## **EXHIBIT F**

### **EXHIBIT F**

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AACC
MICHAEL H. SINGER, ESQ.

CLERK OF THE COURT

Nevada Bar No. 1589

MICHAEL H. SINGER, LTD.

4475 South Pecos Road

4 | Las Vegas, Nevada 89121

Telephone: (702) 454-2111 Facsimile: (702) 454-3333

Email: msinger@mhsingerlaw.com Attorney for Defendant/Counterclaimant

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DISTRICT COURT

CLARK COUNTY, NEVADA

GB SCIENCES NEVADA, LLC, a Nevada limited liability company,

Plaintiff,

| vs.

STATE OF NEVADA, DIVISION OF PUBLIC AND BEHAVIORAL HEALTH OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES; CITY OF LAS VEGAS, a municipal corporation and political subdivision of the State of Nevada; DESERT AIRE WELLNESS, LLC, a Nevada limited liability company; DOES 1-10, and ROE ENTITIES 1-100, inclusive,

Defendant.

DESERT AIRE WELLNESS, LLC, a Nevada limited liability company,

Counterclaimant,

vs.

GB SCIENCES NEVADA, LLC, a Nevada limited liability company,

Counterdefendant.

Case No.: A-15-728448-C

Dept. No.: I

#### **ANSWER AND COUNTERCLAIM**

COMES NOW Defendant, Desert Aire Wellness LLC ("Defendant"), by and through its attorney, MICHAEL H. SINGER, ESQ., of the law firm of MICHAEL H. SINGER, LTD., and for its Answer to Plaintiff's Complaint, answers as follows:

#### **PARTIES**

- 1. Defendant admits the allegations contained in paragraphs 1-4, and 6 of Plaintiff's Complaint.
  - 2. Defendant Denies the allegations contained in paragraph 5 of Plaintiff's Complaint.

#### **GENERAL ALLEGATIONS**

- 3. Defendant admits the allegations contained in paragraphs 7 10, and 13 of Plaintiff's Complaint.
- 4. Defendant is without sufficient information or belief to either admit or deny the allegations contained in paragraphs 11 and 12 of Plaintiff's Complaint and therefore denies the same.

#### **CITY OF LAS VEGAS' APPROVAL PROCESS**

- 5. Defendant admits the allegations contained in paragraphs 14, 16 18, and 21 of Plaintiff's Complaint.
- 6. Defendant admits that the City of Las Vegas was granted certain responsibilities in connection with the issuance of a business license for the legal sale of medical marijuana, and denies the remainder of the allegations contained in paragraph 15 of Plaintiff's Complaint.
- 7. Defendant is without sufficient information or belief to either admit or deny the allegations contained in paragraphs 19, 23, and 25 of Plaintiff's Complaint and therefore denies the same.
- 8. Defendant is without sufficient information or belief that Plaintiff was an applicant for a medical marijuana license and denies the allegations contained in paragraph 20 of Plaintiff's Complaint.
- 9. Defendant admits Plaintiff was granted a special use permit, and denies the remainder of the allegations contained in paragraph 22 of Plaintiff's Complaint.
- 10. Defendant denies it withdrew its application, and is without sufficient information to either admit or deny the remainder of the allegations contained in paragraph 24 of Plaintiff's Complaint and therefore denies the same.

#### THE DIVISION'S APPLICATION AND APPROVAL PROCESS

11. Defendant admits the allegations contained in paragraphs 26 and 36 of Plaintiff's Complaint.

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- 12. Defendant denies paragraphs 27 30 on the basis that they state a legal conclusion, not a factual allegation.
- 13. Defendant is without sufficient information or belief to either admit or deny the allegations contained in paragraphs 31 and 32 of Plaintiff's Complaint and therefore denies the same.
- 14. Defendant denies paragraphs 33 35, and 37 38 of Plaintiff's Complaint on the basis that it calls for a legal conclusion and is not a factual assertion.

#### **PLAINTIFF AND DEFENDANTS' APPLICATIONS**

- 15. Defendant admits the allegations contained in paragraph 39 of Plaintiff's Complaint.
- 16. Defendant admits it was an applicant, and is without sufficient information to either admit or deny the remainder of the allegations contained in paragraph 40 of Plaintiff's Complaint and therefore denies the same.
- 17. Defendant admits it submitted an application to the City of Las Vegas, and is without sufficient information to either admit or deny the remainder of the allegations contained in paragraph 41 of Plaintiff's Complaint and therefore denies the same.
- 18. Defendant denies the allegations contained in paragraphs 42, 51, 46 48 of Plaintiff's Complaint.
- 19. Defendant is without sufficient information to either admit or deny the allegations contained in paragraphs 43, 44, 49, 50, 52, and 53 of Plaintiff's Complaint and therefore denies the same.
- 20. Defendant denies that the City of Las Vegas ever notified the Division that Defendant had withdrawn its application and that, in fact, Defendant withdrew its application.

# FIRST CAUSE OF ACTION (Declaratory Relief, Pursuant to N.R.S. § 30.010 et seq.)

- 21. Defendant restates its responses to the paragraphs above as though fully stated herein.
- 22. Defendant denies the allegations contained in paragraphs 55, and 57 61 of Plaintiff's Complaint.
  - 23. Defendant admits the allegations contained in paragraph 56 of Plaintiff's Complaint.

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#### **SECOND CAUSE OF ACTION**

#### (Injunctive Relief)

- 24. Defendant restates its responses to the paragraphs above as though fully stated herein.
- 25. Defendant denies the allegations contained in paragraphs 62 71 of Plaintiff's Complaint.

#### **PETITION FOR JUDICIAL REVIEW**

- 26. Defendant restates its responses to the paragraphs above as though fully stated herein.
- 27. Defendant is without sufficient information to either admit or deny the allegations contained in paragraphs 73 78 of Plaintiff's Complaint and therefore denies the same.
- 28. Defendant denies the allegations contained in paragraphs 79 83 of Plaintiff's Complaint.

#### **PETITION FOR WRIT OF MANDAMUS**

- 29. Defendant restates its responses to the paragraphs above as though fully stated herein.
- 30. Defendant admits the allegations contained in paragraph 85 of Plaintiff's Complaint.
- 31. Defendant denies the allegations contained in paragraphs 86 91 of Plaintiff's Complaint.

#### **AFFIRMATIVE DEFENSES**

I.

#### (Failure To State a Cause of Action Against Desert Aire Wellness LLC)

1. Plaintiff's Complaint fails to state a cause of action against Defendant Desert Aire Wellness LLC.

II.

#### (Estoppel / Collateral Estoppel)

1. On November 3, 2014, Defendant Desert Aire Wellness LLC received notification from the Division that its location at "420 E. Sahara Ave #4632 in the LAS VEGAS local jurisdiction" had been approved as a suitable location for the operation of a medical marijuana dispensary.

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- 2. Since November 3, 2014 to the present date, Defendant Desert Aire Wellness LLC has spent approximately Eight Hundred Thousand Dollars (\$800,000) in improvements and related expenses to meet the City of Las Vegas business license requirements, and will likely spend approximately One Hundred Fifty Thousand Dollars (\$150,000) to finalize the total reconstruction of its dispensary site, including all necessary equipment needed for an efficiently operated dispensary.
- 3. On or about December 2, 2014, Plaintiff filed an action in District Court (Case No.: A-14-710597-C) wherein it claimed it was improperly denied a provisional certificate by the Division.
- 4. Defendant Desert Aire Wellness LLC was a named defendant in that matter and it appeared as such and participated in all proceedings through April 1, 2015, when this Plaintiff voluntarily dismissed, without prejudice, Case No.: A-14-710597-C against Defendant Desert Aire Wellness LLC.
- 5. Defendant Desert Aire Wellness LLC expended in excess of Fifty Thousand Dollars (\$50,000) in defense of that proceeding which contained the same allegations as those contained herein.
- 6. By reason of the above, it would be unjust and inequitable to deprive Defendant Desert Aire Wellness LLC of its legal right to operate a MMS dispensary, and Plaintiff is estopped from doing so, and from enjoining the Division and City of Las Vegas from issuing their final licensing approvals to Defendant Desert Aire Wellness LLC.
- 7. As an alternative to the foregoing, Plaintiff is collaterally estopped from contesting Defendant Desert Aire Wellness LLC's legal authority to own and operate a MME dispensary.

#### III.

#### (Failure to Exhaust Administrative Remedy)

- 1. Plaintiff, has never brought a "contested matter" before the applicable licensing agency, the Division of Public Health and Behavioral Health, the State of Nevada Department of Health and Human Services.
- 2. By reason thereof, Plaintiff, pursuant to Chapter 233B of the Nevada Revised Statutes, has not exhausted its administrative remedy.
- 3. As a consequence, Plaintiff is not entitled to Judicial Review of the Division's refusal to grant it an MME registration certificate.

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#### IV.

#### (No Injunctive Relief)

- 1. Defendant restates paragraphs 1-5 of its Second Affirmative Defense as though fully stated herein.
- 2. The balance of hardships weighs heavily in favor of Defendant Desert Aire Wellness LLC given the time, effort, and money it has expended to secure the MME registration certificate.
- 3. In accordance therewith, Plaintiff has no legal right or equitable claim to enjoin the division, the City of Las Vegas, or Defendant Desert Aire Wellness LLC from securing its MME registration certificate.

#### V.

#### (Laches)

- 1. Defendant restates paragraphs 1-5 of its Second Affirmative Defense as though fully stated herein.
- 2. As a consequence of the foregoing, Plaintiff's claims against Defendant Desert Aire Wellness LLC are barred by the doctrine of laches.

#### VI.

#### (Additional Affirmative Defenses)

1. Defendant reserves the right to assert any additional affirmative defenses as the evidence later develops and reserves the right to seek leave of court to amend its Answer.

#### **COUNTERCLAIM**

### FIRST CAUSE OF ACTION

#### (Attorneys Fees)

- 1. It has been necessary for Defendant/Counterclaimant Desert Aire Wellness LLC to engage the services of Michael H. Singer, Ltd. to defend this action.
- 2. By reason thereof, Defendants/Counterclaimants are entitled to an award of attorneys fees.

WHEREFORE, Defendant/Counterclaimant Desert Aire Wellness LLC prays for relief as follows:

## **EXHIBIT E**

## **EXHIBIT E**

## DISTRICT COURT CIVIL COVER SHEET A-15-728448-C

County, Nevada

T Party to favor offer				
I. Party Information (provide both ) Plaintiff(s) (name/address/phone):	nome and mailing addresses if differem)			
	Anomala Posta da Maria	Defendant(s) (name/address/phone);		
GB SCIENCES NEVADA, LLC, a Nevada limited liability company		STATE OF NEVADA, DIVISION OF PUBLIC AND		
,		BEHAVIORAL HEALTH OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES:		
		CITY OF LAS VEGAS: DESERT AIRE WELLNESS, LLC;		
		DOES 1-10, and ROE ENTITIES 1-100, inclusive,		
Attorney (name/address/phone):		Attorney (name/address/phone):		
James E. Shapiro, Esq. and	Sheldon A. Herbert, Esq.			
Smith & Shap	piro, PLLC			
2520 St. Rose Park	way, Suite 220			
Henderson, N	IV 89074			
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Title to Property	Other Negligence	Employment Tort		
Judicial Foreclosure	Malpractice	Insurance Tort		
Other Title to Property	Medical/Dental	Other Tort		
Other Real Property	Legal			
Condemnation/Eminent Domain	Accounting			
Other Real Property	Other Malpractice			
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Summary Administration	Chapter 40	Foreclosure Mediation Case		
General Administration	Other Construction Defect	Petition to Seal Records		
Special Administration	Contract Case	Mental Competency		
Set Aside	Uniform Commercial Code	Nevada State Agency Appeal		
Trust/Conservatorship	Building and Construction	Department of Motor Vehicle		
Other Probate	Insurance Carrier	Worker's Compensation		
Estate Value	Commercial Instrument	Other Nevada State Agency		
Over \$200,000	Collection of Accounts	Appeal Other		
Between \$100,000 and \$200,000	Employment Contract	Appeal from Lower Court		
Under \$100,000 or Unknown	Other Contract	Other Judicial Review/Appeal		
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Civil Writ		Other Civil Filing		
Writ of Habeas Corpus	Writ of Prohibition	Compromise of Minor's Claim		
Writ of Mandamus	Other Civil Writ Foreign Judgment			
Writ of Quo Warrant		Other Civil Matters		
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Date		Signature of initiating party of representative		

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SMITH & SHAPIRO, PLLC 2520 St. Rose Parkway, Suite 220 ACOM
James E. Shapiro, Esq.
Nevada Bar No. 7907
Sheldon A. Herbert, Esq.
Nevada Bar No. 5988
SMITH & SHAPIRO, PLLC
2520 St. Rose Parkway, Suite 220

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**CLERK OF THE COURT** 

Henderson, NV 89074 (702) 318-5033 Attorneys for Plaintiff

DISTRICT COURT

CLARK COUNTY, NEVADA

GB SCIENCES NEVADA, LLC, a Nevada limited liability company,

Plaintiff,

VS.

STATE OF NEVADA, DIVISION OF PUBLIC AND BEHAVIORAL HEALTH OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES; CITY OF LAS VEGAS, a municipal corporation and political subdivision of the State of Nevada; DESERT AIRE WELLNESS, LLC, a Nevada limited liability company; DOES 1-10, and ROE ENTITIES 1-100, inclusive,

Defendants.

Case No. A = 15 = 728448 = C Dept. No. I

#### COMPLAINT

COMES NOW Plaintiff GB SCIENCES NEVADA, LLC, a Nevada limited liability company, by and through its attorneys of record, SMITH & SHAPIRO, PLLC, and for its Complaint, and, in Addition, or in the Alternative, Petition for Judicial Review and Writ of Mandamus (the "Complaint"), alleges and avers as follows:

#### **PARTIES**

- 1. Plaintiff, GB SCIENCES NEVADA, LLC ("GB Sciences") is a Nevada limited liability company located in Clark County, Nevada.
- 2. Defendant, STATE OF NEVADA, DIVISION OF PUBLIC AND BEHAVIORAL HEALTH OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES (the "*Division*") is an agency of the State of Nevada.

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- 3. Upon information and belief, Defendant DESERT AIRE WELLNESS, LLC ("Desert Aire") is a Nevada limited liability company doing business in Clark County, Nevada.
- Upon information and belief, Defendant CITY OF LAS VEGAS (the "City") is a municipal corporation and political subdivision of the State of Nevada.
- The true names and capacities whether individual, corporate, associate or otherwise of 5. Defendants named herein as DOES 1 through 100, inclusive, and ROE ENTITIES 1 through 100, inclusive, and each of them, are unknown to Plaintiff who therefore sues those Defendants by such fictitious names. Plaintiff is informed, believes, and thereon alleges that each of the Defendants designated herein as a DOE or ROE ENTITY are one or more of the applicants improperly or unlawfully issued a provisional registration certificate for the operation of a medical marijuana establishment in the City of Las Vegas by the Division. In addition, or in the alternative, Plaintiff is informed, believes, and thereon alleges that each of the Defendants designated herein as a DOE or ROE ENTITY are one or more of the parties to the Division's proceeding challenged by Plaintiff as part of Plaintiffs Petition for Judicial Review asserted herein. The Division's anonymous application, scoring, and ranking process for the issuance of registration certificate for the operation of a medical marijuana establishment in the City of Las Vegas prevents Plaintiff from knowing the identities of DOE 1 through 100 or ROE ENTITIES 1 through 100 at this time. Plaintiff prays for leave to amend this Complaint to insert the true names or identities along with appropriate allegations when same become known.
- 6. Venue is proper in this Court pursuant to N.R.S. § 13.020(3) and N.R.S. § 233N.130(2)(b), in that this is the county where the cause, or some part thereof, arose and the aggrieved party resides.

#### GENERAL ALLEGATIONS

- 7. In 2013, the Nevada Legislature passed Senate Bill 374, which, in part, provided for the registration of medical marijuana establishments authorized to cultivate and dispense marijuana and marijuana infused products to those persons authorized to use medicinal marijuana.
  - 8. The Nevada Legislature codified Senate Bill 374 in NRS Chapter 453A, et seq.

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- 9. As part of NRS Chapter 453A, the Nevada Legislature tasked the Division with protecting the people of Nevada's general welfare, health, and safety through the registration of medical marijuana establishments and medical marijuana establishment agents.
- The Division, as well as the local jurisdiction, played a role in the ultimate licensing of 10. MMEs.
- 11. In order to achieve this purpose, the Division, in conjunction with various Nevada counties, municipalities, interested parties, and Nevada citizens worked extensively to create a regulatory framework for implementing and enforcing NRS Chapter 453A, et seq., in a fair and balanced manner.
- This effort resulted in the passage and implementation as of April 1, 2014, of NAC 12. 453A.010, et seq., which provided the necessary regulations for the application, review, approval, and ultimate registration of a medical marijuana establishment in accordance with the requirements of NRS Chapter 453A.
- Specifically, the local jurisdiction was tasked with considering issues such as site plans, 13. zoning and proximity to other business or facilities while the Division focused on public health, public safety, and marijuana as a medicine.

#### CITY OF LAS VEGAS' APPROVAL PROCESS

- The City of Las Vegas was allotted twelve (12) MME registration certificates (the 14. "Registration Certificates") by the Division.
- In addition to the responsibilities of the Division, the City of Las Vegas, like several 15. other Nevada cities, towns, and counties, was tasked with the responsibility of considering and approving "local" issues related to the registration of a Medical Marijuana Establishment such as "site plans, project descriptions, zoning, and proximity to other business or facilities," as well as business licensing.
- In accordance with such responsibilities, the City Council of the City of Las Vegas 16. enacted Ordinance No. 6321 to establish zoning regulations and standards for medical marijuana establishments.

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- 17. The City Council of the City of Las Vegas also enacted Ordinance No. 6324 to establish licensing regulations and standards for medical marijuana establishments.
- 18. In addition, the City of Las Vegas prepared and issued a separate application packet for any person wishing to obtain the required special use permit and business licensing for the operation of a medical marijuana establishment in the City of Las Vegas (the "Las Vegas Application").
- 19. Accordingly, forty-three (43) applicants filed applications seeking the City of Las Vegas' approval for zoning and licensing of a medical marijuana establishment to dispense medical marijuana.
  - 20. Plaintiff and Defendant Desert Aire were two of the applicants.
- 21. On October 28, 2014, the City Council of the City of Las Vegas held a special meeting to consider each applicant for a special use permit for a proposed medical marijuana dispensary.
- 22. The City of Las Vegas granted a special use permit to twenty-seven (27) applicants, including Plaintiff.
  - 23. The City of Las Vegas denied ten (10) applicants a Special Use Permit.
- 24. Six applicants, including Desert Aire withdrew their applications prior to the City Council's October 28, 2014 special meeting.
- 25. The City of Las Vegas thereafter informed the Division of those applicants granted a special use permit and those applicants denied a special use permit by the City of Las Vegas.

#### THE DIVISION'S APPLICATION AND APPROVAL PROCESS

- 26. NRS Chapter 453A.322(2) requires any person who wished to operate a medical marijuana establishment in Nevada to submit to the Division an application on a form prescribed by the Division.
- 27. While the Division was allowed to *accept* all applications submitted, under N.R.S. § 453A.322, the Division could only issue a Provisional Certificate if the applicant's application included six (6) specific items and if the applicant otherwise met the requirements established by N.R.S. Chapter 453A.
- 28. NRS 453A.322(3)(a)(2) through (5) provided a list of items that every application for a medical marijuana establishment must have submitted to the Division.

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- 29. NRS 453A.322(3)(a)(5) expressly required that any application for a medical marijuana establishment within a city, town, county that has enacted zoning restrictions, must include proof of the applicable city, town, or county's prior licensure of the applicant or a letter from that city, town, or county certifying that the applicant's proposed medical marijuana establishment was in compliance with the city, town, or county's zoning restrictions and satisfies all applicable building requirements.
- 30. The Division was required to rank from first to last the completed applications within a particular jurisdiction based on the content of each application as it relates to the criteria for evaluation determined by the Division and provided by NRS Chapter 453A.
- 31. Supposedly in accordance with these and many other statutory and regulatory requirements, the Division issued an application packet on May 30, 2014.
- 32, Thereafter, the Division set an August 18, 2014 deadline for submitting an application to the Division for the registration of a medical marijuana establishment and began accepting applications on August 5, 2014.

#### THE DIVISION'S ISSUANCE OF PROVISIONAL CERTIFICATES

- NRS 453A.322(3) required the Division to register a medical marijuana establishment 33. applicant, issue a medical marijuana establishment registration certificate, and issue a random 20-digit alphanumeric identification number not later than 90 days from the Division's receipt of an application only if such an application for a medical marijuana establishment contained the specific items required by NRS 453A.322(3)(a), which among other items, included the necessary prior zoning approvals from the applicable local jurisdiction identified in NRS 453A.322(3)(a)(5).
- However, the requirements of NRS 453A.322(3) and the Division's ability to issue a 34. medical marijuana registration certificate were subject expressly to the exceptions set forth in NRS 453A.326.
- NRS 453A.326(3) required that any medical marijuana establishment registration 35. certificate issued by the Division be deemed provisional in any city, town, or county that issues business licenses.
- 36. The City of Las Vegas is a Nevada city that enacted ordinances for the zoning and business licensing of medical marijuana establishments.

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- 37. As such, NRS 453A.326(3) required that the Division ensure compliance with NRS 453A.326(3)(5).
- 38. The Nevada Legislature enacted NRS 453A.322(3)(a)(5), which expressly required all applicants for the operation of a medical marijuana establishment in he City of Las Vegas to submit proof of the City of Las Vegas' zoning approval or a letter from the City of Las Vegas acknowledging that the applicant's proposed medical marijuana establishment was in compliance with the City of Las Vegas' restrictions and applicable building requirements.

#### PLAINTIFF AND DEFENDANTS' APPLICATIONS

- On or before the Division's August 18, 2014 deadline, the Division received multiple 39. applications for the City of Las Vegas' twelve (12) allotted medical marijuana establishment registration certificates for the operation of a medical marijuana dispensary in the City of Las Vegas.
  - 40. Plaintiff and Desert Aire were among these applicants to the Division.
- 41. Prior to submitting an application to the Division, Plaintiff and Desert Aire each submitted an application to the City of Las Vegas for a Special Use Permit and a Business License as required by the City of Las Vegas' newly enacted ordinances.
- However, Desert Aire subsequently withdrew its application before the City of Las 42. Vegas and never obtained the required the Special Use Permit or Business License from the City of Las Vegas prior to November 3, 2014.
- To the contrary, Plaintiff received a Special Use Permit for the operation of medical 43. marijuana dispensary from the City of Las Vegas and further, its application for Business License was recommended for approval.
- In addition, Plaintiff submitted as part of its application to the Division the City of Las 44. Vegas' certification that Plaintiff complied with the City of Las Vegas's ordinances and building requirements concerning the operation of a medical marijuana establishment in the City of Las Vegas.
- Upon information and belief, the City of Las Vegas informed the Division of those 45. applicants that it approved for a Special Use Permit, which included Plaintiff, and those applicants that it denied a Special Use Permit or otherwise had withdrawn their applications, which included Desert Aire.

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- 46. Upon information and belief, the Division, upon receipt of the forty-nine (49) applications for the operation of a medical marijuana dispensary in the City of Las Vegas, never made the required initial determination that each application for the operation of a medical marijuana dispensary was complete.
- Also upon information and belief, the Division never determined whether each applicant had submitted the required proof of licensure from the City of Las Vegas or a letter from the City of Las Vegas certifying that each applicant's proposed medical marijuana dispensary complied with the City of Las Vegas' restrictions and building requirements as prescribed by NRS 453A.322(3)(a)(5).
- 48. As a result, the Division improperly ranked the applications of Desert Aire against the acceptable criteria.
- 49. On or about November 3, 2014, Plaintiff received notification from the Division that it was not issued a provisional registration certificate due to the fact that it score was not high enough to rank within the top 12 spots allotted for the City of Las Vegas.
- 50. At the same time, Plaintiff discovered that the Division ranked and issued provisional registration certificate to Desert Aire (ranked #10).
- 51. Had the Division complied with the express requirements of NRS 453A.322(3), NAC 453A.310, NAC 453A.312, and NAC 453A.332, and the Division' previous public statements regarding the correct application procedure, Desert Aire (ranked #10) should not have received a ranking let alone a provisional registration certificate.
- 52. More importantly, Plaintiff's score (166.86) would have and should been high enough to rank within the top 12 spots allotted for the City of Las Vegas and therefore, Plaintiff should have received a provisional registration certificate from the Division within the 90-day evaluation period.
- 53. Consequently, Plaintiff, in actuality being ranked #11, would have received provisional registration certificate from the Division in accordance with Nevada law and as approved by the City of Las Vegas.

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# SMITH & SHAPIRO, PLLC 2520 St. Rose Parkway, Suite 220

Henderson, Nevada 89074

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## FIRST CAUSE OF ACTION (Declaratory Relief, Pursuant to N.R.S. § 30.010 et seq.)

- 54. Plaintiff repeats and realleges the allegations contained in Paragraphs 1 through 54 of the Second Amended Complaint, and incorporates the same by this reference as if more fully set forth herein.
- 55. There exists a justiciable controversy between Plaintiff, on the one hand, and the Division, City, and Desert Aire, on the other hand regarding the issuance of provisional certificates for MME dispensaries under NRS Chapter 453A.
- 56. The interests of Plaintiff are adverse to the interests of the Division, City, and Desert Aire, if any.
  - 57. Plaintiff has a legally protectable interest in the controversy.
- 58. The issue involved in the controversy is ripe for judicial determination with respect to the construction, interpretation, and implementation of NRS Chapter 453A, NAC 453A, and other Nevada laws and regulations as to the Plaintiff.
- 59. Plaintiff is entitled to a declaration, pursuant to N.R.S. § 30.010 et seq., that Desert Aire failed to comply with the express provisions of N.R.S. § 453A.322(3)(a)(5), that the Division improperly issued a provisional certificate to Desert Aire, that the Plaintiff did comply with the express provisions of N.R.S. § 453A.322(3)(a)(5), that the Division improperly denied Plaintiff a provisional certificates as the next applicant in line, that the provisional certificate issued to Desert Aire should be revoked, that a provisional certificates should be issued to Plaintiff, that Desert Aire should not be issued an actual provisional certificate, and that the deadlines and requirements of the City for issuance of licenses for MME Dispensaries should be tolled for the benefit of the Plaintiff until after the Plaintiff's claims are determined in this case so that Plaintiff will not suffer detriment due to the fact that it should have been issued a provisional certificates on November 3, 2014.

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- Plaintiff is likewise entitled to a declaration that all applicable deadlines and time periods 60. should be tolled and/or extended due to the Division's error described herein.
- Plaintiff has been required to retain the services of an attorney to prosecute this matter, 61. and Plaintiff is, therefore, entitled to its reasonable attorneys' fees and costs incurred in prosecuting this matter.

## SECOND CAUSE OF ACTION (Injunctive Relief)

- Plaintiff repeats and realleges the allegations contained in Paragraphs 1 through 61 of 62.the Second Amended Complaint, and incorporates the same by this reference as if more fully set forth herein.
- The Division's issuance of provisional certificate to Desert Aire has caused irreparable 63. harm to the Plaintiff because there are only 12 Provisional Certificates allocated to the City of Las Vegas and Plaintiff was denied one of the 12 Provisional Certificates due to the improper issuance of provisional certificate to Desert Aire.
- 64. The Division's refusal to revoke the provisional certificate issued to Desert Aire, or to reissue a provisional certificates to the Plaintiff has caused Plaintiff to suffer irreparable harm and Plaintiff continues to suffer irreparable harm.
- 65. Desert Aire failed to comply with the requirements of the City of Las Vegas or the provisions of N.R.S. Chapter 453A for issuance of provisional certificates.
- The Plaintiff complied with the requirements of the City of Las Vegas, and the 66. provisions of N.R.S. Chapter 453A, and should have been issued a provisional certificates as the next eligible and qualified applicant in line.
- The Plaintiff is likely to succeed on the merits of its case because the plain language of 67. the applicable provisions of N.R.S. Chapter 453A requires the Division to score applicants and issue a provisional certificates in order of rank, Plaintiff satisfied all provisions of NRS Chapter 453A and would have been ranked #10 for the 12 provisional certificates allocated to the City of Las Vegas, with the elimination of Desert Aire which did not comply with the provisions of NRS Chapter 453A.

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- 68. Plaintiff has no adequate remedy at law and compensatory relief is inadequate.
- 69. Plaintiff is entitled to a permanent mandatory injunction against the Division, enjoining the Division:
  - (a) from issuing actual Registration Certificates to Desert Aire;
  - (b) to revoke the provisional certificates issued to Desert Aire;
- (c) to identify Plaintiff as the next highest ranking applicant for one of the Provisional Certificates allocated to the City of Las Vegas; and
  - (d) to issue a provisional certificates to Plaintiff.
- 70. Plaintiff is entitled to a permanent mandatory injunction against the City, requiring the City to toll all deadlines which would have been required of the Plaintiff until after the Court rules on Plaintiffs claims in this case, by virtue of the fact that Plaintiff should have received a Provisional Certificate on November 3, 2014.
- 71. Plaintiff has been required to retain the services of an attorney to prosecute this matter, and Plaintiff is, therefore, entitled to its reasonable attorneys' fees and costs incurred in prosecuting this matter.

In addition, or in the alternative to Plaintiff's allegations and Causes of Action asserted above, Plaintiff also alleges the following and petitions this Court for Judicial Review in the manner prescribed by NRS 233B.010, et seq.

#### PETITION FOR JUDICIAL REVIEW

- 72. Plaintiff repeats and realleges the allegations contained in Paragraphs 1 through 71 of the Second Amended Complaint, and incorporates the same by this reference as if more fully set forth herein.
- Petitioner, GB Sciences Nevada, LLC, a Nevada limited liability company (hereinafter 73. "Petitioner") is an applicant to the Division for the Division's issuance of a Registration Certificate for the operation of a Medical Marijuana Establishment (an "MME") Dispensary in the City of Las Vegas, Nevada.
- 74. Through the Division's application process and the Division's review, scoring, and ranking of Petitioner's application for an MME Registration Certificate, the Division has determined

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the legal rights, duties, or privileges of Petitioner as to the issuance of a Registration Certificate for the operation of an MME Dispensary in the City of Las Vegas, Nevada.

- Accordingly, Petitioner is a party of record to proceedings at the Division in a contested 75. matter.
- 76. On or about November 3, 2014, the Division sent out a letter informing Petitioner that the Division had not issued a provisional Registration Certificate (a "Provisional Certificate") to Petitioner because Petitioner did not achieve a score high enough to rank it in the top 12 applicants within the City of Las Vegas, Nevada.
- 77. On or about November 20, 2014, Petitioner sent correspondence to the Division requesting a hearing regarding Petitioner's application to the Division for a Registration Certificate for the operation of an MME Dispensary in the City of Las Vegas, Nevada.
- On November 25, 2014, the Division sent out a letter informing Petitioner that 78. Petitioner's request for a hearing was denied since the Nevada Legislature allegedly did not provide Petitioner hearing rights concerning its application for a Registration Certificate.
- As such, the Division's November 3, 2014 notification to Petitioner refusing to issue 79. Petitioner a Provisional Certificate for the operation of an MME Dispensary in the City of Las Vegas, Nevada is the Division's final decision on the matter.
- As such, Petitioner has been aggrieved by the Division's "final" refusal to issue 80. Petitioner a Provisional Certificate for the operation of an MME Dispensary in the City of Las Vegas, Nevada in accordance with NRS Chapter 453A and NAC 453A.
- 81. Pursuant to NRS 233B.130, Petitioner is entitled to Judicial Review of the Division's "final decision" denying Petitioner's application and refusing to issue Petitioner a Provisional Certificate for the operation of an MME Dispensary in the City of Las Vegas, Nevada in accordance with NRS Chapter 453A and NAC 453A.
- Petitioner, therefore, petitions this Court for Judicial Review of the proceeding at the 82. Division, including, but not limited to, Petitioner's submission, review, scoring, and ranking of its application for registration certificate for the operation of an MME Dispensary in the City of Las Vegas, Nevada.

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Petitioner further demands that the entire record of the proceeding at the Division be 83. transmitted by the Division in the manner required by NRS 233B.131.

#### PETITION FOR WRIT OF MANDAMUS

- 84. Plaintiff repeats and realleges the allegations contained in Paragraphs 1 through 83 of the Second Amended Complaint, and incorporates the same by this reference as if more fully set forth herein.
- 85. The Division was required to solicit applications, review, score, rank, and issue Provisional Certificates for the operation of an MME in the City of Las Vegas, Nevada in compliance with NRS Chapter 453A, NAC 453A, and other Nevada laws and regulations.
- The Division failed to comply with the requirements of NRS Chapter 453A, NAC 453A, 86, and other Nevada laws and regulations of an MME in the City of Las Vegas to Desert Aire.
- The Division further failed to comply with the requirements of NRS Chapter 453A, NAC 87. 453A, and other Nevada laws and regulations when it unlawfully denied Petitioner a Provisional Certificate for the operation of an MME in the City of Las Vegas, Nevada.
- 88. Accordingly, the Division has failed to perform acts that Nevada law compelled the Division to perform.
- Petitioner has no plain, speedy, and adequate remedy in the ordinary course of law to 89. correct the Division's failure to perform as required by Nevada law or compel the Division to perform, as it is required by Nevada law.
- Petitioner, therefore, petitions this Court for a Writ of Mandamus as alleged and in a 90. formal Application for Writ of Mandamus to be filed separately, to compel the Division to issue Petitioner the Provisional Certificate for the operation of an MME Dispensary in the City of Las Vegas, Nevada that Petitioner was entitled to receive had the Division complied with the requirements of NRS Chapter 453A, NAC 453A, and other Nevada laws and regulations.
- Petitioner also petitions this Court for a Writ of Mandamus as alleged and in a formal 91. Application for Writ of Mandamus to be filed separately, to compel the City to toll all time periods related to the issuance of licenses for the operation of an MME Dispensary in the City of Las Vegas due to the Division's failure to issue a Provisional Certificate to Plaintiff on November 3, 2014.

# SMITH & SHAPIRO, PLLC 2520 St. Rose Parkway, Suite 220

Henderson, Nevada 89074

(702) 318-5033

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#### WHEREFORE, Plaintiff prays for relief as follows:

- For declaratory relief in the manner set forth in Plaintiff's First Cause of Action; 1.
- For injunctive relief, specifically a preliminary and permanent mandatory injunction, 2. enjoining the Division:
  - (a) from issuing actual Registration Certificates to Desert Aire;
  - (b) to revoke the Provisional Certificates issued to Desert Aire;
  - (c) to identify Plaintiff as the next highest ranking applicant for one of the Provisional Certificates allocated to the City of Las Vegas; and
  - (d) to issue a Provisional Certificate to Plaintiff.
- 3. For injunctive relief, specifically a preliminary and permanent mandatory injunction, requiring the City to toll all deadlines which would have been required of the Plaintiff until after the Court rules on Plaintiffs claims in this case, by virtue of the fact that Plaintiff should have received a Provisional Certificate on November 3, 2014.
  - For reasonable attorneys' fees and costs of suit; and 4.
  - For such other and further relief as the Court deems appropriate in the premises. 5.
- In addition, or in the alternative, Plaintiff also petitions this Court for Judicial Review 6. of the Division's "final decision" denying Petitioner's application and refusing to issue Petitioner a Provisional Certificate for the operation of an MME Dispensary in the City of Las Vegas, Nevada in accordance with NRS Chapter 453A and NAC Chapter 453A.
- In addition, or in the alternative, Petitioner also petitions this Court to issue a Writ of 7. Mandamus compelling the Division to comply with the requirements of NRS Chapter 453A, NAC 453A, and other Nevada laws and regulations and issue Petitioner a Provisional Certificate for the operation of an MME Dispensary in the City of Las Vegas, Nevada, and compelling the City to toll all time periods related to the issuance of licenses for the operation of an MME Dispensary in the City of Las Vegas due to the Division's failure to issue a Provisional Certificate to Plaintiff on November 3, 2014.
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14 (702) 318-5033

#### SMITH & SHAPIRO, PLLC

/s/ James E. Shapiro
James E. Shapiro, Esq.
Nevada Bar No. 7907
Sheldon A. Herbert, Esq.
Nevada Bar No. 5988
2520 St. Rose Parkway, Suite 220
Henderson, NV 89074
Attorneys for Plaintiff

## **EXHIBIT D**

## **EXHIBIT D**

then to Later **NOEJ** James E. Shapiro, Esq. Nevada Bar No. 7907 **CLERK OF THE COURT** Sheldon A. Herbert, Esq. Nevada Bar No. 5988 **SMITH & SHAPIRO, PLLC** 2520 St. Rose Parkway, Suite 220 Henderson, NV 89074 (702) 318-5033 Attorneys for GB Sciences Nevada, LLC 6 DISTRICT COURT 7 **CLARK COUNTY, NEVADA** 8 GB SCIENCES NEVADA, LLC, a Nevada limited 9 liability company, Case No. A-15-728448-C 10 Plaintiff, Dept. No. 11 VS. STATE OF NEVADA, DIVISION OF PUBLIC AND BEHAVIORAL HEALTH OF THE DEPARTMENT £13 14 OF HEALTH AND HUMAN SERVICES; CITY OF LAS VEGAS, a municipal corporation and political subdivision of the State of Nevada; DESERT AIRE (20) (20) WELLNESS, LLC, a Nevada limited liability company; DOES 1-10, and ROE ENTITIES 1-100, inclusive, May 16, 2016 Date: 16 Time: IN CHAMBERS Defendants. 17 18 AND RELATED CLAIMS 19 NOTICE OF ENTRY OF ORDER DENYING DESERT AIRE WELLNESS, LLC'S 20 MOTION FOR RECONSIDERATION AND REQUEST THAT THE COURT REVERSE AND GRANT DEFENDANT SUMMARY JUDGMENT TO DEFENDANT OR AT A 21 MINIMUM GRANT A STAY PENDING AN APPEAL 22 NOTICE OF HEREBY GIVEN that an ORDER DENYING DESERT AIRE WELLNESS, 23 LLC'S MOTION FOR RECONSIDERATION AND REQUEST THAT THE COURT REVERSE AND GRANT DEFENDANT SUMMARY JUDGMENT TO DEFENDANT OR 25 AT A MINIMUM GRANT A STAY PENDING AN APPEAL, was entered on 8th day of June, 26 2016. A copy of said Order is attached hereto as Exhibit 1.

SMITH & SHAPIRO, PLLC 2520 St. Rose Parkway, Suite 220 Henderson, Nevada 89074

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Dated this 8th day of June, 2016.

#### SMITH & SHAPIRO, PLLC

/s/ James E. Shapiro, Esq.
James E. Shapiro, Esq.
Nevada Bar No. 7907
Sheldon A. Herbert, Esq.
Nevada Bar No. 5988
2520 St. Rose Parkway, Suite 220
Henderson, NV 89074
Attorneys for Plaintiff/Counterdefendant,
GB Sciences Nevada, LLC

#### **CERTIFICATE OF SERVICE**

I hereby certify that I am an employee of SMITH & SHAPIRO, PLLC, and that on the 8<sup>th</sup> day of June, 2016, I served a true and correct copy of the foregoing NOTICE OF ENTRY OF ORDER DENYING DESERT AIRE WELLNESS, LLC'S MOTION FOR RECONSIDERATION AND REQUEST THAT THE COURT REVERSE AND GRANT DEFENDANT SUMMARY JUDGMENT TO DEFENDANT OR AT A MINIMUM GRANT A STAY PENDING AN APPEAL, by e-serving a copy on all parties registered and listed as Service Recipients in Wiznet, the Court's on-line, electronic filing website, pursuant to Administrative Order 14-2, entered by the Chief Judge, Jennifer Togliatti, on May 9, 2014.

/s/ Ashley Houston
An employee of SMITH & SHAPIRO, PLLC

## Exhibit "1"

Exhibit "1"

**Electronically Filed** 06/08/2016 09:25:38 AM

**ORDR** James E. Shapiro, Esq. Nevada Bar No. 7907 Sheldon A. Herbert, Esq.

Nevada Bar No. 5988

SMITH & SHAPIRO, PLLC 2520 St. Rose Parkway, Suite 220

Henderson, NV 89074

AND RELATED CLAIMS

(702) 318-5033

Attorneys for GB Sciences Nevada, LLC

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VS.

SMITH & SHAPIRO, PLLC 2520 St. Rose Parkway, Suite 220

Henderson, Nevada 89074

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**CLERK OF THE COURT** 

A-15-728448-C

DISTRICT COURT

CLARK COUNTY, NEVADA

GB SCIENCES NEVADA, LLC, a Nevada limited liability company,

Plaintiff,

STATE OF NEVADA, DIVISION OF PUBLIC AND BEHAVIORAL HEALTH OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES; CITY OF LAS VEGAS, a municipal corporation and political subdivision of the State of Nevada; DESERT AIRE WELLNESS, LLC, a Nevada limited liability company; DOES 1-10, and ROE ENTITIES 1-100, inclusive,

Defendants.

May 16, 2016 Date: IN CHAMBERS Time:

Case No.

Dept. No.

ORDER DENYING DESERT AIRE WELLNESS, LLC'S MOTION FOR RECONSIDERATION AND REQUEST THAT THE COURT REVERSE AND GRANT DEFENDANT SUMMARY JUDGMENT TO DEFENDANT OR AT A MINIMUM GRANT A STAY PENDING AN APPEAL

THIS MATTER having come before the Court on May 16, 2016, in Chambers, on Defendant/Counterclaimant Desert Aire Wellness, LLC's Motion for Reconsideration and Request that the Court Reverse and Grant Defendant Summary Judgment to Defendant or at a Minimum Grant a Stay Pending an Appeal (the "Motion for Reconsideration"), filed by and through its counsel, FENNEMORE CRAIG, P.C.; the Motion for Reconsideration having been opposed by Plaintiff/Counterdefendant GB Sciences Nevada, LLC, by and through its counsel, SMITH &

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SHAPIRO, PLLC; the Motion for Reconsideration having been responded to by Defendant State of Nevada, the Court having reviewed the papers and pleadings on file herein, the Court being fully advised in the premises, and GOOD CAUSE APPEARING therefore;

IT IS HEREBY ORDERED that the Motion for Reconsideration is DENIED IN ITS ENTIRETY.

Respectfully submitted by:

**SMITH & SHAPIRO, PLLC** 

James E. Shapiro, Esq. Nevada Bar No. 7907 Sheldon A. Herbert, Esq. Nevada Bar No. 5988 2520 St. Rose Parkway, Suite 220 Henderson, NV 89074

Attorneys for Plaintiff/Counterdefendant, GB Sciences Nevada, LLC

## **EXHIBIT C**

## **EXHIBIT C**

then to belie **NOTC** James E. Shapiro, Esq. **CLERK OF THE COURT** Nevada Bar Ño. 7907 Sheldon A. Herbert, Esq. Nevada Bar No. 5988 SMITH & SHAPIRO, PLLC 2520 St. Rose Parkway, Suite #220 Henderson, NV 89074 5 (702) 318-5033 Attorneys for Plaintiff **DISTRICT COURT** 6 7 CLARK COUNTY, NEVADA 8 GB SCIENCES NEVADA, LLC, a Nevada limited liability company, 9 Case No. A-15-728448-C Dept. No. I Plaintiff, 10 VS. 11 STATE OF NEVADA, DIVISION OF PUBLIC 12 BEHAVIORAL HEALTH DEPARTMENT OF HEALTH AND HUMAN 13 318-2033 14 (202) SERVICES; CITY OF LAS VEGAS, a municipal corporation and political subdivision of the State of Nevada; DESERT AIRE WELLNESS, LLC, a Nevada limited liability company; DOES 1-10, and Date: March 15, 2016 ROE ENTITIES 1-100, inclusive, Time: 9:00 a.m 16 Defendants. 17 DESERT AIRE WELLNESS, LLC, a Nevada limited liability company, 18 Counterclaimant, 19 VS. 20 GB SCIENCES NEVADA, LLC, a Nevada limited 21 liability company, 22 Counterdefendant. 23 24 NOTICE OF ENTRY OF ORDER RE: GB SCIENCES NEVADA, LLC'S MOTION FOR SUMMARY JUDGMENT; DESERT AIRE WELLNESS, LLC'S COUNTERMOTION FOR 25 **SUMMARY JUDGMENT** 26 27 PLEASE TAKE NOTICE that an ORDER RE: GB SCIENCES NEVADA, LLC'S 28 MOTION FOR SUMMARY JUDGMENT; DESERT AIRE WELLNESS, LLC'S

SMITH & SHAPIRO, PLLC 2520 St. Rose Parkway, Suite 220

Henderson, Nevada 89074

COUNTERMOTION FOR SUMMARY JUDGMENT was entered in the above-entitled matter on the 28th day of April, 2016, a copy of which is attached hereto as Exhibit 1.

DATED this 28<sup>nd</sup> day of April, 2016.

#### SMITH & SHAPIRO, PLLC

/s/ James E. Shapiro
James E. Shapiro, Esq.
Nevada Bar No. 7907
Sheldon A. Herbert, Esq.
Nevada Bar No. 5988
2520 St. Rose Parkway, Suite #220
Henderson, NV 89074
Attorneys for Plaintiff

#### **CERTIFICATE OF SERVICE**

I hereby certify that I am an employee of SMITH & SHAPIRO, PLLC, and that on the 28<sup>th</sup> day of April, 2016, I served a true and correct copy of the forgoing NOTICE OF ENTRY OF ORDER RE: GB SCIENCES NEVADA, LLC'S MOTION FOR SUMMARY JUDGMENT; DESERT AIRE WELLNESS, LLC'S COUNTERMOTION FOR SUMMARY JUDGMENT, by e-serving a copy on all parties registered and listed as Service Recipients in Wiznet, the Court's on-line, electronic filing website, pursuant to Administrative Order 14-2, entered by the Chief Judge, Jennifer Togliatti, on May 9, 2014.

/s/ Ashley R. Houston
An employee of SMITH & SHAPIRO, PLLC

# Exhibit "1"

Exhibit "1"

## COCINAL

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1 **ORDR CLERK OF THE COURT** JAMES E. SHAPIRO, ESQ. Nevada Bar No. 7907 Sheldon A. Herbert, Esq. Nevada Bar No. 5988 SMITH & SHAPIRO, PLLC 2520 St. Rose Parkway, Suite 220 Henderson, NV 89074 (702) 318-5033 Attorneys for Plaintiff 6 DISTRICT COURT 7 CLARK COUNTY, NEVADA 8 GB SCIENCES NEVADA, LLC, a Nevada limited liability company. 9 Case No. A-15-728448-C Plaintiff, Dept. No. I 10 VS. 11 STATE OF NEVADA, DIVISION OF PUBLIC BEHAVIORAL HEALTH OF DEPARTMENT OF HEALTH AND HUMAN SERVICES: CITY OF LAS VEGAS, a municipal 13 corporation and political subdivision of the State of Nevada; DESERT AIRE WELLNESS, LLC, a Date: March 15, 2016 Nevada limited liability company; DOES 1-10, and ROE ENTITIES 1-100, inclusive, 15 Time: 9:00 a.m. 16 Defendants. DESERT AIRE WELLNESS, LLC, a Nevada limited liability company, 18 Counterclaimant, 19 VS. 20 GB SCIENCES NEVADA, LLC, a Nevada limited liability company, 21 22 Counterdefendant. 23 ORDER RE: GB SCIENCES NEVADA, LLC'S MOTION FOR SUMMARY JUDGMENT: 24 DESERT AIRE WELLNESS, LLC'S COUNTERMOTION FOR SUMMARY JUDGMENT 25 THIS MATTER having come before the Court on GB SCIENCES NEVADA, LLC's 26 ("Plaintiff") Motion for Summary Judgment (the "Motion") and on Defendant DESERT AIRE 27 WELLNESS, LLC ("Desert Aire") Countermotion for Summary Judgment ("Countermotion"); 28

2520 St. Rose Parkway, Suite 220 Henderson, NV 89074 O:(702)348-5033 F:(702)318-5034

SMITH & SHAPIRO, PLLC

☐ Volumery Dismissal
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☐ Stipulated Dismissal
☐ Metion to Dismiss by Delt(s)

Summary Judgment
Stipulated Judgment
Default Judgment
Judgment of Arbitration

Plaintiff, having appeared by and through its attorneys of record, SMITH & SHAPIRO, PLLC; Defendant STATE OF NEVADA, DEPARTMENT OF HEALTH AND HUMAN SERVICES (the "State" or "Division"), having appeared by and through ADAM PAUL LAXALT, Attorney General through his Chief Deputy Attorney General, LINDA C. ANDERSON; Defendant Desert Aire, having appeared by and through its attorneys of record, MICHAEL H. SINGER, LTD., Defendant CITY OF LAS VEGAS having failed to appear or file any briefs regarding the matter<sup>1</sup>, the Court having reviewed the papers and pleadings on file herein, having heard the arguments of counsel, the Court having stated its findings and conclusions on the record, the Court being fully advised in the premises, and good cause appearing, NOW THEREFORE, THE COURT FINDS AND CONCLUDES:

### **UNDISPUTED FACTS**

#### A. BACKGROUND.

- 1. In 2013, Senate Bill 374 was passed which provided for the registration of medical marijuana establishments authorized to cultivate or dispense marijuana or manufacture edible marijuana products or marijuana-infused products for sale to persons authorized to engage in the medical use of marijuana. Senate Bill 374 was codified into N.R.S. Chapter 453A.
- 2. Under N.R.S. § 453A.320 et seq., the Division was tasked with processing and ranking applications for Medical Marijuana Establishments ("<u>MMEs</u>") for each local jurisdiction in Nevada.
- 3. There were five types of MME's, including Dispensaries, Cultivation Facilities, and Production Facilities. The MME at issue in this lawsuit is a Dispensary.
  - 4. The City of Las Vegas was allocated twelve Dispensary provisional certificates.
- 5. The Division, as well as the local jurisdiction, played a role in the ultimate licensing of MMEs. Specifically, the local jurisdiction was tasked with considering issues such as site plans, zoning and proximity to other business or facilities (the "Local Application Process") while the

<sup>&</sup>lt;sup>1</sup> Plaintiff previously notified the Court that Plaintiff was no longer seeking any claims against the City of Las Vegas as the Plaintiff's claims had been rendered moot. Notwithstanding, the City of Las Vegas was included as an interested party to give them an opportunity to heard on the Plaintiff's requested relief against the State of Nevada and Desert Aire Wellness, LLC.

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Division focused on public health, public safety, and marijuana as a medicine (the "<u>Division</u> <u>Application Process</u>").

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6. In accordance with its responsibilities, the City of Las Vegas enacted Ordinance No. 6321 and 6324 to establish zoning regulations, licensing regulations, and standards for MME locations.

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7. The Division issued its application packet (the "<u>Division Application</u>").

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8. While the Division was allowed to accept all applications submitted, under N.R.S. § 453A.322, the Division could only issue a medical marijuana establishment registration certificate (a "*Provisional Certificate*") if the applicant's application included six (6) specific items and if the applicant otherwise met the requirements established by N.R.S. Chapter 453A.

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9. One of the six (6) items required by law before the Division could issue a Provisional Certificate is found in N.R.S. § 453A.322(3)(a)(5), which states:

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(5) If the city, town or county in which the proposed medical marijuana establishment will be located has enacted zoning restrictions, proof of licensure with the applicable local governmental authority or a letter from the applicable local governmental authority certifying that the proposed medical marijuana establishment

is in compliance with those restrictions and satisfies all applicable building

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requirements. (NRS § 453A.322(3)(a)(5))

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## B. DESERT AIRE'S APPLICATION.

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10. Plaintiff and Desert Aire were two of the 49 applicants for a Dispensary License in the City of Las Vegas.

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11. On October 28-29, 2014, the Las Vegas City Council held a special meeting to consider each applicant for a special use permit and compliance permit for an MME Dispensary.

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12. Prior to the October 28-29, 2014 Las Vegas City Council meeting, Desert Aire withdrew their application for a special use permit and compliance permit.

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13. On October 30, 2014, the City of Las Vegas sent a letter to the Division notifying the Division that Desert Aire's application for a special use permit and compliance permit from the City of Las Vegas had been withdrawn and identifying for the Division the twenty-eight (28) applicants

453A.322(3)(a)(5).

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26 27 453A.322(3)(a)(5).

15. Specifically, pursuant to Las Vegas Municipal Code Section 6.95.080, the letter was

to give notice to the Division, as intended in subsection 3(a)(5), as to those medical marijuana

The City of Las Vegas letter was intended to comply, and did comply, with NRS

who had been granted a special use permit and compliance permit for purposes of NRS §

applicants which the City of Las Vegas had found to be or not to be in conformance with land use and zoning restrictions, and eligible for consideration for a business license. This letter described the

applicable building requirements and zoning restrictions as outlined in the statute.

16. Notwithstanding, on or about November 3, 2014, the Division registered Desert Aire as a medical marijuana establishment and issued a provisional registration certificate for an MME Dispensary (the "*Provisional License*").

- 17. While Desert Aire subsequently obtained a special use permit, that did not occur until after November 3, 2014. Desert Aire ultimately opened for business.
- 18. At the time the Department registered Desert Aire and issued a Provisional License, Desert Aire did not meet the requirements of N.R.S. § 453A.322, which specifically permitted the Division to register a medical marijuana establishment and issue a registration certificate if the business seeking to register had completed all of the requirements of subsection 3(a), including providing a letter from the applicable local authority certifying that the proposed medical marijuana establishment is in compliance with [zoning] restrictions and satisfies all applicable building requirements.
- 19. Pursuant the plain terms of the statute, the Division should not have registered Desert Aire and issued a registration certificate as Desert Aire had not met all the requirements of the statute.
- 20. The Nevada Department of Health and Human Services should have registered and issued the registration certificate to the medical marijuana establishment to the top twelve ranked applicants which met all the requirements of the statute.

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treated as if appropriately identified and designated.

If any of the forgoing findings of fact are properly conclusions of law, they shall be

#### **CONCLUSIONS OF LAW**

- 22. Summary judgment is appropriate where the pleadings, depositions, answers to interrogatories, admissions and affidavits on file, show that there exists no genuine issue as to any material fact, and that the moving party is entitled to judgment as a matter of law. Bird v. Casa Royale W., 97 Nev. 67, 624 P.2d 17 (1981).
- The Nevada Supreme Court has noted that "Rule 56 should not be regarded as a 23. 'disfavored procedural shortcut'" but instead as an integral part of the rules of procedure as a whole, which are designed "to secure the just, speedy and inexpensive determination of every action." Wood v. Safeway, Inc., 121 Nev. 724, 730, 121 P.3d 1026, 1030 (2005).
- 24. NRS § 30.040 gives this Court the ability to make certain declarations regarding the rights, status or other legal relations of parties to a lawsuit.
- 25. Further, this Court has the authority to issue mandatory injunctions "to restore the status quo, to undo wrongful conditions." Leonard v. Stoebling, 102 Nev. 543, 728 P.2d 1358 (1986); Memory Gardens of Las Vegas, Inc. v. Pet Ponderosa Memorial Gardens, Inc., 492 P.2d 123, 88 Nev. 1 (Nev., 1972).
- One of the stated purposes of mandatory injunctions is "compelling the undoing of 26. acts that had been illegally done." City of Reno v. Matley, 378 P.2d 256, 79 Nev. 49 (Nev., 1963).
- The Division has acknowledged that a complaint for declaratory and injunctive relief 27. is appropriate.
- The issuance of the Provisional Certificate to Desert Aire was in error and contrary to 28. NRS § 453A.322(3).
- Desert Aire should have been disqualified due to their non-compliance with NRS § 453A.322(3)(a)(5).
- If any of the forgoing conclusions of law are properly findings of fact, they shall be 30. treated as if appropriately identified and designated.

#### NOW THEREFORE:

- 31. IT IS HEREBY ORDERED Plaintiffs Motion for Summary Judgment is GRANTED in part and DENIED in part.
- 32. IT IS FURTHER ORDERED that Plaintiff's Motion is GRANTED to the extent that Desert Aire should not have been registered or issued a certification of registration as a medical marijuana establishment because it had not met all the necessary requirements of 453A.322(3)(a).
- 33. IT IS FURTHER ORDERED that the Division shall rescind or withdraw the dispensary registration previously issued to Desert Aire.
- 34. IT IS FURTHER ORDERED that Plaintiff's Motion for is DENIED to the extent Plaintiff seeks the re-issue of Desert Aire's dispensary registration to Plaintiff.
- 35. IT IS FURTHER ORDERED Defendant Desert Aire's Countermotion for Summary Judgment is DENIED.
- 36. IT IS FURTHER ORDERED that there being no other unresolved claims or issues, this matter is and shall be CLOSED and this Order shall be a FINAL, APPEALABLE ORDER.

IT IS SO ORDERED this 16 day of April, 2016.

DISTRICT COURT JUDG

Respectfully Submitted by:

SMITH & SHAPIRO, PLLC

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James E. Shapiro, Esq. Nevada Bar No. 7907

2520 Saint Rose Parkway, Suite 220

Henderson, Nevada 89074

23 Attorneys for Plaintiff

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Case No. A-15-728448-C Order re: MSJ

Approved: Approved: ADAM PAUL LAXALT, Attorney General MICHAEL H. SINGER, LTD. Michael H. Singer, Esq. Nevada Bar No. 1589 Linda C. Anderson Chief Deputy Attorney General Nevada Bar No. 4090 555 E. Washington Ave., #3900 Las Vegas, NV 89101 Attorneys for the STATE OF NEVADA 4475 South Pecos Rd. Las Vegas, NV 89121
Attorneys for DESERT AIRE
WELLNESS, LLC 2520 St. Rose Parkway, Suite 220 Henderson, NV 89074 O:(702)318-5033 F:(702)318-5034 SMITH & SHAPIRO, PLLC 

# **EXHIBIT B**

# **EXHIBIT B**

**CLERK OF THE COURT** 

A-15-728448-C

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VS.

Henderson, Nevada 89074 £13 14 15 15

SMITH & SHAPIRO, PLLC 2520 St. Rose Parkway, Suite 220

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**ORDR** James E. Shapiro, Esq.

Nevada Bar No. 7907 Sheldon A. Herbert, Esq.

Nevada Bar No. 5988 SMITH & SHAPIRO, PLLC

2520 St. Rose Parkway, Suite 220

Henderson, NV 89074 (702) 318-5033

Attorneys for GB Sciences Nevada, LLC

DISTRICT COURT

CLARK COUNTY, NEVADA

Case No.

Dept. No.

GB SCIENCES NEVADA, LLC, a Nevada limited liability company,

Plaintiff,

STATE OF NEVADA, DIVISION OF PUBLIC AND BEHAVIORAL HEALTH OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES; CITY OF LAS VEGAS, a municipal corporation and political subdivision of the State of Nevada; DESERT AIRE WELLNESS, LLC, a Nevada limited liability company; DOES 1-10, and ROE ENTITIES 1-100, inclusive,

Defendants.

May 16, 2016 Date: Time: IN CHAMBERS

AND RELATED CLAIMS

ORDER DENYING DESERT AIRE WELLNESS, LLC'S MOTION FOR RECONSIDERATION AND REQUEST THAT THE COURT REVERSE AND GRANT DEFENDANT SUMMARY JUDGMENT TO DEFENDANT OR AT A MINIMUM GRANT A STAY PENDING AN APPEAL

THIS MATTER having come before the Court on May 16, 2016, in Chambers, on Defendant/Counterclaimant Desert Aire Wellness, LLC's Motion for Reconsideration and Request that the Court Reverse and Grant Defendant Summary Judgment to Defendant or at a Minimum Grant a Stay Pending an Appeal (the "Motion for Reconsideration"), filed by and through its counsel, FENNEMORE CRAIG, P.C.; the Motion for Reconsideration having been opposed by Plaintiff/Counterdefendant GB Sciences Nevada, LLC, by and through its counsel, SMITH &

SHAPIRO, PLLC; the Motion for Reconsideration having been responded to by Defendant State of Nevada, the Court having reviewed the papers and pleadings on file herein, the Court being fully advised in the premises, and GOOD CAUSE APPEARING therefore;

IT IS HEREBY ORDERED that the Motion for Reconsideration is DENIED IN ITS ENTIRETY.

Respectfully submitted by:

SMITH & SHAPIRO, PLLC

James E. Shapiro, Esq. Nevada Bar No. 7907 Nevada Bar No. 5988

2520 St. Rose Parkway, Suite 220

Henderson, NV 89074

Attorneys for Plaintiff/Counterdefendant, GB Sciences Nevada, LLC

# **EXHIBIT A**

# **EXHIBIT A**

ORDR **CLERK OF THE COURT** JAMES E. SHAPIRO, ESQ. Nevada Bar No. 7907 Sheldon A. Herbert, Esq. Nevada Bar No. 5988 SMITH & SHAPIRO, PLLC 2520 St. Rose Parkway, Suite 220 Henderson, NV 89074 (702) 318-5033 Attorneys for Plaintiff 6 DISTRICT COURT 7 CLARK COUNTY, NEVADA GB SCIENCES NEVADA, LLC, a Nevada limited liability company. Q Case No. A-15-728448-C Plaintiff, Dept. No. I 10 VS. 11 STATE OF NEVADA, DIVISION OF PUBLIC 12 AND BEHAVIORAL HEALTH OF. DEPARTMENT OF HEALTH AND HUMAN SERVICES; CITY OF LAS VEGAS, a municipal corporation and political subdivision of the State of Nevada; DESÉRT AIRE WELLNESS, LLC, a Nevada limited liability company; DOES 1-10, Date: March 15, 2016 15 and ROE ENTITIES 1-100, inclusive, Time: 9:00 a.m. 16 Defendants. DESERT AIRE WELLNESS, LLC, a Nevada 17 limited liability company, 18 Counterclaimant, 19 VS. 20 GB SCIENCES NEVADA, LLC, a Nevada limited liability company, 21 22 Counterdefendant... 23

### ORDER RE: GB SCIENCES NEVADA, LLC'S MOTION FOR SUMMARY JUDGMENT; DESERT AIRE WELLNESS. LLC'S COUNTERMOTION FOR SUMMARY JUDGMENT

THIS MATTER having come before the Court on GB SCIENCES NEVADA, LLC's ("Plaintiff") Motion for Summary Judgment (the "Motion") and on Defendant DESERT AIRE WELLNESS, LLC ("Desert Aire") Countermotion for Summary Judgment ("Countermotion");

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Plaintiff, having appeared by and through its attorneys of record, SMITH & SHAPIRO, PLLC; Defendant STATE OF NEVADA, DEPARTMENT OF HEALTH AND HUMAN SERVICES (the "State" or "Division"), having appeared by and through ADAM PAUL LAXALT, Attorney General through his Chief Deputy Attorney General, LINDA C. ANDERSON; Defendant Desert Aire, having appeared by and through its attorneys of record, MICHAEL H. SINGER, LTD., Defendant CITY OF LAS VEGAS having failed to appear or file any briefs regarding the matter<sup>1</sup>, the Court having reviewed the papers and pleadings on file herein, having heard the arguments of counsel, the Court having stated its findings and conclusions on the record, the Court being fully advised in the premises, and good cause appearing, NOW THEREFORE, THE COURT FINDS AND CONCLUDES:

#### **UNDISPUTED FACTS**

#### A. BACKGROUND.

- 1. In 2013, Senate Bill 374 was passed which provided for the registration of medical marijuana establishments authorized to cultivate or dispense marijuana or manufacture edible marijuana products or marijuana-infused products for sale to persons authorized to engage in the medical use of marijuana. Senate Bill 374 was codified into N.R.S. Chapter 453A.
- 2. Under N.R.S. § 453A.320 et seq., the Division was tasked with processing and ranking applications for Medical Marijuana Establishments ("<u>MMEs</u>") for each local jurisdiction in Nevada.
- 3. There were five types of MME's, including Dispensaries, Cultivation Facilities, and Production Facilities. The MME at issue in this lawsuit is a Dispensary.
  - 4. The City of Las Vegas was allocated twelve Dispensary provisional certificates.
- 5. The Division, as well as the local jurisdiction, played a role in the ultimate licensing of MMEs. Specifically, the local jurisdiction was tasked with considering issues such as site plans, zoning and proximity to other business or facilities (the "Local Application Process") while the

<sup>&</sup>lt;sup>1</sup> Plaintiff previously notified the Court that Plaintiff was no longer seeking any claims against the City of Las Vegas as the Plaintiff's claims had been rendered moot. Notwithstanding, the City of Las Vegas was included as an interested party to give them an opportunity to heard on the Plaintiff's requested relief against the State of Nevada and Desert Aire Wellness, LLC.

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Division focused on public health, public safety, and marijuana as a medicine (the "<u>Division</u> <u>Application Process</u>").

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6. In accordance with its responsibilities, the City of Las Vegas enacted Ordinance No. 6321 and 6324 to establish zoning regulations, licensing regulations, and standards for MME locations.

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7. The Division issued its application packet (the "*Division Application*").

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8. While the Division was allowed to accept all applications submitted, under N.R.S. § 453A.322, the Division could only issue a medical marijuana establishment registration certificate (a "*Provisional Certificate*") if the applicant's application included six (6) specific items and if the applicant otherwise met the requirements established by N.R.S. Chapter 453A.

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9. One of the six (6) items required by law before the Division could issue a Provisional Certificate is found in N.R.S. § 453A.322(3)(a)(5), which states:

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(5) If the city, town or county in which the proposed medical marijuana establishment will be located has enacted zoning restrictions, proof of licensure with the applicable local governmental authority or a letter from the applicable local governmental authority certifying that the proposed medical marijuana establishment is in compliance with those restrictions and satisfies all applicable building requirements. (NRS § 453A.322(3)(a)(5))

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#### B. DESERT AIRE'S APPLICATION.

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10. Plaintiff and Desert Aire were two of the 49 applicants for a Dispensary License in the City of Las Vegas.

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11. On October 28-29, 2014, the Las Vegas City Council held a special meeting to consider each applicant for a special use permit and compliance permit for an MME Dispensary.

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12. Prior to the October 28-29, 2014 Las Vegas City Council meeting, Desert Aire withdrew their application for a special use permit and compliance permit.

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13. On October 30, 2014, the City of Las Vegas sent a letter to the Division notifying the Division that Desert Aire's application for a special use permit and compliance permit from the City of Las Vegas had been withdrawn and identifying for the Division the twenty-eight (28) applicants

453A.322(3)(a)(5).

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453A.322(3)(a)(5).

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applicants which the City of Las Vegas had found to be or not to be in conformance with land use and zoning restrictions, and eligible for consideration for a business license. This letter described the applicable building requirements and zoning restrictions as outlined in the statute.

16. Notwithstanding, on or about November 3, 2014, the Division registered Desert Aire as a medical marijuana establishment and issued a provisional registration certificate for an MME Dispensary (the "*Provisional License*").

who had been granted a special use permit and compliance permit for purposes of NRS §

to give notice to the Division, as intended in subsection 3(a)(5), as to those medical marijuana

The City of Las Vegas letter was intended to comply, and did comply, with NRS

Specifically, pursuant to Las Vegas Municipal Code Section 6.95.080, the letter was

- 17. While Desert Aire subsequently obtained a special use permit, that did not occur until after November 3, 2014. Desert Aire ultimately opened for business.
- 18. At the time the Department registered Desert Aire and issued a Provisional License, Desert Aire did not meet the requirements of N.R.S. § 453A.322, which specifically permitted the Division to register a medical marijuana establishment and issue a registration certificate if the business seeking to register had completed all of the requirements of subsection 3(a), including providing a letter from the applicable local authority certifying that the proposed medical marijuana establishment is in compliance with [zoning] restrictions and satisfies all applicable building requirements.
- 19. Pursuant the plain terms of the statute, the Division should not have registered Desert Aire and issued a registration certificate as Desert Aire had not met all the requirements of the statute.
- 20. The Nevada Department of Health and Human Services should have registered and issued the registration certificate to the medical marijuana establishment to the top twelve ranked applicants which met all the requirements of the statute.

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If any of the forgoing findings of fact are properly conclusions of law, they shall be 21. treated as if appropriately identified and designated.

### **CONCLUSIONS OF LAW**

- 22. Summary judgment is appropriate where the pleadings, depositions, answers to interrogatories, admissions and affidavits on file, show that there exists no genuine issue as to any material fact, and that the moving party is entitled to judgment as a matter of law. Bird v. Casa Royale W., 97 Nev. 67, 624 P.2d 17 (1981).
- 23. The Nevada Supreme Court has noted that "Rule 56 should not be regarded as a 'disfavored procedural shortcut'" but instead as an integral part of the rules of procedure as a whole, which are designed "to secure the just, speedy and inexpensive determination of every action." Wood v. Safeway, Inc., 121 Nev. 724, 730, 121 P.3d 1026, 1030 (2005).
- NRS § 30.040 gives this Court the ability to make certain declarations regarding the 24. rights, status or other legal relations of parties to a lawsuit.
- 25. Further, this Court has the authority to issue mandatory injunctions "to restore the status quo, to undo wrongful conditions." Leonard v. Stoebling, 102 Nev. 543, 728 P.2d 1358 (1986); Memory Gardens of Las Vegas, Inc. v. Pet Ponderosa Memorial Gardens, Inc., 492 P.2d 123, 88 Nev. 1 (Nev., 1972).
- One of the stated purposes of mandatory injunctions is "compelling the undoing of 26. acts that had been illegally done." City of Reno v. Matley, 378 P.2d 256, 79 Nev. 49 (Nev., 1963).
- 27. The Division has acknowledged that a complaint for declaratory and injunctive relief is appropriate.
- The issuance of the Provisional Certificate to Desert Aire was in error and contrary to 28. NRS § 453A.322(3).
- Desert Aire should have been disqualified due to their non-compliance with NRS § 29. 453A.322(3)(a)(5).
- 30. If any of the forgoing conclusions of law are properly findings of fact, they shall be treated as if appropriately identified and designated.

### NOW THEREFORE:

- 31. IT IS HEREBY ORDERED Plaintiffs Motion for Summary Judgment is GRANTED in part and DENIED in part.
- 32. IT IS FURTHER ORDERED that Plaintiff's Motion is GRANTED to the extent that Desert Aire should not have been registered or issued a certification of registration as a medical marijuana establishment because it had not met all the necessary requirements of 453A.322(3)(a).
- 33. IT IS FURTHER ORDERED that the Division shall rescind or withdraw the dispensary registration previously issued to Desert Aire.
- 34. IT IS FURTHER ORDERED that Plaintiff's Motion for is DENIED to the extent Plaintiff seeks the re-issue of Desert Aire's dispensary registration to Plaintiff.
- 35. IT IS FURTHER ORDERED Defendant Desert Aire's Countermotion for Summary Judgment is DENIED.
- 36. IT IS FURTHER ORDERED that there being no other unresolved claims or issues, this matter is and shall be CLOSED and this Order shall be a FINAL, APPEALABLE ORDER.

IT IS SO ORDERED this 4 day of April, 2016.

DISTRICT COURT JUDG

Respectfully Submitted by:

SMITH & SHAPIRO, PLLC

James E. Shapiro, Esq.

Attorneys for Plaintiff

Henderson, Nevada 89074

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Nevada Bar No. 7907
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Case No. A-15-728448-C Order re: MSJ

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MICHAEL	Н.	SINGER,	LTD.

Michael H. Singer, Esq. Nevada Bar No. 1589 4475 South Pecos Rd. Las Vegas, NV 89121 Attorneys for DESERT AIRE WELLNESS, LLC Approved:

ADAM PAUL LAXALT, Attorney General

Linda C. Anderson Chief Deputy Attorney General Nevada Bar No. 4090 555 E. Washington Ave., #3900 Las Vegas, NV 89101

Attorneys for the STATE OF NEVADA

#### In the Supreme Court of the State of Nevada

DESERT AIRE WELLNESS, LLC, a Nevada limited liability company,

Appellant,

VS.

THE STATE OF NEVADA DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF PUBLIC AND BEHAVIORAL HEALTH; ACRES MEDICAL, LLC, a Nevada limited liability company; and GB SCIENCES, NEVADA LLC, a Nevada limited liability company,

Respondent.

GB SCIENCES NEVADA, LLC, a Nevada limited liability company,

Cross-Appellant,

vs.

THE STATE OF NEVADA DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF PUBLIC AND BEHAVIORAL HEALTH; DESERT AIRE WELLNESS, LLC, a Nevada limited liability company,

Cross-Respondents.

Supreme Court No. Jun 16 2016 09:54 a.m. Tracie K. Lindeman Clerk of Supreme Court No. A728448

DOCKETING STATEMENT CIVIL CROSS-APPEAL

#### **GENERAL INFORMATION**

All appellants not in proper person must complete this docketing statement. NRAP 14(a). The purpose of the docketing statement is to assist the Supreme Court in screening jurisdiction, classifying cases for en banc, panel, or expedited treatment, compiling statistical information and identifying parties and their counsel.

This statement must be completed fully, accurately and on time. NRAP 14(c). The Supreme Court may impose sanctions on counsel or appellant if it appears that the information provided is incomplete or inaccurate. *Id.* Failure to attach documents as requested in this statement, completely fill out the statement, or to fail to file it in a timely manner, will constitute grounds for the imposition of sanctions, including a fine and/or dismissal of the appeal.

This court has noted that when attorneys do not take seriously their obligations under NRAP 14 to complete the docketing statement properly and conscientiously, they waste the valuable judicial resources of this court, making the imposition of sanctions appropriate. See Moran v. Bonneville Square Assocs., 117 Nev 525, 25 P.3d 898 (2001); KDI Sylvan Pools v. Workman, 107 Nev. 340, 344, 810 P.2d 1217, 1220 (1991). Please use tab dividers to separate any attached documents.

Judge: The Honorable Kenneth C. Cory  District Court Docket No.: A-15-728448-C  2. Attorney filing this docket statement: Attorney: James E. Shapiro, Esq. Firm: Smith & Shapiro, PLLC Address: 2520 St. Rose Pkwy., Suite 220. Henderson, NV 89074 Clients: Cross-Appellant, GB Sciences Nevada, LLC, a Nevada limited liability company  If this is a joint statement completed on behalf of multiple cross-appellants, add the names and addresses of other counsel and the names of their clients on an additional sheet accompanied by a certification that they concur in the filing of this statement.  3. Attorney(s) representing cross-respondent(s): Attorney: Richard H. Bryan, Esq., Patrick J. Sheehan, Esq. Telephone: (702) 692-8000 Firm: FENNEMORE CRAIG, P.C. Address: 300 S. Fourth Street, Suite 1400, Las Vegas, NV 89101 Clients: Cross-Respondent, Desert Aire Wellness, LLC, a Nevada limited liability company  Attorney: Margaret A. McLetchie, Esq., Alina M. Shell, Esq. Firm: MCLETCHIE SHELL, LLC Address: 701 East Bridger Ave., Suite 520, Las Vegas, NV 89101 Clients: Cross-Respondent, Desert Aire Wellness, LLC, a Nevada limited liability company  Attorney: Adam P. Laxalt, Linda C. Anderson, Esq. Firm: STATE OF NEVADA, ATTORNEY GENERAL Address: 555 E. Washington Avenue, #3900, Las Vegas, NV 89101 Clients: Cross-Respondent, State of Nevada, Division of Public and Behavioral Health of the Department of Health and Human Services  4. Nature of disposition below (check all that apply):    Judgment after bench trial   Grant/Denial of finjunction     Judgment after jury verdict   Grant/Denial of declaratory relief     Summary judgment   Grant/Denial of declaratory relief     Summary judgment   Grant/Denial of Modification     Dismissal   Grant/Denial of Modification     Dismissal   Grant/Denial of Modification     Dismissal   Grant/Denial of Modification     Original   Modification     Original   Modification     Original   Other disposition (specify)	1.	. Judicial District: Eighth Department:	County: Clark			
Attorney: James E. Shapiro, Esq. Telephone: (702) 318-5033  Firm: Smith & Shapiro, PLLC Address: 2520 St. Rose Pkwy., Suite 220, Henderson, NV 89074  Clients: Cross-Appellant, GB Sciences Nevada, LLC, a Nevada limited liability company  If this is a joint statement completed on behalf of multiple cross-appellants, add the names and addresses of other counsel and the names of their clients on an additional sheet accompanied by a certification that they concur in the filing of this statement.  3. Attorney(s) representing cross-respondent(s): Attorney: Richard H. Bryan, Esq., Patrick J. Sheehan, Esq. Telephone: (702) 692-8000  Firm: FENNEMORE CRAIG, P.C. Address: 300 S. Fourth Street, Suite 1400. Las Vegas, NV 89101  Clients: Cross-Respondent, Desert Aire Wellness, LLC, a Nevada limited liability company  Attorney: Margaret A. McLetchie, Esq., Alina M. Shell, Esq. Telephone: (702) 728-5300  Firm: MCLETCHIE SHELL, LLC Address: 701 East Bridger Ave., Suite 520, Las Vegas, NV 89101  Clients: Cross-Respondent, Desert Aire Wellness, LLC, a Nevada limited liability company  Attorney: Adam P. Laxalt, Linda C. Anderson, Esq. Telephone: (702) 486-3077  Firm: STATE OF NEVADA, ATTORNEY GENERAL Address: 555 E. Washington Avenue, #3900, Las Vegas, NV 89101  Clients: Cross-Respondent, State of Nevada, Division of Public and Behavioral Health of the Department of Health and Human Services  4. Nature of disposition below (check all that apply):  □ Judgment after jury verdict □ Grant/Denial of declaratory relief □ Summary judgment □ Default judgment □ Dismissal □ Grant/Denial of Modification □ Divorce decree: □ Dismissal □ Original □ Modification □ Divorce decree: □ Other disposition (specify) □ Other disposition (specify)		Judge: The Honorable Kenneth C. Cory	District Court Docket No.: A-15-728448-C			
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Address: 2520 St. Rose Pkwy., Suite 220, Henderson, NV 89074  Clients: Cross-Appellant, GB Sciences Nevada, LLC, a Nevada limited liability company  If this is a joint statement completed on behalf of multiple cross-appellants, add the names and addresses of other counsel and the names of their clients on an additional sheet accompanied by a certification that they concur in the filing of this statement.  3. Attorney(s) representing cross-respondent(s):  Attorney(s) representing cross-respondent(s):  Attorney: Richard H. Bryan, Esq., Patrick J. Sheehan, Esq. Telephone: (702) 692-8000  Firm: FENNEMORE CRAIG, P.C.  Address: 300 S. Fourth Street, Suite 1400, Las Vegas, NV 89101  Clients: Cross-Respondent, Desert Aire Wellness, LLC, a Nevada limited liability company  Attorney: Margaret A. McLetchie, Esq., Alina M. Shell, Esq. Telephone: (702) 728-5300  Firm: MCLETCHIE SHELL, LLC  Address: 701 East Bridger Ave., Suite 520, Las Vegas, NV 89101  Clients: Cross-Respondent, Desert Aire Wellness, LLC, a Nevada limited liability company  Attorney: Adam P. Laxalt, Linda C. Anderson, Esq. Telephone: (702) 486-3077  Firm: STATE OF NEVADA, ATTORNEY GENERAL  Address: 555 E. Washington Avenue, #3900, Las Vegas, NV 89101  Clients: Cross-Respondent, State of Nevada, Division of Public and Behavioral Health of the Department of Health and Human Services  4. Nature of disposition below (check all that apply):    Judgment after bench trial   Grant/Denial of injunction   Grant/Denial of declaratory relief   Review of agency determination   Pefault judgment   Review of agency determination   Default judgment   Review of agency determination   Divorce decree:   Dismissal   Original   Modification   Other disposition (specify)   Public and Behavioral Health of the Department of   Review of agency determination   Other disposition (specify)   Public and Specify   Public a			Telephone: <u>(702) 318-5033</u>			
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☐ Judgment after jury verdict       ■ Grant/Denial of declaratory relief         ■ Summary judgment       ☐ Review of agency determination         ☐ Default judgment       ☐ Divorce decree:         ☐ Dismissal       ☐ Original       ☐ Modification         ☐ Lack of jurisdiction       ☐ Other disposition (specify)         ☐ Failure to state a claim       ☐ Other disposition	4.	Nature of disposition below (check all that apply):				
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■ Summary judgment						
<ul> <li>□ Default judgment</li> <li>□ Dismissal</li> <li>□ Lack of jurisdiction</li> <li>□ Failure to state a claim</li> <li>□ Divorce decree:</li> <li>□ Original</li> <li>□ Modification</li> <li>□ Other disposition (specify)</li> </ul>		- C · J J				
<ul> <li>□ Dismissal</li> <li>□ Lack of jurisdiction</li> <li>□ Failure to state a claim</li> <li>□ Original</li> <li>□ Other disposition (specify)</li> <li>□ Failure to state a claim</li> </ul>		7 5 0				
☐ Lack of jurisdiction ☐ Other disposition (specify) ☐ Failure to state a claim						
☐ Failure to state a claim		— · · · · · · · · · · · · · · · · · · ·				
		<i>3</i>	(			
LE PROUE TO DEOSECUTE		☐ Failure to prosecute				
☐ Other (specify)						
☐ Grant/Denial of NRCP 60(b) relief						

5. Does this cross-appeal raise issues concerning any of the following:				
	<ul><li>☐ Child custody</li><li>☐ Venue</li><li>☐ Adoption</li></ul>	<ul> <li>☐ Termination of parental rights</li> <li>☐ Grant/denial of injunction or TRO</li> <li>☐ Juvenile matters</li> </ul>		
6.		<b>proceedings in this court.</b> List the case name and docket number of all appeals or original ly or previously pending before this court which are related to this cross-appeal:		
	Name: Desert Aire V Docket Number: 704	Wellness, LLC v. GB Sciences Nevada, LLC et al. 462		
7.	proceedings in other	<b>proceedings in other courts.</b> List the case name, number and court of all pending and prior r courts which are related to this cross-appeal (e.g., bankruptcy, consolidated or bifurcated eir dates of disposition:		
	On June 15, 2016, C	GB Sciences filed a Motion to Consolidate Appeal No. 69909 with Appeal No. 70462.		
8.	Nature of the action. Briefly describe the nature of the action, including a list of the causes of action pleaded, and the result below:			
	Nature of the action: The action involves the issuance of provisional registration certificates (" <u>Provisional Certificates</u> ") by the State of Nevada to applicants for medical marijuana establishment (" <u>MME</u> ") dispensaries in the City of Las Vegas, pursuant to the provisions of N.R.S. Chapter 453A. Notwithstanding the fact that Cross-Respondent Desert Aire Wellness, LLC (" <u>Desert Aire</u> ") did not satisfy the requirement identified in N.R.S. § 453A.322(3)(a)(5), Cross-Respondent the State of Nevada issued a Provisional Certificate to Desert Aire. The District Court ordered the Division to rescind or withdraw Desert Aire's Provisional Certificate but declined to award it to Cross-Appellant GB Sciences of Nevada, LLC. Desert Aire appealed the decision. Cross-Appellant agrees that Desert Aire's Certificate should have been rescinded, but contends that it should have been awarded to Cross-Appellant.			
Causes of action: (1) Declaratory Judgment, (2) Injunctive Relief, (3) Petition for Judicial Review for Writ of Mandamus.				
	Result below: On March 15, 2016, the District Court entered a Minute Order in relation to competing motions for summary judgment, in which the Court ordered the Division to rescind Desert Aire's Provisional Certificate but declined to order the Division to reissue the Provisional Certificate to GB Sciences. On April 28, 2016, the material terms of the Minute Order were memorialized in a written Order.			
9.	Certificate ordered b	<b>peal.</b> State concisely the principal issue(s) in this cross-appeal: Whether the Provisional y the District Court to be rescinded and withdrawn from Cross-Respondent Desert Aire should o Cross-Appellant GB Sciences.		
10.	presently pending be	gs in this court raising the same or similar issues. If you are aware of any proceedings fore this court which raises the same or similar issues raised in this cross-appeal, list the case mber and identify the same or similar issues raised:		
	Case Name:	NuLeaf CLV Dispensary, LLC v. State of Nevada, Department of Health and Human Services, Division of Public and Behavioral Health, et al.,		
	Docket Number	69909		
		tes: (1) In both appeals, the appellants are asking the Nevada Supreme Court to reject ourt's interpretation of N.R.S. § 453A.322(3)(a)(5) that required the Division to deny the any applicant who did not show up as approved on the City of Las Vegas' October 30, 2014		

letter. (2) In both appeals, the appellants are asking the Nevada Supreme Court to overrule the District Court's Order directing the Division to revoke any Certificate issued in violation thereof of N.R.S. § 453A.322(3)(a)(5). (3) Both appellants appear to be questioning the District Court's ability to order the Division to revoke or rescind the Certificates. (4) In both appeals, there is an issue dealing with whether the District Court should have ordered the Division to reissue the revoked Certificates to the next applicant in line which had satisfied N.R.S. § 453A.322(3)(a)(5).

11. Constitutional issues. If this cross-appeal challenges the constitutionality of a statute, and the state, any state

	agency, or any officer or employee thereof is not a party to this cross-appeal, have you notified the clerk of this courand the attorney general in accordance with NRAP 44 and NRS 30.130?
	N/A
12.	Other issues. Does this cross-appeal involve any of the following issues?  ☐ Reversal of well-settled Nevada precedent (on an attachment, identify the case(s)) ☐ An issue arising under the United States and/or Nevada Constitutions ☐ A substantial issue of first-impression ☐ An issue of public policy ☐ An issue where en banc consideration is necessary to maintain uniformity of this court's decisions ☐ A ballot question
	If so, explain:
13.	Trial. If this action proceeded to trial, how many days did the trial last? N/A
	Was it a bench or jury trial? N/A
14.	Judicial disqualification. Do you intend to file a motion to disqualify or have a justice recuse him/herself from participation on this cross-appeal? If so, which Justice? No
	TIMELINESS OF NOTICE OF APPEAL
15.	Date of entry of written judgment or order cross-appealed from <u>April 28, 2016 and June 8, 2016</u> . Attach a copy. If more than one judgment or order is cross-appealed from, attach copies of each judgment or order from which a cross-appeal is taken.
	(a) If no written judgment or order was filed in the district court, explain the basis for seeking appellate review: N/A.
16.	Date written notice of entry of judgment or order served <u>April 28, 2016 and June 8, 2016</u> . Attach a copy including proof of service, for each order or judgment cross-appealed from.
	(a) Was service by delivery or by mail X (e-service) (specify).
17.	If the time for filing the notice of cross-appeal was tolled by a post-judgment motion (NRCP 50(b), 52(b), or 59),
	(a) Specify the type of motion, and the date and method of service of the motion, and date of filing.
	NRCP 50(b) Date served By delivery Or by mail Date of filing
	NRCP 52(b) Date servedBy deliveryOr by mailDate of filing
	NRCP 59(e) Date served By delivery Or by mail Date of filing .

Attach copies of all post-trial tolling motions

	NOTE:	Motions made pursuant to NRCP 60 or motion for rehearing or recthe time for filing a notice of cross-appeal.	consideration do not toll
	(b) Date of	fentry of written order resolving tolling motion	Attach a copy.
	(c) Date wi	ritten notice of entry of order resolving motion served	Attach a copy.
	(i) Was	service by delivery or by mail (specify).	
18.	Date notice	e of cross-appeal was filed May 25, 2016	•
	and identify	than one party has appealed from the judgment or order, list date each not by name the party filing the notice of appeal: On May 25, 2015, Cro.LC filed the initial Notice of Appeal in this matter.	
19.		tute or rule governing the time limit for filing the notice of cross-apporter: NRAP 4(a)(1), and NRAP 4(a)(2)	
		SUBSTANTIVE APPEALABILITY	
20.	Specify the cross-appear	statute or other authority granting this court jurisdiction to review aled from:	the judgment or order
	NRAP 3A(t NRAP 3A(t	b)(1) X NRS 155.190(specify subsection) b)(2) NRS 38.205(specify subsection) b)(3) X NRS 703.376(specify subsection) ify)	
	basis for this commenced because the	weach authority provides a basis for appeal from the judgment or order: Note appeal because the order being appealed from is a final judgment entered in the court in which the judgment is rendered. NRAP 3A(b)(3) provide Court denied Cross-Appellant a mandatory injunction against the St Certificate at issue to Cross-Appellant.	d in an action or proceeding des the basis for this appeal
21.	List all par	ties involved in the action in the district court:	
	Cross-Respo		e Department of Health and
	involved in	rties in the district court are not parties to this cross-appeal, explain in det this cross-appeal, e.g., formally dismissed, not served, or other: The decl Las Vegas were rendered moot prior to final adjudication of the district co	aratory relief claims against
22.	Give a brief	f description (3 to 5 words) of each party's separate claims, countercla	nims, cross-claims or third-

party claims, and the trial court's disposition of each claim, and how each claim was resolved (i.e., order, judgment, stipulation), and the date of disposition of each claim. Attach a copy of each disposition.

	Cross-Appellant's claims against Respondent State of Nevada, Division of Public and Behavioral Health of the Department of Health and Human Services:  (i) Declaratory Judgment. State improperly issued Provisional Certificate.  (ii) Injunction. Issue Certificate to Cross-Appellant.
	<ul><li>(iii) Petition for Judicial Review: Review Decision to Issue Certificate.</li><li>(iv) Petition for Writ of Mandamus: Compel issuance of Provisional Certificate to Cross-Appellant.</li><li>April 28, 2016 Judgment: claims (i) and (ii) granted, but (iii) and (iv) denied.</li></ul>
	Cross-Appellant's claims against Cross-Respondent Desert Aire Wellness, LLC: (i) Declaratory Judgment. State improperly issued Provisional Certificate. (ii) Injunction. Issue Certificate to Cross-Appellant. April 28, 2016 Judgment: claim (i) granted, but (ii) denied.
	Cross-Appellant's claims against Defendant City of Las Vegas:  (i) Declaratory Judgment. Applicable deadlines should be tolled.  (ii) Injunction. Applicable deadlines should be tolled.  April 28, 2016 Judgment: not addressed due to claims being moot. Still included as an interested party.
	Cross-Respondent State of Nevada, Division of Public and Behavioral Health of the Department of Health and Human Services' counterclaims against Cross-Appellant: None.
	Cross-Respondent Desert Aire Wellness, LLC's counterclaims against Cross-Appellant: None.
	Defendant City of Las Vegas' counterclaims against Cross-Appellant: None.
23.	Attach copies of the last-filed version of all complaints, counterclaims, and/or cross-claims filed in the district court.
	See Exhibits "E" and "F".
24.	Did the judgment or order appealed from adjudicate ALL the claims alleged below and the rights and liabilities of ALL the parties to the action below:
	Yes <u>X</u> No
25.	If you answered "No" to the immediately previous question, complete the following:
	(a) Specify the claims remaining pending below: N/A.
	(b) Specify the parties remaining below: N/A.
	(c) Did the district court certify the judgment or order appealed from as a final judgment pursuant to NRCP 54(b): N/A.
	Yes No $X$ If "Yes," attach a copy of the certification or order, including any notice of entry and proof of service.
	(d) Did the district court make an express determination, pursuant to NRCP 54(b), that there is no just reason for delay and an express direction for the entry of judgment:
	Yes NoX
26.	If you answered "No" to any part of question 25, explain the basis for seeking appellate review (e.g., order is independently appealable under NRAP 3A(b)): N/A.

#### VERIFICATION

I declare under penalty of perjury that I have read this docketing statement, that the information provided in this docketing statement is true and complete to the best of my knowledge, information and belief, and that I have attached all required documents to this docketing statement.

GB Sciences, LLC, a Nevada limited liability	State and county where signed
company	James E. Shapiro, Esq.
Name of cross-appellant	Name of counsel fo record
June 15, 2016	
Date	Signature of counsel of record
Clark County, Nevada	
Clark County, 110 vada	

#### **INDEX OF EXHIBITS**

April 28, 2016 Order in relation to Motions for Summary Judgment	Exhibit "A'
June 8, 2016 Order Regarding Motion for Reconsideration	Exhibit "B'
April 28, 2016 Notice of Entry of Order in relation to Motions for Summary Judgment.	Exhibit "C'
June 8, 2016 Notice of Entry of Order Regarding Motion for Reconsideration.	Exhibit "D'
December 2, 1015 Complaint	Exhibit "E'
December 17, 2015 Desert Aire Wellness, LLC's Answer and Counterclaim	Exhibit "F'

#### CERTIFICATE OF SERVICE

I certify that on the 15<sup>th</sup> day of June, 2016, I served a copy of this completed docketing statement upon all counsel of record:

- ☐ By personally serving it upon him/her; or
- By mailing it by first class mail with sufficient postage prepaid to the following address(es):

Margaret A. McLetchie, Esq.
MCLETCHIE SHELL, LLC
701 E. Bridger Avenue, Suite 520
Las Vegas, Nevada 89101
Counsel for Appellant Desert Aire Wellness, LLC

Adam P. Laxalt, Esq.
Linda C. Anderson, Esq.
STATE OF NEVADA
ATTORNEY GENERAL
555 E. Washington Avenue, #3900
Las Vegas, NV 89101
Attorneys for Cross-Respondent,
STATE OF NEVADA

Dated this 15th day of June, 2016.

Jill M. Berghammer