

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

3 STATE OF NEVADA CANNABIS
4 COMPLIANCE BOARD,

5 Petitioner,

Case No. 2024-009

6 vs.

7 3AP Inc. (C074 & RC074),

8 Respondent.

9 **COMPLAINT FOR DISCIPLINARY ACTION**

10 The Cannabis Compliance Board of the State of Nevada (the “CCB”), by and through its counsel
11 Aaron D. Ford, Attorney General of the State of Nevada and Anthony T. Garasi, Esq., Senior Deputy
12 Attorney General, having a reasonable basis to believe that 3AP Inc., under license identification numbers
13 C074 and RC074 (“3AP” or “Respondent”) has violated provisions of Chapters 678A through 678D of
14 the Nevada Revised Statutes (“NRS”) and the Nevada Cannabis Compliance Regulations (“NCCR”),
15 issues its Complaint and allegations as follows:

16 **JURISDICTION**

17 1. During all relevant times mentioned in this Complaint, 3AP held, and currently holds, the
18 following licenses at issue in this Complaint:

19 ID	License	Last Issued / Renewed	Address
20 C074	Medical Cultivation License 74385447097301543906	5/30/2023	[REDACTED]
21 RC074	Adult-Use Cultivation License 52712498758628776807	5/31/2023	[REDACTED]

22 2. During all relevant times mentioned in this Complaint, 3AP is and was registered as a Domestic
23 Corporation in the State of Nevada. The Nevada Secretary of State lists the President of 3AP as Arash
24 Yazdanpanah and the Director as Andy R. Hitchcock. The CCB’s point of contact for 3AP’s licenses is
25 Arash Yazdanpanah.
26

27 3. As 3AP holds its licenses with CCB, it is subject to NRS Title 56 and the NCCRs for the
28 violations asserted herein. Therefore, 3AP is subject to the jurisdiction of the CCB and subject to

1 discipline pursuant to NRS 678A through 678D, NRS 233B, and the relevant provisions of the NCCRs.

2 4. Pursuant to NRS 678A.500 and 678A.510(1), the CCB’s Executive Director has transmitted
3 the details of the suspected violations of 3AP to the Attorney General, and the Attorney General
4 conducted an investigation into the suspected violations to determine whether they warrant proceedings
5 for disciplinary action. The Attorney General has recommended to the Executive Director further
6 proceedings are warranted, as set forth in this CCB Complaint. The Executive Director has transmitted
7 this recommendation and information to the CCB. Pursuant to NRS 678A.510(2)(c), the CCB has voted
8 to proceed with appropriate disciplinary action under NRS 678A.520 through 678A.600. Pursuant to
9 NRS 678A.520(1), the CCB’s Executive Director has authorized service of this Complaint upon
10 Respondent.

11 **FACTUAL ALLEGATIONS**

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

13 6. Board Agents Meiny Trisno (“Agent Trisno”) and Marvin Taylor (“Agent Taylor”)
14 (collectively “Board Agents”) initiated a routine audit of 3AP’s facilities at 3020 North Nellis Boulevard,
15 Las Vegas, NV, 89115 on or about May 31, 2023 which ran through August 21, 2023. The audit included
16 a review of 3AP’s policies and procedures, record keeping, inventory, and seed to sale tracking. The
17 audit encompassed a desk audit commencing on May 31, 2023, as well as an in-person visit/field audit
18 of the facility on August 7, 2023 by Board Agents.

19 7. During the audit, Board Agents discovered the facility failed to maintain and reconcile daily
20 disposal of cannabis with seed to sale inventory systems. Specifically, the Packaging Waste Log provided
21 by 3AP documented disposal entries identified below; however, there were no corresponding disposal
22 entries recorded in Metrc, which constitute violations of NCCR 6.080(7)(d)(9) and NCCR 6.080(8):

23

	Strain/RM	Metrc tag	Quantity Destroyed	Logged Date Destroyed
24	1. LG	34645	1.4 grams	5/8/2023
25	2. AH	34542	7.9 grams	5/8/2023
26	3. OR	33418	157 grams	5/1/2023

27

28

1 8. Board Agents also determined the facility failed to notify the Board of security equipment
2 malfunction as required. Specifically, Board Agents observed a “NC Camera Failure Log” posted in the
3 Facility’s office area documenting 26 separate camera failure incidents, each occurrence ranging from
4 minutes to days, which occurred between January 12, 2019, and June 25, 2023. However, when inquired
5 if the Board was notified of the malfunctions, Alexander Amelburu, Owner, stated that no incident reports
6 were ever submitted to the Board, which constitute violations of NCCR 6.085(3).

7 9. Finally, Board Agents determined 3AP failed to post its license and other authorization to
8 conduct business in conspicuous place. Specifically, during CCB visit on August 7, 2023, the facility
9 was observed not having its State of Nevada Sales Tax Permit posted in a public view within the facility,
10 which constitute violations of NCCR 6.050.

11 **VIOLATIONS OF LAW**

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

13 **A. CATEGORY III VIOLATIONS**

14 11. As outlined in Paragraph 7 above, 3AP identified three disposal entries in its Packaging Waste
15 Log which did not have the corresponding entries recorded in Metrc in violation of NCCR 6.080(7)(d)(9)
16 & 6.080(8). Such a violation of NCCR 4.050(1)(a)(3) & (14) constitutes one (1) Category III violation
17 (multiple violations consisting of the same or a similar act, omission or course of conduct to be charged
18 as a single alleged violation per NRS 678A.520(1)(e), SB 195 Sec. 5) which carries civil penalties of not
19 more than \$10,000 under NCCR 4.050(2)(a)(1). However, the CCB seeks only a civil penalty of
20 \$7,500.00 for this violation.

21 12. As outlined in Paragraph 8 above, 3AP failed to report to the Board twenty-six (26) separate
22 security equipment malfunctions/failures in violation of NCCR 6.085(3). Such a violation of NCCR
23 4.050(1)(a)(5) constitutes one (1) Category III violation (multiple violations consisting of the same or a
24 similar act, omission or course of conduct to be charged as a single alleged violation per NRS
25 678A.520(1)(e), SB 195 Sec. 5) which carries civil penalties of not more than \$20,000 and/or a
26
27
28

1 suspension for not more than 10 days¹ under NCCR 4.050(2)(a)(1)-(2). However, the CCB seeks only a
2 civil penalty of \$15,000.00 for this violation without any suspension.

3 **B. CATEGORY V VIOLATIONS**

4 13. Finally, as outlined in Paragraph 9 above, 3AP failed to post its State of Nevada Sales Tax
5 Permit in conspicuous place during CCB visit on August 7, 2023 in violation of NCCR 6.050. Such a
6 violation of NCCR 4.060(1)(a)(3) constitutes one (1) Category V violation, which carries a penalty of a
7 warning under NCCR 4.060(2)(a)(1) as a first Category V violation in the immediately preceding three
8 years.

9 **DISCIPLINE AUTHORIZED**

10 Pursuant to the provisions of NRS 678A.600, NCCR 4.020, 4.030, 4.035 through 4.060, and
11 5.100, the CCB has the discretion to impose the following disciplinary actions:

- 12 1. Impose a civil penalty as to licenses C074 and RC074 of not more than \$20,000 for each of
13 3AP's violations of NRS Title 56 and the NCCR;
- 14 2. Suspend 3AP's licenses for not more than 10 days;
- 15 3. Impose a warning to 3AP for 3AP's violations of NRS Title 56 and the NCCR; and
- 16 4. Take such other disciplinary action as the CCB deems appropriate.

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

18 **RELIEF REQUESTED**

19 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose civil penalties
20 in the amount of \$22,500.00 against C074 & RC074 for its two Category III violations and issue a
21 warning for its single Category V violation. CCB does not request the suspension of any of said licenses.

22 **NOTICE TO RESPONDENT**

23 **PLEASE TAKE NOTICE**, that Respondent has a right to request a hearing on the charges set
24 forth herein, pursuant to NRS 678A.510 through 678A.590. **Failure to demand a hearing constitutes a**
25 **waiver of the right to a hearing and to judicial review of any decision or order of the Board, but**
26

27 _____
28 ¹ NCCR 4.050(2)(a)(2) allows for elevated penalties for a second Category III violation in the immediately preceding 3 years.

1 **the Board may order a hearing, even if the Respondent so waives its right.** NRS 678A.520(2)(e).

2 **PLEASE TAKE NOTICE**, you, as the Respondent, **must Answer this Complaint within**
3 **twenty (20) days after service of this Complaint, unless granted an extension.** Pursuant to NRS
4 678A.520(2), in the Answer Respondent:

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

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

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

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

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

13 **Failure to Answer or to appear at the hearing constitutes an admission by the Respondent**
14 **of all facts alleged in the Complaint. The Board may take action based on such an admission and**
15 **on other evidence without further notice to the Respondent.** NRS 678A.520(3).

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

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

27 James Humm, Executive Director
28 Cannabis Compliance Board
700 E. Warm Springs Rd, Suite 100

1 Las Vegas, NV 89119
2 jhummm@ccb.nv.gov

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

7 As the Respondent, you are specifically informed that you have the right to appear and be heard
8 in your defense, either personally or through your counsel of choice at your own expense. At the hearing,
9 the CCB has the burden of proving the allegations in the Complaint. The CCB will call witnesses and
10 present evidence against you. You have the right to respond and to present relevant evidence and
11 argument on all issues involved. You have the right to call and examine witnesses, introduce exhibits,
12 and cross-examine opposing witnesses on any matter relevant to the issues involved.

13 You have the right to request that the CCB issue subpoenas to compel witnesses to testify and/or
14 evidence to be offered on your behalf. In making this request, you may be required to demonstrate the
15 relevance of the witness's testimony and/or evidence.

16 If the Respondent does not wish to dispute the charges and allegations set forth herein, within
17 thirty (30) days of the service of this Complaint, Respondent may pay the civil penalties set forth above
18 in the amount of \$22,500.00 on notice to:

19 James Humm, Executive Director
20 Cannabis Compliance Board
21 700 E. Warm Springs Rd, Suite 100
22 Las Vegas, NV 89119

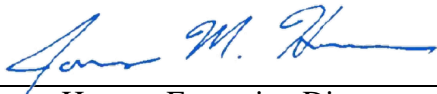
23 Respondent is further notified and informed that, pursuant to S.B. 195 Sec. 2, 2023 Leg., 82th
24 Sess. (Nv. 2023) and NRS 233B.121(5), Respondent, individually or through counsel, may, at any time,
25 enter into settlement negotiations to potentially resolve this matter via a settlement agreement, subject to
26 Board approval. Should Respondent desire to attempt to resolve this matter via a settlement agreement,
27 Respondent (or its counsel, if Respondent is represented) should contact the Senior Deputy Attorney
28 General listed below via email at agarasi@ag.nv.gov.

YOU ARE HEREBY ORDERED to immediately cease the continuation or repeated occurrence

1 of the violations described above which are a violation of Nevada law.

2 DATED: April 22, 2024

STATE OF NEVADA,
CANNABIS COMPLIANCE BOARD

3
4 By: 

5 James Humm, Executive Director
6 Nevada Cannabis Compliance Board
7 700 E. Warm Springs Rd, Suite 100
8 Las Vegas, NV 89119

9 AARON D. FORD
10 Attorney General

11
12 By: 

13 Anthony T. Garasi (Bar No. 11134)
14 Senior Deputy Attorney General
15 550 E. Washington Ave., Suite 3900
16 Las Vegas, NV 89101
17 (702) 486-9287

18
19 Attorneys for the Cannabis Compliance Board
20
21
22
23
24
25
26
27
28

1 **DECLARATION AND CERTIFICATE OF SERVICE OF**
2 **COMPLAINT FOR DISCIPLINARY ACTION**
3 **(Service via Mail)**

4 I, Amber Powell, hereby certify and affirm that:

- 5 1. I am over the age of 18 years old.
6 2. I am a Board Agent of the Cannabis Compliance Board (“CCB”), as defined in NCCR
7 1.068.
8 3. Pursuant to NRS 678A.520 and NCCR 4.075, I have served the Respondent herein with
9 the Complaint for Disciplinary Action (“Complaint”) in the above captioned matter as
10 follows:

11 By placing a true and correct copy of the Complaint to be deposited for mailing in
12 the United States Mail in a sealed envelope via registered or certified mail, prepaid
13 in Las Vegas, Nevada, to Respondent’s point of contact with the CCB under NCCR
14 2.050 at Respondent’s address on file with the Board as follows:

15 Name of point of contact served: Arash Yazdanpanah

16 Address on file with CCB: [REDACTED]

17 Date of Service: May 14th 2024

18 I declare under penalty of perjury that the foregoing is true and correct.

19 Executed on May 14th 2024
20 (date)

21 
22 _____
23 (signature)

24 Carbon Copy Mailed to:

25 [REDACTED]

26 Via First Class Mail

27 Sent via email to:

28 [REDACTED]