

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

3 STATE OF NEVADA, CANNABIS
4 COMPLIANCE BOARD,

5 Petitioner,

Case No. 2023-004

6 vs.

7 CLARK NMSD, LLC, (D187, RD187)

8 Respondent.

9 **COMPLAINT FOR DISCIPLINARY ACTION**

10 The Cannabis Compliance Board of the State of Nevada (the “CCB”), by and through
11 its counsel Aaron D. Ford, Attorney General of the State of Nevada, Emily N. Bordelove,
12 Esq., Senior Deputy Attorney General, having a reasonable basis to believe that CLARK
13 NMSD, LLC, under license identification numbers D187 & RD187 (“CLARK D187” or
14 “Respondent”) has violated provisions of Chapters 678A through 678D of the Nevada
15 Revised Statutes (“NRS”) and the Nevada Cannabis Compliance Regulations (“NCCR”),
16 hereby issues its Complaint, stating the CCB’s charges and allegations as follows:

17 **JURISDICTION**

18 1. During all relevant times mentioned in this Complaint, CLARK D187 held, and
19 currently holds, the following licenses at issue in this Complaint:¹

ID	License	Last Issued / Renewed	Address
D187	Medical Cannabis Dispensary 94090342955467020377	6/06/2022	2113 N. Las Vegas Boulevard, North Las Vegas, 89030.
RD187	Adult-use cannabis retail store 2964757214640794936	6/06/2022	2113 N. Las Vegas Boulevard, North Las Vegas, 89030.

25 2. During all relevant times mentioned in this Complaint, CLARK D187 is and was
26 registered as a Domestic Limited Liability Company in the State of Nevada. The Nevada

27 _____
28 ¹ The CCB will be issuing another Complaint for different violations under Case No. 2023-003 for CLARK
NMSD LLC’s dispensaries under license identification numbers D186 & RD186.

1 Secretary of State lists the managers of CLARK D187 as Pejman Bady, Pouya Mohajef,
2 and Joseph Kennedy. The CCB's point of contact for CLARK D187's licenses D187 & RD187
3 is Amanda Connor.

4 3. As CLARK D187 holds its licenses with CCB, it is subject to NRS Title 56 and the
5 NCCR for the violations asserted herein. Therefore, CLARK D187 is subject to the
6 jurisdiction of the CCB and subject to discipline pursuant to NRS 678A through 678D and
7 the relevant provisions of the NCCR.

8 4. Pursuant to NRS 678A.500 and 678A.510(1), the CCB's Executive Director has
9 transmitted the details of the suspected violations of CLARK D187 to the Attorney General,
10 and the Attorney General conducted an investigation of the suspected violations to
11 determine whether they warrant proceedings for disciplinary action. The Attorney General
12 has recommended to the Executive Director that further proceedings are warranted, as set
13 forth in this CCB Complaint. The CCB has authorized proceeding with disciplinary action
14 against CLARK D187, pursuant to NRS 678A.510(2)(b). Pursuant to NRS 678A.520(1), the
15 CCB's Executive Director has authorized service of this Complaint upon CLARK D187.

16 **FACTUAL ALLEGATIONS**

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

18 **A. METRC CLEAN-UP REQUEST FOR METRC TICKET #15391968,** 19 **OCTOBER 30, 2021.**

20 6. On or about October 30, 2021, CLARK D187 attempted to submit a METRC Clean-
21 up Request under METRC Ticket #15391968 ("Initial Request") to request CCB approval
22 to reconcile discrepancies between its physical cannabis and cannabis product inventory
23 and its METRC cannabis and cannabis product inventory. The Initial Request included,
24 among other things, a quarterly inventory report ("October 30th Inventory Spreadsheet"),
25 listing over 1,900 METRC tags, about 1,500 of which had variances between CLARK D187's
26 physical inventory and METRC inventory. According to the October 30th Inventory
27 Spreadsheet, the variances ranged from, about, 49 grams and 69 individual units (i.e., each)
28 in physical inventory but not in METRC, to around more than 3,000 grams and 800

1 individual units² in METRC but missing from its physical inventory. The October 30th
2 Inventory Spreadsheet showed that CLARK D187 had around more than 50,000 grams and
3 7,000 individual units of cannabis and cannabis products in METRC but missing from its
4 physical inventory. Board Agent Marvin Taylor (“Agent Taylor”) informed CLARK D187
5 that the CCB needed the most current inventory in a spreadsheet, not the quarterly
6 inventory provided, to review the clean-up request. He further informed CLARK D187 that
7 the CCB would be inquiring after certain METRC tags, but would refrain until the request
8 was re-submitted properly.

9 7. On or about December 1, 2021, CLARK D187 submitted a supplement which
10 contained, among other items, an updated inventory spreadsheet (“December 1st Inventory
11 Spreadsheet”) with over 1,900 METRC tags listed.³ On December 10, 2021, Agent Taylor
12 requested that CLARK D187 provide an updated inventory spreadsheet, as some of the
13 METRC tags in the December 1st Inventory Spreadsheet showed in METRC as “finished”
14 (i.e., CLARK D187 indicated in METRC that there was no longer any useable cannabis
15 associated with the METRC tag, thus the METRC tag is inactive).

16 8. On December 13, 2021, Board Agents Erica Scott (“Agent Scott”) and Agent Taylor
17 (collectively “Board Agents”) conducted a routine audit of CLARK D187’s Facility, as
18 outlined below. As it pertains to this METRC clean-up request, during the audit Board
19 Agents verified that the inventory errors cited in this METRC clean-up request,⁴ were
20 ongoing.

21 9. On or about December 27, 2021, CLARK D187 submitted a Revised METRC Clean-
22

23 ² The October 30th Inventory Spreadsheet also included 6 METRC tag variances which did not indicate
24 whether the inventory and variance units were in grams and individual units.

25 ³ Due to its size and changes in formatting, including the lack of differentiation between grams and individual
26 units, it is not automatically clear what updates the December 1st Inventory Spreadsheet had compared to
the October 31st Inventory Spreadsheet.

27 ⁴ Of note, the plan of correction dated October 30, 2021, and included in the Initial Request and Supplemental
Request, cited “1). User error related to the over pull of product, product pulled from wrong lot, and errors
when ringing up promotional items” as the contributing factor for the inventory variance.
28

1 up Request (“Revised Request”). The Revised Request included, among other items, an
2 updated inventory spreadsheet (“December 27th Inventory Spreadsheet”), documenting
3 about 1,600 METRC tags with inventory variances ranging from, around, 185 grams and
4 2,000 individual units in physical inventory but not in METRC, to around more than 900
5 grams and 200 individual units in METRC but missing from its physical inventory. The
6 December 27th Inventory Spreadsheet showed that CLARK D187 had around more than
7 6,000 grams and 13,000 individual units of cannabis and cannabis products in METRC but
8 missing from its physical inventory.

9 10. In the Revised plan of correction attached to the Revised Request CLARK D187
10 attributed the variances between physical and METRC inventory to the following factors:
11 “1.) User error related to entering adjustments, the over/under pull of product, product
12 pulled from wrong lot, and errors when ringing up promotional items. 2.) The licensee
13 reasonably believes certain display items have been destroyed. 3.) Error made when
14 product was returned. 4.) Error when inputting waste/destruction of product.”

15 11. On or about January 10, 2022, Board Agents issued a Directed Plan of Correction
16 to CLARK D187, requiring CLARK D187 to complete a full static inventory audit as an
17 investigation revealed that inventory adjustments could not be made due to ongoing
18 inventory errors.

19 12. After the required static audit, which occurred on or about January 11, 2022,
20 Board Agents conducted additional verification of CLARK D187’s inventory.

21 13. On or about February 24, 2022, the CCB approved METRC Clean-up for ticket
22 #1539198.

23 **B. ROUTINE AUDIT ON DECEMBER 13, 2021.**

24 14. As noted above, on December 13, 2021, Board Agents conducted a routine audit of
25 CLARK D187’s Facility located at 2113 N. Las Vegas Boulevard, North Las Vegas, 89030.

26 15. During this audit, Board Agents observed that CLARK D187 had five (5) product
27 lines with variances between its physical inventory and its inventory in METRC as follows:

28 ///

	METRC TAG ending	Product Description	METRC Inventory	Physical Inventory	Variance
1.	9212	TCVG - Resin8 Cartridge - Melon Balls-800mg	3 each (ea.)	0	-3 ea.
2.	8040	TCVG- Pre Roll- Super Lemon OG - 1g - PROMO	50 ea.	0	-50 ea.
3.	3903	MAC Flower 3.5 g	826 g	822.5 g	-3.5 g
4.	7924	TCVG - Motivator -Pre Roll – Durban Poison - 1g	70 ea.	39	-31 ea.
5.	6642	TCVG - Motivator Minis - White Widow - 1.5 g, Infused Pre-rolls	1 ea.	0	-1 ea.

16. Further, during this audit, Board Agents observed that CLARK D187 had eight (8) product lines in storage bins in the sales area, and the individual products lacked METRC Tags as follows:

	METRC TAG ending	Product Description	METRC Qty.	Physical Inventory	Untagged Qty.
1.	6384	Vegas Nights .5g Live Resin Vape Oil PR#186	21 ea.	21 ea.	21 ea.
2.	6387	Papaya Punch .5g Live Resin Vape Oil PR#190	21 ea.	21 ea.	21 ea.
3.	8168	Stilzy Cartridge Skywalker OG .5g	25 ea.	25 ea.	25 ea.
4.	3801	TK Sorbet- Panna - .5g Cartridge	57 ea.	57 ea.	57 ea.
5.	2803	Sacred Oil- Grapefruit Cookies .5g Cartridge	133 ea.	133 ea.	133 ea.
6.	6376	Watermelon .5g Vape Oil PR#182	61 ea.	61 ea.	61 ea.
7.	4574	Fumeur Rocket-Infused Preroll .5g Sunshine	91 ea.	91 ea.	91 ea.
8.	4803	Infused Preroll- Fumeur Rocket .5g Tropical Sunset	83 ea.	83 ea.	83 ea.

17. As noted above, over the course of this audit, it became apparent to Board Agents that CLARK D187 failed to have proper inventory procedures in place to prevent continued inventory errors. Specifically, Board Agents verified that the inventory errors cited in the METRC Clean-Up Ticket #1539198, outlined above, were ongoing.

VIOLATIONS OF LAW

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

19. As to licenses D187 & RD187, CLARK D187 violated NCCR 4.050(1)(a)(3) & 6.075(1)(c) when CLARK D187 failed to have proper inventory procedures in place to prevent continued inventory errors and failed to keep any required records, including seed-to-sale tracking requirements. Specifically, as outlined in Paragraphs 6-13 & 17, METRC Clean-Up Ticket #1539198 outlined about 1,500 METRC tags with variances between

1 physical and METRC inventory, which accounted for thousands of grams and thousands of
2 individual cannabis and cannabis products that CLARK D187 could not account for in
3 METRC. Further, as outlined in Paragraph 10, according to CLARK D187 its errors and
4 omissions, caused these inventory variances. Such a violation constitutes at least one (1)
5 Category III violation. This first Category III violation carries a civil penalty of \$10,000.
6 NCCR 4.050(2)(a)(1).

7 20. As to licenses D187 & RD187, CLARK D187 violated NCCR 4.050(1)(a)(3), 6.080(7)
8 & 6.080(8) when CLARK D187 failed to keep required records, including seed-to-sale
9 tracking requirements, and failed to reconcile on-site physical inventory with its seed to
10 sale inventory tracking system. Specifically, as outlined in Paragraph 15, Board Agents
11 observed that, for five (5) product lines, CLARK D187 had variances between its METRC
12 inventory and its physical inventory. Such a violation constitutes at least a second Category
13 III violation under NCCR 4.050(2). As the second Category III violation, it carries civil
14 penalties of \$30,000 and/or a ten (10) day suspension of licenses D187 & RD187. NCCR
15 4.050(2)(a)(2).

16 21. As to licenses D187 & RD187, CLARK D187 violated NCCR 4.050(1)(a)(23) &
17 6.082(4) when CLARK D187 failed to tag cannabis or a cannabis product as required.
18 Specifically, as outlined in Paragraph 16, Board Agents observed that CLARK D187 had
19 eight (8) product lines in storage bins without METRC Tags. Such violations constitute at
20 least a third Category III violation under NCCR 4.050(2). As the third Category III
21 violation, it carries civil penalties of \$90,000 and a twenty (20) day suspension of licenses
22 D187 & RD187. NCCR 4.050(2)(a)(3).

23 **DISCIPLINE AUTHORIZED**

24 Pursuant to the provisions of NRS 678A.600, NCCR 4.020, 4.030, 4.035 through
25 4.060, and 5.100, the CCB has the discretion to impose the following disciplinary actions:

- 26 1. Suspend CLARK D187's licenses D187 & RD187 for thirty (30) days, as a result of
27 CLARK's violations of NRS Title 56 and the NCCR;
- 28 2. Impose a civil penalty of not more than \$90,000 for each of CLARK D187's

1 violations of NRS Title 56 and the NCCR; and

2 3. Take such other disciplinary action as the CCB deems appropriate.

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

4 **RELIEF REQUESTED**

5 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose
6 civil penalties of \$130,000 and/or suspend for thirty (30) days licenses D187 & RD187 for
7 CLARK D187.

8 **NOTICE TO RESPONDENT**

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

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

17 (a) Must state in short and plain terms the defenses to each claim asserted.

18 (b) Must admit or deny the facts alleged in the Complaint.

19 (c) Must state which allegations the Respondent is without knowledge or
20 information to form a belief as to their truth. Such allegations shall be deemed denied.

21 (d) Must affirmatively set forth any matter which constitutes an avoidance or
22 affirmative defense,

23 (e) May demand a hearing. Failure to demand a hearing constitutes a waiver of the
24 right to a hearing and to judicial review of any decision or order of the Board, but the Board
25 may order a hearing even if the Respondent so waives its right.

26 **Failure to Answer or to appear at the hearing constitutes an admission by the**
27 **Respondent of all facts alleged in the Complaint. The Board may take action**
28 **based on such an admission and on other evidence without further notice to the**

1 **Respondent.** NRS 678A.520(3).

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

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

14 Tyler Klimas, Executive Director
15 Cannabis Compliance Board
16 700 E. Warm Springs Rd, Suite 100
17 Las Vegas, NV 89119
18 tklimas@ccb.nv.gov

19 If serving its Answer and Request for Hearing via email, Respondent must ensure
20 that it receives an acknowledgement of receipt email from the CCB as proof of service.
21 Respondent is also requested to email a copy of its Answer and Request for Hearing to the
22 Senior Deputy Attorneys General listed below at ebordelove@ag.nv.gov.

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

1 testify and/or evidence to be offered on your behalf. In making this request, you may be
2 required to demonstrate the relevance of the witness's testimony and/or evidence.

3 If the Respondent does not wish to dispute the charges and allegations set forth
4 herein, within thirty (30) days of the service of this Complaint, Respondent may pay the
5 civil penalties set forth above in the amount of \$130,000 for CLARK D187's licenses D187
6 & RD187, and suspend operations for licenses D187 & RD187 for thirty (30) days on notice
7 to:

8 Tyler Klimas, Executive Director
9 Cannabis Compliance Board
10 700 E. Warm Springs Rd, Suite 100
11 Las Vegas, NV 89119

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

14 DATED: April 4, 2023.

**STATE OF NEVADA,
CANNABIS COMPLIANCE BOARD**

15 By: 

16 Tyler Klimas, Executive Director
17 Nevada Cannabis Compliance Board
18 700 E. Warm Springs Rd, Suite 100
19 Las Vegas, NV 89119
20 (775) 687-6299

AARON D. FORD
Attorney General

21 By: 

22 Emily N. Bordelove (Bar No. 13202)
23 Senior Deputy Attorney General

24 Attorneys for the Cannabis Compliance Board
25
26
27
28

CERTIFICATE OF SERVICE

I hereby certify that I am an employee of the Cannabis Compliance Board and I have this day served the foregoing Complaint for Disciplinary Action for Clark NMSD, LLC in Case No. 2023-004 to the following:

By electronic mail to:

Brain R. Hardy, Esq., Counsel for Respondent at [REDACTED]

Amanda Connor, Point of Contact for Respondent at [REDACTED]

Service was executed via email to the addresses outlined above pursuant to the attached email wherein counsel for Respondent indicated he was authorized to accept service of this Complaint via e-mail.

Dated at Las Vegas, Nevada this 4th day of April 2023.



Amber Virkler, Executive Assistant

Served and Received on 4th day of April 2023,



Brian R. Hardy Esq.

Subject: RE: CLARK NATURAL MEDICINAL SOLUTIONS, LLC [IWOV-iManage.FID1204368]

From: Brian R. Hardy <[REDACTED]>
Sent: Monday, April 3, 2023 3:21 PM
To: Emily Bordelove <ebordelove@ag.nv.gov>
Cc: Amanda Connor <[REDACTED]>; Luke K. Rath <LRath@ag.nv.gov>
Subject: RE: CLARK NATURAL MEDICINAL SOLUTIONS, LLC [IWOV-iManage.FID1204368]

WARNING - This email originated from outside the State of Nevada. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Emily

I have confirmed with my clients that I have been authorized to accept service. Thank you for Ccing Amanda on all correspondence.

Thanks

Brian



Brian R. Hardy, Esq.



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From: Emily Bordelove <ebordelove@ag.nv.gov>
Sent: Monday, April 3, 2023 1:19 PM
To: Brian R. Hardy <[REDACTED]>
Cc: Amanda Connor <[REDACTED]>; Luke K. Rath <LRath@ag.nv.gov>; Emily Bordelove <ebordelove@ag.nv.gov>
Subject: RE: CLARK NATURAL MEDICINAL SOLUTIONS, LLC [IWOV-iManage.FID1204368]

Hi Brian:

Per our earlier phone call, emailing to get written confirmation that you will accept service through email for the two Complaints for Clark NMSD (D186/RD186) & Clark NMSD (D187/RD187).

Also, per our phone call, the CCB would agree, for these two Complaints only, to allow 30 days from the date of service to file the two Answers. If served today, that would fall on Wednesday, May 3, 2023. If, for some reason, the Complaints get served tomorrow instead, the due date would be May 4, 2023.

Best,

Emily N. Bordelove

Senior Deputy Attorney General, Cannabis Compliance Board
Office of the Nevada Attorney General
555 E. Washington Ave. Ste. 3900
Las Vegas, NV 89101
ebordelove@ag.nv.gov



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