

# **Nevada Cannabis Compliance Board**

## **Meeting Minutes July 17, 2025**

The Nevada Cannabis Compliance Board (CCB) held a public meeting beginning at 9:00 a.m. on July 17, 2025, at 700 E. Warm Springs Road, Las Vegas, Nevada and 9850 Double R Boulevard, Suite 101, Reno Nevada.

### **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 and Executive Director James Humm took roll.** Chair Guzmán Fralick and Executive Director Humm were present in Reno. Member Merritt and Member Mazzorana were present in Las Vegas. Vice Chair Durrett and Member Berry were present via Zoom.

Instructions to join the meeting via Zoom were read aloud.

### **I. Public Comment**

Ron Baker, Outreach Coordinator for the Cannabis Equity and Inclusion Community expressed his concerns regarding the need for an alternative to consumption lounges. He believes dispensaries are struggling in Las Vegas because of the cost of legal cannabis and hemp stores and said residents do not want to spend money at a dispensary and go to a consumption lounge when they can smoke at home. He opined there is no innovation or true social equity program in place and stated he is unable to get a response to his questions from a CCB social equity liaison.

### **II. Consent Agenda**

- A. Consideration of Approval of the June 18, 2025 Cannabis Compliance Board Meeting Minutes
- B. Consideration of Approval to Extend Final Inspection Deadline to December 01, 2025
  - 1. Deep Roots Harvest Inc. (CLA005)
  - 2. La Lounge LLC (CLI001)

Chair Guzmán Fralick asked for a motion and suggested two separate motions be made: one for Item A *Approval of the June 18, 2025 Cannabis Compliance Board Meeting Minutes* and one for Item B *Consideration of Approval to Extend Final Inspection Deadline for CLA005 and CLI001* changing the deadline from December 1, 2025 to July 1, 2026.

Member Merritt moved to approve Consent Agenda A as read, with stated changes to Item B. Member Berry seconded the motion. All Members said aye. Motion carried.

### **III. Consideration of Proposed Settlement Agreement to Resolve Disciplinary Action**

#### **A. Greenway Health Community LLC (P097) (Case No. 2025-001)**

Chair Guzmán Fralick asked for a presentation.

Senior Deputy Attorney General L. Kristopher Rath provided an overview of the facility, its compliance history and a previous complaint filed in 2023 for a 2022 audit. The current proposed complaint stems from a lack of cooperation by the facility with CCB agents and failures to submit required inventory and sales report. Mr. Rath provided additional details regarding the number of reports submitted, delayed or ignored responses to CCB inquiries and the pattern of obstruction and non-compliance. An overview of the terms of the settlement agreement was provided and Mr. Rath introduced the respondent and council.

Alicia Ashcraft and Daniel Caravette were available to answer questions. Ms. Ashcraft said the concerns are corrected and the facility hired a consultant to ensure continued compliance.

Member Mazzorana asked for the root cause of the problem.

Mr. Caravette said trust was placed in an employee who did not do what was required, and the employee was subsequently removed.

Member Berry asked when audits are due and for the length of probation.

Mr. Rath responded audit reports are due quarterly, and the probation term is two years.

Chair Guzmán Fralick asked for additional questions or for a motion.

Member Mazzorana moved to approve the proposed settlement agreement with Greenway Health Community LLC, case number 2025-001 (P097).

Member Merritt seconded the motion. All Members said aye. Motion carried.

**B. Vireo Growth Inc., Caliente Partners Group LLC and DB Processing LLC (C201, P132)  
(Case No. 2025-009)**

Senior Deputy Attorney General Allison Herr introduced council Lori Rogich and Jared Kahn of Caliente Partners Group (CPG) / DB Processing and noted additional representatives were present to answer questions from the board. Ms. Herr presented an overview of the proposed settlement agreement and said a request for transfer of ownership will be addressed by Chief David Staley.

Significant violations and compliance issues were identified between June 2023 and June 2025 for which letters of deficiency were issued. Ms. Herr summarized the violations and stated the Attorney General's office was most concerned with unlicensed workers under the age of twenty-one and for the multiple security failures, including obstructed surveillance. She emphasized that the Attorney General's office seeks to underscore the critical importance of robust oversight in licensed owners to ensure they are accountable and uphold statutory responsibilities.

Lori Rogich spoke on behalf of Vireo Health of Nevada, MJ Distributing. Ms. Rogich said they will focus on implementing corrective measures, being accountable and transparent and meeting the highest standards of regulatory compliance. She assured the board the merger between Vireo and Deep Roots will strengthen the ability to meet regulatory requirements.

Ms. Rogich introduced Tyson Macdonald, CFO for Vireo Health; John Mazarakis, CEO and Amber Shimpa, President of Vireo Health.

Mr. Kahn addressed the board and acknowledged the problems and violations, explained the funds put into the operation and how the production will help the industry. He noted original operations in Oregon and Washington had different regulatory requirements and said there will be a full-time compliance officer at the facility to ensure no more issues occur.

Chair Guzmán Fralick said the deficiencies are serious and very concerning. She expressed appreciation for the growth of the property and its location, and hopes the on-site compliance officer will help, resulting in a successful operation.

Member Durrett asked Vireo's position.

Mr. Macdonald responded that Vireo entered into an agreement to sell the licenses and relied on a management services agreement to transfer control while waiting for approval. During this period, necessary contractual oversight was not retained resulting in deficiencies.

Member Durrett acknowledged that Deep Roots is considered a leader in compliance and development, and Vireo needs to achieve the same reputation since they hold multiple licenses. Ms. Durrett asked if there will be a future check-in.

Chair Guzmán Fralick clarified and asked Ms. Herr if a provision exists in the settlement agreement requiring a check-in by Caliente Partners Group to submit a progress report.

Ms. Herr said the settlement agreement does not include those terms although it is common to do so, and added this instance is unusual because the settlement is occurring in the middle of a sale. The party responsible is Vireo, but they will transfer out. Once Vireo resolves a co-location issue they will move to new ownership and Caliente will be subject to more frequent audits because they are entering at a higher risk level.

Member Berry said he would like stronger language regarding oversight and sanctions and asked what would happen if this was decided on a future agenda.

Member Mazzorana asked if an approval of the settlement agreement could include a condition of risk-based reviews, to be conducted on a quarterly basis. Ms. Herr said it is permitted and Member Berry said that would assist his decision.

Member Durrett asked why Vireo is not a party to the settlement agreement. Ms. Herr clarified that Vireo is a party to the settlement agreement, written in the name of MJ Distributing because that is the license holder specified in the agreement.

Chair Guzmán Fralick asked for additional questions or for motion. Member Durrett said she would like to have a review after six months; Chair Guzmán Fralick agreed. Ms. Herr said the Attorney General's office can place it on the agenda in six months for review and update.

Chief Staley said structuring the motion with a condition as a potential approval may determine the direction of the transfer of interest.

Chair Guzmán Fralick asked for a motion. Member Berry moved to approve the proposed settlement agreement for Vireo Growth and Caliente Partners Group and DB Processing T201, P132 and to approve. Member Mazzorana seconded the motion. All Members said aye. Motion carried.

## V. **Requests for Transfer of Interest**

David Staley, Division Chief – Investigations and Enforcement, presented the transfers of interest.

### **A. Vireo Growth Inc. (C201, P132) (TOIs #2200042, #2200042A and #2400026) transferring license C201 to Caliente Partners Group LLC and P132 to DB Processing LLC.**

Chief Staley stated TOIs 2200042, 2200042A and 2400026 request approval for Caliente Partners Group (CPG) to purchase Vireo Growth's cultivation license (C201) and for DB Processing to purchase Vireo Growth's production license (P132). Mr. Staley noted a modification to Vireo's current operations is needed so Caliente Partners and DB Processing can operate separate licenses on the same parcel of land where Vireo's cultivation is operating.

Mr. Staley advised CPG will request approval, and local approval is needed prior to TOI completion. Vireo requested a waiver of NCCR 5.110 pursuant to 5.112 for transfers of interest less than 5%. CCB staff suggests that if approved, the board limit such waivers to expire on the next TOI agenda date.

Mr. Staley discussed the management services agreement process, stating it was developed to provide purchasers with the opportunity to run operations in a compliant manner before completing the purchase of a license. He advised the board that an area of concern was developed: C201 and P132 received numerous statements of deficiency between May 2024 and May 2025. A management services agreement was reviewed by the board in 2023; this permitted CPG to operate C201 and P132. All statements of deficiency are related to CPG's operation of Vireo's licenses, and DB Processing was not involved in any of these deficiencies.

Caliente Partners requests approval to purchase C201. The concern involves CPG's ability to run C201 in a compliant manner based on the previous sixteen months and multiple statements of deficiency. Mr. Staley introduced Jared Khan, Hasmik Jorgenson, Michael Cook and Doranna Buxton.

Chair Guzmán Fralick restated that Vireo Growth owns a cultivation and production license and is requesting to transfer the cultivation license to CPG and the production license to DB Processing LLC. Both entities are co-located on the same piece of land. The board will need to approve a conditional license to separate the co-location so this can be approved by government.

Lori Rogich spoke on behalf of Vireo Health of Nevada 1 and MJ Distributing. Ms. Rogich clarified that Vireo Health is doing the transfer of interest to CPG and DB Processing and that Vireo is prepared to answer questions from the board.

Jared Kahn for CPG and DB Processing greeted the board and introduced Michael Cook and Doranna Buxton. Mr. Kahn provided a summary of CPG's sales and taxes paid to the state of Nevada and assured the board that all compliance issues will be resolved. He said a new site plan is in development for co-locating the two entities: separate buildings with separate entrances and security. He stated his belief that approval will be granted by the city of Caliente in August 2025. Mr. Kahn said CPG is willing to adhere to any conditions imposed by the board to ensure the facility operates in compliance.

Member Mazzorana asked if the employees will be shared by both entities.

Mr. Kahn said there are approximately 27 employees for the facility, 18 will be transferred to processing and nine or ten will be in cultivation, along with temporary workers who work during harvest.

Member Durrett asked if the employees are local to the area. Mr. Kahn said most are local and some relocated from Las Vegas. Michael Cook, of CPG, invited the board to see the facility to understand what they are doing.

Chair Guzmán Fralick reminded the board that conditions were discussed regarding oversight, high risk for audit review and conditions regarding separating the buildings and asked for a motion. Member Mazzorana moved to approve the transfer of interest proposed under agenda item V A, with these conditions: risk-based reviews quarterly or as needed, and the facilities are separated with no merging of staff or operations.

Chair Guzmán Fralick asked to hear from DB Processing prior to vote. Jared Kahn introduced Doranna Buxton. Ms. Buxton greeted the board and provided a brief overview of her background.

Chair Guzmán Fralick returned to the motion.

Member Merritt seconded the motion. All Members said aye. Motion carried.

**B. Strive Wellness of Nevada LLC (C206, P131) (TOI #24001) transferring licenses C206 and P131 to PMG HC, LLC, East Betty NV OPCO, LLC.**

Chief Staley stated TOI 24001 requested approval for Strive Wellness of Nevada LLC (Strive) to sell its cultivation license (C206) and production license (P131) to East Betty NV OpCo LLC (East Betty). Mr. Staley provided background on the operation and locations of East Betty and that it is a subsidiary of PMG HC LLC. He noted that PMG requested a waiver of NCCR 5.110 pursuant to 5.112 for transfers of interest less than 5%, and CCB staff suggests that if approved, the board limit such waivers to expire on the next TOI agenda date.

Mr. Staley advised an area of interest developed due to Strive licenses being purchased by Item 9 Labs Corp. during 2018 through 2020, and that PMG acquired the right to purchase during the receivership in Arizona. This was not identified as an area of concern however, because the sale of the licenses fulfilled the requirement of a July 2023 stipulated settlement agreement. Mr. Staley introduced Melissa Waite, Robert Sechrist, Daniel Leimel, Lawrence Lemons, Donald Burton and Sara Gullickson to answer questions.

Member Durrett disclosed prior involvement with related parties and stated she will abstain from this matter.

Melissa Waite, of Dickinson Wright, representing East Betty, introduced the transferee Daniel Leimel, Robert Sechrist and Henry Miller, managing director. She noted the two involved licenses are for a non-operational facility and her clients look forward to getting the facility up and running. She thanked Investigator Adams for her work on the application.

Chair Guzmán Fralick recalled this transfer started some time ago and asked for clarification on the entities involved.

Ms. Waite stated that PMG HC LLC is the entity that owns East Betty as well as several entities in other markets in Arizona, Michigan and California.

Donald Burton, representing Strive, said it was not clear how the matter progressed due to continuing issues regarding the members. He said he contacted CCB and believes the obligation is not yet satisfied. Mr. Burton stated for the record that the original license for Strive Wellness and the original license holder signed an agreement with CCB which required surrendering or transferring the license, noting this is not the entity they agreed to transfer to. He requested an opportunity to learn what the transferee's intentions are and how they plan to move forward and asked for the matter to be tabled until the next board meeting. Mr. Burton reiterated he was against the transfer at the beginning and remains against it now.

Chair Guzmán Fralick asked if he was an original owner; Mr. Burton replied affirmatively. Chief Staley said the two licenses were owned by Item 9 and pursuant to the receivership in Arizona, the rights to purchase were provided by the court to PMG HC LLC.

Ms. Waite said Sara Gullickson is the current point of contact for the license and one of the three original owners of Strive Wellness, Mr. Burton unconditionally surrendered interest in writing to CCB and requirements for transfer were met.

Mr. Burton stated there was a condition to surrender; it was necessary to surrender or transfer the license and no agreement was made with the new entity. He surrendered interest to Item 9. The company went bankrupt and was unable to fulfill requirements. He does not agree with the current transfer without understanding why it continues to proceed after multiple unanswered requests.

Mr. Staley asked Senior Deputy Attorney General Rath to comment and said all members and managers were required to sign the application, and Mr. Burton was unwilling to do so. Mr. Lemons and Ms. Gullickson followed requirements and voted Mr. Burton out as a managing member and all requirements of the transfer were met by the seller and buyer.

Mr. Rath said the original settlement agreement was with the Harvest Foundation and its three owners. The agreement stated a transfer of interest would be submitted within 180 days and was signed by all parties. The initial TOI was incomplete, and the investigations team proceeded.

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

Member Merritt asked for clarification on the limited liability document and Mr. Burton's statement that he was voted out as a member. Mr. Staley clarified that Mr. Burton remains a member of Strive Wellness LLC, but the other two managing members voted that he would no longer be a managing member because it appeared he was withholding his signature from the Strive transfer of interest. He stated that documents were completed appropriately and reviewed by the investigation agents.

With no motion from the board, Chair Guzmán Fralick moved to approve the transfer of licenses C206 and P131 from Strive Wellness LLC to PMG HC LLC East Betty Nevada OpCo LLC. Member Berry seconded the motion. Member Durrett abstained. Member Mazzorana said aye, Member Merritt opposed. Motion carried.

**C. Nevada Wellness Center, LLC (D009) and Nevada Wellness Center West LLC (RD505) (TOI # #2400043 and #2400043A) for proposed internal ownership restructuring**

Chief Staley presented TOIs 2400043 and 2400043A requesting approval for the internal transfer of a portion of ownership in Nevada Wellness and Nevada Wellness Center West from Andre Rhodes to Frank Hawkins, with a request for waiver of NCCR 5.110 pursuant to 5.112 for transfer of interest less than 5%, and CCB staff suggests that if approved, the board limit such waivers to expire on the next TOI agenda date. Mr. Staley noted no areas of concern were developed during the investigation and introduced Frank Hawkins and Andre Rhodes.

Member Merritt disclosed that Mr. Hawkins is a client of the company for which she works and with discussion with Chief Deputy Attorney General Rosalie Bordelove, Member Merritt stated she will abstain from voting on this matter. Ms. Bordelove added that the abstention reduces the number of votes required.

Chair Guzmán Fralick welcomed Mr. Hawkins; Mr. Rhodes was not present. Mr. Hawkins greeted the board and said his business is the only wholly owned African-American dispensary in the state and thanked the board for consideration of the TOI request. Chair Guzmán Fralick expressed her appreciation for the example set in the community and asked for additional questions or comments from the board.

Member Durrett thanked the owners and said they are a great company and very involved in the community.

Chair Guzmán Fralick asked for a motion.

Member Mazzorana moved to approve the transfer of interest for proposed internal ownership restructuring under agenda item V C with waiver of NCCR 5.112 set to expire on the next TOI agenda date.

Member Berry seconded the motion. Member Merritt abstained. Member Durrett, Member Mazzorana and Chair Guzmán Fralick said aye. Motion carried.

Chair Guzmán Fralick **reopened agenda item V A** to amend the motion to include waiver of NCCR 5.112.

The original motion made by Member Mazzorana moved to approve the transfer of interest proposed under agenda item V A, with the conditions: risk-based reviews quarterly or as needed, and that the facilities are separated with no merging of staff or operations.

Member Mazzorana moved to include that Vireo's request for waiver of NCCR 5.110 pursuant to 5.112 will be limited to expire on its next TOI agenda date.

Member Berry seconded the motion. All Members said aye. Motion carried.

Chair Guzmán Fralick **reopened agenda item V B** to amend the motion to include waiver of NCCR 5.112.

The original motion made by Chair Guzmán Fralick moved to approve the transfer of licenses C206 and P131 from Strive Wellness LLC to PMG HC LLC East Betty Nevada OpCo LLC.

Member Mazzorana moved to include PMG HC LLC East Betty Nevada OpCo LLC's request for waiver of NCCR 5.110 pursuant to 5.112 will be limited to expire on its next TOI agenda date.

Member Merritt seconded the motion. All Members said aye. Motion carried.

**D. Wellness Connection of Nevada LLC (C167, P109, D190, RD633, CLA014)  
(TOIs # 2400063 and #2500002) for proposed internal ownership restructuring**

Chief Staley stated TOI 2400055 requests approval for Jodie Ghanem and Nick Hice to transfer their membership to existing Wellness Connection members with a request for waiver of NCCR 5.110 pursuant to 5.112 for transfers of less than 5%. CCB staff suggests limiting the waiver to expire on the next TOI agenda date. Mr. Staley noted no areas of concern were developed during the investigation and introduced Melissa Waite, Robert Lally, Thomas McKennie and Christopher Nevan.

Melissa Waite, representing Wellness Connection of Nevada, greeted the board and introduced Robert Lally.

Chair Guzmán Fralick asked for comments, questions or a motion.

Member Mazzorana moved to approve the transfer of interest for proposed internal ownership restructuring under agenda item V D with waiver of NCCR 5.110 pursuant to NCCR 5.112 set to expire on the next TOI agenda date.

Member Berry seconded the motion. All Members said aye. Motion carried.

**E. Nabisix, LLC (T002, T079) (Addendum to TOI #2500006) Request for Waiver of NCCR 5.110 pursuant to NCCR 5.112**

Chair Guzmán Fralick noted that Item E is a housekeeping item and asked Chief Staley to provide a recap.

Chief Staley reminded the board this item is an addendum to TOI application 2500006, approved without waiver of NCCR 5.110 pursuant to NCCR 5.112 at the March 20, 2025, board meeting. CCB staff suggests limiting the waiver to expire on the next TOI agenda date. Mr. Staley noted no areas of concern were developed during the investigation and introduced Alicia Ashcraft to answer any questions.

Chair Guzmán Fralick asked for comments, questions or a motion.

Member Mazzorana moved to approve the transfer of interest for proposed internal ownership restructuring under agenda item V E waiver of NCCR 5.110 pursuant to NCCR 5.112 set to expire on the next TOI agenda date.

Member Berry seconded the motion. All Members said aye. Motion carried.

- VI. Briefing from the Chair and Executive Director  
Chair Guzmán Fralick commended CCB for positive press reports received on the “Buy Legal” digital campaign and congratulated Vice Chair Durrett on a Forbes article on gaming and cannabis. <https://www.forbes.com/sites/roberthoban/2025/06/30/come-on-boys--gamble-roll-those-laughing-bonescan-gaming-cannabis-co-exist-in-nv/>

Executive Director Humm thanked the chair and staff and acknowledged there were complicated issues on the agenda. He extended special thanks to Chief Staley and his team and to the Attorney General’s team for providing guidance on the issues.

Mr. Humm reported that questions have arisen following the 83<sup>rd</sup> Legislative Session and announced that CCB will release guidance on some items. Additionally, industry-wide training will be provided to address questions. He said multi-agency work is required to develop cross-agency functionality.

He noted the regulation workshop process will begin in the fall, adhering to guidelines, with public input as per the regulatory process.

- VII. Next Meeting Date  
The next Board meeting date is scheduled for August 21, 2025

- X. Items for Future Agendas  
Chair Guzmán Fralick noted that board members could submit items for future agendas.

- XI. Public Comment  
Ron Baker commented that meeting topics have been TOIs and disciplinary actions and said dispensary parking lots remain empty, indicating the cannabis industry is declining. He said any disciplinary action will result in the same thing happening over and over again. Mr. Baker suggested state-regulated dispensaries and consumption lounges.

- XII. Adjournment  
Meeting adjourned at 11:00 a.m.