

Nevada Cannabis Compliance Board

Meeting Minutes

January 16, 2025

The Nevada Cannabis Compliance Board (CCB) held a public meeting at 700 E. Warm Springs Road, Las Vegas, Nevada and 4600 Kietzke Lane, Suite L235, Reno Nevada at 9:00 a.m. on January 16, 2025.

Cannabis Compliance Board Members Present:

Adriana Guzmán Fralick, Chair
Riana Durrett, Vice Chair
Hon. Michael Douglas
Dr. Vicki Mazzorana
Jerrie Merritt

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

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

Instructions to join the meeting via Zoom were read aloud.

I. Public Comment

Chair Guzmán Fralick spoke about esteemed Justice Douglas and commented that he is a remarkable leader and pillar of the Cannabis Compliance Board. She recalled that Justice Douglas joined the Board in 2020 as a founding member and was Chair from 2020 through 2023, guiding the Board through formative years, shaping the values and standards that define the CCB. Chair Guzmán Fralick noted she is personally grateful to Justice Douglas for his calm demeanor, for providing insight, wisdom and counsel that she considers invaluable, and she wished him the very best.

Justice Douglas thanked former Governor Sisolack and current Governor Lombardo for allowing him to serve on the Cannabis Compliance Board and extended his gratitude to board members past and present: Dennis Neilander, Dr. Young, Jerrie Merritt, and Riana Durrett, stating it is important to thank the members of the CCB for the work done each day, and he thanked new members Chair Guzmán Fralick and Dr. Mazzorana. Mr. Douglas noted the first executive director of the CCB, Tyler Klimas and present executive director James Humm made the journey enjoyable, and both are steadfast in their work to move the industry forward and streamline the process.

Tyler Klimas, former Executive Director of the CCB expressed his appreciation for Justice Douglas and said he leaves an incredible mark on the CCB and Nevada's cannabis industry. He commented that Mr. Douglas was committed to doing the right thing, committed to integrity and setting a high standard to follow. Mr. Klimas thanked him for his role as a mentor both professionally and personally and for sharing his insight with the agency and staff. Mr. Klimas concluded by stating he, the agency and the state of Nevada are indebted to Mr. Douglas for his decades of public service.

Amanda Connor thanked Justice Douglas personally and on behalf of her firm, Connor & Connor and said that although they did not always agree, she appreciated his expertise, knowledge, calm demeanor and presence, and the way he led the board.

Layke Martin from the Nevada Cannabis Association agreed with previous comments and thanked Justice Douglas for his steady leadership and contributions to the cannabis industry.

There were no online comments.

Member Durrett is marked present.

Member Durrett recalled when it was announced that Justice Douglas was stepping down as a senior judge to launch the CCB and Member Neilander was appointed she decided to leave her job and get involved. She thanked him for his years of experience and said although they disagreed about many things, he was a consummate professional and she is excited about the clinic that he started and the pathway for students who may not otherwise envision themselves in law school.

Chair Guzmán Fralick asked for additional comments regarding Justice Douglas; hearing none, she opened the floor for general public comment.

Layke Martin commented on CCB guidance issued January 7, 2025 regarding terpenes and criteria for the approval of menu items which use botanical terpenes. She noted that many licensees are waiting for approval, and the new guidance changed the rules resulting in the denial of requests that were previously approved. Ms. Martin expressed concerns about procedure and substantive issues with the guidance and said many licensees would like the opportunity to discuss these issues in a workshop. Additionally, she opined that the guidance doesn't comply with the APA and the language contradicts directly or creates new rules. (Regulations 9, 9.02) Ms. Martin concluded by stating that she hopes there will not be hold-ups for menu approvals or administrative holds and for the Board to consider and balance rule changes that were previously approved.

There were no additional in person or online comments.

II. Consent Agenda

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

1. Deep Roots Aria (RD216)
2. Forever Green (C100)
3. Leef Brands (P019, C034 and T085)

B. Consideration of Approval of the Meeting Minutes

1. Cannabis Compliance Board Meeting Minutes December 19, 2024
2. Cannabis Compliance Board Meeting Minutes December 27, 2024

C. Complaints

1. Approval to Proceed with Disciplinary Action – Respondent A

Chair Guzmán Fralick asked for a motion to approve Consent Agenda items A, B and C. Member Douglas motioned to approve **Consent Agenda Items A 1, 2 and 3** with final inspection deadline extended to December 1, 2025.

Member Merritt seconded the motion.

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

Motion carried.

Chair Guzmán Fralick asked for a motion to approve **Consent Agenda Item B.**

Member Merritt motioned to approve Consent Agenda Items B 1 and 2.

Member Mazzorana seconded the motion.

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

Motion carried.

Chair Guzmán Fralick asked for discussion on **Consent Agenda Item C.**

Executive Director Humm provided an overview, stating that pursuant to NRS 678A.510 the Attorney General has reviewed the violations and recommended disciplinary action. Mr. Humm said with approval he will authorize service of the complaint, and when out for service, the document will be posted on the CCB website. He provided a summary of the alleged violations and requested the Board vote to authorize proceeding with disciplinary action.

Chair Guzmán Fralick asked for a motion to approve **Consent Agenda Item C.**

Member Douglas motioned to approve disciplinary action as outlined by Mr. Humm.

Member Mazzorana seconded the motion.

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

Motion carried.

III. Consideration of approval of CCB's Policy for Cannabis Compliance Board Members and Employees during Nevada's 83rd Legislative Session

Executive Director Humm noted this policy is presented for approval.

Chair Guzmán Fralick reminded the Board that she requested this policy to define who can testify or lobby the legislature and thanked Mr. Humm for bringing the policy forward. She asked for a briefing at every board meeting of all items brought before the legislature that are within the domain or control of the CCB. This briefing will allow the Board to discuss and provide direction to CCB, and advise whether the Board opposes, approves or is neutral in its position related to the bills. She then opened the discussion prior to vote.

Member Durrett said it is a commonsense policy, but the timing is awkward because the Board has not defined how the legislation will be brought before them at future meetings. Despite this, she said she is comfortable adopting the policy.

Member Douglas said that things move rapidly near the end of the legislative session and testimony on behalf of the Board may not be allowed.

Chair Guzmán Fralick asked for a motion.

Member Mazzorana motioned to approve CCB's Policy for Cannabis Compliance Board Members and Employees during Nevada's 83rd Legislative Session.

Member Merritt seconded the motion.

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

Motion carried.

IV. Consideration of Proposed Settlement Agreement to Resolve Disciplinary Action

A. Settlement Agreements to be considered together as part of shared ownership.

1. Cannabis Compliance Board vs. Clark NMSD LLC D186, (Case No. 2023-003)
2. Cannabis Compliance Board vs. Clark NMSD LLC D187, (Case No. 2023-004)
3. Cannabis Compliance Board vs. Clark Natural Medicinal Solutions LLC, (Case No. 2023-021)
4. Cannabis Compliance Board vs. Nye Natural Medicinal Solutions LLC, (Case No. 2024-006)

Senior Deputy Attorney General Emily Bordelove presented an overview of four settlement agreements, the licenses and ownership, and violations committed by each. She noted that the license holders self-reported the pending transfers of interest applications and how this may impact the negotiations for settlement. Ms. Bordelove provided details on the category violations and the recommended civil penalties for each, and the total recommended civil penalty, settlement plans and terms of voluntary sales.

Amanda Connor was available to answer questions and clarified that there will be three licenses sold; two facilities. Ms. Connor introduced Dr. Pejman Bady, majority owner, Joseph Kennedy, owner of one of the companies and Derek Connor, Counsel. She noted that Brian Hardy who also served as counsel asked that his appreciation be communicated to CCB Staff and Deputy Attorneys General for the work they performed. Ms. Connor said that they have worked for two years on the settlement agreements and thanked everyone for their efforts.

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

Member Durrett posed a question regarding the sale condition of sale, and the confidence that the deal will close. Ms. Connor said that there are provisions for two extensions to sell the licenses if needed and said her client is diligently seeking the sale of the licenses.

Member Durrett said she would like to form a motion to include acceptance with the condition that the license is not automatically surrendered and for the issue to be revisited by the Board in 270 days if the licenses aren't sold.

Ms. Bordelove said that a provision could be added to D186, (Case No. 2023-003) and Clark Naturals.

Member Douglas commented that there are provisions which allow two extensions, and this can be renegotiated if an extension is granted. He suggested approving it as-is.

Ms. Connor agreed and said that any amendments to the agreements would need to be approved by her clients and this would cause additional delays in settlement.

Chair Guzmán Fralick asked for additional comments or motion.

Member Durrett motioned to approve Agenda Item 4 A, 1 – 4: the Settlement Agreements to be considered together as part of shared ownership (Case Numbers 2023-003, 2023-004, 2023-021 and 2024-006, with the stipulation that should an extension be requested, it is returned to the Board for discussion on arrangements between the parties.

Member Mazzorana seconded the motion.

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

Motion carried.

V. Briefing from the Chair and Executive Director

Chair Guzmán Fralick restated that the Board will not be the same without Member Douglas and thanked him for his time and service.

Executive Director Humm confirmed the agency will provide monthly legislative updates for the Board's review. He thanked Justice Douglas and echoed everything Mr. Klimas said, stating that Justice Douglas was welcoming to him and shared so much of his knowledge and wisdom during conversations, and again thanked him for his kindness.

VI. Next Meeting Date

The Next Board Meeting is scheduled for February 20, 2025.

VII. Items for Future Agendas

There were no matters stated for future agenda items.

VIII. Public Comment

Derek Connor of Connor and Connor thanked Justice Douglas for his service to the state of Nevada, to the legal community and to the Cannabis Compliance Board. He commented that it was a pleasure to appear before the Justice, and he agreed with his decisions most of the time. Mr. Connor remembered when Justice Douglas swore him into the State Bar and said that he leaves behind a great legacy and will be missed.

No additional public comment was presented during this period.

IX. Adjournment

Meeting adjourned at 9:58 a.m.