

BEFORE THE CANNABIS COMPLIANCE BOARD  
STATE OF NEVADA

STATE OF NEVADA, CANNABIS  
COMPLIANCE BOARD,

Case No. 2023-02

Petitioner,

vs.

NV CANN LABS, LLC,

Respondent.

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

The Cannabis Compliance Board (the "CCB" or the "Board"), by and through its counsel, Aaron D. Ford, Attorney General for the State of Nevada, and L. Kristopher Rath, Esq., Senior Deputy Attorney General, hereby enters into this Stipulation and Order for Settlement of Disciplinary Action ("Stipulation and Order") with Respondent NV Cann Labs, LLC (hereinafter "NCL" or "Respondent"), by and through its counsel of record, John Hunt, Esq., of the law firm Clark Hill. Pursuant to this Stipulation and Order, NCL and the CCB (collectively, the "Parties") hereby stipulate and agree that CCB Case No. 2023-02 (the "Administrative Action") shall be fully and finally settled and resolved upon the terms and conditions set out herein.

**PERTINENT FACTS**

1. On or about April 24, 2023, the CCB initiated this disciplinary action via the service and filing of a Complaint for Disciplinary Action (the "Complaint"). The Complaint alleges, *inter alia*, that, contrary to Nevada law, the NCL medical and adult-use cannabis independent testing laboratory facility (L001 and RL001): (1) made an intentionally false statement to Board agents; (2) intentionally failed to comply with approved procedures in a laboratory, including its own standard operating procedures; (3) failed to comply with NCCR 11.070 in multiple different ways, including failing to report all test results to the

1 CCB and conducting unauthorized re-testing of cannabis samples; (4) failed to notify the  
2 Board of modification or expansion of its facility; (5) failed to follow an approved security  
3 plan; (5) failed to maintain a quality assurance/quality control program in its laboratory in  
4 multiple different ways; and (6) failed to have an owner in possession of a valid cannabis  
5 establishment agent card.

6 2. NCL has not filed an Answer and/or a Request for a Hearing as of the date of  
7 this Stipulation and Order. Rather, NCL requested and was granted two extensions to file  
8 its Answer in order to attempt to negotiate resolution of the Administrative Action. The  
9 Parties entered into good faith negotiations to resolve the Administrative Action and  
10 reached an agreement in principle for resolving this case. As a result, the CCB's Chair  
11 approved a stipulation and order to stay the Administrative Action on June 9, 2023, to  
12 allow the Parties to finalize this Stipulation and Order and for the CCB to consider  
13 approval of this Stipulation and Order at its July 25, 2023, meeting.

14 3. The Parties have engaged in good faith settlement negotiations to reach an  
15 agreement that is mutually acceptable to Respondent, CCB staff, and counsel for the CCB,  
16 for resolution of the Administrative Action, with the understanding that this Stipulation  
17 and Order must be approved by a majority vote of the members of the CCB to become  
18 effective.

#### 19 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

20 This Stipulation and Order is made and based upon the following acknowledgements  
21 by the Parties:

22 4. NCL has entered into this Stipulation and Order on its own behalf and with  
23 full authority to resolve the claims against it and is aware of NCL's rights to contest the  
24 violations pending against it. These rights include representation by an attorney at NCL's  
25 own expense, the right to file an answer to the Complaint, the right to a hearing on any  
26 violations or allegations formally filed, the right to confront and cross-examine witnesses  
27 called to testify against NCL, the right to present evidence on NCL's own behalf, the right  
28 to have witnesses testify on NCL's behalf, the right to obtain any other type of formal

1 judicial review of this matter, and any other rights which may be accorded to NCL pursuant  
2 to provisions of NRS Chapters 678A through 678D, the Nevada Cannabis Compliance  
3 Regulations (NCCR), and any other provisions of Nevada law. NCL is waiving all these  
4 rights by entering into this Stipulation and Order. If the CCB rejects this Stipulation and  
5 Order, or any portion thereof, all such waivers shall be deemed withdrawn by NCL.

6 5. Should this Stipulation and Order be rejected by the CCB or not timely  
7 performed by NCL, it is agreed that presentation to and consideration by the CCB of such  
8 proposed stipulation or other documents or matters pertaining to the consideration of this  
9 Stipulation and Order shall not unfairly or illegally prejudice the CCB or any of its  
10 members from further participation, consideration, adjudication, and/or resolution of these  
11 proceedings and that no CCB member shall be disqualified or challenged for bias.

12 6. NCL acknowledges that this Stipulation and Order shall only become effective  
13 after the CCB has approved it.

14 7. NCL enters this Stipulation and Order after being fully advised of NCL's  
15 rights and as to the consequences of this Stipulation and Order. This Stipulation and Order  
16 embodies the entire agreement reached between the CCB and NCL. It may not be altered,  
17 amended, or modified without the express written consent of the Parties, and all  
18 alterations, amendments and/or modifications must be in writing. The Parties stipulate  
19 and agree that this Stipulation and Order, if approved by the Board, resolves only the  
20 allegations set forth in the Administrative Action via the Complaint in Case No. 2023-02.

21 8. In an effort to avoid the cost and uncertainty of a disciplinary hearing, NCL  
22 has agreed to settle these matters. For purposes of settling these matters, NCL  
23 acknowledges that the facts contained in the paragraphs in the above "Pertinent Facts"  
24 portion of this Stipulation and Order are true and correct. Without waiving any  
25 constitutional rights against self-incrimination, NCL further acknowledges that certain  
26 facts contained in the CCB Complaint in Case No. 2023-02 could be found to constitute  
27 violations of Title 56 of NRS (NRS Chapters 678A through 678D), and the NCCR, with  
28 penalties up to and including revocation, suspension, and civil penalties of up to \$415,000

1 for licenses L001 and RL001, if these matters proceeded to an administrative hearing.

2 9. In settling this matter, the Executive Director for CCB and counsel for CCB  
3 have considered the factors set forth in NCCR 4.030(2), including: the gravity of the  
4 violations; the economic benefit or savings, if any, resulting from the violations; the size of  
5 the business of the violator; the history of compliance with the NCCR and Title 56 of NRS  
6 by the violator<sup>1</sup>; actions taken to remedy and/or correct the violations; and the effect of the  
7 penalty on the ability of the violator to continue in business. Mitigating factors in Case No.  
8 2023-02 include the fact that Respondent cooperated with the CCB's staff in formulating  
9 and instituting a plan of correction (as set forth below) to prevent regulatory violations  
10 from occurring in the future. Respondent also cooperated with the CCB's counsel in  
11 resolving this matter shortly after the Complaint was filed. The Executive Director for CCB  
12 and counsel for CCB also took into account the size of the Respondent's business and the  
13 impact of the civil penalties on its ability to continue with its business. A reasonable civil  
14 penalty has been proposed in this agreement, and Respondent has been provided with a  
15 payment plan, at its request, that will allow full payment over 10 months to mitigate the  
16 financial impact on Respondent.

17 10. To resolve the Administrative Action, and only for those purposes and no  
18 other, NCL specifically admits to the following nine violations with respect to the  
19 Complaint in CCB Case No. 2023-02:

- 20 a. One violation of NCCR 4.040(1)(a)(19) for failing to comply with NCCR  
21 11.070, which constitutes one Category II violation.
- 22 b. One violation of NCCR 4.040(1)(a)(15) for intentional variance from  
23 approved procedures in a laboratory, which constitutes a second  
24

25 <sup>1</sup> With respect to NCL's recent compliance history: (1) a CCB investigation of NCL on October 21, 2021, found  
26 regulatory violations for improper training of a sample collection agent; (2) a CCB investigation of September  
27 24, 2020, found regulatory violations, including: failing to ensure the accuracy of chain of custody and METRC  
28 manifests for cannabis samples, for which NCL did not perform corrective action in a timely manner; and (3)  
a CCB investigation and audit of NCL on December 26, 2019, found regulatory violations, including: an  
improper method for Salmonella testing; unsanitary handling of cannabis samples; failure to follow approved  
laboratory procedures; managing results of potency testing to internal trends, rather than reporting results  
per the facility's validated methods; reporting lab results to clients prior to issuing a certificate of analysis to  
the regulatory authority, and improper standard operating procedures.

1 Category II violation.

2 c. One violation of NCCR 4.050(1)(a)(7) for allowing activity which  
3 violates the laws of this State, which constitutes a Category III  
4 violation.

5 d. One violation of NCCR 4.050(1)(a)(26) for failure to maintain a quality  
6 assurance/quality control program in a laboratory, which constitutes a  
7 second Category III violation.

8 e. One violation of NCCR 4.055(1)(a)(1) for failing to display or have in  
9 the immediate possession of each cannabis establishment agent a  
10 cannabis establishment agent registration card or proof of temporary  
11 registration, which constitutes a Category IV violation.

12 f. Four violations of NCCR 4.060(1)(a)(6) for failing to comply with any  
13 other requirements not described in another category of violations,  
14 which constitutes four Category V violations.

15 As to the remaining allegations in the Complaint, NCL neither admits nor denies those  
16 allegations and no civil penalties shall be assessed as to those remaining violations.

17 11. With respect to licenses L001 and RL001, NCL further agrees to pay a civil  
18 penalty in the amount of \$162,500<sup>2</sup> in consideration for its admitted violations in  
19 Paragraphs 10(a) through 10(f), above, and to accept a formal CCB warning in  
20 consideration for its admitted first Category V violation in Paragraph 10(f), and in  
21 consideration for the CCB's agreement to resolve the Administrative Action on the terms  
22 set forth herein.

23 12. If the CCB approves this Stipulation and Order, it shall be deemed and  
24 considered disciplinary action by the CCB against NCL.

25 13. Both parties acknowledge that the CCB has jurisdiction to consider and order  
26 this Stipulation and Order because NCL holds privileged licenses regulated by the CCB as  
27 of July 1, 2020. NCL expressly, knowingly, and intentionally waives the 21-day and/or 5-

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<sup>2</sup> To be apportioned \$81,250 to L001 and \$81,250 to RL001.

1 day notice requirements contained in the Nevada Open Meeting Law<sup>3</sup> and acknowledges  
2 that this Stipulation and Order may be presented to the CCB for its consideration and  
3 potential ratification at the CCB's meeting on July 25, 2023.

4 **STIPULATED ADJUDICATION**

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

8 14. Violations: As to licenses L001 and RL001, NCL is found to have committed  
9 two Category II violations, two Category III violations, one Category IV violation, and four  
10 Category V violations, as set forth in Paragraphs 10(a) through 10(f), above.

11 15. Imposition of Civil Penalties. NCL shall pay a total civil penalty in the  
12 amount of One Hundred and Sixty-Two Thousand, Five Hundred Dollars (\$162,500) within  
13 the time set forth in Paragraph 17 below, to be apportioned as set forth in Paragraph 11,  
14 above.

15 16. Formal Warning. In accordance with NCCR 4.060(2)(a)(1), the CCB hereby  
16 issues a formal warning to NCL, as to its first Category V violation in the immediately  
17 preceding three years: NCL shall comply with all requirements and regulations regarding  
18 laboratory operations, cannabis testing, and requirements for pre-approval of facility  
19 modifications. Failure to do so in the future will invoke additional progressive discipline  
20 and shall be considered an aggravating factor in considering the amount of civil penalties  
21 in any future disciplinary actions.

22 17. Payment of Civil Penalties. NCL must pay the total civil penalty set forth in  
23 this agreement within the time frames set forth in this Paragraph and Paragraph 18. NCL  
24 may pay the lump sum of \$162,500 in civil penalties within 30 days of the date the CCB  
25 approves this Stipulation and Order<sup>4</sup> (the "Lump Sum Payment Option"). In the  
26 alternative, NCL may elect to pay the civil penalties via a payment plan as set forth in this  
27

28 <sup>3</sup> And/or the 7 and 14-calendar day requirements under A.B. 52, Section 6.

<sup>4</sup> Which would be Thursday, August 24, 2023, if the CCB approves this Stipulation and Order at its July 25, 2023, meeting.

1 Paragraph (the "Payment Plan Option"), in which payment is to be made in installments  
2 over 10 months, on the fifteenth day of the month (or first business day thereafter),  
3 commencing the month after the CCB approves this Stipulation and Order. If this  
4 Stipulation and Order is approved at the July 25, 2023, CCB meeting, the Payment Plan  
5 Option payments shall be made on the following schedule and in the indicated amounts:

6 Installment	Payment Deadline	Amount of Payment <sup>5</sup>
7 First Installment	Tuesday, August 15, 2023	\$16,250
8 Second Installment	Friday, September 15, 2023	\$16,250
9 Third Installment	Monday, October 16, 2023	\$16,250
10 Fourth Installment	Wednesday, November 15, 2023	\$16,250
11 Fifth Installment	Friday, December 15, 2023	\$16,250
12 Sixth Installment	Tuesday, January 16, 2024	\$16,250
13 Seventh Installment	Thursday February 15, 2024	\$16,250
14 Eighth Installment	Friday, March 15, 2024	\$16,250
15 Ninth Installment	Monday, April 15, 2024	\$16,250
16 Tenth Installment	Wednesday, May 15, 2024	\$16,250

17 NCL may pay any installment prior to its due date without pre-payment penalty. If NCL  
18 makes the first payment of \$16,250 on or before August 15, 2023, it shall be deemed to have  
19 elected the Payment Plan Option. If this Stipulation and Order is approved at a CCB  
20 meeting later than July 25, 2023, the Parties shall meet and confer and develop a new  
21 payment plan schedule which shall be submitted to the CCB's Chair for approval, and the  
22 provisions of Paragraph 18 shall apply to that new payment schedule.

23  
24 18. Penalties for Failure to Comply with Payment Deadlines. NCL acknowledges  
25 that it is critical to comply with the strict requirements of the deadlines for payment set  
26 forth in this agreement under the Lump Sum Payment Option or the Payment Plan Option,  
27 whichever it should elect. NCL agrees that, should it fail to timely make any installment

28 <sup>5</sup> Each payment of \$16,250 shall be apportioned \$8,125 to L001 and \$8,125 to LR001; however, Respondent may pay each installment with a single payment of \$16,250.

1 payment under the Payment Plan Option (or fail to comply with the Lump Sum Payment  
2 Option, if applicable), the following penalties and procedures will be in effect:

- 3 a. CCB will allow a five business day grace period for late payment.
- 4 b. If payment is not physically received by CCB at its Carson City office  
5 by 5:00 p.m., Pacific Time, on the last day of the grace period, NCL shall  
6 be deemed to be in breach of this Stipulation and Order, deemed to be  
7 in default, and deemed to have admitted all allegations in the CCB  
8 Complaint in Case No. 2023-02 and shall pay all penalties and receive  
9 all discipline set forth under the "Relief Requested" section of the  
10 Complaint, inclusive of revocation of licenses L001 and RL001, and civil  
11 penalties totaling \$415,000. The CCB will enter an order of default to  
12 this effect after default and all amounts due under this subsection shall  
13 be immediately due and payable to CCB. NCL agrees it cannot and will  
14 not file any petition for judicial review and/or any action in any forum  
15 for relief from this order of default and that the CCB may file any  
16 judicial action necessary to recover the amounts owed under this  
17 subsection, along with its attorneys' fees and costs for recovery of  
18 amounts owed.
- 19 c. NCL may petition the CCB for an extension of 30-days to pay any of the  
20 installments set forth in Paragraph 17 (or the lump sum, under the  
21 Lump Sum Payment Option). However, for the CCB to consider any  
22 such petition, the CCB must receive said petition no later than 5  
23 business days prior to the installment deadline at issue (which does not  
24 include any grace period). The CCB is not required to grant such a  
25 petition. In such a petition, NCL must demonstrate to the satisfaction  
26 of the CCB that there are extraordinary and unusual circumstances  
27 necessitating the extension requested and specify which installment  
28 deadline or deadlines it is seeking an extension. The CCB may delegate



1 the decision as to whether to grant such a petition to the CCB Chair.

2 d. If an extension is granted under Paragraph 18(c), there shall be no  
3 grace period on the new payment date or dates. If NCL does not pay by  
4 the new payment date or dates, the provisions and penalties of  
5 Paragraph 18(b) apply.

6 19. Plan of Correction. Respondent represents and warrants that it has submitted  
7 and put in place a plan of correction, which CCB staff has approved, that will remedy and  
8 prevent the recurrence of the violations set forth in this Stipulation and Order. In  
9 summary, the plan of correction regarding the Administrative Action includes the  
10 following: (1) NCL updated its quality assurance/quality control program manual, standard  
11 operating procedures ("SOPs"), and job descriptions related to quality assurance and  
12 quality control duties, to bring the foregoing into regulatory compliance; (2) NCL updated  
13 its SOPs to ensure proper sanitary procedures for handling cannabis samples and  
14 instituted a policy for employee discipline for failure to follow these SOPs; (3) SOPs were  
15 updated to reflect practice and to ensure they complied with regulations and statutes; (4)  
16 NCL ceased the practice of discussing homogeneity targets for infused drinks with its  
17 customer and is now testing samples for an item's approved homogeneity targets; (5) NCL  
18 has ceased unapproved re-testing of residual solvents and concentrate samples and  
19 updated its SOPs to comply with regulations; (6) NCL has updated its security system to  
20 provide audio and visual notification of any failures; (7) NCL implemented new policies to  
21 ensure facility modifications are submitted and approved prior to any modifications taking  
22 place; and (8) NCL has checked all agent cards, instituted a log to track expiration dates  
23 on agent cards, and now requires all employees and owners to renew their agent cards one  
24 month prior to expiration. Respondent further represents and warrants that it is now, as  
25 of the date it has executed this Stipulation and Order, operating in full compliance with  
26 NRS Title 56 and NCCR.

27 20. Contingency if Approval Denied. If approval of this Stipulation and Order is  
28 denied by the CCB, NCL and counsel for the CCB agree to resume settlement negotiations

1 in good faith and attempt to reach an agreement to amend this Stipulation and Order and  
2 resubmit an amended Stipulation and Order to the CCB to review for approval at a  
3 subsequent regularly scheduled CCB meeting. If such an agreement cannot be reached, the  
4 Parties agree to proceed with the Administrative Action, with NCL to timely file its Answer  
5 and Request for Hearing, and the matter to proceed to a disciplinary hearing before the  
6 CCB's assigned hearing officer in the ordinary course. Should the Administrative Action  
7 proceed for the reasons set forth in this Paragraph, CCB preserves all its claims and  
8 arguments in the Administrative Action as set forth in its Complaint and NCL preserves  
9 all its defenses and arguments it may set forth in its Answer, and withdraws all waivers  
10 set forth herein. An unapproved Stipulation and Order shall not be admissible as evidence  
11 or referenced in argument at any disciplinary hearing in CCB Case No. 2023-02 or any  
12 other matter involving the CCB.

13       21. Contingency if Approval Conditioned. If the CCB approves this Stipulation  
14 and 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 NCL does not agree to the certain conditions  
17 imposed by the CCB, the Parties will undertake additional negotiations and attempt to  
18 reach an agreement to amend this Stipulation and Order and resubmit an amended  
19 stipulation and order to the CCB to review for approval at a subsequent regularly scheduled  
20 meeting. If such an agreement cannot be reached, the Parties agree to proceed with the  
21 Administrative Action, with NCL to timely file its Answer and Request for Hearing, and  
22 the matter to proceed to a disciplinary hearing before the CCB's assigned hearing officer in  
23 the ordinary course. Should the Administrative Action proceed for the reasons set forth in  
24 this Paragraph, CCB preserves all its claims and arguments in the Administrative Action  
25 as set forth in its Complaint and NCL preserves all its defenses and arguments it may set  
26 forth in its Answer, and withdraws all waivers set forth herein. An unapproved Stipulation  
27 and Order shall not be admissible as evidence or referenced in argument at any disciplinary  
28 hearing in CCB Case No. 2023-02 or any other matter involving the CCB.

1           22. Closure of Disciplinary Action. Once this Stipulation and Order is fully  
2 performed by NCL, the Administrative Action will be closed.

3           23. Nothing in this Stipulation and Order shall preclude the CCB from pursuing  
4 any separate disciplinary actions against the individual cannabis establishment agent  
5 registration cards of the employees and/or agents of Respondent, as well as the cannabis  
6 production facility and its employees and agents, who participated in, authorized, and/or  
7 perpetrated the acts and omissions set forth in the Complaint at Paragraphs 22 and 28,  
8 and the CCB specifically reserves its rights to do so. Should the CCB proceed with  
9 disciplinary action against any such cannabis establishment agent and/or cannabis  
10 establishment, Respondent agrees that it will cooperate with the CCB staff and the CCB's  
11 counsel in any investigation of the actions of such cannabis establishment and/or cannabis  
12 establishment agents and provide any related documents or information requested in such  
13 investigations that is within its custody and/or control<sup>6</sup>. Respondent also agrees to make  
14 available, upon reasonable notice, any of its employees, owners, officers, and/or directors,  
15 to the extent such individuals remain under Respondent's control, to testify at any  
16 disciplinary hearings involving the subject cannabis establishment agents and/or cannabis  
17 establishment. The Parties agree that, should the CCB approve this Stipulation and Order,  
18 this Stipulation and Order, and the Complaint in CCB Case No. 2023-02, may be used as  
19 evidence at any subsequent disciplinary proceedings and hearings regarding the cannabis  
20 establishment agents and/or cannabis establishment described in this Paragraph.

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

28 <sup>6</sup> Respondent further agrees that it will preserve for at least five years any documents and/or other evidence relevant to such a disciplinary action against the subject cannabis establishment agents and/or cannabis establishment.

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

15 25. Release. Respondent agrees that the State of Nevada, the CCB, the Office of  
16 the Attorney General, and each of their members, staff, attorneys, investigators, experts,  
17 hearing officers, consultants and agents are immune from any liability for any decision or  
18 action taken in good faith in response to information and data acquired by the CCB.  
19 Respondent agrees to release the State of Nevada, the CCB, the Office of the Attorney  
20 General, and each of their members, staff, attorneys, investigators, experts, hearing  
21 officers, consultants and agents from any and all manner of actions, causes of action, suits,  
22 debts, judgments, executions, claims and demands whatsoever, known or unknown, in law  
23 or equity, that Respondent ever had, now has, may have or claim to have against any and/or  
24 all of the persons, government agencies or entities named in this Paragraph, arising out of,  
25 or by reason of, CCB's investigation of the matters set forth in the Complaint, the matters  
26 set forth in this Stipulation and Order, and/or the administration of CCB Case No. 2023-  
27 02.

28 26. No Precedence. *Except as otherwise set forth in Paragraph 23, above,*

1 the Parties agree: (1) That this Stipulation and Order shall not constitute a precedent for  
2 any other issues or proceedings before the CCB and/or in any other forum, other than those  
3 set forth in this Stipulation and Order; (2) That this Stipulation and Order shall not be  
4 admissible in any other proceeding or action with respect to proof of fact or any other matter  
5 and/or any other licensee and/or cannabis establishment, except proceedings brought to  
6 enforce this Stipulation and Order under its terms and/or for the CCB's consideration of  
7 future disciplinary action against this Respondent, and except with respect to any  
8 disciplinary proceedings against the cannabis establishment agents and/or other cannabis  
9 establishments who participated in, authorized, and/or perpetrated the acts and omissions  
10 set forth in the Complaint at Paragraphs 22 and 28.

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

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

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

26 29. Voluntary and Informed Agreement. The Respondent represents that its  
27 owners, officers, and/or its directors, who are responsible for and able to legally bind NCL  
28 have read completely and understand fully the terms of this Stipulation and Order, that

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

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

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

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

26       33. Governing Law. This Stipulation and Order shall be governed by and  
27 construed in accordance with the laws of the State of Nevada, without reference to conflict  
28 of law principles.

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

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

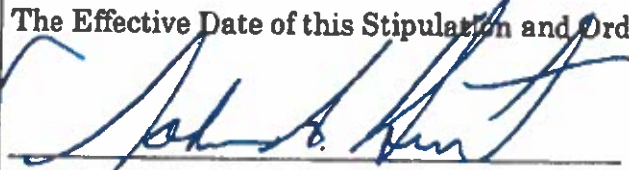
12           36.    Time is of the Essence. Time is of the essence in the performance of all terms  
13 of this Stipulation and Order.

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


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

28

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

4   
5 \_\_\_\_\_ Date: 7/10/2023  
6 John Hunt (Nev. Bar No. 1888)  
7 Counsel for Respondent NCL

8  
9   
10 \_\_\_\_\_ Date: 7/10/2023  
11 Nick Sever, Co-Manager  
12 On behalf of Respondent NCL

13  
14   
15 \_\_\_\_\_ Date: 7/12/2023  
16 L. Kristopher Rath (Nev. Bar No. 5749)  
17 Senior Deputy Attorney General  
18 Counsel for Cannabis Compliance Board

19 **ORDER**

20 WHEREAS, on the 25<sup>th</sup> day of July 2023, the Nevada Cannabis Compliance Board  
21 approved and adopted all the terms and conditions set forth in the Stipulation and Order  
22 for Settlement of Disciplinary Action with NCL.

23 IT IS SO ORDERED.

24 SIGNED AND EFFECTIVE this 25 day of July, 2023.

25 STATE OF NEVADA,  
26 CANNABIS COMPLIANCE BOARD

27  
28 By:   
\_\_\_\_\_ HON. MICHAEL L. DOUGLAS, CHAIR