

CANNABIS COMPLIANCE BOARD STATE OF NEVADA



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Receiver and Succession Plan Regulations

This notification is to remind all licensees of two of the new requirements under NCCR 5, which were effective as of December 19, 2023:

- (1) Under NCCR 5.170(2), all natural persons who hold an ownership interest in a cannabis establishment of greater than 50% must provide the CCB with a succession plan within 120 days. This succession plan must indicate the individuals or entities who are planned to acquire the subject owner's interest in the business on the owner's death or disability. This plan should be submitted no later than Wednesday, April 17, 2024, to ccblicensing@ccb.nv.gov. If needed, an extension may be requested via this email.
- (2) Under 5.175(1)(a), if an owner of a cannabis establishment, or any other person, files a request with a court for a receivership over that cannabis establishment, that person must name the CCB as an interested party and notify the CCB of the action.

The relevant language of these regulations is quoted below for your reference. The full language of these regulations may be found on the Board's website at https://ccb.nv.gov/wp-content/uploads/2024/01/Reg-5_v111423.pdf.

NCCR 5.170(2):

Within 120 days of the enactment of this regulation, for a natural person who holds an ownership interest in a cannabis establishment of greater than 50%, whether directly or indirectly through one or more legal entities, said cannabis establishment must provide the Board with a plan of succession of the ownership interest on said person's death, incapacity, or disability. Such a cannabis establishment must provide notice of any change to said plan of succession of the ownership interest within 5 business days of such change. The plan of succession and any subsequent changes thereto are not public documents and are confidential.

5.175(1)(a):

If any owner or creditor of a cannabis establishment, or any other person, seeks an order of appointment for a receiver from a court of competent jurisdiction over a cannabis establishment, that moving party or parties must name the Board as an interested party in any such court action and provide notice to the Board of the filing of such action within 14 days of the filing of such action. Any such action filed seeking the appointment of a receiver over the cannabis establishment must request that the order of appointment be subject to the Board's approval of an application for a cannabis establishment agent registration card for a cannabis receiver. The requirements of this section also apply to any binding arbitration proceeding in which an appointment of a receiver is sought. The requirements of this section also apply, even if the parties to any action stipulate the appointment of a particular person as a receiver.