must pay the first installment on the 15th calendar day of the month² following the CCB meeting at which this Stipulation and Order is approved

¹ Should the CCB approve this Stipulation and Order at its May 24, 2022, meeting, then the suspension period would commence on at 8:00 a.m., Pacific Time, on May 25, 2022, and conclude at 5:00 p.m.., Pacific Time, on June 7, 2022.

² Payment must be physically received at the CCB's Carson City office no later than 5:00 p.m., Pacific Time, on the 15th day of the month on which it is due. If the 15th day of the month falls on a Saturday, Sunday, or

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and then, thereafter, on the 15th day of each month³ for the next three (3) months. For example, if this Stipulation and Order is approved at the May 24, 2022, CCB meeting, the payment of \$625.00 each month would be due as follows:

- a. 1st Installment, Wednesday, June 15, 2022, by 5:00 p.m. Pacific Time.
- b. 2nd Installment, Friday, July 15, 2022, by 5:00 p.m. Pacific Time.
- c. 3rd Installment, Monday, August 15, 2022, by 5:00 p.m. Pacific Time.
- d. 4th Installment, Thursday, September 15, 2022, by 5:00 p.m. Pacific Time. EVANS may pay any installment prior to its due date.
- 16. Penalties for Failure to Comply with Payment Plan Option. EVANS acknowledges that it is critical to comply with the strict requirements of the Payment Plan Option. EVANS agrees that, should be fail to make any installment payment timely, the following penalties and procedures will be in effect:
 - a. The CCB will allow a five (5) business day grace period for late payments.⁴
 - b. If payment is not physically received by the CCB at its Carson City office by 5:00 p.m., Pacific Time, on the last day of the grace period, EVANS shall be in default and have admitted all allegations in the CCB Complaint in Case No. 2022-59 and shall pay all penalties and receive all discipline set forth under the "Relief Requested" section of the Complaint, inclusive of revocation of his cannabis establishment agent registration card (effective on the date of the order of default) and civil penalties of \$25,000. The CCB will enter an order of default to this effect after default, and all amounts due under Paragraph 15 shall be immediately due and payable to the CCB. In the event of default, as described in this Paragraph, and in addition to

a holiday recognized by the State of Nevada, payment shall be due on the first following business day.

³ As set forth in footnote 1, above, if the 15th day of the months falls on a Saturday, Sunday, or a holiday recognized by the State of Nevada, payment shall be due on the first following business day.

⁴ 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 (5) day grace period will be granted for payment.

all penalties due, to reinstate his revoked cannabis establishment agent registration card, EVANS must request reinstatement from the CCB under NCCR 4.100 after a nine (9) year and eleven (11) month period, to commence running on the date the CCB enters the default.

- c. EVANS agrees he cannot and will not file any petition for judicial review and/or any action in any forum for relief from such order of default and that CCB may file any judicial action necessary to recover the amounts owed under this Stipulation and Order, along with its attorneys' fees and costs for recovery of amounts owed.
- d. EVANS may petition the CCB for an extension of thirty (30) days to pay any of the installments set forth in Paragraph 15, "Payment of Civil Penalties" section above. However, for the CCB to consider any such petition, the CCB must receive said petition no later than five (5) business days prior to the installment deadline (which does not include any grace period). The CCB is not required to grant such a petition. In such a petition, EVANS must demonstrate to the satisfaction of CCB that there are extraordinary and unusual circumstances necessitating the extension requested. The CCB may delegate the decision as to whether to grant such a petition to the CCB Chair.
- e. If the CCB grants an extension under subsection (d) of this Paragraph, there shall be no grace period on the new payment date or dates. If EVANS does not pay by the new payment date or dates, the provisions, and penalties of subsection (b) of this Paragraph apply.
- 17. Contingency if Approval Denied. If the CCB denies approval of this Stipulation and Order, EVANS and counsel for the CCB agree to resume settlement negotiations in good faith and attempt to reach an agreement to amend this Stipulation and Order and resubmit an amended Stipulation and Order to the CCB to review for approval at its next regularly scheduled meeting. If the Parties cannot reach such an agreement, the Parties

agree to proceed with the Administrative Action, which shall include a disciplinary hearing before the CCB or its assigned hearing officer. Should the Administrative Action proceed for the reasons outlined in this Paragraph, the CCB preserves all its claims and arguments in the Administrative Action as outlined in its Complaint, and EVANS preserves all defenses and arguments he asserted in his Answer. An unapproved Stipulation and Order shall not be admissible as evidence or referenced in argument at any disciplinary hearing in CCB Case No. 2022-59 or any other matter involving the CCB.

- Order but said approval is contingent on certain conditions, the Parties will undertake further good faith negotiations to include said conditions in an amended Stipulation and Order for execution by the CCB Chair. If EVANS does not agree to the specific conditions imposed by the CCB, the Parties will undertake additional negotiations and attempt to reach an agreement to amend this Stipulation and Order and resubmit an amended Stipulation and Order to the CCB to review for approval at its next regularly scheduled meeting. If the Parties cannot reach such an agreement, the Parties agree to proceed with the Administrative Action, which shall include a disciplinary hearing before the CCB or its assigned hearing officer. Should the Administrative Action proceed for the reasons outlined in this Paragraph, the CCB preserves all its claims and arguments in the Administrative Action as outlined in its Complaint, and EVANS preserves all defenses and arguments he asserted in his Answer. An unapproved Stipulation and Order shall not be admissible as evidence or referenced in argument at any disciplinary hearing in CCB Case No. 2022-59 or any other matter involving the CCB.
- 19. <u>Closure of Disciplinary Action</u>. Once EVANS fully performs this Stipulation and Order, the Administrative Action will be closed.
- 20. <u>Communications with CCB Members</u>. EVANS understands that this Stipulation and Order will be presented to the CCB in an open session at a duly noticed and scheduled CCB meeting. EVANS understands that the CCB has the right to decide at its own discretion whether or not to approve this Stipulation and Order. The CCB's counsel, which

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

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

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27 28 its Complaint, the matters outlined in this Stipulation and Order, or the administration of Case No. 2022-59.

- 22. No Precedence. The Parties agree that this Stipulation and Order shall not constitute precedent for any other issues or proceedings before the CCB or District Court other than those outlined in this Stipulation and Order. Furthermore, this Stipulation and Order shall not be admissible in any other proceeding or action with respect to any other matter and/or any other licensee and/or cannabis establishment registration agent, except proceedings brought to enforce this Stipulation and Order under its terms and/or for the CCB's consideration of future disciplinary action against EVANS. The CCB may consider the discipline imposed herein in any future disciplinary action against EVANS, as required under NCCR 4.030(2), along with the other factors outlined in NCCR 4.030(2), and possible progressive discipline under NCCR 4.035 through 4.060. As every case concerns different facts and details, this Stipulation and Order does not act as precedence, or persuasive authority, to bind the CCB to impose any particular penalty, to charge or allege any particular violation, and/or to impose any particular disciplinary action in the future for EVANS, or any other respondent, for violations of the same statutes and/or regulations addressed in this Stipulation and Order. Likewise, the CCB is not bound by any previous settlement agreements it has approved in entering into this Stipulation and Order.
- Attorneys' Fees and Costs. The Parties each agree to bear their own attorneys' fees and costs.
- Further Assurances. The Parties shall cooperate in executing such additional documents and performing such further acts as may be reasonably necessary to give effect to the purposes and provisions of this Stipulation and Order.
- 25. Voluntary and Informed Agreement. EVANS represents that he has completely read and fully understands the terms of this Stipulation and Order, that such terms are fully understood and voluntarily accepted by EVANS in advance of and as memorialized by the signing of this Stipulation and Order, and that EVANS' signature to this Stipulation and Order indicates the same. EVANS further represents that he has voluntarily entered

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into this Stipulation and Order to make a full, final, and complete compromise upon the terms and conditions set forth herein. EVANS further represents that any releases, waivers, discharges, covenants, and agreements provided for in this Stipulation and Order have been knowingly and voluntarily granted and without any duress or undue influence of any nature from any person or entity. The Parties, and each of them, hereby expressly acknowledge that they are each represented by counsel of their own choice in this matter or have had an opportunity to obtain representation by counsel of their choice and have been advised by counsel or opted not to seek advice from counsel. EVANS acknowledges his right and opportunity to have this Stipulation and Order reviewed by counsel of his choice and to obtain advice from said counsel regarding this Stipulation and Order.

- Warranties of Authority. The Parties to this Stipulation and Order, and each of them, expressly warrant and represent to all other Parties that each has the full right, title, and authority to enter into and to carry out its obligations hereunder, with the sole exception of the required approval of this Stipulation and Order by the CCB. The Parties also expressly acknowledge the foregoing authority.
- 27. Binding Effect. This Stipulation and Order shall be binding upon and inure to the benefit of the Parties hereto and the Parties' respective successors, predecessors, parents, affiliates, shareholders, employees, heirs, executors, assigns, and administrators.
- Construction. The headings of all Sections and Paragraphs of this Stipulation and 28.Order are inserted solely for the convenience of reference and are not a part of the Stipulation and Order, and are not intended to govern, limit, or aid in the construction or interpretation of any term or provision of this Stipulation and Order. In the event of a conflict between such caption and the Paragraph at the head of which it appears, the Paragraph and not such caption shall govern in the construction of this Stipulation and Order.
- 29. Governing Law. This Stipulation and Order shall be governed by and construed in accordance with the laws of the State of Nevada, without reference to conflict of law principles.

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- 30. <u>Jurisdiction and Forum Selection</u>. The Parties consent to the jurisdiction of the Eighth Judicial District Court of the State of Nevada, in and for Clark County, to resolve any disputes related to the terms or enforcement of this Stipulation and Order.
- 31. <u>Interpretation</u>. This Stipulation and Order results from negotiations among the Parties who have each negotiated and reviewed its terms. In the event a Court ever construes this Agreement, the Parties expressly agree, consent, and assent that such Court shall not construe this Agreement or any provision hereof against any Party as its drafter for purposes of interpreting any ambiguity or uncertainty in this Stipulation and Order.
- 32. <u>Time is of the Essence</u>. Time is of the essence in the performance of all terms of this Stipulation and Order.
- 33. <u>Severability</u>. If any portion of this Stipulation and Order, or its application thereof to any person or circumstance, is held to any extent to be invalid, illegal, or unenforceable as a matter of law, all remaining clauses of this Stipulation and Order and its application thereof shall be not affected and shall remain enforceable to the fullest extent permitted by law.
- 34. <u>Counterparts and Copies</u>. This Stipulation and Order may be executed in counterparts, each of which, when so executed and upon delivery to counsel of record for the Parties and/or the Parties, shall be deemed an original ("Counterparts"). This Stipulation and Order is considered fully executed when Counterparts of this Stipulation and Order have been signed by all the Parties and/or their counsel; such Counterparts taken together shall be deemed to be the Agreement. This Stipulation and Order may be executed by signatures provided by electronic facsimile or email, which signatures shall be binding and effective as original wet ink signatures hereupon. All fully signed copies of this Stipulation and Order are duplicate originals, equally admissible in evidence.

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1	IN WITNESS WHEREOF, this Stipulation and Order has been signed by the Parties
2	and attested by their duly authorized representatives as of the date(s) so indicated. The
3	Effective Date of this Stipulation and Order shall be the date it is ordered by the CCB.
4	Date: 5/12/22
5/	JEREMY SCOTT EVANS
6	JEREMY SCOTT EVANS Respondent
13	Date:
8	BRIAN HARDY Esq.
9	DOMINQUE BOSA-EDWARDS Esq. Attorneys for Respondent
10	JEREMY SCOTT EVANS
11	5/12/2022 Date: 5/12/2022
12	ASHLEY A-BALDUCCI (Bar No. 12687)
13	Senior Deputy Attorney General EMILY N. BORDELOVE (Bar No. 13202)
14	Senior Deputy Attorney General Attorneys for the Cannabis Compliance Board
15	Anorneys for the Cannadis Compitance Board
16	ORDER
17	WHEREAS, on 24th day of Mac, 2022, the Nevada Cannabis
18	Compliance Board approved and adopted all the terms and conditions set forth in the
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19	Stipulation and Order for Settlement of Disciplinary Action with JEREMY SCOTT
19 20	Stipulation and Order for Settlement of Disciplinary Action with JEREMY SCOTT EVANS.
	EVANS. IT IS SO ORDERED
20	EVANS. IT IS SO ORDERED
20 21	EVANS. IT IS SO ORDERED.
20 21 22	EVANS. IT IS SO ORDERED. SIGNED AND EFFECTIVE this day of
20 21 22 23	EVANS. IT IS SO ORDERED. SIGNED AND EFFECTIVE this day of
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20 21 22 23 24 25	EVANS. IT IS SO ORDERED. SIGNED AND EFFECTIVE this day of
20 21 22 23 24 25 26	EVANS. IT IS SO ORDERED. SIGNED AND EFFECTIVE this day of