

Nevada Cannabis Compliance Board

Meeting Minutes

November 21, 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 at 9:00 a.m. on November 21, 2024.

Cannabis Compliance Board Members Present:

Adriana Guzmán Fralick, Chair

Riana Durrett, Vice Chair

Hon. Michael Douglas

Dr. Vicki Mazzorana

Jerrie Merritt

Chair Adriana Guzmán Fralick called the meeting to order at 9:00 a.m. and Executive Director James Humm took roll.

Chair Guzmán Fralick was present in Reno via Zoom; Vice Chair Durrett, Member Douglas, Member Merritt, were present in Las Vegas; Member Mazzorana was expected late.

Chair Guzmán Fralick reminded that materials provided to the Board become public record and asked that printed materials be provided to CCB Staff at the sign in desk in advance of public meetings.

Instructions to join the meeting via Zoom was read aloud.

I. Public Comment

Shanna Perry, representing FlowerPac.org presented an overview of the plans to declassify, recategorize and reclassify cannabis and promoted an upcoming livestream and intended release of the first draft of a bill for change, federal legalization oversight with economic revitalization.

Abby Kaufmann, Executive Director of the Chamber of Cannabis submitted a written comment and discussed public concerns regarding CCB's inconsistent practices and lack of transparency. Ms. Kaufmann stated that there is an issue of accountability and referenced violations noted on Agenda Item III and conversations conducted with CCB and the industry, and the workshops. She expressed concern about the pace of the Legislative Counsel Bureau (LCB) and changes that were previously approved by legislation. Ms. Kaufmann requested the CCB to consent to the release of draft regulations and information by the LCB, specifically noting regulation 12.

Tara Baker of Ecoweed Disposal provided company information and noted that the company is a licensed and approved waste disposal company.

II. Meeting Minutes

1. Consideration of Approval of the October 17, 2024, Cannabis Compliance Board Meeting Minutes

Chair Guzmán Fralick asked for a motion to approve.

Member Merritt motioned to approve the meeting minutes

Member Douglas seconded the motion.

Members Durrett, Douglas and Merritt said aye.

Motion carried.

III. Consent Agenda to Approve Remedial Action under NRS 241.0365

A. Consideration to Reapprove Extension of Final Inspection Deadline

1. The Venue at SoL Consumption LLC (CLA003)
2. Cheyenne Medical RD598 LLC (RD598)
3. Eaker Operating LLC (C091, P059)
4. Deep Roots Harvest Inc (RD401)
5. VC Consultants LLC (RD229)
6. Green Leaf Farms Holdings LLC (C162, P105)
7. Nevada Organic Remedies LLC (RD218)
8. Silver Dollar Distribution LLC (T101)
9. Higher*Archy LLC (CLI004)
10. Serenity Wellness Center LLC (CLA012)
11. NevadaPure LLC (CLA007)
12. FCWC Operations LLC (CLI003)
13. Global Harmony LLC (CLA004)
14. TGIG LLC (CLA009)
15. DED Ops NV LLC (CLA008)
16. Inyo Fine Cannabis Dispensary LLC (CLA006)
17. Integral Associates LLC (CLA010)

B. Consideration to Reapprove Issuance of Complaint for Disciplinary Action from Sept 19, 2024 – Respondent A

C. Consideration to Reapprove Waiver under NCCR 5.112 for Waveseer LLC related to Transfer of Interest #2400002.

D. Consideration to Reapprove Meeting Minutes.

1. February 15, 2024, board meeting minutes
2. March 21, 2024, board meeting minutes
3. April 18, 2024, board meeting minutes
4. May 16, 2024, board meeting minutes
5. June 20, 2024, board meeting minutes
6. June 28, 2024, board meeting minutes
7. July 18, 2024, board meeting minutes
8. August 15, 2024, board meeting minutes
9. September 19, 2024, board meeting minutes

E. Consideration to Reapprove Settlement Agreements

1. CCB v Circle S Farms, Case No. 2024-02
2. CCB v. Twelve Twelve, Case No. 2024-007

F. Consideration to Reapprove Management Services Agreement Between Greenmart of Nevada and AP Management LLC

G. Consideration to Reapprove Production and Packaging Agreement Between Greenscape Productions and Optimum Extracts

H. Consideration to Reapprove Waiver of Excluded Felony Petitions

1. Trever Adamson
2. Willie Klohr

Chair Guzmán Fralick noted that Items III (A)(1) through (17), Item III (B), Item III (C), Items III (D)(1)through (9), Items III (E)(1)and(2), Item III (F), Item III (G), Items III (H)(1) and (2) were placed on the consent agenda as per the advice of CCB Counsel, noting the items could be subject to challenge for procedural error and the record should be clarified and updated as needed. Chair Guzmán Fralick asked for a motion on Agenda Item III.

Member Merritt made a motion to Approve Items III A (1)-(17) Consideration to Reapprove Extension of Final Inspection Deadlines on the Consent Agenda to Approve Remedial Action under NRS 241.0365

Member Douglas seconded the motion.

Members Durrett, Douglas, Merritt and Chair Guzmán Fralick said aye.

Motion carried.

Member Merritt made a motion to Approve Items III B, Consideration to Reapprove Issuance of Complaint for Disciplinary Action from Sept 19, 2024 – Respondent A

Member Douglas seconded the motion.

Members Durrett, Douglas, Merritt and Chair Guzmán Fralick said aye.

Motion carried.

Member Durrett made a motion to Approve Item III C, Consideration to Reapprove Waiver under NCCR 5.112 for Waveseer LLC related to Transfer of Interest #2400002

Member Merritt seconded the motion.

Members Durrett, Douglas, Merritt and Chair Guzmán Fralick said aye.

Motion carried.

Member Merritt made a motion to Approve Item III D (1)-(9), Consideration to Reapprove Meeting Minutes.

Member Durrett seconded the motion.

Members Durrett, Douglas, Merritt and Chair Guzmán Fralick said aye.

Motion carried.

Member Durrett made a motion to Approve Item III E (1)-(2), Consideration to Reapprove Settlement Agreements.

Member Merritt seconded the motion.

Members Durrett, Douglas, Merritt and Chair Guzmán Fralick said aye.

Motion carried.

Consent Agenda to Approve Remedial Action under NRS 241.0365, continued

Member Merritt made a motion to Approve Item III F Consideration to Reapprove Management Services Agreement Between Greenmart of Nevada and AP Management LLC.

Member Douglas seconded the motion.

Members Durrett, Douglas, Merritt and Chair Guzmán Fralick said aye.

Motion carried.

Member Durrett made a motion to Approve Item III G Consideration to Reapprove Production and Packaging Agreement Between Greenscape Productions and Optimum Extracts.

Member Merritt seconded the motion.

Members Durrett, Douglas, Merritt and Chair Guzmán Fralick said aye.

Motion carried.

Member Merritt made a motion to Approve Item III H (1)-(2) Consideration to Reapprove Waiver of Excluded Felony Petitions.

Member Douglas seconded the motion.

Members Durrett, Douglas, Merritt and Chair Guzmán Fralick said aye.

Motion carried.

Chair Guzmán Fralick asked the record reflect Member Mazzorana is present via Zoom at 9:16 a.m.

IV. Consent Agenda

A. Consideration of Approval to Extend Final Inspection Deadline to December 01, 2025

1. Essence Henderson LLC (RD347)
2. Eureka NewGen Farms LLC (C186, P122, RD290)
3. Congeriem 4 LLC (RD597)
4. Congeriem 5 LLC (RD602)
5. Congeriem 1 LLC (RD266)
6. Congeriem 2 LLC (RD593)
7. Congeriem 3 LLC (RD594)
8. Jason Smith dba JMS Logistics (T090)
9. Franklin BioScience NV LLC (C096)
10. ETW Management Group LLC (RC023)
11. Strive Wellness of Nevada LLC (C206, P131)
12. Wellness Connection of Nevada LLC (C167)
13. CR/P Las Vegas LLC (CLA013)
14. TRNVP098 LLC (RD673)

Chair Guzmán Fralick asked for a motion on Agenda Item IV A (1) – (14) and reminded the board that items on the consent agenda are subject to a single collective motion for approval without discussion, or items may be removed at the request of any member.

Member Durrett motioned to approve the Consent Agenda Item IV A (1) – (14)

Member Merritt seconded the motion.

Members Durrett, Douglas, Merritt, Mazzorana and Chair Guzmán Fralick said aye.

Motion carried.

V. Consideration of License Agreements

A. Production, Processing & Manufacturing Agreement between Healthcare Options for Patients Enterprises, LLC (P064) and A1 Extracts

Division Chief of Investigations David Staley presented an overview of the agreement between Healthcare Options for Patients Enterprises (HOPE) and A1 Extracts. Chief Staley advised the board that HOPE will grow the cannabis under its cultivation license and A1 will oversee the production of A1 branded items under HOPE's production license. He noted that the agreement was reviewed by CCB staff and the relationship between the parties was deemed appropriate, however any substantive future changes to the relationship would require additional approval. Chief Staley introduced Dr. Howard Rubin Managing Member and CEO of HOPE and Christopher Harkins, Managing Member of A1 Extracts.

Chair Guzmán Fralick asked for affirmative presentations; there were none. Dr. Rubin expressed appreciation to CCB personnel and said staff was timely and cooperative during the process.

Chair Guzmán Fralick asked if there were any questions, and for a motion. There were no questions asked by the board.

Member Durrett motioned to approve Agenda Item V (A) as to the relationship, not the terms of the contract.

Member Merritt seconded the motion.

Members Durrett, Douglas, Merritt, Mazzorana and Chair Guzmán Fralick said aye.

Motion carried.

VI. Requests for Transfers of Interest

A. Miller Farms LLC (C189) (TOI #2400028)

Chief David Staley presented an overview of Miller Farms' request for the addition of three new members in exchange for debt reduction. He noted that no areas of concern were identified during the investigation and introduced Michelle Miller and Rendall Miller were available in Reno to answer questions.

Chair Guzmán Fralick asked for an affirmative presentation and if the board had any questions.

Member Douglas motioned to approve Agenda VI (A) Miller Farms LLC (C189) (TOI #2400028)

Member Merritt seconded the motion.

Members Durrett, Douglas, Merritt, Mazzorana and Chair Guzmán Fralick said aye.

Motion carried.

B. 1933 Industries Inc (C087, P096, T013) (TOI #2400016)

Chief Staley presented overview of 1933 Industries (1933) cultivation and production facilities and the request for transfer interest and 9% ownership by Caleb Zobrist in exchange for shares, and noted the request for waivers of NCCR 5.110 pursuant to 5.112 and said that the requirements are met which will allow the board to approve the waiver.

Chief Staley conveyed the staff suggestion that should the board approve the request, the waiver should be limited to expire on the next TOI agenda date and no areas of concern were noted during the investigation. Chief Staley said 1933 and the Nevada Department of Taxation disagree on the amount of outstanding tax, and this concern is under review. He introduced representatives available to answer questions: Paul Rosen, President Alternative Medicine Association, Curtis Floyd Esq., Ester Vigil, President of 1933 Industries, Mary McGrath and Brian Farrell.

Chair Guzmán Fralick asked for the representatives to identify themselves for the record.

Caleb Zobrist the seller, and Paul Rosen and Ester Vigil were available in Las Vegas and Brian Farell, from Alberta Canada, Curtis Floyd, Esq from California and corporate secretary Mary McGrath from British Columbia via Zoom.

Member Durrett asked about the tax issue; Mr. Rosen provided a brief narrative stating that errors were made in three-year window of submitted returns; they now have CPA on staff and submitted returns that are under review by DOT. Amended returns show they were current on the account, but DOT must confirm the amended returns. A payment plan was submitted on October 27, 2024, along with the required financial plan on October 31, 2024 and Mr. Rosen is waiting for approval of this payment plan.

Member Durrett asked for clarification on the 3rd party plans. Mr. Rosen explained the wholesale excise tax payment requirements under this scenario.

Chair Guzmán Fralick asked for a motion for the approval of this transaction.

Member Douglas motioned to approve and asked Chief Gilbert to restate the waiver language. Chief Staley responded the staff suggests that if the waiver is approved, the board limit the waiver to expire on 1933's next TOI agenda date.

Member Douglas said to adopt that language and provided the additional condition that the relationship and/or discussions with the Nevada Department of Taxation and status be reported to CCB Staff over the next six months (through May 2025).

Mr. Rosen said they will follow those instructions.

Chair Guzmán Fralick confirmed the motion with a condition and waiver asked for a second.

Member Durrett seconded the motion.

Members Durrett, Douglas, Merritt, Mazzorana and Chair Guzmán Fralick said aye. Motion carried.

**VII. Consideration of Proposed Settlement Agreement to Resolve Disciplinary Action
A. GWGA, LLC Case No. 2024-015(C024)**

Senior Deputy Attorney General L. Kristopher Rath provided an overview of the proposed settlement agreement and discussion of events that occurred in 2023, noting service occurred in September 2024. Mr. Rath said the respondent admitted to categories three and four violations and agreed to pay the civil penalty. He said the respondent provided a plan of correction, approved by CCB staff and recommended the board approve the settlement agreement.

Alicia Ashcraft of Ashcraft & Barr was present in Las Vegas on behalf of GWGA and assured the board the signer participated in the settlement process and thanked deputy attorneys general for their work in resolving the issue. Member Douglas asked if there is a responsible party because the licensee is responsible. Ms. Ashcraft responded that new management is in place, changes have been made and no issues are identified.

Member Durrett expressed concern that this needed a complaint although issues were addressed within a week. Mr. Rath explained there were very serious hygiene issues that should not have occurred, and these were could impact public health. Member Douglas noted a difference in the complaint vs what was settled in attempt to move things forward. Serious allegations were negotiated down and resolved due to good faith efforts.

Chair Guzmán Fralick asked for a motion.

Member Douglas motioned to approve the proposed settlement agreement.

Member Merritt seconded the motion.

Members Durrett, Douglas, Merritt, Mazzorana and Chair Guzmán Fralick said aye.

Motion carried.

VIII. Briefing from the Chair and Executive Director

Chair Guzmán Fralick thanked the team for a short agenda and expressed appreciation to the CCB staff and deputy attorneys general for ensuring the board complies and there are no challenges. She wished all staff, licensees, applicants and members of the public a wonderful holiday season.

Executive Director Humm expressed his thanks to the team, DAGs and board members. He said that CCB will be focused on one bill during the legislative session, and he will provide a briefing to the board during the next meeting. He noted that the legislative session opens in 74 days and wished everyone Happy Thanksgiving.

IX. Next Meeting Date

The next Board meeting is scheduled for December 19, 2024.

X. Items for Future Agendas

There were no matters stated for future agenda items.

XI. Public Comment

No additional public comment was presented during this period.

XII. Adjournment

Meeting adjourned at 9:46 a.m.