

Nevada Cannabis Compliance Board

Meeting Minutes

April 17, 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 April 17, 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 9:05 a.m. and Executive Director James Humm took roll.

Chair Guzmán Fralick, Vice Chair Durrett, Member Merritt, Member Mazzorana, and Executive Director Humm were present in Las Vegas. Member Berry was present via Zoom

Instructions to join the meeting via Zoom were read aloud.

I. Public Comment

Tara Baker, representing Ecoweed Disposal Solutions said the company is available for compliant cannabis disposal needs and provided a contact number and web address.

There were no additional in person or online comments.

Chair Guzmán Fralick advised of changes to the order of the agenda, noted in red below.

II. Consent Agenda

1. Consideration of Approval of the March 20, 2025 Meeting Minutes

2. Consideration of Approval to Extend Final Inspection Deadline to December 01, 2025, for Shanghai Lounge LLC (CLI007)

3. Consideration of Approval to Extend Final Inspection Deadline to December 01, 2025, for Wellness Connection of Nevada LLC (CLA014)

Chair Guzmán Fralick asked for a motion to approve the Consent Agenda as a single collective motion.

Member Mazzorana moved to approve Consent Agenda Items 1, 2 and 3.

Member Merritt seconded the motion.

Members Durrett, Berry and Chair Guzmán Fralick said aye.

Motion carried.

III. Request for Transfer of Interest (Removed from Agenda)

A. Premium Produce LLC (C033, P038) (TOI #2400003) internal ownership restructure.

IV. Consideration of Approval for a Conditional License for a Cannabis Consumption Lounge (Removed from Agenda)

A. The Limo Joint LLC, Independent Consumption Lounge (ACON-A22-00034)

V. Consideration of Proposed Settlement Agreement to Resolve Disciplinary Action (Heard as Agenda Item IV)

A. The Hempire Company LLC Case No. 2023-031(C184 and P120)

Senior Deputy Attorney General Emily Bordelove presented an overview of the settlement agreement as prepared by Senior Deputy Attorney General Anthony Garasi. Ms. Bordelove noted prior investigations of the dual licensee and explained that in total, four licenses were held for cultivation and production. These licenses are now combined as one cultivation adult license and one production adult use license under NRS 678B.215. Status of the receivership and ownership was provided and history of violations and summary suspension. She noted that settlement discussions took place with the receiver's counsel and licensee's counsel prior to filing a complaint. 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 payment. The agreement details the Respondent's plan of correction which was approved by CCB as a precursor to lifting summary suspensions and bringing the licenses into compliance.

Ms. Bordelove submitted the settlement agreement for consideration and introduced Receiver John Savage and Counsel Michael Cristalli.

Mr. Savage thanked the Board, counsel and staff for being collaborative rather than adversarial and said the discipline proposed is fair. He said the board is protective to the public but not punishing to the licensee.

Mr. Cristalli said that there was a management service agreement and since operations were taken over, there has been a large sum invested to restore the operations into compliance with regulations. He noted that because of the plan of correction and compliance, the licenses are out of summary suspension.

Scott Yahraus, Senior Project Manager for the Receiver, was introduced to the Board as Mr. Singer was not available.

Chair Guzmán Fralick asked if the Board had any additional questions or for a motion. Member Mazzorana moved to approve the *Consideration of Proposed Settlement Agreement to Resolve Disciplinary Action* and to adopt the settlement terms agreed upon by the parties involved.

Member Durrett seconded the motion.

Members Merrit, Berry and Chair Guzmán Fralick said aye.

Motion carried.

VI. Presentation from Brand House NV LLC (Heard as Agenda Item III)

Chair Guzmán Fralick welcomed Scot Knutson, one of three founders of Keef Brands. Mr. Knutson shared an overview of his company and background to the Board. He explained the company does not engage in direct-to-consumer shipping, only brick and mortar. He discussed the thirty-two beverage brands, concentrates, vape pens, gummies, infused pre-rolls and products offered. He discussed sales and market data, and noted the company is not solely focused on recreational use; they want to bring medical products to the market. Mr. Knutson commented that CCB staff display professionalism, and he enjoys working with them.

Member Durrett recalled a recent approval of a management service agreement and asked if there was a transfer of interest or if Brand House is a licensee. Mr. Knutson responded that a transfer will occur, and taxes owed are being paid. He anticipates issues to be resolved in June 2025 and the transfer of processing and distribution licenses will occur.

Member Durrett asked if licenses are held in other states, and if so, how many. Mr. Knutson said they operate in approximately sixteen different states, including Florida, Colorado, Arizona, and Michigan, and he provided a brief explanation of the licensing and operations.

Member Durrett asked Mr. Knutson's opinion on brand loyalty to which he replied that cannabis is not a unique product and believes while there may be brand loyalty, people are more price conscious. He said they strive to bring a valuable product that people can afford, that tastes good and has product efficacy.

Chair Guzmán Fralick commented it is necessary to partner with a liquor distributor to sell a high volume of infused drinks. Mr. Knutson named several large liquor store chains they partner with. They are not yet in Nevada because they do not want to sell against the dispensary partners until the framework is established. He concluded by stating he believes putting products in brick-and-mortar liquor stores where age is checked, and people can purchase, take it home and consume safely is best.

VII. Briefing from the Chair and Executive Director

Chair Guzmán Fralick introduced Executive Director Humm.

A. Update on Nevada's 83rd Legislative Session and CCB's BDR from Executive Director James Humm

Executive Director Humm stated for the record that per Chair Guzmán Fralick's request during the January 2025 board meeting an update will be provided each month throughout the 2025 legislative session.

Mr. Humm summarized the status on AB76, sponsored by CCB, reminding the Board the bill was presented to the Assembly Committee on Judiciary on February 12 and no fiscal impact was identified. After engaging with stakeholders and industry members, CCB submitted a substantive amendment for committee review, clarified questions and provided an additional amendment on March 18, 2025. The bill passed out of the Assembly Judiciary Committee on April 7 with a vote of 11 to 3. It moves forward for House vote.

He summarized five additional Assembly bills that made it out of the Committee and noted the dates the bills were heard, amendments, fiscal notes and status (AB149, AB203, AB307, AB308, AB504).

Chair Guzmán Fralick asked which Assembly Bill is most significant. Mr. Humm said all are significant, summarizing the purchase of each: AB149 is to partner with research institutions on data-sharing agreements, AB203 contains different concepts that would affect CCB and operations of licensees, AB307 impacts tax and tax revenues in the state of Nevada, AB308 impacts CCB Agent Card holders and allows them to hold one agent card regardless of license type, AB504 offers licensee protection. Mr. Humm stated they are all equally important and address various concerns.

Chair Guzmán Fralick asked for an update on the requested social equity liaison position. Mr. Humm responded that the position was removed from AB203, Section One due to no funding, and said numerous CCB staff work on social equity consumption lounge applications and suitability.

Member Durrett asked about the elimination of wholesale tax and the impact on the local government's tax and the share. Mr. Humm said an amendment was added to AB308 to add the distribution back to the local government.

Continuing, Mr. Humm provided an update on the nine Senate Bills CCB is watching, noting dates the bills were heard, amendments, fiscal notes and status (SB25, SB41, SB81, SB157, SB168, SB198, SB309, SB356, SB358).

Chair Guzmán Fralick, Executive Director Humm and Deputy Director Miles discussed SB41, the way CCB interacts with the Department of Taxation regarding tax permits and how it can impact possible revocation of cannabis licenses. Mr. Miles summarized how taxes and renewals were previously handled. The bill will provide a process to manage tax issues and if the tax license is not current, the cannabis license will be suspended as per regulations.

Mr. Humm advised the Board should SB198 pass, CCB will hold a workshop on pesticide regulations for board approval, and proposed regulations will go to the Legislative Counsel for final approval.

An update on CCB's budget was provided. Mr. Humm reminded the Board the budget was presented on March 14, 2025, and it was unanimously approved on April 15, 2025. Two compliance enforcement positions were removed from the budget. He provided an overview of positions requested, equipment and reclassification requests and adjustments made.

Mr. Humm thanked all CCB staff, the Legislature and Attorney General's office.

Chair Guzmán Fralick thanked Mr. Humm for his briefing.

VIII. Next Meeting Date

The Next Board Meeting is scheduled for May 15, 2025.

XI. Items for Future Agendas

There were no matters stated for future agenda items.

X. Public Comment

No additional public comment was presented during this period.

XI. Adjournment

Meeting adjourned at 10:04 a.m.