

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

3
4 STATE OF NEVADA, CANNABIS
COMPLIANCE BOARD,

Case No. 2021-40

5 Petitioner,

6
7 vs.

8 NLVG, LLC,



9 Respondent.

10 **COMPLAINT FOR DISCIPLINARY ACTION**

11 The Cannabis Compliance Board of the State of Nevada (the "CCB"), by and through
12 counsel, Aaron D. Ford, Attorney General of the State of Nevada, L. Kristopher Rath, Esq.,
13 Senior Deputy Attorney General, and Ashley A. Balducci, Esq., Senior Deputy Attorney
14 General, having a reasonable basis to believe that Respondent NLVG, LLC ("NLVG" or
15 "Respondent") has violated provisions of Chapters 678A through 678D of the Nevada
16 Revised Statutes ("NRS"), and the Nevada Cannabis Compliance Regulations ("NCCR"),
17 hereby issues its Complaint, stating the CCB's charges and allegations as follows:

18 **JURISDICTION**

19 1. During all relevant times mentioned in this Complaint, NLVG held, and
20 currently holds, the following licenses and certificates:

21 ID	22 License/Certificate	23 Last Issued / Renewed	24 Address
C155	25 Medical Cultivation 52840251420805492332	7/1/2021	
RC155	26 Adult-use Cultivation 33612007165240494267	7/1/2021	

27 2. During all relevant times mentioned in this Complaint, NLVG is and was
28 registered as a Domestic Limited Liability Company in the State of Nevada. The Nevada
Secretary of State lists the managers of NLVG as Narine Zograbyan, Janet L. Jensen, and

1 Judith L. Woodward.

2 3. As NLVG holds its licenses and certificates with CCB, it is subject to NRS
3 Title 56 and the NCCR for the violations asserted herein. Therefore, NLVG is subject to
4 the jurisdiction of the CCB and subject to discipline pursuant to NRS 678A through 678D
5 and the relevant provisions of the NCCR.

6 4. Pursuant to NRS 678A.500 and 678A.510(1), the CCB's Executive Director
7 has transmitted the details of the suspected violations of NLVG to the Attorney General
8 and the Attorney General has conducted an investigation of the suspected violations to
9 determine whether they warrant proceedings for disciplinary action. The Attorney General
10 has recommended to the Executive Director that further proceedings are warranted, as set
11 forth in this CCB Complaint. Pursuant to NRS 678A.520(1), the CCB's Executive Director
12 has authorized service of this Complaint upon Respondent.

13 **FACTUAL ALLEGATIONS**

14 5. CCB incorporates all prior Paragraphs as though fully set forth herein.

15 6. On or about April 14, 2021, CCB staff conducted a routine inspection of the
16 NLVG medical and adult-use cannabis cultivation facility at [REDACTED]
17 [REDACTED] The CCB agents for this inspection were Jason Bañales and
18 Fenton Harvey.

19 7. During the course of the aforementioned inspection, CCB agents found 122
20 cannabis plants, each several feet tall, without the required METRC tags.

21 8. Second, CCB agents also found that the facility had failed to maintain clean
22 surfaces, as required. Specifically, CCB agents found a tray in the upstairs veg room was
23 excessively soiled and contained large amounts of algae-like growth.

24 9. Third, CCB agents found infestation of pests and pests on contact surfaces.
25 There were excessive numbers of dead flies and other pests on the rack above clone plants
26 and the fly traps above clones were covered in excess pests.

27 10. Fourth, CCB staff found cannabis that was not properly stored. CCB staff
28 observed approximately 4 grams of loose cannabis on shelves throughout the packaging

1 room. The facility employees informed CCB staff that this was waste from previous harvest
2 packaging.

3 11. Lastly, NLVG did not have adequate security camera coverage. CCB staff
4 found there was only one camera in the vault room and a shelf in that room was blocking
5 that camera's view of the entire room.

6 VIOLATIONS OF LAW

7 12. CCB incorporates all prior Paragraphs as though fully set forth herein.

8 13. As to certificate C155 and license RC155, Respondent NLVG violated NCCR
9 6.082(3) and 4.050(1)(a)(4), by failing to tag plants as required. Specifically, as set forth in
10 Paragraph 7, above, CCB agents found 122 plants that were several feet tall missing
11 METRC tags. This is a Category III violation, which carries a civil penalty of not more
12 than \$10,000. NCCR 4.050(2)(a)(1).

13 14. As to certificate C155 and license RC155, Respondent NLVG violated NCCR
14 10.040(2)(b) and (c) and 4.055(1)(a)(9) by failing to wash and sanitize product contact
15 surfaces. Specifically, as set forth in Paragraph 8, above, CCB agents found a tray in the
16 upstairs veg room was excessively soiled and contained large amounts of algae-like growth.
17 This is a Category IV violation, which carries a civil penalty of not more than \$5,000. NCCR
18 4.055(2)(a)(1).

19 15. As to certificate C155 and license RC155, Respondent NLVG violated NCCR
20 4.055(1)(a)(11) by allowing infestation by pests, which were present on contact surfaces.
21 Specifically, as set forth in Paragraph 9, above, there were excessive numbers of dead flies
22 and other pests on the rack above clone plants and the fly traps above clones were covered
23 in excess pests. This is a second Category IV violation, which carries a civil penalty of not
24 more than \$10,000, and/or a suspension of not more than 7 days. NCCR 4.055(2)(a)(2).

25 16. As to certificate C155 and license RC155, Respondent NLVG violated NCCR
26 4.055(1)(a)(8) by improperly storing cannabis. Specifically, as set forth in Paragraph 10,
27 above, CCB staff observed approximately 4 grams of loose cannabis on shelves throughout
28 the packaging room. This is a third Category IV violation, which carries a civil penalty of

1 not more than \$20,000, and/or a suspension of not more than 10 days. NCCR 4.055(2)(a)(3).

2 17. As to certificate C155 and license RC155, Respondent NLVG violated NCCR
3 6.085(1)(c)(3) and 4.040(1)(a)(14) by failing to maintain a required surveillance system.
4 Specifically, as set forth in Paragraph 11, above, there was only one camera in the vault
5 room and a shelf in that room was blocking that camera's view of the entire room. This is
6 a Category II violation, which carries a civil penalty of not more than \$25,000 and a
7 suspension of not more than 20 days. NCCR 4.040(2)(a).

8 DISCIPLINE AUTHORIZED

9 Pursuant to the provisions of NRS 678A.600, NCCR 4.020, 4.030, 4.035 through
10 4.060, and 5.100, the CCB has the discretion to impose the following disciplinary actions:

- 11 1. Suspend the cultivation certificate and license of NLVG;
- 12 2. Impose a civil penalty of not more than \$90,000 for each separate violation of
13 NRS Title 56 and the NCCR on the cultivation certificate and license of NLVG; and
- 14 3. Take such other disciplinary action as the CCB deems appropriate.

15 The CCB may order one or any combination of the discipline described above.

16 RELIEF REQUESTED

17 Based on the foregoing, counsel for the CCB respectfully requests the CCB impose
18 the penalty of a 20 day suspension and civil penalties against NLVG in the amount of
19 \$70,000 for C155 and RC155.

20 NOTICE TO RESPONDENT

21 **PLEASE TAKE NOTICE**, that Respondent has a right to request a hearing on the
22 charges set forth herein, pursuant to NRS 678A.510 through 678A.590. **Failure to**
23 **demand a hearing constitutes a waiver of the right to a hearing and to judicial**
24 **review of any decision or order of the Board, but the Board may order a hearing**
25 **even if the respondent so waives his or her right.** NRS 678A.520(2)(e).

26 **PLEASE TAKE NOTICE**, you, as the Respondent, **must answer this Complaint**
27 **within 20 days after service of this Complaint**, unless granted an extension. Pursuant
28 to NRS 678A.520(2), in the answer Respondent:

1 (a) Must state in short and plain terms the defenses to each claim asserted.

2 (b) Must admit or deny the facts alleged in the complaint.

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

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

7 (e) May demand a hearing. **Failure to demand a hearing constitutes a waiver**
8 **of the right to a hearing and to judicial review of any decision or order of**
9 **the Board**, but the Board may order a hearing even if the respondent so waives his
10 or her right.

11 **Failure to answer or to appear at the hearing constitutes an admission by**
12 **the respondent of all facts alleged in the Complaint. The Board may take action**
13 **based on such an admission and on other evidence without further notice to the**
14 **respondent.** NRS 678A.520(3).

15 The Board shall determine the time and place of the hearing as soon as is reasonably
16 practical after receiving the Respondent's answer. The Board may assign a hearing officer
17 to conduct the hearing under NCCR 2.070, 4.095, and 4.110. The Board or its assigned
18 hearing officer shall deliver or send by registered or certified mail a notice of hearing to all
19 parties at least 10 days before the hearing. The hearing must be held within 45 days after
20 receiving the respondent's answer unless an expedited hearing is determined to be
21 appropriate by the Board, in which event the hearing must be held as soon as practicable.
22 NRS 678A.520(4). The Chair of the Board may grant one or more extensions to the 45-day
23 requirement pursuant to the request of a party or an agreement by both parties.

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

26 Tyler Klimas, Executive Director
27 Cannabis Compliance Board
28 555 E. Washington Avenue, Suite 4100
Las Vegas, Nevada 89101
tklimas@ccb.nv.gov

1 If served by email, Respondent must ensure that it receives an acknowledgement of receipt
2 email from CCB as proof of service.

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

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

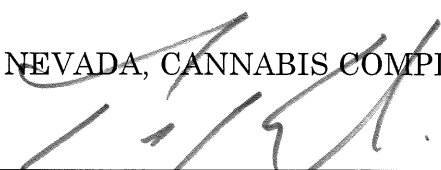
13 If the Respondent does not wish to dispute the charges and allegations set forth
14 herein, within 30 days of the service of this Complaint, Respondent may pay the civil
15 penalties set forth above in the total amount of \$70,000, and discontinue its operations for
16 20 days during which its license is suspended, on notice to:

17 Tyler Klimas, Executive Director
18 Cannabis Compliance Board
19 555 E. Washington Avenue, Suite 4100
20 Las Vegas, Nevada 89101

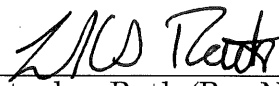
21 YOU ARE HEREBY ORDERED to immediately cease the activity described above
22 which is a violation of Nevada law.

23 DATED: July 27th, 2021.

24 STATE OF NEVADA, CANNABIS COMPLIANCE BOARD

25 By: 
26 Tyler Klimas, Executive Director
27 555 E. Washington Avenue, Suite 4100
28 Las Vegas, Nevada 89101
(702) 486-2300

AARON D. FORD
Attorney General

By: 

L. Kristopher Rath (Bar No. 5749)
Senior Deputy Attorney General
Ashley A. Balducci (Bar No. 12687)
Senior Deputy Attorney General
555 E. Washington Ave, Suite 3900
Las Vegas, Nevada 89101
(702) 486-9287

Attorneys for the Cannabis Compliance Board

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DECLARATION AND CERTIFICATE OF SERVICE OF COMPLAINT FOR DISCIPLINARY ACTION (Service via Mail)

I, Amber Virkler, hereby certify and affirm that:

- 1. I am over the age of 18 years old.
2. I am a Board Agent of the Cannabis Compliance Board ("CCB"), as defined in NCR 1.068.
3. Pursuant to NRS 678A.520 and NCCR 4.075, I have served the Respondent herein with the Complaint for Disciplinary Action ("Complaint") in the above captioned matter as follows:

By placing a true and correct copy of the Complaint to be deposited for mailing in the United States Mail in a sealed envelope via registered or certified mail, prepaid in Las Vegas, Nevada, to Respondent's point of contact with the CCB under NCCR 2.050 at Respondent's address on file with the Board as follow:

Name of point of contact served: Judith Woodward

Address on file with CCB: [Redacted]

Date of Service: July 27, 2021

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 27, 2021 (date)

[Handwritten Signature] (signature)