

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

3 STATE OF NEVADA, CANNABIS
4 COMPLIANCE BOARD,

5 Petitioner,

Case No. 2023-021

6 vs.

7 CLARK NATURAL MEDICINAL
8 SOLUTIONS, LLC,

9 Respondent.

10 **STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION**

11 The Cannabis Compliance Board (the “CCB” or “Board”), by and through counsel
12 Aaron D. Ford, Attorney General of the State of Nevada, and Emily N. Bordelove, Esq.,
13 Senior Deputy Attorney General, hereby enters into this Stipulation and Order for
14 Settlement of Disciplinary Action (“Stipulation and Order”) with CLARK NATURAL
15 MEDICINAL SOLUTIONS, LLC, (“Respondent” or “CLARK NATURAL”) by and through
16 its counsel of record Brian Hardy Esq., of Marquis Aurbach Chtd., and Derek Connor Esq.,
17 of Connor & Connor PLLC. Pursuant to this Stipulation and Order, Respondent and the
18 CCB (collectively, the “Parties”) hereby stipulate and agree that Case No. 2023-021 (the
19 “Administrative Action”) shall be fully and finally settled and resolved upon the terms and
20 conditions set out herein.

21 **PERTINENT FACTS**

22 1. Respondent is a domestic limited liability company in the State of Nevada. The
23 Nevada Secretary of State lists Pejman Bady, Pouya Mohajer, and Joseph Kennedy as its
24 managers. Amanda Connor, Esq., is Respondent’s current Point of Contact with the CCB.
25 Respondent is licensed to operate a cultivation facility under identification No. C165 ¹ and
26 production facility under identification No. P108.²

27 ¹ Adult-use cultivation license, previously RC165, is now C165 as the medical license expired, and adult-use
28 can operate as medical as well. References to actions predating this merger may use the old numbers.

² Adult-use production license, previously RP108, is now P108 see footnote 1.

1 2. This Administrative Action was not initiated by the filing of a Complaint for
2 disciplinary action but rather through settlement negotiations as codified in NRS
3 678A.645(1). Respondent shares natural person ownership with the cannabis licenses
4 currently held by Clark NMSD LLC (D186), Clark NMSD LLC (D187), and Nye Natural
5 Medicinal Solutions, LLC (C166, P107, & T065). During settlement discussions for Case
6 Nos. 2023-003 and 2023-004, for Clark NMSD LLC (D186) and Clark NMSD LLC (D187)
7 respectively, Respondent's owners requested that alleged violations against CLARK
8 NATURAL'S licenses under C165 and P108 as outlined in Paragraphs 4, 5, & 12 be
9 included as part of a global resolution, with Nye Natural Medicinal Solutions added under
10 Case No. 2024-006.

11 3. Subsequently, CCB staff, working with CCB's counsel from the Attorney General's
12 Office, entered into good faith settlement negotiations with the Respondent under this
13 Stipulation and Order. The results of these negotiations are embodied here and the
14 Stipulations and Orders for Settlement of Disciplinary Actions in Case Nos 2023-003, 2023-
15 004, and 2024-006 ("Related Cases") to be presented concurrently to the Board for its
16 consideration.

17 4. **Respondent's Use of Florel and/or Ethephon.**

18 a. On or about December 1, 2022, the CCB began a routine inspection of
19 Respondent's Cultivation facility under C165/RC165. Board Agents conducted this
20 inspection which resulted in a Statement of Deficiencies ("SOD") dated December 15, 2022
21 (the "12/15/22 SOD"). The 12/15/22 SOD alleged, among other violations, that Respondent
22 failed to log all applied pesticides when it failed to log its use of Florel³ on its cannabis
23 plants. Except as otherwise set forth herein, Respondent neither admits nor denies the
24 allegations in the 12/15/22 SOD.

25 b. As a result of the 12/15/22 SOD, Board Agents began investigating
26 Respondent's use of Florel and/or Ethephon and issued a resulting SOD dated January 12,
27

28 ³ Ethephon is the active ingredient in the product Florel®

1 2023 (the “01/12/23, SOD”). The 01/12/23 SOD alleged that Florel and/or Ethephon was a
2 plant growth regulator not on the Nevada Department of Agriculture’s approved list of
3 pesticides to safely apply to cannabis in the state of Nevada. The 01/12/23 SOD required
4 Respondent to provide a written Plan of Correction (“POC”) within 10 business days.
5 Except as otherwise set forth herein, Respondent neither admits nor denies the allegations
6 in the 01/12/23 SOD.

7 c. On or about January 19, 2023, CCB issued Public Health and Safety Bulletin
8 2023-01⁴ advising consumers to avoid consumption of all usable cannabis harvested by
9 Respondent between July 23, 2021, and January 5, 2023, and providing a list of the specific
10 cannabis and cannabis products at issue.

11 d. Throughout January-February of 2023, Respondent’s representatives and
12 CCB staff discussed how to handle the cannabis and cannabis products Respondent had
13 treated with Florel and/or Ethephon. Respondent agreed to quarantine cannabis and
14 cannabis products it had in its possession currently on METRC hold and requested that
15 cannabis and cannabis products held by third parties remain on METRC hold. Respondent
16 also requested an extension to submit a proposed POC for the 01/12/23 SOD.

17 e. In March 2023, Respondent’s counsel contacted CCB’s counsel to discuss
18 potentially resolving Respondent’s use of Florel and/or Ethephon and other potential
19 disciplinary matters through settlement. Respondent also requested an extension to
20 submit a proposed POC for the 01/12/23 SOD as part of the agreed-upon terms of
21 settlement.

22 5. **Yearly Audits & Inspections.** During settlement negotiations, the CCB
23 conducted routine audits and inspections of Respondent’s facility, where cultivation and
24 production are co-located. For the cultivation license C165, the 2023 audit and 2024
25 inspection alleged minor violations that did not, in the CCB staff’s opinion, warrant
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27 ⁴ Later updated with additional information on or about January 27, 2023, February 2, 2023, and February
28 9, 2023.

1 disciplinary action.⁵ For production license P108, the 2023 audit and inspections for 2023
2 and 2024 did not allege violations or alleged violations that did not warrant disciplinary
3 action.⁶ However, C165's 2023 inspection and the 2024 audits for C165 and P108 resulted
4 in SODs that alleged, among other violations, more serious violations of concern, as noted
5 below:

- 6 a. The SOD dated November 15, 2023 ("11/15/23 SOD") for C165's 2023 inspection
7 alleged that Respondent had multiple buckets of unidentified chemicals stored
8 in the facility's propagation rooms and fertigation rooms. This allegation is
9 concerning given the alleged violations surrounding Respondent's use of Florel
10 and/or Ethephon as outlined in Paragraph 4 above. Respondent submitted its
11 POCs on November 29, 2023, and amended January 2, 2024, noting it would
12 provide the appropriate employees with training on federal labeling
13 requirements for the storage of chemicals, including following a pesticide's
14 label, which the CCB approved on January 3, 2024.
- 15 b. C165 and P108 both have SODs dated May 23, 2024 ("C165 05/23/24 SOD" and
16 "P108 05/23/24 SOD" respectively) for the 2024 audits for each license at the
17 co-located facility. Both SODs alleged issues with Respondent's security,
18 specifically incomplete visitor logs, a broken lock on the entrance, and
19 inadequate camera coverage.
 - 20 i. C165 05/23/24 SOD alleged that Respondent's cannabis disposal logs did
21 not consistently document the cannabis disposed and reason for disposal,
22 harvest logs did not document final yield weights, and the agent employees
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24 ⁵ **C165:** 2023-Audit noted issues with monitor size and affixing METRC tags to plants that were resolved,
25 and the CCB issued an APOC dated August 18, 2023. 2024-Inspection noted issues with standing water
26 buildup and proper sanitizing, which were resolved, and the CCB issued an APOC dated December 4, 2024.

27 ⁶ **P108:** December 2022-Inspection noted one issue with cannabis from cultivation stored in the production
28 area, which was resolved and the CCB issued an Approved Plan of Correction ("APOC") dated January 11,
2023. 2023 inspection resulted in a Statement of No Deficiencies dated November 15, 2023. 2023-Audit
resulted in Statements of No Deficiencies dated July 13, 2023. 2024-Inspection noted one issue regarding
having an accredited Food Protection Manager on-site during specific times, which was resolved, and the
CCB issued an APOC dated December 4, 2024.

1 responsible for the harvest, had variances between documented amounts
2 in its quarterly inventory report and the seed-to-sale tracking system
3 (“METRC”), and had errors documenting transfers. These allegations are
4 concerning, given the inventory issues and employee training noted in the
5 Related Cases. Respondent submitted its POC on June 7, 2024, outlining
6 its plan to train employees to address the inventory violations noted above,
7 which the CCB approved on July 11, 2024. The P108 05/23/24 SOD had a
8 POC submitted on June 7, 2024, and, which the CCB approved on July 11,
9 2024.

10 c. Except as otherwise set forth herein, Respondent neither admits nor denies
11 the allegations set forth in 11/15/23 SOD, C165 05/23/24 SOD, and P108
12 05/23/24 SOD.

13 6. As noted above, Respondent's owners also own other cannabis establishments
14 subject to disciplinary actions. To uniformly address the issues underlying these actions,
15 the Parties have engaged in global settlement negotiations for these licenses under this
16 Stipulation and Order and the three Stipulations and Orders in the Related Cases. The
17 Parties have engaged in good faith settlement negotiations to reach an agreement that is
18 mutually acceptable to Respondent, CCB staff, and CCB counsel without the need to file a
19 Complaint for Disciplinary Action, with the understanding that this Stipulation and Order
20 must be approved by a majority vote of the Board members of the CCB to become effective.

21 7. As set forth herein, Respondent stipulates to pay a \$50,000 civil penalty, and
22 voluntarily sell its cultivation C165 and production P108 licenses as outlined in Paragraph
23 21, for the violations set forth in Paragraph 15, below, in lieu of the CCB filing and serving
24 a Complaint for Disciplinary Action and proceeding to a disciplinary hearing.

25 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

26 This Stipulation and Order is made and based upon the following acknowledgments
27 by the Parties:

28 8. Respondent enters into this Stipulation and Order on its own behalf, with full

1 authority to resolve the claims against it, and is aware of its rights to contest the violations
2 pending against it. These rights include the right to attorney representation at its own
3 expense, a hearing on any violations or allegations formally filed, to confront and cross-
4 examine witnesses called to testify against it, to present evidence on its own behalf, to
5 testify on its own behalf, to obtain any other type of formal judicial review of this matter,
6 and any other rights which may be accorded to it under provisions of Title 56 of the Nevada
7 Revised Statutes (“NRS”) (“NRS Chapters 678A through 678D”), the Nevada Cannabis
8 Compliance Regulations (“NCCR”), and any other provisions of Nevada law. Respondent
9 waives all these rights by entering into this Stipulation and Order. If the Board rejects this
10 Stipulation and Order, or any portion thereof, all such waivers shall be deemed withdrawn
11 by Respondent.

12 9. If this Stipulation and Order is rejected by the Board or not timely performed by
13 Respondent, the Parties agree that presentation to and consideration by the Board of the
14 stipulation or other documents or matters pertaining to the consideration of this
15 Stipulation and Order shall not unfairly or illegally prejudice the CCB or any of its Board
16 Members from further participation, consideration, adjudication, or resolution of these
17 proceedings and that no Board Member shall be disqualified or challenged for bias.

18 10. Respondent acknowledges that this Stipulation and Order shall only become
19 effective after approval by a majority vote of the Board.

20 11. Respondent enters this Stipulation and Order after being fully advised of the
21 consequences of this Stipulation and Order. This Stipulation and Order embodies the entire
22 agreement between the Parties as it relates to the license held under C165 and P108.⁷ All
23 alterations, amendments, and/or modifications to this Stipulation and Order must be in
24 writing and require the express written consent of the Parties

25 12. **Resolved Violations**. The Parties stipulate and agree that if the Board approves
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27 ⁷ See Stipulations and Orders in the Related Cases for the agreements pertaining to the other licenses as part
28 of the global settlement.

1 this Stipulation and Order, it resolves **only** the allegations set forth in this Administrative
2 Action, which are, pursuant to NRS 678A.645(1), (1) those violations directly arising from
3 the use of Florel and/or Ethephon as outlined in Paragraph 4; (2) the alleged violation set
4 forth in 11/15/23 SOD, C165 05/23/24 SOD, and P108 05/23/24 SOD as outlined in
5 Paragraph 5; (3) any alleged violations noted in the SODs referenced in Paragraph 5 and
6 associated footnotes; and (4) any Inventory Reconciliation Requests submitted to the CCB
7 before December 31, 2024, (“Resolved Violations”) except as otherwise set forth in this
8 Paragraph and Paragraphs 28-29. Any violations the CCB may discover other than those
9 noted above **are excluded** from Resolved Violations, and the CCB reserves its right to
10 pursue separate disciplinary actions for such violations at its discretion.

11 13. In an effort to avoid the cost and uncertainty of a disciplinary hearing, Respondent
12 agrees to settle this matter. For purposes of settlement, Respondent acknowledges that the
13 facts contained in the above “PERTINENT FACTS” portion are true and correct. Without
14 waiving any constitutional rights against self-incrimination, Respondent further
15 acknowledges that, if the CCB proceeded to a disciplinary hearing in this Administrative
16 Action with a Complaint for disciplinary action for Respondent’s use of Florel and/or
17 Ethephon as outlined in Paragraph 4 and alleged violations contained in the SODs noted
18 in Paragraph 5, certain facts contained therein could be found to constitute violations of
19 Title 56 of NRS (NRS Chapters 678A through 678D) and the NCCR with penalties up to
20 and including ninety (90) day suspension and **revocation of Respondent’s licenses**
21 and/or **civil penalties of up to \$220,000** for C165 if this matter proceeded to an
22 administrative hearing in the ordinary course.

23 14. **Factors Considered.** The CCB staff and its counsel considered the following
24 factors provided in statute and regulation in resolving this Administrative action.

- 25 a. **Factors under NCCR 4.030(2).** CCB’s Executive Director and CCB’s counsel
26 considered the factors in NCCR 4.030(2), including the gravity of the violations;
27 the economic benefit or savings, if any, resulting from the violations; the size of
28 the business of the violator; the history of compliance with the NCCR and Title 56

1 of NRS by the violator; actions taken to remedy and/or correct the violations; and
2 the effect of the penalty on the ability of the violator to continue in business. The
3 Parties agree that a reasonable civil penalty has been recommended. Respondent
4 offered to pay a civil penalty of \$50,000 and admit to one (1) Category III violation.
5 The CCB's acceptance of this offer takes into account Respondent's admission to a
6 single violation instead of multiple violations, which could have been assessed if
7 the CCB filed a Complaint instead of engaging in settlement negotiations.
8 Further, the \$50,000 civil penalty from the proceeds of the voluntary sale of the
9 licenses, as provided in Paragraph 21, was considered favorable versus
10 Respondent's admissions to multiple violations for licenses under C165, which
11 could negatively impact Respondent's ability to continue in business under new
12 owners, as it could dissuade potential buyers due to concerns of future higher
13 progressive discipline due to pre-existing multiple violations.

14 b. Mitigating Factors under NRS 678A.647. The Executive Director for CCB and
15 CCB's counsel have considered the appropriate mitigating factors in reaching the
16 proposed settlement. These factors include the fact that the Respondent (1) took
17 action to correct the violations by agreeing to quarantine and destroy cannabis
18 impacted by its use of Florel and/or Ethephon and (2) has cooperated in the
19 investigation of the violation and demonstrated that it accepts responsibility for
20 the violation by agreeing to the quarantine and destruction of impacted cannabis.
21 The CCB staff and counsel appropriately weighted each of the mitigating factors
22 and the Parties stipulate and agree to the weight given to each factor. The two
23 factors were weighed equally in reducing the number of violations admitted.

24 15. Admitted Violations. Respondent, for the sole purpose of resolving this
25 Administrative Action, specifically admits to the following violation for C165 one (1)
26 Category III violation of NCCR 4.050(1)(a)(15) for using unauthorized pesticides. As to the
27 remaining allegations in the Resolved Violations, Respondent neither admits nor denies
28 those allegations, and no monetary civil penalties shall be assessed for those violations.

1 16. With respect to licenses under C165, Respondent offered and agrees to pay a civil
2 penalty of \$50,000, voluntarily sell its cultivation C165 and production P108 licenses as
3 outlined in Paragraph 21, in consideration for its admitted violation in Paragraph 15 and
4 the CCB's agreement to resolve the Administrative Action on the terms set forth herein.

5 17. If the CCB approves this Stipulation and Order, it shall be deemed and considered
6 disciplinary action by the CCB against Respondent for its licenses under C165.

7 18. The Parties acknowledge the CCB's jurisdiction to consider and order this
8 discipline as Respondent holds privileged licenses regulated by the CCB as of July 1, 2020.
9 Respondent expressly, knowingly, and intentionally waives the fourteen (14) calendar days
10 and/or seven (7) calendar days notice requirements contained in Nevada Open Meeting
11 Law and acknowledges that this Stipulation and Order may be presented to the CCB for
12 its consideration and potential ratification at the CCB's January 16, 2025, Meeting.

13 **STIPULATED ADJUDICATION**

14 Based upon the above acknowledgments of the Parties and their mutual agreement,
15 the Parties stipulate and agree that the CCB shall impose the following terms of discipline
16 in this matter:

17 19. **Violations**. As to license C165, Respondent is found to have committed one (1)
18 Category III violation, as set forth in Paragraph 15 above.

19 20. **Imposition of Civil Penalties**. Respondent shall pay a total civil penalty in the
20 amount of \$50,000 within the time set forth in Paragraph 22 below.

21 21. **Sale of Licenses**: Within ninety (90) days following the Board's approval of this
22 Stipulation and Order, Respondent shall identify a buyer and submit to the CCB an
23 application for a transfer of interest ("TOI Application") to sell its licenses C165 & P108
24 under an asset purchase agreement. The CCB agrees that once Respondent submits a TOI
25 Application to the CCB, Board Agents will exert reasonable efforts to complete their TOI
26 investigation within 90 days of receipt of the TOI Application, contingent on Respondent
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1 and prospective buyer providing timely responses⁸ to Board Agents' requests for
2 information to complete the TOI investigation. Respondent may request extensions to
3 identify a buyer and submit to the CCB its TOI Application; however, such extensions must
4 be in writing and shall not exceed an additional 180 days cumulatively.⁹ If Respondent has
5 not submitted a TOI Application to the CCB within this time frame, said licenses will be
6 deemed voluntarily surrendered to the CCB. Additionally, Respondent may enter into a
7 management services agreement ("MSA"), subject to CCB approval, during the pendency
8 of the sale outlined in this Paragraph.

9 a. Priority of Payment. Respondent understands and agrees that any proceeds it
10 receives after the date of approval of this Stipulation and Order by the Board from
11 the sale of licenses pursuant to an approved TOI and/or an MSA must first go
12 towards paying the civil penalty of \$50,000 required under Paragraph 22. After
13 the payment of such civil penalty, the remainder of any such proceeds may be
14 utilized to pay all of Respondent's creditors, both in and out of the cannabis
15 industry.

16 22. Payment of Civil Penalties. Respondent must pay the civil penalty set forth in
17 this agreement within the time frames set forth in this Paragraph and Paragraph 23. If
18 the CCB approves this Stipulation and Order on or after its January 16, 2025, Meeting,
19 Respondent shall pay the civil penalty of \$50,000 no later than 5:00 p.m., Pacific Time, on
20 the 21st calendar day¹⁰ from its receipt of the proceeds from the sale of licenses as outlined
21 in Paragraphs 26-27.

23 ⁸ A "timely response" will be considered a written response sent and received no later than three (3) business
24 days after contact by the Board Agent sent to both the applicant and their identified counsel of record
25 requesting information. Additional time to supplement a response with additional information will be
26 considered timely subject to written consent to such time by the Board Agent handling the TOI investigation.

26 ⁹ i.e., after all extensions are granted, Respondent would have a maximum of 270 days from the date of Board
27 approval of this Stipulation and Order to identify a buyer and submit to the CCB its TOI application.

27 ¹⁰ Should the due date fall on a Saturday, Sunday, or a holiday recognized by the State of Nevada, payment
28 shall be due on the first following business day, to be received no later than 5:00 p.m., Pacific Time, on that
day.

1 23. Penalties for Failure to Comply with Payment Deadlines. Respondent
2 acknowledges that it is critical to comply with the strict requirements of the deadline for
3 payment. Respondent agrees that should it fail to make timely payment of the civil penalty,
4 the following penalties and procedures will be in effect:

- 5 a. The CCB will allow a five (5) ***business day*** grace period for late payment.¹¹
- 6 b. If the CCB does not physically receive payment at its Carson City office by 5:00
7 p.m., on the last day of the grace period, Respondent shall be deemed to be in
8 breach of this Stipulation and Order, deemed to be in default, shall pay all amounts
9 due under this Stipulation and Order, as well as an additional late payment
10 penalty of \$50,000, for a total due of \$100,000, and shall have its licenses under
11 C165 and P108 immediately suspended, with such suspension remaining in place
12 until all amounts due under this Stipulation and Order are paid in full. After
13 default, the CCB will enter an order of default (“Default Order”) to this effect, and
14 all amounts due under this subsection shall be immediately due and payable to the
15 CCB. If all amounts due under this section are not paid within ninety (90) days
16 after the date of the Default Order, licenses under C165 and P108 shall be deemed
17 voluntarily surrendered. Respondent agrees it cannot and will not file any petition
18 for judicial review and/or any action in any forum for relief from this order of
19 default and that the CCB may file any judicial action necessary to recover the
20 amounts owed under this subsection, along with its attorneys’ fees and costs for
21 recovery of amounts owed.
- 22 c. Respondent may petition the CCB Chair (or in the Chair’s absence, the Vice Chair)
23 ***up to four times (but no more)*** for an extension of 30 days to pay the amount
24 due on the deadline set forth in Paragraph 22. However, for the CCB to consider
25 any such petition, the CCB ***must receive said petition no later than 5 business***
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27 ¹¹ If a check or other form of payment is returned for insufficient funds or otherwise rejected, the failed
28 payment will ***not*** be considered a payment and no additional time beyond the five (5) business day grace
period will be granted for payment.

1 *days prior to the payment deadline at issue (which does not include any*
2 *grace period).* The CCB is not required to grant such a petition. In such a petition,
3 Respondent must demonstrate to the satisfaction of the CCB that there are
4 extraordinary and unusual circumstances necessitating the extension requested.
5 The CCB Chair or Vice Chair may delegate the decision as to whether to grant such
6 a petition to the CCB's Executive Director. Should such an extension be granted,
7 counsel for the CCB may forward a new payment schedule to Respondent or its
8 counsel

- 9 d. If the CCB grants an extension under subsection (c) of this Paragraph, no grace
10 period will apply to the new payment date. If Respondent does not pay by the new
11 payment date, the provisions and penalties of subsection (b) of this Paragraph
12 apply.

13 24. **Plan of Correction.** Pursuant to the Respondent's requests for destruction
14 approved by the CCB, Respondent has completed the destruction of most of the allegedly
15 contaminated cannabis and cannabis products. Respondent will complete the destruction
16 of any remaining of the certain allegedly contaminated cannabis and cannabis product that
17 has yet to be returned to the facility and/or once the pending Inventory Reconciliation
18 Request is approved by the CCB.

19 25. **Contingency if Approval Denied.** If the Board does not approve this Stipulation
20 and Order, the Parties agree to resume settlement negotiations in good faith and attempt
21 to reach an agreement to amend this Stipulation and Order and resubmit an amended
22 Stipulation and Order to the Board for review for approval at a subsequent regularly
23 scheduled CCB meeting. If the Parties cannot reach such an agreement, they agree to
24 proceed with the Administrative Action which shall include the filing and service of a
25 Complaint and a disciplinary hearing before the CCB or its assigned hearing officer. Should
26 the Administrative Action proceed for the reasons outlined in this Paragraph, the CCB
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1 preserves all its claims and arguments in the Administrative Action in a Complaint¹² (to
2 be filed), and Respondent preserves all its defenses and arguments it may assert. An
3 unapproved Stipulation and Order shall not be admissible as evidence or referenced in
4 argument at any disciplinary hearing in Case No. 2023-021 or any other matter involving
5 the CCB.

6 **26. Contingency if Approval Conditioned.** If the Board approves this Stipulation
7 and Order but said approval is contingent on certain conditions, the Parties agree to
8 undertake further good faith negotiations to include said conditions in an amended
9 Stipulation and Order for execution by the CCB Chair. If Respondent does not agree to the
10 specific conditions imposed by the CCB, the Parties will undertake additional negotiations
11 and attempt to reach an agreement to amend this Stipulation and Order and resubmit an
12 amended Stipulation and Order to the Board for review for approval at its next regularly
13 scheduled meeting. If the Parties cannot reach such an agreement, those provisions
14 regarding proceeding with an Administrative action outlined in “Contingency if Approval
15 Denied” above will apply.

16 **27. Closure of Disciplinary Action.** Once the Respondent has fully performed this
17 Stipulation and Order, this Administrative Action will be closed.

18 **28. Current Owners.** The CCB agrees not to pursue disciplinary actions, seek civil
19 penalties, or seek agent card revocations against Respondent’s current owners based **solely**
20 on the Resolved Violations outlined in Paragraph 12 and/or Resolved Violations outlined in
21 the Stipulations and Orders in the Related Cases. Current owners include only natural
22 persons Pejman Bady, Pouya Mohajer, & Joseph Kennedy and do not include any
23 employees, volunteers, independent contractors, and/or other past or future owners of
24 Respondent. The CCB agrees that the cooperation and affirmative actions of the current
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27 ¹² Should the CCB reject this Stipulation and Order and/or any amended stipulation and order, nothing shall
28 preclude CCB from asserting additional and/or different violations involving higher and/or different
Categories arising from the facts set forth in the “PERTINENT FACTS” portion, above, in any such
disciplinary Complaint.

1 owners through Respondent to reach a resolution in this matter will be considered
2 mitigating factors for any future disciplinary actions against the current owners. Further,
3 while CCB staff may reference the administrative history of this matter, including this
4 Stipulation and Order and alleged violations described in Paragraphs 4 & 5 in future
5 suitability investigations relating to any license applications including, but not limited to,
6 the currently pending application for a cannabis consumption lounge and/or TOI
7 applications submitted after the Board approves this Stipulation and Order, such
8 references may not form the sole basis for the denial of any such applications.

9 **29. Respondent's Release.** Respondent and all signatories to this Stipulation and
10 Order agree that the State of Nevada, the CCB, the Office of the Attorney General, and
11 each of their members, staff, attorneys, investigators, experts, hearing officers, consultants,
12 and agents are immune from any liability for any decision or action taken in good faith in
13 response to information and data acquired by the CCB. Respondent and all signatories to
14 this Stipulation and Order agree to release the State of Nevada, the CCB, the Office of the
15 Attorney General, and each of their members, staff, attorneys, investigators, experts,
16 hearing officers, consultants, and agents from any and all manner of actions, causes of
17 action, suits, debts, judgments, executions, claims, and demands whatsoever, known or
18 unknown, in law or equity, that Respondent ever had, now has, may have or claim to have
19 against any and/or all of the persons, government agencies or entities named in this
20 Paragraph, arising out of, or because of, the CCB's audits, inspections, and/or
21 investigations outlined Paragraphs 4 & 5, the matters outlined in this Stipulation and
22 Order, and/or the administration of this case.

23 **30. CCB's Release.** The CCB agrees to release the Respondent, and each of its
24 members, managers, staff, attorneys, and agents, from any and all actions, causes of action,
25 suits, claims, and demands, in law or equity, that CCB ever had, now has, may have or
26 claim to have against any and/or all of the persons or entities named in this Paragraph,
27 which solely arise out of, or solely because of, the CCB's audits or inspections outlined in
28 Paragraphs 4 & 5, the matters outlined in this Stipulation and Order, and/or the

1 administration of this case. This CCB does not release Respondent from any claims the
2 CCB could bring against Respondent due to third-party claims against the CCB that arise
3 from Respondent's use of Florel and/or Ethephon, as outlined in Paragraph 4. Further, as
4 previously noted, any violations against Respondent the CCB may discover after the CCB
5 approves this Stipulation and Order **are excluded** from Resolved Violations, and the CCB
6 reserves its rights to pursue separate disciplinary proceedings for such violations.

7 31. **Communications with CCB Members.** Respondent understands that this
8 Stipulation and Order will be presented to the Board in an open session at a duly noticed
9 and scheduled public meeting. Respondent understands that the Board has the right to
10 decide at its own discretion whether or not to approve this Stipulation and Order. The
11 Nevada Attorney General and its staff attorneys, as CCB's counsel, will recommend
12 approval of this Stipulation and Order. While seeking the Board's approval, CCB's counsel
13 may communicate directly with individual Board Members. Respondent acknowledges that
14 such communications may be made or conducted *ex parte*, without notice or an opportunity
15 for Respondent to be heard on its part until the public meeting where this Stipulation and
16 Order is presented and that such communications may include, but are not limited to,
17 matters concerning this Stipulation and Order, the Administrative Action, and any and all
18 information of every nature whatsoever related to these matters. Respondent agrees that
19 it has no objections to such *ex parte* communications. The CCB agrees that the Respondent
20 and/or its counsel may appear at the public meeting where this Stipulation and Order are
21 presented and, if requested, respond to any questions that may be addressed to the
22 Respondent and/or the Attorney General's staff attorneys. Respondent agrees that should
23 the Administrative Action proceed pursuant to "Contingency if Approval Denied" or
24 "Contingency if Approval Conditioned" above, it will not contest or otherwise object to any
25 Board Member and/or CCB appointed hearing officer hearing and adjudicating the
26 Administrative Action based on the aforementioned *ex parte* communications with anyone
27 from the Office of the Attorney General.

28 32. **No Precedent.** The Parties agree that this Stipulation and Order shall not

1 constitute a precedent for any other issues or proceedings before the CCB and/or in any
2 other forum, **other than those set forth in this Stipulation and Order**; and shall not
3 be admissible in any other proceeding or action with respect to proof of fact or any other
4 matter and/or any other licensee and/or cannabis establishment, except proceedings
5 brought to enforce this Stipulation and Order under its terms and/or for the CCB's
6 consideration of future disciplinary action against this Respondent. Furthermore, the CCB
7 may consider the discipline imposed herein in any future disciplinary action against
8 Respondent, as required under NCCR 4.030(2), along with the other factors set forth in
9 NCCR 4.030(2), and possible progressive discipline pursuant to NCCR 4.035 through 4.060.
10 However, in such future disciplinary action against Respondent, if the voluntary sale of
11 licenses is completed as provided in Paragraph 21 above, the CCB will agree to consider
12 the fact that Respondent is under new ownership as a mitigating factor when imposing any
13 progressive discipline. As every case concerns different facts and details, this Stipulation
14 does not act as precedence or persuasive authority to bind CCB to impose any particular
15 penalty, to charge or allege any particular violation, and/or to impose any particular
16 disciplinary action in the future for this Respondent, or any other respondent (except as set
17 forth in this Stipulation and Order), for violations of the same statutes and/or regulations
18 addressed in this Stipulation and Order. Likewise, the CCB is not bound by any previous
19 settlement agreements it has approved in entering into this Stipulation and Order.

20 33. **Attorneys' Fees and Costs.** The Parties each agree to bear their own attorneys'
21 fees and costs.

22 34. **Further Assurances.** The Parties shall cooperate in executing any additional
23 documents and performing any further acts as may be reasonably necessary to give effect
24 to the purposes and provisions of this Stipulation and Order.

25 35. **Voluntary and Informed Agreement.** Respondent represents that its owners,
26 officers, and/or its directors, who are responsible for and able to legally bind Respondent,
27 have read completely and understand fully the terms of this Stipulation and Order, that
28 such terms are fully understood and voluntarily accepted by Respondent in advance of and

1 as memorialized by the signing of this Stipulation and Order, and that the Respondent's
2 signature to this Stipulation and Order indicates same. Respondent further represents that
3 it has voluntarily entered into this Stipulation and Order to make a full, final, and complete
4 compromise upon the terms and conditions set forth herein. Respondent further represents
5 that any releases, waivers, discharges, covenants, and agreements provided for in this
6 Stipulation and Order have been knowingly and voluntarily granted and without any
7 duress or undue influence of any nature from any person or entity. The Parties, and each
8 of them, hereby expressly acknowledge that they are each represented by counsel of their
9 own choice in this matter and have been advised by counsel accordingly.

10 36. **Warranties of Authority.** The Parties to this Stipulation and Order, and each of
11 them, expressly warrant and represent to all other Parties that each has the full right, title,
12 and authority to enter into and to carry out its obligations hereunder, with the sole
13 exception of the required approval of this Stipulation and Order by the Board. The Parties
14 also expressly acknowledge the foregoing authority.

15 37. **Binding Effect.** This Stipulation and Order shall be binding upon and inure to
16 the benefit of the Parties hereto and the Parties' respective successors, predecessors,
17 parents, affiliates, shareholders, employees, heirs, executors, assigns, and administrators.

18 38. **Construction.** The headings of all Sections and Paragraphs of this Stipulation
19 and Order are inserted solely for the convenience of reference and are not a part of the
20 Stipulation and Order, and are not intended to govern, limit, or aid in the construction or
21 interpretation of any term or provision of this Stipulation and Order. In the event of a
22 conflict between such caption and the Paragraph at the head of which it appears, the
23 Paragraph and not such caption shall govern in the construction of this Stipulation and
24 Order.

25 39. **Governing Law.** This Stipulation and Order shall be governed by and construed
26 in accordance with the laws of the State of Nevada, without reference to conflict of law
27 principles.

28 40. **Jurisdiction and Forum Selection.** The Parties consent to the jurisdiction of

1 the Eighth Judicial District Court of the State of Nevada, in and for Clark County, to
2 resolve any disputes related to the terms or enforcement of this Stipulation and Order. The
3 successful or prevailing Party or Parties in such action shall be entitled to recover
4 reasonable attorney fees, costs, and expenses actually incurred in initiating or responding
5 to such proceeding, in addition to any other relief to which it may be entitled.

6 41. **Interpretation.** This Stipulation and Order results from negotiations among the
7 Parties who have each negotiated and reviewed its terms. In the event a Court ever
8 construes this Agreement, the Parties expressly agree, consent, and assent that such Court
9 shall not construe this Agreement or any provision hereof against any Party as its drafter
10 for purposes of interpreting any ambiguity or uncertainty in this Stipulation and Order.

11 42. **Time is of the Essence.** Time is of the essence in the performance of all terms of
12 this Stipulation and Order.


13 43. **Severability.** If any portion of this Stipulation and Order, or its application
14 thereof to any person or circumstance, is held to any extent to be invalid, illegal, or
15 unenforceable as a matter of law, all remaining clauses of this Stipulation and Order and
16 its application thereof shall be not affected and shall remain enforceable to the fullest
17 extent permitted by law.

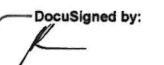
18 44. **Counterparts and Copies.** This Stipulation and Order may be executed in
19 counterparts, each of which, when so executed and upon delivery to counsel of record for
20 the Parties and/or the Parties, shall be deemed an original (“Counterparts”). This
21 Stipulation and Order is considered fully executed when Counterparts of this Stipulation
22 and Order have been signed by all the Parties and/or their counsel; such Counterparts
23 taken together shall be deemed to be the Agreement. This Stipulation and Order may be
24 executed by signatures provided by electronic facsimile or email, which signatures shall be
25 binding and effective as original wet ink signatures hereupon. All fully signed copies of this
26 Stipulation and Order are duplicate originals, equally admissible in evidence.

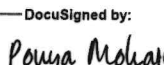
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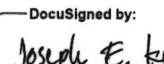
28 ///

1 IN WITNESS WHEREOF, this Stipulation and Order has been signed by the Parties
2 and attested by their duly authorized representatives as of the date(s) so indicated. The
3 Effective Date of this Stipulation and Order shall be the date it is ordered by the CCB.

4  Date: 1/14/2025
5 _____
6 PRINTED NAME Pejman Bady
7 on behalf of CLARK NATURAL MEDICINAL
8 SOLUTIONS, LLC
9 *Respondent*

10  Date: 1/14/2025
11 _____
12 Pejman Bady, Current owner of Respondent CLARK
13 NATURAL MEDICINAL SOLUTIONS, LLC

14  Date: 1/14/2025
15 _____
16 Pouya Mohajer, Current owner of Respondent CLARK
17 NATURAL MEDICINAL SOLUTIONS, LLC


18  Date: 1/14/2025
19 _____
20 Joseph Kennedy, Current owner of Respondent CLARK
21 NATURAL MEDICINAL SOLUTIONS, LLC

22 _____ Date: _____
23 Brian Hardy, Esq. (Bar No. 10068)
24 *Attorneys for Respondent*
25 CLARK NATURAL MEDICINAL SOLUTIONS, LLC

26 _____ Date: _____
27 Derek Connor Esq. (Bar No. 12194)
28 *Attorneys for Respondent*
CLARK NATURAL MEDICINAL SOLUTIONS, LLC

_____ Date: _____
Emily N. Bordelove, Esq. (Bar No. 13202)
Senior Deputy Attorney General
Attorneys for the Cannabis Compliance Board

1 IN WITNESS WHEREOF, this Stipulation and Order has been signed by the Parties
2 and attested by their duly authorized representatives as of the date(s) so indicated. The
3 Effective Date of this Stipulation and Order shall be the date it is ordered by the CCB.

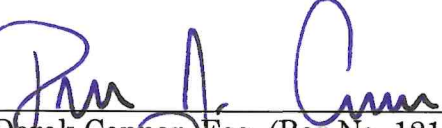
4 
5 _____ Date: 1/14/2025
6 PRINTED NAME Amanda Connor
7 on behalf of CLARK NATURAL MEDICINAL
8 SOLUTIONS, LLC
9 Respondent


10 _____ Date: _____
11 Pejman Bady, Current owner of Respondent CLARK
12 NATURAL MEDICINAL SOLUTIONS, LLC

13 _____ Date: _____
14 Pouya Mohajer, Current owner of Respondent CLARK
15 NATURAL MEDICINAL SOLUTIONS, LLC

16 _____ Date: _____
17 Joseph Kennedy, Current owner of Respondent CLARK
18 NATURAL MEDICINAL SOLUTIONS, LLC

19 
20 _____ Date: Jan 14, 2025
21 Brian Hardy, Esq. (Bar No. 10068)
22 Attorneys for Respondent
23 CLARK NATURAL MEDICINAL SOLUTIONS, LLC

24 
25 _____ Date: 1/14/2025
26 Derek Connor Esq. (Bar No. 12194)
27 Attorneys for Respondent
28 CLARK NATURAL MEDICINAL SOLUTIONS, LLC

29 
30 _____ Date: 01/15/2025
31 Emily N. Bordelove, Esq. (Bar No. 13202)
32 Senior Deputy Attorney General
33 Attorneys for the Cannabis Compliance Board

ORDER

WHEREAS, on 16th day of January, 2025, the Nevada Cannabis Compliance Board approved and adopted all the terms and conditions set forth in the Stipulation and Order for Settlement of Disciplinary Action with CLARK NATURAL MEDICINAL SOLUTIONS, LLC.

IT IS SO ORDERED.

SIGNED AND EFFECTIVE this 16th day of January, 2025.

**STATE OF NEVADA,
CANNABIS COMPLIANCE BOARD**

By:



ADRIANA GUZMÁN FRALICK, CHAIR