

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

STATE OF NEVADA, CANNABIS
COMPLIANCE BOARD,

Petitioner,

vs.

SETH HOLYCROSS,

Respondent.

Case No. 2022-79

STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION

The Cannabis Compliance Board of the State of Nevada (the “CCB”), by and through its counsel, Aaron D. Ford, Attorney General for the State of Nevada, Ashley A. Balducci, Senior Deputy Attorney General, and Michael D. Detmer, Senior Deputy Attorney General hereby enters into this Stipulation and Order for Settlement of Disciplinary Action (“Stipulation and Order”) with Seth Holycross (“Respondent” or “Holycross”), *pro se*. Under this Stipulation and Order, Respondent and the CCB (collectively, the “Parties”) hereby stipulate and agree that Case No. 2022-79 (the “Administrative Action”) shall be fully and finally settled and resolved upon terms and conditions set out herein.

PERTINENT FACTS

1. On April 15, 2022, the CCB initiated this disciplinary action via the service and filing of a Complaint for Disciplinary Action (the “Complaint”). The Complaint alleges that, contrary to Nevada law, Respondent allowed a person who is less than 21 years of age to enter or remain in the cannabis cultivation facility (“Facility”) for which he was employed. The Complaint also alleges that Respondent’s actions constitute a Category II violation which requires a civil penalty of not more than \$25,000 and a suspension of not more than 20 days pursuant to the Nevada Cannabis Compliance Regulations (“NCCR”) 4.040(2)(a)(1).

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1 2. On or about May 19, 2022, Respondent filed his Answer, wherein he generally
2 admitted to the allegations in the Complaint but requested leniency. The CCB assigned a
3 Hearing Officer on or about May 20, 2022.

4 3. On or about June 1, 2022, due to ongoing settlement negotiations, the Parties
5 agreed to a stay of the Administrative Action that the Hearing Officer approved.

6 4. The Parties have engaged in good faith negotiations to reach an agreement that is
7 mutually acceptable to Respondent, CCB staff, and counsel for the CCB to resolve this
8 matter, with the understanding that this Stipulation and Order must be approved by a
9 majority vote of the members of the CCB.

10 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

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

13 5. Respondent has entered into this Stipulation and Order on his own behalf and
14 with full authority to resolve the claims against him and is aware of his rights to contest
15 the violations pending against him. These rights include representation by an attorney at
16 Respondent's own expense, the right to a hearing on any violations or allegations formally
17 filed, the right to confront and cross-examine witnesses called to testify against
18 Respondent, the right to present evidence on Respondent's own behalf, the right to testify
19 on Respondent's behalf, the right to obtain any other type of formal judicial review of this
20 matter, and any other rights which may be accorded to Respondent under provisions of
21 Title 56 of NRS (NRS Chapters 678A through 678D), the NCCR, and any other provisions
22 of Nevada law. Respondent waives all these rights by entering into this Stipulation and
23 Order.

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1 6. Should this Stipulation and Order be rejected by the CCB or not timely performed
2 by Respondent, the Parties agree that presentation to and consideration by the CCB of such
3 proposed stipulation or other documents or matters pertaining to the consideration of this
4 Stipulation and Order shall not unfairly or illegally prejudice the CCB or any of its
5 members from further participation, consideration, adjudication, or resolution of these
6 proceedings and that no CCB member shall be disqualified or challenged for bias.

7 7. Respondent acknowledges that this Stipulation and Order shall only become
8 effective after the CCB has approved it.

9 8. Respondent enters this Stipulation and Order after being fully advised of
10 Respondent's rights and as to the consequences of this Stipulation and Order. This
11 Stipulation and Order embodies the entire agreement reached between the CCB and
12 Respondent. It may not be altered, amended, or modified without the express written
13 consent of the Parties. All alterations, amendments, and/or modifications to this
14 Stipulation and Order must be in writing.

15 9. In an effort to avoid the cost and uncertainty of a disciplinary hearing, Respondent
16 has agreed to settle this matter. In settling this matter, Respondent acknowledges that the
17 facts contained in the Paragraphs in the above "PERTINENT FACTS" portion of this
18 Stipulation and Order are true and correct. Respondent further acknowledges that specific
19 facts contained in the Complaint in Case No. 2022-79 could be found to constitute violations
20 of Title 56 of NRS (NRS Chapters 678A through 678D) and the NCCR, with penalties up
21 to and including a civil penalty of \$25,000 and a 20-day suspension of his cannabis
22 establishment agent registration card if this matter went to an administrative hearing.

23 10. With respect to the Complaint in CCB Case No. 2022-79, to resolve the
24 Administrative Action, Respondent admits explicitly to violating NCCR 4.040(1)(a)(4) by
25 allowing an underage individual who is less than 21 years of age to enter or remain in a
26 cannabis establishment and agrees to the following:

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- 1 a. A payment of a civil penalty of \$1,000, due within 30 days after the Board's
2 approval of this Stipulation and Order.¹
- 3 b. To complete and submit to the CCB Office, and have approved by the same,
4 a "Plan of Correction" ("POC"), detailing the manner and method in which
5 Respondent will prevent the same or similar violation from occurring again
6 in the future.

7 11. Respondent agrees and understands that his failure to abide by any of the
8 settlement terms in Paragraph 10 above will result in Respondent defaulting on this
9 Stipulation and Order with all allegations in the CCB Complaint in Case No. 2022-79 being
10 deemed admitted. In the case of a default, Respondent shall pay all penalties and receive
11 all discipline set forth under the "RELIEF REQUESTED" section of the Complaint. Such
12 penalties include a 20-day suspension of his cannabis establishment agent registration card
13 (effective on the date of the order of default) and civil penalties of \$25,000. The CCB will
14 enter an order of default to this effect after default, and all amounts due under this
15 Paragraph shall be immediately due and payable to CCB. In the event of default, as
16 described in this Paragraph, and in addition to all penalties due, Respondent's cannabis
17 establishment agent registration card shall be suspended for 20 days, to commence running
18 on the date the CCB enters the default.

19 12. If the CCB approves this Stipulation and Order, it shall be discipline by the Board
20 against Respondent.

21 13. Both Parties acknowledge that the CCB has jurisdiction to consider and order this
22 discipline because Respondent holds and/or held a privileged cannabis establishment agent
23 registration card regulated by the CCB as of July 1, 2020. Respondent expressly,
24 knowingly, and intentionally waives the twenty-one (21) day and/or five (5) day notice
25 requirements contained in the Nevada Open Meeting Law and acknowledges that this

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27 ¹ If the CCB approves this Stipulation and Order at its July 26, 2022, meeting, payment would be due on and
28 must be physically received by Thursday, August 25, 2022, at 5:00 p.m. Pacific Time.

1 Stipulation and Order may be presented to the CCB for its consideration and potential
2 ratification at the CCB's July 26, 2022, meeting.

3 **STIPULATED ADJUDICATION**

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

7 14. Violation. As to Respondent's cannabis establishment agent registration card,
8 Respondent is found to have committed one Category II violation, as set forth in Paragraph
9 10.

10 15. Plan of Correction. As outlined in Paragraph 10(b) above, Respondent was required
11 to submit a completed POC to the CCB office for approval. Respondent represents and
12 warrants that he will follow the POC that he submitted to the CCB, and which CCB staff
13 has approved, that will remedy and prevent the recurrence of the violations set forth in this
14 Stipulation and Order and/or as alleged in the Complaint. The Respondent's POC consisted
15 of a plan of correction that consisted of the Facility's revised Standard Operating
16 Procedures ("SOP"), the Facility's "Policy Violation Reference List" ("Reference List"), and
17 an attestation from the Respondent ("Attestation"). The SOPs listed multiple procedures
18 to be followed by the Facility's employees including procedures concerning: 1.) requesting
19 identification from, and procuring age verification of, all visitors to the Facility; 2.)
20 assignment of visitor badges to all visitors of the Facility; 3.) completion of the visitor log
21 for all visitors of the Facility; and 4.) that all of the Facility's visitors be escorted at all
22 times. The Reference List enumerated multiple violations which the Facility considered
23 grounds for immediate suspension and/or termination including: 1.) "Allowing a person
24 under the age of 21 to enter or be on the property of the facility;" 2.) "Allowing any person
25 to enter the facility without proper identification;" and 3.) "Entering or allowing an
26 unauthorized person to enter secured areas of the facility." Lastly, within the Attestation
27 the Respondent attested that he would ensure in the future that no underage or
28 unauthorized person enters any cannabis facility at which he is employed.

1 16. Payment of Civil Penalties. Respondent must pay the \$1,000 civil penalty set forth
2 in this Stipulation and Order within thirty (30) days of the Board's approval of this
3 Stipulation and Order.

4 17. Penalties for Failure to Comply with Payment Plan Option. Respondent
5 acknowledges that it is critical to comply with the payment deadlines enumerated in
6 Paragraph 10(a) and 16. Respondent agrees that, should he fail to timely pay the civil
7 penalty, the following penalties and procedures will be in effect:

8 a. The CCB will allow a five (5) business day grace period for late payment.²

9 b. If payment is not physically received by the CCB at its Las Vegas office by
10 5:00 p.m., Pacific Time, on the last day of the grace period, Respondent
11 shall be in default and have admitted all allegations in the CCB Complaint
12 in Case No. 2022-79 and shall pay all penalties and receive all discipline
13 set forth under the "Relief Requested" section of the Complaint, inclusive
14 of a 20 day suspension (effective on the date of the order of default) and
15 civil penalties of \$25,000. The CCB will enter an order of default to this
16 effect after default, and all amounts due under Paragraph 16 shall be
17 immediately due and payable to the CCB.

18 c. Respondent agrees he cannot and will not file any petition for judicial
19 review and/or any action in any forum for relief from such order of default
20 and that CCB may file any judicial action necessary to recover the amounts
21 owed under this Stipulation and Order, along with its attorneys' fees and
22 costs for recovery of amounts owed.

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27 ² If a check or other form of payment is returned for insufficient funds, or otherwise rejected, the failed
28 payment will not be considered a payment and no additional time beyond the five (5) day grace period will be
granted for payment.

1 18. Contingency if Approval Denied. If the CCB denies approval of this Stipulation
2 and Order, Respondent and counsel for the CCB agree to resume settlement negotiations
3 in good faith and attempt to reach an agreement to amend this Stipulation and Order and
4 resubmit an amended Stipulation and Order to the CCB to review for approval at its next
5 regularly scheduled meeting. If the Parties cannot reach such an agreement, the Parties
6 agree to proceed with the Administrative Action, which shall include a disciplinary hearing
7 before the CCB or its assigned hearing officer. Should the Administrative Action proceed
8 for the reasons outlined in this Paragraph, the CCB preserves all its claims and arguments
9 in the Administrative Action as outlined in its Complaint, and Respondent preserves all
10 defenses and arguments he asserted in his Answer. An unapproved Stipulation and Order
11 shall not be admissible as evidence or referenced in argument at any disciplinary hearing
12 in CCB Case No. 2022-79 or any other matter involving the CCB.

13 19. Contingency if Approval Conditioned. If the CCB approves this Stipulation and
14 Order but said approval is contingent on certain conditions, the Parties will undertake
15 further good faith negotiations to include said conditions in an amended Stipulation and
16 Order for execution by the CCB Chair. If Respondent does not agree to the specific
17 conditions imposed by the CCB, the Parties will undertake additional negotiations and
18 attempt to reach an agreement to amend this Stipulation and Order and resubmit an
19 amended Stipulation and Order to the CCB to review for approval at its next regularly
20 scheduled meeting. If the Parties cannot reach such an agreement, the Parties agree to
21 proceed with the Administrative Action, which shall include a disciplinary hearing before
22 the CCB or its assigned hearing officer. Should the Administrative Action proceed for the
23 reasons outlined in this Paragraph, the CCB preserves all its claims and arguments in the
24 Administrative Action as outlined in its Complaint, and Respondent preserves all defenses
25 and arguments he asserted in his Answer. An unapproved Stipulation and Order shall not
26 be admissible as evidence or referenced in argument at any disciplinary hearing in CCB
27 Case No. 2022-79 or any other matter involving the CCB.

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1 20. Closure of Disciplinary Action. Once Respondent fully performs this Stipulation
2 and Order, the Administrative Action will be closed.

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

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

1 the Office of the Attorney General, and each of their members, staff, attorneys,
2 investigators, experts, hearing officers, consultants, and agents from any and all manner
3 of actions, causes of action, suits, debts, judgments, executions, claims, and demands
4 whatsoever, known or unknown, in law or equity, that Respondent ever had, now has, may
5 have or claim to have against any and/or all of the persons, government agencies or entities
6 named in this Paragraph, arising out of, or because of, the CCB's investigation of the
7 matters outlined in its Complaint, the matters outlined in this Stipulation and Order, or
8 the administration of Case No. 2022-79.

9 23. No Precedence. The Parties agree that this Stipulation and Order shall not
10 constitute precedent for any other issues or proceedings before the CCB or District Court
11 other than those outlined in this Stipulation and Order. Furthermore, this Stipulation and
12 Order shall not be admissible in any other proceeding or action with respect to any other
13 matter and/or any other licensee and/or cannabis establishment registration agent, except
14 proceedings brought to enforce this Stipulation and Order under its terms and/or for the
15 CCB's consideration of future disciplinary action against Respondent. The CCB may
16 consider the discipline imposed herein in any future disciplinary action against
17 Respondent, as required under NCCR 4.030(2), along with the other factors outlined in
18 NCCR 4.030(2), and possible progressive discipline under NCCR 4.035 through 4.060. As
19 every case concerns different facts and details, this Stipulation and Order does not act as
20 precedence, or persuasive authority, to bind the CCB to impose any particular penalty, to
21 charge or allege any particular violation, and/or to impose any particular disciplinary
22 action in the future for Respondent, or any other respondent, for violations of the same
23 statutes and/or regulations addressed in this Stipulation and Order. Likewise, the CCB is
24 not bound by any previous settlement agreements it has approved in entering into this
25 Stipulation and Order.

26 24. Attorneys' Fees and Costs. The Parties each agree to bear their own attorneys'
27 fees and costs.

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1 25. Further Assurances. The Parties shall cooperate in executing such additional
2 documents and performing such further acts as may be reasonably necessary to give effect
3 to the purposes and provisions of this Stipulation and Order.

4 26. Voluntary and Informed Agreement. Respondent represents that he has
5 completely read and fully understands the terms of this Stipulation and Order, that such
6 terms are fully understood and voluntarily accepted by Respondent in advance of and as
7 memorialized by the signing of this Stipulation and Order, and that Respondent' signature
8 to this Stipulation and Order indicates the same. Respondent further represents that he
9 has voluntarily entered into this Stipulation and Order to make a full, final, and complete
10 compromise upon the terms and conditions set forth herein. Respondent further represents
11 that any releases, waivers, discharges, covenants, and agreements provided for in this
12 Stipulation and Order have been knowingly and voluntarily granted and without any
13 duress or undue influence of any nature from any person or entity. The Parties, and each
14 of them, hereby expressly acknowledge that they are each represented by counsel of their
15 own choice in this matter or have had an opportunity to obtain representation by counsel
16 of their choice and have been advised by counsel or opted not to seek advice from counsel.
17 Respondent acknowledges his right and opportunity to have this Stipulation and Order
18 reviewed by counsel of his choice and to obtain advice from said counsel regarding this
19 Stipulation and Order.

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

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

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1 29. Construction. The headings of all Sections and Paragraphs of this Stipulation and
2 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 30. Governing Law. This Stipulation and Order shall be governed by and construed
9 in accordance with the laws of the State of Nevada, without reference to conflict of law
10 principles.

11 31. Jurisdiction and Forum Selection. The Parties consent to the jurisdiction of the
12 Eighth Judicial District Court of the State of Nevada, in and for Clark County, to resolve
13 any disputes related to the terms or enforcement of this Stipulation and Order.

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

19 33. Time is of the Essence. Time is of the essence in the performance of all terms of
20 this Stipulation and Order.

21 34. Severability. If any portion of this Stipulation and Order, or its application thereof
22 to any person or circumstance, is held to any extent to be invalid, illegal, or unenforceable
23 as a matter of law, all remaining clauses of this Stipulation and Order and its application
24 thereof shall be not affected and shall remain enforceable to the fullest extent permitted by
25 law.

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1 35. 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
3 the Parties and/or the Parties, shall be deemed an original ("Counterparts"). This
4 Stipulation and Order is considered fully executed when Counterparts of this Stipulation
5 and Order have been signed by all the Parties and/or their counsel; such Counterparts
6 taken together shall be deemed to be the Agreement. This Stipulation and Order may be
7 executed by signatures provided by electronic facsimile or email, which signatures shall be
8 binding and effective as original wet ink signatures hereupon. All fully signed copies of this
9 Stipulation and Order are duplicate originals, equally admissible in evidence.

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

13 _____ Date: 7/7/2022
14 Seth Holycross
15 Respondent, *pro se*
16 Michael Detmer Date: 7/19/22

17 ASHLEY A. BALDUCCI (Bar No. 12687)
18 Senior Deputy Attorney General
19 MICHAEL D. DETMER (Bar No. 10873)
20 Senior Deputy Attorney General
21 *Attorneys for the Cannabis Compliance Board*

22 ORDER
23 WHEREAS, on 26th day of July, 2022, the Nevada Cannabis
24 Compliance Board approved and adopted all the terms and conditions set forth in the
25 Stipulation and Order for Settlement of Disciplinary Action with Seth Holycross.

26 IT IS SO ORDERED.
27 SIGNED AND EFFECTIVE this 26th day of July, 2022.

28 By: _____
STATE OF NEVADA,
CANNABIS COMPLIANCE BOARD
HON. MICHAEL L. DOUGLAS, CHAIR