

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

3 STATE OF NEVADA, CANNABIS
4 COMPLIANCE BOARD,

5 Petitioner,

Case No. 2024-006

6 vs.

7 NYE NATURAL MEDICINAL SOLUTIONS,
8 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, enters into this Stipulation and Order for Settlement of
14 Disciplinary Action (“Stipulation and Order”) with NYE NATURAL MEDICINAL
15 SOLUTIONS, LLC, (“Respondent” or “NYE NATURAL”) by and through its counsel of
16 record Brian Hardy Esq. of Marquis Aurbach Chtd. and Derek Connor Esq., of Connor &
17 Connor PLLC. Pursuant to this Stipulation and Order, Respondent and the CCB
18 (collectively, the “Parties”) hereby stipulate and agree that Case No. 2024-006 (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 the Respondent’s current Point of Contact with the
25 CCB. Respondent is licensed to operate an adult-use cultivation facility under
26 identification No. C166,¹ an adult-use cannabis production facility under identification No.
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¹ Adult-use cultivation license, previously RC166, is now C166 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 P107,² and a cannabis distribution facility under identification No. T065.

2 2. This Administrative Action was not initiated by the filing of a Complaint for
3 disciplinary action but rather through settlement negotiations pursuant to NRS
4 678A.645(1). Respondent shares natural person ownership with the cannabis licenses
5 currently held by Clark NMSD LLC (D186), Clark NMSD LLC (D187), and Clark Natural
6 Medicinal Solutions, LLC (C165 & P108). During settlement discussions for cases 2023-
7 003, 2023-004, and 2023-021, for Clark NMSD LLC (D186), Clark NMSD LLC (D187) and
8 Clark Natural Medicinal Solutions, LLC (C165 & P108) respectively, Respondent's owners
9 requested that alleged violations against NYE NATURALS licenses under C166, P107 &
10 T065 as outlined in Paragraphs 4, 5, & 12 be included as part of a global resolution.

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 in this Stipulation
14 and Order and the Stipulations and Orders for Settlement of Disciplinary Actions in Case
15 Nos 2023-003, 2023-004, and 2023-021 ("Related Cases"), to be presented concurrently to
16 the Board for its consideration.

17 4. **Request for TOI Withdrawal.** During the settlement negotiations for the
18 Related Cases, Respondent raised the issue of a pending application to transfer ownership
19 interests in cannabis licenses ("TOI Application"). The subject application, submitted on
20 April 8, 2022, under No. 2200016 ("TOI #2200016"), sought to transfer the cannabis
21 establishment licenses held under NYE NATURAL C166, RC166, P107, RP107, and T065,
22 from NuVeda LLC, a Nevada limited liability company ("NuVeda NV"), to NuVeda LLC, a
23 Delaware limited liability company ("NuVeda DE").³ Before the investigation into TOI
24 #2200016 was completed, Respondent self-reported potential issues that could arise with
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27 ² Adult-use production license, previously RP107, is now P107, see footnote 1.

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

1 the requested transfer and requested permission to withdraw the TOI application, keeping
2 those licenses under NuVeda NV.

3 5. **Yearly Audits & Inspections.** During settlement negotiations, the CCB
4 conducted routine audits and inspections of Respondent’s facility where cultivation,
5 production, and distributor are co-located. For cultivation license C166, 2023 and 2024
6 routine inspections and audits did not allege any violations.⁴ For distributor license (T065),
7 2023 and 2024 routine inspections and audits did not allege any violations.⁵ For production
8 license P107, 2023 and 2024 inspections did not allege violations or alleged minor violations
9 that did not, in the CCB staff’s opinion, warrant disciplinary action.⁶ However, 2023 and
10 2024 audits for P107 resulted in Statements of Deficiencies (“SODs”), which alleged, among
11 other violations, more serious violations of concern related to ongoing inventory issues,
12 such as those noted in the Complaints for Case Nos 2023-003 & 2023-004 as follows.

- 13 a. The SOD dated February 8, 2024 (“02/28/24 SOD”) for the 2023 audit alleged that
14 Respondent had not been entering products into the seed-to-sale tracking system
15 (“METRC”) on a daily basis as required by its Standard Operating Procedures
16 (“SOPs”); had variances between documented amounts in its quarterly inventory
17 report and METRC, and had certain required information missing in production
18 logs or METRC. Respondent submitted a Plan of Correction (“POC”) on February
19 22, 2024, and updated March 8, 2024, outlining its plan to train employees to
20 address the inventory violations noted above, which the CCB approved on April
21 26, 2024.

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23 ⁴ **C166:** 2023-Inspection and 2023-Audit resulted in Statements of No Deficiencies (“SONDs”) dated May 1,
2023, and January 30, 2024, respectively. 2024-Inspection/Audit resulted in a SONND dated February 20,
2024. This also covers routine audits that occurred on or about July 2, 2024, and the routine inspection that
24 occurred on or about November 4, 2024.

25 ⁵ **T065:** 2023-Audit and 2024-Inspection resulted in SONDs dated May 30, 2023, and February 20, 2024,
26 respectively. 2023-Inspection noted storage issues that were resolved, and the CCB issued an Approved Plan
of Correction (“APOC”) dated May 12, 2023. 2024-Audit noted issues with vehicle insurance coverage that
27 were resolved, and the CCB issued an APOC dated June 28, 2024. This also covers the routine inspection
that occurred on or about November 4, 2024.

28 ⁶ **P107:** 2023-Inspection resulted in a SONND dated May 1, 2023. 2024-Inspection noted repair issues that
were resolved, and the CCB issued an APOC dated March 11, 2024. This also covers the audit or inspection
associated with the POC dated November 18, 2024, and approved on December 18, 2024.

1 b. The SOD dated June 14, 2024 (“06/14/24 SOD”) for the 2024 audit generally
2 alleged that Respondent did not maintain a seed-to-sale tracking system that
3 adequately documented the flow of materials through the manufacturing process,
4 citing examples of continuing variances from an Inventory Reconciliation Request
5 (“IRR”) submitted in 2022, variances between documented amounts in its
6 quarterly inventory report and METRC, and missing documentation to explain
7 the reasoning for variances found during the on-site audit. Respondent submitted
8 a POC on June 28, 2024, outlining its plan to train employees to address the
9 inventory violations noted above, which the CCB approved on July 11, 2024

10 c. Except as otherwise set forth herein, Respondent neither admits nor denies the
11 allegations set forth in 02/08/24 SOD and 06/14/24 SOD.

12 d. In light of the allegations in 02/08/24 SOD and 06/14/24 SOD, CCB staff and
13 counsel proposed the Corrective Action Plan outlined in Paragraph 24 to help
14 Respondent maintain good inventory practices.

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

23 7. As set forth herein, Respondent stipulates to pay a \$5,000 civil penalty, accept one
24 (1) formal CCB warning in consideration for its admitted first Category V violation for each
25 license, and undertake the corrective action as outlined in Paragraph 24, for the violations
26 set forth in Paragraph 15, below, in lieu of the CCB filing and serving a Complaint for
27 Disciplinary Action and proceeding to a disciplinary hearing.

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1 **ACKNOWLEDGEMENTS AND APPLICABLE LAW**

2 This Stipulation and Order is made and based upon the following acknowledgments
3 by the Parties:

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

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

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

24 11. Respondent enters this Stipulation and Order after being fully advised of the
25 consequences of this Stipulation and Order. This Stipulation and Order embodies the entire
26 agreement between the Parties as it relates to the license held under C166, P107 & T065.⁷

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⁷ See Stipulation and Orders in the Related Cases for the agreements pertaining to the other licenses as part
of the global settlement.

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

3 12. **Resolved Violations**. The Parties stipulate and agree that if the Board approves
4 this Stipulation and Order, it resolves **only** the allegations set forth in this Administrative
5 Action, which are those violations, pursuant to NRS 678A.645(1), (1) those violations
6 directly arising from the transfer described in TOI application #2200016 as noted in
7 Paragraph 4; (2) any alleged violations noted in the SODs referenced in Paragraph 5 and
8 associated footnotes; and (3) any Inventory Reconciliation Requests submitted to the CCB
9 before December 31, 2024 (“Resolved Violations”) except as otherwise set forth in this
10 Paragraph and Paragraphs 28-29. Any violations the CCB may discover other than those
11 noted above, including any discovered during the currently pending application for a
12 cannabis consumption lounge and/or other TOI applications submitted prior to such
13 approval date, **are excluded** from Resolved Violations, and the CCB reserves its rights to
14 pursue separate disciplinary actions for such violations at its discretion.

15 13. In an effort to avoid the cost and uncertainty of a disciplinary hearing, Respondent
16 agrees to settle this matter. For purposes of settlement, Respondent acknowledges that the
17 facts contained in the above “PERTINENT FACTS” portion are true and correct. Without
18 waiving any constitutional rights against self-incrimination, Respondent further
19 acknowledges that, if the CCB proceeded to a disciplinary hearing in this Administrative
20 Action and filed a Complaint for disciplinary action, including TOI application #2200016
21 as noted in Paragraph 4 and alleged violations contained in the SODs noted in Paragraph
22 5, certain facts contained therein could be found to constitute violations of Title 56 of NRS
23 (NRS Chapters 678A through 678D) and the NCCR with penalties up to and including
24 \$25,000 and a suspension of not more than 20 days if this matter proceeded to an
25 administrative hearing in the ordinary course, instead of proceeding to settlement
26 negotiations.

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

1 a. **Factors under NCCR 4.030(2).** CCB’s Executive Director and CCB’s counsel
2 considered the factors in NCCR 4.030(2), including the gravity of the violations;
3 the economic benefit or savings, if any, resulting from the violations; the size of
4 the business of the violator; the history of compliance with the NCCR and Title 56
5 of NRS by the violator; actions taken to remedy and/or correct the violations; and
6 the effect of the penalty on the ability of the violator to continue in business. The
7 Parties agree that a reasonable civil penalty has been recommended, given the
8 nature of the violation involving an attempted transfer of interest to the same
9 natural persons that was ultimately not completed.

10 b. **Mitigating Factors under NRS 678A.647.** The Executive Director for CCB and
11 CCB’s counsel have considered the appropriate mitigating factors⁸ in reaching the
12 proposed settlement. These factors include the fact that the Respondent (1) self-
13 reported the potential violation related to the TOI outlined in Paragraph 4, (2)
14 submitted POCs the CCB approved as outlined in Paragraph 5, and (3) through
15 its counsel, Respondent cooperated with the CCB’s counsel in resolving this
16 matter without the need for the filing of a disciplinary complaint. The CCB staff
17 and counsel appropriately weighted each of the mitigating factors and the Parties
18 stipulate and agree to the weight given to each factor. The three factors were
19 weighed equally in reducing the number of violations admitted to.

20 c. Furthermore, including the Corrective Action Plan outlined in Paragraph 24 into
21 this settlement aligns with the education mechanisms the CCB is developing to
22 educate and advise licensees on compliance to help prevent violations in the
23 future.⁹

24 15. **Admitted Violations.** Respondent, for the sole purpose of resolving this
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26 ⁸ The CCB’s staff and counsel do not concede that NRS 678A.647 is applicable to the violations in the
27 Complaint, given they arose prior to the enactment of this legislation, which does not have any provisions
allowing its retroactive application.

28 ⁹ 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 Administrative Action, specifically admits to the following violations:

- 2 a. For C166, one (1) Category V violation of NCCR 4.060(1)(a)(6) for failing to
3 comply with any other requirements not described in another category of
4 violations,
- 5 b. For P107, two (2) Category V violations of NCCR 4.060(1)(a)(6) for failing to
6 comply with any other requirements not described in another category of
7 violations,
- 8 c. For T065, one (1) Category V violation of NCCR 4.060(1)(a)(6) for failing to comply
9 with any other requirements not described in another category of violations

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

13 16. With respect to licenses under C166, P107, & T065, Respondent offered and agrees
14 to pay a civil penalty of \$5,000¹⁰ and accept three (3) formal CCB warnings for C166, P107,
15 and T065 in consideration for its admitted first Category V violation for each license, in
16 consideration for its admitted violations in Paragraph 15, and the CCB's agreement to
17 resolve the Administrative Action on the terms set forth herein.

18 17. If the CCB approves this Stipulation and Order, it shall be deemed and considered
19 disciplinary action by the CCB against Respondent for its licenses under C166, P107, &
20 T065.

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

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¹⁰ To be apportioned \$1,250 to C166, \$2,500 to P107, and \$1,250 to T065.

1 **STIPULATED ADJUDICATION**

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

5 19. **Violations.** The Respondent is found to have committed one (1) Category V
6 violation for C166, two (2) Category V violations for P107, and one (1) Category V violation
7 for T065, as set forth in Paragraph 15 above.

8 20. **Imposition of Civil Penalties.** Respondent shall pay a total civil penalty in the
9 amount of \$5,000 within the time set forth in Paragraphs 22-23 below, to be apportioned
10 as set forth in Paragraph 16 above.

11 21. **Formal Warning.** In accordance with NCCR 4.060(2)(a)(l), for its first Category
12 V violation in the immediately preceding three (3) years for each licenses, the CCB hereby
13 issues:

- 14 a. one (1) formal warning to Respondent for its license under C166,
- 15 b. one (1) formal warning to Respondent for its license under P107, and
- 16 c. one (1) formal warning to Respondent for its license under T065,

17 Respondent shall comply with all requirements for transfers of ownerships of cannabis
18 licenses under Title 56 of the NRS, and, for P107, the inventory requirements under Title
19 56 of the NRS, the NCCR, or the regulations in force under Title 56 of the NRS at that
20 time. Failure to do so in the future may invoke additional progressive discipline and shall
21 be considered an aggravating factor in considering the amount of civil penalties in any
22 future disciplinary actions.

23 22. **Payment of Civil Penalties.** Respondent must pay the civil penalty set forth in
24 this agreement within the time frames set forth in this Paragraph and Paragraph 23.
25 Respondent shall pay the lump sum of \$5,000 in civil penalties within thirty (30) days of
26 the date the Board approves this Stipulation and Order at a public meeting.¹¹

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28 ¹¹ Should the due date fall on a Saturday, Sunday, or a holiday recognized by the State of Nevada, payment 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.¹²
- 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 \$5,000, for a total due of \$10,000 and shall have its licenses under C166,
11 P107, & T065 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 C166, P107, & T065 shall be
17 deemed voluntarily surrendered. Respondent agrees it cannot and will not file any
18 petition for judicial review and/or any action in any forum for relief from this order
19 of 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***
26 ***days prior to the installment deadline at issue (which does not include any***

27 _____
28 ¹² If a check or other form of payment is returned for insufficient funds or otherwise rejected, the failed 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 **grace period**). The CCB is not required to grant such a petition. In such a petition,
2 Respondent must demonstrate to the satisfaction of the CCB that there are
3 extraordinary and unusual circumstances necessitating the extension requested
4 and specify which installment deadline or deadlines it is seeking an extension. The
5 CCB Chair or Vice Chair may delegate the decision as to whether to grant such a
6 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 an extension is granted under subsection (c) of this Paragraph, there shall be no
10 grace period on 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. **Corrective Action Plan**. Respondent has submitted approved POCs to address
14 and prevent violations set forth in this Stipulation and Order. These POCs detail employee
15 training on inventory practices. To help the licensee maintain good inventory practices,
16 CCB staff and counsel have developed the following "Corrective Action Plan," designed to
17 help Respondent prevent the reoccurrence and accumulation of variances in Respondent's
18 inventory. Respondent agrees to implement this Corrective Action Plan as follows:

- 19 a. **CONTENTS**. For each calendar month requiring a report ("Reporting Month"),
20 Respondent will prepare the following eight (8) items for both **C166 and P107** that
21 month to use to identify, investigate, and address any inventory variances that
22 arose that month:
- 23 1. a monthly inventory report based on the inventory report required under NCCR
24 6.135¹³
 - 25 2. that month's destruction log
 - 26 3. that month's visitor log,
- 27
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¹³ See **Exhibit 1** for an example. The .xlsx file version has been provided to the Respondent

- 1 4. the monthly log specific to that license¹⁴
- 2 5. the facility adjustment log downloaded from METRC showing all adjustments
- 3 done that month
- 4 6. any investigation reports documenting the Respondent's investigation into
- 5 significant variances¹⁵ in product inventory,
- 6 7. surveillance video depicting Respondent's employees conducting the physical
- 7 inventory, as detailed in item 1, and
- 8 8. all surveillance videos for its facility for the entirety of each reporting month.

9 To help ensure Respondent is preparing and reviewing these items in a timely
10 manner, for each Reporting Month, Respondent will submit items 1-7 to the CCB
11 audit team at AuditInspections@ccb.nv.gov by 5:00 PM Pacific Time on the 5th
12 business day after the end of the Reporting Month.¹⁶ Respondent will refrain from
13 deleting item 8 from its system until after the CCB informs it that those videos are
14 no longer required.

15 b. DURATION. Respondent agrees to implement the Corrective Action Plan starting
16 the month after the Board approves this Stipulation and Order.¹⁷ Respondent
17 agrees to continue preparing and submitting items 1-7 and saving item 8 each
18 month until it has six (6) consecutive months in which its Monthly Inventory report
19 under item 1 shows a total inventory variance of 2% or less.

20 c. SCOPE: This Corrective Action Plan is ***in addition*** to statutory and regulatory
21 requirements and does not override or excuse adherence to those requirements.
22 While following this Corrective Action Plan Respondent must still adhere to the
23

24 ¹⁴ For Cultivation C166, the harvest log, for Production P107, the production log.

25 ¹⁵ A significant variance that should be investigated for the purpose of item 6 is an inventory variance in a
26 package tag of at least 10 eaches for products measured in eaches or at least 56 grams for products
measured in grams.

27 ¹⁶ Under the above example, items 1-7 for February 2025 should be submitted by Friday, March 7, 2025, 5:00
PM PT.

28 ¹⁷ For example, if approved at the January 16, 2025 Board meeting, the first Reporting Month is February
of 2025.

1 CCB's requirements when submitting Inventory Reconciliation Requests.

2 25. **Contingency if Approval Denied**. If the Board does not approve this Stipulation
3 and Order, the Parties agree to resume settlement negotiations in good faith and attempt
4 to reach an agreement to amend this Stipulation and Order and resubmit an amended
5 Stipulation and Order to the Board for review for approval at a subsequent regularly
6 scheduled CCB meeting. If the Parties cannot reach such an agreement, they agree to
7 proceed with the Administrative Action which shall include the filing and service of a
8 Complaint and a disciplinary hearing before the CCB or its assigned hearing officer. Should
9 the Administrative Action proceed for the reasons outlined in this Paragraph, the CCB
10 preserves all its claims and arguments in the Administrative Action in a Complaint¹⁸ (to
11 be filed), and Respondent preserves all its defenses and arguments it may assert. An
12 unapproved Stipulation and Order shall not be admissible as evidence or referenced in
13 argument at any disciplinary hearing in Case No. 2024-006 or any other matter involving
14 the CCB.

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

25 27. **Closure of Disciplinary Action**. Once the Respondent has fully performed this
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27 ¹⁸ 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 Stipulation and Order, this Administrative Action will be closed.

2 28. **Current Owners.** The CCB agrees not to pursue disciplinary actions, seek civil
3 penalties, or seek agent card revocations against Respondent's current owners based **solely**
4 on the Resolved Violations outlined in Paragraph 12 and/or Resolved Violations outlined in
5 the Stipulations and Orders in the Related Cases. Current owners include only natural
6 persons Pejman Bady, Pouya Mohajer, & Joseph Kennedy and do not include any
7 employees, volunteers, independent contractors, and/or other past or future owners of
8 Respondent. The CCB agrees that the cooperation and affirmative actions of the current
9 owners through Respondent to reach a resolution in this matter will be considered
10 mitigating factors for any future disciplinary actions against the current owners. Further,
11 while CCB staff may reference the administrative history of this matter, including this
12 Stipulation and Order and alleged violations described in Paragraphs 4 & 5 in future
13 suitability investigations relating to any license applications including, but not limited to,
14 the currently pending application for a cannabis consumption lounge and/or TOI
15 applications submitted after the CCB approves this Stipulation and Order, such references
16 may not form the **sole** basis for the denial of any such applications.

17 29. **Withdrawal of Pending TOI application.** In consideration of the Respondent's
18 admission of one (1) Category V violation for C166, one (1) Category V violation for P107,
19 and one (1) Category V violation for T065, pursuant to NCCR 5.000(4), the CCB grants the
20 Respondent's request to withdraw TOI #2200016, without prejudice. These admissions
21 represent the only violations to be assessed against the Respondent for the attempted
22 transfer outlined in TOI #2200016. The CCB reserves its rights to pursue separate
23 disciplinary proceedings, at its discretion, for any violations arising from transfers of
24 ownership not included in TOI #2200016 (i.e., transfers that occurred before or after it was
25 submitted on April 8, 2022).

26 30. **Communications with CCB Members.** Respondent understands that this
27 Stipulation and Order will be presented to the Board in an open session at a duly noticed
28 and scheduled public meeting. Respondent understands that the Board has the right to

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

19 31. **Release**. Respondent and all signatories to this Stipulation and Order agree that
20 the State of Nevada, the CCB, the Office of the Attorney General, and each of their
21 members, staff, attorneys, investigators, experts, hearing officers, consultants, and agents
22 are immune from any liability for any decision or action taken in good faith in response to
23 information and data acquired by the CCB. Respondent agrees to release the State of
24 Nevada, the CCB, the Office of the Attorney General, and each of their members, staff,
25 attorneys, investigators, experts, hearing officers, consultants, and agents from any and all
26 manner of actions, causes of action, suits, debts, judgments, executions, claims, and
27 demands whatsoever, known or unknown, in law or equity, that Respondent ever had, now
28 has, may have or claim to have against any and/or all of the persons, government agencies

1 or entities named in this Paragraph, arising out of, or because of, the CCB's investigation
2 of the matters outlined in its Complaint, the matters outlined in this Stipulation and Order,
3 or the administration of this matter.

4 32. **No Precedent.** The Parties agree that this Stipulation and Order shall not
5 constitute a precedent for any other issues or proceedings before the CCB and/or in any
6 other forum, **other than those set forth in this Stipulation and Order**; and shall not
7 be admissible in any other proceeding or action with respect to proof of fact or any other
8 matter and/or any other licensee and/or cannabis establishment, except proceedings
9 brought to enforce this Stipulation and Order under its terms and/or for the CCB's
10 consideration of future disciplinary action against this Respondent. Furthermore, the CCB
11 may consider the discipline imposed herein in any future disciplinary action against
12 Respondent, as required under NCCR 4.030(2), along with the other factors set forth in
13 NCCR 4.030(2), and possible progressive discipline pursuant to NCCR 4.035 through 4.060.
14 As every case concerns different facts and details, this Stipulation does not act as
15 precedence or persuasive authority to bind CCB to impose any particular penalty, to charge
16 or allege any particular violation, and/or to impose any particular disciplinary action in the
17 future for this Respondent, or any other respondent (except as set forth in this Stipulation
18 and Order), for violations of the same statutes and/or regulations addressed in this
19 Stipulation and Order. Likewise, the CCB is not bound by any previous settlement
20 agreements it has approved in entering into this Stipulation and Order.

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

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

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

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

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

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

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

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

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

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


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


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

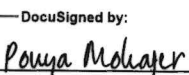
19 44. **Counterparts and Copies.** This Stipulation and Order may be executed in
20 counterparts, each of which, when so executed and upon delivery to counsel of record for
21 the Parties and/or the Parties, shall be deemed an original (“Counterparts”). This
22 Stipulation and Order is considered fully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

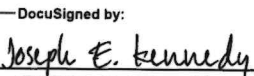
28 ///

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
6  DocuSigned by:
7 PRINTED NAME Pejman Bady Date: 1/14/2025
8 on behalf of NYE NATURAL MEDICINAL
9 SOLUTIONS, LLC
10 *Respondent*

11  DocuSigned by:
12 Pejman Bady, Current owner of Respondent NYE Date: 1/14/2025
13 NATURAL MEDICINAL SOLUTIONS, LLC

14  DocuSigned by:
15 Pouya Mohajer, Current owner of Respondent NYE Date: 1/14/2025
16 NATURAL MEDICINAL SOLUTIONS, LLC

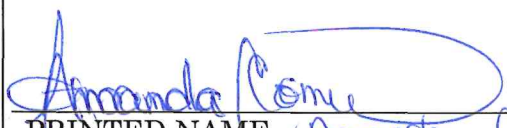
17  DocuSigned by:
18 Joseph Kennedy, Current owner of Respondent NYE Date: 1/14/2025
19 NATURAL MEDICINAL SOLUTIONS, LLC

20 Brian Hardy, Esq. (Bar No. 10068) Date: _____
21 *Attorneys for Respondent*
22 NYE NATURAL MEDICINAL SOLUTIONS, LLC

23 Derek Connor Esq. (Bar No. 12194) Date: _____
24 *Attorneys for Respondent*
25 NYE NATURAL MEDICINAL SOLUTIONS, LLC

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

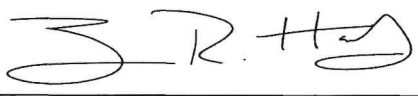
1 IN WITNESS WHEREOF, this Stipulation and Order has been signed by the Parties
2 and attested by their duly authorized representatives as of the date(s) so indicated. The
3 Effective Date of this Stipulation and Order shall be the date it is ordered by the CCB.

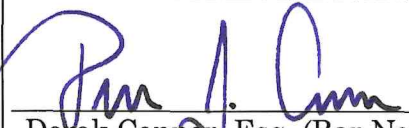
4
5 
6 _____ Date: 1/14/2025
7 PRINTED NAME Amanda Connor
8 on behalf of NYE NATURAL MEDICINAL
9 SOLUTIONS, LLC
10 *Respondent*


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

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

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

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

25 
26 _____ Date: 01/14/2025
27 Devek Connor, Esq. (Bar No. 12194)
28 *Attorneys for Respondent*
NYE 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*

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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 NYE 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

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

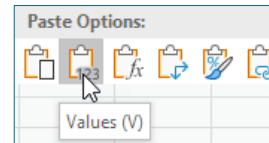
The data in these sheets **AUTOPOPULATES** from the 'Monthly Worksheet', pulling the specific variances identified and sorting them for review

- 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'

*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			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	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