

Nevada Cannabis Compliance Board

Meeting Minutes May 16, 2024

The Nevada Cannabis Compliance Board (CCB) held a public meeting at 700 E. Warm Springs Road, Las Vegas, Nevada and 4600 Kietzke Lane, Suite L235, Reno, Nevada beginning at 9:00 a.m. on May 16, 2024.

Cannabis Compliance Board Members Present:

Adriana Guzmán Fralick, Chair

Riana Durrett, Vice Chair

Hon. Michael Douglas

Jerrie Merritt

Dr. Vicki Mazzorana

Chair Guzmán Fralick called the meeting to order.

Executive Director James Humm took the roll. Chair Guzmán Fralick, Vice Chair Durrett, Member Douglas, Member Merritt, and Member Mazzorana were present in Las Vegas.

A reminder was read by Director Humm about CCBs new microphones in the ceiling and the need for side bar conversations to take place outside of the boardroom.

Chair Guzmán Fralick provided instruction regarding public conference limited to three minutes per person.

Instructions to join the meeting the meeting via Zoom for public comment were read aloud.

I. Public Comment

Bruce Martin gave a public comment about medical marijuana patients looking for visible terpenes. Requested that the Board consider a QR code to inform consumers about the cannabis products they are looking at.

Online public comment given by: Abby Kaufman

Thanked the CCB for the work they have put in on the first set of regulatory changes with now being under the APA. She feels that the CCB consideration of the industry input is evident and appreciates it regarding specific NCCRs. Abby wants to urge the CCB to continue to explore the annual agent card cost by reducing the number of card categories.

No further public comment in Las Vegas, North office or online.

II. Meeting Minutes

A. Consideration of Approval of the April 18, 2024, Cannabis Compliance Board Meeting Minutes (for possible action)

Motion made by – Member Merritt to approve the minutes.

2nd – Member Durrett Seconded the motion.

All in favor / no opposed

Motion carries

B. Consideration of Acceptance of the March 28, 2024, Regulatory Workshop Minutes. (For possible action)

Motion made by – Member Douglas to approve the workshop minutes.

2nd – Member Mazzorana Seconded the motion.

All in favor / no opposed

Motion carries

III. Consent Agenda

A. Complaints

1. Approval to Proceed with Disciplinary Action – Respondent A (for possible action)

Executive Director Humm read in the complaint as requested for approval by Deputy Attorney General

Member Douglas suggested that we approve the items separately.

Motion made by – Member Douglas to approve the complaint.

2nd – Member Merritt Seconded the motion.

All in favor / no opposed

Motion carries

B. Consideration of Approval to Extend Final Inspection Deadline

1. Happy Cabbage LLC (C035/RC035) (for possible action)

C. Approval of Cannabis Compliance Board Forms (for possible action)

1. Cannabis Establishment Receiver Initial & Renewal Application Form

2. Cannabis Establishment Receiver with Certificate of Qualification Initial & Renewal Application Form

3. Cannabis Establishment Receiver Certificate of Qualification Application Form

4. Cannabis Establishment Receiver Certificate of Qualification Form

Motion made by – Member Durrett to approve items B & C on the consent agenda.

2nd – Member Douglas Seconded the motion.

All in favor / no opposed

Motion carries

IV. Request for Transfer of Interest

A. LivFree Wellness LLC (C043, RC043, P026, RP026) (TOI #220014), Tahoe-Reno Extractions, LLC (T079) (TOI #2300015) and 800 Stillwell LLC (for possible action)

Division Chief David Staley read in the TOI for LivFree Wellness LLC (C043, RC043, P026, RP026) (TOI #220014), Tahoe-Reno Extractions, LLC (T079) (TOI #2300015) and 800 Stillwell LLC. No areas of concern were discovered during this investigation.

Present at meeting: Alicia Ashcraft(counsel) in person in Las Vegas, David Goubert present on Zoom, Ed Humphrey (legal counsel) in Reno and Alexander Hose in Reno.

Ed Humphrey stated that Alexander Hose already has licenses in cultivation and production and would like to acquire these licenses as well.

Chair Fralick and Member Douglas asked about owning more companies and their success plan.

Motion made by – Member Douglas to approve the TOI for LivFree Wellness LLC

2nd – Member Durrett Seconded the motion.

All in favor / no opposed

Motion carries

B. Ayr Wellness Inc (TOI #2000003, #2100028, #21067) and NV Green Inc (C005, RC005, P004, RP004) (for possible action)

Division Chief David Staley read in the TOI for Ayr Wellness Inc (TOI #2000003, #2100028, #21067) and NV Green Inc (C005, RC005, P004, RP004).

Present at meeting: Alicia Ashcraft -legal counsel, Amanda Connor – legal counsel, David Goubert - Ayr via (ZOOM), Mark Bruno - (ZOOM), Ray Schiavone – (ZOOM)

David Goubert introduced himself to the Board Members.

Motion made by – Member Durrett to approve the TOI for Ayr Wellness Inc.

2nd – Member Douglas Seconded the motion.

Alicia Ashcraft asked for clarification on the motion that it will be for the approval of the TOI and as well as the 5112 waiver requirements of 511.

Member Durrett clarified her motion to approve the agenda items under item 4B with the waiver of the 5112 requirements and set to expire at the next agenda date.

Member Douglas 2nd

All in favor / no opposed

Motion carries

C. 5Seat Investments LLC (C054, RC054, P037, RP037) (TOI #2300016) and BCCNevada, LLC (for possible action)

Division Chief David Staley read in the TOI for 5Seat Investments LLC (C054, RC054, P037, RP037) (TOI #2300016) and BCCNevada, LLC. No areas of concern were developed during the investigation.

Present at the meeting: Janette Yrbarren (ZOOM), Corey Keller (ZOOM), Corey Elliot (ZOOM), Conlan Keller, Chris Elliot, and Mark Forsberg.

Motion made by – Member Douglas to approve the TOI for 5Seat Investments LLC

2nd – Member Merritt Seconded the motion.

All in favor / no opposed

Motion carries

D. Clear River, LLC (TOI 2300024) (RD229) and VC Consultants LLC (for possible action)

Division Chief David Staley read in the TOI for Clear River, LLC (TOI 2300024) (RD229) and VC Consultants LLC.

Present at meeting: Randy Black Sr, Amanda Connor, and James D Hamner

Motion made by – Member Douglas to approve the TOI for Clear River, LLC waiving the requirements of 5112 and to expire the next time a TOI comes before the board.

2nd – Member Durrett Seconded the motion.
All in favor / no opposed
Motion carries

E. Green Cross Nevada LLC (P019, RP019) (TOI #2300033), V6E Holdings Inc (C034, RC034, T085) (TOI #2300034) and Leef Brands Inc (for possible action)
Division Chief David Staley read in the TOI for Green Cross Nevada LLC (P019, RP019) (TOI #2300033), V6E Holdings Inc (C034, RC034, T085) (TOI #2300034) and Leef Brands Inc. No areas of concern were identified during the investigation.

Present at the meeting: Kam Thindal (zoom), Amanda Connor, Adam Fulton, Micah Anderson, and Kevin Wilson.

Micah Anderson gave a presentation on behalf of Leef Brands.

Motion made by – Member Durrett to approve the TOI for Green Cross Nevada LLC with the waiver of 5112 requirements that will expire the next time the TOI comes in front of the board.

2nd – Member Merritt Seconded the motion.

All in favor / no opposed

Motion carries

F. Solace Enterprises, LLC (C076/RC076) (P046/RP046) (TOI# 2300004) (for possible action)
Division Chief David Staley read in the TOI for Solace Enterprises, LLC (C076/RC076) (P046/RP046) (TOI# 2300004). An area of concern was identified during the investigation resulting from Bjorkman's unapproved acquisition of 72.2% ownership through the purchase of Jonas Martin- Lof's ownership in September of 2019 through a capital call during March of 2020.

Present at the meeting: Alicia Ashcraft - legal counsel, Felipe Maclean (ZOOM), Per Bjorkman (ZOOM), Jonas Marin-Lof (ZOOM)

Alicia Ashcraft gave an explanation and breakdown as to why the unapproved transfer of interest happened in the first place.

Motion made by – Member Douglas to approve the TOI for Solace Enterprises, LLC with the waiver of 5112 requirements that will expire the next time the TOI comes in front of the board.

2nd – Member Merritt Seconded the motion.

All in favor / no opposed

Motion carries

G. Blkbrd NV, LLC (T002, T003) (TOI #2400008) and Nabisix LLC (for possible action)
Division Chief David Staley read in the TOI for Blkbrd NV, LLC (T002, T003) (TOI #2400008). No areas of concern were developed during the investigation.

Present at the meeting: David Edelblute, Alicia Ashcraft, Vincent Ning, David Ross Zoom

Motion made by – Member Douglas to approve the TOI for Blkbrd NV, LLC with the waiver of 5112 requirements that will expire the next time the TOI comes in front of the board.

2nd – Member Mazzorana Seconded the motion.

All in favor / no opposed

Motion carries

V. Consideration of Approval to Remove Cannabis Receiver over Blkbrd NV, LLC (T002, T003) (for possible action)

Senior Deputy Attorney General Kris Rath read in the proposal of approval for removal of Cannabis Receiver over Blkbrd NV, LLC

Motion made by – Member Douglas to approve removal of Cannabis Receiver Kevin Singer over Blkbrd NV, LLC (T002, T003)

2nd – Member Mazzorana Seconded the motion.

All in favor / no opposed

Motion carries

Board Meeting went to recess for 5 min before taking regulations.

Chief of Health and Safety Kara Cronkhite went over item 6 of the agenda which is the regulations being presented today. (NCCR 4,5,6, & 7) regarding packaging, labeling, and general housekeeping. She specifically points out the items that were updated based on public comment from the workshops that the CCB has held on these items.

Chief Cronkhite read amendments made to the following regulations going in front of the board today based of the workshop held on these items:

NCCR 4.065 clarifies time frame for reporting imminent health hazards to be consistent with other health agencies including the FDA.

NCCR 5.140 reduces fees for a replacement agent card.

NCCR 6.010, 6.080, 6.085, 6.120, and 7.025 have been updated to align with new statutory allowances and clarify time frames for reporting.

NCCR 6.120 was reverted to original language to continue allowance of mobile billboards and vehicle routes due to public comments received during the workshop.

NCCR 7.030 has had language added to prevent cannabis related accessories from being appealing to Children.

NCCR 7.050 increases delivery limits this was increased from 10 to 12.5 ounces due to public comment received during the workshop.

The meeting opened for public comment on regulations 4,5,6, and 7.

Public Comment in Las Vegas:

Amanda Connor gave a public comment based on some clean up items for regulation 7.050.

Derek Connor gave a public comment based on reg 6.085 need to specify that securing of the door with “in accordance with”.

No public comment in the north.

No online public comments.

VI. Consideration of Proposed Adoption, Amendment, and/or Repeal of the Nevada Cannabis Compliance Regulations

A. Regulation 4. Disciplinary and other Proceedings Before The Board

1. NCCR 4.065 “Imminent health hazard” (for possible action)

B. Regulation 5. Licensing, Background Checks, and Registration Cards

1.NCCR 5.140 Registration Cards: Requirements for requesting replacement card (for possible action)

C. Regulation 6. Production and Distribution of Cannabis

1.NCCR 6.010 “Establishment of maximum allowable quantity of cannabis products a person may possess for purposes of exemption from state or local prosecution” (for possible action)

2.NCCR 6.080 “Inventory control system; authorized sources for acquisition of cannabis and cannabis products; duties of establishment if loss incurred; maintenance and availability of documentation.” (for possible action)

3. NCCR 6.085 “Required security measures, equipment, and personnel; location of outdoor cultivation facility must allow for response by local law enforcement” (for possible action)

4.NCCR 6.120 “Restrictions on advertising; required posting of signs in cannabis sales facility.” (for possible action)

D. Regulation 7. Cannabis Sales Facility

1. NCCR 7.025 “Prohibition on sale that exceeds maximum usable quantity of cannabis” (for possible action)

2. NCCR 7.030 “Production required to be offered for sale; restrictions on sale of other products; restrictions on advertising” (for possible action)

3. NCCR 7.050 “Delivery to consumer: Restrictions’ duties of cannabis establishment agent making delivery” (for possible action)

Kara Cronkhite reassured everyone that the items mentioned in public comments were an oversight and will be addressed and updated.

Member Douglas asked that we approve items A, B, C, & D before moving on to the next set of regulations.

Member Douglas asked for clarification on the items that were addressed in public comment.

Chief Cronkhite read for the record items NCCR 6.085 and NCCR 7.050 to be revised as follows:

NCCR 6.085(1)(a) propose that the language be revised to say all entrances of the physical buildings secured in accordance with a company written standard operating procedures for security.

NCCR 7.050 former subsection 4 new subsection 3 it appears that the former subsection 4 was not stricken as intended so all of the language from four, “the cannabis sales facility shall not knowingly

deliver one than one ounce” and continues on through the remainder of that sentence should all be stricken it is duplicate of the previous sentence.

Member Durrett made a motion to adopt the items under agenda item 6 A, B, C, & D along with the revisions that have been stated on the record by Chiefs Cronkhite.

Member Mazzorana 2nd motion.

All in favor/ no opposed

Motion carries.

Chief of Health and Safety Kara Cronkhite went over item 6 of the agenda which is the regulations being presented today. (NCCR 12, and 13) regarding packaging, labeling, and general housekeeping. She specifically points out the items that were updated based on public comment from the workshops that the CCB has held on these items.

Public Comment in Las Vegas:

Kimberly Maxson Rushton gave public comment on NCCR 12 stating that the recent additions to NCCR 12.030 12.035 12.040 and 12.045. She specifically pointed out the language pertaining to remediation and deamination and stated that the language was not included in any of the draft regulations that were proposed in the previous workshop.

Chair Guzman Fralick discussed working on NCCR 12 in a timely manner so that it can get to LCB for review and if it is part of the APA since it started in 2020. She wanted to hear what everyone has to say on this topic so that we can all come to an agreement.

Member Douglas stated that we were blind most of the year as we did not get anything on statute from LCB staff as to what they found in that they did not tell us. So, to tell us that we should have done something 18 months ago we couldn't do it because we were waiting on LCB. Additionally, a notice of general application had been sent out to interested parties. You were an interested party. So that should count as a notice.

Kara Cronkhite clarified that CCB received several public comments from consumers and the Chamber of Cannabis asking that the labels indicate whether product had been treated or remediated with the intention of reducing or destroying microbial loads within the products. It was not on the agenda as something CCB was planning on changing but that changed once the LCB gave us the notice to start over with NCCR 12.

Chricy Harries mentions that she agrees with Member Douglas.

Kimberly Maxson Rushton clarified her concerns on behalf of the industry.

Member Douglas asked if we could get this done in time.

Kara Cronkhite advised that all items must be completed by July 1 deadline for regulation changes.

Chricy Harris started working on the time frame to host a workshop on NCCR 12 and have a Board Meeting to adopt.

Chricy Harris stated that if we are able to get notice out for the workshop 15 days prior, that would be today. The workshop will be held May 31st and CCB will have a special Board Meeting on June 28th to adopt the regs from the workshop on NCCR 12.

Member Durrett addresses her concerns with having to continue to hold workshops for every change made with public comments.

Kara Cronkhite confirmed her comments.

Chair Fralick reminded everyone that even when it goes to LCB there is another chance to solicit public comment.

Cannabis Association gave their opinion on the changes for 12.015 I change. This letter will be submitted to the CCB.

Amanda Connor gave public comments on some clean up items for NCCR 12. Also addressed Member Durrett's concerns about the never-ending workshops and concerns that seemed misleading based on statements made by CCB staff.

Member Durrett reminded everyone that we are in this situation based of procedural items not because someone did or didn't do something.

Amanda Connor reiterated the concerns of the language not being discussed previously and why she thinks a workshop is important.

Public Comment in the North:

Will Adler gave public comment on behalf of green thumbs industries. He spoke on regulations 12.030 12.035 12.040 12.045 and requested their removal.

Brett Scolari gave a public comment on agreeing with previous comments made already with concerns towards NCCR 12 and Strategies 360 view on pre and post-harvest treatment.

Public Comment online:

Abby Kaufman with Chamber of Cannabis spoke on their work and presence at the workshops. Addressed specifics based around radiation discussion timeline and the public concern with label requirements for consumers information. They welcome the opportunity to discuss this further. She also commented that the CCB did send out a notice to act upon a regulation April 15th which is more than a month ago. Stated that she would like to speak with the committee members but wanted to provide some insight on dates.

Sunflower Compassionate Company gave public comment on NCCR 12.065 and how they believe that there should be transparency with industry and consumers with labels.

Timothy Eli Abdo gave public comment stating that he is looking forward to a conversation, but the comments were not for this part of the meeting.

No additional online comments.

Motion Made by Member Mazzorana to have the workshop and board meeting to review reg 12 again. Chair Fralick voiced her concerns about the timelines to actually be able to get this done properly.

Corrected Motion Made by Member Douglas to put the Reg 12 back out to staff for a workshop to rework it and bring it in front of the Board again in June.

Member Durrett asked if we can just hold reg 12 in its entirety and not hold the others back.

2nd Member Durrett

All in favor

None opposed.

Motion passes.

E. Regulation 12. Packaging and Labeling of Cannabis

1. NCCR 12.010 “Requirements for singles packages” (for possible action)
2. NCCR 12.015 “Requirements for packaging cannabis, cannabis products and edible cannabis products” (for possible action)
3. NCCR 12.030 “Cannabis cultivation facility: Required labeling before sale of cannabis to another cannabis establishment” (for possible action)
4. NCCR 12.035 “Cannabis production facility: Required labeling before sale of cannabis products to another cannabis establishment.”
5. NCCR 12.040 “Cannabis sales facility and cannabis consumption lounge: Required labeling of usable cannabis and single-use cannabis product” (for possible action)
6. NCCR 12.045 “Cannabis sales facility and cannabis consumption lounge: Required labeling of cannabis products” (for possible action)
7. NCCR 12.050 “Cannabis sales facility and cannabis consumption lounge: Required disclosure and warning” (for possible action)
8. NCCR 12.070 “Advertising of cannabis” (for possible action)

Member Durrett made a motion to adopt Reg 13

2nd Member Merritt

All in favor.

None Opposed.

Motion passed.

F. Regulation 13. Cannabis Distributors

1. NCCR 13.070 Requirements for wholesale transportation of cannabis and cannabis products” (for possible action)

VII. Briefing from the Chair and Executive Director (for discussion only)

Chair Fralick wanted to thank everyone for their patience and comments at today’s meeting.

Executive Director Humm stated that the CCB will get the notice out today to hit those requirements for Reg 12 workshop.

Following the workshop we will have a special board meeting on June 28th for adoption.

Let everyone know we do appreciate all the feedback and work on this topic.

Lastly addressed the cultivation and production licensing round that will be starting in White Pine County. We have received a petition from the County to start the process. The official announcement will be made on May 31st. To maintain full transparency any announcements will be made to everyone at the same time.

VIII. Next Meeting Date: June 20th, 2024 (for discussion only)

IX. Items for Future Agendas (for discussion only)

Member Durrett asked if an alternative proposal can be made for different language can be workshopped.

Director Humm stated that we will notice with the same language with a note that we will open up for change at the workshop.

Chricy clarified that specific language is what is being challenged.

X. Public Comment

South public comment:

Amanda Connor gave a public comment suggesting that the court report should be in the room with the CCB Board Meeting to avoid any additional interruptions.

Chamber of Cannabis gave a comment on SB277.

No public comment in the North.

Online public comment:

Karina Robinson gave a public comment thanking everyone at the CCB for being available and gave info on clean up language on delivering amounts. Also discussed work permits, agent cards, and background checks costs to the agent.

Sunflower Compassionate Company gave public comments on agent cards and their pricing.

Timothy Eli Ado gave public comment about appreciating CCBs time and effort listening to the public comments on packaging and labeling.

XI. Adjournment

Chair Fralick adjourned the meeting.