

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

3
4 STATE OF NEVADA, CANNABIS
 COMPLIANCE BOARD,

Case No. 2024-02

5 Petitioner,

6
7 vs.

8 CIRCLE S FARMS, LLC, (P093,
 RP093),

9 Respondent.

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

12 The Cannabis Compliance Board (the “CCB” or the “Board”), by and through its
13 counsel, Aaron D. Ford, Attorney General for the State of Nevada, and L. Kristopher Rath,
14 Esq., Senior Deputy Attorney General, hereby enters into this Stipulation and Order for
15 Settlement of Disciplinary Action (“Stipulation and Order”) with Respondent Circle S
16 Farms, LLC, (cannabis production facility establishment identification Nos. P093 and
17 RP093, hereinafter referenced as “CSFP” or “Respondent”), by and through its counsel of
18 record, Amanda Connor, Esq., of the Law Offices of Connor & Connor, PLLC. Pursuant to
19 this Stipulation and Order, CSFP and the CCB (collectively, the “Parties”) hereby stipulate
20 and agree that CCB Case No. 2024-02 (the “Administrative Action”) shall be fully and
21 finally settled and resolved upon the terms and conditions set out herein.

22 **PERTINENT FACTS**

23 1. Respondent is a domestic limited liability company in the State of Nevada.
24 The Nevada Secretary of State lists Stacey O. Huffman as its manager and Amanda
25 Connor, Esq., is its current Point of Contact with the CCB. CSFP holds both a medical
26 cannabis production license (P093) and an adult-use cannabis production license (RP093).

27 2. Commencing on or about March 2, 2023, and concluding on or about June 27,
28 2023, the CCB conducted a routine audit of CSFP’s cannabis production facility. The CCB

1 agents conducting this audit were Anissa Acfalle and Marvin Taylor (the "CCB Agents").
2 On or about June 28, 2023, the CCB agents issued a Statement of Deficiencies Letter (the
3 "SOD"). The SOD alleged that, during the aforementioned inspection, the CCB Agents
4 found certain statutory and regulatory violations at CFSC, including the following: (1) the
5 amount of waste recorded in METRC did not match that documented in the waste log; (2)
6 production runs were not recorded in a timely manner in METRC; (3) there were
7 discrepancies between production logs and METRC; and (4) there were discrepancies
8 between METRC data and physical inventory. The foregoing each indicated multiple
9 different failures to follow seed-to-sale tracking requirements. Except as otherwise set
10 forth in this Stipulation and Order, CFSC neither admits, nor denies, the allegations set
11 forth in the SOD.

12 3. Respondent thereafter worked with CCB staff to complete a plan of correction
13 for the SOD that was acceptable to CCB staff.

14 4. Thereafter, CCB staff, working through the Attorney General's Office, entered
15 into good faith settlement negotiations with CSFP, through its counsel, to attempt to resolve
16 the violations alleged in the SOD. The Parties were able to come to a mutually acceptable
17 resolution of this matter which is acceptable to CCB staff and the Attorney General,
18 without the necessity of filing a Complaint for Disciplinary Action. CSFP has agreed to
19 waive the filing and service of a CCB Complaint, and the Parties understand and agree
20 that this Stipulation and Order must be approved by majority vote of the members of the
21 CCB to become effective.

22 5. As set forth herein, Respondent stipulates to pay a \$10,000 civil penalty for
23 the violations set forth herein in Paragraph 11, below, in lieu of the CCB filing and serving
24 a Complaint for Disciplinary Action ("Complaint") and proceeding to a disciplinary hearing.

25 26 ACKNOWLEDGEMENTS AND APPLICABLE LAW

27 This Stipulation and Order is made and based upon the following acknowledgements
28 by the Parties:

1 6. CSFP has entered into this Stipulation and Order on its own behalf and with
2 full authority to resolve the claims against it and is aware of CSFP's rights to contest the
3 violations pending against it. These rights include the filing and service of disciplinary
4 complaint specifying the charges against Respondent, representation by an attorney at
5 CSFP's own expense, the right to a hearing on any violations or allegations formally filed,
6 the right to confront and cross-examine witnesses called to testify against CSFP, the right
7 to present evidence on CSFP's own behalf, the right to have witnesses testify on CSFP's
8 behalf, the right to obtain any other type of formal judicial review of this matter, and any
9 other rights which may be accorded to CSFP pursuant to provisions of NRS Chapters 678A
10 through 678D, the Nevada Cannabis Compliance Regulations (NCCR), and any other
11 provisions of Nevada law. CSFP is waiving all these rights by entering into this Stipulation
12 and Order. If the CCB rejects this Stipulation and Order, all such waivers shall be deemed
13 withdrawn by CSFP.

14 7. Should this Stipulation and Order be rejected by the CCB or not timely
15 performed by CSFP, it is agreed that presentation to and consideration by the CCB of such
16 proposed stipulation or other documents or matters pertaining to the consideration of this
17 Stipulation and Order shall not unfairly or illegally prejudice the CCB or any of its
18 members from further participation, consideration, adjudication, and/or resolution of these
19 proceedings and that no CCB member shall be disqualified or challenged for bias.

20 8. CSFP enters this Stipulation and Order after being fully advised of CSFP's
21 rights and as to the consequences of this Stipulation and Order. This Stipulation and Order
22 embodies the entire agreement reached between the CCB and CSFP. It may not be altered,
23 amended, or modified without the express written consent of the Parties, and all
24 alterations, amendments and/or modifications must be in writing. The Parties stipulate
25 and agree that this Stipulation and Order, if approved by the Board, resolves only the
26 issues discovered during the investigation set forth in the SOD.

27 9. In an effort to avoid the cost and uncertainty of a disciplinary hearing, CSFP
28 has agreed to settle this matter. For purposes of settling this matter, CSFP acknowledges

1 that the facts contained in the paragraphs in the above "Pertinent Facts" portion of this
2 Stipulation and Order are true and correct. Without waiving any constitutional rights
3 against self-incrimination, CSFP further acknowledges that, if the CCB filed and served a
4 Complaint and the Administrative Action proceeded to an administrative hearing, the
5 "Pertinent Facts" could be found to constitute multiple violations of Title 56 of NRS (NRS
6 Chapters 678A through 678D), and the NCCR, with discipline including civil penalties of
7 at least \$130,000, and/or additional discipline against licenses P093 and RP093, if this
8 matter went to an administrative hearing.

9 10. In settling this matter, the Executive Director for CCB and counsel for CCB
10 have considered the factors set forth in NCCR 4.030(2), including: the gravity of the
11 violations; the economic benefit or savings, if any, resulting from the violations; the size of
12 the business of the violator; the history of compliance with the NCCR and Title 56 of NRS
13 by the violator; actions taken to remedy and/or correct the violations; and the effect of the
14 penalty on the ability of the violator to continue in business. Mitigating factors in Case No.
15 2024-001 include the fact that Respondent: (1) Terminated the production manager who
16 was the cause of the production inventory issues; (2) Implemented corrective action as
17 described in Paragraph 19, below; (3) Hired a compliance officer to oversee operations; (4)
18 Cooperated with the CCB during the investigation; and (5) Cooperated in resolving this
19 matter without the need for the filing of a disciplinary complaint.

20 11. To resolve the Administrative Action, and only for those purposes and no
21 other, CSFP specifically admits to the following violation with respect to CCB Case No.
22 2024-02 for licenses P093 and RP093:

- 23 a. One violation of NCCR 4.050(1)(a)(3) for failing to follow seed-to-sale
24 tracking requirements, which constitutes one Category III violation.

25 12. With respect to licenses P093 and RP093, CSFP further agrees to pay a civil
26 penalty in the amount of \$10,000¹ in consideration for its admitted violation in Paragraph
27 11, above, and in consideration for the CCB's agreement to resolve the Administrative
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¹ To be apportioned \$5,000 to P093 and \$5,000 to RP093.

1 Action on the terms set forth herein.

2 13. If the CCB approves this Stipulation and Order, it shall be deemed and
3 considered disciplinary action by the CCB against CSFP.

4 14. Both parties acknowledge that the CCB has jurisdiction to consider and order
5 this Stipulation and Order because CSFP holds privileged licenses regulated by the CCB
6 as of July 1, 2020. CSFP expressly, knowingly, and intentionally waives the 21-day and/or
7 5-day notice requirements contained in the Nevada Open Meeting Law² and acknowledges
8 that this Stipulation and Order may be presented to the CCB for its consideration and
9 potential ratification at the CCB's meeting on April 18, 2024.

10 **STIPULATED ADJUDICATION**

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

14 15. Violations: As to licenses P093 and RP093, CSFP is found to have committed
15 one Category III violation, as set forth in Paragraph 11, above.

16 16. Imposition of Civil Penalties. CSFP shall pay a total civil penalty in the
17 amount of Ten Thousand Dollars (\$10,000) within the time set forth in Paragraph 17 below,
18 to be apportioned as set forth in Paragraph 12, above.

19 17. Payment of Civil Penalties. *If the CCB approves this Stipulation and Order*
20 *at its April 18, 2024, meeting*, CSFP must pay the civil penalty set forth in this agreement
21 no later than 5:00 p.m., Pacific Time, on Monday, May 20, 2024. *If the CCB approves this*
22 *Stipulation and Order, or an Amended Stipulation and Order, at a CCB meeting which*
23 *occurs after April 18, 2024*, then CSFP must pay the civil penalty set forth in this agreement
24 within 30 days of the date the CCB approves this (or an amended) Stipulation and Order,
25 or the first business day thereafter, if the 30th day falls on a weekend or holiday recognized
26 by the State of Nevada.

27 18. Penalties for Failure to Comply with Payment Deadline. CSFP acknowledges
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² And/or the 7 and 14-calendar day requirements under A.B. 52, Section 6.

1 that it is critical to comply with the strict requirements of the deadline for payment set
2 forth in this agreement. CSFP agrees that, should it fail to timely make timely payment
3 under this Stipulation and Order, the following penalties and procedures will be in effect:

- 4 a. CCB will allow a five-business day grace period for late payment³.
- 5 b. If payment is not physically received by CCB at its Carson City office
6 by 5:00 p.m., Pacific Time, on the last day of the grace period within
7 which it is due, CSFP shall be deemed to be in breach of this Stipulation
8 and Order, deemed to be in default, and shall pay all amounts due
9 under this Stipulation and Order, as well as an additional late payment
10 penalty of twenty thousand dollars (\$20,000), and shall have its licenses
11 P093 and RP093 immediately suspended, with such suspension
12 remaining in place until all amounts due under this Stipulation and
13 Order are paid in full (inclusive of the \$20,000 late payment penalty).
14 The CCB will enter an order of default to this effect after default and
15 all amounts due under this subsection shall be immediately due and
16 payable to CCB. If all amounts due under this section are not paid
17 within 90 days after the date of the order of default, licenses P093 and
18 RP093 shall be deemed voluntarily surrendered. CSFP agrees it cannot
19 and will not file any petition for judicial review and/or any action in any
20 forum for relief from this order of default and that CCB may file any
21 judicial action necessary to recover the amounts owed under this
22 subsection, along with its attorneys' fees and costs for recovery of
23 amounts owed.
- 24 c. CSFP may petition the CCB for an extension of 30 days to pay the civil
25 penalty. However, for the CCB to consider any such petition, the CCB
26 must receive said petition no later than 5 business days prior to the

27 ³ If a check or other form of payment is returned for insufficient funds, or otherwise rejected, the failed
28 payment will not be considered a payment and no additional time beyond the five business days grace period
will be granted for payment.

1 payment deadline set forth in Paragraph 17 (which does not include
2 any grace period). The CCB is not required to grant such a petition. In
3 such a petition, CSFP must demonstrate to the satisfaction of the CCB
4 that there are extraordinary and unusual circumstances necessitating
5 the extension requested. The CCB may delegate the decision as to
6 whether to grant such a petition to the CCB Chair.

7 d. If an extension is granted under Paragraph 18(c), there shall be no
8 grace period on the new payment date. If CSFP does not pay by the new
9 payment date, the provisions and penalties of Paragraph 18(b) apply.

10 19. Plan of Correction. Respondent represents and warrants that it has submitted
11 and put in place a plan of correction, which CCB staff has approved, that will remedy and
12 prevent the recurrence of the violations set forth in this Stipulation and Order. In
13 summary, the plan of correction regarding the Administrative Action includes the
14 following: (1) Respondent hired a new Director of Production with METRC experience and
15 the previous Director of Production and another employee responsible for the production
16 issues are no longer employed by Respondent; and (2) Respondent provided its staff with
17 additional training related to proper procedures for creating production runs, as well as
18 training related to proper logging procedures.

19 20. Contingency if Approval Denied. If approval of this Stipulation and Order is
20 denied by the CCB, CSFP and counsel for the CCB agree to resume settlement negotiations
21 in good faith and attempt to reach an agreement to amend this Stipulation and Order and
22 resubmit an amended Stipulation and Order to the CCB to review for approval at a
23 subsequent regularly scheduled CCB meeting. If such an agreement cannot be reached, the
24 Parties agree to proceed with the Administrative Action, which shall include the filing and
25 service of a disciplinary complaint and a disciplinary hearing before the CCB or its assigned
26 hearing officer. Should the Administrative Action proceed for the reasons set forth in this
27 Paragraph, CCB preserves all its claims and arguments in the Administrative Action as
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1 set forth in its Complaint⁴ (to be filed) and CSFP preserves all its defenses and arguments
2 it may assert. An unapproved Stipulation and Order shall not be admissible as evidence or
3 referenced in argument at any disciplinary hearing in CCB Case No. 2024-02 or any other
4 matter involving the CCB.

5 21. Contingency if Approval Conditioned. If the CCB approves this Stipulation
6 and Order, but said approval is contingent on certain conditions, the Parties will undertake
7 further good faith negotiations to include said conditions in an amended stipulation and
8 order for execution by the CCB Chair. If CSFP does not agree to the certain conditions
9 imposed by the CCB, the Parties will undertake additional negotiations and attempt to
10 reach an agreement to amend this Stipulation and Order and resubmit an amended
11 stipulation and order to the CCB to review for approval at a subsequent regularly scheduled
12 meeting. If such an agreement cannot be reached, the Parties agree to proceed with the
13 Administrative Action, which shall include the filing and service of a disciplinary complaint
14 and a disciplinary hearing before the CCB or its assigned hearing officer. Should the
15 Administrative Action proceed for the reasons set forth in this Paragraph, CCB preserves
16 all its claims and arguments in the Administrative Action as set forth in its Complaint⁵ (to
17 be filed) and CSFP preserves all its defenses and arguments it may assert. An unapproved
18 Stipulation and Order shall not be admissible as evidence or referenced in argument at any
19 disciplinary hearing in CCB Case No. 2024-02 or any other matter.

20 22. Closure of Disciplinary Action. Once this Stipulation and Order is fully
21 performed by CSFP, the Administrative Action will be closed.

22 23. Communications with CCB Members. CSFP 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. CSFP understands that the CCB has the right to decide in its own
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26 ⁴ Should the CCB proceed with a disciplinary complaint, said complaint will not be limited to the violations
27 set forth in this settlement agreement and the CCB reserves its rights to include additional regulatory
violations in any such disciplinary complaint.

28 ⁵ Should the CCB proceed with a disciplinary complaint, said complaint will not be limited to the violations
set forth in this settlement agreement and the CCB reserves its rights to include additional regulatory
violations in any such disciplinary complaint.

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

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

1 and/or the administration of CCB Case No. 2024-02.

2 25. No Precedent. The Parties agree: (1) That this Stipulation and Order shall
3 not 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; (2) That 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 except proceedings brought to enforce this Stipulation and Order under its terms and/or for
8 the CCB's consideration of future disciplinary action against this Respondent.

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

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

22 27. 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 28. Voluntary and Informed Agreement. The Respondent represents that its
26 owners, officers, and/or its directors, who are responsible for and able to legally bind CSFP
27 have read completely and understand fully the terms of this Stipulation and Order, that
28 such terms are fully understood and voluntarily accepted by Respondent in advance of and

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

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

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

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

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

28 33. Jurisdiction and Forum Selection. The Parties consent to the jurisdiction of

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

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

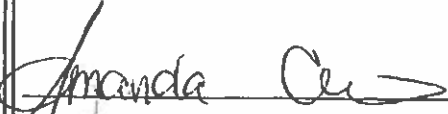
11 35. Time is of the essence. Time is of the essence in the performance of all terms
12 of this Stipulation and Order.

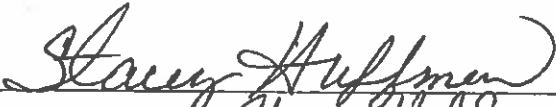
13 36. Severability. If any portion of this Stipulation and Order, or its application
14 thereof to any person or circumstance, shall be deemed to any extent to be invalid, illegal,
15 or unenforceable as a matter of law, all remaining clauses of this Stipulation and Order
16 and its application thereof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


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

27
28 IN WITNESS WHEREOF, this Stipulation and Order has been executed by the

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

3
4  Date: 3/1/2024
5 Amanda Connor (Nev. Bar No. 12193)
6 Counsel for Respondent CSFP

7
8  Date: 2-29-24
9 (printed name Stacy Huffman)
10 On behalf of Respondent CSFP

11
12  Date: 3/25/2024
13 L. Kristopher Rath (Nev. Bar No. 5749)
14 Senior Deputy Attorney General
15 Counsel for Cannabis Compliance Board


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17
18 **ORDER**

19 WHEREAS, on the 18th day of April 2024, the Nevada Cannabis Compliance Board
20 approved and adopted all the terms and conditions set forth in the Stipulation and Order
21 for Settlement of Disciplinary Action with CSFP.

22 IT IS SO ORDERED.

23 SIGNED AND EFFECTIVE this 18th day of April, 2024.

24 STATE OF NEVADA,
25 CANNABIS COMPLIANCE BOARD

26
27 By: 
28 Adriana Guzmán Fralick, Chair