

Nevada Cannabis Compliance Board

Meeting Minutes

February 20, 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

Dr. Vicki Mazzorana

Jerrie Merritt

Ondra Berry

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, Member Mazzorana, Member Berry and Executive Director Humm were present in Las Vegas and Member Merritt was present via Zoom.

Instructions to join the meeting via Zoom were read aloud.

I. Public Comment

Chair Guzmán Fralick welcomed General Ondra Berry to the Cannabis Compliance Board and thanked him for his service.

Ann Hall, representing Ecoweed Disposal Solutions said the company is available for compliant cannabis disposal needs and provided a contact number.

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. GSM LV LLC (C085)

B. Consideration of Approval of the Meeting Minutes

1. Cannabis Compliance Board Meeting Minutes January 16, 2025

Chair Guzmán Fralick asked for a motion to approve Consent Agenda items A and B.

Member Mazzorana moved to approve **Consent Agenda Items A and B** as stated.

Member Berry seconded the motion.

Members Durrett, Merritt and Chair Guzmán Fralick said aye.

Motion carried.

III. Approvals and Resolutions

A. Notice of Final Licensure

1. True Harmony Company LLC (C219)

Steve Gilbert, Division Chief of Administration, presented information to the board. True Harmony Company LLC applied for and was granted a conditional adult-use cultivation license in October 2024 within White Pine County. In December 2024, CCB completed an inspection and audit of the facility noting prior deficiencies were corrected. An approved plan of correction was issued in January 2025, and final licensure for True Harmony Company's adult-use cultivation facility was issued on January 27, 2025.

IV. Request for Transfer of Interest

David Staley, Division Chief – Investigations and Enforcement presented an overview of each request for transfer of interest.

A. Zion Gardens LLC (C173) (TOI #2300012 and #2400058)

Chief Staley stated the request is for Judah Zakalik to acquire Aaron McCrary's 50% ownership in Zion Gardens and for Mr. Zakalik to acquire Paul Thomas' 100% ownership in ETW management Group, resulting in Mr. Zakalik owning a diluted 33.34% ownership of Zion Gardens. A waiver pursuant to NCCR 5.110 is requested and if approved, staff suggested the waiver should expire on the next TOI agenda date. Areas of concern were identified relating to these transactions, specifically, multiple unapproved transfers of interest, apparent violations of NCCR 5.110(1). Additional details were provided in the investigative report. Chief Staley introduced Adam Fulton, Esq., Judah Zakalik and Paul Thomas.

Member Durrett disclosed a conflict due to Mr. Zakalik serving on the board at the Cannabis Policy Institute and advised she will abstain out of an abundance of caution.

Chair Guzmán Fralick asked for an affirmative presentation. Mr. Zakalik said there is no affirmative presentation because this is good faith negotiation to buy out his partners. He said prior issues, litigation and settlement are resolved by this pending TOI since May 2023 and that his CPA advises him on how to file and which deductions to take.

Chair Guzmán Fralick asked for a timeline of the transfers and if there was a trust account. Mr. Zakalik stated that no monies were put into a trust account or exchanged by him and Mr. McCrary; the only money exchanges were with Paul Thomas and were conditional upon CCB approval. Mr. Zakalik provided a brief overview of prior transfers and money exchanged.

Member Berry expressed concern regarding items said to be written down rather than memorialized in a formal document. Mr. Zakalik said there was a written document evidencing the transfer; the first document was handwritten, and the second transfer was negotiated, typed and approved by unanimous consent by the Congerium board.

Chair Guzmán Fralick expressed concern with multiple unapproved transfers of interest All transfers must be approved by the CCB and all parties must be vetted and the history must be investigated and approved.

Mr. Zakalik took responsibility for the delay because he did not see a time frame to file the transfers of interest. He said the parties were vetted by the CCB and licensed since 2014.

Chair Guzmán Fralick said that if a licensee has any questions to call the executive director and ask.

Member Mazzorana asked if there were any fines; Chief Staley responded in the negative and referred to the investigative report and actions presented as options for the board: grant the requested TOIs, deny or refer the issue of potential unapproved TOIs to the Attorney General for further review to determine if disciplinary action is warranted.

Chair Guzmán Fralick asked for a motion.

Member Berry moved to approve **Zion Gardens LLC (C173) (TOI #2300012 and #2400058) request for Transfer of Interest as presented with conditional waiver of NCCR 5.112 expiring on the next TOA agenda date, and recommendation to the Attorney General's office to investigate any further sanctions.**

Member Mazzorana seconded the motion.

Members Merritt and Chair Guzmán Fralick said aye.

Member Durrett abstained.

Motion carried.

B. Greenleaf Enterprises, Inc (C050, T037), Greenleaf Production, Inc. (P041), and Greenleaf Wellness, Inc. (D056) (TOIs #2400032 - #2400039)

Chief Staley provided a brief overview of the request for transfer of interest following owner Spike Duque's death in May 2024. He noted the waiver of NCCR 5.110 pursuant to 5.112 and advised of staff suggestion that if approved, this waiver should expire on the next TOI agenda date. No areas of concern were developed in connection with the investigation. Chief Staley introduced Wade Beavers, Esq., Tammy Kolvet and Steven Duque.

Mr. Beavers said there is a 40% interest being divided between Steven Duque and Tammy Kolvet, each receiving 20% in the form of a testamentary trust distribution, two separate beneficiary sub-trusts to each of them. He stated that it does not involve a transfer of interest of 5% or less and is not seeking and does not believe a waiver pursuant to 5.110 is needed. Mr. Beavers noted the interest transferred is to existing licensees.

Chief Staley clarified the waiver does not apply to the TOI requested, but in the future, it will allow the company to do transfers of less than 5% with only a notification requirement to the board, rather than formal TOI approval. Mr. Beavers acknowledged the clarification and the distinction, and requested the waiver for the 5% interests separate from the larger TOI requested.

Chair Guzmán Fralick asked if there were additional questions or for a motion.

Member Durrett moved to approve **Agenda IV B, including waiver of NCCR 5.110 pursuant to NCCR 5.112 expiring on the next TOA agenda date.**

Member Berry seconded.

Members Merritt, Mazzorana and Chair Guzmán Fralick said aye.

Motion carried.

C. MJ Holdings Inc, MJ Distributing P133 LLC (P133) (TOIs #2400048 & #2400049) transferring license P133 to Green Life Productions LLC

Chief Staley advised the board that TOI 2400048 requests approval for transfer of Michael Conley's 19.488% ownership interest in the Company to Steven Khoury, along with internal restructuring and noted that TOI 2400048 is submitted by Receiver Kevin Singer requesting approval for transfer of 100% ownership to Green Life Productions (GLP). He noted that GLP submitted a waiver application of NCCR 5.110 pursuant to NCCR 5.112 and no areas of concern were identified. Staff suggested that if approved, the waiver should expire on the next TOI agenda date. John Savage Esq., Kevin Singer, Receiver and Alicia Ashcraft Esq, Kouanin Villa, Steven Cantwell and Steven Khoury were present to answer questions.

Mr. Savage and Ms. Ashcraft stated this request is for a transfer of production license only to Green Life Productions existing operations in effort to expand their offerings. Ms. Ashcraft thanked CCB Investigator Maggie Adams for her effort in preparing the request.

Steven Cantwell addressed the board and said their cultivation business is thriving, and this plan will allow them to offer additional products.

Member Durrett asked if specific types of products will be offered. Mr. Cantwell responded that the intent is to remain self-funded, and equipment is available to make bubble hash and rosin, and later topical or ingestible items that will allow people to medicate without having to consume and smoke. Member Durrett asked for status on ice extraction and Mr. Cantwell said they will start with ice water extraction, then go to bubble hash and/or rosin. Member Durrett explained that ice water extraction is a healthier method of extraction because it does not use chemicals to extract certain compounds and make concentrates.

Chair Guzmán Fralick asked for a motion.

Member Mazzorana moved to approve **Agenda IV C, TOIs #2400048 internal restructuring of Green Life Productions and #2400049 to allow transfer of production license P133 to GLP, subject to the condition that the waiver of NCCR 5.110 pursuant to NCCR 5.112 expires on the next TOA agenda date.**

Member Berry seconded.

Members Durrett, Merritt, and Chair Guzmán Fralick said aye.

Motion carried.

Member Durrett introduced UNLV Law School students Josh Lozano and Juliana Ness. Both are externs with the Cannabis Compliance Board and Cannabis Policy Institute and Member Durrett commended them, said they are good writers working on exciting things and will be great attorneys.

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D. Lighthouse Strategies, Inc., Silver State Wellness L.L.C. (P051, T075), (TOI #2400029 - #2400031) transferring licenses P051 and T075 to Brand House NV LLC, and Lighthouse Strategies, Inc., Paradise Wellness Center, LLC (D138) (TOI #2400041) transferring license D138 to GL Partners, Inc, GLP Las Vegas LLC
Chief Staley provided an overview of the multiple TOI requests, reasons for transfer, conditional TOI agreements and request for waiver of NCCR 5.110 pursuant to NCCR 5.112. Staff suggested that if approved, the waiver should expire on the next TOI agenda date. No areas of concern were identified.

Chief Staley introduced Michael Hayford, Scot and Erik Knutson, James and John Mueller to the board.

Amanda Connor, appearing on behalf of GL Partners, addressed the board advised that Mr. Mueller is available via Zoom. Ms. Connor spoke regarding the dispensary license acquisition and provided an overview of the request, noting it is separate from the transaction for the production and cultivation licenses.

Chair Guzmán Fralick asked if Green Light was open in Ely; Ms. Connor affirmed Green Light is up and operational under the new name with the necessary approvals. Mr. Mueller said sales are improving and the two locations are running well.

Member Durrett asked if the tribe has their own dispensary and Mr. Mueller said he is in communication with them regarding the regulations. Senior Deputy Attorney General Anthony Garasi advised there are tribes who do not have compacts and are not supposed to operate without a compact in the state.

Member Durrett asked if it will be named Green Light; Ms. Connor said there is a plan to rebrand, and this is subject to receiving the necessary approvals from the City of Las Vegas.

Chair Guzmán Fralick reminded the board that there are two transfers of interest and two conditional transfers of interest with proceeds going to taxation. Senior Deputy Attorney General L. Kristopher Rath confirmed the conditional TOI agreements are associated with each TOI; the approval would be for the TOI and conditional TOI agreements.

Chair Guzmán Fralick asked for a motion.

Member Durrett moved to approve **Agenda Item IV D, TOI #2400029, 2400030 and 2400031 involving sale of production license P051 and distribution license T075 to Brand House and TOI 2400041 allowing transfer of dispensary license D138 to GL Partners Ince with each transfer subject to the condition that the waiver of NCCR 5.112 expires on the next agenda date and additionally move to approve the two associated conditional TOI agreements.**

Member Berry seconded the motion.

Members Mazzorana, Merritt, and Chair Guzmán Fralick said aye.

Motion carried.

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V. **Consideration of License Agreements**

A. **Management Services Agreement between VC Consultants LLC (RD229) and H&H Management LLC**

David Staley, Division Chief – Investigations and Enforcement presented an overview of the management services agreement and shared common ownership. He noted that CCB staff reviewed the agreement and found the relationship between the parties to be appropriate. Chief Staley introduced Amanda Connor and James Hammer to address questions from the board.

Ms. Connor provided a summary of the intent for the management services agreement and hope for final pre-opening inspections and said the proposal is for H&H to manage the operations as they have for other licensees.

Chair Guzmán Fralick asked if the board had any questions.

Member Durrett asked if Mr. Hammer will be managing or will hire. Mr. Hammer stated they will be managing; Ms. Connor clarified that the son will be managing. Mr. Hammer said it will mimic what is going on with the first location at Blue Diamond. Member Durrett asked about the technology. Mr. Hammer responded that there is software for e-commerce, marketing, building on mobile applications and delivery routing and that regulations in Nevada allow businesses to thrive.

Member Berry asked about the challenges with management services. Mr. Hammer said challenges exist with getting up and operational, learning to compete, learning the markets and staffing in addition to building a good culture and replicating functional SOPs.

Chair Guzmán Fralick asked for a motion.

Member Berry moved to approve **Management Services Agreement between VC Consultants LLC (RD229) and H&H Management LLC**.

Member Mazzorana seconded the motion.

Members Durrett, Merritt, and Chair Guzmán Fralick said aye.

Motion carried.

VI. **Consideration of Approval for a Conditional License for a Cannabis Consumption Lounge**

A. **Deep Roots Holdings Inc. (ACON-A22-00070)**

David Staley, Division Chief – Investigations and Enforcement provided an overview of the request for approval of a conditional license for a retail attached cannabis consumption lounge. He advised that if approved, the applicant will need to complete necessary local approvals and a final inspection from CCB's inspection and audit divisions prior to opening for business. Chief Staley noted that if approved, Deep Roots will be the only licensee to hold two retail attached consumption lounge licenses. John Marshall, COO for Deep Roots Harvest and Brian Pick were introduced and available to answer questions from the board.

Chair Guzmán Fralick asked for presentations. Mr. Marshall stated this is for a lounge attached to a dispensary and they are currently looking for a suitable location for both projects. He said they have extension of time for the dispensary license and hope both will fall in line. Mr. Marshall advised the other lounge license is in the county at the Blue Diamond location and an extension is requested because of vague odor requirements that are under analysis.

Member Durrett asked if the issue with odor control was a county issue. Mr. Marshall said it is both a state and local issue and is unclear, but he is actively working with CCB and the local building department to understand the requirements and how to address concerns regarding nuisance odors. Member Durrett asked why there is a requirement that it must be attached to the dispensary.

Executive Director Humm responded that it is a statutory requirement and those with a retail dispensary could apply and get an attached license. The others were ten independent licenses and ten social equity licenses.

Member Berry asked for clarification on precedent on nationwide odor control laws that can be utilized. Mr. Marshall said in instances where there is particular matter like dust or manufacturing byproducts there are measurable particulates, but because the issue is an odor, he is not aware of national or jurisdictional laws.

Kara Cronkhite, Division Chief of Health and Safety, said several standards on a national level are referenced and on a state level for indoor particulates, but outdoor odors are left to local jurisdictions and the air quality experts on their teams.

Brian Pick, Chief Legal Officer for Deep Roots, noted that Mr. Marshall covered the concerns and that their regulatory counsel, Lori Rogich, is working with local jurisdictions on the process between the operators and the state to reach an agreement.

Chair Guzmán Fralick asked for a motion.

Member Mazzorana moved to approve **Conditional License for a Cannabis Consumption Lounge for Deep Roots Holding Inc. (ACON-A22-00070)**

Member Berry seconded the motion.

Members Durrett, Merritt, and Chair Guzmán Fralick said aye.

Motion carried.

VII. Briefing from the Chair and Executive Director

Chair Guzmán Fralick gave kudos to the staff for making the process easy every month and welcomed Member Berry to the CCB.

Executive Director Humm advised the board that CCB's budget hearing is anticipated in early March.

Mr. Humm provided a legislative update on CCB's presentation to the legislature and summarized status on AB76, sponsored by CCB, as well as two Assembly Bills (AB149, AB203) six Senate Bills (SB25, SB41, SB81, SB157, SB168, SB198) and he noted five additional bill draft requests include provisions relating to cannabis, but language is not yet published and/or presented.

Mr. Humm said a more substantive report on the bill draft requests will be provided if the bills are heard. He reminded the board the CCB will maintain a position of neutrality on all cannabis-related legislation other than CCB's own bill.

VII. Next Meeting Date

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

IX. Items for Future Agendas

There were no matters stated for future agenda items.

X. Public Comment

Jen Guild, VP of Regulatory and Quality at Abstrax, asked the CCB to reconsider restricting terpene-based flavors to botanically derived sources. She stated that the safety of a chemical is determined by its molecular structure not its natural or synthetic origin and cited additional references to support this. Ms. Guild said that limiting terpene-based flavorings to being botanically derived hinders creativity, imposes higher costs and does not improve consumer safety in the legal market, but rather it makes the illicit market more appealing to consumers.

No additional public comment was presented during this period.

XI. Adjournment

Meeting adjourned at 10:20 a.m.