

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

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

Case No. 2021-46

6
7 Petitioner,

8 vs.

9 **HELIOS NV, LLC,**

 Respondent.

10 **STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION**

11 The Cannabis Compliance Board (the “CCB”), by and through its counsel, Aaron D.
12 Ford, Attorney General for the State of Nevada, and Ashley A. Balducci, Senior Deputy
13 Attorney General, and L. Kristopher Rath, Senior Deputy Attorney General hereby enters
14 into this Stipulation and Order for Settlement of Disciplinary Action (“Stipulation and
15 Order”) with Respondent HELIOS (hereinafter “HELIOS” or “Respondent”), by and
16 through its court-appointed cannabis receiver, Larry Bertsch¹ (“Mr. Bertsch” or “Receiver”),
17 and Respondent’s counsel of record, Charles E. Gianelloni, Esq., for the law firm of Snell &
18 Wilmer. Pursuant to this Stipulation and Order, HELIOS and the CCB (collectively, the
19 “Parties”) hereby stipulate and agree that CCB Case No. 2021-46 (the “Administrative
20 Action”) shall be fully and finally settled and resolved upon the terms and conditions set
21 out herein.

22 **PERTINENT FACTS**

23 1. On or about September 28, 2021, the CCB initiated this disciplinary action
24 via the service and filing of a Complaint for Disciplinary Action (the “Complaint”). The
25 Complaint alleged, *inter alia*, that, contrary to Nevada law, HELIOS’ cannabis cultivation
26 facility: either intentionally or unintentionally failed to pay the excise taxes on its
27

28 ¹ Larry Bertsch, as cannabis receiver over HELIOS, retained personal counsel, Candace Carlyon, Esq., who is also executing this agreement. Mr. Gianelloni was retained by the cannabis receiver, Mr. Bertsch, to represent the interests of HELIOS in the Administrative Action.

1 wholesale marijuana/cannabis sales; either intentionally or unintentionally destroyed or
2 concealed evidence; operated unapproved extraction units; failed to notify the CCB or the
3 Marijuana Enforcement Division of the Department of Taxation ("DoT") of a change of
4 ownership; failed to keep any required records, including seed-to-sale requirements; failed
5 to tag all plants as required; stored or delivered unapproved cannabis product(s);
6 transported or stored cannabis from an unlicensed source or diversion of cannabis or
7 cannabis products; failed to meet requirements for the disposal of cannabis waste; failed to
8 display or have in the immediate possession of each marijuana establishment agent a
9 marijuana establishment agent registration card or proof of temporary registration; failed
10 to comply with any other requirement not described in another category of violations; and
11 failed to notify the CCB or DoT of a modification or expansion of the facilities of the
12 cannabis establishment or a change in equipment or menu of the cannabis establishment.

13 2. HELIOS filed an Answer and/or a Request for a Hearing on November 17,
14 2021. After HELIOS waived the 45-day statutory right to a hearing, the Parties attended
15 an Early Case Conference on December 2, 2021, and agreed to hold the Discovery
16 Conference on February 1, 2022. However, the Parties stipulated to vacate the Discovery
17 Conference and stay the Administrative Action after the Second Judicial District Court
18 confirmed an Arbitrator's² Order Appointing Receiver Larry Bertsch as Receiver over
19 HELIOS that the CCB approved on February 22, 2022. The Parties extended the stay of
20 the Administrative Action to allow them time to draft a mutually agreeable written
21 settlement agreement for the Board's consideration at its June 28, 2022, meeting.

22 3. As to the factual allegations in the Complaint in CCB Case No. 2021-46,
23 HELIOS specifically admits to all allegations in Paragraphs 1-6, 15, 17, 19, 20-23, 29-30,
24 and 35-37.

25 4. The Parties have engaged in good faith settlement negotiations to reach a
26 mutually acceptable agreement to Respondent and its Receiver, CCB staff, and counsel for
27

28 ² The owners of HELIOS have been litigating disputes amongst themselves in binding arbitration and the request for a cannabis receiver originated from a request to the Arbitrator, who granted it. Thereafter, the District Court confirmed the Arbitrator's order.

1 the CCB, for resolution of the Administrative Action, with the understanding that this
2 Stipulation and Order must be approved by majority vote of the members of the CCB to
3 become effective. As the violations set forth in the Complaint took place during the time
4 the DoT regulated cannabis/marijuana, the Parties agree that the appropriate penalties
5 would be those under the Nevada Administrative Code ("NAC") Chapters 453A and 453D.

6 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

7 This Stipulation and Order is made and based upon the following acknowledgements
8 by the Parties:

9 5. HELIOS has entered into this Stipulation and Order on its own behalf and
10 with full authority to resolve the claims against it and is aware of HELIOS' rights to contest
11 the violations pending against it. These rights include representation by an attorney at
12 HELIOS' own expense, the right to a hearing on any violations or allegations formally filed,
13 the right to confront and cross-examine witnesses called to testify against HELIOS, the
14 right to present evidence on HELIOS' own behalf, the right to have witnesses testify on
15 HELIOS' behalf, the right to obtain any other type of formal judicial review of this matter,
16 and any other rights which may be accorded to HELIOS pursuant to provisions of NRS
17 Chapters 678A through 678D, the Nevada Cannabis Compliance Regulations ("NCCR"),
18 and any other provisions of Nevada law. HELIOS is waiving all these rights by entering
19 into this Stipulation and Order. If the CCB rejects this Stipulation and Order, or any
20 portion thereof, all such waivers shall be withdrawn by HELIOS.

21 6. Should this Stipulation and Order be rejected by the CCB or not timely
22 performed by HELIOS, it is agreed that presentation to and consideration by the CCB of
23 such proposed stipulation or other documents or matters pertaining to the consideration of
24 this Stipulation and Order shall not unfairly or illegally prejudice the CCB or any of its
25 members from further participation, consideration, adjudication, and/or resolution of these
26 proceedings and that no CCB member shall be disqualified or challenged for bias.

27 7. HELIOS acknowledges that this Stipulation and Order shall only become
28 effective after the CCB has approved it.

1 8. HELIOS enters this Stipulation and Order after being fully advised of
2 HELIOS' rights and as to the consequences of this Stipulation and Order. This Stipulation
3 and Order embodies the entire agreement reached between the CCB and HELIOS. It may
4 not be altered, amended, or modified without the express written consent of the Parties,
5 and all alterations, amendments and/or modifications must be in writing. The Parties
6 stipulate and agree that this Stipulation and Order, if approved by the Board, resolves only
7 the allegations set forth in the Administrative Action via the Complaint in Case No. 2021-
8 46.

9 9. In an effort to avoid the cost and uncertainty of a disciplinary hearing,
10 HELIOS has agreed to settle this matter. For purposes of settling this matter, HELIOS
11 acknowledges that the facts contained in the paragraphs in the above "Pertinent Facts"
12 portion of this Stipulation and Order are true and correct. Without waiving any
13 constitutional rights against self-incrimination, HELIOS further acknowledges that
14 certain facts contained in the CCB Complaint in Case No. 2021-46 could be found to
15 constitute violations of NRS Chapters 453A and 453D, Title 56 of NRS Chapters 678A
16 through 678D, NAC Chapters 453A and 453D, and the NCCR, with penalties up to and
17 including revocation, suspension, and/or civil penalties of up to \$120,750, if this matter
18 went to a disciplinary hearing.

19 10. In settling this matter, the CCB's Executive Director and counsel for CCB
20 have considered the factors set forth in NAC 453D.905(2) and NCCR 4.030(2), including:
21 the gravity of the violations; the economic benefit or savings, if any, resulting from the
22 violations; the size of the business of the violator; the history of compliance with the NCCR
23 and NAC Chapter 453D, NRS Chapter 453D, and Title 56 of NRS by the violator; actions
24 taken to remedy and/or correct the violations; and the effect of the penalty on the ability of
25 the violator to continue in business.

26 11. To resolve the Administrative Action, HELIOS specifically admits to the
27 following violations with respect to the Complaint in CCB Case No. 2021-46:

- 28 a. One category I violation for intentionally failing to pay the wholesale cannabis tax

1 under NAC 453D.905(3)(a)(5);

2 b. Two category II violations for unintentionally destroying or concealing evidence
3 under NAC 453D.905(3)(b)(3);

4 c. Three category III violations for failing to keep any required records, including seed-
5 to-sale tracking requirements under NAC 453D.905(3)(d)(4);

6 d. Four category IV violations for failing to display or have in the immediate possession
7 of each cannabis establishment agent a cannabis establishment agent registration
8 card under NAC 453D.905(3)(e)(1); and

9 e. Six category V violations for failing to comply with any other requirements not
10 described in another category of violations under NAC 453D.905(3)(f)(6).

11 12. With respect to C177 and RC177, HELIOS also agrees to pay a civil penalty
12 in the amount of \$120,750³ in consideration for its admitted violations in Paragraph 11,
13 above, and in consideration for the CCB's agreement to resolve the Administrative Action
14 on the terms set forth herein, within the time set forth in Paragraph 19, below.

15 13. If the CCB approves this Stipulation and Order, HELIOS further agrees to
16 submit a transfer of interest application to the CCB for its approval to remove Keira Sears
17 and West Plischke as owners of HELIOS within thirty (30) days of the CCB's approval of
18 this Stipulation and Order.

19 14. This Stipulation and Order shall be considered discipline by the CCB against
20 HELIOS if and once approved by the CCB.

21 15. Both parties acknowledge that the CCB has jurisdiction to consider and order
22 this Stipulation and Order because HELIOS holds privileged licenses regulated by the CCB
23 as of July 1, 2020. HELIOS expressly, knowingly, and intentionally waives the 21-day
24 and/or 5-day notice requirements contained in the Nevada Open Meeting Law and
25 acknowledges that this Stipulation and Order may be presented to the CCB for its
26 consideration and potential ratification at the CCB's meeting on June 28, 2022.

27 **STIPULATED ADJUDICATION**

28 _____
³ To be apportioned \$60,375 to C177 and \$60,375 to RC177.

1 Based upon the above acknowledgments of the Parties and their mutual agreement,
2 the Parties stipulate and agree that the following terms of discipline shall be imposed by
3 the CCB in this matter:

4 16. Violations: As to licenses C177 and RC177, HELIOS is found to have
5 committed one Category I violation, two Category II violations, three Category III
6 violations, four Category IV violations, and six Category V violations, as set forth in
7 Paragraphs 11(a) through 11(e), above.

8 17. Imposition of Civil Penalties. HELIOS shall pay a total civil penalty in the
9 amount of one hundred twenty thousand seven hundred fifty dollars (\$120,750) within the
10 time set forth in Paragraph 19 below, to be apportioned as set forth in Paragraph 12, above.

11 18. Formal Warning. In accordance with NAC 453D.905(4)(f)(1), the CCB hereby
12 issues a formal warning to HELIOS, as to its first Category V violation in the immediately
13 preceding 2 years: HELIOS shall properly utilize visitor logs and ensure that all visitors
14 are escorted within the facility by an employee with a valid cannabis establishment agent
15 registration card. Failure to do so in the future will invoke additional progressive discipline
16 and shall be considered an aggravating factor in considering the amount of civil penalties
17 and any other disciplinary penalties in any future disciplinary actions.

18 19. Payment of Civil Penalties. HELIOS must pay the total civil penalty set forth
19 in this Stipulation and Order within the times frames set forth in this Paragraph or
20 Paragraph 20. HELIOS may pay the lump sum of \$120,750 in civil penalties within 30 days
21 of the date the CCB approves this Stipulation and Order (the "Lump Sum Payment
22 Option").⁴ Alternatively, HELIOS may select to pay the civil penalties in six monthly
23 installments of \$20,125⁵ a month (the "Payment Plan Option"). Under the Payment Plan
24 Option, HELIOS must pay the first installment on the 15th calendar day of the month⁶
25

26 ⁴ Should the CCB approve this Stipulation and Order at its June 28, 2022, meeting, payment would be due
on and must be physically received by Thursday, July 28, 2022, at 5:00 p.m., Pacific Time.

27 ⁵ To be attributed \$10,062.50 to C177 and \$10,062.50 to RC177. However, Respondent may make one payment
totaling \$20,125 each month for the six-month payment period.

28 ⁶ 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
a holiday recognized by the State of Nevada, payment shall be due on the first following business day.

1 following the CCB meeting at which this Stipulation and Order is approved and then,
2 thereafter, on the 15th day of each month for the next sixth months.⁷ For example, if this
3 Stipulation and Order is approved at the June 28, 2022, CCB meeting, the monthly
4 payments set forth above would be due as follows (with each installment deadline listed):

5	Friday, July 15, 2022	1st Installment
6	Monday, August 15, 2022	2nd Installment
7	Thursday, September 15, 2022	3rd Installment
8	Monday, October 17, 2022	4th Installment
9	Tuesday, November 15, 2022	5th Installment
10	Thursday, December 15, 2022	6th Installment

11 HELIOS may pay any installment prior to its due date; however, this will not change the
12 due date for any of the subsequent installments. HELIOS may at any time elect to pay the
13 full amount owed or the entire remaining balance or prepay any monthly installment
14 without prepayment penalty.

15 20. Penalties for Failure to Comply with Payment Deadlines. HELIOS
16 acknowledges that it is critical to comply with the strict requirements of the deadlines for
17 payment set forth in this Stipulation and Order under the Lump Sum Payment Option⁸ or
18 the Payment Plan Option, whichever it should select. HELIOS agrees that, should it fail to
19 timely make any installment payment under the Payment Plan Option (or fail to comply
20 with the Lump Sum Payment Option), the following penalties and procedures will be in
21 effect:

- 22 a. The CCB will allow a five-business day grace period for late payment.⁹

24 ⁷ If HELIOS pays the first installment of the payment plan when due as set forth in this Stipulation and
25 Order, it will be deemed to have selected the Payment Plan Option and rejected the Lump Sum Payment
26 Option for payment of its civil penalty.

26 ⁸ If HELIOS does not make any payment by the due date of the first installment of the Payment Plan Option
27 (including a grace period, under Paragraph 20(a), if applicable, HELIOS will be deemed to have selected the
28 Lump Sum Payment Options and the full amount of \$120,750 will be due within 30 days of the CCB's approval
of this Stipulation and Order. If no such payment is made in full within that 30-day time period, then the
penalty provisions of Paragraph 20(b) shall be triggered.

⁹ 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-business day grace period
will be granted for payment.

- 1 b. If payment is not physically received by the CCB at its Carson City office by 5:00
2 p.m., Pacific Time, on the last day of the grace period, HELIOS shall be in default
3 and deemed to have admitted all allegations in the CCB's Complaint in Case No.
4 2021-46 and shall pay all penalties and receive all discipline set forth under the
5 "Relief Requested" section of the Complaint, inclusive of the revocation of licenses
6 C0177 and RC177 (effective on the date of the order of default) and civil penalties of
7 \$120,750, plus a \$50,000 late payment penalty, for a total of \$170,750. The CCB will
8 enter an order of default to this effect after default and all amounts due under this
9 subsection shall be immediately due and payable to the CCB. HELIOS agrees it
10 cannot and will not file any petition for judicial review and/or any action in any forum
11 for relief from this order of default and that the CCB may file any judicial action
12 necessary to recover the amounts owed under this subsection, along with its
13 attorneys' fees and costs for recovery of amounts owed. In the event of default under
14 this Paragraph, HELIOS would not be eligible to apply for reinstatement of its
15 revoked licenses for nine (9) years after the date of revocation of its licenses and any
16 such application would not be granted without prior payment of the full amount of
17 \$170,750.
- 18 c. HELIOS may petition the CCB for an extension of 30-days to pay any of the payment
19 installments set forth in Paragraph 19. However, for the CCB to consider any such
20 petition, the CCB must receive said petition no later than 5 business days prior to
21 the payment deadline (which does not include any grace period). The CCB is not
22 required to grant such a petition. In such a petition, HELIOS must demonstrate to
23 the satisfaction of the CCB that there are extraordinary and unusual circumstances
24 necessitating the extension requested. The CCB may delegate the decision as to
25 whether to grant such a petition to the CCB Chair.
- 26 d. If an extension is granted under Paragraph 20(c), there shall be no grace period on
27 the new payment date or dates. If HELIOS does not pay and/or the CCB does not
28 physically receive payment, by the new payment date or dates, the provisions and

1 penalties of Paragraph 20(b) apply.

2 21. Transfer of Interest Application. Within thirty (30) days of the CCB's approval
3 of this Stipulation and Order, HELIOS shall submit a transfer of interest application to
4 remove Keira Sears and West Plischke as owners, officers, or board members of HELIOS
5 to the CCB.

6 22. Plan of Correction. HELIOS represents and warrants that it has put in place
7 a plan of correction to remedy and to prevent the recurrence of the alleged violations set
8 forth in the Complaint. HELIOS further represents and warrants that, as of the date of
9 execution of this Stipulation and Order, it is operating in full compliance with Title 56 of
10 NRS and the NCCR. In summary, the plan of correction is as follows: (1) HELIOS will
11 remain in good standing with the DoT by continuing to make payments according to its
12 payment plan and timely paying its tax obligations; (2) HELIOS will revise its policies and
13 standard operating procedures together with input from compliance counsel to ensure
14 appropriate plans are in place to comply with Title 56 of NRS and the NCCR; (3) HELIOS
15 will hire an individual for the position of "Chief Compliance Officer" ("CCO"), or similar
16 title, who has significant compliance, business management, and human resources
17 experience in the cannabis industry as HELIOS' primary person responsible for auditing
18 and monitoring HELIOS' compliance with Title 56 of NRS and the NCCR and who will act
19 as the point of contact with the CCB and HELIOS' members. The CCO will be responsible
20 for, *inter alia*: (a) ensuring all cannabis plants are appropriately tagged, stored, tracked,
21 and inventoried; (b) ensuring all cannabis products are properly weighed and inventoried;
22 (c) maintaining appropriate waste procedures and logs; (d) ensuring timely renewal of all
23 cannabis establishment agent registration cards necessary for continuing HELIOS'
24 business operations; (e) enforcing procedures for seeking approval from the CCB for any
25 and all required approvals prior to taking any action not previously approved by the CCB;
26 (f) documenting the legal receipt of all seeds and strains, (g) destroying all untagged plants,
27 if any, under approval and supervision of the CCB; (h) ensuring all tax payments are made
28 in a timely manner; (i) hiring additional administrative personnel, as needed; and (j) hiring,

1 training (or retraining), and supervising all other employees on HELIOS' established
2 policies and procedures, the NCCR, and Title 56 of NRS; (k) paying all taxes due to the DoT
3 within the three years from the date of approval of this Stipulation and Order, unless that
4 time is extended by the DoT; and (l) operating under the supervision of the Receiver until
5 such time as HELIOS has completed all terms of this Stipulation and Order, unless
6 otherwise approved by the CCB.

7 23. Contingency if Approval Denied. If approval of this Stipulation and Order is
8 denied by the CCB, HELIOS and counsel for the CCB agree to resume settlement
9 negotiations in good faith and attempt to reach an agreement to amend this Stipulation
10 and Order and resubmit an amended Stipulation and Order to the CCB to review for
11 approval at a subsequent regularly scheduled CCB meeting. If such an agreement cannot
12 be reached, the Parties agree to proceed with the Administrative Action, the stay in such
13 action shall be lifted pursuant to the May 27, 2022, stipulation between the Parties and the
14 matter shall proceed to a disciplinary hearing before the CCB's assigned hearing officer.
15 Should the Administrative Action proceed for the reasons set forth in this Paragraph, CCB
16 preserves all its claims and arguments in the Administrative Action as set forth in its
17 Complaint and HELIOS preserves all its defenses and arguments it may set forth in its
18 Answer, and withdraws all waivers set forth herein. An unapproved Stipulation and Order
19 shall not be admissible as evidence or referenced in argument at any disciplinary hearing
20 in CCB Case No. 2021-46 or any other matter involving the CCB.

21 24. Contingency if Approval Conditioned. If the CCB approves this Stipulation
22 and Order, but said approval is contingent on certain conditions, the Parties will undertake
23 further good faith negotiations to include said conditions in an amended stipulation and
24 order for execution by the CCB Chair. If HELIOS does not agree to the certain conditions
25 imposed by the CCB, the Parties will undertake additional negotiations and attempt to
26 reach an agreement to amend this Stipulation and Order and resubmit an amended
27 stipulation and order to the CCB to review for approval at its next regularly scheduled
28 meeting. If such an agreement cannot be reached, the Parties agree to proceed with the

1 Administrative Action, the stay in such action shall be lifted pursuant to the May 27, 2022,
2 stipulation between the Parties and the matter shall proceed to a disciplinary hearing
3 before the CCB's assigned hearing officer. Should the Administrative Action proceed for
4 the reasons set forth in this Paragraph, CCB preserves all its claims and arguments in the
5 Administrative Action as set forth in its Complaint and HELIOS preserves all its defenses
6 and arguments it may set forth in its Answer, and withdraws all waivers set forth herein.
7 An unapproved Stipulation and Order shall not be admissible as evidence or referenced in
8 argument at any disciplinary hearing in CCB Case No. 2021-46 or any other matter
9 involving the CCB.

10 25. Closure of Disciplinary Action. Once this Stipulation and Order is fully
11 performed by HELIOS, the Administrative Action will be closed.

12 26. Discipline Against Individual Cannabis Establishment Agents' Cards.
13 Nothing in this Stipulation and Order shall preclude the CCB from pursuing any separate
14 disciplinary actions against the individual cannabis establishment agent registration cards
15 of the employees and/or agents of Respondent who participated in and/or perpetrated the
16 acts and omissions set forth in Paragraphs 7 through 47 of the Complaint, and the CCB
17 specifically reserves its rights to do so. Should the CCB proceed with disciplinary action
18 against any such cannabis establishment agent, Respondent agrees that it will cooperate
19 with the CCB staff and the CCB's counsel's investigation of the actions of such cannabis
20 establishment agents and provide any related documents or information requested in such
21 investigations that is within its custody and/or control.¹⁰ Respondent also agrees to make
22 available, upon reasonable notice, any of its employees, owners, officers, and/or directors,
23 to the extent such individuals remain under Respondent's control, to testify at any
24 disciplinary hearings involving the subject cannabis establishment agents. The Parties
25 agree that, should the CCB approve this Stipulation and Order, this Stipulation and Order,
26 and the Complaint in CCB Case No. 2021-46, may be used as evidence at any subsequent
27 disciplinary proceedings and hearings regarding the cannabis establishment agents

28 ¹⁰ Respondent further agrees that it will preserve for at least five years any documents and/or other evidence relevant to such a disciplinary action against the subject cannabis establishment agents.

1 identified in Paragraphs 7 through 47 of the Complaint in this case.

2 27. Communications with CCB Members. HELIOS understands that this
3 Stipulation and Order will be presented to the CCB in open session at a duly noticed and
4 scheduled CCB meeting. HELIOS understands that the CCB has the right to decide in its
5 own discretion whether or not to approve this Stipulation and Order. The CCB's counsel,
6 which is the Office of the Attorney General and its staff attorneys, will recommend approval
7 of this Stipulation and Order. In the course of seeking CCB acceptance of this Stipulation
8 and Order, counsel for CCB may communicate directly with individual CCB members.
9 HELIOS acknowledges that such communications may be made or conducted *ex parte*,
10 without notice or opportunity for HELIOS to be heard on its part until the public CCB
11 meeting where this Stipulation and Order is discussed, and that such contacts and
12 communications may include, but may not be limited to, matters concerning this
13 Stipulation and Order, the Administrative Action and any and all information of every
14 nature whatsoever related to these matters. HELIOS agrees that it has no objections to
15 such *ex parte* communications. The CCB agrees that HELIOS and/or its counsel may
16 appear at the CCB meeting where this Stipulation and Order is discussed and, if requested,
17 respond to any questions that may be addressed to HELIOS and/or the Office of the
18 Attorney General's staff attorneys. HELIOS agrees that, should the CCB decline to approve
19 this Stipulation and Order, HELIOS will not contest or otherwise object to any CCB
20 member, and/or CCB appointed hearing officer, hearing and adjudicating the
21 Administrative Action based on the aforementioned *ex parte* communications with anyone
22 from the Office of the Attorney General.

23 28. Release. Respondent agrees that the State of Nevada, the CCB, the Office of
24 the Attorney General, and each of their members, staff, attorneys, investigators, experts,
25 hearing officers, consultants and agents are immune from any liability for any decision or
26 action taken in good faith in response to information and data acquired by the CCB.
27 Respondent agrees to release the State of Nevada, the CCB, the Office of the Attorney
28 General, and each of their members, staff, attorneys, investigators, experts, hearing

1 officers, consultants and agents from any and all manner of actions, causes of action, suits,
2 debts, judgments, executions, claims and demands whatsoever, known or unknown, in law
3 or equity, that Respondent ever had, now has, may have or claim to have against any and/or
4 all of the persons, government agencies or entities named in this Paragraph, arising out of,
5 or by reason of, the CCB's investigation of the matters set forth in the Complaint, the
6 matters set forth in this Stipulation and Order, and/or the administration of CCB Case No.
7 2021-46.

8 29. No Precedence. Except as otherwise set forth in Paragraph 26, above, the
9 Parties agree: (1) That this Stipulation and Order shall not constitute a precedent for any
10 other issues or proceedings before the CCB and/or in any other forum, other than those set
11 forth in this Stipulation and Order; (2) That this Stipulation and Order shall not be
12 admissible in any other proceeding or action with respect to proof of fact or any other matter
13 and/or any other licensee and/or cannabis establishment agent, except proceedings brought
14 to enforce this Stipulation and Order under its terms and/or for the CCB's consideration of
15 future disciplinary action against this Respondent and except with respect to any
16 disciplinary proceedings against the cannabis establishment agents who participated in
17 and/or perpetrated the acts and omissions set forth in Paragraphs 7 through 47 of the
18 Complaint.

19 Furthermore, the CCB may consider the discipline imposed herein in any future
20 disciplinary action against Respondent, as required under NCCR 4.030(2), along with the
21 other factors set forth in NCCR 4.030(2), and possible progressive discipline pursuant to
22 NCCR 4.035 through 4.060. As every case concerns different facts and details, this
23 Stipulation and Order does not act as precedence, or persuasive authority, to bind the CCB
24 to impose any particular penalty, to charge or allege any particular violation, and/or to
25 impose any particular disciplinary action in the future for this Respondent, or any other
26 respondent (except as set forth in Paragraph 25, above), for violations of the same statutes
27 and/or regulations addressed in this Stipulation and Order. Likewise, CCB is not bound by
28 any previous settlement agreements it has approved in entering into this Stipulation and

1 Order.

2 30. Attorneys' Fees and Costs. The Parties each agree to bear their own attorneys'
3 fees and costs.

4 31. Further Assurances. The Parties shall cooperate in executing such additional
5 documents and performing such further acts as may be reasonably necessary to give effect
6 to the purposes and provisions of this Stipulation and Order.

7 32. Voluntary and Informed Agreement. Respondent represents that its owners,
8 officers, and/or its directors, and the cannabis receiver, who are responsible for and able to
9 legally bind HELIOS have read completely and understand fully the terms of this
10 Stipulation and Order, that such terms are fully understood and voluntarily accepted by
11 Respondent in advance of and as memorialized by the signing of this Stipulation and Order,
12 and that Respondent's signature to this Stipulation and Order indicates same. Respondent
13 further represents that it has voluntarily entered into this Stipulation and Order to make
14 a full, final, and complete compromise upon the terms and conditions set forth herein.
15 Respondent further represents that any releases, waivers, discharges, covenants, and
16 agreements provided for in this Stipulation and Order have been knowingly and voluntarily
17 granted and without any duress or undue influence of any nature from any person or entity.
18 The Parties, and each of them, hereby expressly acknowledge that they are each
19 represented by counsel of their own choice in this matter and have been advised by counsel
20 accordingly.

21 33. Warranties of Authority. The Parties to this Stipulation and Order, and each
22 of them, expressly warrant and represent to all other Parties that each has the full right,
23 title, and authority to enter into and to carry out its obligations hereunder, with the sole
24 exception of the required approval of this Stipulation and Order by the CCB. The Parties
25 also expressly acknowledge the foregoing authority.

26 34. Binding Effect. This Stipulation and Order shall be binding upon and inure
27 to the benefit of the Parties hereto and the Parties' respective successors, predecessors,
28 parents, affiliates, shareholders, employees, heirs, executors, assigns, and administrators.

1 35. Construction. The headings of all Sections and Paragraphs of this Stipulation
2 and Order are inserted solely for the convenience of reference and are not a part of the
3 Stipulation and Order and are not intended to govern, limit, or aid in the construction or
4 interpretation of any term or provision of this Stipulation and Order. In the event of a
5 conflict between such caption and the paragraph at the head of which it appears, the
6 paragraph and not such caption shall govern in the construction of this Stipulation and
7 Order.

8 36. Governing Law. This Stipulation and Order shall be governed by and
9 construed in accordance with the laws of the State of Nevada, without reference to conflict
10 of law principles.

11 37. Jurisdiction and Forum Selection. The Parties consent to the jurisdiction of
12 the Eighth Judicial District Court of the State of Nevada, in and for Clark County, to
13 resolve any disputes related to the terms or enforcement of this Stipulation and Order. The
14 successful or prevailing Party or Parties in such action shall be entitled to recover
15 reasonable attorney fees, costs, and expenses actually incurred in initiating or responding
16 to such proceeding, in addition to any other relief to which it may be entitled.


17 38. Interpretation. This Stipulation and Order is the result of negotiations among
18 the Parties who have each negotiated and reviewed its terms. In the event a Court ever
19 construes this Agreement, the Parties expressly agree, consent, and assent that such Court
20 shall not construe this Agreement or any provision hereof against any Party as its drafter
21 for purposes of interpreting any ambiguity or uncertainty in this Stipulation and Order.

22 39. Time is of the Essence. Time is of the essence in the performance of all terms
23 of this Stipulation and Order.


24 40. Severability. If any portion of this Stipulation and Order, or its application
25 thereof to any person or circumstance, shall be deemed to any extent to be invalid, illegal,
26 or unenforceable as a matter of law, all remaining clauses of this Stipulation and Order
27 and its application thereof shall be not affected and shall remain enforceable to the fullest
28 extent permitted by law.

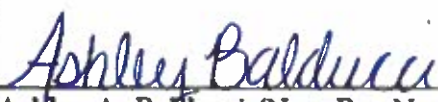
1 41. Counterparts and Copies. This Stipulation and Order may be executed in
2 counterparts, each of which when so executed and upon delivery to counsel of record for the
3 Parties shall be deemed an original ("Counterparts"). This Stipulation and Order shall be
4 deemed executed when Counterparts of this Stipulation and Order have been executed by
5 all the Parties and/or their counsel; such Counterparts taken together shall be deemed to
6 be the Agreement. This Stipulation and Order may be executed by signatures provided by
7 electronic facsimile or email, which signatures shall be binding and effective as original
8 wet ink signatures hereupon. All fully executed copies of this Stipulation and Order are
9 duplicate originals, equally admissible in evidence.

10 IN WITNESS WHEREOF, this Stipulation and Order has been executed by the
11 Parties and attested by their duly authorized representatives as of the date(s) so indicated.
12 The Effective Date of this Stipulation and Order shall be the date it is ordered by the CCB.

13 
14 _____ Date: 6/23/2022
15 Charles Gianelloni (Nev. Bar No. 12747)
16 Counsel for Respondent HELIOS

17 
18 _____ Date: 6/23/2022
19 Larry Bertech,
20 Court-Appointed Receiver of Respondent
21 HELIOS

22 
23 _____ Date: 6/23/2022
24 Traci M. O'Steen (Nev. Bar No. 10949)
25 Counsel for Court-Appointed Receiver of
26 Respondent HELIOS

27 
28 _____ Date: 6/24/2022
Ashley A. Balducci (Nev. Bar No. 12678)
Senior Deputy Attorney General
L. Kristopher Rath (Nev. Bar No. 5749)
Counsel for Cannabis Compliance Board

ORDER

WHEREAS, on the 28th day of June, 2022, the Nevada Cannabis Compliance Board approved and adopted all the terms and conditions set forth in the Stipulation and Order for Settlement of Disciplinary Action with HELIOS.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 28~~th~~ day of June, 2022.

STATE OF NEVADA,
CANNABIS COMPLIANCE BOARD

By: 
HON. MICHAEL L. DOUGLAS, CHAIR