

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

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

Case No. 2021-55

6                                   **Petitioner,**

7                                   **vs.**

8           **THE HARVEST FOUNDATION, LLC,**

9                                   **Respondent.**

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

12           The Cannabis Compliance Board (the "CCB"), by and through its counsel, Aaron D.  
13 Ford, Attorney General for the State of Nevada, and L. Kristopher Rath, Esq., Senior  
14 Deputy Attorney General, hereby enters into this Stipulation and Order for Settlement of  
15 Disciplinary Action ("Stipulation and Order") with Respondent The Harvest Foundation,  
16 LLC (hereinafter "THF" or "Respondent"), by and through its counsel of record, Derek  
17 Connor, Esq., of the law firm of Connor & Connor, PLLC, and its Cannabis Receiver, Kevin  
18 Singer (the "Receiver"), by and through the Receiver's counsel, John J. Savage, Esq., of the  
19 law firm of Howard & Howard Attorneys PLLC. Pursuant to this Stipulation and Order,  
20 THF and CCB (collectively, the "Parties") hereby stipulate and agree that CCB Case No.  
21 2021-55 (the "Administrative Action") shall be fully and finally settled and resolved upon  
22 terms and conditions set out herein. In addition, as set forth below, the Parties stipulate  
23 and agree to fully and finally settle additional violations uncovered during a December 21,  
24 2021, audit/investigation of THF, which occurred after the filing of the Complaint for  
25 Disciplinary Action (the "Complaint") from which the instant Administrative Action arises.

26                                   **PERTINENT FACTS**

27           1. On or about November 18, 2021, the CCB held an emergency meeting wherein it  
28 held, by a 3-0 vote, that the public health, safety and/or welfare imperatively required

1 emergency action and it thereby issued an Emergency Order of Summary Suspension  
2 (“Summary Suspension”) against THF. The allegations/violations that formed the basis for  
3 the Summary Suspension against THF included, but were not limited to: operating without  
4 all required permits, certificates, registrations and/or licenses; transporting or storing  
5 cannabis from an unlicensed source, other than patient or consumer samples stored at a  
6 cannabis independent testing laboratory, or diversion of cannabis or cannabis products;  
7 failure to immediately admit regulatory or law enforcement personnel into the premises of  
8 a cannabis establishment; allowing a person who is less than 21 years of age to enter or  
9 remain in a cannabis establishment or transport vehicle unless the person holds a registry  
10 identification card or letter of approval; allowing a person who is less than 21 years of age  
11 to work or volunteer at the cannabis establishment; failing to maintain required security  
12 alarm and surveillance systems including a failure to have security equipment to deter and  
13 prevent unauthorized entrance into limited access areas, including devices or a series of  
14 devices to detect unauthorized intrusion, and/or electronic monitoring, including, without  
15 limitation, video surveillance cameras.

16 2. Concurrent with the Summary Suspension, on or about November 18, 2021, the  
17 CCB initiated the instant disciplinary action via the service and filing of a Complaint for  
18 Disciplinary Action (the “Complaint”). The Complaint’s allegations, which parallel the  
19 Summary Suspension, state, *inter alia*, that, contrary to Nevada law, THF’s medical and  
20 adult-use cultivation facility (“Facility”): diverted and/or allowed for the diversion of  
21 cannabis and/or cannabis product; failed to immediately admit regulatory personnel into  
22 the premises of a cannabis establishment; failed to timely renew its expired licenses and/or  
23 operated a cannabis establishment without the necessary permits, certificates,  
24 registrations and/or licenses; allowed a person who is less than 21 years of age to enter or  
25 remain in a cannabis establishment; failed to follow an approved security plan and/or to  
26 maintain a required security alarm and/or surveillance systems; failed to provide METRC  
27 tags on cannabis/cannabis-product; failed to properly submit records required by the Board  
28 and/or failed to notify the Board or Board Agents within 24 hours after discovery of a

1 serious incident or criminal activity on the premises of the cannabis establishment; failed  
2 to properly respond to Board Agents' requests for documentation; and failed to keep  
3 required records.

4 3. On or about December 21, 2021, CCB agents conducted an audit/investigation  
5 ("12/21/21 Audit") of THF and found additional regulatory violations, including a failure to  
6 file multiple quarterly inventory reports as well as multiple quarterly cultivation activity  
7 reports as required. On or about January 31, 2022, the CCB staff issued a Statement of  
8 Deficiencies Letter ("SOD") detailing the new violations found during the 12/21/21 Audit.  
9 THF communicated further with CCB staff thereafter regarding correction of the violations  
10 found during the 12/21/21 Audit. CCB staff approved THF's plan of correction ("POC") for  
11 the 12/21/21 Audit on August 11, 2022.

12 4. THF filed its Answer and Request for a Hearing on or about December 23, 2021.  
13 The Parties then commenced the disciplinary process under NRS Chapter 678A. The  
14 deadlines set for the disciplinary process were continued several times to allow for ongoing  
15 settlement negotiations between the Parties to continue.

16 5. On or about May 19, 2022, Alternative Medicine Association, LC ("AMA"), a  
17 creditor of THF, filed its Motion to Appoint Receiver in the Eighth Judicial District Court  
18 ("EJDC"). On or about July 25, 2022, the EJDC, Department 28, appointed the Receiver  
19 over THF, subject to the CCB's approval of his cannabis receiver agent card (District Court  
20 Case No. A-18-783185-C<sup>1</sup>). On or about October 3, 2022, during a regularly scheduled  
21 meeting of the CCB, and pursuant to a request from the Receiver for his placement as a  
22 cannabis receiver over THF, the CCB approved his cannabis receiver agent card application  
23 for THF, thereby placing him as a receiver over THF.

24 6. During the time the Parties were engaged in the disciplinary process, the Parties  
25 engaged in good faith negotiations to reach an agreement that is mutually acceptable to  
26 Respondent, CCB staff, and counsel for the CCB, for resolution of both the Administrative  
27 Action and the violations found during the 12/21/21 Audit, with the understanding that  
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<sup>1</sup> Hereinafter referred to as the "Receivership Court".

1 this Stipulation and Order must be approved by the Receivership Court and a majority vote  
2 of the members of the CCB to become effective. Respondent has waived the filing and  
3 service of a separate disciplinary complaint for the violations arising out of the 12/21/21  
4 Audit. The CCB reserves its right to file a disciplinary complaint for the violations  
5 discovered during the 12/21/21 Audit, should this Stipulation and Order not be approved.

6 7. As the Parties reached a resolution in principle on the foregoing matters, subject  
7 to the Receivership Court and CCB's approval, the Parties entered into an agreement to  
8 stay the disciplinary process (approved by the CCB's assigned Hearing Officer) to allow the  
9 CCB to consider this Stipulation and Order for approval at an open CCB meeting.

#### 10 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

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

13 8. THF has entered into this Stipulation and Order on its own behalf and with full  
14 authority to resolve the claims against it and is aware of THF's rights to contest the  
15 violations pending against it. These rights include representation by an attorney at THF's  
16 own expense, the right to a hearing on any violations or allegations formally filed, the right  
17 to confront and cross-examine witnesses called to testify against THF, the right to present  
18 evidence on THF's own behalf, the right to have witnesses testify on THF's behalf, the right  
19 to the filing and service of a disciplinary complaint for the violations arising from the  
20 12/21/21 Audit, the right to obtain any other type of formal judicial review of these matters,  
21 and any other rights which may be accorded to THF pursuant to provisions of NRS  
22 Chapters 678A through 678D, the Nevada Cannabis Compliance Regulations (NCCR), and  
23 any other provisions of Nevada law. THF is waiving all these rights by entering into this  
24 Stipulation and Order. If this Stipulation and Order is not approved, or any portion thereof,  
25 all such waivers shall be deemed withdrawn by THF.

26 9. Should this Stipulation and Order not be approved or not timely performed by  
27 THF, it is agreed that presentation to and consideration by the CCB of such proposed  
28 stipulation or other documents or matters pertaining to the consideration of this

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

4 10. THF acknowledges that this Stipulation and Order shall only become effective  
5 after the Receivership Court and CCB have both approved it.

6 11. THF enters this Stipulation and Order after being fully advised of THF's rights  
7 and as to the consequences of this Stipulation and Order. This Stipulation and Order  
8 embodies the entire agreement reached between the CCB and THF. It may not be altered,  
9 amended, or modified without the express written consent of the Parties, and all  
10 alterations, amendments and/or modifications must be in writing. The Parties stipulate  
11 and agree that this Stipulation and Order, if approved by the Receivership Court and the  
12 CCB, resolves only the allegations set forth in the Administrative Action via the Complaint  
13 in Case No. 2021-55 and the allegations set forth in the SOD of January 31, 2022, for the  
14 12/21/21 Audit.

15 12. In an effort to avoid the cost and uncertainty of a disciplinary hearing, THF has  
16 agreed to settle these matters. For purposes of settling these matters, THF acknowledges  
17 that the facts contained in the paragraphs in the above "Pertinent Facts" portion of this  
18 Stipulation and Order are true and correct. Without waiving any constitutional rights  
19 against self-incrimination, THF further acknowledges that certain facts contained in the  
20 CCB Complaint in Case No. 2021-55 and the 12/21/21 Audit could be found to constitute  
21 violations of Title 56 of NRS (NRS Chapters 678A through 678D), and the NCCR, with  
22 penalties up to and including revocation, suspension, and/or the imposition of civil  
23 penalties in excess of one million dollars (\$1,000,000.00), if these matters went to an  
24 administrative hearing.

25 13. In settling these matters the Executive Director for CCB and counsel for CCB  
26 have considered the factors set forth in NCCR 4.030(2), including: the gravity of the  
27 violations; the economic benefit or savings, if any, resulting from the violations; the size of  
28 the business of the violator; the history of compliance with the NCCR and Title 56 of NRS

1 by the violator; actions taken to remedy and/or correct the violations; and the effect of the  
2 penalty on the ability of the violator to continue in business. Given the extensive and  
3 serious violations alleged in both the Complaint and summary suspension proceeding, as  
4 well as severe financial issues and Respondent's loss of its premises, this licensee will not  
5 be able to fully correct its violations or continue in business without new ownership. As a  
6 mitigating factor, the owners of record of Respondent have agreed to remove themselves  
7 from these licenses completely and not object to the Receiver selling or transferring THF's  
8 rights and interests in adult-use (RC086) and medical (C086) cultivation licenses  
9 ("Licenses") to new owners. Without this concession, the CCB would need to proceed  
10 through the disciplinary process and seek revocation of the Licenses.

11 14. To resolve the Administrative Action and the 12/21/21 Audit, and only for those  
12 purposes and no other, THF specifically admits to the following violations with respect to  
13 the Complaint in CCB Case No. 2021-55, and the violations arising from the 12/21/21 Audit:

- 14 a. One violation of NCCR 4.035(1)(a)(2), for operating without all required  
15 permits, certificates, registrations and/or licenses, which constitutes  
16 one Category I violation.
- 17 b. One violation of NCCR 4.040(1)(a)(14), for failing to maintain required  
18 security alarm and surveillance systems, which constitutes one  
19 Category II violation.
- 20 c. Three violations of NCCR 4.050(1)(a)(22), for failing to tag cannabis or  
21 a cannabis product as required, which constitute three Category III  
22 violations.
- 23 d. Six violations of NCCR 4.060(1)(a)(7), for failing to file quarterly  
24 inventory reports and/or cultivation activity reports, which constitute  
25 six Category V violations.

26 15. As to the remaining allegations in the Complaint and the 12/21/21 Audit, THF  
27 neither admits nor denies those allegations and no civil penalties shall be assessed as to  
28 those remaining violations.



1 a transfer of interest ("TOI") application to transfer THF's  
2 Licenses to a third-party buyer ("TPB"). This TOI to the TPB  
3 ("TOI-TPB") may be accompanied by a Change of Location  
4 Request Form pursuant to NRS 678B.210, NRS 678B.250, NRS  
5 678B.500, and NCCR 6.065.

6 ii. No owner of THF, including those of record with the CCB as of  
7 September 28, 2021 (as listed in Paragraph 20(b)(vi), below) may  
8 retain any interest, financial or otherwise, in the Licenses or  
9 TPB after the sale/transfer to the TPB. Nothing in the foregoing  
10 will preclude any current or former owner of THF from seeking  
11 relief from the receivership estate, after the sale, in the  
12 Receivership Court against the proceeds of the sale of the  
13 Licenses pursuant to Nevada law. The Parties may jointly agree  
14 to extend the 180-day deadline described in this Paragraph, for  
15 good cause shown.

16 iii. THF shall, through its Receiver, seek and obtain approval from  
17 the Receivership Court for this Stipulation and Order and shall  
18 file a motion seeking the same no later than 14 days after the  
19 CCB's approval of this settlement agreement. The Receiver may  
20 seek such approval prior to the CCB's approval of this  
21 Stipulation and Order, provided that all parties (except the CCB)  
22 have executed the Stipulation and Order and the motion only  
23 seeks the Receivership Court's approval of this Stipulation and  
24 Order and that the approval be contingent on the CCB's approval  
25 of this Stipulation and Order.

26 iv. THF shall, through its Receiver, file a motion with the  
27 Receivership Court for approval of the sale to the TPB identified  
28 in the TOI-TPB. Receiver may file such motion with the



1 Receivership Court prior to the CCB's approval of the TOI-TPB  
2 but the motion and resulting Order shall make clear that the sale  
3 is subject to CCB approval of the TOI-TPB.

4 v. If the TOI-TPB as described in Paragraph 20(a)(i) is denied  
5 by the CCB, the Receiver may petition the CCB for an order  
6 allowing the Receiver to submit a new TOI on behalf of the  
7 original or a new TPB upon a showing of good cause (the "Good  
8 Cause Petition"). If the Good Cause Petition is denied by the  
9 Board, THF will be deemed to have immediately voluntarily  
10 surrendered its licenses upon said denial and a CCB order will  
11 issue to that effect. If the Board grants the Good Cause Petition,  
12 the Board may set a new deadline for submission of the new TOI,  
13 and if that new deadline is not met, THF will be deemed to have  
14 surrendered its licenses immediately upon expiration of that new  
15 deadline.

16 vi. If the Receivership Court rejects this Stipulation and Order, or  
17 seeks/places conditions that conflict with the terms of this  
18 Stipulation and Order, the Parties will undertake further good  
19 faith negotiations to modify the agreement for a  
20 proposed amended stipulation for execution by the CCB Chair. If  
21 the Parties are unable to reach an amended agreement within 60  
22 days of the Receivership Court's rejection, the Parties agree to  
23 proceed with the Administrative Action.

24 b. Surrender of Agent Cards:

25 i. All owners of record of THF with the CCB as of September 28,  
26 2021, including those listed in Paragraph 20(b)(vi), shall  
27 voluntarily surrender their agent cards or temporary agent  
28 cards for THF within 12 months or upon approval of the TOI-



1 considered surrendered upon approval of the  
2 THF/Strive-Owner-TOI.

3 (b.)Regardless of whether they have a current agent card  
4 in Strive, will be precluded from applying for an agent  
5 card and/or license prior to August 28, 2031.

6 (c.)is precluded from applying/re-applying for an agent  
7 card and/or license until all fines and fees as required  
8 by this agreement are satisfied.

9 iii. Strive's licenses shall remain in conditional status and  
10 shall not become operational until after:

11 (a.) the THF/Strive-Owner-TOI has been approved; and

12 (b.) Strive, or a third-party transferee, if applicable, has  
13 undergone final inspection and been approved to  
14 operate within the required deadlines.

15 iv. All such owners referenced in Paragraphs 20(b)(i) and  
16 20(b)(ii) shall acknowledge their agreement to the  
17 Stipulation and Order, specifically including the above  
18 requirements in said Paragraphs, by signing this  
19 Stipulation and Order.

20 v. If any such owner refuses to sign the Stipulation and  
21 Order or cannot be contacted after a good faith effort by  
22 the Receiver and THF, the Receiver shall request from the  
23 Court the authority to execute the Stipulation and Order  
24 on any such owner's behalf and any said owner may raise  
25 their objections to the Receivership Court.

26 vi. The owners of THF on record with the CCB as of  
27 September 28, 2021, are the following individuals:

28 (a.)Donald Burton ("Burton")

1 (b.)Larry K. Lemmons ("Lemons")

2 (c.)Jefferey Yokiell

3 vii. The owners of Strive on Record with the CCB as of  
4 September 28, 2021, are the following individuals:

5 (a.)Burton

6 (b.)Lemmons

7 (c.)Sara Gulickson

8 **21. Summary Suspension/Status of Licenses:**

9 a. Except as otherwise provided in Paragraph 21(c), should the  
10 Receivership Court and the Board approve the Stipulation and Order,  
11 the Licenses will be removed from summary suspension status and  
12 immediately revert to a conditional status pending completion and  
13 approval by the Receivership Court and the Board of the TOI-  
14 TPB. THF and the Receiver will remain compliant with all laws  
15 regarding the regulation of cannabis while THF's licenses are in  
16 conditional status.

17 b. THF or the TPB must obtain and satisfy final inspection and become  
18 operational within one year of the Board's and Receivership Court's  
19 approval of the TOI-TPB (whichever is later) and, if not, the Licenses  
20 will be deemed voluntarily surrendered. THF or the TPB may petition  
21 the Board for an extension of this deadline for good cause and/or  
22 extraordinary circumstances, which the Board may grant at its  
23 discretion, if filed no later than 30 days prior to the deadline for final  
24 inspection.

25 c. The TPB of the Licenses may submit a management agreement  
26 ("Management Agreement") to permit it to prepare a facility for  
27 operational status. CCB staff will review the Management Agreement  
28 and, if/once it is complete and without a facial

1 deficiency, the Management Agreement will be placed on the agenda  
2 for Board consideration of its approval at the earliest and most  
3 convenient CCB meeting. If/when the CCB approves the Management  
4 Agreement, the TPB will be permitted access to the facility to  
5 bring the facility back into a condition that can pass final licensing  
6 prior to the completion of the TOI-TPB. Unless subsequently approved  
7 by CCB, NO CANNABIS and/or CANNABIS PRODUCT will be allowed  
8 in the facility unless/until the TOI-TPB is approved and only after final  
9 licenses have been issued. The CCB must review and approve all  
10 facility modifications, as required under statute and regulation.

- 11 d. THF's Facility's location at 3395 Pinks Place, Las Vegas, Nevada  
12 89102, has been surrendered back to its landlord. THF or the TPB shall  
13 submit a request for change of location of the Facility to the CCB and  
14 its intended local authorities for review and approval prior to final  
15 inspection and resuming operations.
- 16 e. An inspection by CCB staff of the Facility must demonstrate its  
17 compliance with the NCCR before operations may be resumed and the  
18 Licenses' conditional status be reverted to final licenses.
- 19 f. At all times both Licenses must be timely and properly renewed prior  
20 to their expiration dates and shall be deemed voluntarily surrendered,  
21 if not properly renewed 90 days after their expiration dates.

22 **22. Imposition of Civil Penalties.** Should the Board and Receivership Court  
23 approve the TOI-TPB referenced in Paragraph 20(a)(i), within 30 days of whichever  
24 approval is later, THF shall pay a civil penalty of two hundred thousand dollars  
25 (\$200,000). Payment of said civil penalty must take priority over the claims of any and all  
26 creditors. THF or TPB may petition the CCB for an extension of this deadline for good  
27 cause, though said petition must be submitted to the CCB no later than 30 days prior to  
28 the deadline for payment.

1           **23. Payment of Civil Penalties and fees.** THF must pay the total civil penalty  
2 set forth in this agreement, and all fees and invoices, as follows:

- 3           a. THF must pay the total civil penalty set forth in this agreement within the  
4 time frames set forth in Paragraph 22. THF may at any time prior to that  
5 elect to pay the full amount owed.
- 6           b. THF must pay all past due time and effort fees within 30 days of the  
7 Receiver's receipt of funds sufficient to pay such fees. Payment of said fees  
8 must take priority over the claims of any and all creditors.
- 9           c. THF must pay all time and effort invoices within 30 days of the Receiver's  
10 receipt of funds sufficient to pay such invoices. Payment of said invoices  
11 must take priority over the claims of any and all creditors.

12           **24. Penalties for Failure to Comply with Payment Deadlines.** THF  
13 acknowledges that it is critical to comply with the strict requirements of the deadlines for  
14 payment set forth in this Stipulation and Order. THF agrees that, should it fail to timely  
15 make payments as required by this agreement, the following penalties and procedures will  
16 be in effect:

- 17           a. CCB will allow a five-business day grace period for late payment<sup>3</sup>.
- 18           b. If payment is not physically received by CCB at its Carson City office by  
19 5:00 p.m., Pacific Time, on the last day of the grace period, THF shall be  
20 deemed to be in breach of this Stipulation and Order, deemed to be in  
21 default, and deemed to have admitted all allegations in the CCB Complaint  
22 in Case No. 2021-55 and all allegations in the Statement of Deficiencies  
23 Letter of January 31, 2022, for the 12/21/21 Audit, and shall pay all  
24 penalties and receive all discipline set forth under the "Relief Requested"  
25 section of the Complaint, inclusive of immediate revocation of the Licenses,  
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27

28 <sup>3</sup> 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 and civil penalties in excess of one million dollars<sup>4</sup>. The CCB will enter an  
2 order of default to this effect after default and all amounts due under this  
3 subsection shall be immediately due and payable to CCB. THF agrees it  
4 cannot and will not file any petition for judicial review and/or any action  
5 in any forum for relief from this order of default and that CCB may file any  
6 judicial action necessary to recover the amounts owed under this  
7 subsection, along with its attorneys' fees and costs for recovery of amounts  
8 owed.

9 c. THF may petition the CCB for an extension of up to 30-days to pay any of  
10 the payments set forth in Paragraphs 22 and 23. However, for the CCB to  
11 consider any such petition, the CCB must receive said petition no later  
12 than 5 business days prior to the payment deadline at issue (which does  
13 not include any grace period). The CCB is not required to grant such a  
14 petition. In such a petition, THF must demonstrate to the satisfaction of  
15 CCB that there are extraordinary and unusual circumstances  
16 necessitating the extension requested and specify which deadline or  
17 deadlines for which it is seeking an extension. CCB may delegate the  
18 decision as to whether to grant such a petition to the CCB Chair.

19 d. If an extension is granted under Paragraph 24(c), there shall be no grace  
20 period on the new payment date or dates. If THF does not pay by the new  
21 payment date or dates, the provisions and penalties of Paragraph 24(b)  
22 apply.

23 25. Formal Warning. In accordance with NCCR 4.060(2)(a)(1), the CCB hereby  
24 issues a formal warning to THF, as to its first Category V violation in the immediately  
25 preceding three years: THF shall timely submit all reports, specifically including physical  
26 inventory and/or cultivation activity reports, required by the Board. Failure to do so in  
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28 <sup>4</sup> The civil penalties that may be imposed pursuant to the Complaint and the 12/21/21 Audit would be, in the aggregate, in excess of one million dollars.

1 the future will invoke additional progressive discipline and shall be considered an  
2 aggravating factor in considering the amount of civil penalties in any future discipline.

3 **26. Receiver's Assignment:**

4 a. The Receiver shall remain in place as the Receiver over THF's Licenses  
5 unless/until the Receivership Court and the Board both approve the TOI-  
6 TPB and also determine a Receiver over the Licenses is no longer needed.  
7 The Receiver shall request Receivership Court and CCB approval for the  
8 Receiver to be removed as the Receiver over the Licenses pursuant to the  
9 CCB's October 3, 2022, Order Approving Placement of a Receiver  
10 ("Receiver Order") once the Licenses are successfully transferred to the  
11 TPB and the sale closes. This will not terminate the receivership  
12 appointment over THF, but just simply remove the Receiver's appointment  
13 and placement over the Licenses.

14 b. The CCB acknowledges that the Receiver is entering into this agreement  
15 on behalf of THF and/or its owners as provided in Paragraph 20, above,  
16 and may execute other documents and instruments in connection with this  
17 agreement, solely in the Receiver's capacity as the court-appointed receiver  
18 for THF and not in any other capacity. The CCB further acknowledges and  
19 agrees that, notwithstanding anything contained in this agreement to the  
20 contrary, neither the Receiver, nor any of its officers, directors,  
21 shareholders, trustees, partners, employees, members, managers, agents  
22 and/or attorneys (collectively, the "Receiver Parties") shall incur any  
23 personal liability or culpability whatsoever under agreement or any other  
24 documents executed in relation thereto, whether or not executed by any of  
25 the Receiver Parties, with the exception that the Receiver himself may be  
26 liable for any regulatory violation under his cannabis receiver agent card,  
27 should he commit any regulatory violations. Any remedy that the CCB  
28 might have against THF is limited to claims or other remedies against the



1                   Receivership Estate of THF, and not the Receiver Parties personally.

2                   **26. Plan of Correction.** Respondent represents and warrants that it submitted  
3 and put in place plans of correction prior to the Receiver's appointment<sup>5</sup>, that will remedy  
4 and prevent the recurrence of the violations set forth in this Stipulation and Order. In  
5 summary, the plans of correction includes provisions regarding THF/TPB's: (1) assurance  
6 that it will timely comply with licensing renewal requirements; (2) oversight of operational  
7 procedures, including security procedures; (3) assurances regarding the presence of a  
8 registered employee at the Facility, and/or CCB's and law enforcement's ability to access  
9 the Facility, as required; (4) assurances that it will implement, and train its staff on, its  
10 policies and standard operating procedures (including security procedures such as timely  
11 reporting of security breaches, criminal activity, and/or malfunctions of security  
12 equipment); (5) hiring of an inventory manager to oversee the inventory control system  
13 and/or inventory procedures; (6) assurances to the adherence to regulations concerning  
14 visitors including those pertaining to visitor age verification, escort within the Facility, and  
15 the utilization of visitor logs and badges; (7) retention of surveillance video footage, as  
16 required; (8) creation of, and adherence to, a regulatory counsel reviewed amended security  
17 plan; (9) hiring of a security contractor<sup>6</sup> to update, install, and/or implement necessary  
18 security equipment/procedures, including the creation of an amended security plan that  
19 would include 24-hour security (and assurances THF/TPB's utilization of the same); (10)  
20 adherence to the seed to sale tracking system, including the tagging of cannabis and/or  
21 cannabis product, as required; (11) hiring of regulatory counsel to discuss with THF/TPB,  
22 and/or its staff, the corrective provisions provided within the POC and to assist it in  
23

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24 <sup>5</sup> Includes POCs relating to the Summary Suspension, Complaint, and the 12/21/21 Audit. The POC  
25 submitted to the CCB referenced MariMed Advisors ("Marimed") as the company/entity that would submit  
26 the Management Agreement and/or would engage in the corrective provisions provided within. This is  
27 understood to have been because THF had previously submitted a TOI request to transfer THF to MariMed.  
28 However, since the POC's submission, the Receiver has filed a request to withdraw this TOI application.  
Therefore, it is maintained herein that all measures/actions to be taken by MariMed as provided in the POC  
will be conducted by the TPB. Similarly, it is understood that the POCs references to Burton and/or Lemons  
as being the persons responsible to implement the corrective measures of a POC will be interpreted to refer  
to the appropriate corresponding persons of the TPB.

<sup>6</sup> At the time of the submission of the POC to the CCB it listed "Low Volt" as the intended security contractor.

1 becoming, continuing, and maintaining compliant with the NCCR; (12) regulatory counsel,  
2 within 30 days of the lifting of the Summary Suspension, will conduct an in-depth  
3 walkthrough of the Facility to train and/or discuss THF/TPB compliance with the NCCR;  
4 and (13) will submit physical inventory and/or cultivation activity reports as  
5 necessary/available. Additionally, the POC also referenced that on December 3, 2021, all  
6 cannabis within the Facility was disposed/destroyed pursuant to a CCB observed  
7 destruction.

8         27. The CCB staff has reviewed and approved the plans of correction. However, with  
9 specific reference to the POC submitted on or about August 10, 2022, its corrective actions  
10 are primarily dependent/contingent on the sale of THF to a TPB. As such, the CCB staff's  
11 approval of the POC was dependent/contingent on the same (see Paragraph 21, above). It  
12 shall be the responsibility of the TPB to implement and continue with this POC, or apply  
13 to the CCB to modify the POC, and the Licenses shall still be subject to disciplinary action  
14 for failure to comply with the POC, as modified if applicable, regardless of the ownership  
15 of the Licenses.

16         28. **Contingency if Approval Denied.** If approval of this Stipulation and Order is  
17 denied by the Receivership Court or the CCB, THF and counsel for the CCB agree to resume  
18 settlement negotiations in good faith and attempt to reach an agreement to amend this  
19 Stipulation and Order and resubmit an amended Stipulation and Order to the Receivership  
20 Court to review for approval via motion and the CCB to review for approval at a subsequent  
21 regularly scheduled meeting. If such an agreement cannot be reached, the Parties agree to  
22 proceed with the Administrative Action, the stay in such action shall be lifted and the  
23 Parties and the matter shall proceed to a disciplinary hearing before the CCB's assigned  
24 hearing officer. CCB may also serve and file a disciplinary complaint against THF for the  
25 violations found during 12/21/21 Audit, or amend its Complaint in Case No. 2021-55.  
26 Should the Administrative Action proceed for the reasons set forth in this Paragraph, CCB  
27 preserves all its claims and arguments in the Administrative Action as set forth in its  
28 Complaint (and the Complaint or Amended Complaint to be filed for the 12/21/21 Audit)

1 and THF preserves all its defenses and arguments set forth in its Answer, and withdraws  
2 all waivers set forth herein. An unapproved Stipulation and Order shall not be admissible  
3 as evidence or referenced in argument at any disciplinary hearing in CCB Case No. 2021-  
4 55, a disciplinary matter arising from the 12/21/21 Audit, or any other matter involving the  
5 CCB.

6 **29. Closure of Disciplinary Action.** This this Stipulation and Order resolves  
7 those violations identified within the January 31, 2022, SOD letter and the allegations in  
8 the Complaint in CCB Case No. 2021-55 only. Once this Stipulation and Order is fully  
9 performed by THF or its TPB, the Administrative Action will be closed and the 12/21/21  
10 Audit will be closed.

11 **30.** The CCB reserves the right to investigate and pursue claims for additional  
12 discipline if any new or separate violations are discovered after the approval of this  
13 agreement that are not covered by the specific terms of this settlement agreement.  
14 However, the CCB agrees to limit any future discipline for past unknown violations  
15 associated with THF's Licenses that occurred prior to the Receiver's appointment to  
16 disciplinary actions against the individuals who are found to be responsible for any such  
17 violations and who still hold Nevada agent cards at the time such violations are found. The  
18 CCB further acknowledges receipt of the Receiver's Notice of Temporary Closure of THF's  
19 establishment on October 31, 2022. Additionally, the CCB agrees it may, but is not  
20 required to, consider new ownership of THF's Licenses as a mitigating factor for any future  
21 progressive discipline that may be initiated against the TPB of the Licenses.

22 **31. Communications with CCB Members.** THF understands that this  
23 Stipulation and Order will be presented to the CCB in open session at a duly noticed and  
24 scheduled CCB meeting. THF understands that the CCB has the right to decide in its own  
25 discretion whether or not to approve this Stipulation and Order. The CCB's counsel, which  
26 is the Nevada Attorney General and its staff attorneys, will recommend approval of this  
27 Stipulation and Order. In the course of seeking CCB acceptance of this Stipulation and  
28 Order, counsel for CCB may communicate directly with individual CCB members. THF

1 acknowledges that such communications may be made or conducted *ex parte*, without notice  
2 or opportunity for THF to be heard on its part until the public CCB meeting where this  
3 Stipulation and Order is discussed, and that such contacts and communications may  
4 include, but may not be limited to, matters concerning this Stipulation and Order, the  
5 Administrative Action and any and all information of every nature whatsoever related to  
6 these matters. THF agrees that it has no objections to such *ex parte* communications. CCB  
7 agrees that THF and its Receiver and/or its counsel may appear at the CCB meeting where  
8 this Stipulation and Order is discussed and, if requested, respond to any questions that  
9 may be addressed to THF and/or the Attorney General's staff attorneys. THF agrees that,  
10 should the CCB decline to approve this Stipulation and Order, THF will not contest or  
11 otherwise object to any CCB member, and/or CCB appointed hearing officer, hearing and  
12 adjudicating the Administrative Action, and/or a disciplinary complaint filed as a result of  
13 the 12/21/21 Audit, based on the aforementioned *ex parte* communications with anyone  
14 from the Nevada Attorney General's Office.

15       **32. Release.** Upon approval of this agreement by the CCB, Respondent, and all  
16 persons signing this agreement, agree that the State of Nevada, the CCB, the Office of the  
17 Attorney General, and each of their members, staff, attorneys, investigators, experts,  
18 hearing officers, consultants and agents are immune from any liability for any decision or  
19 action taken in good faith in response to information and data acquired by the CCB.  
20 Respondent and all persons signing this agreement agree to release the State of Nevada,  
21 the CCB, the Office of the Attorney General, and each of their members, staff, attorneys,  
22 investigators, experts, hearing officers, consultants and agents from any and all manner of  
23 actions, causes of action, suits, debts, judgments, executions, claims and demands  
24 whatsoever, known or unknown, in law or equity, that Respondent and those persons  
25 signing this agreement ever had, now have, may have or claim to have against any and/or  
26 all of the persons, government agencies or entities named in this Paragraph, arising out of,  
27 or by reason of, CCB's investigation of the matters set forth in its Complaint, the matters  
28 arising from the 12/21/21 Audit, the matters set forth in this Stipulation and Order, or the

1 administration of CCB Case No. 2021-55 and the 12/21/21 Audit.

2       **33. No Precedent.** The Parties agree that this Stipulation and Order shall not  
3 constitute a precedent for any other issues or proceedings before the CCB and/or in any  
4 other forum, other than those set forth in this Stipulation and Order. Furthermore, this  
5 Stipulation and Order shall not be admissible in any other proceeding or action with respect  
6 to proof of fact or any other matter and/or any other licensee and/or cannabis establishment  
7 registered agent, except proceedings brought to enforce this Stipulation and Order under  
8 its terms and/or for the CCB's consideration of future disciplinary action against this  
9 Respondent.

10       The CCB may consider the discipline imposed herein in any future disciplinary  
11 action against Respondent, as required under NCCR 4.030(2), along with the other factors  
12 set forth in NCCR 4.030(2), and possible progressive discipline pursuant to NCCR 4.035  
13 through 4.060. As every case concerns different facts and details, this Stipulation does not  
14 act as precedent, or persuasive authority, to bind CCB to impose any particular penalty, to  
15 charge or allege any particular violation, and/or to impose any particular disciplinary  
16 action in the future for this Respondent, or any other respondent, for violations of the same  
17 statutes and/or regulations addressed in this Stipulation and Order. Likewise, CCB is not  
18 bound by any previous settlement agreements it has approved in entering into this  
19 Stipulation and Order.

20       **34. Attorneys' Fees and Costs.** The Parties each agree to bear their own attorneys'  
21 fees and costs.

22       **35. Further Assurances.** The Parties shall cooperate in executing such additional  
23 documents and performing such further acts as may be reasonably necessary to give effect  
24 to the purposes and provisions of this Stipulation and Order.

25       **36. Voluntary and Informed Agreement.** The Respondent represents its  
26 Receiver, who is responsible for and able to legally bind THF, and all other individuals  
27 executing this agreement represent, that they have read completely and understand fully  
28 the terms of this Stipulation and Order, that such terms are fully understood and

1 voluntarily accepted by Respondent and all others executing this agreement in advance of  
2 and as memorialized by the signing of this Stipulation and Order, and that the signatures  
3 of Respondent and all others executing this Stipulation and Order indicate same.  
4 Respondent and all others executing this agreement further represent that they have  
5 voluntarily entered into this Stipulation and Order to make a full, final, and complete  
6 compromise upon the terms and conditions set forth herein. Respondent and the others  
7 executing this agreement further represent that any releases, waivers, discharges,  
8 covenants, and agreements provided for in this Stipulation and Order have been knowingly  
9 and voluntarily granted and without any duress or undue influence of any nature from any  
10 person or entity. The Parties, the others executing this agreement, and each of them,  
11 hereby expressly acknowledge that they are each represented by counsel of their own choice  
12 in this matter and have been advised by counsel accordingly.

13       **37. Warranties of Authority.** The Parties to this Stipulation and Order, and each  
14 of them, expressly warrant and represent to all other Parties that each has the full right,  
15 title, and authority to enter into and to carry out its obligations hereunder, with the sole  
16 exception of the required approval of this Stipulation and Order by the CCB. The Parties  
17 also expressly acknowledge the foregoing authority.

18       **38. Binding Effect.** This Stipulation and Order shall be binding upon and inure to  
19 the benefit of the Parties hereto and the Parties' respective successors, predecessors,  
20 parents, affiliates, shareholders, employees, heirs, executors, assigns, and administrators.

21       **39. Construction.** The headings of all Sections and Paragraphs of this Stipulation  
22 and Order are inserted solely for the convenience of reference and are not a part of the  
23 Stipulation and Order and are not intended to govern, limit, or aid in the construction or  
24 interpretation of any term or provision of this Stipulation and Order. In the event of a  
25 conflict between such caption and the paragraph at the head of which it appears, the  
26 paragraph and not such caption shall govern in the construction of this Stipulation and  
27 Order.

28       **40. Governing Law.** This Stipulation and Order shall be governed by and

1 construed in accordance with the laws of the State of Nevada, without reference to conflict  
2 of law principles.

3 **41. Jurisdiction and Forum Selection.** The Parties consent to the jurisdiction of  
4 the Receivership Court to resolve any disputes related to the terms or enforcement of this  
5 Stipulation and Order. The successful or prevailing Party or Parties in such action shall be  
6 entitled to recover reasonable attorney fees, costs, and expenses actually incurred in  
7 initiating or responding to such proceeding, in addition to any other relief to which it may  
8 be entitled.

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

14 **43. Time is of the Essence.** Time is of the essence in the performance of all terms  
15 of this Stipulation and Order.

16 **44. Severability.** If any portion of this Stipulation and Order, or its application  
17 thereof to any person or circumstance, shall be deemed to any extent to be invalid, illegal,  
18 or unenforceable as a matter of law, all remaining clauses of this Stipulation and Order  
19 and its application thereof shall be not affected and shall remain enforceable to the fullest  
20 extent permitted by law.

21 **45. Counterparts and Copies.** This Stipulation and Order may be executed in  
22 counterparts, each of which when so executed and upon delivery to counsel of record for the  
23 Parties shall be deemed an original ("Counterparts"). This Stipulation and Order shall be  
24 deemed executed when Counterparts of this Stipulation and Order have been executed by  
25 all the Parties and/or their counsel; such Counterparts taken together shall be deemed to  
26 be the Agreement. This Stipulation and Order may be executed by signatures provided by  
27 electronic facsimile or email, which signatures shall be binding and effective as original  
28 wet ink signatures hereupon. All fully executed copies of this Stipulation and Order are

1 duplicate originals, equally admissible in evidence.

2 IN WITNESS WHEREOF, this Stipulation and Order has been executed by the  
3 Parties and attested by their duly authorized representatives as of the date(s) so indicated.

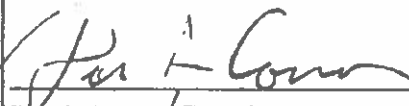
4 The Effective Date of this Stipulation and Order shall be the date it is ordered by the CCB.

5   
6 \_\_\_\_\_  
7 Kevin Singer  
8 Receiver for Respondent THF


Date: 4-6-23

9  
10   
11 \_\_\_\_\_  
12 John Savage, Esq. (Nevada Bar No. 11455)  
13 Attorney for Receiver of Respondent, THF

Date: April 6, 2023

14  
15   
16 \_\_\_\_\_  
17 Derek Conroy, Esq. (Nevada Bar No. 12194)  
18 Attorney for Respondent


Date: April 6, 2023

19   
20 \_\_\_\_\_  
21 Donald Burton, Owner  
22 THF


Date: March 30, 2023

23   
24 \_\_\_\_\_  
25 Larry K. Lemons, Owner  
26 THF

Date: 3/31/2023

27   
28 \_\_\_\_\_  
29 Jeffrey Yokiell, Owner  
30 THF

Date: 6-14-23

  
L. Kristopher Rath, Esq. (Nev. Bar No. 5749)  
Senior Deputy Attorney General  
Counsel for Cannabis Compliance Board

Date: 6/15/2023



Sara Gullickson

3/30/2023

Sara Gullickson<sup>7</sup>, Owner  
Strive

Date: \_\_\_\_\_

**ORDER**

WHEREAS, on 28 day of July 2023, 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 THF.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 28 day of July, 2023.

STATE OF NEVADA,  
CANNABIS COMPLIANCE BOARD

By:  \_\_\_\_\_

HON. MICHAEL L. DOUGLAS, CHAIR

4853-6201-4541, v 2

<sup>7</sup>The basis for Ms. Gullickson's inclusion within the instant Stipulation and Order is based solely on the requirements enumerated within Paragraph 20(b)(iii), above, wherein Strive is required to remain in conditional status unless/until the THF/Strive-Owner-TOI has been approved, and Strive has undergone final inspection and been approved to operate within the required deadlines. This Stipulation and Order does not constitute any disciplinary action against Ms. Gullickson. For the avoidance of doubt, nothing herein this Stipulation and Order shall prohibit or otherwise impede Gullickson's ability to continue to operate in the State of Nevada pursuant to the NCCR and further no agent card held by Gullickson shall be affected thereby and any and all such agent card(s) shall remain valid, in good standing, and in full force effect.

CLERK OF THE COURT

Howard & Howard

1 **ORDR**  
2 John J. Savage, Nevada Bar. No. 11455  
3 HOWARD & HOWARD ATTORNEYS PLLC  
4 3800 Howard Hughes Parkway, Suite 1000  
5 Las Vegas, Nevada 89169  
6 Telephone: (702) 257-1483  
7 Facsimile: (702) 567-1568  
8 [jj@s@h2law.com](mailto:jj@s@h2law.com)  
9 *Counsel for Court-Appointed Receiver, Kevin Singer*

6 **DISTRICT COURT**  
7 **CLARK COUNTY, NEVADA**

8 ALTERNATIVE MEDICINE ASSOCIATION,  
9 LC, A NEVADA LIMITED LIABILITY  
10 COMPANY,

Case No. A-18-783185-C  
Dept. No. 28

Hearing Date: May 30, 2023  
Hearing Time: 10:00 a.m.

10 Plaintiff,

11 vs.

12 THE HARVEST FOUNDATION, LLC, A  
13 NEVADA LIMITED-LIABILITY COMPANY;  
14 DOES I THROUGH X AND ROES XI  
15 THROUGH XX

16 Defendants.

17 **ORDER GRANTING RECEIVER'S MOTION FOR APPROVAL OF HARVEST'S**  
18 **DISCIPLINARY SETTLEMENT WITH THE CCB AND AUTHORIZATION TO SIGN**  
19 **ON BEHALF OF JEFFREY YOKIEL ON ORDER SHORTENING TIME**

20 On May 30, 2023, the hearing was held on the Receiver's Motion for Approval of  
21 Harvest's Disciplinary Settlement with the CCB and Authorization to Sign on Behalf of Jeffrey  
22 Yokiell on Order Shortening Time (the "Hearing"), which was filed by Kevin Singer (the  
23 "Receiver"), the Court-appointed receiver over The Harvest Foundation, LLC ("Harvest") in this  
24 matter, on April 11, 2023 [Doc ID #106] (the "Settlement Motion"). No oppositions to the  
25 Settlement Motion were subsequently filed or presented at the Hearing.

26 Having reviewed the Settlement Motion, the Declaration of John J. Savage, Esq.  
27 Regarding Service on Jeffrey Yokiell Re: Receivers Motion for Approval of Harvests Disciplinary  
28 Settlement with the CCB and Authorization to Sign on Behalf of Jeffrey Yokiell on Order  
Shortening Time, which was filed on May 26, 2023 [Doc ID #115], and being fully informed, no  
oppositions having been filed, and good cause appearing therefor, the Court orders as follows:

1 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Settlement  
2 Motion is GRANTED.

3 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the  
4 Stipulation and Order for Settlement of Disciplinary Action, which was attached to the Settlement  
5 Motion and is attached hereto as Exhibit "1" (the "Disciplinary Settlement"), is APPROVED,  
6 which final approval will remain contingent on the Cannabis Compliance Board's approval.

7 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the  
8 Receiver is authorized to sign the Disciplinary Settlement on behalf of Jeffrey Yokiell.

Dated this 12th day of June, 2023

9 IT IS SO ORDERED.



A-18-783185-C

BC

1A1 08C 1016 844F  
Ronald J. Israel  
District Court Judge

13 Submitted by:  
14 HOWARD & HOWARD ATTORNEYS PLLC

15 By: /s/ John J. Savage  
16 John J. Savage, Esq. (NBN 11455)  
17 3800 Howard Hughes Parkway, Suite 1000  
18 Las Vegas, Nevada 89169  
19 Counsel for Court-Appointed Receiver,  
20 Kevin Singer