

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

3 STATE OF NEVADA, CANNABIS
4 COMPLIANCE BOARD,

5 Petitioner,

Case No. 2023-004

6 vs.

7 CLARK NMSD, LLC (D187, RD187),

8 Respondent.

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

10 The Cannabis Compliance Board (the “CCB” or “Board”), by and through counsel
11 Aaron D. Ford, Attorney General of the State of Nevada, and Emily N. Bordelove, Esq.,
12 Senior Deputy Attorney General, hereby enters into this Stipulation and Order for
13 Settlement of Disciplinary Action (“Stipulation and Order”) with CLARK NMSD, LLC
14 D187.¹ (“Respondent”) by and through its counsel of record Brian Hardy Esq. of Marquis
15 Aurbach Chtd. and Derek Connor Esq., of Connor & Connor PLLC. Pursuant to this
16 Stipulation and Order, Respondent and the CCB (collectively, the “Parties”) hereby
17 stipulate and agree that Case No. 2023-004 (the “Administrative Action”) shall be fully and
18 finally settled and resolved upon the terms and conditions set out herein.

19 **PERTINENT FACTS**

20 1. The Respondent is a domestic limited liability company in the State of Nevada.
21 The Nevada Secretary of State lists Pejman Bady, Pouya Mohajer, and Joseph Kennedy as
22 its managers. Amanda Connor, Esq., is its current Point of Contact with the CCB.
23 Respondent is licensed to operate an adult-use cannabis sales facility under D187.

24 2. **Complaint.** On or about April 4, 2023, the CCB initiated this disciplinary action
25 by serving and filing a Complaint for Disciplinary Action (the “Complaint”). The Complaint
26 alleges, *inter alia*, that, contrary to Nevada law, Respondent failed to have proper inventory
27 procedures in place to prevent continued inventory errors & failed to keep any required

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¹ Adult-use cannabis retail license, previously RD187, is now D187 as the medical license expired, and adult-use can operate as medical as well. References to actions predating this merger may use the old numbers.

1 records, including seed-to-sale tracking requirements; failed to keep required records,
2 including seed-to-sale tracking requirements & failed to reconcile on-site physical
3 inventory with its seed to sale inventory tracking system; and failed to tag cannabis or a
4 cannabis product as required.

5 3. Subject to agreed-upon extensions, Respondent filed its Answer and Request for a
6 Hearing on July 18, 2023. The Parties stipulated to extend the associated deadlines for a
7 Hearing to allow for continued settlement negotiations. Subsequently, CCB staff, working
8 with CCB counsel from the Attorney General's Office, entered into good faith settlement
9 negotiations with the Respondent through its counsel to attempt to resolve the violations
10 at issue.

11 4. **Request for TOI Withdrawal.** During settlement negotiations, Respondent
12 raised the issue of a pending application to transfer ownership interests in cannabis
13 licenses (“TOI Application”). The subject application, submitted on April 8, 2022, under No.
14 2200017 (“TOI #2200017”), sought to transfer the cannabis establishment licenses held
15 under Clark NMSD facility identification Nos. D186, RD186,² D187, & RD187, from
16 NuVeda LLC, a Nevada limited liability company (“NuVeda NV”), to NuVeda LLC, a
17 Delaware limited liability company (“NuVeda DE”).³ Before the investigation into TOI
18 #2200017 was completed, Respondent self-reported potential issues that could arise with
19 the requested transfer and requested permission to withdraw TOI #2200017, keeping those
20 licenses under NuVeda NV.

21 5. **Yearly Audits & Inspections.** During settlement negotiations, the CCB
22 conducted routine audits and inspections of Respondent’s facility. The routine inspections
23 for 2023 and 2024 resulted in minor alleged violations that did not, in the CCB staff’s
24 opinion, warrant disciplinary action.⁴ However, the routine audits in 2023 and 2024
25

26 ² See CCB Case No. 2023-003

27 ³ Both NuVeda NV and NuVeda DE have the same natural person owners, consisting of Pejman Bady, Pouya
Mohajer, and Joseph Kennedy.

28 ⁴ Routine Inspection for 2023 noted repair issues that were resolved and the CCB issued an Approved Plan
of Correction (“APOC”) dated June 26, 2023. Routine Inspections on April 24, 2024, and July 25, 2024,

1 resulted in Statements of Deficiencies (“SODs”), which alleged, among other violations,
2 more serious violations of concern related to ongoing inventory issues, such as those in the
3 Complaint, as follows.

4 a. The SOD dated October 4, 2023 (“10/04/23 SOD”) alleged that Respondent did not
5 adequately support some of its inventory adjustment reasonings, did not obtain
6 required approval to make adjustments, did not timely complete required
7 quarterly inventory reports, and during a walkthrough selected product showing
8 as on hand in the seed-to-sale tracking system (“METRC”) was missing.
9 Respondent submitted a Plan of Correction (“POC”), amended, dated October 23,
10 2023, providing proof of training and the training materials to address the
11 inventory violations noted above, which the CCB approved on October 24, 2023.

12 b. The SOD dated May 23, 2024 (“05/23/24 SOD”) alleged Respondent had continuing
13 inventory issues, such as negative inventory quantities in METRC (which is
14 physically impossible), variances in certain sale and inventory reports that needed
15 to be addressed, adjustments in METRC from the last half of 2023 which required
16 investigation, delays in documenting cannabis disposal in METRC, and missing
17 product during walkthrough. It alleged employee related issues that could
18 contribute to inventory, such as missing training records and allowing non-
19 independent employees to conduct the inventory count. It also alleged incomplete
20 visitor logs. Respondent submitted a POC dated June 7, 2024, which provided
21 proof of training and the training materials to address the inventory violations
22 noted above, which the CCB approved on July 11, 2024.

23 c. Except as otherwise set forth herein, Respondent neither admits nor denies the
24 allegations set forth in the 10/04/23 SOD and 05/23/24 SOD.

25 d. The 05/23/24 SOD notes that Respondent submitted an incident report dated April
26 26, 2024, attributing certain inventory variances to possible theft and stated it
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28 resulted in Statements of No Deficiencies dated April 25, 2024, and July 29, 2024, respectively.

1 would investigate the variances and provide the results to the CCB. Respondent
2 represented to the CCB that it overhauled its inventory handling staff, dismissing
3 employees and hiring and training new employees. Respondent also closed its
4 facility from September 30 to October 16, 2024, to complete a static inventory and
5 complete its investigation.

6 e. In light of the allegations in 10/04/23 SOD and 05/23/24 SOD, CCB staff and
7 counsel proposed the Corrective Action Plan outlined in Paragraph 24 to help
8 Respondent maintain good inventory practices after this static inventory.

9 6. Respondent shares natural person ownership with the licenses currently held by
10 Clark NMSD LLC (D186), Clark Natural Medicinal Solutions, LLC (C165 & P108), and
11 Nye Natural Medicinal Solutions, LLC (C166, P107 & T065). To uniformly address the
12 issues underlying these actions, the Parties have engaged in global settlement negotiations
13 for these licenses under Stipulations and Orders in this Administrative Action and Case
14 Nos. 2023-003, 2023-021, and 2024-006 (“Related Cases”). The Parties have engaged in
15 good faith settlement negotiations to reach an agreement that is mutually acceptable to
16 Respondent, CCB staff, and CCB counsel for resolution of the Administrative Action, with
17 the understanding that this Stipulation and Order must be approved by a majority vote of
18 the Board members of the CCB to become effective.

19 7. As set forth herein, Respondent stipulates to pay a \$17,500 civil penalty, accept
20 one (1) formal CCB warning in consideration for its admitted first Category V violation,
21 and undertake the corrective actions as outlined in Paragraph 24, for the violations set
22 forth herein in Paragraph 15, below, in lieu of the CCB proceeding to a disciplinary hearing
23 on the violations alleged in the Complaint, which would be amended to include violations
24 outlined in Paragraphs 4 & 5.

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 D187.⁵ All alterations,
23 amendments, and/or modifications to this Stipulation and Order must be in writing and
24 require the express written consent of the Parties.

25 12. **Resolved Violations.** The Parties stipulate and agree that if the Board approves
26 this Stipulation and Order, it resolves **only** the allegations set forth in this Administrative

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28 ⁵ See Stipulation and Orders in the Related Cases for the agreements pertaining to the other licenses as part
of the global settlement.

1 Action, which are (1) those violations alleged in the Complaint, and pursuant to NRS
2 678A.645(1), (2) those violations directly arising from the transfer described in TOI
3 #2200017 as noted in Paragraph 4, (3) any alleged violations noted in the SODs referenced
4 in Paragraph 5 and associated footnotes; and (4) any Inventory Reconciliation Requests
5 submitted to the CCB before December 31, 2024, (“Resolved Violations”) except as
6 otherwise set forth in this Paragraph and Paragraphs 28-29. Any violations the CCB may
7 discover other than those noted above, including any discovered during the currently
8 pending application for a cannabis consumption lounge and/or other TOI applications
9 submitted prior to such approval date, **are excluded** from Resolved Violations, and the
10 CCB reserves its rights to pursue separate disciplinary actions for such violations at its
11 discretion.

12 13. In an effort to avoid the cost and uncertainty of a disciplinary hearing, Respondent
13 agrees to settle this matter. For purposes of settlement, Respondent acknowledges that the
14 facts contained in the above “PERTINENT FACTS” portion are true and correct. Without
15 waiving any constitutional rights against self-incrimination, Respondent further
16 acknowledges that, if the CCB proceeded to a disciplinary hearing in this Administrative
17 Action with the Complaint amended to include TOI #2200017 as noted in Paragraph 4 and
18 alleged violations contained in the SODs noted in Paragraph 5, certain facts contained
19 therein could be found to constitute violations of Title 56 of NRS (NRS Chapters 678A
20 through 678D) and the NCCR, with penalties up to and including a thirty (30) day
21 suspension or revocation of the licenses and/or civil penalties of up to \$130,000 for D187.⁶

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

- 24 a. Factors under NCCR 4.030(2). CCB’s Executive Director and CCB’s counsel
25 considered the factors in NCCR 4.030(2), including the gravity of the violations;
26 the economic benefit or savings, if any, resulting from the violations; the size of
27

28 ⁶ The Complaint was filed prior to the effective date of NRS 678A.647.

1 the business of the violator; the history of compliance with the NCCR and Title 56
2 of NRS by the violator; actions taken to remedy and/or correct the violations; and
3 the effect of the penalty on the ability of the violator to continue in business. The
4 Complaint consisted solely of three (3) Category III violations and did not allege
5 any Category I or II violations that would render a person ineligible to receive,
6 renew, or maintain a license for a license or a present threat to public health and
7 safety. Respondent has taken actions to remedy and correct the violations by
8 overhauling inventory handling staff and closing its facility to complete a static
9 inventory as outlined in Paragraph 5. The Parties agree that a reasonable civil
10 penalty has been recommended, given the nature of the violations..

11 b. Mitigating Factors under NRS 678A.647. The Executive Director for CCB and
12 CCB's counsel have considered the appropriate mitigating factors⁷ in reaching the
13 proposed settlement. These factors include the fact that the Respondent (1) self-
14 reported the potential violation related to the TOI outlined in Paragraph 4, (2)
15 submitted POCs the CCB approved and took action to correct the violations, such
16 as overhauling inventory handling staff and closing its facility to complete a static
17 inventory as outlined in Paragraph 5, and (3) through its counsel, Respondent
18 cooperated with the CCB's counsel in resolving this matter without the need for
19 amending the Complaint or filing an additional complaint. The CCB staff and
20 counsel appropriately weighted each of the mitigating factors and the Parties
21 stipulate and agree to the weight given to each factor. The three factors were
22 weighed equally in reducing the number of violations admitted to.

23 c. Furthermore, including the Corrective Action Plan outlined in Paragraph 24 into
24 this settlement aligns with the education mechanisms the CCB is developing to
25 educate and advise licensees on compliance to help prevent violations in the
26

27 ⁷ The CCB's staff and counsel do not concede that NRS 678A.647 is applicable to the violations in the
28 Complaint, given they arose prior to the enactment of this legislation, which does not have any provisions
allowing its retroactive application.

1 future.⁸

2 15. **Admitted Violations.** Respondent, for the sole purpose of resolving this
3 Administrative Action, specifically admits to the following violations for D187:

4 a. One (1) Category IV violation of NCCR 4.055(1)(a)(14) for failing to comply with
5 required employee training and

6 b. One (1) Category V violation of NCCR 4.060(1)(a)(6) for failing to comply with any
7 other requirements not described in another category of violations.

8 As to the allegations in Paragraph 5, Respondent neither admits nor denies those
9 allegations but agrees to undertake the corrective actions as outlined in Paragraph 24, and
10 no monetary civil penalties shall be assessed for those violations. As to the remaining
11 allegations in the Resolved Violations, Respondent neither admits nor denies those
12 allegations, and no civil penalties shall be assessed for those remaining violations.

13 16. With respect to D187, Respondent agrees to pay a civil penalty in the amount of
14 \$17,500, accept one (1) formal CCB warning in consideration for its admitted first Category
15 V violation, and undertake the corrective actions as outlined in Paragraph 24, in
16 consideration for its admitted violations in Paragraph 15 and for the CCB's agreement to
17 resolve the Administrative Action on the terms set forth herein.

18 17. If the Board approves this Stipulation and Order, it shall be deemed and
19 considered disciplinary action by the CCB against Respondent for its licenses under D187.

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

26 **STIPULATED ADJUDICATION**

27 _____
28 ⁸ See NRS 678A.450(1)(b)(2) providing for a system to educate and advise licensees and registrants on Title
56 compliance as a potential an alternative to disciplinary action.

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

4 19. **Violations**. As to licenses under D187, Respondent is found to have committed
5 one (1) Category IV violation and one (1) Category V violation, as set forth in Paragraph 15
6 above.

7 20. **Imposition of Civil Penalties**. Respondent shall pay a total civil penalty in the
8 amount of \$17,500 within the time set forth in Paragraphs 22-23 below.

9 21. **Formal Warning**. In accordance with NCCR 4.060(2)(a)(l), the CCB hereby issues
10 one (1) formal warning to Respondent as to its first Category V violation in the immediately
11 preceding three (3) years: Respondent shall comply with all requirements for transfers of
12 ownerships of cannabis licenses under Title 56 of the NRS, the NCCR or the regulations in
13 force under Title 56 of the NRS at that time. Failure to do so in the future may invoke
14 additional progressive discipline and shall be considered an aggravating factor in
15 considering the amount of civil penalties in any future disciplinary actions.

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 20.
18 Respondent must pay the lump sum of \$17,500 in civil penalties within thirty (30) days of
19 the date the Board approves this Stipulation and Order at a public meeting.⁹

20 23. **Penalties for Failure to Comply with Payment Deadlines**. Respondent
21 acknowledges that it is critical to comply with the strict requirements of the deadlines for
22 payment set forth in this agreement. Respondent agrees that should it fail to timely make
23 any installment payment under this agreement, the following penalties and procedures will
24 be in effect:

25 a. The CCB will allow a five (5) **business day** grace period for late payment.¹⁰

26 _____
27 ⁹ 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.

¹⁰ If a check or other form of payment is returned for insufficient funds, or otherwise rejected, the failed

1 b. If the CCB does not physically receive payment at its Carson City office by 5:00
2 p.m., Pacific Time, on the last day of the grace period, Respondent shall be deemed
3 to be in breach of this Stipulation and Order, to be in default, to have admitted all
4 allegations in the Complaint, and shall pay all penalties and receive all discipline
5 set forth under the “Relief Requested” section of the Complaint, inclusive of the
6 suspension of licenses D187 effective on the date of the order of default until all
7 amounts due under this Stipulation and Order are paid in full as well as an
8 additional late payment penalty of \$17,500, for a total due of \$35,000. After default,
9 the CCB will enter an order of default (“Default Order”) to this effect, and all
10 amounts due under this subsection shall be immediately due and payable to the
11 CCB. If all amounts due under this section are not paid within ninety (90) days
12 after the date of the Default Order, licenses under D187 shall be deemed
13 voluntarily surrendered. Respondent agrees it cannot and will not file any petition
14 for judicial review and/or any action in any forum for relief from this order of
15 default and that the CCB may file any judicial action necessary to recover the
16 amounts owed under this subsection, along with its attorneys’ fees and costs for
17 recovery of amounts owed.

18 c. Respondent may petition the CCB Chair (or in the Chair’s absence, the Vice Chair)
19 ***up to four times (but no more)*** for an extension of 30 days to pay the amount
20 due on the deadline set forth in Paragraph 22. However, for the CCB to consider
21 any such petition, the CCB ***must receive said petition no later than 5 business***
22 ***days prior to the installment deadline at issue (which does not include any***
23 ***grace period)***. The CCB is not required to grant such a petition. In such a petition,
24 Respondent must demonstrate to the satisfaction of the CCB that there are
25 extraordinary and unusual circumstances necessitating the extension requested
26 and specify which installment deadline or deadlines it is seeking an extension. The

27 payment will ***not*** be considered a payment and no additional time beyond the five (5) business day grace
28 period will be granted for payment.

1 CCB Chair or Vice Chair may delegate the decision as to whether to grant such a
2 petition to the CCB's Executive Director. Should such an extension be granted,
3 counsel for the CCB may forward a new payment schedule to Respondent or its
4 counsel.

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

9 24. **Corrective Action Plan**. Respondent has submitted approved POCs to address
10 and prevent violations set forth in this Stipulation and Order. These POCs detail employee
11 training on inventory practices. To help the licensee maintain good inventory practices
12 after the static closures outlined in Paragraph 5, CCB staff and counsel have developed the
13 following "Corrective Action Plan," designed to help Respondent prevent the reoccurrence
14 and accumulation of variances in Respondent's inventory. Respondent agrees to implement
15 this Corrective Action Plan as follows:

- 16 a. **CONTENTS**. For each calendar month requiring a report ("Reporting Month"),
17 Respondent will prepare the following eight (8) items for that month to use to
18 identify, investigate, and address any inventory variances that arose that month:
- 19 1. a monthly inventory report based on the inventory report required under NCCR
20 6.135¹¹
 - 21 2. that month's destruction log,
 - 22 3. that month's visitor log,
 - 23 4. the facility adjustment log downloaded from METRC showing all adjustments
24 done that month
 - 25 5. the facility adjustment log downloaded METRC comparing "overpulled" and
26 "underpulled" adjustments,
 - 27

28 ¹¹ See **Exhibit 1** for an example. The .xlsx file version has been provided to the Respondent

6. any investigation reports documenting the Respondent's investigation into significant variances¹² in product inventory,
7. surveillance video depicting Respondent's employees conducting the physical inventory, as detailed in item #1, and
8. all surveillance videos for its facility for the entirety of each reporting month.

To help ensure Respondent is preparing and reviewing these items in a timely manner, for each Reporting Month, Respondent will submit items #1-7 to the CCB audit team at AuditInspections@ccb.nv.gov by 5:00 PM Pacific Time on the 5th business day after the end of the Reporting Month.¹³ Respondent will refrain from deleting item #8 from its system until after the CCB informs it that those videos are no longer required.

b. **DURATION**. Respondent agrees to implement the Corrective Action Plan starting the month after the Board approves this Stipulation and Order.¹⁴ Respondent agrees to continue preparing and submitting items 1-7 and saving item 8 each month until it has six (6) consecutive months in which its Monthly Inventory report under item 1 shows a total inventory variance of 2% or less.

c. **SCOPE**: This Corrective Action Plan is ***in addition*** to statutory and regulatory requirements and does not override or excuse adherence to those requirements. While following this Corrective Action Plan Respondent must still adhere to the CCB's requirements when submitting Inventory Reconciliation Requests.

25. **Contingency if Approval Denied**. If the Board does not approve this Stipulation and Order, the Parties agree to resume settlement negotiations in good faith and attempt to reach an agreement to amend this Stipulation and Order and resubmit an amended

¹² A significant variance that should be investigated for the purpose of item 6 is an inventory variance in a package tag of at least 10 eaches for products measured in eaches or at least 56 grams for products measured in grams.

¹³ Under the above example, items 1-7 for February 2025 should be submitted by Friday, March 7, 2025, 5:00 PM PT.

¹⁴ For example, if approved at the January 16, 2025 Board meeting, the first Reporting Month is February of 2025.

1 Stipulation and Order to the Board for review for approval at a subsequent regularly
2 scheduled CCB meeting. If the Parties cannot reach such an agreement, they agree to
3 proceed with the Administrative Action and to proceed to a disciplinary hearing before the
4 CCB's assigned hearing officer pursuant to the Stipulations and Orders filed therein.
5 Should the Administrative Action proceed for the reasons outlined in this Paragraph, the
6 CCB preserves all its claims and arguments in the Administrative Action as outlined in its
7 Complaint, and Respondent preserves all its defenses and arguments it set forth in its
8 Answer and Request for Hearing and withdraws all waivers set forth herein. An
9 unapproved Stipulation and Order shall not be admissible as evidence or referenced in
10 argument at any disciplinary hearing in Case No. 2023-004 or any other matter involving
11 the CCB.

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

22 **27. Closure of Disciplinary Action.** Once Respondent fully performs this
23 Stipulation and Order, the Administrative Action will be closed.

24 **28. Current Owners.** The CCB agrees not to pursue disciplinary actions, seek civil
25 penalties, or seek agent card revocations against Respondent's current owners based **solely**
26 on the Resolved Violations outlined in Paragraph 12 and/or Resolved Violations outlined in
27 the Stipulations and Orders in the Related Cases. Current owners include only natural
28 persons Pejman Bady, Pouya Mohajer, & Joseph Kennedy and do not include any

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

11 **29. Withdrawal of Pending TOI application.** In consideration of Respondent's
12 admission of one (1) Category V violation under D187 in this matter and the admission for
13 licenses under D186 in Case No. 2023-003, pursuant to NCCR 5.000(4), the CCB grants
14 Respondent's request to withdraw TOI #2200017, without prejudice. These admissions
15 represent the only violations to be assessed against Respondent for the attempted transfer
16 outlined in TOI #2200017. The CCB reserves its rights to pursue separate disciplinary
17 proceedings, at its discretion, for any violations arising from transfers of ownership not
18 included in TOI #2200017 (i.e., transfers that occurred before or after it was submitted on
19 April 8, 2022).

20 **30. Communications with CCB Members.** Respondent understands that this
21 Stipulation and Order will be presented to the Board in an open session at a duly noticed
22 and scheduled public meeting. Respondent understands that the Board has the right to
23 decide at its own discretion whether or not to approve this Stipulation and Order. The
24 Nevada Attorney General and its staff attorneys, as CCB's counsel, will recommend
25 approval of this Stipulation and Order. While seeking the Board's approval, CCB's counsel
26 may communicate directly with individual Board Members. Respondent acknowledges that
27 such communications may be made or conducted *ex parte*, without notice or an opportunity
28 for Respondent to be heard on its part until the public meeting where this Stipulation and

1 Order is presented and that such communications may include, but are not limited to,
2 matters concerning this Stipulation and Order, the Administrative Action, and any and all
3 information of every nature whatsoever related to these matters. Respondent agrees that
4 it has no objections to such *ex parte* communications. The CCB agrees that the Respondent
5 and/or its counsel may appear at the public meeting where this Stipulation and Order are
6 presented and, if requested, respond to any questions that may be addressed to the
7 Respondent and/or the Attorney General's staff attorneys. Respondent agrees that should
8 the Administrative Action proceed pursuant to "Contingency if Approval Denied" or
9 "Contingency if Approval Conditioned" above, it will not contest or otherwise object to any
10 Board Member and/or CCB appointed hearing officer hearing and adjudicating the
11 Administrative Action based on the aforementioned *ex parte* communications with anyone
12 from the Office of the Attorney General.

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

26 32. **No Precedent**. The Parties agree that this Stipulation and Order shall not
27 constitute a precedent for any other issues or proceedings before the CCB and/or in any
28 other forum, **other than those set forth in this Stipulation and Order**; and shall not

1 be admissible in any other proceeding or action with respect to proof of fact or any other
2 matter and/or any other licensee and/or cannabis establishment, except proceedings
3 brought to enforce this Stipulation and Order under its terms and/or for the CCB's
4 consideration of future disciplinary action against this Respondent, and except with respect
5 to any disciplinary proceedings against the cannabis establishment agents who
6 participated in, authorized, and/or perpetrated the acts and omissions set forth in the
7 Complaint. Furthermore, the CCB may consider the discipline imposed herein in any
8 future disciplinary action against Respondent, as required under NCCR 4.030(2), along
9 with the other factors set forth in NCCR 4.030(2), and possible progressive discipline
10 pursuant to NCCR 4.035 through 4.060. As every case concerns different facts and details,
11 this Stipulation does not act as precedence or persuasive authority to bind CCB to impose
12 any particular penalty, to charge or allege any particular violation, and/or to impose any
13 particular disciplinary action in the future for this Respondent, or any other respondent
14 (except as set forth in this Stipulation and Order), for violations of the same statutes and/or
15 regulations addressed in this Stipulation and Order. Likewise, the CCB is not bound by
16 any previous settlement agreements it has approved in entering into this Stipulation and
17 Order.

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

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

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

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

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

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

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

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

26 40. **Jurisdiction and Forum Selection.** The Parties consent to the jurisdiction of
27 the Eighth Judicial District Court of the State of Nevada, in and for Clark County, to
28 resolve any disputes related to the terms or enforcement of this Stipulation and Order. The

1 successful or prevailing Party or Parties in such action shall be entitled to recover
2 reasonable attorney fees, costs, and expenses actually incurred in initiating or responding
3 to such proceeding, in addition to any other relief to which it may be entitled.

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

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

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

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


25 ///


26 ///

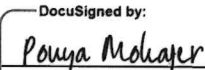
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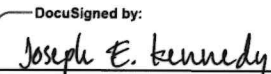
28 ///

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

5  DocuSigned by:
6 _____ Date: 1/14/2025
7 PRINTED NAME Pejman Bady
8 on behalf of CLARK NMSD, LLC (D187, RD187)
9 Respondent

10  DocuSigned by:
11 _____ Date: 1/14/2025
12 Pejman Bady, Current owner of Respondent CLARK
13 NMSD, LLC (D187, RD187)

14  DocuSigned by:
15 _____ Date: 1/14/2025
16 Pouya Mohajer, Current owner of Respondent CLARK
17 NMSD, LLC (D187, RD187)


18  DocuSigned by:
19 _____ Date: 1/14/2025
20 Joseph Kennedy, Current owner of Respondent CLARK
21 NMSD, LLC (D187, RD187)

22 _____ Date: _____
23 Brian Hardy, Esq. (Bar No. 10068)
24 Attorneys for Respondent
25 CLARK NMSD, LLC (D187, RD187)

26 _____ Date: _____
27 Derek Connor Esq. (Bar No. 12194)
28 Attorneys for Respondent
CLARK NMSD, LLC (D187, RD187)

_____ 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
6 
7 PRINTED NAME Amanda Connor
8 on behalf of CLARK NMSD, LLC (D187, RD187)
9 Respondent

Date: 1/14/2025

10 Pejman Bady, Current owner of Respondent CLARK
11 NMSD, LLC (D187, RD187)


Date: _____

12 Pouya Mohajer, Current owner of Respondent CLARK
13 NMSD, LLC (D187, RD187)


Date: _____

14 Joseph Kennedy, Current owner of Respondent CLARK
15 NMSD, LLC (D187, RD187)


Date: _____

16 
17 Brian Hardy, Esq. (Bar No. 10068)
18 Attorneys for Respondent
19 CLARK NMSD, LLC (D187, RD187)

Date: Jan. 14, 2025

20 
21 Derek Connor Esq. (Bar No. 12194)
22 Attorneys for Respondent
23 CLARK NMSD, LLC (D187, RD187)

Date: 01/14/2025

24 
25 Emily N. Bordelove, Esq. (Bar No. 13202)
26 Senior Deputy Attorney General
27 Attorneys for the Cannabis Compliance Board

Date: 01/15/2025

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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 NMSD, LLC (D187, RD187).

IT IS SO ORDERED.

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

**STATE OF NEVADA,
CANNABIS COMPLIANCE BOARD**

By:



ADRIANA GUZMAN FRALICK, CHAIR

EXHIBIT “1”

EXHIBIT “1”

Monthly Inventory Count Report Overview

Completing this Monthly Inventory Report is part of the agreed to Corrective Action Plan to assist the licensee in identifying and identifying inventory discrepancies. This provides an overview on how to use and read these fiveworksheets

Monthly Worksheet this is based on the Quarterly Inventory Report submitted under NCCR 6.080(8)(c). It requires you to input some additional information (e.g., Category in Column D). But all calculations in the new Table in the top right are done **AUTOMATICALLY** by the worksheet based on the inventory information you input in the rows

- See Below for a guide on reading this Table.
- To review the specific packages that make up each type of inventory variance, refer to the next four sheets

Total Variance Analysis Missing Excess Negative METRC Inventory

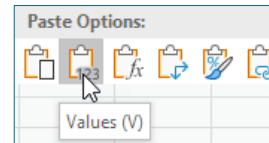
The data in these sheets **AUTOPOPULATES** from the 'Monthly Worksheet', pulling the specific variances identified and sorting them for review

- Any changes to the data must be done in the 'Monthly Worksheet'
- The data is **automatically** sorted based on the relative size/magnitude of the inventory variance.
- You can **'Filter'** the data only., it cannot be sorted in the sheet
- To **'Sort'** the data in any other way, you must copy and paste it into a new sheet and apply the sort parameters there
- The sheets also show "Breakdowns" of the variance type by Category of Product

Monthly Worksheet

- Download your current METRC inventory to copy and paste the following columns into the corresponding columns in the Monthly Worksheet:

From METRC	Monthly Worksheet
Tag	Package Label
Item	Item Name
Quantity	Quantity In METRC



-When inputting the copied data from METRC inventory to the Monthly Worksheet, paste it as Values

-When completing the physical inventory, please remember:

- 1) All "Quantity on Hand" **must** be 0 or greater. It is impossible to have "negative" quantities on hand.
 - 2) All inventory entries require a "Unit of Measure" of either "grams" or "each"
- The sheet will alert you if you enter negative physical quantities or do not enter a "Unit of Measure"

How to read the Summary at the top right corner of the 'Monthly Worksheet'

See the example data below and the explanations with fomulas showing how the numbers are calculated:

	G	H	I	J	K	L	M
1	EXAMPLE					EXPLANATION/ FORMULAS	
2	TOTAL # OF PACKAGES REPORTED			210		Taken from how many rows are completed in the Monthly Worksheet (KL3)	
3				Unit of Measure			
4				Each	Grams	All figures separated by Each or Grams	
5	# Packages in Physical Inventory			168	42	(#) Rows filled out in the Worksheet	
6	METRC Inventory Quantities			6,607.0	9,897.00	Adds "Quantity in METRC" (Column H)	
7	Quantity of Missing Cannabis			-5.0	-3.50	Adds all Negative numbers in "Variances" (Column I)	
8	Missing Cannabis as % of Inventory			0.08%	0.04%	"Missing Cannabis" (+) "METRC Inventory Quantities"; (K8+K7) or (L8+L7)	
9	# of Packages Missing Cannabis			5	1	(#) Rows with negative numbers in "Variances"(Column I)	
10	Quantity of Excess Cannabis			13.0	19.50	Adds all Positive numbers in "Variances" (Column I)	
11	Excess Cannabis as % of Inventory			0.20%	0.20%	"Excess Cannabis"(+) "METRC Inventory Quantities"; (K11+K7) or (L11+L7)	
12	# of Packages with Excess Cannabis			10	5	(#) Rows with positive numbers in "Variances" (Column I)	
13	Variances by Quantity			18.0	23.00	"Quantity of missing cannabis" (+) "Quantity of excess cannabis"; (K8 +K11) or (L8 +L11)	

14	Variations as % of Inventory	0.27%	0.23%	"Variance Quantity" (+) by "METRC Inventory Quantities"; (K14+K7) or (L14 +L7)
15	TOTAL VARIANCE %	0.26%		"Variations as % of Inventory" added & weighed as %; (K15 x(K6+KL3))+(L15x(L6+KL3))
16		Each	Grams	"Negative Quantity in METRC" more was used than what was originally started with
17	Negative Quantity in METRC	-3.0	-7.00	Adds all Negative numbers in "Quantity in METRC" (Column H)
18	# Packages with Negative Quantities in METRC	3	2	(#) Rows with a negative number in "Quantity in METRC" (Column H)

Total Variance Analysis

- This sheet pulls all packages from the 'Monthly Worksheet' with **ANY** inventory variance.
- It is sorted by the **relative value** of the variance. For example, variances of '-1' and '+1' both sort as the absolute value 1.
- The table to the right shows a breakdown of the variances by category

Missing

- This sheet pulls packages from the 'Monthly Worksheet' with **Negative Variances**, meaning that these packages have less product in METRC than what is physically on hand.
- It is sorted by value, so the larger variances are at the top
- The tables to the right shows breakdowns by category and amounts

Excess

- This sheet pulls packages from the 'Monthly Worksheet' with **Positive Variances**, meaning that these packages have excess cannabis (i.e., less product in METRC than what is physically on hand)
- It is sorted by value, so the larger variances are at the top
- The tables to the right shows breakdowns by category and amounts

Negative METRC Inventory

- This sheet pulls packages from the Monthly Worksheet where METRC shows **Negative Amounts**, meaning METRC recorded that more was used/sold from these packages than what they started with (i.e., the facility continued to pull from this package AFTER the packages had already run out)
- These are recorded as "positive variances"(i.e., more on hand than in METRC) because the negative quantity in METRC is subtracted from the "0" quantity on hand. This does not mean there is "excess" cannabis in these packages. It means that these package tags were "overused" in METRC
- It is sorted by value, so the larger variances are at the top
- The tables to the right shows breakdowns by category and amounts

No Packages with Variances between Physical and METRC Inventory

Columns A-J Autopopulated from data input in 'Monthly Worksheet'

To Copy all the data below to Paste into another Sheet [Click here to select the data below.](#) and then 'right click' and Select 'Copy'

*0' Entry = Blank in 'Monthly Worksheet'

###	Package Label	Item Name	Category	Quantity on Hand	Unit of Measure	Date Verified	Quantity in Metrc	Variance	Optional Note	Single Material Variance
No data				0			0.0	0.0		0

BLANK SAMPLE

Breakdown by Categories

Categories	# Of Packages with Variances
No data	

BLANK SAMPLE

No Packages Missing Quantities on hand compared to METRC

Columns A-J Autopopulated from data input in 'Monthly Worksheet'
*0' Entry = Blank in 'Monthly Worksheet'

To Copy all the data below to Paste into another Sheet [Click here to select the data below.](#) and then 'right click' and Select 'Copy'

###	Package Label	Item Name	Category	Quantity on Hand	Unit of Measure	Date Verified	Quantity in Metrc	Variance	Optional Note	Single Material Variance
No data	0		No data	0.0	1/0/1900	1/0/1900	0.0	0.0		0

BLANK SAMPLE

Breakdown by Categories

Categories	Missing Cannabis
No data	0.00
Total	0.00

Categories	# of Packages with Missing Cannabis
No data	

BLANK SAMPLE

No Packages with Excess Quantities on Hand compared to METRC

Columns A-J Autopopulated from data input in 'Monthly Worksheet'
*0' Entry = Blank in 'Monthly Worksheet'

To Copy all the data below to Paste into another Sheet [Click here to select the data below.](#) and then 'right click' and Select 'Copy'

###	Package Label	Item Name	Category	Quantity on Hand	Unit of Measure	Date Verified	Quantity in Metrc	Variance	Optional Note	Single Material Variance
No data	0		No data	0.0			0.0	0.0		0

BLANK SAMPLE

Breakdown by Categories

Categories	Extra Cannabis
No data	0.00
Total	0.00

Categories	# of Packages with Extra Cannabis
No data	

BLANK SAMPLE

No Packages with Negative Inventory in METRC

Columns A-J Autopopulated from data input in 'Monthly Worksheet'
 *0' Entry = Blank in 'Monthly Worksheet'

To Copy all the data below to Paste into another Sheet [Click here to select the data below.](#) and then 'right click' and Select 'Copy'

###	Package Label	Item Name	Category	Quantity on Hand	Unit of Measure	Date Verified	Quantity in Metrc	Variance	Optional Note	Single Material Variance
No data	0	No data	No data	0.0			0.0	0.0		0

BLANK SAMPLE

Breakdown by Categories

Categories	Negative in METRC
No data	0.00
Total	0.00

Categories	# of Packages with Negative Cannabis Inventory in METRC
No data	

BLANK SAMPLE