

Nevada Cannabis Compliance Board

Meeting Minutes

December 19, 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 December 19, 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; Member Douglas, Member Merritt, Member Mazzorana were present in Las Vegas; Vice Chair Durrett was expected late.

Instructions to join the meeting via Zoom were read aloud.

I. Public Comment

There were no public comments in Las Vegas, Reno or online.

II. Consent Agenda

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

1. Cafecito SW LLC (CLI005)
2. Polaris Wellness Center LLC (RD636)
3. TRNVP098 LLC (RD671)
4. TRNVP098 LLC (RD672)
5. TRNVP098 LLC (RD674)
6. TRNVP098 LLC (RD675)
7. NevCann LLC (C056)
8. Qualcan LLC (RD222)
9. MM R & D LLC (C208, P138 and RD098)
10. MM R & D LLC (C209 and P139)

B. Meeting Minutes

1. Consideration of Approval of the November 21, 2024, Cannabis Compliance Board Meeting Minutes

Chair Guzmán Fralick asked for a motion to approve Consent Agenda items A and B.
Member Merritt motioned to approve Consent Agenda items A and B.
Member Mazzorana seconded the motion.
Members Merritt, Mazzorana, Douglas and Guzmán Fralick said aye. Motion carried.

III. Approval and Resolutions

A. Notice of Final Licensure

1. Essence Henderson LLC (RD348)

Chief of Administration Steve Gilbert advised the board that Essence Henderson applied for and was granted a conditional adult-use retail store license in December 2018 by the Nevada Department of Taxation. A November 2024 pre-opening inspection and audit by CCB determined the licensee to be in compliance with regulatory requirements and no statement of deficiency was issued.

Chair Guzmán Fralick noted this item was for discussion only. There were no additional questions or discussion from the Board.

IV. Consideration of Cultivation Service Agreements

A. Cultivation Services Agreement between Healthcare Options for Patients Enterprises, LLC (HOPE) and Southern Nevada Growers, LLC

Division Chief of Investigations David Staley presented an overview of the service agreement and noted that CCB staff reviewed the agreement and found the relationship between the parties appropriate. Dr. Howard Rubin, owner and managing member of HOPE, Derek Connor representing Southern Nevada Growers were available to answer questions.

Chair Guzmán Fralick asked for questions, additional discussion or motion.

Member Douglas motioned to approve the service agreement between Healthcare Options for Patients Enterprises and Southern Nevada Growers.

Member Mazzorana seconded the motion.

Chair Guzmán Fralick noted that Vice Chair Durrett joined the meeting via Zoom and was available for the vote.

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

V. Consideration of Approval for a Conditional License for a Cannabis Consumption Lounge

A. The Limo Joint LLC (ACON-A22-00034)

Division Chief of Investigations David Staley presented an overview of the request for approval for conditional license and noted that should the Board approve the request, the applicant will need to complete local approvals and a final inspection and audit by CCB is required. Mr. Staley advised the Board that all information was submitted and areas of concern were identified regarding the controlling shareholders' activities on a website and the products being sold, false certificates of analysis, additional requirement violations and tax issues. Mr. Staley reminded the board that the application for a cannabis establishment license is a request to the Board to evaluate the general suitability and integrity of the applicant and the regulations provide grounds for the Board to deny any application for licensure. Amanda Connor, representing of Limo Joint, Andrew Gennuso, Al Mastro, Jacklyn Ibarra and Isabel Ibarra were available to answer questions. Ms. Connor provided detail regarding the change of location and adjusted business plan.

Chair Guzmán Fralick clarified that Limo Joint is not yet licensed and expressed concern regarding the suitability of the applicant due to the information received by CCB regarding Mr. Gennuso.

Member Durett expressed concern that CCB staff asked for issues to be addressed but the responses provided did not do so. Ms. Connor clarified that five letters were submitted in response to address the identified issues and provided specific details regarding heavy metals, testing standards in Florida vs Nevada, and stated that proof was submitted that taxes were paid and satisfied.

Chair Guzmán Fralick asked for the focus of discussion to remain on hemp products in excess of legal limits, falsification of certificate of analysis (COA), and fraudulent medical letters. Ms. Connor spoke on the three identified issues and provided detail on the responses and current status of each. Mr. Gennuso stated that he was unaware of the falsification of the COAs.

Chair Guzmán Fralick asked for any questions from the Board regarding falsification of the COA or additional comments. There were no questions.

Chair Guzmán Fralick asked for additional information regarding the fraudulent medical letters. Ms. Connor provided a brief response and stated Mr. Gennuso understood it was permissible in California to get a medical recommendation via telemedicine and the business acted in good faith and believed they were operating a legal business, ceasing operations once they received notice from the City of Las Vegas.

Member Douglas reminded that request for approval is for a conditional license and if the concerns are not addressed, he would vote to deny the final license; he asked about the site location for the business. Mr. Gennuso replied that additional locations are under consideration, and financing and the business plan are ready. Ms. Connor said she will provide any additional information the Board may require, and Mr. Gennuso is looking for the opportunity to come into the licensed market.

Mr. Gennuso addressed the Board stating he has carried business licenses in unappropriated Clark County and City of Las Vegas and finds himself suitable for consideration as a licensee for an independent cannabis consumption lounge.

Chair Guzmán Fralick asked for a motion.

Member Douglas made a motion to defer the matter to staff for additional investigation to clarify previously provided answers and have consistency of the investigator.

Member Merrit seconded the motion.

All members said aye.

Motion carried.

B. TBL LLC (ACON-A22-00093)

Chair Guzmán Fralick noted that Item V(B) and VI(A) were removed from the Agenda and will be heard during a Special Board Meeting on December 27, 2024.

VI. Requests for Transfers of Interest

A. Mystic Holdings, Inc. (D088, D106, C055, D591, P032, & D222)

Item VI(A) was removed from the Agenda and will be heard on December 27, 2024.

B. Gravitas Nevada LTD (C017/RC017) (P013/RP013) (TOI #2400020) (T033)

Chief David Staley presented an overview of Gravitas Nevada LTD's request for internal change of ownership and waiver of NCCR 5.110 pursuant to 5.112 for transfers of less than five percent. No areas of concern were identified. If approved, Staff suggestion is to limit the waiver to expire on the next TOI agenda date. He advised that Alicia Ashcraft of Ashcraft and Barr, in Las Vegas and majority owners of Verdant, the forty-percent owner of Gravitas Nevada, Michael Thomsen, and Daniel Wacks were available via Zoom to answer questions. Ms. Barr thanked CCB investigator Erica Garcia for her work and diligence in processing the TOI application.

Chair Guzmán Fralick asked for questions, discussion or motion from the Board.

Member Mazzorana motioned to approve the Gravitas Nevada LTD TOI #2400020 application with a waiver of (NCCR 5.110 pursuant to) NCCR 5.112.

Member Douglas seconded the motion.

All members said aye. Motion carried.

VII. Consideration of Proposed Settlement Agreement to Resolve Disciplinary Action

A. Cannabis Compliance Board vs. MA & Associates, LLC (Case No. 2024-023) (L002)

Senior Deputy Attorney General L. Kristopher Rath provided an overview of the proposed settlement agreement noting that CCB did not file a complaint, and terms of settlement, civil penalty and category violations for the violations at issue were negotiated by the parties.

Mr. Rath commented that the payment plan is reasonable, the respondent provided a plan of correction, and the Attorney General recommends approval of the settlement agreement. He introduced Amanda Connor who was available to answer questions.

Chair Guzmán Fralick asked for questions, discussion or motion from the Board.

Member Douglas motioned to approve the settlement agreement.

Member Merritt seconded the motion.

All members said aye.

Motion carried.

B. Settlement Agreements to be considered together

1. Clark NMSD LLC (Case No. 2023-003)(D186)

2. Clark NMSD LLC (Case No. 2023-004)(D187, RD187)

3. Clark Natural Medicinal Solutions LLC (Case No. 2023-021) (RC165, C165)

4. Nye Natural Medicinal Solutions LLC (Case No. 2024-006) (RC166, C166)

Item VII(B) was removed from the Agenda.

VIII. Petition filed Pursuant to NRS 678B.633

A. Kalen Michael Foess

This item was discussed in a closed session per the request of Kalen Michael Foess and is to remain confidential.

Member Douglas moved to approve the petition for the request for a cultivation facility card.

Member Mazzorana seconded the motion.

All members said aye. Motion carried.

IX. Briefing from the Chair and Executive Director

Chair Guzmán Fralick wished everyone a happy holiday and extended her wishes for a happy new year to all.

Executive Director Humm provided a summary overview of the details of Assembly Bill No. 76 as introduced, generated by the agency for approval during the 2025 Nevada legislative session. He noted a lot is covered in the bill, including reforms the CCB believes to be necessary. Mr. Humm said conversations continue with those in the industry and a copy of the bill was provided to the board via email for their review.

Mr. Humm commented that Chair Guzmán Fralick asked for a legislative session policy to set clear expectations for CCB members and agents during the Nevada legislative session. This policy will extend to Board members, executive staff and CCB team members who appear on behalf of the CCB during the session, and to those subject matter experts determined as necessary. No other individual may speak on behalf of the CCB without authorization. Mr. Humm provided details of the policy for the record and advised that the CCB Public Information Officer or Communications Director shall update and send bill tracking information on any bill that may affect the CCB along with news updates to the Board members on a weekly basis. He advised that the Board will have a month to review the policy, will have the opportunity to ask questions and the policy will be voted on during the January 2025 meeting at the discretion of the Chair.

Mr. Humm acknowledged that one year has passed since he joined the CCB and expressed his appreciation for the entire team, the successes achieved during 2024 and he wished everyone a happy holiday.

X. Next Meeting Date

A Special Board Meeting is scheduled for December 27, 2024.

The next regular Board meeting is scheduled for January 16, 2025.

Physical location is to be determined and will be confirmed.

XI. Items for Future Agendas

There were no matters stated for future agenda items.

XII. Public Comment

No additional public comment was presented during this period.

XIII. Adjournment

Meeting adjourned at 10:11 a.m.