

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

3 STATE OF NEVADA, CANNABIS
4 COMPLIANCE BOARD,

Case No. 2026-004

5 Petitioner,

6 vs.

7 H & K Growers Corp (C197),

8 Respondent.
9

10
11 **COMPLAINT FOR DISCIPLINARY ACTION**

12 The Cannabis Compliance Board of the State of Nevada (the "CCB"), by and through counsel,
13 Aaron D. Ford, Attorney General of the State of Nevada, and Anthony T. Garasi, Esq., Senior Deputy
14 Attorney General, having a reasonable basis to believe that Respondent H & K Growers Corp, Cannabis
15 Establishment Identification No. C197 (herein "Respondent") has violated provisions of Chapters 678A
16 through 678D of the Nevada Revised Statutes ("NRS"), and the Nevada Cannabis Compliance
17 Regulations ("NCCR"), hereby issues its Complaint, stating the CCB's charges and allegations as
18 follows:

19 **Jurisdiction**

20 1. During all relevant times mentioned in this Complaint, Respondent held, and currently
21 holds, the following cannabis license:

22 ID	License	Expiration Date	Address
23 C197	Cultivation	December 31, 2026	[REDACTED]
	[REDACTED]		

24
25 2. During all relevant times mentioned in this Complaint, Respondent is and was registered
26 as a Domestic Corporation in the State of Nevada. The Nevada Secretary of State lists the officers of
27 Respondent as Sheri Hartgrove (Director and Treasurer) and Craig Hargrove (President and Secretary).
28 Amber Konakis is Respondent's point of contact with the CCB.

1 **B. 2024 Inspection**

2 8. Board Agents Derek Entz (“Agent Entz”) and Nataliya Wood (“Agent Wood”)
3 (collectively “2024 Inspection Board Agents”), initiated an annual, routine inspection of Respondent’s
4 Facility at 1151 Industrial Rd. E., Wells, NV, 89835 on or about October 16, 2024.

5 9. During the 2024 inspection, 2024 Inspection Board Agents further observed all hand sinks
6 throughout the facility, including in the restrooms, were not properly stocked with soap and/or paper
7 towels, in violation of NCCR 6.095. Further, 2024 Inspection Board Agents observed that the sanitizer
8 test stripes at the 3-compartment sink were expired, and no other test strips were available in violation of
9 NCCR 9.055(5).

10 10. During the 2024 inspection, 2024 Inspection Board Agents further observed Respondent
11 using multiple sifters/strainers to separate cannabis which had not been approved by the Board and were
12 found to not be made from appropriate materials, in violation of NCCR 10.040(1).

13 **C. 2025 Audit**

14 11. Board Agents Derek Entz (“Agent Entz”) and Marvin Taylor (“Agent Taylor”)
15 (collectively “2025 Audit Board Agents”), initiated an annual, routine audit of Respondent’s Facility at
16 1151 Industrial Rd. E., Wells, NV, 89835 on or about February 5, 2025. As part of the routine audit
17 process, a field audit and inspection were conducted on April 8, 2025.

18 12. During the 2025 audit, 2025 Audit Board Agents observed Kikumoto still had failed to
19 obtain and possess a cannabis establishment agent registration card for a cannabis executive, in violation
20 of NCCR 5.130(1) & (2) and NCCR 6.087(2)(a). *This was a repeat violation from the 2024 Audit.*

21 **D. 2025 Inspection**

22 13. Board Agents Derek Entz (“Agent Entz”) and Nataliya Wood (“Agent Wood”)
23 (collectively “2025 Inspection Board Agents”), initiated follow-up inspection of Respondent’s Facility
24 at 1151 Industrial Rd. E., Wells, NV, 89835 on or about March 26, 2025.

25 14. During the 2025 inspection, 2025 Inspection Board Agents observed multiple hand sinks
26 throughout the facility, including in the restrooms, were still not properly stocked with soap and/or paper
27 towels in violation of NCCR 6.095. *This was a repeat violation from the 2024 Inspection.*

28 ...

1 15. During the 2025 inspection, 2025 Inspection Board Agents further observed the hand sink
2 the main hallway did not have hot water in violation of NCCR 6.090, NCCR 6.092, NCCR 6.095, and
3 NCCR 9.050.

4 16. During the 2025 inspection, 2025 Inspection Board Agents further observed Respondent
5 using the same metal wire to strain cannabis from the prior inspection, which had still not been approved
6 by the Board and was found to not be made from appropriate materials, in violation of NCCR 10.040(1).
7 *This was a repeat violation from the 2024 Inspection.*

8 **E. Transfer of Interest Applications**

9 17. On December 16, 2021, Respondent submitted two separate Transfer of Interest
10 Applications. These applications were together assigned Transfer of Interest (herein "TOI") #21070 by
11 the CCB.

12 18. The initial application requested submitted on December 16, 2021, the CCB approve a
13 transfer of 15% of Kikumoto's interest in the company to PATDAN, LLC.

14 19. Respondent at the same time submitted a second Transfer of Interest Application
15 amending the above request and requesting to transfer 35% of Kikumoto's interest in the company: 15%
16 transferring to PATDAN, LLC and the additional 20% transferring to current owner Sheri Hartgrove.

17 20. TOI #21070 was assigned initially to Board Agent Monique Peden ("Agent Peden") in
18 September 2022, was later reassigned to Board Agent Leslie Crumb ("Agent Crumb") in September 2024
19 (when Agent Peden left her employment with CCB), then finally to Board Agent Jesse Mosley ("Agent
20 Mosley") in October 2024 (when Agent Crumb left her employment with CCB) (collectively "TOI Board
21 Agents").

22 21. As part of the application process, the TOI Board Agents made numerous requests to
23 Respondent between the time of the TOI #21070's submittal and the time of service of this Complaint
24 requesting documents necessary to process and evaluate TOI #21070 pursuant to Nevada law including
25 but not limited to NCCR 5.110.

26 22. In discussions with CCB in submitting a Plan of Correction to the 2025 Audit discussed
27 above, Respondent confirmed a "new transfer of interest application will be filed with the CCB by July
28 1st" to alleviate the need for Kikumoto to obtain a cannabis establishment agent registration card for a

1 cannabis executive.” Respondent failed to follow through on submitting the “new” TOI application as
2 well as having Kikumoto obtain a cannabis establishment agent registration card for a cannabis executive.

3 23. Respondent failed to submit necessary information to the Board in a timely fashion in
4 violation of NCCR 5.110(13).

5 Violations of Law

6 24. CCB incorporates all prior Paragraphs as though fully set forth herein.

7 25. As to License C197, with respect to Respondent Owner Mr. Kikumoto’s failure to obtain
8 and possess a cannabis establishment agent registration card for a cannabis executive, Respondent
9 violated NCCR 5.130(1) & (2), NCCR 6.087(2)(a) and NCCR 4.040(1)(5), as fully detailed in Paragraphs
10 7, 12, and 22 above. The foregoing acts and omissions constitute one Category II violation, which carries
11 a civil penalty of not more than \$20,000 and a suspension for not more than 20 days. NCCR
12 4.040(2)(a)(1). The CCB seeks a civil penalty for this violation of \$20,000.00 but no suspension of
13 operations.

14 26. As to License C197, with respect to Respondent’s failure to maintain its sinks in a
15 compliant matter, Respondent violated NCCR 9.055(5), NCCR 6.090, NCCR 6.092, NCCR 6.095,
16 NCCR 9.050, and NCCR 4.055(1)(10), as fully detailed in Paragraphs 9, 14, and 15 above. The foregoing
17 acts and omissions constitute one Category IV violation, which carries a civil penalty of not more than
18 \$5,000. NCCR 4.055(2)(a)(1). The CCB seeks a civil penalty for this violation of \$5,000.00.

19 27. As to License C197, with respect to Respondent using unapproved sifters/strainers to
20 separate cannabis which were found to not be made from appropriate materials, Respondent violated
21 NCCR 10.040(1) and NCCR 4.060(1)(6), as fully detailed in Paragraphs 10 and 16 above. The foregoing
22 acts and omissions constitute one Category V violation, which carries a civil penalty of a formal warning.
23 NCCR 4.060(2)(a)(1). The CCB seeks a formal warning for a civil penalty for this violation.

24 28. As to License C197, with respect to Respondent failing to properly respond to a Board or
25 Board Agent’s request for documentation, information, video, or other records, Respondent violated
26 NCCR 5.110(13) and 4.055(1)(a)(14), as fully detailed in Paragraphs 17-23 above. The foregoing acts
27 and omissions constitute one Category IV violation, which carries a civil penalty of \$5,000.00. NCCR
28 4.055(2)(a)(1). The CCB seeks a civil penalty for this violation of \$5,000.00.

1 **DISCIPLINE AUTHORIZED**

2 The provisions of NRS 678A.600 and 678A.610³, NCCR 4.020, 4.030, 4.035 through 4.060, and
3 5.100, authorize the CCB has to impose the following disciplinary actions:

- 4 1. Revoke the cannabis cultivation license of Respondent;
- 5 2. Suspend the cannabis cultivation license of Respondent;
- 6 3. Impose a civil penalty of not more than \$20,000 for each separate violation of NRS Title
7 56 and the NCCR on the cannabis cultivation license of Respondent; and/or
- 8 4. Take such other disciplinary action as the CCB deems appropriate.

9 The CCB is authorized to order one or any combination of the discipline described above.

10 **RELIEF REQUESTED**

11 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose civil penalties
12 against Respondent in the amount of \$30,000, as well as a formal warning, pursuant to NCCR
13 4.060(2)(a)(1). Counsel for the CCB does not request the Board issue a suspension or revocation of
14 license C197 for the violations alleged in this Complaint.

15 **NOTICE TO RESPONDENT**

16 **PLEASE TAKE NOTICE**, that Respondent has a right to request a hearing on the charges set
17 forth herein, pursuant to NRS 678A.510 through 678A.610⁴. **Failure to demand a hearing constitutes**
18 **a waiver of the right to a hearing, the right to request a review of the decision or order of the**
19 **hearing officer by the Board and the right to judicial review of any decision of the Board. NRS**
20 **678A.520(5)(e)⁵.**

21 **PLEASE TAKE NOTICE**, you, as the Respondent, **must answer this Complaint within 21**
22 **days after service of this Complaint**, unless granted an extension under NRS 678A.520(4)⁶. Pursuant
23 to NRS 678A.520(5)⁷, in the answer Respondent:

- 24 (a) Must state in short and plain terms the defenses to each claim asserted.
- 25 (b) Must admit or deny the facts alleged in the complaint.

26
27 ³ As amended by Nev. Assemb. B. 76, §§5-6 and §§ 22-23, 83d Leg., Reg. Sess. (2025).

28 ⁴ As amended by Nev. Assemb. B. 76, §§5-6 and §§ 14-23, 83d Leg., Reg. Sess. (2025).

⁵ As amended by Nev. Assemb. B. 76, §15, 83d Leg., Reg. Sess. (2025).

⁶ As amended by Nev. Assemb. B. 76, §15, 83d Leg., Reg. Sess. (2025).

⁷ As amended by Nev. Assemb. B. 76, §15, 83d Leg., Reg. Sess. (2025).

1 (c) Must state which allegations the respondent is without knowledge or information form a
2 belief as to their truth. Such allegations shall be deemed denied.

3 (d) Must affirmatively set forth any matter which constitutes an avoidance or affirmative defense.

4 (e) May demand a hearing. **Failure to demand a hearing constitutes a waiver of the right to
5 a hearing, the right to request a review of the decision or order of the hearing officer by the
6 Board and the right to judicial review of any decision of the Board.**

7 **Failure to answer or to appear at the hearing, if Respondent has demanded a hearing,
8 constitutes an admission by the respondent of all facts alleged in the Complaint. The hearing officer
9 may take action based on such an admission and on other evidence without further notice to the
10 respondent. NRS 678A.520(7)⁸.**

11 Upon receipt of an answer demanding a hearing or the expiration of the time to answer the
12 complaint, the Board shall assign the matter to a hearing officer. NRS 678A.520(6)⁹. The hearing officer
13 shall determine the time and place of the hearing as soon as is reasonably practical after receiving the
14 Respondent's answer. The hearing officer shall deliver or send by registered or certified mail, or by
15 electronic means, a notice of hearing to all parties at least 10 days before the hearing. The hearing must
16 be held within 120 days after receiving the respondent's answer unless an expedited hearing is determined
17 to be appropriate by the Executive Director or the Board, in which event the hearing must be held as soon
18 as practicable. NRS 678A.520(8)¹⁰. The hearing officer may grant one or more extensions to the 120-
19 day requirement pursuant to the request of a party or an agreement by both parties. *Id.*

20 Respondent's Answer and Request for Hearing must be either: mailed via registered mail, return
21 receipt; or emailed to:

22 James Humm, Executive Director
23 Cannabis Compliance Board
24 700 East Warm Springs Road, Ste. 100
25 Las Vegas, Nevada 89119
26 jhummm@ccb.nv.gov

27 ...

28 ...

⁸ As amended by Nev. Assemb. B. 76, §15, 83d Leg., Reg. Sess. (2025).

⁹ As amended by Nev. Assemb. B. 76, §15, 83d Leg., Reg. Sess. (2025).

¹⁰ As amended by Nev. Assemb. B. 76, §15, 83d Leg., Reg. Sess. (2025).

1 If served by email, Respondent must ensure that it receives an acknowledgement of receipt email
2 from CCB as proof of service. Respondent is also requested to email a copy of its Answer and Request
3 for Hearing to the Senior Deputy Attorney General listed below at agarasi@ag.nv.gov.

4 As the Respondent, you are specifically informed that you have the right to appear and be heard
5 in your defense, either personally or through your counsel of choice at your own expense. At the hearing,
6 the CCB has the burden of proving the allegations in the Complaint by a preponderance of the evidence.
7 NCCR 4.120; NRS 233B.0375. The CCB will call witnesses and present evidence against you. You have
8 the right to respond and to present relevant evidence and argument on all issues involved. You have the
9 right to call and examine witnesses, introduce exhibits, and cross-examine opposing witnesses on any
10 matter relevant to the issues involved.

11 You have the right to request that the CCB issue subpoenas to compel witnesses to testify and/or
12 evidence to be offered on your behalf. In making this request, you may be required to demonstrate the
13 relevance of the witness's testimony and/or evidence.

14 If, pursuant to NCCR 4.070(5), the Respondent does not wish to dispute the charges and
15 allegations set forth herein, within 30 days of the service of this Complaint, Respondent shall provide
16 notice to the CCB that it will pay the requested civil penalties set forth above in the total amount of
17 \$30,000.00. Said notice shall be sent to:

18 James Humm, Executive Director
19 Cannabis Compliance Board
20 700 East Warm Springs Road, Ste. 100
Las Vegas, Nevada 89119


21 Upon such notice, Respondent shall be provided specific payment instructions and the deadline
22 for such payment.

23 Respondent is further notified and informed that, pursuant to NRS 678A.645, Respondent,
24 individually or through counsel, may, at any time, enter into settlement negotiations to potentially resolve
25 this matter via a settlement agreement, subject to Board approval. Should Respondent desire to attempt
26 to resolve this matter via a settlement agreement, Respondent (or its counsel, if Respondent is
27 represented) should contact the Senior Deputy Attorney General listed below via email at
28 agarasi@ag.nv.gov.

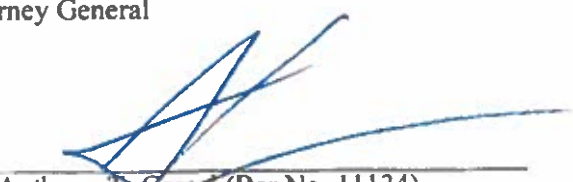
1 YOU ARE HEREBY ORDERED to immediately cease the continuation or repeated occurrence
2 of the violations described above which are a violation of Nevada law.

3 DATED this 19th day of March, 2026.

4 STATE OF NEVADA, CANNABIS COMPLIANCE BOARD

5
6 By: 
7 James Humm, Executive Director
8 Cannabis Compliance Board
9 700 East Warm Springs Road, Ste. 100
Las Vegas, Nevada 89119

10
11 AARON D. FORD
Attorney General

12
13 By: 
14 Anthony T. Garasi (Bar No. 11134)
15 Senior Deputy Attorney General
16 1 State of Nevada Way, Suite 100
Las Vegas, Nevada 89119
17 Attorneys for the Cannabis Compliance Board

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JOE LOMBARDO
Governor

CANNABIS COMPLIANCE BOARD STATE OF NEVADA

ccb.nv.gov
CARSON CITY OFFICE
3850 Arrowhead Drive, Suite 100
Carson City, Nevada 89706
Main Line: (775) 687-6299

LAS VEGAS OFFICE
700 East Warm Springs Road, Suite 100
Las Vegas, Nevada 89119

Michael Miles
Executive Director

Ondra Berry, *Chair*

CERTIFICATE OF SERVICE

I hereby certify that I am an employee of the Cannabis Compliance Board and I have this day served the foregoing Complaint for Disciplinary Action upon the addressee as follows:

Electronic Mail:
katie@kmlawnv.com

Certified Mail:
Katie McConnell
950 Idaho Street,
Elko, NV 89801

Dated at Las Vegas, Nevada, this 11th day of May, 2026.

A handwritten signature in black ink that reads "Amber Powell".

Amber Powell, Executive Assistant