

Nevada Cannabis Compliance Board

Meeting Minutes June 20, 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 June 20, 2024.

Cannabis Compliance Board Members Present:

Adriana Guzmán Fralick, Chair

Riana Durrett, Vice Chair via zoom

Hon. Michael Douglas

Dr. Vicki Mazzorana

Chair Guzmán Fralick called the meeting to order.

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

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

Mellisa Weight gave public comment on behalf of their client. They're a lender, and they're a 3rd party with an interest in item 7 A on your agenda today. That item is involving an order to show cause for Strive Wellness. Related to 2 of their licenses, 206p131 and number 2 4 0 0 1 should not be rejected in or denied is incomplete. So my client, recently on May 30th was just last month, was involved in a settlement with one of the parties to that coi in which item 9 agreed to transfer whatever interest they have.

Chair asked if she would like to save her public comment for when we get to that item. Mellisa Weight agreed to hold her public comment until agenda items 7.a.

No public comment in the North.

No public comment online.

II. Meeting Minutes

The meeting moved to approve the meeting minutes for the May 16th, 2024 Board Meeting. Member Doulgas made a motion to approve, Member Mazzorana seconded, all were in favor.

Moved to approve the meeting minutes for April 30th, 2024 Lab Regulations Workshop. Member Douglas motioned to approve the minutes, Member Mazzorana seconded, all in favor.

Next the Board moved to approve the minutes for the May 14th, 2024, Disciplinary Regulation Workshop. Member Douglas made a motion to approve the minutes, Member Mazzorana seconded, all were in favor.

III. Consent Agenda

Consideration of Approval to Extend Final Inspection Deadline for La Lounge, LLC (CLI001). Steve Gilbert presented the item:

Item one is for the lounge LLC. Which is approved for a conditional independent consumption lounge license in the Clark County jurisdiction. After passing suitability by the board at the July 25, 2023, meeting on February the 7, 2024. Through its legal counsel, the lounge submitted a letter to the CCB. Requesting a 1-year extension of the July 25, 2024, deadline for final inspection requesting it to July 25, 2025. As the extension request did not go before the board prior to the June Board meeting, and in preparation for the meeting, the CCB. Requested that allowed to submit an updated letter and include any supporting documentation of its efforts. Lounge reports that had identified 3 potential locations and had entered into negotiations with the landlords but were unable to reach an agreement at any of those properties. Most recently the lounge found another potential property that was interested in leasing.

It discovered a potential distance separation issue at the site in April 2024 adding to investigate the distance issue while lounge reports it has done everything in its power to locate and secure a site, but due to extenuating circumstances, has not been able to do so. It is, therefore requesting a 1-year extension.

Amanda Connor on behalf of La Lounge, stated that Mr. Gilbert covered the general items for La Lounge's issue. Amanda Connor reiterated her clients' issues with getting into a lease agreement for the lounge.

Member Douglas made a motion to approve the 1-year extension for location for La Lounge. Noting that the counsel and client have shown due diligence so far. Member Mazzorana seconded the motion, all in favor.

IV. Consideration of Proposed Settlement Agreement to Resolve Disciplinary Action for Cannabis Compliance Board vs. Twelve Twelve, LLC, (Case No. 2024-007).

L. Kristopher Rath Senior Deputy Attorney General, gave a briefing on this item. An agreement in the case of CCB. Versus Twelve Twelve LLC CCB. Case number 2024, dash 0 0 7 this license is a medical and adult use cannabis cultivation facility. In Henderson. The complaint for this case was filed and served on April 26, 2024, after service of the complaint counsel for the respondent. Mr. Adam Fulton contacted me prior to the due date for the answer and requested that we engage in settlement discussions. We provided an extension to answer based on that, and then proceeded with settlement discussions. We reached the settlement agreement in principle, so entered a stipulation to stay to allow for the drafting settlement agreement and for the Board to consider that settlement agreement which is now before you. Briefly, the allegations and the complaint arise from a routine audit and investigation which commenced in June 2023 and ran through October 2023. The key allegations, the complaint, are that respondent 1. operated without all the required licenses and permits 2 made an unintentionally false statement or false misrepresentation effect to CCB agent. 3 failed to

maintain the required surveillance systems. 4. Fail to follow seed to sale tracking requirements. 5. Failed to meet the requirements for disposal of campus waste. 6. Had an owner without a validation of a cannabis establishment on our agent. Card 7. failed to submit timely inventory and sales reports and 8 failed to properly maintain facility visitor logs. As noted in the complaint. Several of these violations were repeat violations from their prior audit in June 2022 just about a year prior to the subject audit in 2023, as set forth in the proposed settlement. Agreement to resolve these matters responded, admitted to the following 5 violations one category, 3. Violation for failing to follow a required security plan. A second category. 3. Violation for failing to comply with C to cell tracking requirements, a category. 4. Violation for an owner failing to hold an agent card a category. 5. Violation for failing to submit required reports to the board and a second category. 5. Violation for failing to maintain proper visitor logs. Respondent also agreed to pay a civil penalty, and the amount of \$35,000. The CCB and the respondent were able to come to an agreement resulting in corrective actions being implemented.

Member Mazzorana motioned to approve the Proposed Settlement Agreement to Resolve Disciplinary Action for Cannabis Compliance Board vs. Twelve Twelve, LLC, (Case No. 2024-007).

Member Douglas seconded the motion.

All in favor.

V. Request for Transfer of Interest

Chief of Investigations David Staley read in each of the Transfer of Interests and their investigations results.

A. Redwood Warehouse LLC (C029/RC029, T071) (TOI #2400001) (for possible action)

David Staley stated, Item A is a transfer is a TOI application by Redwood Warehouse, LLC. TOI number 240001 was filed requesting approval for the transfer of half of one member's ownership to their ex-spouse. Pursuant to their divorce decree, Leon to Harry Carmani will transfer 10% of his current 20% ownership in Redwood to his ex-wife, April. Clyde.

Redwood Warehouse has also requested a waiver of NCCR. 5.1 1 0 pursuant to 5.1 1 2 for transfers of interest of less than 5% staff suggest that if approved the board limit, Redwood warehouses 5.1 1 2 waiver to expire on its next TOI agenda. Today no areas of concern were developed during this investigation.

Member Douglas made a motion to approve the TOI #2400001 for Redwood with waiver for NCCR 5.110 pursuant NCCR 5.112.

Member Mazzorana seconded the motion.

All in favor.

B. Physis One LLC (C073/RC073) (TOI #230001 - Withdrawal) (for possible action)
David Staley stated Item B is a TOI withdrawal application by Physis One LLC. TOI number 230001 was filed requesting approval for Physis One LLC, to sell its cultivation licenses to Greenbuds LLC. During January 2023. At the board meeting the Board approved the relationship between Fis and Greenbuds related to an MSA. But Greenbuds has been unable to meet the payment requirements to purchase fiscal. As a result, on January 29, 2024, Physis terminated the purchase agreement, and the MSA. Physis has requested to withdraw Toi number 230001 and advise the CCB that the relationship pursuant to the MSA should be considered terminated. No areas of concern were developed during this investigation.

Representatives for each company made statements of approval with the investigation that was read aloud and a mutual agreement to cancel.

Member Douglas made a motion to approve the TOI withdrawal for Physis One LLC (C073/RC073) TOI #230001.

Member Mazzorana seconded the motion.

All in favor.

C. High Sierra Holistics LLC (C108/RC108, P069/RP069, RD665) and Nevada Organic Remedies LLC (RD219) (TOI #2400007) (for possible action)
David Staley stated Item C. is a TOI application by High Sierra Holistics, LLC. TOI Number 2400007 was filed, requesting approval for High Sierra to purchase a reno dispensary license from Nevada Organic Remedies, LLC. and its Parent Company, The Source Holding LLC. This TOI was expedited because The Source is in the middle of a receivership. High Sierra has also requested a waiver of Nccr. 5.1 1 0 pursuant to 5.1 1 2 for a transfer of less than 5%. Staff suggest that if approved, the board limit high Sears, 5.1 1 2 waivers to expire on its next TOI agenda date. No areas of concern were developed during this investigation.

Amanda Connor representing Nevada Organic Remedies, LLC with their receiver Jock Santucci was present to answer any questions the board may have on the receivership.

Jim Pewsey on behalf of High Sierra Holistics with Russell Ernst were present in Reno to answer any questions as well.

Member Douglas made a motion to approve the TOI for High Sierra Holistics LLC and Nevada Organic Remedies LLC with the waiver of NCCR 5.110 pursuant to 5.112 until the next time this matter appears in front of the board.

Member Mazzorana seconded the motion.

Amanda Connor stated that There is a process of going to the city of Reno as well to receive approval. So, in the interim, the receiver will still be over, and we'd ask the point of contact and that process not be completed until all approvals from city of Reno and the court are obtained.

Chair Fralick stated that staff will communicate that with the receiver.

Member Douglas amended the motion to reflect that it is approved and would not take effect until the receiver is relieved.

Member Mazzorana approved of the amendment.

L. Kristopher Rath stated that he will remain receiver on some of the other source licenses. So, he would only be removed off these particular licenses, and he's still on the others.

All in favor.

Chair Fralick made an amendment to the agenda to move the Petition items to the end of the agenda after the NCCR approvals.

VI. Consideration of License Agreements

Chief of Investigations David Staley read in each of the License Agreements and their investigations results.

A. Fortress Equities ORCL, LLC (RC011) and SoHi Holdings, LLC - Management Service Agreement (for possible action)

David Staley stated that item a is a Management Service Agreement between Fortress Equities ORCL, LLC (RC011) and SoHi Holdings, LLC. While fortress is currently operating as cultivation license in Pump, Nevada. This MSA provides for so high to invest significant sums of money, to completely update the facility and manage operations going forward. the MSA. Provides for so high to retain 75% of gross profit and fortress to remain, to retain the remaining 25%. A potential TOI between the parties has been discussed but would likely not be pursued until the renovated facilities are completely operational. CCB Staff have removed, reviewed the agreement, and found the relationship between the parties appropriate.

Present on behalf of this agenda item was Jared Khan, attorney, representing SoHi Holdings, LLC. And Kang Yang and John Gorst.

Jared Khan stated my client is coming in. They're going to, as Mr. Staley indicated, invest a significant amount of capital into improving the facility and get it operational to maximize the potential from that facility. Mr. Yang has a quite extensive experience. He's currently licensed and operating about a 370,000 square foot facility in Salinas, CA. Mr. Gorst who is going to be the oversight of compliance, has 12 years in the industry, and was an actual former licensee here in Nevada and now is coming back to Nevada for this purpose to be kind of the audit oversight for the facility.

Member Douglas stated that he appreciated their presentation.

Member Douglas made a motion to accept the Management Settlement Agreement between Fortress Equities ORCL, LLC (RC011) and SoHi Holdings, LLC.

Member Mazzorana seconded the motion.

All in favor.

- B. Greenmart of Nevada NLV, LLC (RC037, RP018, RD504, RD507, RD511) and AP Management, LLC - Management Agreement Approval (for possible action)

David Staley stated item B is a management services contract between Greenmart of Nevada NLV, LLC (RC037, RP018, RD504, RD507, RD511) and AP Management, LLC. The MSA provides for Ap. To provide management direction to Greenmart's existing cultivation and production operations and provide assistance for green mark to for final approval of its conditional dispensary licenses. Any profit will go to Ap. Management after all Greenmart expenses are paid. This MSA has been entered into in preparation for the acquisition of Greenmart of Nevada NLV. The TOI was filed with CCB Staff on April 5, 2024, but has not yet been assigned to an agent. CCB staff has reviewed the agreement and found the relationship between the parties appropriate.

Maggie McLetchie, Justin Vu (zoom), Erin McCarthy (zoom) and Jared Kahn were present to represent this Management Agreement.

Member Douglas asked about preferred closing dates on their items. The members all agree they want it done asap.

Member Mazzorana made a motion to approve the Management Agreement.

Member Douglas seconded the motion.

All in favor.

- C. Silver State Wellness L.L.C. (P051/RP051, T075) and Brand House NV LLC - Management Agreement Approval (for possible action)

David Staley stated Item C is a MSA between Silver State Wellness, LLC. and Brand House Nevada, LLC. Silver State holds production and distribution Licenses in Las Vegas, Nevada, and the MSA provides for Brand House to manage the day-to-day services of those licenses for no compensation. A TOI is expected to be filed in the future for Brand House to purchase Silver States licenses pursuant to a February 1, 2024, asset purchase agreement. CCB staff have reviewed the MSA and found the relationship between the parties appropriate.

Michael Hayford representing Silver State Wellness L.L.C. and Scott Knutson representing Brand House NV LLC were present in Las Vegas for any questions.

Member Durrett asked about the general status about Silver State.
Michael Hayford stated that Silver State is currently in the process of selling all of their licenses.

Member Durrett asked about their alcohol beverages are going.
Michael Hayford stated that the beverage went well.

Member Douglas made a motion to accept the Management Agreement between Silver State Wellness L.L.C. (P051/RP051, T075) and Brand House NV LLC.

Member Mazzorana seconded the motion.

All in favor.

D. Unifern, L.L.C. (C179/RC179, P116/RP116) - Incomplete Management Service Agreement (for possible action)

David Staley stated item D is a MSA between Unifern, L.L.C. (C179/RC179, P116/RP116) And Erba, LLC. Unifern holds cultivation and production licenses in Henderson, Nevada, and the MSA provides for Erba to deliver various business and consulting services to Unifern for 10% of Unifern net revenue. Various areas of concern have been developed during this investigation, including the lack of a fully executed agreement between the parties, and lack of any response from either Unifern or Erba. As the Board is aware, the Investigations Division is tasked with investigating every transfer of interest and management services agreement submitted to the CCB. In addition, some issues do arise from receiverships, and the division expedites these applications to ensure that the assets under receivership retain as much value as possible for the benefits of the licensing and the cannabis industry as a whole. The division balances the demands of regular applications and expedited applications, and each agent is assigned multiple investigations at once to maintain as orderly a flow of items before the Board as possible. In the case of a Unifern, and Erba, ignoring multiple requests for information and lack of assigned and executed agreement, require the agent to make multiple attempts to get the information they need, thus interrupting the flow of all their investigations and impeding the process of completing investigations where applicants are responsive and interested in moving forward. As a result, staff suggest that the Board deem this MSA application incomplete and strike it from staff's workload due to an incomplete agreement and lack of responsiveness. If Unifern and Erba are still interested in pursuing a management services agreement, they will need to submit an executed agreement along with a new request for approval and wait until all of their existing MSAs are assigned before their new application will be assigned.

James Klohr (Howard and Howard) on behalf of Unifern. Requested a deferral as they did not submit this application to the Board for review. They are under the belief that the Management company has failed to meet their requirements in order to take over and therefor this item should not be submitted. Requested to deny without prejudice.

David Staley stated that staff would be comfortable to deny without prejudice.

Chair Fralick asked about CCB reaching out to Unifern specifically.

David Staley stated that Unifern failed to respond to any request sent to their POC.

Member Douglas made a motion to deny without prejudice.

Member Mazzorana seconded the motion.

All in favor.

- E. Greenscape Productions LLC (C136, P080) and Optimum Extracts LLC - Production and Packaging Agreement (for possible action)

David Staley stated item E is a production and packaging agreement between Greenscape Production LLC. and Optimum Extracts LLC. Greenscape holds production and distribution Licenses in North Las Vegas, Nevada, and the MSA provides Greenscape to manufacture and sell Optimum branded product using Optimum intellectual property and packaging materials for 15% of gross revenue from the sale of Optimum branded products. CCB staff have reviewed the production and packaging agreement and found the relationship between the parties appropriate.

Wei Chen for Greenscape and John Welliver for Optimum were present in Las Vegas.

Member Durrett asked about white labeling agreements being on the agenda. This item is on the agenda because they asked for it to come in front of the Board.

Wei Chen stated they wanted to get it approved by the Board.

Member Mazzorana made a motion to approve the Production and Packaging Agreement between Greenscape Productions LLC (C136, P080) and Optimum Extracts LLC.

Member Douglas seconded the motion.

All in favor.

Item F was deferred to a future agenda.

VII. Consideration of Order to Show Cause

- A. Order to Show Cause for Strive Wellness of Nevada, LLC (C206, P131) (TOI #24001) (for possible action)

David Staley stated item A is in order to show cause why the Board should not deny a TOI application for Strive Wellness of Nevada. On July 25, 2023, the Board approved a stipulated settlement agreement which required 2 of the 3 owners of Strive, Lawrence Lemons and Donald Burton to submit a TOI and sell their ownership interest within 6 months. On January 17, 2024, Lemons submitted a TOI application 24001, requesting approval to sell strives nonoperational cultivation and production licenses to Item 9 Labs Corp., however, TOI number 24001 was incomplete as filed because it did not include required signatures from Burton and Sarah Gullickson, 2 of the 3 Strive owners. Board agent made multiple requests to strive to have Burton and Gullickson sign the Toi application. But the requests have been ignored, as well as requests for additional information to continue the Toi investigation. additionally, Item 9 has claimed in its public filings to own Strives, cannabis licenses since February 18th of 2020. The purchase of Strive licenses by Item 9 has not been approved by the Nevada Department Taxation, nor by the CCB. Item 9 is currently in receivership and has announced plans to sell the Strive licenses in its public filings. Additional information has not been reviewed due to an incomplete TOI application and refusal to provide additional information as requested by the owners of Strive Wellness. Much like

the Unifern MSA discussed earlier lack of responsiveness from Strive in relation to its TOI application interrupts the flow of all investigations and impedes the process of completing investigations where applicants are responsive and interested in moving forward. In addition, it appears that Lemon and Burton have failed to comply with the July 25, 2023, stipulated settlement agreement which required them to submit a TOI to the Board within 181 days, as the TOI submitted within that time was not complete. In addition, since the order to show cause council for a 3rd party East Betty, Nevada, contacted the CCB. And claimed that East Betty had obtained the right to purchase Strive from Item 9 via a settlement agreement in Item 9 receivership action. That attorney may be present here today to explain this matter further. As a result, the Board has several options, after hearing from all interested parties, The Board may deny this incomplete transfer of interest application due to lack of cooperation from the applicant and apparent unapproved TOI and may direct the Executive Director to transmit details of the suspected violation of the July 25, 2023, stipulated settlement agreement to the Attorney General's office for Review. Number 2, If requested, the Board may grant additional time for submittal of a proper and complete TOI, which may involve a direct TOI from Strive to East Betty or a TOI from Strive to Item 9, and then East Betty. Number 3, if a proper TOI is submitted, the Board may still consider, referral for disciplinary action which may consider may be considered at the time of the proper TOI.

Member Durrett abstains on this matter as she was retained years ago to provide expert witness services to a law firm that represented the parties.

Sara Gullickson (zoom), Lawrence Lemons (zoom) and Jean Gonnell were present on the matter.

David Staley noted that Mr. Burton although noticed appropriately has not appeared.

Chair Fralick asked if the 181day period had passed?

David Staley stated that it passed without all the required signatures being submitted.

Chair Fralick asked Mr. Lemons about what is going on with this matter.

Mr. Lemons stated that he has not spoken with Mr. Burton on this matter. Mr. Lemons stated that this has become extremely difficult since Item 9 was put into receivership. Lemons expressed that it is their desire to get this item taken care of.

Sara Gullickson apologized for the delay and gave details on the item with lack of communication. Sara Gullickson stated that they are willing to work on whatever items are required to remedy the situation.

Jean Gonnell provided details on the items at hand and her willingness to help the parties get their items moved along and remove parties who are not responding.

Melissa Weight who was present in Las Vegas representing her client stated that ultimately owns the land and building that these licenses are at.

Member Douglas asked if Mr. Burton's presence is still required.

Melissa Weight stated that if they have certain parties available, we can get the items executed in order to get the licenses moving forward.

L. Kristopher Rath stated that all owners are supposed to sign or all officers. Also, suggested withdrawing the current TOI that is missing signatures and resubmitting an updated and corrected TOI.

Chair Fralick stated that if CCB staff reaches out to a company they need to be returning their calls and responding to their letters.

David Staley suggested that the item be referred to staff to put on the August agenda.

Chair Fralick made a motion to refer this item back to staff for a future agenda,

Member Mazzorana seconded the motion.

Member Douglas amended the motion to add a date of the September board meeting as a deadline.

Chair Fralick accepted the amendment to the motion.

Member Mazzorana seconded the amendment.

All in favor.

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

Chair Fralick stated that we have had several workshops and public comments on these items. Stated that they will accept public comment on these regulations, but these items are moving forward to LCB for their review and amending.

Deputy Director Michael Miles read in the NCCRs 1,4,5,6.

Michael Miles stated that Reg 1 just adds some clarifying definitions to the regulations specifically for diversion, intentionally, knowingly, and unlicensed activity.

A. Regulation 1. ISSUANCE OF REGULATIONS; CONSTRUCTION; DEFINITIONS

1. NCCR 1.083 "Diversion" defined.
2. NCCR 1.113 "Intentionally" defined.
3. NCCR 1.114 "Knowingly" defined.
4. NCCR 1.234 "Unlicensed Activity" defined.

Public Comment on Reg 1:

Amanda Connor gave public comment stating that implementation of these regulation changes will not take place until LCB has a chance to review them and clarified the process of approved regs.

Member Mazzorana made a motion to approve the consideration of proposed adoption, amendment, and or repeal of the Nevada cannabis compliance regulations, specifically regulation, one issuance of regulations, instruction, and definitions.

Member Douglas seconded the motion.

All in favor.

Michael Miles read in Regulation 4 these changes expand the categories of violations, clarify infractions and update the regulation to align with various statutory changes.

4.0 1 0 as appropriate reference to NRS 233B Pursuant to Senate Bill 328.

4.0 2 0, explains the dates used for progressive discipline and those dates will be based on the statement of deficiency dates.

4.0 3 0 limits. The civil penalty amount and ads and regulation mitigating circumstances pursuant to Senate Bill 195. 4.0 3 3 through 4.0 6 1 expands the categories of violations to 7 categories from the initial 5. Where in category one now is limited to only revocable offenses and category 7 is minor and fractions that won't result revocation and can only result in a possible suspension after 7 different violations. Civil penalty mounts have been adjusted, and various infractions have been clarified and shifted around.

One important note is new inventory control. Now, the violations on the inventory will be based on a percentage of that inventory rather than just a straight count. And that is also the same for tagging the plants. 4.070 4.090 4.095 4.100 4.105 4.110 4.130 4.135 4.140 and 4.145 were all just very minor, mostly housekeeping updates, some to include language from the various statutory updates.

4.1 3 7 is the additions of settlement into the regulations.

4.1 5 0, is the addition of a Reg. For a petition for exemption from excluded felony offenses pursuant to SB 277, which we already do. And I believe we have a couple on the agenda today. But this is the actual regulation. Right now, we are following a procedure we created from Senate Bill 277 until these regulations were adopted.

4.2 0 0 actions related to unlicensed activity pursuant to Senate Bill 328, wherein we can fine illicit enterprises up to \$50,000 for their illicit activity.

B. Regulation 4. DISCIPLINARY AND OTHER PROCEEDINGS BEFORE THE BOARD

1. NCCR 4.010 Applicability Chapter change to Chapters 678A and 233B.
2. NCCR 4.012 Time.
3. NCCR 4.020 Grounds for disciplinary action.
4. NCCR 4.030 Imposition of civil penalty; revocation or suspension of license or cannabis establishment agent registration card; corrective action.
5. NCCR 4.033 Category I Violations.
6. NCCR 4.035 Category [I] II Violations.
7. NCCR 4.040 Category [II] III Violations.
8. NCCR 4.050 Category [III] IV Violations.
9. NCCR 4.055 Category [IV] V Violations.
10. NCCR 4.060 Category V I Violations.
11. NCCR 4.061 Category VII Violations.
12. NCCR 4.070 Complaint.
13. NCCR 4.090 Appearance through counsel.
14. NCCR 4.095 Early case conference and hearing.
15. NCCR 4.100 Reinstatement of license or cannabis establishment agent registration card: Application; conditions, limitations, or restrictions upon reinstatement; denial.

16. NCCR 4.105 Grounds for summary suspension; notice; request for hearing.
17. NCCR 4.110 Discovery: mandatory exchanges.
18. NCCR 4.130 Subpoenas.
19. NCCR 4.135 Disposition of charges: Adjudication by Board.
20. NCCR 4.137 Settlement of Disciplinary Actions and/or Contested Cases.
21. NCCR 4.140 Declaratory orders and advisory opinions.
22. NCCR 4.145 Adoption, amendment, or repeal of a regulation.
23. NCCR 4.150 Petition for Exemption from Excluded Felony Offense Restrictions.
24. NCCR 4.200 Actions Relating to Unlicensed Activity.

Public Comment on Reg 4:

Abby Kaufman gave public comments on Regulation 4 and reiterated concerns for items listed in Regulation 4.

Layke Martin gave public comment on Regulation 4 in support of 4.200 and small changes to 4.035.

Derek Connor gave public comment on Regulation 4 with concerns of the ability to take depositions of witnesses, and we don't have the ability to do written discovery.

Member Mazzorana made a motion to approve the regulation disciplinary and other proceedings before the board. as listed. NCCRS. 1 through 24.

Member Douglas seconded the motion.

All in favor.

C. Regulation 5. LICENSING, BACKGROUND CHECKS, AND REGISTRATION CARDS

Michael Miles read regulation 5.

regulation 5.0 7 5 just clarifies in Reg. that the CCB inspects each establishment or may inspect each establishment once a year, and the labs will be inspected at least once every 2 years. That's the only modification to regulation 5.

1. NCCR 5.075 Authority of Board and Executive Director relating to inspections and investigations, summoning of witnesses and issuance of subpoenas, administration of oaths and administration of provisions of chapter.

Public Comment on regulation 5:

Katri Saunders gave a public comment on SB277.

Member Mazzorana made a motion to approve Regulation 5 as indicated NCCR 5.075.

Member Douglas seconded the motion.

All in favor.

D. Regulation 6. PRODUCTION AND DISTRIBUTION OF CANNABIS

Michael Miles read Regulation 6.

Regulation 6.025 updates the time and effort regulation pursuant to the changes required in SB 195 and includes the hourly amount charge which I believe has been charged since health and human Services days.

Regulation 6.085 updates the notice section when security equipment has malfunction.

1. NCCR 6.025 Board authorized to collect fee for costs for [oversight] investigation; hourly rate.
2. NCCR 6.085 Required security measures, equipment and personnel; location of outdoor cultivation facility must allow for response by local law enforcement.

No public comment.

Member Mazzorana made a motion to approve Regulation 6.025 and 6.085.

Member Douglas seconded the motion.

All in favor.

Chief of Health and Safety Kara Cronkhite read in NCCRs 7 and 11.

E. Regulation 7. CANNABIS SALES FACILITY

Chief Cronkhite read Regulation 7.

NCCR 7.035 has proposed changes that require a sales facility to provide a copy of the certificate of analysis to the consumer upon request. This could be done electronically or in any other medium as desired. Additionally, some languages stricken just as cleanup. Also, the correct statute in subsection 6 was referenced for an Nevada Department of Agriculture, based on public comment received during the workshop.

1. NCCR 7.035 Storage and location of products; disclosure of cannabis testing facility performing quality assurance tests upon request of consumer; approved sources of products for sale; maintenance and availability of certificate of analysis; exemption for industrial hemp.

Public Comment on Regulation 7:

No public comment

Member Mazzorana made a motion to approve Regulation 7.035.

Member Douglas seconded the motion.

All in favor.

F. Regulation 11. CANNABIS INDEPENDENT TESTING LABORATORY

Chief Cronkhite read Regulation 11.

NCCR 11.010 makes changes to requirements for the scientific director, allowing an interim director and their duties scientific directors, residents, was changed from Nevada to within 200 miles, as requested by laboratory representatives. This is a 200-mile radius, the intention was to capture all existing scientific directors, however, based on a public comment received this morning,

I believe that one may have been inadvertently not included. So, if there was a recommendation to increase this mileage, or to allow for a waiver and approval of the board to exceed this distance, I think that would be acceptable by the staff. Additionally, based on feedback received we revised the proposed 60 days in subsection 3 back to 90 for interim directors, and revised the 72 hour timeframe in subsection 4 to 3 business days, and change subsection 6 back to 90 days. This was all requested during the last workshop. There was also a request during this recent public comment to restart the ILAC committee. But I just want to let the Board know that I do think that that could be accomplished under the Cannabis Advisory Commission as a subcommittee.

11.015 adds requirements for a safety program.

Subsection 4 was changed to state follows the ocean requirements based on feedback from the public.

11.020 now includes a timeline to provide the board agents with a copy of the Iso final inspection report.

11.025 clarifies specific references, standards, practices and procedures that laboratories are currently using, we're just updating information and making it clearer. I would like to point out that the references in subsection 6, 7, and 8 can be used when AOAC standard method is not available or does not fully speak to the process. They do not all have to be followed at once. Using any of these as applicable is acceptable until AOAC standard methods are developed based on feedback received.

Subsection 1B accreditation requirement was removed, and subsection G was added to specify that we will issue guidance if there are any conflicts between references.

Subsection 6 we added when available and approved by the appropriate board agent, and in 6 a we added the same, and additional guidance will be issued as needed.

We also removed the reference to Botech in subsection 8 H.

It was originally proposed to update the reference to the 2017 version of the AOAC guidelines to ISO 17025 document. Since then, the 2024 version has been published, and we're proposing updating the standard to the new version.

11.030 clarify sample collection requirements which are already standard practice in laboratory settings based on public comment. From the workshop we added some clarification for metric tags in subsection 2 and changed condition in subsection 4 to description.

11.045 clarifies the font requirements, delivery method and other changes for R&D testing as well as creating a potential pathway for variances on research and development testing requirements.

11.050 gives a timeline for the validity of results posted on certificates of analysis as notice on the COA, rather than stating it expires, as previously written. We've also created an option for limited scope testing for usable cannabis destined for extraction. Removed some testing requirements for cannabis destined for extraction and removed total coliform from usable cannabis testing, since it is redundant, as we already test for the more specific categories of concern within the scope of coliforms. The sample collection size was also increased to 20 grams to create a representative sample. Based on public comment received during the workshop, we revised Subsection 7 to allow for an extension of the 2-day limit and removed the requirement to share with the facility within 2 days. There was also a public comment received today regarding pathogenic e coli, including the 6 STEC species. And I just want to point out the pathogenic e coli does include the top 6 shiga-toxin, producing species as well as 0157H7

11.053 is a new section which clarifies the requirements for instrument calibration and quality control. Based on feedback from the workshop, this section was changed from instrument calibration to testing methods and is now a more general language.

11.060 makes some changes to homogeneity testing for edibles.

11.065 has been revised to clarify the requirements for pesticide residue analysis. Based on feedback from the workshop, Subsection 3 requires the Board to publish a policy on limits of detection for pesticides.

11.070 specifies aseptic sampling requirements for the laboratory, which is standard practice and updates testing results reporting mechanisms. Based on feedback from the workshop, 1 B3 was added to specify requirements for hand washing sinks. 1 C was added to require labs to be notified if a sample was remediated. Subsection 4 was reverted back to original language. 9 C and D were removed. We removed the language about preserving the COAs. They're already captured in our METRC seed to sale tracking system, and 9(1) was added, stating that the facility must provide retest approval to the laboratory.

11.075 outlines requirements for remediation, treatment and retesting of cannabis.

11.085 clarifies responsibility of cost for screening and testing.

1. NCCR 11.010 Employment, qualifications and duties of scientific director; inspection of testing laboratory upon appointment of new director.
2. NCCR 11.015 Requirements for testing laboratory to handle, test or analyze cannabis.
3. NCCR 11.020 Agreement to become accredited within 1 year after licensure; provision of annual inspection report to Board; inspection by accrediting organization is not substitute for inspection by Board.
4. NCCR 11.025 Adherence to general laboratory standards, practices, procedures and programs; inspection by Board or authorized third party; adoption of publications by reference.
5. NCCR 11.030 Establishment of policies for adequate chain of custody and requirements for samples of products provided to testing laboratory.
6. NCCR 11.045 Limited testing for research and development purposes.
7. NCCR 11.050 Required quality assurance tests; submission of wet cannabis for testing.
8. NCCR 11.053 Requirements for testing methods and quality control.
9. NCCR 11.060 Performance of testing to verify homogeneity of potency of edible cannabis products.
10. NCCR 11.065 Use of approved pesticides by cannabis establishment; performance of pesticide residue analysis by testing laboratory.
11. NCCR 11.070 Testing: Selection of representative samples and random samples; segregation period for entire lot; duties of testing laboratory; disposal of lot if sample fails test; release of lot if sample passes test; filing of electronic copy of certificate of analysis for tests performed by testing laboratory; grounds for disciplinary action for failure to comply.
12. NCCR 11.075 Testing: Authorized use of cannabis upon failure of microbial screening; automatic failure to pass; request for retest; retest for pesticide residue must be performed by State Department of Agriculture; effect of passing or failing retest.
13. NCCR 11.085 Random quality assurance compliance checks; costs for screening or testing.

Public comment on Regulation 11:

Kimberly Maxston Rushton gave public comment on Regulation 11. Specifically commented on 11.053.

Alicia Ashcraft gave public comment on Regulation 11 regarding their clients in Labs.

Member Douglas had to leave the meeting early.

Chief Cronkhite clarified for the record, that in 11.0 5 0 subsection 7, the requirements to provide the results to the facility within 2 business days was removed. So, if it somewhere else, please let me know but that that was stricken for the payment issue.

11.053 it was requested by labs that we set limited of detection for these pesticides, because some are lower than others, and then there was concern that, one lab, would fail the results for a pesticide, whereas another lab would pass it, and they would both be in compliance. We agree that there should be an LOD. However, we didn't have time to draft that language in regulation, and that's why we thought it would be a good balance to allow for the CCB to draft a policy on how to determine the limited detection.

Regarding the distance requirement, the problem that we were trying to solve for that one was that the director of the laboratory is supposed to be the person who's training, guiding, monitoring all these actions taking place in the laboratory, and that they should really be readily available in case of emergency. If that distance is expanded, or if there's a waiver granted, or anything else, I would support that but that was the intention. It wasn't just that they're involved it is that they're readily available in case of an emergency or need to be on site to monitor staff or anything like that.

Member Mazzorana made a motion to approve Regulation 11 NCCRs listed 1-13.

Chair Fralick seconded the motion.

All in favor.

XI. Petition filed Pursuant to Senate Bill 277 Section 4.5(1)

A. Trevor Giles Adamson was heard in a closed session. Trevor was present with his father and son with several letters from supporters. The Board requested that the employer of Mr. Adamson send in a letter stating that they will hire him and take responsibility for him as an employee. Then the board will approve him to get his agent card.

Chair Fralick motioned to open the meeting. Member Mazzorana seconded the motion.

Chair Fralick made a motion to approve the petition on the condition that we receive a letter from Mr. Adamson's employer in order to get his agent card.

Member Mazzorana seconded the motion.

All in favor.

Chair Fralick stated for the record that Member Mazzorana will be leaving the room and joining by phone to maintain the quorum.

B. Willie George Klohr Willie Klohr was heard in an open session. Mr. Klohr explained his work history and what he is looking for with work and how he is not that person any longer.

Chief of Administrations Steve Gilbert gave additional information that may be helpful. On one felony count of obstruction, resisting executive officer, which he was found guilty in 2012 and then, through the sensing. Then also on April 5th to 2017 was sent to complete the remainder of the required time incarcerated, which would've come into play with a 10-year period that we look at.

Member Durrett made a motion to approve the petition on condition that he sends in a letter from his employer that will be hiring him and accepting responsibility for him as an employee.

Chair Fralick seconded the motion.

All in favor.

X. Briefing from the Chair and Executive Director

Director Humm gave info on CCB Language Access Plan.

XI. Next Meeting Date: June 28th, 2024, and July 18th, 2024

XII. Items for Future Agendas

XIII. Public Comment

No public comment

XIV. Adjournment