SUPREME COURT OF NEVADA

Case No. 79668

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Elizabeth A. Brown
Clerk of Supreme Court

GREENMART OF NEVADA NLV LLC,; and
NEVADA ORGANIC REMEDIES, LLC
Appellants,
v.
SERENITY WELLNESS CENTER LLC; TGIG, LLC; NULEAF INCLINE DISPENSARY, LLC,; NEVADA HOLISTIC MEDICINE, LLC; TRYKE COMPANIES SO NV, LLC; TRYKE COMPANIES RENO, LLC; PARADISE WELLENESS CENTER; GBS NEVADA PARTNERS, LLC; FIDELIS HOLDINGS, LLC; GRAVITAS NEVADA, LLC; NEVADA PURE, LLC; MEDIFARM, LLC; MEDIFARM IV LLC;
and STATE OF NEVADA, DEPARTMENT OF TAXATION,

Respondents,

Appeal from the Eighth Judicial District Court,
Clark County, Nevada
District Court Case # A-19-786962-B
The Honorable Elizabeth Gonzalez

APPELLANT'S APPENDIX – VOLUME 7

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Docket 79668 Document 2020-01642

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29	Notice of Entry of Order and Order Regarding Nevada Wellness Center, LLC's Motion to Alter or Amend Findings of Fact and Conclusions of Law Granting Preliminary Injunction	11/6/19	AA 007058 - AA 007067
20	Order Granting in Part Motion to Coordinate Cases for Preliminary Injunction Hearing	7/11/19	AA 004938 - AA 004940
22	Order Granting Preliminary Injunction (Findings of Fact and Conclusions of Law)	8/23/19	AA 005277 - AA 005300
46, 47	Preliminary Injunction Hearing, Defendant's Exhibit 2009 Governor's Task Force Report	n/a	AA 011408 - AA 011568
47	Preliminary Injunction Hearing, Defendant's Exhibit 2018 List of Applicants for Marijuana Establishment Licenses 2018	n/a	AA 011569 - AA 011575

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47	Preliminary Injunction Hearing, Defendant's Exhibit 5025 Nevada Organic Remedies, LLC's Organizational Chart	n/a	AA 011576 - AA 011590
47	Preliminary Injunction Hearing, Defendant's Exhibit 5026 Nevada Organic Remedies, LLC's Ownership Approval Letter	n/a	AA 011591, AA 011592
47	Preliminary Injunction Hearing, Defendant's Exhibit 5026 Nevada Organic Remedies, LLC's Ownership Approval Letter as Contained in the Application	n/a	AA 011593 - AA 011600
47	Preliminary Injunction Hearing, Defendant's Exhibit 5038 Evaluator Notes on Nevada Organic Remedies, LLC's Application	n/a	AA 011601 - AA 011603
47	Preliminary Injunction Hearing, Defendant's Exhibit 5045 Minutes of ther Legislative Commission, Nevada Legislative Counsel Bureau	n/a	AA 011604 - AA 011633
47	Preliminary Injunction Hearing, Defendant's Exhibit 5049 Governor's Task Force for the Regulation and Taxation of Marijuana Act Meeting Minutes	n/a	AA 011634 - AA 011641
47	Register of Actions for Serenity Wellness Center, LLC v. State of Nevada, Department of Taxation, Case No. A-18-786962-B	n/a	AA011642 - AA 011664
27	Serenity Wellness Center, LLC et al.'s Joinder to MM Development Company Inc. and LivFree Wellness, LLC Development Company Inc. and LivFree Wellness, LLC's's Motion to Amend the Findings of Fact and Conclusions of Law Granting Motion for Preliminary Injunction	9/30/19	AA 006506 - AA 006508
2	Serenity Wellness Center, LLC et al.'s Complaint	1/4/19	AA 000343 - AA 000359
0	Serenity Wellness Center, LLC et al.'s Corrected First Amended Complaint	7/11/19	AA 004907 - AA 004924
5, 6	Serenity Wellness Center, LLC et al.'s Ex Parte Motion for Leave to file Brief in Support of Motion for Preliminary Injunction in Excess of Thirty Pages in Length	4/10/19	AA 001163 - AA 001288

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40	Serenity Wellness Center, LLC et al.'s Joinder to MM Development Company Inc. and LivFree Wellness, LLC Development Company Inc. and LivFree Wellness, LLC's's Motion for Preliminary Injunction	5/20/19	AA 003603 - AA 003636
23	Serenity Wellness Center, LLC et al.'s Joinder to MM Development Company Inc. and LivFree Wellness, LLC Development Company Inc. and LivFree Wellness, LLC's's Objection to Court's Exhibit 3	8/27/19	AA 005540 - AA 005543
27	Serenity Wellness Center, LLC et al.'s Joinder to Nevada Wellness Center, LLC's Motion to Amend the Findings of Fact and Conclusions of Law Granting Motion for Preliminary Injunction	10/7/19	AA 006528 - AA 006538
4	Serenity Wellness Center, LLC et al.'s Motion for Preliminary Injunction	3/19/19	AA 000769 - AA 000878
18	Serenity Wellness Center, LLC et al.'s Reply in support of Motions for Summary Judgment	5/22/19	AA 004395 - AA 004408
29	Serenity Wellness Center, LLC et al.'s Second Amended Complaint	11/26/19	AA 007131 - AA 007153
5	Serenity Wellness Center, LLC et al.'s Summons to State of Nevada, Department of Taxation	3/26/19	AA 001031 - AA 001034
19	Serenity Wellness Center, LLC et al.'s Supplemental Memorandum of Points and Authorities in Support of Preliminary Injunction	6/10/19	AA 004564 - AA 004716
6	State of Nevada, Department of Taxation's Answer to ETW Management Group, LLC et al.'s Amended Complaint	4/17/19	AA 001313 - AA 001326
19	State of Nevada, Department of Taxation's Answer to ETW Management Group, LLC et al.'s Second Amended Complaint	6/4/19	AA 004513 - AA 004526
5	State of Nevada, Department of Taxation's Answer to MM Development Company Inc. and LivFree Wellness, LLC Development Company Inc. and LivFree Wellness, LLC's's First Amended Complaint	4/10/19	AA 001150 - AA 001162

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11	State of Nevada, Department of Taxation's Opposition to MM Development Company Inc. and LivFree Wellness, LLC Development Company Inc. and LivFree Wellness, LLC's's Motion for Preliminary Injunction	5/20/19	AA 002704 - AA 002724
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28	State of Nevada, Department of Taxation's Opposition to Nevada Organic Remedies, LLC's Application for Writ of Mandamus to Compel State of Nevada , Department of Taxation to Move Nevada Organic Remedies, LLC Into "Tier 2" of Successful Conditional License Applicants	10/24/19	AA 006889 - AA 006954
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30	Transcripts for the Evidentiary Hearing on Motions for Preliminary Injunction Day 2 Volume 1	5/28/19	AA 007405 - AA 007495
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45, 46	Transcripts for the Evidentiary Hearing on Motions for Preliminary Injunction Day 20	8/16/19	AA 011166 - AA 011332

CERTIFICATE OF SERVICE

I hereby certify that the foregoing APPELLANT APPENDIX was filed electronically with the Nevada Supreme Court on the 13th day of January, 2020. Electronic service of the foregoing document shall be made in accordance with the Master Service List as follows:

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/s/ David R. Koch
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the Licenses to third-party purchasers with the intent to exclude Plaintiffs from the proceeds of any such sale.

FIRST CLAIM FOR RELIEF

USURPATION OF CORPORATE OPPORTUNITY

(All Defendants)

56. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 55, inclusive.

57. As directors and/or officers of Naturex, including comprising of the purported Board for Naturex as Defendants would propose each of the Defendants would be Board members on the Naturex Applications, each of the Defendants owe fiduciary duties of care, loyalty and good faith to Naturex's members, including Plaintiffs. Defendants' fiduciary duties include obligations to exercise good business judgment, to act prudently in the operation of Naturex's business, to discharge their actions in good faith, to act in the best interests of Naturex and its members, and to put the interests of Naturex before their own.

58. Defendants breached their fiduciary duty owed to Naturex and its members, by among other things, appropriating for their own use, the opportunity to apply for the Applications, which was an opportunity that should belong to Naturex.

59. The newly awarded Licenses will be directly competing businesses because the Licenses will be utilized to open additional recreational marijuana dispensaries in direct competition of Naturex and operated to the detriment of Plaintiffs.

60. Defendants maintain an interest and expectancy in the Licenses and the competing businesses' opportunity opened thereto with the Licenses because Defendants explicitly applied under Defendant Lone Mountain, which is owned and operated by the Defendants.

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61. Defendants repeated conduct of informing Plaintiffs the Applications would be submitted on behalf of Naturex, obtaining all of the Naturex Proprietary Information, and then utilizing the Naturex tradename Zen Leaf, was a direct exploit of the opportunity available to Naturex, which Naturex relied upon the representations by Defendants the Application would be submitted on behalf of Naturex. Defendants then intentionally and maliciously usurped the opportunity available and belonging to Naturex and instead utilized the Naturex materials for its own entity Defendant Lone Mountain to apply without including Plaintiffs and without informing Plaintiffs of Defendants intended course of action.

62. The opportunity to apply for the Licenses belonged to Naturex, the Plaintiffs maintained an expectancy interest in the opportunity to apply for the Licenses, and the equitable interest and expectancy grew out of a pre-existing right of Naturex, therefore, Defendants – as fiduciaries to Plaintiffs – could not keep the opportunity for themselves.

63. The proposed activity to apply for the Licenses was developed through Naturex' assets and it is reasonably incident to the Naturex business, therefore, a protected opportunity the Defendants usurped for their own personal benefit for the purposeful exclusion of the Plaintiffs.

64. As a direct result of Defendant's actions to usurp the opportunity belonging to Naturex and instead utilizing the Naturex materials for Defendants to apply for and obtain the Licenses directly caused the Plaintiffs' damages because Plaintiffs were unable to apply for the Licenses after detrimentally relying on Defendant's representations the Application would be submitted on behalf of Naturex, when in fact, Defendants did not intend to do so. Instead, it was not until the day of the expiration of the Application Period the Defendants informed Plaintiffs the Application would not be submitted, therefore, making it impossible for Plaintiffs to submit their own Application after detrimentally relying upon Defendants' course of conduct

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and representations the Defendants would prepare and submit the Application for Plaintiffs.

65. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses.

66. As a result of the usurpation of the corporate opportunity by Defendants, Plaintiffs suffered damages in an amount in excess of $10,000.00.

67. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses.

68. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

69. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

70. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

SECOND CLAIM FOR RELIEF

BREACH OF FIDUCIARY DUTY

(All Defendants)

71. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 70, inclusive.

72. As directors and/or officers of Naturex, including comprising of the purported Board for Naturex as Defendants would propose each of the Defendants would be Board members on the Naturex Applications, each of the Defendants owe fiduciary duties of care,

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loyalty and good faith to Naturex's members, including Plaintiffs. Defendants' fiduciary duties include obligations to exercise good business judgment, to act prudently in the operation of Naturex's business, to discharge their actions in good faith, to act in the best interests of Naturex and its members, and to put the interests of Naturex before their own.

73. The fiduciary duty existing between Plaintiffs and Defendants requires Defendants to act with a duty for or give advice for the benefit of Plaintiffs upon the matters within the scope of their business relationship.

74. Defendants breached their fiduciary duty owed to Naturex and its members, by among other things, appropriating for their own use, the opportunity to apply for the Applications, which was an opportunity that should belong to Naturex. Defendants failed to use due care or diligence, failed to act with the utmost faith, exercise ordinary skill, and act with reasonable intelligence in exercising their fiduciary duty to Plaintiffs.

75. Defendants breached their fiduciary duties of loyalty and good faith by, among other things, intentionally appropriating for their own use the Naturex Proprietary Information, by failing to submit the Naturex Applications, by failing to afford the opportunity in the Applications and Licenses to Plaintiffs, and by purposefully misrepresenting to Plaintiffs' detriment the Naturex Application would be prepared and submitted, when in fact, Defendants instead intended and did submit the Lone Mountain Application to Naturex's detriment.

76. Plaintiffs have been damaged by the Defendants' breach of their fiduciary duties.

77. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses.

78. As a result of the Defendants breach of their fiduciary duties, Plaintiffs suffered damages in an amount in excess of $10,000.00.

79. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses. Plaintiffs are further

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entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses..

80. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

81. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

82. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

THIRD CLAIM FOR RELIEF

FRAUD

(All Defendants)

83. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 82, inclusive.

84. Defendants made false representations or misrepresentations to Plaintiffs when Defendants indicated the Applications would be prepared and submitted on behalf of Naturex.

85. Defendants knew during the Application Period the Defendants' representations were false and the Naturex Application would not be submitted.

86. Defendants intended to induce Plaintiffs to act in reliance on the representations the Applications would be submitted so the Plaintiffs could not submit the Application on behalf of Naturex.

87. Plaintiffs justifiably relied upon the Defendants' representations by completing

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the requested sections of the Naturex Application and relying upon Defendants, through their repeated promises and representations Defendants would handle the preparation and submittal of the Application using Defendants' 'application team'.

88. Plaintiffs justifiable reliance on the Defendants' representations led to Plaintiffs inability to submit the Application themselves since Defendants only informed Plaintiffs on the last day of the Application Period the Application for Naturex would not be submitted. Defendants did not inform Plaintiffs that Defendants would instead submit an Application for Defendants' own entity Lone Mountain.

89. The failure to submit the Application on behalf of Naturex, which Plaintiffs were relying upon Defendants to submit, led to financial damages because Naturex was unable to apply for the limited available dispensary licenses. Instead, Defendants were awarded the Licenses, with, on information and belief, Naturex Proprietary Information and trade name "Zen Leaf" utilized for the Lone Mountain Application.

90. Plaintiffs have been damaged by the Defendants' fraudulent conduct.

91. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses.

92. As a result of the Defendants fraudulent conduct, Plaintiffs suffered damages in an amount in excess of $10,000.00.

93. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses.

94. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

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95. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

96. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

FOURTH CLAIM FOR RELIEF

BREACH OF DUTY OF LOYALTY

(All Defendants)

97. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 96, inclusive.

98. As directors and/or officers of Naturex, including comprising of the purported Board for Naturex as Defendants would propose each of the Defendants would be Board members on the Naturex Applications, each of the Defendants owe fiduciary duties of care, loyalty and good faith to Naturex's members, including Plaintiffs. Defendants' fiduciary duties include obligations to exercise good business judgment, to act prudently in the operation of Naturex's business, to discharge their actions in good faith, to act in the best interests of Naturex and its members, and to put the interests of Naturex before their own.

99. The fiduciary duty existing between Plaintiffs and Defendants requires Defendants to maintain, in good faith, Naturex's and its members' best interests over anyone else's interests.

100. Defendants breached their fiduciary duty owed to Naturex and its members, by among other things, appropriating for their own use, the opportunity to apply for the Applications, which was an opportunity that should belong to Naturex. Defendants failed to use

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due care or diligence, failed to act with the utmost faith, exercise ordinary skill, and act with reasonable intelligence in exercising their fiduciary duty to Plaintiffs.

101. Defendants breached their fiduciary duties of loyalty and good faith by, among other things, intentionally appropriating for their own use the Naturex Proprietary Information, by failing to submit the Naturex Applications, by failing to afford the opportunity in the Applications and Licenses to Plaintiffs, and by purposefully misrepresenting to Plaintiffs' detriment the Naturex Application would be prepared and submitted, when in fact, Defendants instead intended and did submit the Lone Mountain Application to Naturex's detriment.

102. Plaintiffs have been damaged by the Defendants' breach of their fiduciary duties.

103. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses.

104. As a result of the Defendants breach of their fiduciary duties, Plaintiffs suffered damages in an amount in excess of $10,000.00.

105. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses.

106. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

107. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

108. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and

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costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

FIFTH CLAIM FOR RELIEF

MISAPPROPRIATION OF TRADE SECRETS

(Violation of Nevada Trade Secrets Act NRS 600A *et seq*.)

(All Defendants)

109. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 108, inclusive.

110. Naturex possess a viable trade secret as part of its business, including but not limited to market research, customer lists, customer and product pricing information, formulas, patterns, compilations, programs, devices, methods, techniques, products, systems, processes, designs, prototypes, procedures and computer programming instructions, including the Naturex Proprietary Information, which are extremely confidential and derive independent economic value from not being generally known to, and not being readily ascertainable by proper means by the public or any other persons who can obtain commercial or economic value from their disclosure or use.

111. Naturex took adequate measures and maintained the foregoing information and technology as trade secrets, which secrecy was guarded and not readily available to others.

112. On information and belief, Defendants intentionally, and with reason to believe that its actions would cause injury to Plaintiffs, misappropriated and exploited the trade secret information through use and disclosure of the trade secret for Defendants' own use and personal gain when it utilized the Naturex Proprietary Information for the Lone Mountain Application.

113. The misappropriation is wrongful because it was made in breach of an expressed or implied contract that the information would only be used for the Naturex Application, and, by Defendants' who maintained a fiduciary duty not to disclose the trade secret.

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114. On information and belief, Defendants misappropriated the trade secret information with willful, wanton, or reckless disregard of Plaintiffs' rights for Defendants' Lone Mountain Application instead of utilizing the information for the Naturex Application that was never submitted.

115. Plaintiffs have been damaged by the Defendants' misappropriate of trade secrets because Defendants would not have been successful in obtaining the Licenses without the trade secrets, which the Licenses will not be directly competing with Naturex.

116. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits for the effectuation of justice.

117. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

118. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

119. As a direct result of the Defendants misappropriation, Plaintiffs suffered damages in an amount in excess of $10,000.00.

120. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 600A.060.

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SIXTH CLAIM FOR RELIEF

BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING

(All Defendants)

121. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 120, inclusive.

122. The Parties entered into that particular Membership Interest Purchase Agreement for the Defendant to purchase fifty percent (50.0%) of the membership interest of Naturex and be partners with Plaintiffs.

123. The Membership Interest Purchase Agreement contains an implied covenant to act in good faith in performance and enforcement of the contract.

124. The Membership Interest Purchase Agreement contained various provisions regarding the management and partnership between the Parties going forward for the operations of the business of Naturex.

125. Plaintiffs maintained a justifiable expectation to receive certain benefits consistent with the provisions of the Agreement, such as a co-manager acting with a duty of loyalty and fiduciary duty to Naturex and the members.

126. Defendants conduct was in violation of or unfaithful to the spirit of the Agreement because Defendants duty of loyalty and fiduciary duty were breached when Defendants failed to submit the Naturex Application and instead usurped the opportunity by only submitting the Lone Mountain Application.

127. Defendants actions were deliberate because Defendants waited until the last day of the Application Period to inform Naturex the Application would not be submitted despite all the while Defendants were preparing and submitted the Lone Mountain Application to the

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detriment of Plaintiffs.

128. Plaintiffs have been damaged by the Defendants' breach of the implied covenant of good faith and fair dealing because Plaintiffs were unable to apply for and obtain the Licenses.

129. As a result of the Defendants breach, Plaintiffs suffered damages in an amount in excess of $10,000.00.

130. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses.

131. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

132. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

133. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*., and the Membership Interest Purchase Agreement.

SEVENTH CLAIM FOR RELIEF

IMPOSITION OF CONSTRUCTIVE TRUST

(All Defendants)

134. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through

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135, inclusive.

135. As directors and/or officers of Naturex, including comprising of the purported Board for Naturex as Defendants would propose each of the Defendants would be Board members on the Naturex Applications, each of the Defendants owe fiduciary duties of care, loyalty and good faith to Naturex's members, including Plaintiffs. Defendants' fiduciary duties include obligations to exercise good business judgment, to act prudently in the operation of Naturex's business, to discharge their actions in good faith, to act in the best interests of Naturex and its members, and to put the interests of Naturex before their own.

136. The fiduciary duty existing between Plaintiffs and Defendants requires Defendants to maintain, in good faith, Naturex's and its members' best interests over anyone else's interests and was a confidential relationship between the Parties.

137. Defendants breached their fiduciary duty owed to Naturex and its members, by among other things, appropriating for their own use, the opportunity to apply for the Applications, which was an opportunity that should belong to Naturex. Defendants failed to use due care or diligence, failed to act with the utmost faith, exercise ordinary skill, and act with reasonable intelligence in exercising their fiduciary duty to Plaintiffs.

138. Defendants breached their fiduciary duties of loyalty and good faith by, among other things, intentionally appropriating for their own use the Naturex Proprietary Information, by failing to submit the Naturex Applications, by failing to afford the opportunity in the Applications and Licenses to Plaintiffs, and by purposefully misrepresenting to Plaintiffs' detriment the Naturex Application would be prepared and submitted, when in fact, Defendants instead intended and did submit the Lone Mountain Application to Naturex's detriment.

139. Plaintiffs have been damaged by the Defendants' breach of their fiduciary duties.

140. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses and

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retention of legal title by Defendants would be inequitable under the circumstances.

141. As a result of the Defendants breach of their fiduciary duties, Plaintiffs suffered damages in an amount in excess of $10,000.00.

142. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits for the effectuation of justice.

143. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

144. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

145. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

EIGHTH CLAIM FOR RELIEF

TORTIOUS INTERFERENCE WITH BUSINESS RELATIONS

(All Defendants)

146. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 145, inclusive.

147. Plaintiffs maintained a prospective economic interest to apply for the Licenses.

148. Defendants had knowledge of the prospective economic interest.

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Las Vegas, Nevada 89148
(702) 702-2958

149. Defendants intended to harm Plaintiff by preventing the prospective economic interest when Defendants failed to prepare and submit the Application on behalf of Naturex.

150. There exists no justification or privilege for Defendants' conduct.

151. Plaintiffs have been damaged by the Defendants' tortuous interference with the prospective economic interest.

152. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses.

153. As a result of the Defendants tortuous interference with the prospective economic interest, Plaintiffs suffered damages in an amount in excess of $10,000.00.

154. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits for the effectuation of justice.

155. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

156. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

157. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

/ / /

/ / /

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CONSULTING, LLC
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Las Vegas, Nevada 89148
(702) 702-2958

NINTH CLAIM FOR RELIEF
CIVIL CONSPIRACY

(All Defendants)

158. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 157, inclusive.

159. Defendants, through their various entities, officers, board members, and members, intended to accomplish an unlawful objective together by causing the Naturex Application to not be submitted in order to provide Defendants an advantage for the application process.

160. Defendants acted in concert and by agreement of a meeting of the minds to pursue the Lone Mountain Application while purposefully disregarding the Naturex Application and the failure to submit it for review.

161. The Defendants intentions of waiting until the day of the expiration of the Application Period to inform Naturex it would not submit the Naturex Application while contemporaneously concealing the fact Defendants intended to submit an Application on behalf of Lone Mountain instead were to accomplish the unlawful objection of harming Naturex because it would be too late for Naturex to complete and submit its Application.

162. By misappropriating the Naturex Proprietary Information and defrauding Plaintiffs into believing the Application would be submitted based on the repeated promises despite Defendants' intent to submit the Application instead under Lone Mountain, Defendants committed an unlawful act in furtherance of the agreement to harm Naturex.

163. Plaintiffs have been damaged by the Defendants' civil conspiracy setout to cause the Naturex Application to not be submitted.

164. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses.

165. As a result of the Defendants civil conspiracy, Plaintiffs suffered damages in an

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amount in excess of $10,000.00.

166. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits for the effectuation of justice.

167. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

168. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

169. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

TENTH CLAIM FOR RELIEF

MISAPPROPRIATION OF CORPORATE ASSETS

(EMBEZZLEMENT)

(All Defendants)

170. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 169, inclusive.

171. Naturex possesses certain assets, including its employees, who are financially remunerated by Naturex to perform services for Naturex.

172. Naturex assets, including its employees, are not readily available for use by

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others.

173. On information and belief, Defendants intentionally, and with reason to believe that its actions would cause injury to Plaintiffs, misappropriated the Naturex assets for Defendants' own use and personal gain when it utilized the Naturex employees for the benefit of the Licenses and for Defendants' other businesses while Defendants' relied upon Naturex to pay for those employees' salaries.

174. The misappropriation is wrongful because Defendants are utilizing the Naturex assets, without authority nor compensation, while furthering Defendants' improper usurped corporate opportunity by utilizing Naturex assets for Defendants' own use.

175. On information and belief, Defendants misappropriated the Naturex assets with willful, wanton, or reckless disregard of Plaintiffs' rights for Defendants' Licenses and other businesses of Defendants.

176. Plaintiffs have been damaged by the Defendants' misappropriation because Plaintiffs' assets are being utilized without compensation and to further Defendants' corporate opportunity and Licenses that should have belonged to Naturex.

177. As a direct result of the Defendants misappropriation, Plaintiffs suffered damages in an amount in excess of $10,000.00.

178. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

ELEVENTH CLAIM FOR RELIEF

DECLARATORY RELIEF

(All Defendants)

179. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 178, inclusive.

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180. A justifiable controversy exists that warrants a declaratory judgment pursuant to Nevada's Uniform Declaratory Judgments Act, NRS 30.010 to 30.160, inclusive.

181. Plaintiffs and Defendants have adverse and/or competing interests pursuant to the Membership Interest Purchase Agreement and the Defendants' conduct of usurping the corporate opportunity by failing to submit the Naturex Application and instead submitting the self-serving Application for Defendant Lone Mountain.

182. The Defendants' conduct of failing to submit the Naturex Application and then the Licenses awarded to the Defendants affects Plaintiff's rights afforded to it under the Membership Interest Purchase Agreement and the Uniform Trade Secrets Act.

183. The Defendants' actions and/or inactions also created an actual justifiable controversy ripe for judicial determination between Plaintiffs and Defendants with respect to the construction, interpretation and implementation of the Membership Interest Purchase Agreement and the fiduciary duties owed between officers, directors and members to Naturex.

184. Plaintiffs have been harmed, and will continue to be harmed, by Defendants' actions.

185. Accordingly, Plaintiffs seek a declaration from this Court that, *inter alia*:

a. Defendants improperly usurped Naturex's opportunity to obtain the Licenses;

b. Defendants improperly breached their fiduciary duties owed to Plaintiffs;

c. Defendants improperly breached their covenants of good faith and fair dealing pursuant to the agreements and partnership between the Parties;

d. Defendants improperly mispresented and defrauded Plaintiffs by informing them Naturex would be applying for the Licenses, when Defendants did not intend to submit the Naturex Application and instead

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(702) 702-2958

were only going to submit a self-serving Lone Mountain Application;

e. Defendants civil conspiracy to interference with Naturex's prospective business interests caused financial harm to the Plaintiffs;

f. Plaintiffs are entitled to their fifty percent profits to be earned from the Licenses;

g. Plaintiffs are entitled to their fifty percent ownership in the Licenses;

h. Plaintiffs are entitled to their fifty percent of profits pursuant to the Inventory Purchase Agreement;

i. Plaintiffs are entitled to injunctive relief enjoining Defendants from continued exclusion from ownership interest in the Licenses;

j. Plaintiffs are entitled to injunctive relief enjoining Defendants from selling any of the Licenses prior to the relief afforded to Plaintiffs herein.

186. Plaintiffs assert and contend that a declaratory judgment is both necessary and proper at this time for the Court to determine the respective rights, duties, responsibilities and liabilities of the Parties.

187. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment as follows:

1. For declaratory relief as set forth above.
2. For a preliminary and permanent injunction enjoining the Defendants from excluding Plaintiffs from ownership of the Licenses and/or to receive the profits generated by the Licenses, including profits pursuant to the Inventory Purchase Agreement.

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(702) 702-2958

3. For preliminary and permanent injunction enjoining the Defendants from selling or otherwise disposing of the Licenses to the exclusion of Plaintiffs.
4. For Judgment on Plaintiffs' First through Tenth Claims for Relief that Plaintiffs are entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses.
5. For compensatory and special damages as set forth herein.
6. For attorneys' fees and costs.
7. For all other relief the Court deems just and proper.

JURY DEMAND

Plaintiffs hereby demand on all claims and issues to be triable by jury.

DATED: January 18, 2019.

/s/ Jared B. Kahn
Jared B. Kahn, Nevada Bar # 12603
JK Legal & Consulting, LLC
9205 W. Russell Rd., Suite 240
Las Vegas, NV 89148
(702) 708-2958 Phone
(866) 870-6758 Fax
jkahn@jk-legalconsulting.com
Of Attorneys for Plaintiffs

Exhibit 9

5.3.3 Tab III – Building/Establishment Information

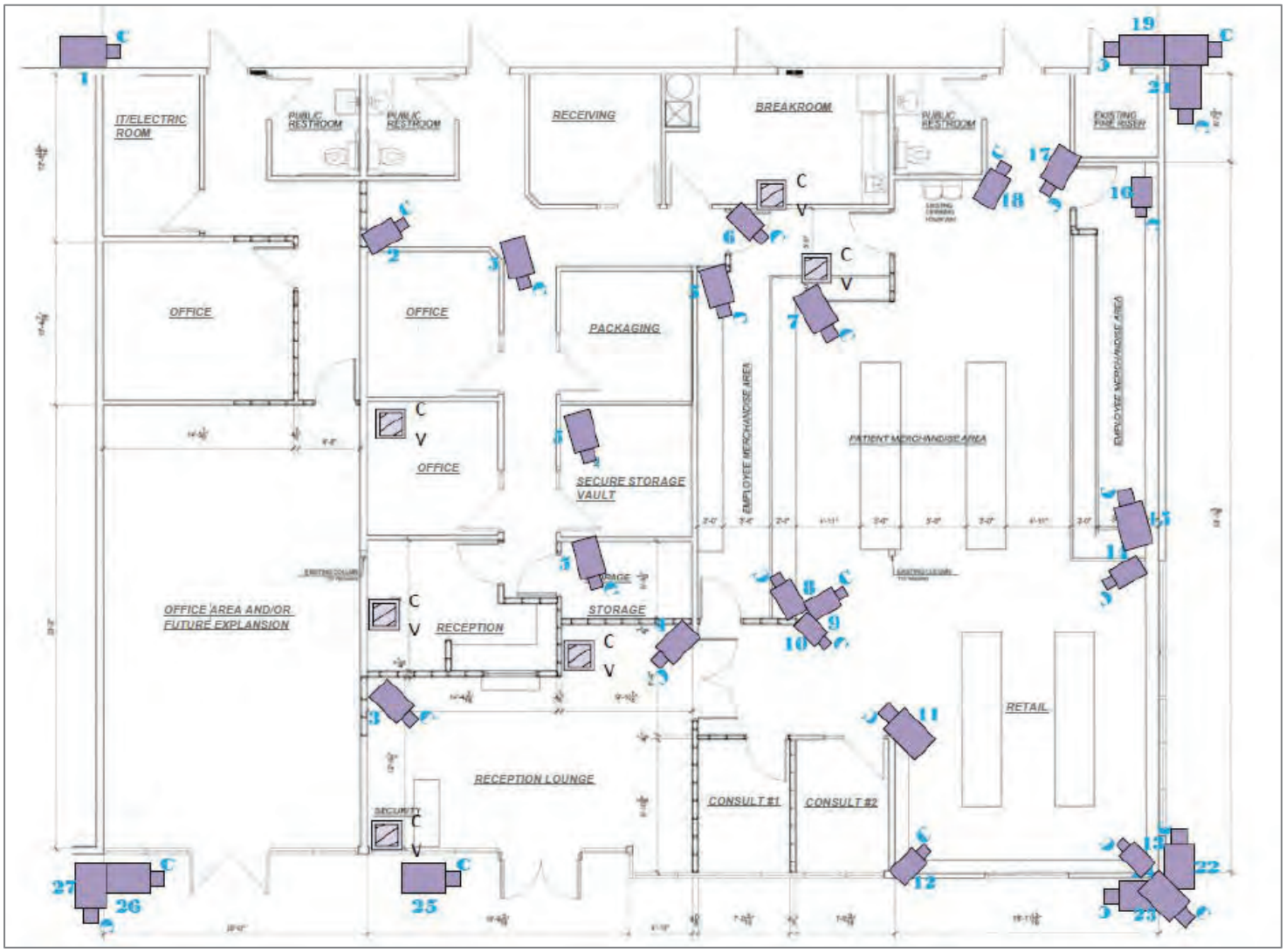
On the following page, please find a copy of the Company's general floor plans for the proposed recreational marijuana retail store.

Company has included two sets of plans in this non-identified section. The first set of plans is for a leased 4600 sq. ft. facility, already built as shown, and has been operated as a fully compliant Nevada licensed marijuana dispensary, and has previously passed Nevada Department of Taxation inspection and approvals.

The second set of plans are proposed leasehold improvements for locations 2 through 6 which are requested in this application, and demonstrate a general format for a 2662 sq. ft. or larger facility which will be adapted to each of those specific locations.

5.3.3 Tab III – Building/Establishment Information

Floor Plan

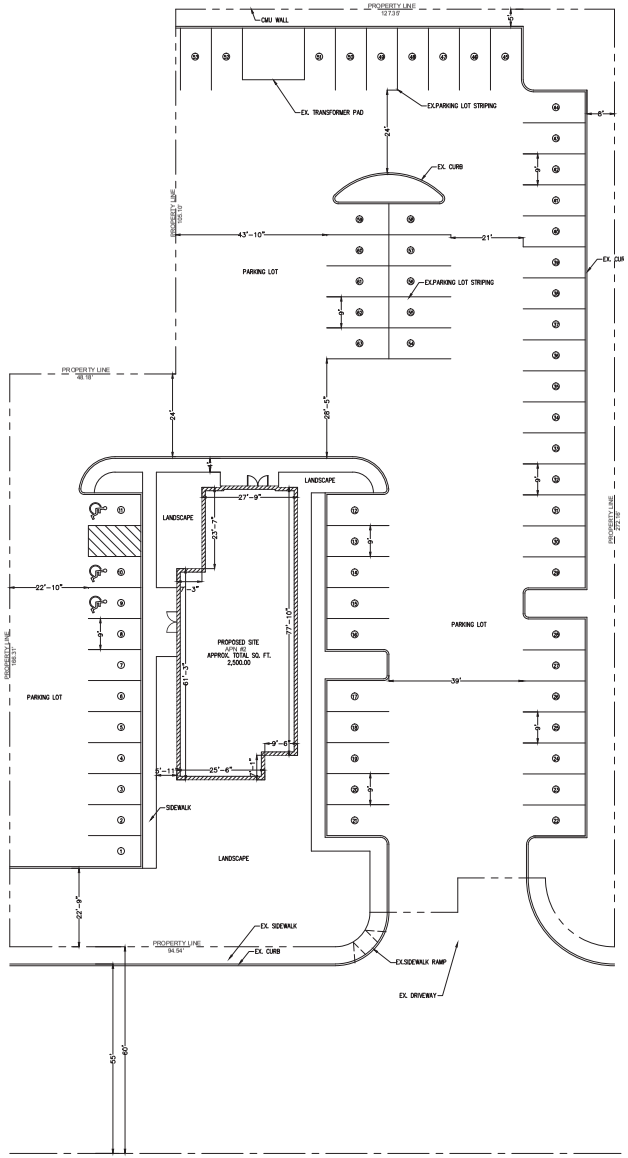


1 PERSPECTIVE

2 PERSPECTIVE

5.3.3 Tab III – Building/Establishment Information

On the following page, please find a copy of the Company's general floor plans for the proposed recreational marijuana retail store. The floor plans demonstrate a general format for a 2662 sq. ft. or larger facility which will be adapted to each of those specific locations.



NORTH

PROPOSED SITE PLAN LAYOUT

SCALE: 1/16" = 1'

LEGEND

- CENTER LINE (TYP)
- CURB AND GUTTER
- RIGHT OF WAY
- BUILDING OVERHANG
- EXISTING ELECTRIC (TYP)
- EXISTING WATER (TYP)
- PEDESTRIAN SIGNAL
- EXISTING HANDICAP RAMPS (TYP)
- EXISTING REMOVABLE BOLLARD (TYP)
- PIPE BOLLARDS(TYP)

SITE CALCULATIONS

SQUARE FOOTAGES:

PROPERTY SIZE	0.96 ACRES
OVERALL BUILDING SIZE	2,662.27 SQ. FT.

PARKING:

TOTAL PARKING SPACES REQUIRED	10 TOTAL
TOTAL PARKING SPACES PROVIDED	63 TOTAL
TOTAL HANDICAP SPACES REQUIRED	3 TOTAL
TOTAL HANDICAP SPACES PROVIDED	3 TOTAL

PROPERTY INFORMATION

PARCEL NUMBER: APN #2
OWNER NAME: OWNER ENTITY A
SITE ADDRESS: FACILITY LOCATION C
ZONING: (C-2) GENERAL COMME√CIAL
ESTIMATED INTERIOR SQUARE FOOTAGE: 2,662.27 SQ.FT.
ESTIMATED LOT SIZE: 00.96 ACRES

DRAWING GUIDELINES

1. ALL DIMENSIONS SHOWN ON THIS DRAWING SHOULD BE CHECKED/VERIFIED PRIOR TO THE ORDERING OF ANY MATERIALS AND PRIOR TO THE FABRICATION AND INSTALLATION OF ANY MATERIALS.

2. THESE DRAWINGS WERE PREPARED WITHOUT THE BENEFIT OF A FULL SET OF ARCHITECTURAL DRAWINGS. SOME PERIMETER CONDITIONS MAY BE SHOWN AS UNKNOWN. THESE CONDITIONS SHOULD BE VERIFIED PRIOR TO FABRICATION AND INSTALLATION FOR THEIR EFFECT ON THE WORK BEING PERFORMED.

3. THESE DRAWINGS WERE PREPARED WITHOUT THE BENEFIT OF STRUCTURAL DRAWINGS. THIS MAY AFFECT THE LOCATION AND SIZING. THE STRUCTURAL LAYOUT IN THESE AREAS SHOULD BE VERIFIED PRIOR TO FABRICATION AND INSTALLATION OF THE WORK.

DRAWING DISCLAIMER:

THIS DISCLAIMER APPLIES TO ALL IDEAL SOLUTIONS CUSTOMERS AS WELL AS ANY PARTY USING THESE DRAWINGS TO OBTAIN INFORMATION NEEDED TO ORDER, COORDINATE, CONSTRUCT, FABRICATE, OR INSTALL MATERIALS FOR THIS PROJECT.tHIS ALSO APPLIES TO ALL CONTRACTORS AND TRADES.
THIS DRAWING IS AN INTERPERTATION OF THE PROJECT BY IDEAL SOLUTIONS. THIS DRAWING WAS GENERATED FOR IDEAL SOLUTIONS CLIENT. THE INTERPERTATION OF THESE DRAWINGS IS AFFECTED BY THE INFORMATION GIVEN TO IDEAL SOLUTIONS BY ITS CLIENT AS WELL AS INDUSTRY STANDARDS AND TECHNICAL INFORMATION. IN CASES WHERE IDEAL SOLUTIONS IS NOT PROVIDED WITH THE NECESSARY INFORMATION, IT WILL BE IDEAL SOLUTIONS DECISION WETHER TO ASSUME, EXTRAPOLATE OR OMIT THIS INFORMATION IN ORDER TO COMPLETE THE DRAWINGS. IT IS THE RESPONSIBILITY OF IDEAL SOLUTIONS CLIENT (OR END USER IF APPLICABLE) TO REVIEW THE PLAN DRAWINGS. IDEAL SOLUTIONS NOR IT'S DRAFTSMAN SHALL NOT BE LIABLE OR RESPONSIBLE FINANCIALLY FOR ANY ERRORS AND/OR OMISSIONS FROM THESE DRAWINGS. ARCHITECTURAL, ENGINEER AND/OR CONTRACTOR APPROVAL DOES NOT RELIEVE IDEAL SOLUTIONS CLIENT FROM REVIEWING THESE DRAWINGS AS NOTED ABOVE.

EXISTING CONDITIONS:

THE CONTRACTOR SHALL BE RESPONSIBLE FOR REVIEWING ALL EXISTING JOB CONDITIONS. ANY ADVERSE EXISTING CONDITIONS AFFECTING WORK SHOWN ON THESE DRAWINGS SHALL BE BROUGHT TO THE ATTENTION THE CLIENT AND IDEAL SOLUTIONS FOR POSSIBLE CLARIFICATION OR RECONCILIATION.

ADA AND LEGAL DISCLAIMER

THIS DOCUMENT IS NOT REPRESENTED TO COMPLY WITH ALL REQUIREMENTS CONTAINED IN THE ADA OR OTHER LAWS. IDEAL SOLUTIONS IS NOT LICENCED TO INTERPRET LAWS OR GIVE ADVISE CONCERNING LAWS. THE OWNER SHOULD HAVE THIS DOCUMENT REVIEWED BY HIS ATTORNEY TO DETERMINE LEGAL COMPLIANCE.

CONTRACTOR'S NOTE

EXISTING POWER AND UTILITY LOCATIONS SHOWN HEREIN ARE APPROXIMATE ONLY. IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO DETERMINE THE EXACT VERTICAL AND HORIZONTAL LOCATION OF ALL EXISTING POWER AND UTILITIES PRIOR TO COMMENCING CONSTRUCTION. NO REPRESENTATION IS MADE THAT ALL EXISTING UTILITIES ARE SHOWN HEREON. IDEAL SOLUTIONS ASSUMES NO RESPONSIBILITY FOR POWER AND UTILITIES NOT SHOWN OR POWER AND UTILITIES NOT SHOWN IN THEIR PROPER LOCATIONS.

NO.	REVISION	BY	DATE	APP.	DATE
6					
5					
4					
3					
2					
1					

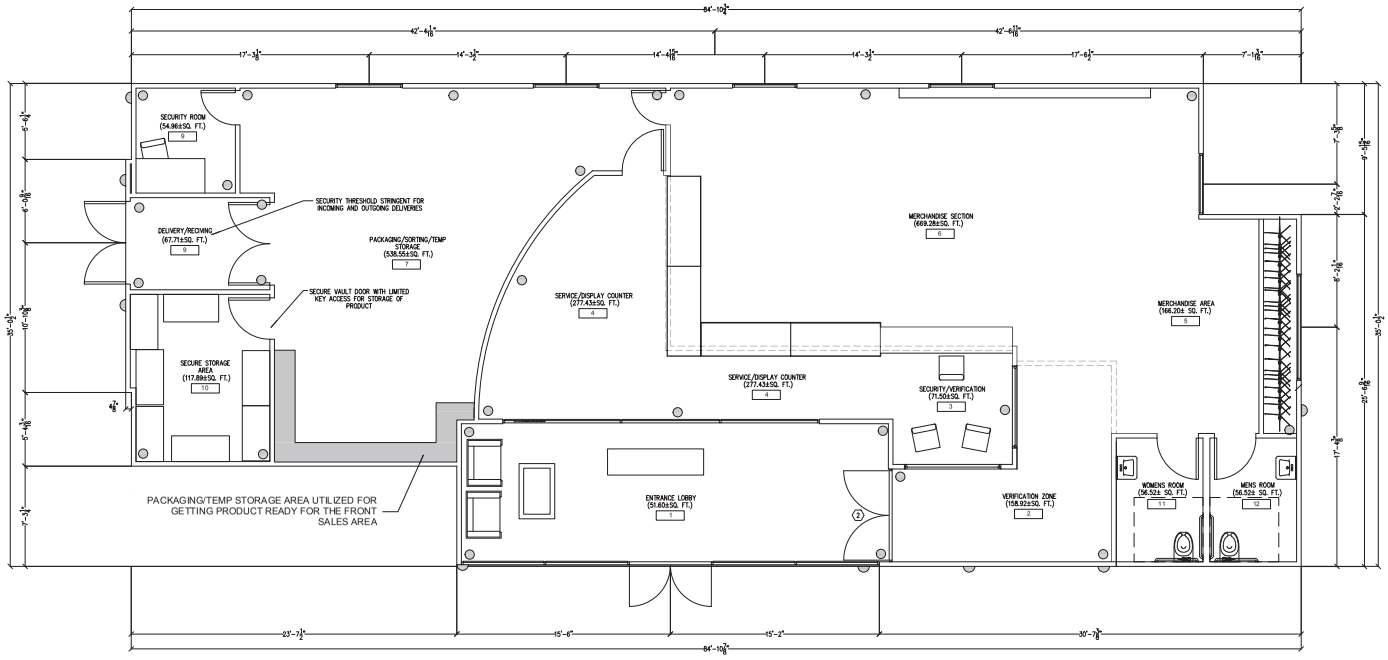
FACILITY LOCATION C

SHEET: PROPOSED DISPENSARY SITE PLAN

IDEAL SOLUTIONS
CAD DRAFTING SERVICES
6255 McLEOD DRIVE SUITE #22
LAS VEGAS, NEVADA 89120
TELEPHONE: 7022362363
E-MAIL: INFO@IDEALSOLUTIONSDRAFTING.COM
WEB SITE: WWW.IDEALSOLUTIONSDRAFTING.COM

Owner Entity A

DESIGNED BY: RDP
DRAWN BY: RDP
SIGNATURE:
SCALE: 1/16" = 1'
PROJECT DATE:
SHEET INFO: A.1
PROJECT # XXX-XXXX



NORTH

PROPOSED FLOOR PLAN LAYOUT

SCALE: 1/4" = 1'

DRAWING GUIDELINES

1. ALL DIMENSIONS SHOWN ON THIS DRAWING SHOULD BE CHECKED/VERIFIED PRIOR TO THE ORDERING OF ANY MATERIALS AND PRIOR TO THE FABRICATION AND INSTALLATION OF ANY MATERIALS.

2. THESE DRAWINGS WERE PREPARED WITHOUT THE BENEFIT OF A FULL SET OF ARCHITECTURAL DRAWINGS. SOME PERIMETER CONDITIONS MAY BE SHOWN AS UNKNOWN. THESE CONDITIONS SHOULD BE VERIFIED PRIOR TO FABRICATION AND INSTALLATION FOR THEIR EFFECT ON THE WORK BEING PERFORMED.

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THIS DRAWING IS AN INTERPERTATION OF THE PROJECT BY IDEAL SOLUTIONS. THIS DRAWING WAS GENERATED FOR IDEAL SOLUTIONS CLIENT. THE INTERPERTATION OF THESE DRAWINGS IS AFFECTED BY THE INFORMATION GIVEN TO IDEAL SOLUTIONS BY ITS CLIENT AS WELL AS INDUSTRY STANDARDS AND TECHNICAL INFORMATION. IN CASES WHERE IDEAL SOLUTIONS IS NOT PROVIDED WITH THE NECESSARY INFORMATION, IT WILL BE IDEAL SOLUTIONS DECISION WETHER TO ASSUME, EXTRAPOLATE OR OMIT THIS INFORMATION IN ORDER TO COMPLETE THE DRAWINGS. IT IS THE RESPONSIBILITY OF IDEAL SOLUTIONS CLIENT (OR END USER IF APPLICABLE) TO REVIEW THE PLAN DRAWINGS. IDEAL SOLUTIONS NOR IT'S DRAFTSMAN SHALL NOT BE LIABLE OR RESPONSIBLE FINANCIALLY FOR ANY ERRORS AND/OR OMISSIONS FROM THESE DRAWINGS. ARCHITECTURAL, ENGINEER AND/OR CONTRACTOR APPROVAL DOES NOT RELIEVE IDEAL SOLUTIONS CLIENT FROM REVIEWING THESE DRAWINGS AS NOTED ABOVE.

EXISTING CONDITIONS:

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PROPERTY INFORMATION

PARCEL NUMBER: APN# 2
OWNER NAME: OWNER ENTITY A
SITE ADDRESS: FACILITY LOCATION C
ZONING: (C-2) GENERAL COMMERCIAL
ESTIMATED INTERIOR SQUARE FOOTAGE: 2,662.27 SQ.FT.
ESTIMATED LOT SIZE: 00.96 ACRES

NO.	REVISION	BY	DATE	APP.	DATE
6					
5					
4					
3					
2					
1					

Facility Location C

SHEET: PROPOSED DISPENSARY FLOOR PLAN LAYOUT

IDEAL SOLUTIONS CAD DRAFTING SERVICES
6255 McLEOD DRIVE SUITE #22
LAS VEGAS, NEVADA 89120
TELEPHONE: 702.368.2363
EMAIL: RDP@IDEALSOLUTIONSCADFTW.COM
WEB SITE: WWW.IDEALSOLUTIONSCADFTW.COM

OWNER EINTITY A

DESIGNED BY: RDP
DRAWN BY: RDP
SIGNATURE:
SCALE: 1/4" = 1'
PROJECT DATE:
SHEET INFO: A.2
PROJECT # XXX-XXXX

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

BRIAN SANDOVAL
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
WILLIAM D. ANDERSON
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

ATTACHMENT I
FACILITY JURISDICTION FORM

Mark the jurisdiction(s) and number of stores in each jurisdiction for which you are applying. Only one application is necessary for multiple jurisdictions and licenses, however, you must submit attachments "A" & "E" for each jurisdiction, location and the appropriate application fee for each of the jurisdictions/locality and number of licenses requested.

No applicant may be awarded more than 1 (one) retail store license in a jurisdiction/locality, unless there are less applicants than licenses allowed in the jurisdiction.

Jurisdiction	*Indicate Number of Licenses Requested*
Unincorporated Clark County	1
City of Henderson	
City of Las Vegas	1
City of Mesquite	1
City of North Las Vegas	1
Carson City	
Churchill County	
Douglas County	
Elko County	
Esmeralda County	
Eureka County	
Humboldt County	

Jurisdiction	*Indicate Number of Licenses Requested*
Unincorporated Washoe County	
City of Reno	1
City of Sparks	
Lander County	
Lincoln County	
Lyon County	
Mineral County	
Nye County	1
Pershing County	
Storey County	
White Pine County	

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

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Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
WILLIAM D. ANDERSON
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment if the applicant owns property or has secured a lease or other property agreement.

Name of Individual or Entity Applying for a Marijuana Establishment License:

Company

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):

Location 01

City:	County:	State:	Zip Code:
Unincorporated	Clark County	Nevada	89118

Legal Description of the Property:

Redacted for Unidentified Section 5.3.3 Tab III of the Application.

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

BRIAN SANDOVAL
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
WILLIAM D. ANDERSON
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment if the applicant owns property or has secured a lease or other property agreement.

Name of Individual or Entity Applying for a Marijuana Establishment License:

Company

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):

Location 02

City:	County:	State:	Zip Code:
North Las Vegas	Clark County	Nevada	89086

Legal Description of the Property:

Redacted for Unidentified Section 5.3.3 Tab III of the Application.

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Name of Individual or Entity Applying for a Marijuana Establishment License:

Company

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):

To Be Determined

City:	County:	State:	Zip Code:
City of Reno	Washoe	NV	TBD

Legal Description of the Property:

To Be Determined

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

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To be completed by the applicant for the physical address of the proposed marijuana establishment if the applicant owns property or has secured a lease or other property agreement.

Name of Individual or Entity Applying for a Marijuana Establishment License:

Company

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):

To Be Determined

City:	County:	State:	Zip Code:
City of Las Vegas	Clark County	NV	TBD

Legal Description of the Property:

To Be Determined

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

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Fax: (702) 486-3377

ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment if the applicant owns property or has secured a lease or other property agreement.

Name of Individual or Entity Applying for a Marijuana Establishment License:

Company

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):

Location 05

City:	County:	State:	Zip Code:
Pahrump	Nye	NV	89060

Legal Description of the Property:

Redacted for Unidentified Section 5.3.3 Tab III of the Application.

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

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Governor
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ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment if the applicant owns property or has secured a lease or other property agreement.

Name of Individual or Entity Applying for a Marijuana Establishment License:

Company

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):

To Be Determined

City:	County:	State:	Zip Code:
City of Mesquite	Clark County	NV	TBD

Legal Description of the Property:

To Be Determined

Exhibit 10

Nate Rulis

From: Robert E. Werbicky <RWerbicky@ag.nv.gov>
Sent: Friday, December 21, 2018 4:19 PM
To: Nate Rulis
Subject: MM Development

Categories: Livfree, MM Development

Mr. Rulis:

In compliance with the Court Order of 12/13/18 this is the list of personnel that primarily assisted in the evaluation and rating of all dispensary applications as part of the September 2018 application period.

Manpower Employee 1	***-2*1-*0*5	Accountant I
Manpower Employee 2	***-7**-213*	Accountant I
Manpower Employee 3	***-72*-7*0*	Accountant I
Manpower Employee 4	***-*71-92**	Personal Officer I
Manpower Employee 5	***-*3*-*654	Fire & Life Safety Inspector
Manpower Employee 6	***-2*0-*9*1	Marijuana/Health Inspector II

The employee designation is as discussed in Court. The partial phone number is as discussed in follow up conversations and is based on the records of the Department. Also provided is the position designation which, I understand, determines the pay rate.

Let me know if you have any questions.

Robert E. Werbicky
Office of the Attorney General
Division of Business and State Service
555 E. Washington Ave., #3900
Las Vegas, NV 89101
Phone: (702) 486-3105
Fax: (702) 486-3416
RWerbicky@ag.nv.gov

This message and attachments are intended only for the addressee(s) and may contain information that is privileged and confidential. If the reader of the message is not the intended recipient or an authorized representative of the intended recipient, I did not intend to

waive and do not waive any privileges or the confidentiality of the messages and attachments, and you are hereby notified that any dissemination of this communication is strictly prohibited. If you receive this communication in error, please notify me immediately by e-mail at RWerbicky@ag.nv.gov and delete the message and attachments from your computer and network. Thank you.

Exhibit 11

Linked in

Sign in | Join now

Tina Banaszak

Administrator

Sparks, Nevada

Retail

Right At Home

Concord High School, Concord CA

3 connections

View Tina Banaszak's full profile. It's free!

Your colleagues, classmates, and 500 million other professionals are on LinkedIn.

Join LinkedIn

Experience

Care Coordinator
Right At Home
May 2012 – August 2012 • 4 months

Image for Sales

Sales
Office Max
July 2010 – May 2012 • 1 year 11 months

Owner/Office Administrator
WE BANASZAK GENERAL CONTRACTING
September 1997 – November 2008 • 11 years 3 months

Linked in Sign in Join now

Owner/

Image for Concord High School

Concord High School, Concord CA
1971 – 1975

Image for Diablo Valley College, Pleasant Hill, CA

Diablo Valley College, Pleasant Hill, CA

Skills & Endorsements

Join LinkedIn to see Tina's skills, endorsements, and full profile

View Tina Banaszak's full profile to...

- See who you know in common
- Get introduced
- Contact **Tina Banaszak** directly

Join LinkedIn

People also viewed

Brett Figueroa
High Octane Success Coach

Sara Opperlee
Business Supplies and Equipment Professional

Robert Rhoden
--

Robert Rhoden
Product Owner, UX Designer

Exhibit 12

From: Karalin Cronkhite
Sent: Wednesday, May 2, 2018 10:49 AM
To: [redacted]
Cc:
Subject: SODs for sale to minors
Attachments: Investigations Letter_ Henderson Organic Remedies, LLC D107.pdf; SOD Routine Nevada Organic D152 4.20.18.docx; Investigations SOD Letter_Integral Associates LLC.DOCX

Importance: High

Please remove the investigation SODs regarding self-reported incidents of sales to a minor for the following: Integral, Nevada Organic Remedies, Henderson Organic Remedies.
Per Jorge, this should be a letter similar to an APOC. It should state something to the effect of:
We received your incident report.
The corrective actions taken were deemed appropriate (or not).
No further action is necessary at this time (or please take the following actions to remedy the issue).
These investigations should be removed from the log.
Once the new letter is drafted, please send to me and Damon for review.
Thanks,

Kara Cronkhite, REHS, MPH
Marijuana Supervisor
Marijuana Enforcement Division
Nevada Department of Taxation
555 E. Washington Ave. Suite 4100
Las Vegas, NV 89101
Phone: 702.486.5404
kcronkhite@tax.state.nv.us

Exhibit 13

INTEGRAL ASSOCIATES, LLC

Business Entity Information

Status:	Active	File Date:	4/9/2014
Type:	Domestic Limited-Liability Company	Entity Number:	E0190162014-7
Qualifying State:	NV	List of Officers Due:	4/30/2020
Managed By:	Managers	Expiration Date:	
NV Business ID:	NV20141248367	Business License Exp:	4/30/2020

Additional Information

Central Index Key:	

Registered Agent Information

Name:	SIERRA CORPORATE SERVICES - LAS VEGAS	Address 1:	2300 WEST SAHARA AVE STE 1200
Address 2:		City:	LAS VEGAS
State:	NV	Zip Code:	89102
Phone:		Fax:	
Mailing Address 1:		Mailing Address 2:	
Mailing City:		Mailing State:	NV
Mailing Zip Code:			
Agent Type:	Commercial Registered Agent - Corporation		
Jurisdiction:	NEVADA	Status:	Active

Financial Information

No Par Share Count:	0	Capital Amount:	$ 0

No stock records found for this company

Officers

Include Inactive Officers

Manager - BRIAN L GREENSPUN

Address 1:	3790 PARADISE ROAD STE 200	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89169	Country:	
Status:	Active	Email:	

Manager - ALEJANDRO YEMENIDJIAN

Address 1:	3790 PARADISE ROAD STE 200	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89169	Country:	
Status:	Active	Email:	

Manager - ARMEN YEMENIDJIAN

Address 1:	3790 PARADISE ROAD STE 200	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89169	Country:	
Status:	Active	Email:	

Actions\Amendments

Action Type:	Articles of Organization		
Document Number:	20140265130-84	# of Pages:	2
File Date:	4/9/2014	Effective Date:	
(No notes for this action)			

Action Type:	Initial List		
Document Number:	20140265131-95	# of Pages:	1
File Date:	4/9/2014	Effective Date:	
(No notes for this action)			

Action Type:	Amended List		
Document Number:	20140290362-19	# of Pages:	1
File Date:	4/21/2014	Effective Date:	
(No notes for this action)			

Action Type:	Annual List		
Document Number:	20150130628-68	# of Pages:	1
File Date:	3/23/2015	Effective Date:	
2015-2016			

Action Type:	Annual List		
Document Number:	20160070668-86	# of Pages:	1
File Date:	2/17/2016	Effective Date:	
(No notes for this action)			

Action Type:	Annual List		
Document Number:	20170146660-33	# of Pages:	1
File Date:	4/3/2017	Effective Date:	
(No notes for this action)			

Action Type:	Amended List		
Document Number:	20170255417-94	# of Pages:	1
File Date:	6/13/2017	Effective Date:	
(No notes for this action)			

Action Type:	Registered Agent Change		
Document Number:	20170445146-44	# of Pages:	1
File Date:	10/20/2017	Effective Date:	
(No notes for this action)			

Action Type:	Amended List		
Document Number:	20170447827-22	# of Pages:	1
File Date:	10/23/2017	Effective Date:	
(No notes for this action)			

Action Type:	Registered Agent Change		
Document Number:	20170454647-90	# of Pages:	1
File Date:	10/26/2017	Effective Date:	
(No notes for this action)			
Action Type:	Merge In		
Document Number:	20170551071-99	# of Pages:	6
File Date:	12/29/2017	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20180059679-17	# of Pages:	1
File Date:	2/6/2018	Effective Date:	
(No notes for this action)			
Action Type:	Correction		
Document Number:	20180139930-76	# of Pages:	1
File Date:	3/27/2018	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20190109962-49	# of Pages:	1
File Date:	3/12/2019	Effective Date:	
(No notes for this action)			

Exhibit 14

ESSENCE HENDERSON, LLC

Business Entity Information

Status:	Active	File Date:	12/29/2017
Type:	Domestic Limited-Liability Company	Entity Number:	E0601882017-4
Qualifying State:	NV	List of Officers Due:	12/31/2019
Managed By:	Managers	Expiration Date:	
NV Business ID:	NV20171831595	Business License Exp:	12/31/2019

Additional Information

Central Index Key:	

Registered Agent Information

Name:	SIERRA CORPORATE SERVICES - LAS VEGAS	Address 1:	2300 WEST SAHARA AVE STE 1200
Address 2:		City:	LAS VEGAS
State:	NV	Zip Code:	89102
Phone:		Fax:	
Mailing Address 1:		Mailing Address 2:	
Mailing City:		Mailing State:	NV
Mailing Zip Code:			
Agent Type:	Commercial Registered Agent - Corporation		
Jurisdiction:	NEVADA	Status:	Active

Financial Information

No Par Share Count:	0	Capital Amount:	$ 0

No stock records found for this company

Officers

Include Inactive Officers

Manager - ARMEN YEMENIDJIAN

Address 1:	3790 PARADISE ROAD SUITE 200	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89169	Country:	
Status:	Active	Email:	

Actions\Amendments

Action Type:	Articles of Organization		
Document Number:	20170549862-14	# of Pages:	3
File Date:	12/29/2017	Effective Date:	

(No notes for this action)

Action Type:	**Initial List**		
Document Number:	**20170549864-36**	**# of Pages:**	**1**
File Date:	**12/29/2017**	**Effective Date:**	
(No notes for this action)			

Action Type:	**Annual List**		
Document Number:	**20180460514-41**	**# of Pages:**	**1**
File Date:	**10/23/2018**	**Effective Date:**	
(No notes for this action)			

ESSENCE TROPICANA, LLC

Business Entity Information

Status:	Active	File Date:	12/29/2017
Type:	Domestic Limited-Liability Company	Entity Number:	E0601972017-5
Qualifying State:	NV	List of Officers Due:	12/31/2019
Managed By:	Managers	Expiration Date:	
NV Business ID:	NV20171831684	Business License Exp:	12/31/2019

Additional Information

Central Index Key:	

Registered Agent Information

Name:	SIERRA CORPORATE SERVICES - LAS VEGAS	Address 1:	2300 WEST SAHARA AVE STE 1200
Address 2:		City:	LAS VEGAS
State:	NV	Zip Code:	89102
Phone:		Fax:	
Mailing Address 1:		Mailing Address 2:	
Mailing City:		Mailing State:	NV
Mailing Zip Code:			
Agent Type:	Commercial Registered Agent - Corporation		
Jurisdiction:	NEVADA	Status:	Active

Financial Information

No Par Share Count:	0	Capital Amount:	$ 0

No stock records found for this company

Officers

Include Inactive Officers

Manager - ARMEN YEMENIDJIAN

Address 1:	3790 PARADISE ROAD SUITE 200	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89169	Country:	
Status:	Active	Email:	

Actions\Amendments

Action Type:	Articles of Organization		
Document Number:	20170550005-75	# of Pages:	3
File Date:	12/29/2017	Effective Date:	

(No notes for this action)

Action Type:	**Initial List**		
Document Number:	**20170550006-86**	**# of Pages:**	**1**
File Date:	**12/29/2017**	**Effective Date:**	
(No notes for this action)			

Action Type:	**Annual List**		
Document Number:	**20180460517-74**	**# of Pages:**	**1**
File Date:	**10/23/2018**	**Effective Date:**	
(No notes for this action)			

Exhibit 15

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
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Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

STEVE SISOLAK
Governor
JAMES DEVOLD
Chair, Nevada Tax Commission
MELANIE YOUNG
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

January 10, 2019

MM Development Company Inc.
c/o Will Kemp
3800 Howard Hughes Pkwy, 17th Fl.
Las Vegas, NV 89169

Re: Notice of Appeal (RD284, RD285, RD286, RD287, RD288)
TID 1038373026

Mr. Will Kemp,

The Department is in receipt of your Notice of Appeal to the Nevada Tax Commission regarding the denial of a license for a retail marijuana store. NRS 233B.127 indicates the statutes dealing with adjudication of contested cases "do not apply to the grant, denial or renewal of a license unless notice and opportunity for hearing are required by law to be provided to the applicant before the grant, denial or renewal of the license."

The Department scored timely submitted applications using an impartial and numerically scored competitive process in accordance with NRS 453D.210(6). After scoring the applications, the Department ranked the applications from first to last. Pursuant to Sec. 80 of Permanent Regulation LCB File No. R092-17 filed on February 27, 2018 ("Permanent Regulations"), the Department issued licenses for retail marijuana stores to the highest-ranked applicants until the Department issued the number of licenses authorized for each jurisdiction. The Department issued the licenses or denials within 90 days of the closing of the application period (NRS 453D.210(4) & Sec. 84 of the Permanent Regulations). Unless otherwise indicated in the notice, the basis for the denial of your application was a failure to obtain a high enough ranking to obtain a license in the jurisdiction(s) in which you applied. There is no statutory or regulatory allowance for appealing the scoring, ranking, or denial.

As there is no allowance for an appeal of the denial of your application for the issuance of a retail marijuana store license, no further action will be taken by the Department on your Notice of Appeal.

Thank you for your interest in this application process.

Jorge Pupo
Deputy Executive Director
Marijuana Enforcement Division

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
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STEVE SISOLAK
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
MELANIE YOUNG
Executive Director

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HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

January 10, 2019

Livfree Wellness, LLC
c/o Will Kemp
3800 Howard Hughes Pkwy, 17th Fl.
Las Vegas, NV 89169

Re: Notice of Appeal (RD292, RD293, RD294, RD295, RD296, RD297)
TID 1019900563

Mr. Will Kemp,

The Department is in receipt of your Notice of Appeal to the Nevada Tax Commission regarding the denial of a license for a retail marijuana store. NRS 233B.127 indicates the statutes dealing with adjudication of contested cases "do not apply to the grant, denial or renewal of a license unless notice and opportunity for hearing are required by law to be provided to the applicant before the grant, denial or renewal of the license."

The Department scored timely submitted applications using an impartial and numerically scored competitive process in accordance with NRS 453D.210(6). After scoring the applications, the Department ranked the applications from first to last. Pursuant to Sec. 80 of Permanent Regulation LCB File No. R092- 17 filed on February 27, 2018 ("Permanent Regulations"), the Department issued licenses for retail marijuana stores to the highest-ranked applicants until the Department issued the number of licenses authorized for each jurisdiction. The Department issued the licenses or denials within 90 days of the closing of the application period (NRS 453D.210(4) & Sec. 84 of the Permanent Regulations). Unless otherwise indicated in the notice, the basis for the denial of your application was a failure to obtain a high enough ranking to obtain a license in the jurisdiction(s) in which you applied. There is no statutory or regulatory allowance for appealing the scoring, ranking, or denial.

As there is no allowance for an appeal of the denial of your application for the issuance of a retail marijuana store license, no further action will be taken by the Department on your Notice of Appeal.

Thank you for your interest in this application process.

Jorge Pupo
Deputy Executive Director
Marijuana Enforcement Division

Exhibit 16

CERTIFIED COPY

1 STATE OF NEVADA

2 TAX COMMISSION

3 VIDEO-CONFERENCED OPEN MEETING

4 MONDAY, MARCH 4, 2019

5 CARSON CITY, NEVADA

6

7

8

9

10 The Board: JIM DEVOLLD, Chairman
RANDY BROWN, Member
11 CRAIG WITT, Member
FRANCINE LIPMAN, Member
12 SHARON RIGBY, Member
GEORGE KELESIS, Member
13 ANN BERSI, Member
TONY WREN, Member
14

15 For the Department: MELANIE YOUNG,
Executive Director
16 SHELLIE HUGHES,
Chief Deputy Director
17 TINA PADOVANO,
Executive Assistant
18

19

20

21

Reported by: CAPITOL REPORTERS
22 Christy Y. Joyce,
Nevada CCR #625
23 123 W. Nye Lane Suite 107
Carson City, Nevada 89706
24 (775)882-5322

1 I N D E X

2 ITEM PAGE

3 1 - Public comment 4

4 2 - Meeting minutes
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5 14, 2019 Nevada Tax Commission meeting minutes

6 3 - Consent calendar 6

7 4 - Division of Local Government Services
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8 1) Review and consideration for approval 26
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9 building costs for 2020-2021

10 2) Review and consideration for approval 29
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11 NRS 361.068(2)

12 3) Discussion and consideration for 31
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13 guaranteed status for supplemental
city-county relief tax pursuant to
14 NRS 377.057(2)

15 5 - Compliance Division

16 A. Department's recommendation to the
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17 offer-in-compromise pursuant to NRS 360.263
1) Brent Orchard 47
18 2) Bryan Shepherd 53
3) Franz Gaiter, Sr and Franz Gaiter, II 55
19

B. Consideration for approval of motion to
20 dismiss taxpayer's appeal of
Advisory Opinion 17-019
21 1) Burning Man Project 68

22 C. Regulation
1) Consideration for approval of
23 Third Revised Proposed Regulation
of the Nevada Tax Commission
24

I N D E X
(Continued)

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1) Steven S. Acor - Vision Airlines, Inc.	12
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1) Bob Kingston Productions, Inc.	
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8 - Next meeting date: May 6, 2019	106
9 - Public comment	106
10 - Items for future agendas	111
11 - Adjourn	112

1 that you provide a copy of a true and correct document that's
2 been filed with the IRS. So that's just a comment more than
3 anything else. Okay. All those in favor, please signify by
4 saying aye.
5 (The vote was unanimously in favor of the motion)
6 CHAIRMAN DEVOLLD: Anyone opposed?
7 Okay. Very good. It's remanded back to the ALJ.
8 Thank you, Mr. Singer.
9 MR. CSOKA: Thank you.
10 MR. SINGER: Thank you.
11 CHAIRMAN DEVOLLD: Director Young.
12 MS. YOUNG: Director Young for the record.
13 Moving on to Number 6, informational items. Item A, penalty
14 and interest waivers granted by the Department for sales and
15 use tax, modified business tax, and excise taxes.
16 CHAIRMAN DEVOLLD: Okay. And this is just an
17 informational item. Are there any questions on that item?
18 Seeing none, the next item.
19 MS. YOUNG: Director Young for the record. Item
20 B, approval and denial status to report log for organization
21 created for religious, charitable, or educational purposes.
22 CHAIRMAN DEVOLLD: Are there any questions on
23 that informational item? Okay. Seeing none, the next item.
24 MS. YOUNG: The next item is Item 7, the briefing

1 to the commission from the executive director. Again,
2 Melanie Young, the executive director from the Department of
3 Taxation.
4 I was wanting to talk to you about some efforts
5 that the Department has done and what we are doing since our
6 last meeting. Since the last meeting, the Department has had
7 five presentations to the legislature that we've made. There
8 was a pre-session budget hearing and an overview of the
9 Department of Taxation. We did a sales and use tax
10 presentation and marijuana taxes, property tax presentation,
11 as well as our final budget hearing, which was Friday. And
12 we don't anticipate there's going to be any more
13 presentations coming up. But that was big for the Department
14 to be able to prepare, especially being the new director
15 taking that on.
16 The governor has also issued an executive order
17 creating an advisory panel for the creation of the Cannabis
18 Compliance Board. The Department has had two meetings. The
19 chair of that commission is Brin Gibson. He's the general
20 counsel for the governor's office. The first meeting was two
21 weeks ago. The last meeting was last Friday.
22 We did present at the first meeting an overview
23 of the Department. Several of the commissioners attended.
24 That was a big meeting for the Department. The last one they

1 presented banking for the cannabis industry, which is a, you
2 know, a concern for the cannabis industry being able to be --
3 Being a cash-based business makes it tough for the Department
4 as well.
5 There's a lot happening at the legislature. We
6 presented SB 81, which revises the statutes for tobacco and
7 other tobacco products, which was introduced on February
8 26th. And currently we are tracking 39 bills that could
9 impact the Department.
10 I wanted to go in to something that I have kind
11 of heard out of this meeting today. And it was a
12 presentation brought to my attention by the administrative
13 law judges. And that is -- relates to the backlog of offers
14 in compromise. I do address that that is an issue. And what
15 we are doing is the administrative law judge has offered some
16 of their assistance in reviewing these. So within the next
17 meeting you should see anywhere from eight to ten is what
18 we're anticipating on the agenda. So we have two different
19 teams that will be working on these to address that backlog.
20 So I'm very excited to be able to present that to you in the
21 next meeting. We will have a few of those on there.
22 During that fiscal -- During the calendar year of
23 2018, the Legislative Council Bureau came in to the
24 Department and audited the Department on the marijuana

1 program. The marijuana program at that point in time when
2 they started the audit was about seven months in to its
3 implementation. And the results of that audit, we received
4 our final letter last week and we submitted our response to
5 the legislature that will be up in the public soon.
6 The Department has agreed that we have some areas
7 where we need to improve. And we'll be working on those as a
8 result of this audit. And at the next meeting we'll be
9 presenting that. And that concludes my briefing.
10 CHAIRMAN DEVOLLD: Okay. Very good. Our next
11 meeting is May the 6th.
12 Is there any public comment in Las Vegas at this
13 time?
14 MEMBER KELESIS: Before the public comment,
15 Mr. Chairperson, can I ask the director a question?
16 CHAIRMAN DEVOLLD: Yes, Commissioner Kelesis.
17 MEMBER KELESIS: Maybe this is proper for
18 business on the next meeting. But regarding the committees
19 and what's been going on with the cannabis, one question that
20 has been posed to me that I have heard now a number of times
21 is a number of the taxpayers have filed petitions for
22 redetermination. The Department declined the petitions for
23 redeterminations. And those taxpayers have filed appeals of
24 those defamations. And my question is when can we expect to

1 hear those and why haven't we heard them yet?
2 MS. YOUNG: Director Young for the record. If I
3 understand the question correctly, this is in relation to the
4 litigation and appeals of the licensing?
5 MEMBER KELESIS: I'm not familiar with how they
6 worded their petitions. But in the past if there is a denial
7 and the appeal of the denial is brought to us and we hear
8 that. And there's nothing in the regulations that says that
9 should be stopped for any reason. So I'm wondering why we
10 haven't seen any of the appeals.
11 MS. YOUNG: Again, Director Young for the record.
12 I would have to get back to you on that. I'm not sure what
13 the status of those are.
14 MEMBER RIGBY: Can I ask a question of the
15 director? Would it be possible in a future meeting or after
16 the net proceeds bulletin is published for 2018, which comes
17 out about usually July or something, would it be possible
18 just to share that with the commission and just have a brief
19 overview of it? I don't see that that's coming up as -- It
20 doesn't need to be approved. But it would be helpful, I
21 think, if it was just reviewed just for background
22 information and just a brief presentation of it.
23 MS. YOUNG: Director Young for the record. Yes,
24 we can put that on for you.

1 MEMBER KELESIS: Mr. Chairperson, on the question
2 I asked, can we have an answer in ten days, all of us,
3 instead of waiting? What are these appeals and where are
4 they in the system?
5 CHAIRMAN DEVOLLD: You know, we've got an
6 attorney/client meeting directly after this and maybe we can
7 help you with some of those questions right after this
8 meeting. Is that all right?
9 MEMBER KELESIS: You're the chairperson. I'm
10 just simply saying, those appeals are -- they have nothing to
11 do with the litigation. They're not in the system.
12 CHAIRMAN DEVOLLD: Let's tackle that in the
13 attorney/client meeting right after this. If there's no
14 other questions -- Is there any other questions? Okay. I'm
15 sorry.
16 Public comment in Las Vegas.
17 MR. SPIRTOS: Can you hear me?
18 CHAIRMAN DEVOLLD: Perfectly.
19 MR. SPIRTOS: Okay. My name is Nick Spirtos and
20 I was at your January meeting in which after Commissioner
21 Kelesis made the commission aware of issues surrounding the
22 function of the marijuana division in particular, the recent
23 application process and requested for a hearing to be
24 scheduled ASAP. The chair stated, quote, I'll make sure it's

1 on a future agenda in response to it being an urgent nature.
2 And all that's happened since actually speaks to
3 the point Commissioner Kelesis just brought up is a denial
4 has been issued to our request to have a hearing regarding
5 the denial of our application. So we just got a blanket
6 we're not hearing your appeal.
7 Additionally, to shed further light on the length
8 that this Division is going to mislead the public and the
9 commission, all one must do is look at the recent Division
10 MME presentation, medical marijuana or marijuana presentation
11 to the governor's advisory board. These slides are
12 disingenuous and flat-out misrepresent the action of the
13 Division. I'm sorry, in northern Nevada you don't have the
14 slides. But on slide on page 59 misrepresents the
15 application process. As for the advisory board slide uses
16 the word county as it's in the regs as the entity to which
17 the number of licenses are given. The actual application,
18 which included in the packet, uses the word jurisdiction,
19 completely changed from the regs.
20 Additionally on page 59 the regs are accurately
21 represented as they pertain to the anti-monopolistic measures
22 as the Department does not issue to any person, group of
23 persons, or entity granted the one license or more than ten
24 person of the allocable retail licenses.

1 Unfortunately, the Division ignores that and
2 allows at least two or three of the companies, Essence being
3 one of them, Essence Tropicana and Essence Henderson to be
4 considered as separate entities.
5 I have provided for you in these packages that
6 Essence's own claims that they are all one company, they have
7 three stores, and one of them is their most popular one or
8 busiest one, and their notice of sale where they're all
9 included as one company, yet the Division allowed them to
10 apply and receive licenses as separate.
11 On page 58, and quite personally bothersome, as I
12 scheduled an entire half day to meet with the Division, the
13 Division presented a slide in which five criterion on the
14 application were merged into two. Yet, the regs clearly
15 provide that we would receive a score for each criterion.
16 I've included the regs in this package.
17 We have never received the scores as required by
18 the regs. But, worse yet, the Division insists on presenting
19 misleading information to the public and government agencies
20 by presenting this kind of material in a public forum.
21 Given the Chair's pledge to agendize this item
22 and the continued efforts of the Division to mislead all
23 involved, I personally on behalf of many who are too scared
24 to show up here due to the intimidation factor that this item

1 is placed on your next agenda. I appreciate your time.
2 CHAIRMAN DEVOLLD: Thank you.
3 Is there any other public comment in Las Vegas?
4 Is there any public comment on the telephone?
5 Is there any public comment in Carson City?
6 Okay. The next item is items for future agendas.
7 Can we all agree that we will put an item on the agenda for
8 the next meeting relating to the last public comment and have
9 that on the agenda?
10 MEMBER LIPMAN: I would also suggest that the
11 handout that we received from the commenter is distributed to
12 all the commissioners.
13 CHAIRMAN DEVOLLD: Yeah, that would be
14 beneficial. It's hard to respond to slides that we don't
15 have. So that would be terrific. Okay.
16 MEMBER KELESIS: I would be in support of putting
17 an action item on.
18 CHAIRMAN DEVOLLD: I'm sorry. I apologize.
19 Commissioner Kelesis, could you say that again.
20 MEMBER KELESIS: I'm responding to your question,
21 Mr. Chair. I would be in support of putting an action item
22 on the next agenda regarding the marijuana.
23 CHAIRMAN DEVOLLD: Thank you.
24 Okay. If there's no other items for future

1 agendas, we stand adjourned. We'll go in to an
2 attorney/client meeting in ten minutes. Five minutes.
3 (Hearing concluded at 12:23 p.m.)
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STATE OF NEVADA)
)ss.
COUNTY OF WASHOE)

I, CHRISTY Y. JOYCE, Official Court Reporter for the State of Nevada, Department of Taxation, do hereby certify:

That on Monday, the 4th day of March, 2019, I was present at the offices of Nevada Division of Public and Behavioral Health, 4150 Technology Way, Room 303, Carson City, Nevada, for the purpose of reporting in verbatim stenotype notes the within-entitled public meeting;

That the foregoing transcript, consisting of pages 1 through 112, inclusive, includes a full, true and correct transcription of my stenotype notes of said public meeting.

Dated at Reno, Nevada, this 18th day of March, 2019.

CHRISTY Y. JOYCE, CCR
Nevada CCR #625

Electronically Filed
5/6/2019 2:57 PM
Steven D. Grierson
CLERK OF THE COURT

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Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

MM DEVELOPMENT COMPANY, INC., a Nevada corporation; LIVFREE WELLNESS LLC, dba The Dispensary, a Nevada limited liability company Plaintiff, vs. STATE OF NEVADA, DEPARTMENT OF TAXATION; and DOES 1 through 10; and ROE CORPORATIONS 1 through 10. Defendants. and NEVADA ORGANIC REMEDIES, LLC Defendant-Intervenor. _____ NEVADA ORGANIC REMEDIES, LLC. Counterclaimant, vs. MM DEVELOPMENT COMPANY, INC., A Nevada corporation, LIVFREE WELLNESS, LLC, d/b/a The Dispensary, a Nevada Limited liability company Counter-Defendants	Case No.: A-18-785818-W Dept. No.: IX **PLAINTIFFS'/COUNTER-DEFENDANTS' APPENDIX TO MOTION FOR PRELIMINARY INJUNCTION OR FOR WRIT OF MANDAMUS**

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kic@kempjones.com

Case Number: A-18-785818-W

Plaintiffs/Counter-Defendants MM Development Company, Inc. ("MM") and LivFree Wellness, LLC d/b/a The Dispensary ("LivFree") (collectively, "Plaintiffs"), by and through their counsel of record, hereby submit this Appendix to Motion for Preliminary Injunction or for Writ of Mandamus:

Ex.	Exhibit Description	App. Pages
1	Dec. 13, 2018 Affidavit of Steve Gilbert	1-4
2	Recreational Marijuana Establishment License Application Form	5-39
3	Dec. 11, 2018 Essence Press Release	40-43
4	Affidavit of Paul Thomas	44-46
5	Jan. 15, 2018 Public Comment Letter to Nevada Tax Commission	47-53
6	Jan. 14, 2019 Nevada Tax Commission Transcript	54-73
7	Affidavit of Tia Dietz	74-77
8	Complaint, Naturex, LLC, et al. v. Verano Holdings, LLC, et al., Case No. A-19-787873-C	78-110
9	MM Development Company, Inc. Building/Establishment Information Application Tab	111-125
10	Dec. 21, 2018 Email from Robert Werbicky, Esq. re Manpower Employee Position Designations	126-128
11	Tina Banaszak LinkedIn Profile	129-131
12	May 2, 2018 Email from Kara Cronkhite re SODs for Sale to Minors	132-133
13	Integral Associates, LLC Secretary of State Information	134-137
14	Essence Henderson, LLC and Essence Tropicana, LLC Secretary of State Information	138-142
15	Jan. 10, 2019 Letters from Jorge Pupo re Notices of Appeal	143-145
16	Mar. 4, 2019 Tax Commission Transcript	146-160

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DATED this 6th day of May, 2019.

KEMP, JONES & COULTHARD LLP

/s/ Nathanael Rulis

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CERTIFICATE OF SERVICE

I hereby certify that on the 6th day of May, 2019, I served a true and correct copy of the foregoing **Plaintiffs'/Counter-Defendants' Appendix to Motion for Preliminary Injunction or Writ of Mandamus** via the Court's electronic filing system only, pursuant to the Nevada Electronic Filing and Conversion Rules, Administrative Order 14-2, to all parties currently on the electronic service list.

/s/ Ali Augustine
An employee of Kemp, Jones & Coulthard, LLP

Exhibit 1

A-18-785818-W
AFFT
Affidavit
4803102

A-18-785818-W

FILED IN OPEN COURT
STEVEN D. GRIERSON
CLERK OF THE COURT
DEC 13 2018
BY: LAUREN KIDD, DEPUTY

AFFIDAVIT OF STEVE F. GILBERT

STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

I, Steve F. Gilbert, being sworn, deposes and says:

1. I make this Affidavit in opposition to MM Development, Inc.'s ("MM") Emergency Motion for Order Requiring the SMC to Preserve and/or Immediately Turn Over Relevant Electronically Stored Information From Servers, Stand-Alone Computers, and Cell Phones And Order Shortening Time;
2. I am currently a Health Program Manager for the Nevada Department of Taxation, Marijuana Enforcement Division;
3. In that position, I oversaw the scoring of the applications seeking recreational licenses for retail stores in 2018;
4. The State of Nevada Department of Taxation (the 'Department") did not hire an out-of-state marijuana consultant to process or rate the license applications;
5. The Department did hire temporary contract workers througha staffing agency with offices in Carson City pursuant to an existing contract;
6. The temporary workers consisted of administrative assistants and six (6) individuals who rated the applications;
7. These individuals worked in State offices on State computers with limited access to State computer systems;
8. These individuals affirmed in writing they didn't have any personal or business relationships y to the marijuana industry;
9. These individuals also signed a Confidentiality/Non-Compete Agreement (the "Agreement") acknowledging they were "a contracted employee serving a state agency of the Executive Department";
10. In the Agreement the individuals agreed not to disclose Confidential Information[1] to anyone outside the Department or those inside the Department who don't have a need to know, unless

[1] Defined in the Agreement as "all written and oral information and materials provided by the Nevada Department of Taxation pertaining to [their] duties during [their] employment with the Division."

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Las Vegas, NV 89101

otherwise directed by the Department;

11. To my knowledge, there is no relevant electronically stored information in any servers or stand-alone computers, hard drives, laptops, tablets, thumb drives, and similar devises outside the control of the Department or the State;

12. The Department intends to preserve all information held by the State and has asked the laptops used by the temporary employee be preserved and segregated;

13. To my knowledge, the Department has not received a public records request from MM regarding any relevant information;

14. To my knowledge, the Department has not received a written request from MM for their score total;

15. The information, attributed by MM to "press reports" related to the breakdown of licenses awarded in Clark County, is inaccurate;

16. The actual breakdown is as follows:

	Essence Henderson LLC	Essence Tropicana LLC	Nevada Organic (Green Growth)	Greenroots (Tap Roots)
Unincorporated Clark County	1	1	1	0
City of Henderson		1	1	0
City of Las Vegas		1	1	0
City of North Las Vegas	1		1	0

17. Greenroots was awarded six licenses (one each in Lyon, Humboldt, White Pine, Lander, mineral, and Storey Counties);

18. Essence Tropicana LLC was also awarded a license in Reno; Essence Henderson LLC was awarded licenses in Sparks and Carson City; Nevada Organics was awarded licenses in Reno, Carson City, and Nye County;

19. In 2014 there were 198 applications seeking 66 licenses;

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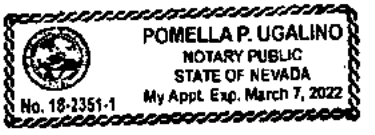
20. In 2018 there were 462 applications seeking 61 licenses;

21. 17 separate entities received the 61 provisional licenses issued statewide;

22. Of these 17 entities, 9 entities received their first retail store license;

Further, your Affiant sayeth naught.



STEVE F. GILBERT
Health Program Manager
Nevada Department of Taxation,
Marijuana Enforcement Division

SUBSCRIBED and SWORN to before me
this 31st day of December, 2018.

Pomella P. Ugalino CLARK COUNTY NV
Notary in and for said County and State

Attorney General's Office
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Las Vegas, NV 89101

Exhibit 2

BRIAN SANDOVAL
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
WILLIAM D. ANDERSON
Executive Director

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Recreational Marijuana Establishment License Application

Recreational Retail Marijuana Store Only

Release Date: July 6, 2018

Application Period: September 7, 2018 through September 20, 2018

(*Business Days M-F, 8:00 A.M. - 5:00 P.M.)*

For additional information, please contact:

Marijuana Enforcement Division

State of Nevada Department of Taxation

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marijuana@tax.state.nv.us

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APPLICANT INFORMATION

Provide all requested information in the space next to each numbered question. The information in Sections V1 through V10 will be used for application questions and updates. Type or print responses**. Include this applicant information sheet in Tab III of the Identified Criteria Response (Page 10)**.

V1	Company Name:
V2	Street Address:
V3	City, State, ZIP:
V4	Telephone: ( ) _____ -_____ ext: _____
V5	Email Address:
V6	Toll Free Number: ( ) _____-_____ _____ ext: _____
Contact person who will provide information, sign, or ensure actions are taken pursuant to R092-17 & NRS 453D	
V7	Name:
	Title:
	Street Address:
	City, State, ZIP:
V8	Email Address:
V9	Telephone number for contact person: ( ) _____ -_____ ext: _____
V10	Signature: Date:

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1. TERMS AND DEFINITIONS

For the purposes of this application, the following acronyms/definitions will be used.

TERMS	DEFINITIONS
Applicant	Organization/individual submitting an application in response to this request for application.
Awarded applicant	The organization/individual that is awarded and has an approved conditional license with the State of Nevada for the establishment type identified in this application.
Confidential information	Any information relating to building or product security submitted in support of a recreational marijuana establishment license.
Department	The State of Nevada Department of Taxation.
Edible marijuana products	Products that contain marijuana or an extract thereof and are intended for human consumption by oral ingestion and are presented in the form of foodstuffs, extracts, oils, tinctures and other similar products.
Enclosed, locked facility	A closet, display case, room, greenhouse, or other enclosed area equipped with locks or other security devices which allow access only by a recreational marijuana establishment agent and the holder of a valid registry identification card.
Establishment license approval to operate date	The date the State Department of Taxation officially gives the approval to operate based on approval of the local jurisdiction and successful fulfillment of all approval-to-operate instructions between the Department and the successful applicant.
Conditional establishment license award date	The date when applicants are notified that a recreational marijuana establishment conditional license has been successfully awarded and is awaiting approval of the local jurisdiction and successful fulfillment of all approval-to-operate instructions.
Evaluation committee	An independent committee comprised of state officers or employees and contracted professionals established to evaluate and score applications submitted in response to this request for applications.
Excluded felony offense	A crime of violence or a violation of a state or federal law pertaining to controlled substances if the law was punishable as a felony in the jurisdiction where the person was convicted. The term does not include a criminal offense for which the sentence, including any term of probation, incarceration or supervised release, was completed more than 10 years before or an offense involving conduct that would be immune from arrest, prosecution or penalty, except that the conduct occurred before April 1, 2014 or was prosecuted by an authority other than the State of Nevada.

Facility for the production of edible marijuana products or marijuana infused products	A business that is registered/licensed with the Department and acquires, possesses, manufactures, delivers, transfers, transports, supplies, or sells edible marijuana products or marijuana-infused products to recreational marijuana retail stores.
Identifiers or Identified Criteria Response	A non-identified response, such as assignment of letters, numbers, job title or generic business type, to assure the identity of a person or business remains unidentifiable. Assignment of identifiers will be application-specific and will be communicated in the application in the identifier legend.
Marijuana Testing Facility	Means an entity licensed to test marijuana and marijuana products, including for potency and contaminants.
Inventory control system	A process, device or other contrivance that may be used to monitor the chain of custody of marijuana used for recreational purposes from the point of cultivation to the end consumer.
Marijuana	All parts of any plant of the genus Cannabis, whether growing or not, and the seeds thereof, the resin extracted from any part of the plant and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or resin. " Marijuana" does not include the mature stems of the plant, fiber produced from the stems, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stems (except the resin extracted there from), fiber, oil or cake, or the sterilized seed of the plant which is incapable of germination. "Marijuana" does not include industrial hemp as defined in NRS 557.040, and grown or cultivated pursuant to Chapter 557 of NRS.
Marijuana-infused products	Products that are infused with marijuana or an extract thereof and are intended for use or consumption by humans through means other than inhalation or oral ingestion. The term includes topical products, ointments, oils and tinctures.
May	Indicates something that is recommended but not mandatory. If the applicant fails to provide recommended information, the Department may, at its sole discretion, ask the applicant to provide the information or evaluate the application without the information.
Medical use of marijuana	The possession, delivery, production or use of marijuana; the possession, delivery or use of paraphernalia used to administer marijuana, as necessary, for the exclusive benefit of a person to mitigate the symptoms or effects of his or her chronic or debilitating medical condition.

Must	Indicates a mandatory requirement. Failure to meet a mandatory requirement may result in the rejection of an application as non-responsive.
NAC	Nevada Administrative Code. All applicable NAC documentation may be reviewed via the internet at: http://www.leg.state.nv.us/NAC/CHAPTERS.HTML
Non-Identified Criteria Response	A response to the application in which no information is included pertaining to identifiable information for any and all owners, officers, board members or employees and business details (proposed business name(s), D/B/A, current or previous business names or employers). Identifiers that must be removed from the application include all names; specific geographic details including street address, city, county, precinct, ZIP code, and their equivalent geocodes; telephone numbers; fax numbers; email addresses; social security numbers; financial account numbers; certificate/license numbers; vehicle identifiers and serial numbers including license plate numbers; Web Universal Resource Locators (URLs); Internet Protocol (IP) addresses; biometric identifiers including finger and voice prints, full-face photographs and any comparable images; previous or proposed company logos, images or graphics; and, any other unique identifying information, images, logos, details, numbers, characteristics, or codes.
NRS	Nevada Revised Statutes. All applicable NRS documentation may be reviewed via the internet at: http://www.leg.state.nv.us/NRS/.
Pacific Time (PT)	Unless otherwise stated, all references to time in this request for applications and any subsequent award of license are understood to be Pacific Time.
Recreational marijuana retail store	Means an entity licensed to purchase marijuana from marijuana cultivation facilities, to purchase marijuana and marijuana products from marijuana product manufacturing facilities and retail marijuana stores, and to sell marijuana and marijuana products to consumers.
Recreational marijuana establishment	Means a marijuana cultivation facility, a marijuana testing facility, a marijuana product manufacturing facility, a marijuana distributor, or a retail marijuana store.
Recreational marijuana establishment agent	Means an owner, officer, board member, employee or volunteer of a marijuana establishment, an independent contractor who provides labor relating to the cultivation, processing or distribution of marijuana or the production of marijuana or marijuana products for a marijuana establishment or an employee of such an independent contractor. The term does not include a consultant who performs professional services for a recreational marijuana establishment.

Recreational marijuana establishment agent registration card	A registration card that is issued by the Department pursuant to R092-17, Sec. 94 to authorize a person to volunteer or work at a recreational marijuana establishment.
Recreational marijuana establishment license	A license that is issued by the Department pursuant to NRS 453D and R092-17 to authorize the operation of a recreational marijuana establishment.
Shall	Indicates a mandatory requirement. Failure to meet a mandatory requirement may result in the rejection of an application as non-responsive.
Should	Indicates something that is recommended but not mandatory. If the applicant fails to provide recommended information the Department may, at its sole discretion, ask the applicant to provide the information or evaluate the application without the information.
State	The State of Nevada and any agency identified herein.
Will	Indicates a mandatory requirement. Failure to meet a mandatory requirement may result in the rejection of an application as non-responsive.

2. APPLICATION OVERVIEW

The Nevada State Legislature passed a number of bills during the 2017 session which affect the licensing, regulation and operation of recreational marijuana establishments in the state. In addition, the Department of Taxation has approved regulations effective February of 2018. Legislation changes relevant to this application include but are not limited to the following:

Assembly Bill 422 (AB422):

- Transfers responsibility for registration/licensing and regulation of marijuana establishments from the State of Nevada's Division of Public and Behavioral Health (DPBH) to the Department of Taxation.
- Adds diversity of race, ethnicity, or gender of applicants (owners, officers, board members) to the existing merit criteria for the evaluation of marijuana establishment registration certificates.

LCB File No. Regulation R092-17:

- On or before November 15, 2018, a person who holds a medical marijuana establishment registration certificate may apply for one or more licenses, in addition to a license issued pursuant to section 77 of the regulation, for a marijuana establishment of the same type or for one or more licenses for a marijuana establishment of a different type.

No applicant may be awarded more than 1 (one) retail store license in a jurisdiction/locality, unless there are less applicants than licenses allowed in the jurisdiction.

The Department is seeking applications from qualified applicants in conjunction with this application process for recreational marijuana retail store license. If a marijuana establishment has not received a final inspection within 12 months after the date on which the Department issued a license, the establishment must surrender the license to the Department. The Department may extend the period specified in R092-17, Sec. 87 if the Department, in its discretion, determines that extenuating circumstances prevented the marijuana establishment from receiving a final inspection within the period.

3. APPLICATION TIMELINE

The following represents the timeline for this project. All times stated are in Pacific Time (PT).

Task	Date/Time
Request for application date	July 6, 2018
Opening of 10-day window for receipt of applications	September 7, 2018
Deadline for submission of applications	September 20, 2018 – 5:00 p.m.
Application evaluation period	September 7, 2018 – December 5, 2018
Conditional licenses award notification	Not later than December 5, 2018
Anticipated approximate fully operational deadline	12 months after notification date of conditional license

4. APPLICATION INSTRUCTIONS

The State of Nevada Department of Taxation is seeking applications from qualified applicants to award recreational marijuana retail store licenses.

The Department anticipates awarding a recreational marijuana retail store license in conjunction with this application as determined by the applicant's establishment type, geographic location and the best interest of the State. Therefore, applicants are encouraged to be as specific as possible regarding services provided, geographic location, and information submitted for each application merit criteria category.

Pursuant to section 78 subsection 12 of R092-17, the application must include the signature of a natural person for the proposed marijuana establishment as described in subsection 1 of section 74 of R092-17.

5. APPLICATION REQUIREMENTS, FORMAT AND CONTENT

5.1. General Submission Requirements

5.1.1. Applications must be packaged and submitted in counterparts; therefore, applicants must pay close attention to the submission requirements. Applications will have an Identified Criteria Response and a Non-Identified Criteria Response. Applicants must submit their application separated into the two (2) required sections, Identified Criteria Responses and Non-Identified Criteria Responses, recorded to separate electronic media (CD-Rs or USB thumb drives).

5.1.2. The required electronic media must contain information as specified in Section 5.4, and must be packaged and submitted in accordance with the requirements listed at Section 5.5.

5.1.3. Detailed instructions on application submission and packaging are provided below. Applicants must submit their applications as identified in the following sections.

5.1.4. All information is to be completed as requested.

5.1.5. Each section within the Identified Criteria Response and the Non-Identified Criteria Response must be saved as separate PDF files, one for each required "Tab". The filename will include the tab number and title (e.g., 5.2.1 Tab I – Title Page.pdf).

5.1.6. For ease of evaluation, the application must be presented in a format that corresponds to and references the sections outlined within the submission requirements section and must be presented in the same order. Written responses must be typed and placed immediately following the applicable criteria question, statement and/or section.

5.1.7. Applications are to be prepared in such a way as to provide a straightforward, concise delineation of information to satisfy the requirements of this application.

5.1.8. In a Non-Identified Criteria Response, when a specific person or company is referenced the identity must remain confidential. A person may be addressed through their position, discipline or job title, or assigned an identifier. Identifiers assigned to people or companies must be detailed in a legend (Attachment H) to be submitted in the Identified Criteria Response section.

5.1.9. Materials not requested in the application process will not be reviewed.

5.2. Part I – General Criteria Response

The IDENTIFIED CRITERIA RESPONSE must include:

- Electronic media (CD-R or thumb drive) containing only the Identified Criteria Response.
- Do not password protect electronic media or individual files.
- The response must contain separate PDF files for each of the tabbed sections as described below.

5.2.1. **Tab I** – *Title Page*
The title page must include the following:

Part I – Identified Criteria Response	
Application Title:	A Recreational Marijuana Establishment License
Applicant Name:	
Address:	
Application Opening Date and Time:	**September 7, 2018**
Application Closing Date and Time:	**September 20, 2018**

5.2.2. **Tab II** – *Table of Contents*
An accurate table of contents must be provided in this tab.

5.2.3. **Tab III** – *Applicant Information Sheet (Page 2)*
The completed Applicant Information Sheet signed by the contact person who is responsible for providing information, signing documents, or ensuring actions are taken pursuant to R092-17, Sec. 94 must be included in this tab.

5.2.4. **Tab IV** – *Recreational Marijuana Establishment License Application (Attachment A)*
The completed and signed Recreational Marijuana Establishment License Application must be included in this tab.

5.2.5. **Tab V** – *Multi-Establishment Limitations Form (Attachment F)*
If applicable, a copy of the Multi-Establishment Limitations Form must be included in this tab. If not applicable, please insert a plain page with the words "**Not applicable.**"

5.2.6. **Tab VI** – *Identifier Legend (Attachment H)*
If applicable, a copy of the Identifier Legend must be included in this tab. If not applicable, please insert a page with the words **"Not Applicable"**.

5.2.7. **Tab VII** – *Confirmation that the applicant has registered with the Secretary of State*
Documentation that the applicant has registered as the appropriate type of business and the Articles of Incorporation, Articles of Organization, Operating Agreements, or partnership or joint venture documents of the applicant must be included in this tab.

5.2.8. **Tab VIII**– *Documentation of liquid assets*
Documentation demonstrating the liquid assets and the source of those liquid assets from a financial institution in this state or in any other state or the District of Columbia must be included in this tab and demonstrate the following criteria :

5.2.8.1. That the applicant has at least $250,000 in liquid assets which are unencumbered and can be converted within 30 days after a request to liquidate such assets; and

5.2.8.2. The source of those liquid assets.

Note: If applying for more than one recreational marijuana establishment license, available funds must be shown for each establishment application.

5.2.9. **Tab IX** – *Evidence of taxes paid; other beneficial financial contributions*
Evidence of the amount of taxes paid and/or other beneficial financial contributions made to the State of Nevada or its political subdivisions within the last five years by the applicant or the persons who are proposed to be owners, officers or board members of the establishment must be included in this tab.

5.2.10. **Tab X** – *Organizational structure and owner, officer or board member information*
The description of the proposed organizational structure of the proposed recreational marijuana establishment and information concerning each owner, officer and board member of the proposed recreational marijuana establishment must be included in this tab and demonstrate the following criteria:

5.2.10.1. An organizational chart showing all owners, officers and board members of the recreational marijuana establishment including percentage of ownership for each individual.

5.2.10.2. An Owner, Officer and Board Member Attestation Form must be completed for each individual named in this application (Attachment B).

5.2.10.3. The supplemental Owner, Officer and Board Member Information Form should be completed for each individual named in this application. This attachment must also include the diversity information required by R092-17, Sec. 80.1(b) (Attachment C).

5.2.10.4. A resume, including educational level and achievements for each owner, officer and board member must be completed for each individual named in this application.

5.2.10.5. A narrative description not to exceed 750 words demonstrating the following:

5.2.10.5.1. Past experience working with government agencies and highlighting past community involvement.

5.2.10.5.2. Any previous experience at operating other businesses or non-profit organizations, including marijuana industry experience.

5.2.10.6. A Request and Consent to Release Application Form for Recreational Marijuana Establishment License(s) for each owner, officer and board member should be completed for each individual named in this application (Attachment D).

5.2.10.7. A copy of each individual's completed fingerprint submission form demonstrating he or she has submitted fingerprints to the Nevada Department of Public Safety.

5.2.11. **Tab XI**– *Financial plan*
A financial plan must be included in this tab which includes:

5.2.11.1. Financial statements showing the resources of the applicant, both liquid and illiquid.

5.2.11.2. If the applicant is relying on funds from an owner, officer, board member or any other source, evidence that such person has unconditionally committed such funds to the use of the applicant in the event the Department awards a recreational marijuana establishment license to the applicant.

5.2.11.3. Proof that the applicant has adequate funds to cover all expenses and costs of the first year of operation.

5.2.12. **Tab XII** – *Name, signage and advertising plan*
A proposal of the applicant's name, signage and advertising plan which will be used in the daily operations of the recreational marijuana establishment on the form supplied by the Department (Attachment G) must be included in this tab.
Please note: This section will require approval, but will not be scored.

5.2.13. *Application Fee*

5.2.13.1. Include with this packet the $5,000.00 non-refundable application fee per NRS 453D.230(1).

Please note: Only cash, cashier's checks and money orders made out to the "Nevada Department of Taxation" will be accepted for payment of the nonrefundable application fee.

5.3. Part II – Non-identified Criteria Response

The NON-IDENTIFIED CRITERIA RESPONSE must include:

- Electronic media (CD-R or thumb drive) containing only the Identified Criteria Response.
- Do not password-protect electronic media or individual files.

- The response must contain separate PDF files for each of the tabbed sections as described below:

5.3.1. **Tab I** – *Title Page*
Please note: Title page will not be viewed by Non-Identified Criteria evaluators.
The title page must include the following:

Part II –Non-Identified Criteria Response	
Application Title:	A Recreational Marijuana Establishment License
Applicant Name:	
Address:	
Application Opening Date and Time:	**September 7, 2018**
Application Closing Date and Time:	**September 20, 2018**

5.3.2. **Tab II** – *Table of Contents*
An accurate table of contents must be provided in this tab.

5.3.3. **Tab III** – *Building/Establishment information*
Documentation concerning the adequacy of the size of the proposed recreational marijuana establishment to serve the needs of persons who are authorized to engage in the use of marijuana must be included in this tab. The content of this response must be in a **non-identified** format and include building and general floor plans with all supporting details

Please note: The size or square footage of the proposed establishment should include the maximum size of the proposed operation per the lease and property ownership. The start-up plans and potential expansion should be clearly stated to prevent needless misunderstandings and surrendering of certification.

5.3.4. **Tab IV** – *Care, quality and safekeeping of marijuana from seed to sale plan*
Documentation concerning the integrated plan of the proposed recreational marijuana establishment for the care, quality and safekeeping of recreational marijuana from seed to sale must be included in this tab. The content of this response must be in a **non-identified** format and include:

5.3.4.1. A plan for verifying and testing recreational marijuana
5.3.4.2. A transportation or delivery plan
5.3.4.3. Procedures to ensure adequate security measures for building security
5.3.4.4. Procedures to ensure adequate security measures for product security

5.3.5. **Tab V** – *System and Inventory Procedures plan*

A plan for the operating procedures for verification system and inventory control system must be included in this tab. The content of this response must be in a **non-identified** format and include:

5.3.5.1. A description of the operating procedures for the verification system of the proposed marijuana establishment for verifying age.

5.3.5.2. A description of the inventory control system of the proposed recreational marijuana establishment.

Please note: Applicants should demonstrate a system to include thorough tracking of product movement and sales. The applicant shall demonstrate capabilities for an external interface via a secure API to allow third party software systems to report all required data into the State database to allow seamless maintenance of records and to enable a quick and accurate update on demand. The system shall account for all inventory held by an establishment in any stage of cultivation, production, display or sale as applicable for the type of establishment, and demonstrate an internal reporting system to provide the Department with comprehensive information about an establishment's inventory.

5.3.6. **Tab VI**– *Operations and resources plan*

Evidence that the applicant has a plan to staff and manage the proposed marijuana establishment on a daily basis must be included in this tab. The content of this response must be in a **non-identified** format and include:

5.3.6.1. A detailed budget for the proposed establishment including pre-opening, construction and first year operating expenses.

5.3.6.2. An operations manual that demonstrates compliance with the regulations of the Department.

5.3.6.3. An education plan which must include providing training and educational materials to the staff of the proposed establishment.

5.3.6.4. A plan to minimize the environmental impact of the proposed establishment.

5.3.7. **Tab VII** – *Community impact and serving authorized persons in need*

A proposal demonstrating the likely impact on the community and convenience to serve the needs of persons authorized to use marijuana must be included in this tab. The content of this response must be in a **non-identified format** and include:

5.3.7.1. The likely impact of the proposed recreational marijuana establishment in the community in which it is proposed to be located.

5.3.7.2. The manner in which the proposed recreational marijuana establishment will meet the needs of the persons who are authorized to use marijuana.

5.4. Electronic Media Requirements

Electronic media submitted as part of the application must include:

5.4.1. A separate CD-R or thumb drive which contains only the Identified Criteria Response.

5.4.2. A separate CD-R or thumb drive which contains only the Non-Identified Criteria Response.

5.4.2.1. The electronic files must follow the format and content section for the Identified Criteria Response and Non-Identified Criteria Response.

5.4.2.2. All electronic files must be saved in "PDF" format with separate files for each required "Tab". Individual filenames must comply with the naming requirements specified in 5.1.5 of the General Submission Requirements.

5.4.2.3. CD-Rs or thumb drives will be labeled as either Identified or Non-Identified Criteria Response. Identified Criteria Responses and Non-Identified Criteria Responses must not be saved to the same CD-R or thumb drive.

5.4.2.3.1. Part I – Identified Criteria Response

5.4.2.3.2. Part II – Non-Identified Criteria Response

5.4.2.4. Seal the Identified Criteria Response and Non-Identified Criteria Response electronic media in separate envelopes and affix labels to the envelopes per the example below:

CDs or Thumb Drives	
Application	A Recreational Marijuana Establishment License
Applicant Name:	
Address:	
Contents:	Part I – Identified Criteria Response **OR** Part II – Non-Identified Criteria Response

5.5. Application Packaging and Instructions

5.5.1. Recreational Marijuana Establishment License Applications may be mailed or dropped off in person at:

Department of Taxation **Marijuana Enforcement Division** **1550 College Parkway** **Carson City, NV 89706**	**- OR -**	**Department of Taxation** **Marijuana Enforcement Division** **555 E. Washington Ave. Ste 1300** **Las Vegas, NV 89101**

5.5.2. Applications dropped off in person at one of the two Taxation office's must be received no later than **5:00 p.m. on September 20, 2018.**

5.5.3. Applications mailed in to one of the two Taxation office's must be postmarked by the United States Postal Service not later than **September 20, 2018.**

5.5.4. If an application is sent via a different delivery service (i.e. UPS, FedEx, etc.) and does not arrive at one of the two Taxation offices by **5:00 p.m. on September 20, 2018,** the application will not be considered.

5.5.5. If mailing the application, combine the separately sealed Identified and Non-Identified Criteria Response envelopes into a single package suitable for mailing.

5.5.6. The Department will not be held responsible for application envelopes mishandled as a result of the envelope not being properly prepared.

5.5.7. Email, facsimile, or telephone applications will **NOT** be considered.

6. APPLICATION EVALUATION AND AWARD PROCESS

The information in this section does not need to be returned with the applicant's application.

6.1. Applications shall be consistently evaluated and scored in accordance with NRS 453D, NAC 453D and R092-17 based upon the following criteria and point values.

Grey boxes are the Identified Criteria Response. White boxes are Non-Identified Criteria Response.

Nevada Recreational Marijuana Application Criteria	**Points**
The description of the proposed organizational structure of the proposed marijuana establishment and information concerning each owner, officer and board member of the proposed marijuana establishment including the information provided pursuant to R092-17.	60
Evidence of the amount of taxes paid or other beneficial financial contributions made to the State of Nevada or its political subdivisions within the last five years by the applicant or the persons who are proposed to be owners, officers or board members of the proposed establishment.	25
A financial plan which includes: ▪ Financial statements showing the resources of the applicant, both liquid and illiquid. ▪ If the applicant is relying on funds from an owner, officer or board member, or any other source, evidence that such source has unconditionally committed such funds to the use of the applicant in the event the Department awards a recreational marijuana establishment license to the applicant and the applicant obtains the necessary local government approvals to operate the establishment. ▪ Proof that the applicant has adequate funds to cover all expenses and costs of the first year of operation.	30
Documentation from a financial institution in this state or in any other state or the District of Columbia which demonstrates: ▪ That the applicant has at least $250,000 in liquid assets which are unencumbered and can be converted within 30 days after a request to liquidate such assets. ▪ The source of those liquid assets.	10
Documentation concerning the integrated plan of the proposed marijuana establishment for the care, quality and safekeeping of marijuana from seed to sale, including: ▪ A plan for testing recreational marijuana. ▪ A transportation plan. ▪ Procedures to ensure adequate security measures for building security. ▪ Procedures to ensure adequate security measures for product security. *Please note: The content of this response must be in a* ***non-identified*** *format.*	40
Evidence that the applicant has a plan to staff, educate and manage the proposed recreational marijuana establishment on a daily basis, which must include: ▪ A detailed budget for the proposed establishment including pre-opening, construction and first year operating expenses. ▪ An operations manual that demonstrates compliance with the regulations of the Department. ▪ An education plan which must include providing educational materials to the staff of the proposed establishment. ▪ A plan to minimize the environmental impact of the proposed establishment.	30

Please note: The content of this response must be in a ***non-identified*** *format.*	
A plan which includes: ▪ A description of the operating procedures for the electronic verification system of the proposed marijuana establishment. ▪ A description of the inventory control system of the proposed marijuana establishment. *Please note: The content of this response must be in a* ***non-identified*** *format.*	20
Documentation concerning the adequacy of the size of the proposed marijuana establishment to serve the needs of persons who are authorized to engage in the use of marijuana, including: ▪ Building and construction plans with supporting details. *Please note: The content of this response must be in a* ***non-identified*** *format.*	20
A proposal demonstrating: ▪ The likely impact of the proposed marijuana establishment in the community in which it is proposed to be located. ▪ The manner in which the proposed marijuana establishment will meet the needs of the persons who are authorized to use marijuana. *Please note: The content of this response must be in a* ***non-identified*** *format.*	15
Application Total	**250**
Unweighted: ▪ Review plan for all names and logos for the establishment and any signage or advertisement. ▪ Review results of background check(s). Applicant has until the end of the 90-day application period to resolve background check information which may cause the application to be rejected.	

6.2. If the Department receives more than one application for a license for a retail marijuana store in response to a request for applications made pursuant to R092-17, Sec. 76 and the Department determines that more than one of the applications is complete and in compliance with R092-17, Sec. 78 and Chapter 453D of the NRS, the Department will rank the applications within each applicable locality for any applicants which are in a jurisdiction that limits the number of retail marijuana stores in order from first to last. Ranking will be based on compliance with the provisions of R092-17 Sec. 80,Chapter 453D of NRS and on the content of the applications relating to:

6.2.1. Operating experience of another kind of business by the owners, officers or board members that has given them experience which is applicable to the operation of a marijuana establishment.
6.2.2. Diversity of the owners, officers or board members.
6.2.3. Evidence of the amount of taxes paid and other beneficial financial contributions.
6.2.4. Educational achievements of the owners, officers or board members.
6.2.5. The applicant's plan for care, quality and safekeeping of marijuana from seed to sale.
6.2.6. The financial plan and resources of the applicant, both liquid and illiquid.
6.2.7. The experience of key personnel that the applicant intends to employ.
6.2.8. Direct experience of the owners, officers or board members of a medical marijuana establishment or marijuana establishment in this State.

6.3. Applications that have not demonstrated a sufficient response related to the criteria set forth above will not have additional criteria considered in determining whether to issue a license and will not move forward in the application process.

6.4. Any findings from a report concerning the criminal history of an applicant or person who is proposed to be an owner, officer or board member of a proposed recreational marijuana establishment that disqualify that individual from serving in that capacity will also result in the disqualification of the application. The applicant will have the opportunity to resolve such an issue within the 90-day application period.

6.5. The Department and evaluation committee may also contact anyone referenced in any information provided for the owners, officers and board members of the proposed establishment; contact any applicant to clarify any response; solicit information from any available source concerning any aspect of an application; and, seek and review any other information deemed pertinent to the evaluation process. The evaluation committee shall not be obligated to accept any application, but shall make an award in the best interests of the State of Nevada per Regulation R092-17 and Chapter 453D of the NRS.

6.6. Clarification discussions may, at the Department's sole discretion, be conducted with applicants who submit applications determined to be acceptable and competitive per R092-17, Sec. 77-80 and NRS 453D.210. Applicants shall be afforded fair and equal treatment with respect to any opportunity for discussion and/or written clarifications of applications. Such clarifications may be permitted after submissions and prior to award for the purpose of obtaining best and final ranking of applications. In conducting discussions, there shall be no disclosure of any information derived from applications submitted by competing applicants. Any clarification given for the original application during the clarification discussions will be included as part of the application.

6.7. The Department will issue conditional recreational marijuana establishment licenses subject to final inspection in accordance with R092-17, Sec. 87 and subject to local jurisdiction to the highest ranked applicants up to the designated number of licenses the Department plans to issue.

6.8. If two or more applicants have the same total number of points for the last application being awarded a conditional license, the Department shall select the applicant which has scored the highest number of points as it is related to the proposed organizational structure of the proposed marijuana establishment and the information concerning each owner, officer and board member of the proposed marijuana establishment.

6.9. If the Department receives only one response within a specific jurisdiction; and, if the jurisdiction limits the number of a type of establishment to one; and, statewide, if there is not a limit on the number of a type of establishments to a request for applications for recreational marijuana establishments issued pursuant to R092-17, Sec. 76 (3) within 10 business days after the Department begins accepting responses to the request for applications; and, the

Department determines that the response is complete and in compliance with the regulations, the Department will issue a conditional license to that applicant to operate a recreational marijuana establishment in accordance with R092-17.

6.10. The issuance by the Department of a recreational marijuana establishment license is conditional and not an approval to begin business operations until such time as:

6.10.1. The marijuana establishment is in compliance with all applicable local government ordinances and rules; and

6.10.2. The local government has issued a business license or otherwise approved the applicant for the operation of the establishment.

6.11. If the local government does not issue business licenses and does not approve or disapprove marijuana establishments in its jurisdiction, a recreational marijuana establishment license becomes an approval to begin business operations when the marijuana establishment is in compliance with all applicable local government ordinances and rules and has fulfilled all the requirements of the approval to operate by the Department.

6.12. Any license resulting from this application shall not be effective until approved by the Department.

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

BRIAN SANDOVAL
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
WILLIAM D. ANDERSON
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

ATTACHMENT A
RECREATIONAL MARIJUANA ESTABLISHMENT APPLICATION

GENERAL INFORMATION

Type of Marijuana Establishment: ☐ Recreational Retail Marijuana Store			
Marijuana Establishment's Proposed Physical Address (this must be a Nevada address and cannot be a P.O. Box)			
City:	County:	State:	Zip Code:
Proposed Hours of Operation : Sunday Monday Tuesday Wednesday Thursday Friday Saturday			

APPLYING ENTITY INFORMATION

Applying Entity's Name:			
Business Organization:	☐ Individual ☐ LLC	☐ Corp. ☐ Assoc. /Coop.	☐ Partnership ☐ Other specify:
Telephone #:	E-Mail Address:		
State Business License #:	Expiration Date:		
Mailing Address:			
City:	State:	Zip Code:	

DESIGNEE INFORMATION

Name of individual designated to manage agent registration card applications on behalf of the establishment.

Last Name:	First Name:	MI:

SUPPLEMENTAL REQUESTS

Does the applicant agree to allow the Nevada Department of Taxation (Department) to submit supplemental requests for information? ☐ Yes ☐ No

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
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ATTACHMENT A (continued)

Recreational Marijuana Establishment Owner (OR), Officer (OF), Board Member (BM) Names

For each owner, officer and board member listed below, please fill out a corresponding Establishment Principal Officers and Board Members Information Form (Attachment C).

Last Name:	First Name:	MI:	OR	OF	BM
Last Name:	First Name:	MI:	OR	OF	BM
Last Name:	First Name:	MI:	OR	OF	BM
Last Name:	First Name:	MI:	OR	OF	BM
Last Name:	First Name:	MI:	OR	OF	BM
Last Name:	First Name:	MI:	OR	OF	BM
Last Name:	First Name:	MI:	OR	OF	BM
Last Name:	First Name:	MI:	OR	OF	BM
Last Name:	First Name:	MI:	OR	OF	BM
Last Name:	First Name:	MI:	OR	OF	BM
Last Name:	First Name:	MI:	OR	OF	BM
Last Name:	First Name:	MI:	OR	OF	BM

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ATTACHMENT A (continued)

A marijuana agent identification card or recreational marijuana establishment license issued by the Nevada Department of Taxation (Department) pursuant to R092-17, Sec. 95 does not protect the applicant from legal action by federal authorities, including possible criminal prosecution for violations of federal law for the sale, manufacture, distribution, use, dispensing, possession, etc. of marijuana.

The acquisition, possession, cultivation, manufacturing, delivery, transfer, transportation, supplying, selling, distributing, or dispensing of "recreational" marijuana under state law is lawful only if done in strict compliance with the requirements of the State Medical & Recreational Marijuana Act(s) & Regulations (NAC- 453, NRS-453D, R092-17). Any failure to comply with these requirements may result in revocation of the marijuana agent identification card or Recreational Marijuana Establishment License issued by the Department.

The issuance of a license pursuant to section 80 of R092-17 of this regulation is conditional and not an approval to begin operations as a marijuana establishment until such time as all requirements in section 83 of R092-17 are completed and approved by the Department by means of a final inspection.

The State of Nevada, including but not limited to the employees of the Department, is not facilitating or participating in any way with my acquisition, possession, cultivation, manufacturing, delivery, transfer, transportation, supplying, selling, distributing, or dispensing of marijuana.

I attest that the information provided to the Department for this Recreational Marijuana Establishment License application is true and correct.

Print Name	Title
Signature	Date Signed
Print Name	Title
Signature	Date Signed

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ATTACHMENT B

OWNER, OFFICER AND BOARD MEMBER ATTESTATION FORM

I, _____(PRINT NAME)

Attest that:

I have not been convicted of an excluded felony offense as defined in NRS 453D; and

I agree that the Department may investigate my background information by any means feasible to the Department; and

I will not divert marijuana to any individual or person who is not allowed to possess marijuana pursuant to R092-17, Sec. 94 and 453D of the NRS; and

All information provided is true and correct.

_____ _____

Signature of Owner, Officer or Board Member Date Signed

State of Nevada County of _____ Signed and sworn to (or affirmed) before me on _____(date) By_____ (name(s) of person(s) making statement)	
Notary Stamp	Signature of notarial officer

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ATTACHMENT C
OWNER, OFFICER AND BOARD MEMBER INFORMATION FORM

Provide the following information for each owner, officer and board member listed on the Recreational Marijuana Establishment Application. Use as many sheets as needed.			
Last Name:	First Name:	MI:	☐ OR ☐ OF ☐ BM
Date of Birth: Race: Ethnicity: Gender:			
Residence Address:			
City:	County:	State:	Zip:
Describe the individual's title, role in the organization and the responsibilities of the position of the individual:			
Has this individual served as a principal officer or board member for a marijuana establishment that has had their establishment license or certificate revoked? ☐ Yes ☐ No			
Has this individual previously had a medical marijuana establishment agent registration card or marijuana establishment agent registration card revoked ☐ Yes ☐ No			
Is this individual an attending provider of health care currently providing written documentation for the issuance of registry identification cards or letters of approval? ☐ Yes ☐ No			
Is this individual employed by or a contractor of the Department? ☐ Yes ☐ No			
Has a copy of this individual's signed and dated Recreational Retail Marijuana Store Principal Officer or Board Member Attestation Form been submitted with this application? ☐ Yes ☐ No			
Is this individual a law enforcement officer? ☐ Yes ☐ No			
Has a copy of this individual's fingerprints on a fingerprint card been submitted to the Nevada Department of Public Safety? ☐ Yes ☐ No			
Has a copy of the Request and Consent to Release Application Form been submitted with this application? ☐Yes ☐ No			

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ATTACHMENT C (continued)

Has an ownership or financial investment interest in any other MME or ME. ☐ Yes ☐ No
If yes, list the person, the other ME(s) and describe the interest.

NAME	OTHER MARIJUANA ESTABLISHMENT	MME / ME ID#	INTEREST DESCRIPTION

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ATTACHMENT C (continued)

For each owner (OR), officer (OF) and board member (BM) that is currently serving as an owner, officer or board member for another medical marijuana establishment or marijuana establishment, please fill out the information below.

NAME	OTHER MARIJUANA ESTABLISHMENT	MME / ME ID#	Capacity (OR, OF, BM)

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ATTACHMENT D
REQUEST AND CONSENT TO RELEASE APPLICATION FORM
RECREATIONAL MARIJUANA ESTABLISHMENT LICENSE

I,_____, am the duly authorized representative of

_____to represent and interact with the Department of Taxation (Department) on all matters and questions in relation to the Nevada Recreational Marijuana Establishment License(s) Application. I understand that R092-17, Sec. 242 makes all applications submitted to the Department confidential but that local government authorities, including but not limited to the licensing or zoning departments of cities, towns or counties, may need to review this application in order to authorize the operation of an establishment under local requirements. Therefore, I consent to the release of this application to any local governmental authority in the jurisdiction where the address listed on this application is located.

By signing this Request and Consent to Release Application Form, I hereby acknowledge and agree that the State of Nevada, its sub-departments including the Department of Taxation and its employees are not responsible for any consequences related to the release of the information identified in this consent. I further acknowledge and agree that the State and its sub-departments and its employees cannot make any guarantees or be held liable related to the confidentiality and safe keeping of this information once it is released.

_____ Date: _____
Signature of Requestor/Applicant or Designee

State of Nevada

County of _____

Signed and sworn to (or affirmed) before me on _____(date)

By_____(name(s) of person(s) making statement)

Notary Stamp	Signature of notarial officer

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ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment.			
Name of Individual or Entity Applying for a Marijuana Establishment License:			
Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):			
City:	County:	State:	Zip Code:
Legal Description of the Property:			

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ATTACHMENT F
MULTI-ESTABLISHMENT LIMITATIONS FORM

NRS 453D.210 places a limitation on the total number of Recreational Retail Marijuana Store licenses that can be issued within each county, and R092-17, Sec. 80 (5) places limitations on the number of recreational marijuana retail stores located in any one governmental jurisdiction and a limitation on the number of licenses issued to any one person, group or entity. Due to these limitations, please list below all applications submitted from this business organization and/or persons as identified in the recreational marijuana establishment owner, officer and board member names section of Attachment A in the 10-day window of **September 7, 2018 – September 20, 2018.**

If this business organization were to not receive approval on all applications submitted, would the applicant still want approval on the applications determined by the ranking below? ☐ Yes ☐ No

Please list in order of preference for approval (use as many sheets as needed).

Type of Establishment: Recreational Retail Marijuana Store ☐			
Recreational Marijuana Establishment's Proposed Physical Address (Must be a Nevada address, not a P.O. Box.):			
City:	County:	State:	Zip Code:

Type of Establishment: Recreational Retail Marijuana Store ☐			
Recreational Marijuana Establishment's Proposed Physical Address (Must be a Nevada address, not a P.O. Box.):			
City:	County:	State:	Zip Code:

Type of Establishment: Recreational Retail Marijuana Store ☐			
Recreational Marijuana Establishment's Proposed Physical Address (Must be a Nevada address, not a P.O. Box.):			
City:	County:	State:	Zip Code:

Type of Establishment: Recreational Retail Marijuana Store ☐			
Recreational Marijuana Establishment's Proposed Physical Address (Must be a Nevada address, not a P.O. Box.):			
City:	County:	State:	Zip Code:

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ATTACHMENT G
NAME, SIGNAGE, AND ADVERTISING PLAN FORM

A recreational marijuana establishment must have all advertising plans approved by the Department as a requirement for approval to operate a recreational marijuana establishment. A recreational marijuana establishment shall not use:

- A name or logo unless the name or logo has been approved by the Department; or
- Any sign of advertisement unless the sign or advertisement has been approved by the Department.

Please demonstrate the Name, Signage and Advertising Plans for the proposed marijuana establishment. Additional pages and documents can be included to demonstrate the full advertising plans of the proposed establishment.

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ATTACHMENT H
IDENTIFIER LEGEND FORM

In a Non-Identified Criteria Response, when a specific person or company is referenced, the identity must remain confidential. A person may be addressed through their position, discipline or job title, or be assigned an identifier. Identifiers assigned to people or companies must be detailed in a legend (Attachment H) to be submitted in the Identified Criteria Response section (use as many sheets as needed).

Criteria Response Identifier	**Actual Person or Company (for Department verification outside the evaluation process)**
Example: Owner A	*John Smith*
Example: Owner B	*John Doe*
Example: Construction Company A	*Acme Construction*

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ATTACHMENT I
FACILITY JURISDICTION FORM

Mark the jurisdiction(s) and number of stores in each jurisdiction for which you are applying. Only one application is necessary for multiple jurisdictions and licenses, however, you must submit attachments "A" & "E" for each jurisdiction, location and the appropriate application fee for each of the jurisdictions/locality and number of licenses requested.

No applicant may be awarded more than 1 (one) retail store license in a jurisdiction/locality, unless there are less applicants than licenses allowed in the jurisdiction.

Jurisdiction	*Indicate Number of Licenses Requested*
Unincorporated Clark County	
City of Henderson	
City of Las Vegas	
City of Mesquite	
City of North Las Vegas	
Carson City	
Churchill County	
Douglas County	
Elko County	
Esmeralda County	
Eureka County	
Humboldt County	

Jurisdiction	*Indicate Number of Licenses Requested*
Unincorporated Washoe County	
City of Reno	
City of Sparks	
Lander County	
Lincoln County	
Lyon County	
Mineral County	
Nye County	
Pershing County	
Storey County	
White Pine County	

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ATTACHMENT J

FEDERAL LAWS AND AUTHORITIES

(Apply outside of NAC 453, NAC 453A, NRS 453A, NRS 453D, R092-17)

The information in this section does not need to be returned with the applicant's application. The following is a list of federal laws and authorities with which the awarded Applicant will be required to comply.

ENVIRONMENTAL:

- Archeological and Historic Preservation Act of 1974, PL 93-291
- Clean Air Act, 42 U.S.C. 7506(c)
- Endangered Species Act 16 U.S.C. 1531, ET seq.
- Executive Order 11593, Protection and Enhancement of the Cultural Environment
- Executive Order 11988, Floodplain Management
- Executive Order 11990, Protection of Wetlands Farmland Protection Policy Act, 7 U.S.C. 4201 ET seq.
- Fish and Wildlife Coordination Act, PL 85-624, as amended
- National Historic Preservation Act of 1966, PL 89-665, as amended
- Safe Drinking Water Act, Section 1424(e), PL 92-523, as amended

ECONOMIC:

- Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended
- Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants or Loans

SOCIAL LEGISLATION:

- Age Discrimination Act, PL 94-135 Civil Rights Act of 1964, PL 88-352
- Section 13 of PL 92-500; Prohibition against sex discrimination under the Federal Water Pollution Control Act
- Executive Order 11246, Equal Employment Opportunity
- Executive Orders 11625 and 12138, Women's and Minority Business Enterprise Rehabilitation Act of 1973, PL 93, 112

MISCELLANEOUS AUTHORITY:

- Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 91-646 Executive Order 12549 – Debarment and Suspension

Exhibit 3

IN THE PRESS

PR Newswire - December 11, 2018

ESSENCE CANNABIS DISPENSARY AWARDED RECORD NUMBER OF NEW LICENSES IN THE STATE OF NEVADA

LAS VEGAS, Dec. 11, 2018 /PRNewswire/ — Essence, Las Vegas' largest marijuana dispensary and cultivation operation, is pleased to announce it was awarded a record number of new dispensary licenses in the state of Nevada, one of the only limited license, adult-use cannabis markets in the U.S.

Essence applied for and was awarded eight licenses total, giving the Company retail expansion across the State, including: Sparks, Carson City, Reno, Clark County (qty. 2), City of Las Vegas, North Las Vegas, and the City of Henderson.

"We're honored to be awarded eight new dispensary licenses by the state of Nevada," said Essence co-founder Armen Yemenidjian. "This solidifies our position in a market that sees over 40 million visitors a year and we look forward to the opportunity to continue serving customers and patients in both Northern and Southern Nevada."

The Essence Las Vegas Strip location was named Business Insider's number one dispensary in Nevada and top-25 dispensary in the United States; a 17-time Leafly List Winner; top-10 dispensary in Nevada by High Times Magazine, and the Las Vegas Review-Journal's "Best of Las Vegas." The Essence retail brand is renowned for superb service along with the widest selection of quality cannabis products in Las Vegas. It currently operates three high-traffic locations across the Las Vegas Valley, including the first and only dispensary on the Las Vegas Strip, and two state-of-the-art cultivation and processing facilities, Desert Grown Farms and Cannabiotix NV. Essence, Desert Farms and Cannabiotix NV are owned by Integral Associates, LLC, which recently entered into a definitive agreement to be acquired by Green Thumb Industries Inc., pending regulatory approvals.

About Integral Associates, LLC:

Integral Associates, LLC, is one of the largest retail and wholesale cannabis operators in the State of Nevada. Founded in 2016, Integral Associates operates Essence Cannabis Dispensary, Desert Grown Farms and Cannabiotix NV. Essence Cannabis Dispensary is the first and only cannabis dispensary on the famed Las Vegas Strip and offers the widest selection of quality cannabis products in Las Vegas. With three open locations across Las Vegas and Henderson, Essence offers legal, safe, and confidential services to a wide consumer base throughout Nevada. Desert Grown Farms and Cannabiotix NV are world-class cultivation and processing facilities totaling 95,000 square feet. Desert Grown Farms has an award-winning genetics library of over 100 strains and Cannabiotix NV has been a recognized High Times Cannabis Cup award winner several times over.

Essence, Desert Farms and Cannabiotix NV are owned by Integral Associates, LLC, which recently entered into a definitive agreement to be acquired by Green Thumb Industries Inc., pending regulatory approvals. For more information, please visit: https://essencevegas.com [https://essencevegas.com/]
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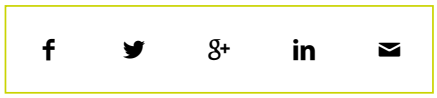
Originally Posted on PR Newswire [https://www.prnewswire.com/news-releases/essence-cannabis-dispensary-awarded-record-number-of-new-licenses-in-the-state-of-nevada-300763339.html]



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WEBSITE DEVELOPMENT BY ONCE INTERACTIVE

Exhibit 4

JENNINGS & FULTON, LTD.
2580 Sorrel Street
LAS VEGAS, NEVADA 89146
TELEPHONE 702 979 3565 ♦ FAX 702 362 2060

AFFIDAVIT OF PAUL THOMAS

I, PAUL THOMAS, aver as follows:

1. I am over the age of 21 and have personal knowledge of the facts stated herein.

2. I am competent to testify to the facts set forth below.

3. I am the owner of ETW Management Group, LLC ("Company").

4. The Company is a licensed medical marijuana establishment as defined in NRS 453A.116.

5. The Company submitted an application ("Application") for a recreational retail marijuana store on or before September 20, 2018.

6. The Company was not awarded a license to operate a recreational retail marijuana store.

7. I personally attended a meeting with the Nevada Department of Taxation ("Department") staff on January 10, 2019. Damon Hernandez attended the meeting as the Department's representative. The purpose of the meeting was to receive information regarding the Company's Application score and to ascertain the score for each individual category.

8. I applied for multiple recreational retail marijuana stores in various jurisdictions. My applications for each jurisdiction were the same.

9. During the meeting I was informed that I received different scores for my applications even though they were the same.

10. Damon Hernandez informed me that diversity was not taken into account by the Department for any application that was submitted.

11. The total score for the Company did not account for all possible points that was provided for on the Application.

12. I asked Damon Hernandez to explain the scoring procedure and to explain what caused a score to decrease in a given category on the Application and he was unable to answer my questions. I further asked what criteria or

litmus test was used in evaluating the Applications. Damon Hernandez also did not answer this question either. There was another Department employee on the phone during the meeting and I do not recall his name. He also was unable to answer my questions.

Paul Thomas

State of Nevada

County of Clark

On May 3, 2019, before me, the undersigned, a Notary Public in and for said State, personally appeared Paul Thomas known to be the person whose name is subscribed to the above instrument who acknowledged that he executed the same.

WITNESS my hand and official seal.

Signature Vicki Bierstedt
Notary Public

VICKI BIERSTEDT
NOTARY PUBLIC
STATE OF NEVADA
Appt. No. 11-3977-1
My Appt. Expires 04/24/2022

JENNINGS & FULTON, LTD.
2580 Sorrel Street
LAS VEGAS, NEVADA 89114
TELEPHONE 702 979 3565 • FAX 702 352 2060

Exhibit 5

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A LIMITED LIABILITY LAW PARTNERSHIP
3333 E. SERENE AVENUE, SUITE 200
HENDERSON, NEVADA 89074
(702) 990-7272 ◆ FAX: (702) 990-7273

FROM THE DESK OF:
JEFFERSON W. BOSWELL, ESQ.
jboswell@peelbrimley.com
PARTNER

January 15, 2018

Members of the Nevada Tax Commission
c/o Mr. James Devolld
Chairperson, Nevada Tax Commission
1550 College Parkway, Ste. 115
Via Hand Delivery
Via Email: *jdevolld@tax.state.nv.us*
jim.devolld@lpins.net
Via Facsimile: 702-486-2373
Via Facsimile: 775-684-2020

Re: Opposition to Certain Provisions of LCB File No. R092-17
Our Client: For Fairness in the Cannabis Industry, LLC
Our File No.: 2118-001

Dear Mr. Devolld and Members of the Nevada Tax Commission,

Our firm represents For Fairness in the Cannabis Industry, LLC ("FFCI"), a group of cannabis industry business owners (and other interested parties) who want to make certain the issuance of new retail licenses is fair, impartial and transparent. For the reasons set forth in this letter, FFCI urges the Nevada Tax Commission/Department of Taxation (the "Department") to further revise LCB File No. R092-17 (the "Proposed Regulation"), before implementing the same.

I. THE PROPOSED REGULATION IS NOT IMPARTIAL.

By way of Ballot Question 2 in the 2016 election, Nevada voters directed the Department to utilize "an impartial and numerically scored competitive bidding process" to determine which applicants would be issued a license. However, Sections 76 to 80 of the Proposed Regulation do not employ an impartial process. Instead, for the reasons discussed below, the Proposed Regulation exhibits a significant bias in favor of existing retail licensees, to the detriment of other marijuana establishments (i.e., cultivation and production licensees).

A. Amount of Taxes Paid Unfairly Disadvantages Cultivation and Production Licensees.

Subsection 12 of Section 78 of the Proposed Regulation requires, as part of the application process, that an applicant for a marijuana establishment license submit, "[e]vidence of the amount of taxes paid or other beneficial financial contributions made, to this State or its political subdivisions within the last 5 years by the applicant or the person who are proposed to be owners, officers or board members of the proposed marijuana establishment." This requirement is repeated in Section 80(1)(f), and the Department is required to use this criterion (and others) to "rank the applications."

When licenses for marijuana establishments were initially issued, it made sense to consider "the taxes paid or other beneficial financial contributions" of owners, officers and board members of the marijuana establishments, because there was no historical data to draw from. However, given the growth in the marijuana industry in Nevada and the taxes already paid by existing license holders, considering the "taxes...or other beneficial contributions" of "owners, officers or board members" only serves to reward the applicants with the wealthiest owners, officers or board members.

Instead, the Proposed Regulation (especially Section 78, which grants a preference for existing marijuana establishments) should only look to the taxes and other beneficial contributions made in the name of the ***APPLICANT*** for licensure, and not the owners, officers and/or board members of such entities.

In addition to the preference given to those "owners, officers or board members" who make substantial beneficial contributions and/or pay higher taxes, the Proposed Regulation is partial to retail marijuana establishments, to the detriment of other marijuana establishments. By way of an illustrative example, if a cultivator or production licensee sell $100 of marijuana/marijuana product to a retail licensee, the cultivation/production licensee will pay an excise tax of $15. As a conservative estimate, the retail licensee would likely sell that same marijuana/marijuana product for ~$200. Accordingly, the retail licensee would pay an excise tax of $20, plus sales tax of $16.20 (at the current rate of 8.1%). Stated differently, a cultivation or production licensee will pay a total of $15 of taxes on wholesale sales, while a retail licensee will pay a total of $36.20 for the very same product. Given this structure (wholesale vs. retail) and how and when taxes are collected and paid, a cultivation or production licensee can never compete with the holder of a current retail license with respect to the amount of taxes paid.

Because of this inequity, we believe the Proposed Regulation should be crafted to consider, not just financial contributions to the State of Nevada and its political subdivisions, but also the amount of capital that an applicant has invested in its operations to stimulate Nevada's economy. As the Department is certainly aware, the costs to construct and operate a retail establishment pale in comparison the costs to construct and operate a compliant cultivation or production facility.[1]

FFCI is hopeful the Department will follow the charge of Nevada voters and employ a fair, impartial and transparent process for the allocation of new retail licenses, rather than simply empower current retailers to further control the market (discussed *infra*).

[1] Members of FFCI have collectively invested millions of dollars to construct and operate their cultivation/production facilities.

B. The Proposed Regulation Considers Only Experience in the "Type" of Marijuana License Sought, Not Experience with Other Types of Marijuana Establishments.

Section 80(1)(h) of the Proposed Regulation demonstrates a bias in favor of current retail license holders. In ranking applicants, this Section permits the Department to consider, among other things, "[t]he experience of key personnel that the applicant intends to employ in operating the ***type*** of marijuana establishment for which the applicant seeks a license." In other words, if a cultivation or production licensee is applying for a retail license, the Department will disregard the applicant's experience in Nevada in operating compliant production or cultivation facilities because such experience is not germane to the operation of a retail marijuana establishment. This blatant bias in favor of retail licensees does not comport with the charge of Nevada voters – to employ a fair, impartial and transparent method to issue new licenses.

Rather than limiting this criterion to the "***type*** of marijuana establishment," the Department should consider "the experience of key personnel ...in operating ***any*** marijuana establishment in this State." This minor revision will greatly balance the perceived bias in favor of current retail licensees, and authorize the Department to consider the merits of an applicant's experience operating any type of marijuana establishment in Nevada, and not just retail dispensaries.

C. The Application Factors Should Be Weighted at the Time the Proposed Regulation is Adopted, Not Left to Arbitrary, Unfettered Criteria Presented at some Later Time.

Section 76(2) of the Proposed Regulation contemplates that "[w]hen the Department issues a request for applications pursuant to this section, the Department will include in the request the point values that will be allocated to each applicable portion of the application." Additionally, throughout the Proposed Regulation, the Department is empowered to consider "any other criteria the Department determines to be relevant." *See, e.g.*, Section 78(1)(l). As written, however, there is no indication of what "other criteria" the Department may consider, nor is there a limit on the weight the Department may give to such additional criteria.

While some latitude is certainly understandable and acceptable to consider relevant factors at the time a request for applications is issued, such discretion should not be unlimited. Instead, FFCI strongly urges the Department to revise the Proposed Regulation to indicate the minimum and maximum weights that will be considered in evaluation of the various criteria on an application. By way of example, the Proposed Regulation could be revised with language that a certain criterion (i.e., experience in the marijuana industry) would be weighted at least X percent (X%), but no more than Y percent (Y%). This clarification would considerably reduce the ambiguities in the Proposed Regulation.

D. Recommended Changes.

As currently presented, the Proposed Regulation do not meet the charge of Nevada's voters, because they do not provide for the impartial evaluation of applications for licensure. By considering taxes and other financial contributions of an applicant (and a host of its owners, officers, directors, employees, etc.), the Proposed Regulation benefits existing retail license holders, and those well-heeled and well-connected individuals. To rectify this perceived impropriety, the Department should consider the taxes, contributions, and capital investments of the *applicant* only. Furthermore, an applicant for a retail license should not be penalized for possessing a cultivation or production license. Instead, the Department should employ a fairer criterion, specifically, an applicant's experience with ANY Nevada marijuana license (cultivation, production or retail), and not further grant a bias to existing retail licensees. Finally, the Department should indicate the relative weights of the various factors it will or may consider before the Proposed Regulation is adopted, not at some future time without the benefit of public comment and participation in the process. FFCI echoes the Nevada voters who approved Question 2, and calls upon the Department to utilize an impartial and fair process to allocate additional retail licenses.

II. THE PROPOSED REGULATION ENCOURAGES (RATHER THAN INHIBITS) MONOPOLISTIC PRACTICES.

While the Proposed Regulation marginally attempts to inhibit monopolistic practices, because many sections of the Proposed Regulation are vague and ambiguous we believe they will lead to and not prevent monopolistic practices.

A. *The Proposed Regulation is Vague and Ambiguous.*

Section 80(5) of the Proposed Regulation provides (with emphasis added):

> To prevent monopolistic practices, the Department will ensure, in a county whose population is 100,000 or more, that the Department does not issue, to any person, group of persons or entity, the greater of
> (a) One license to operate a retail marijuana store; or
> (b) More than 10 percent of the licenses for retail marijuana stores ***allocable*** in the county.

While FFCI believes the objective of this provision is noble, the language of subpart (b), as presented, is problematic. Will the Department limit a current retail license holder to 10 percent of the OVERALL number of retail marijuana stores in a given county, or 10 percent of the ***then-available*** retail marijuana store licenses?

FFCI encourages the Department to clarify this language so that the cannabis industry and Nevada citizens have a better understanding of how the Department intends to enforce its mandate to prevent monopolistic practices regarding marijuana establishments.

B. The Proposed Regulation does not Address Inconsistent Vertical Integration, which Threatens the Market.

One of FFCI's primary concerns is that the Proposed Regulation encourages (rather than deters) monopolization of sales channels in the marijuana industry. With very few exceptions, substantially all retail license holders also own and operate cultivation facilities. Because the initial costs to build a storefront dispensary are substantially lower than the cost to build a compliant cultivation or production facility, most retail license holders constructed their dispensaries, and began purchasing marijuana products wholesale from other cultivation and production licensees.

However, as many of these retail establishments realized profits, they have since constructed their own cultivation facilities and, in large part, have ceased buying marijuana products from unrelated marijuana establishments. This "vertical integration" means that retail license holders control the sales channels, and threaten to freeze out unrelated or unaffiliated cultivation and production license holders. Nothing in the Proposed Regulation checks the ability of such vertically integrated retail license holders from impairing other unrelated production/cultivation licensees from competing in the marketplace.

There are currently 88 active cultivation licenses statewide, and only 58 retail dispensary licenses. Such retail dispensary licenses are not distributed evenly. In fact, some licensees control as many as five of the currently issued retail dispensary licenses. The Proposed Regulation would allow this small syndicate of vertically integrated marijuana establishments to put more than 30 non-vertically integrated marijuana establishments at risk. Because there is no limit to the number of marijuana plants allowed with a cultivation license, vertically integrated operators will soon have no reason to make wholesale purchases from independent/unrelated cultivation or production licensees.

To combat the monopolization of the marijuana industry, most states with legal marijuana take substantial measures to prevent license holders from controlling all sales channels in ways detrimental to the overall market. By way of example, when an applicant in Arizona or Florida is issued a marijuana establishment license, such licensees are permitted to operate cultivation, production and dispensaries under one license. On the other end of the spectrum, Washington and Oregon licensed marijuana establishments can operate either a cultivation/production facility, or a dispensary, but (unlike Nevada) cannot operate both. Colorado takes a different approach, requiring vertically integrated dispensaries to purchase at least thirty percent (30%) of their inventory from a cultivator they do not own, operate or control.

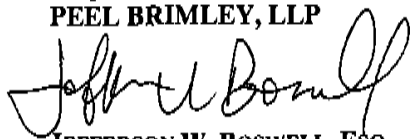
Nevada is the only known state that allows some licensees to be vertically integrated while others are not. The Proposed Regulation does not address the very real concerns of vertical integration and the consequences of such unchecked monopolization of the marijuana industry. FFCI respectfully requests that the Proposed Regulations be revised to address these concerns. FFCI proposes that all marijuana establishments in good standing be considered for at least one retail license, before existing retailers are allocated even more retail licenses.

III. Conclusion.

FFCI urges the Department to further revise the Proposed Regulation to comport with the charge given by Nevada voters. The Proposed Regulation should provide for the impartial evaluation and award of marijuana establishment licenses, and not simply rubber-stamp the application of current retail license holders. Should the Department proceed with these unfair and biased Proposed Regulations, it is highly likely that the current trend of vertical-integration will further consolidate the marijuana industry in Nevada to the detriment of the industry and Nevada's citizens. FFCI and its members stand ready and willing to work with the Department to revise the Proposed Regulation, to bring it into conformance with the scope and directives of Question 2, and to promote a fair and level playing field for marijuana establishments.

Should you have any questions, please do not hesitate to contact the undersigned.

Respectfully,
PEEL BRIMLEY, LLP



JEFFERSON W. BOSWELL, ESQ.
Attorneys for For Fairness in the Cannabis Industry, LLC

CC: **Members of the Nevada Tax Commission (via email only)**:
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Client File

Exhibit 6

CERTIFIED COPY

STATE OF NEVADA
TAX COMMISSION
VIDEO CONFERENCE OPEN MEETING
MONDAY, JANUARY 14, 2019
CARSON CITY, NEVADA

THE BOARD: MELANIE YOUNG, Executive Director
JIM DEVOLLD, Chairman
CRAIG WITT, Member
RANDY BROWN, Member
TONY WREN, Member
GEORGE KELESIS, Member
ANN BERSI, Member
FRANCINE LIPMAN, Member

FOR THE DEPARTMENT: SHELLIE HUGHES, Chief Deputy Executive Director

TINA PADOVANO, Executive Assistant

ATTORNEY GENERAL'S OFFICE: JENNIFER CRANDELL, Special Counsel

REPORTED BY: NICOLE J. HANSEN, CCR #446

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6 Nevada Tax Commission Meeting Minutes
(for possible action.)

7

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9 1) Bonds Administratively Waived (dates as
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10 a) B&D Healthy Homes LLC
b) Desert Footwear LLC
11 c) Diversified Capital Inc.
d) DQ Grill N Chill of Carson City LLC
12 e) DW Quality Tools LLC
f) Echo & Rig Las Vegas 1 LLC
13 g) JMM/RKG Ltd.
h) Nevada Steam Inc.
14 i) Oscar L. Carrescia
j) Parkway Flamingo LLC
15 k) PBR Rock LLC
l) Sharmark-Las Vegas Inc.
16 m) Thiel & Thiel Inc.
n) WBF McDonalds Management LLC
17 o) Zhuliang Investment LLC

18

B. Waiver of Penalty and Interest Pursuant
19 to a Request on a Voluntary Disclosure (Sales/Use
Tax:
20 1) Insitu Inc. (for possible action)
2) International Systems of America, LLC
21 (ISA Fire & Security (for possible action)
3) MDK Ventures LLC (Medical Department Stores)
22 (for possible action)
4) Miller Rentals Inc. (for possible action)
23 5) OCuSOFT Inc. (for possible action)
6) Parkway Recovery Care Center LLC
24 (for possible action)
7) Quad Graphics Inc. (for possible action)
25 8) Russell Bay Fee Owner LLC (for possible action)
9) Silver Ticket Products (for possible action)

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3 C. Waiver of Penalty and/or Interest Pursuant to NRS 360.419 that exceeds $10,000:
4 1) Oscars Auto Sales LLC (for possible action)

5

D. Consideration for Approval of the Recommended
6 Settlement Agreement and Stipulations (sales/use/and/pr modified business tax)
7 (for possible action)
1. Westgate Las Vegas Resort & Casino dba LVH Las
8 Vegas Hotel & Casino
2. Benos Flooring Services
9 3. AG Production Services, Inc.
4. AG Light and Sound, Inc.
10 5. Goldland Capital, Inc. dba Lee's Sandwiches
6. Executive Housewares
11

12 E. Consideration for Approval of the Recommended 7
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13 for refund of Net Proceeds of Minerals Tax)
1) University of Nevada, Reno (for possible action)
14

15 F. Consideration for Approval of the Recommended 14
Settlement Agreements and Stipulations (excise tax)
16
1) Vegas Bros Ltd. dba Boulder City Cigarette
17 Factory (for possible action)
2) Vegas Bros. Ltd. dba Pahrump Valley Smokes
18 (For possible action)
3) Vegas Bros. Ltd. dba Sin City Cigarette Factory
19 (For possible action)
4) Vegas Bros. Ltd. dba Laughlin Cigarette Factory
20 (For possible action)
5) RYO Cigarettes of Nevada Inc. dba Double D's
21 Tobacco Emporium (for possible action)
6) RYO Cigarettes of Nevada Inc. dba Smokes 4 Less
22 (For possible action)
7) SCCF Craig dba Sin City Cigarette Factory 2
23 (For possible action)
8) SCS Nellis LLC dba Sin City Smokes
24 (For possible action)

25

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1) J&R Flooring, Inc. (For possible action)
2) NTNDQ dba Dairy Queen 19561 (For possible action)

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a) Consideration for Approval of Adoption of Permanent Regulation - LCB File No. R021-17 relating to property taxes; revising the methods for determining the applicability and amount of the partial abatement of property taxes for remainder parcels of property; and providing other matters properly relating thereto. (For possible action)

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1 Governor's recommended budget. And we'll be able to
2 present that at the next meeting. Thank you.
3 CHAIR DEVOLLD: Okay. Thanks so much.
4 Our next meeting is March 4th, 2019.
5 I would ask for any public comment in Las
6 Vegas. Is there any public comment?
7 COMMISSIONER BERSI: There is public comment,
8 Mr. Chairman.
9 CHAIR DEVOLLD: Thank you.
10 DR. SPIRTOS: Good morning. My name is Nick
11 Spirtos, and I'd like to comment about the marijuana
12 retail application process. I have three, maybe four
13 comments regarding that process.
14 In my opinion, it was manipulated by an
15 individual or individuals who were either allowed to make
16 changes to the language in the regulations or made them
17 unilaterally, and thus calling into serious question any
18 of the results of that process.
19 In my opinion, in an effort approaching the
20 Nixon White House, this person or group of people are
21 going to great lengths to deny applicants information
22 that is rightfully theirs regarding their conduct.
23 Most egregious and recent example of this is
24 the refusal to provide us scores, as required by Section
25 93 or R097-012, where it specifically states: If an

1 applicant who receives an application score from the
2 Department -- pursuant to Subsection 1 -- wishes to
3 review the scores assigned to each criterion in the
4 application to generate that application score, the
5 applicant may submit to the Department a request to
6 review scoring information. Such a request must include
7 the name of the owner, operator, board member of the
8 applicant who reviews scoring information on behalf of
9 applicant.
10 Upon receipt of the request to review the
11 scoring information pursuant to Subsection 2, the
12 Department will designate an employee of the Department
13 to respond to the request and schedule and conduct the
14 review of scoring information.
15 Before conducting the review, the employee
16 designated by the Department shall confirm that the
17 identity of the person attending the review matches the
18 person named in the request and make a copy of a
19 document.
20 We were denied this. We were flat-out told
21 we are not going to receive the individual scores
22 associated with these sections in the application. We
23 were given an aggregate score. And when I asked one that
24 was supposed to be one person assigned by the Department
25 when, in fact, three people showed up: Two in person and

1 Steve Gilbert on the phone. Not an individual. And
2 frankly, I think, the one individual was there to
3 continue the pattern of intimidation that's been ongoing
4 with the marijuana program.
5 If you make a complaint, all of a sudden, you
6 get an audit. If you make a second complaint, you get
7 two audits. It's insanity, but we were denied our
8 scores. I scheduled time out of my surgical schedule. I
9 appeared. I made all of the proper requests, and I was
10 told, "We're just not going to do this." And the basis
11 of that was: Well, then, you'll then be able to discover
12 the tools of how we come up with these scores.
13 I wasn't asking for any of their tools. I'll
14 speak to that in a moment. I just wanted our scores by
15 the category. And again, denied. And that's consistent
16 with this whole process.
17 I'd also like to comment that in receiving
18 scores related to the identical applications but with
19 different locations with different levels of public
20 access, different size spaces, we received scores that
21 were identical, identical to the second decimal place.
22 And being aware of other similar results, I
23 would tell you that I have a significant mathematical and
24 statistical background. And this kind of result, in and
25 of themselves, speak to data manipulation and nothing

1 else. If I got that kind of data in a medical journal
2 article that I were to review, I would send it
3 immediately back to investigate fraud.
4 There is no way these applications could be
5 identically scored in a fair-and-unbiased manner when
6 you've got identical scores to the second decimal place.
7 I would also like to comment that in
8 receiving -- the last comment I'd like to make is our
9 group of five physicians has published the absolute only
10 work regarding the successful use of a cannabis product
11 made in Nevada to reduce the chronic opiate injections in
12 patients with chronic pain. We demonstrated a 75 percent
13 reduction in opiate use, presented it at the American
14 Society of Clinical Oncology in June of this last year in
15 Chicago.
16 And so you understand how bizarre -- I'll use
17 the word "bizarre" the scoring was, we scored less than
18 the average for our impact on this community. That, in
19 and of itself, should give you some idea the extent that
20 the application process was not fair, just and unbiased.
21 I'll leave those comments at this point, and
22 hopefully, others will add to it. Thank you.
23 CHAIR DEVOLLD: Could you please restate your
24 name and spell it for the record, please?
25 MR. SPIRTOS: Nicola: N-I-C-O-L-A, middle

1 initial M. Last name: S-P-I-R-T-O-S. Forgive my cold.
2 CHAIR DEVOLLD: Thank you, Mr. Spirtos.
3 Is there any other public comment in Las
4 Vegas?
5 DR. BADY: Yes. My name is Page Bady:
6 B-A-D-Y. 2700 Las Vegas Boulevard, Unit 2709.
7 I want to agree with Dr. Spirtos's comments.
8 We applied, in 2014, scored highest amount amongst any
9 applicants that were not publicly traded.
10 We possess seven current licenses. We also
11 had the largest number of applications: 28 applications
12 from anybody else in the state. Our scoring from 20 of
13 the 28 were identical to the second decimal point.
14 The way that criteria for the applications --
15 as we were informed -- would give more weight for people
16 who have dispensary experience because this application
17 was for dispensaries.
18 Our eight applications from our dispensaries
19 applications scored lower than our 20 other applications
20 that were just from our cultivation and productions,
21 which is -- and they're all identical -- statistically
22 impossible. Since then, we have formed the Nevada
23 Cannabis Medical Association.
24 I'm a local physician of 20 years. I was a
25 medical director for Davita Health Care Partners, a

1 publicly-traded $18 billion-dollar company. We have
2 Harvard-trained physicians in our group, and we sit on
3 the Governor's Task Force for Opiates. We scored lower
4 than average on impact on the community. I don't know
5 what's going on in there. I don't want to accuse anyone
6 of anything, but it's difficult to maneuver.
7 And it had a quality that we used to
8 experience in a publicly-traded company, and I wanted to
9 bring that quality and sophistication into this industry
10 when we have to fight these kind of obstacles.
11 I just wanted to thank the Commission for
12 hopefully taking the time to investigate this. Look. I
13 might be absolutely wrong. Everybody's baby seems to be
14 the prettiest baby in the world, right? All we ask is to
15 have a thorough investigation on how these were applied.
16 Thank you.
17 CHAIR DEVOLLD: Thank you.
18 DR. THANOS: Good morning. I'm Dr. Nicholas
19 Thanos.
20 CHAIR DEVOLLD: Could you spell your last
21 name for me, please?
22 DR. THANOS: I'm sorry. Thanos. T, as in
23 Tom, H-A-N-O-S. And I'm also concerned about how it is
24 that we're denied the information regarding why our
25 applications were turned down when the regulation

1 specifically allow us access.
2 Subparagraph four states: If the Department
3 denies an application for issuance or renewal of the
4 license for marijuana establishment or revokes such a
5 license, the Department will provide notice to applicant
6 or marijuana establishment that includes, without
7 limitation, the specific reasons for the denial or
8 revocation.
9 Not only didn't we get the specific reasons,
10 but we've been denied access to the breakdown of our
11 scores. It doesn't make any sense.
12 I'd also like to inquire of the Commissioners
13 if they were apprised of any of the changes that were
14 made to the retail marijuana applications that differ
15 from the regulations in R097-012.
16 If they were, if there were changes, were
17 they formally approved, and when did this happen? If
18 they weren't, under whose authority were they made?
19 Because the scoring system includes stuff that was not --
20 there were changes made between the time that we got
21 applications and the time the scoring system was done.
22 There's some discrepancies here and, you know, someone
23 needs to look into this, please. Thank you.
24 CHAIR DEVOLLD: Thank you.
25 Are there any other public comments in Las

1 Vegas?
2 COMMISSIONER BERSI: One is coming,
3 Mr. Chairman.
4 CHAIR DEVOLLD: Thank you. Is there new
5 public comment on the telephone?
6 Is there any public comment in Carson City?
7 Okay.
8 Are there any items for future agendas?
9 COMMISSIONER KELESIS: Mr. Chairman, this is
10 George.
11 CHAIR DEVOLLD: Commissioner Kelesis?
12 COMMISSIONER KELESIS: Yes, I do have couple
13 of questions. If the Commission could be patient with
14 me, I want to give a little bit of background why I'm
15 making those requests. I know you are familiar with it,
16 Mr. Chairman, as well as I know Ms. Crandall is familiar
17 with it. So, for my fellow Commissioners, I'm making
18 these requests, but let me give you a little context of
19 how it happened.
20 In December, when these licenses began to be
21 issued or notified, at least in Southern Nevada, there
22 was quite an uproar among a number of the companies,
23 individuals, whatever you want to call it, that owned the
24 marijuana establishments.
25 I placed a call to our Chairman. I asked him

1 if he was aware of what was happening. Our Chairman at
2 the time was not aware. And Mr. DeVolld started looking
3 into it. He spoke with Mr. Anderson, spoke with
4 Mr. Pupa.
5 At one point, it was my understanding we were
6 going to have an informational item set at this meeting
7 so at least the public can have an understanding of why
8 and what, in fact, happened in the course of all of this.
9 That was taken off, unbeknownst to me.
10 I found out after the fact -- which I
11 personally found distressing, because when I looked at
12 these items -- and there's an e-mail I sent to the
13 Chairman that I want to make part of the record so that
14 way, it's accessible to all of the Commissioners. That
15 way, if anybody wants to add something, add something,
16 don't add something. It's completely up to you, but it's
17 available to the public that way as well.
18 I found things that, you know, quite
19 honestly, smacked me in the face immediately:
20 Regulations that were applied beyond the scope of the
21 regulation, things that were changed that I know we did
22 not rule on as a Commission. This is public knowledge.
23 There's public information. Two companies were
24 announcing mergers in October and November with companies
25 that had applied. They received an inordinate amount of

1 licenses.

2 And my question is: On September 5th, when

3 the grading was closed, did they all put everybody on

4 notice that they were going to do this merger in mid

5 October-November?

6 They were Canadian companies. How did we

7 take into account the fact that in Canada, you can bank

8 marijuana and you can go to a banking institution. Was

9 that taken into account? Whereas the folks down here

10 can't bank it. They work off cash completely. Not just

11 what Dr. Spirtos said. I've heard that from other

12 people, people who I know have contributed to the

13 community, scored lower than a publicly-traded Canadian

14 company. It makes no sense to me what has been

15 happening.

16 I found probably one of the most distressing

17 parts -- and I don't know if the Commission is aware of

18 this or not, if you are aware of it. But our graders

19 were hired through Manpower.

20 Now, I checked the Manpower drop-down box.

21 And I'm telling you guys, nowhere in there does it say:

22 "Hire marijuana graders." It doesn't say it. So why are

23 we even going to Manpower? I know we budgeted so we

24 could have this Department handle these items. So who

25 trained these people in Manpower? Who oversaw these

1 people in Manpower?
2 In fact, were these scores aggregated? They
3 weren't supposed to be aggregated. The one regulation
4 clearly states County. That's it. That's the monopoly
5 provision. It doesn't say Las Vegas, North Las Vegas,
6 City of Henderson. Who made those changes? So I'm
7 troubled across the board with this whole thing.
8 So my request is this, Mr. Chairman: That we
9 have a special meeting as soon as possible, have this as
10 an action item so we can address these problems. And I
11 will give Paulina the e-mail so it can be distributed
12 among the Commissioners.
13 And just one last thing in closing. I've
14 been on this Commission probably the longest of
15 everybody. And I'll say this. We have successfully
16 prevailed in numerous, numerous court battles. I've
17 always believed the reason why we have been successful is
18 because the matter is brought to the Commission, and I'll
19 give you the example. Live entertainment tax. Cal
20 Anderson. I could go through them.
21 We have had extensive, detailed hearings, and
22 then we've gone -- and then if they wanted to appeal it,
23 they appeal it to the Court. Somewhere here though,
24 what's happening is people are denied licenses. And it's
25 just not these two people I heard it from. I've heard it

1 from the countless people down here. They're not being
2 provided their scores. They're not making these things
3 available to them. So how can they even exercise their
4 procedure or their substantive due process rights when we
5 don't even give them the information?
6 And we're going to go from the issuance of
7 the license directly to the court. It's like they're
8 skipping us. Somebody is under the distinct impression
9 that we, as a Commission, do not have jurisdiction over
10 this. I suggest they read 360 real close. We are the
11 head of the Department, and we are the head of the
12 Division, and it comes to us.
13 So that's why I'm asking for the action item
14 as soon as possible, not to wait, because it seems like
15 anytime -- and I am frustrated and disappointed. I'm
16 told we're going to have something. I don't even get the
17 courtesy of a phone call told we're taking it off. I got
18 to go find out myself. Well, you know, that's an insult.
19 So, having said that, that's my request for a
20 special meeting. And I'll give Ms. Oliver the e-mail.
21 CHAIR DEVOLLD: Thank you, Commissioner
22 Kelesis. I believe I did call you, so we'll discuss that
23 later. I'll make sure that it's on a future agenda.
24 Thank you.
25 Is there any other items for future agendas?

1 Very good. The meeting is adjourned. We have a
2 non-meeting afterwards. So after both rooms have been
3 cleared, can you please let me know? Thank you.
4 MS. HUGHES: And just so the public is aware,
5 a non-meeting is an opportunity for attorneys to meet
6 with the Commission about ongoing litigation, and that's
7 what this meeting is about.
8 (The meeting concluded at 10:36 a.m.)
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STATE OF NEVADA)

)

CARSON TOWNSHIP)

I, NICOLE J. HANSEN, Official Court Reporter for the State of Nevada, Nevada Tax Commission Meeting, do hereby Certify:

That on the 14th day of January, 2019, I was present at said meeting for the purpose of reporting in verbatim stenotype notes the within-entitled public meeting;

That the foregoing transcript, consisting of pages 1 through 66, inclusive, includes a full, true and correct transcription of my stenotype notes of said public meeting.

Dated at Reno, Nevada, this 14th day of January, 2019.

Nicole J. Hansen

NICOLE J. HANSEN, NV CCR #446

Exhibit 7

Will Kemp, Esq. (#1205)
Nathanael R. Rulis, Esq. (#11259)
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Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

MM DEVELOPMENT COMPANY, INC., a Nevada corporation; LIVFREE WELLNESS LLC, dba The Dispensary, a Nevada limited liability company Plaintiff, vs. STATE OF NEVADA, DEPARTMENT OF TAXATION; and DOES 1 through 10; and ROE CORPORATIONS 1 through 10. Defendants. and NEVADA ORGANIC REMEDIES, LLC Defendant-Intervenor.	Case No.: A-18-785818-W Dept. No.: IX **DECLARATION OF TIA DIETZ**
NEVADA ORGANIC REMEDIES, LLC. Counterclaimant, vs. MM DEVELOPMENT COMPANY, INC., A Nevada corporation, LIVFREE WELLNESS, LLC, d/b/a The Dispensary, a Nevada Limited liability company Counter-Defendants	

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I, Tia Dietz, declare under penalty of perjury as follows:

1. I am over the age of 18 years and am competent to testify as to the matters set forth in this declaration.

2. I am the President of Operations for the Griffin Company and Bullpen, I was involved in preparing the 2018 retail marijuana license applications for Natural Medicine ("NM") and LivFree Wellness LLC, dba The Dispensary ("LF"). Additionally, I reviewed and am familiar with the applications filed with the Nevada Department of Taxation for NM and LF and the scores both NM and LF received.

3. In the "Owner Financials Summary" section of its applications, NM's listed net worth was **$124,601,651.72.**

4. The vast majority of NM's net worth listed in the financial summary was from the personal finances of Don Forman.

5. In the "Owner Financials Summary" section of its applications, LF's listed net worth was **$217,812,655.00.**

6. The vast majority of LF's net worth listed in the financial summary was from the personal finances of Mr. Forman and Steve Menzies. Mr. Forman's financials were included in LF's application, the same as in NM's.

7. The only differences from the financial sections of NM and LF was that NM had a Statement of Commitment and a living trust statement from Mr. Forman showing money from other sources and proof that the applicant has adequate funds. Per application sections 5.2.11.2 applicant is relying on funds from an Owner and the Owner has unconditionally committed funds and 5.2.11.3 proof of adequate funds, which was needed because NM was relying on Mr. Forman's funds in the event they were awarded a license whereas LF had funds

available to commit to new licenses, a balance sheet from LF's operations showing cash on hand and total assets was included in LF's application.

8. NM's application contains Mr. Forman's living trust statement with total assets at $2,264,647.77 and $850,530.23 in available cash (sufficient to cover 3 applications at $250,000 apiece).

9. LF's application contains a LF balance statement showing total assets of $8,062,482 and $1,942,000 in available cash (sufficient to 6 applications at $250,000 apiece).

10. Mr. Forman's assets and finances also supported the LF application.

11. The LF application received a score of 12.67 out 40 points for the financial summary that included **both** Steve Menzies and Don Forman.

12. The NM application received a score of 40 out of 40 points for the financial summary that listed the assets of Don Forman.

13. If LF had received an additional 27.33 points in that section (equal to NM's score) it would have received licenses in 5 of 6 jurisdictions in which it applied for licenses.

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

Dated this 6 day of May, 2019.

Tia Dietz

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Exhibit 8

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Steven D. Grierson
CLERK OF THE COURT

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Attorneys for Plaintiffs

EIGHTH JUDICIAL DISTRICT COURT
CLARK COUNTY, NEVADA

NATUREX, LLC, a Nevada limited liability company; and, BB MARKETING, LLC, a Nevada limited liability company, Plaintiffs, vs. VERANO HOLDINGS, LLC, an Illinois limited liability company; LONE MOUNTAIN PARTNERS, LLC, a Nevada limited liability company; NEVADA NATURAL TREATMENT SOLUTIONS, LLC, a Nevada limited liability company; SCYTHIAN BIOSCIENCES CORP., a Canadian corporation; GEORGE ARCHOS, an individual; SAM DORF, an individual; CARL ROSEN, an individual; JULIE NAGLE, an individual; DOES I-X; and ROE COMPANIES I-X; Defendants.	CASE NO: A-19-787873-C DEPT NO.: Department 8 **COMPLAINT FOR:** **1. USURPATION OF CORPORATE OPPORTUNITY** **2. BREACH OF FIDUCIARY DUTY** **3. FRAUD** **4. BREACH OF DUTY OF LOYALTY** **5. MISAPPROPRIATION OF TRADE SECRETS** **6. BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING** **7. IMPOSITION OF CONSTRUCTIVE TRUST** **8. TORTIOUS INTERFERENCE WITH BUSINESS RELATIONS** **9. CIVIL CONSPIRACY** **10. MISAPPROPRIATION OF CORPORATE ASSETS (EMBEZZLEMENT)** **11. DECLARATORY RELIEF** *Arbitration Exemption Claims:* ▪ *Involves Declaratory Relief* ▪ *Involves Equitable or Extraordinary Relief* ▪ *Involves Claims in Excess of $50,000*

Plaintiffs NATUREX, LLC, and BB MARKETING, LLC, by and through their Counsel, Jared B. Kahn, Esq., of JK Legal & Consulting, LLC, hereby complains and alleges against Defendants VERANO HOLDINGS, LLC, LONE MOUNTAIN PARTNERS, LLC, NEVADA NATURAL TREATMENT SOLUTIONS, LLC, SCYTHIAN BIOSCIENCES CORP., GEORGE ARCHOS, SAM DORF, CARL ROSEN, and JULIE NAGLE, the following:

I. THE PARTIES, JURISDICTION AND VENUE

1. At all material times herein, Plaintiff Naturex, LLC ("Naturex") was a limited liability company operating pursuant to the laws of the State of Nevada.

2. At all material times herein, Plaintiff BB Marketing, LLC ("BBM") was a limited liability company operating pursuant to the laws of the State of Nevada.

3. Naturex and BBM are collectively referred herein as "Plaintiffs".

4. At all material times herein, Defendant VERANO HOLDINGS, LLC ("Verano") was a limited liability company operating pursuant to the laws of the State of Illinois. On information and belief, Defendant Verano owns or maintains an interest and controls the business operations of Defendant Lone Mountain, Defendant Nevada Natural Treatment Solutions, LLC and Naturex. On Verano's website, it represents it owns the Nevada dispensary "Zen Leaf", which the dispensary is actually owned by Naturex. Verano further represents it owns a marijuana cultivation facility in Nevada, which on information and belief, is actually owned by Defendant Lone Mountain Partners, LLC.

5. At all material times herein, Defendant LONE MOUNTAIN PARTNERS, LLC ("Lone Mountain") was a limited liability company operating pursuant to the laws of the State of Nevada.

6. At all material times herein, Defendant NEVADA NATURAL TREATMENT

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SOLUTIONS, LLC ("NNTS") was a limited liability company operating pursuant to the laws of the State of Nevada.

7. At all material times herein, Defendant SCYTHIAN BIOSCIENCES CORP ("SCYTHIAN") was a Canadian corporation, and on information and belief, maintained ownership and a controlling interest in Verano, and will financially benefit from the wrongdoings alleged herein.

8. At all material times herein, Defendant GEORGE ARCHOS ("ARCHOS") was an individual residing in the State of Illinois and routinely and continuously maintained ownership and operated companies doing business in the State of Nevada, particularly Defendants Lone Mountain, Verano and NNTS.

9. At all material times herein, Defendant SAM DORF ("DORF") was an individual residing in the State of Illinois and routinely and continuously maintained ownership and operated companies doing business in the State of Nevada, particularly Defendants Lone Mountain, Verano and NNTS.

10. At all material times herein, Defendant CARL ROSEN ("ROSEN") was, on information and belief, an individual residing in the State of New York and routinely and continuously maintained ownership and operated companies doing business in the State of Nevada, particularly Defendants Lone Mountain, Verano and NNTS.

11. At all material times herein, Defendant JULIE NAGLE ("NAGLE") was, on information and belief, an individual residing in the State of Illinois and routinely and continuously maintained ownership and operated companies doing business in the State of Nevada, particularly Defendants Lone Mountain, Verano and NNTS.

12. Lone Mountain, Verano, NNTS, Scythian, Archos, Dorf, Rosen and Nagle are referred collectively herein as "Defendants".

13. The true names and capacities, whether individual, corporate, association or otherwise of the Defendants DOES I through X and/or ROE COMPANIES I through X, inclusive, are unknown to Plaintiffs, who therefore sue said Defendants by such fictitious names. Plaintiffs are informed and believe, and thereupon allege, that each of the Defendants designated herein as DOES and/or ROE COMPANIES are responsible in the same manner for the events and happenings herein referred to, and in some manner, caused the injuries and damages to Plaintiffs alleged herein. Plaintiffs will seek leave of the Court to amend this Complaint to insert the true names and capacities of said Defendants DOES I through X and/or ROE COMPANIES I through X, inclusive when the same have been ascertained by Plaintiffs, together with the appropriate charging allegations, and to join such Defendants in this action.

14. All of the acts alleged herein took place in the County of Clark, State of Nevada, where Naturex, BBM, Verano, Lone Mountain, NNTS and the individual Defendants subject of this action conducted their business affairs and caused the harm alleged herein.

II. PERTINENT FACTS AND ALLEGATIONS

a. The Department of Taxation Retail Dispensary Licensing Applications

15. The Department of Taxation, pursuant to Nevada State Legislature Assembly Bill 422, transferred responsibility for the registration, licensing and regulation of marijuana establishments form the State of Nevada's Division of Public and Behavioral Health to the Department of Taxation (the "Department").

16. Pursuant to Section 80(3) of Adopted Regulation of the Department of Taxation, LCB File No. R092-17, the Department being responsible for allocation the licenses of retail marijuana dispensaries, issued a public notice for an application period wherein the Department sought applications from qualified applicants to award sixty-four (64) retail marijuana dispensary licenses throughout various jurisdictions in Nevada (the "Applications").

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17. The application period for those retail dispensary licenses was only available to existing State of Nevada licensed marijuana entities, which opened on September 7, 2018 and closed on September 20, 2018 (the "Application Period").

18. Despite repeated assurances relied upon by Defendants that Plaintiffs would submit an application on behalf of Naturex during the Application Period, as further detailed below, Defendants instead through a concerted effort nefariously conspired for Naturex to not submit an application, and instead, Defendants submitted an application on behalf of Defendants' other licensed cultivation entity Lone Mountain.

19. On December 5, 2018, the Department issued conditional licenses to those applicants who scored and ranked high enough in each jurisdiction. On information and belief, Defendant Lone Mountain was awarded eleven (11) retail dispensary licenses (the "Licenses").

b. The Naturex Ownership and Partnership Between Plaintiffs and Defendants

20. Naturex owns and operates a lawfully licensed medical and retail marijuana dispensary doing business as "Zen Leaf" in Clark County, Nevada.

21. Prior to April 2016, Naturex was owned by BBM (or its member entities), Kessler and Wyloge.

22. In or around April 2016, pursuant to a Membership Interest Purchase Agreement and for valuable consideration, Defendant NNTS purchased fifty percent (50.0%) of the membership interest in Naturex. Plaintiff BBM and another member comprised of the remaining fifty (50.0%) membership interest of Naturex.

23. Subsequent to the acquisition by NNTS of the membership interest in Naturex, the Parties acted accordingly and operated the Zen Leaf dispensary collaboratively, particularly, BBM and NNTS each acted as Managers of the entity dividing up operational and managerial duties, acted in concert for the benefit of the entity Naturex, and regularly and routinely

communicated and agreed upon the decisions in the best interest of Naturex – until the Application Period.

24. Until the Application Period, the Managers of Naturex, BBM and NNTS (controlled by Verano), would operate and make business operation decisions together for the benefit of Naturex and its members.

25. The Membership Interest Purchase Agreement provided for a supply and inventory provision such that the dispensary would be required to purchase inventory, as applicable, from both the BBM affiliated cultivation facility and from the Defendant's affiliated cultivation facility (the "Inventory Purchase Agreement").

c. Defendants' Bad Faith and Fraudulent Conduct in Pursuit of the Licenses

26. During the summer of 2018, it was decided between the Managers of Naturex that Defendants would take the lead on and control the Applications to be submitted on behalf of Naturex.

27. Defendants hired their own "licensing consultants" known as Sara and Troy, who would be tasked with preparing, compiling and submitting the Naturex Applications.

28. On July 31, 2018, Defendants contacted Erin Buckner, who is a licensing and compliance consultant for Plaintiffs, for the purpose of Ms. Buckner providing assistance for compiling the BBM ownership documents necessary for the Applications. The information requested would include personal and financial information of the owners of BBM, for purposes of submitting such information for the Naturex Applications.

29. In August 2018, Defendants again contacted Ms. Buckner to seek her assistance in obtaining similar personal and financial documents from the remaining owners of Naturex for Defendants to submit the Naturex Applications.

30. On September 5, 2018, Defendant Dorf contacted Ms. Buckner and requests she

start "feeding us the info for the app" and seeking additional inquiries of associations and donations the members of Naturex made.

31. On September 7, 2018, Defendant Dorf contacted Ms. Buckner to "run through everything" with Defendants' application team. Ms. Buckner advised the application team on various matters regarding portions for completing the Applications. Ms. Buckner then created a Dropbox folder to share with the Defendants and their application team. Defendants then tasked Ms. Buckner with completing all parts of the "unidentified portion" of the Applications.

32. On September 10, 2018, Defendants reveal there are certain ownership issues with Defendants' ownership structure and membership interests in Naturex, such that certain individuals are not supposed to be owners of Defendants any longer, however, Defendants had not yet taken the appropriate steps to inform the State of Nevada and process a Change of Ownership. Defendant Dorf informs Ms. Buckner he desires to immediately file a Change of Ownership to adjust the ownership interests of the Defendants so it will be pending before the State of Nevada during the review of the Applications. Ms. Buckner is then asked to prepare personal biographies and resumes for the owners of BBM and Naturex – besides Defendants - which Ms. Buckner completes and delivers to Defendants by September 11, 2018. Ms. Buckner also prepares and delivers the Organizational Chart for Plaintiffs necessary for the Applications.

33. On September 11, 2018, counsel for Plaintiffs informs Defendants their ownership predicament cannot be avoided and all current-owners known to and licensed by the State of Nevada listed for Naturex for Defendants' ownership structure must be submitted for the Naturex Applications.

34. On September 12, 2018, Defendant Dorf again contacts Ms. Buckner for assistance preparing Defendants Dorf and Archos' fingerprint cards, which Ms. Buckner completes such task.

35. On September 14, 2018, Defendant Dorf contacts Ms. Buckner for assistance to completing proposed "Board Member" information for the Naturex Applications.

36. On September 18, 2018, after Defendants repeatedly failed to respond to Ms. Buckner's repeated email communications seeking information regarding the Defendants to complete the "unidentified portion" of the Naturex Applications, Ms. Buckner delivers a full table of contents for the "unidentified portion" to Defendants with indications of missing information she required from Defendants. Defendants did not respond.

37. On September 19, 2018, Defendants contacted the principal of BBM to request the principal owner obtain his stepfather's tax returns and approval to include him on the application as a Board Member of the entity because of his notable financial successes for purposes of improving the Naturex Applications' financials in order to receive a better score and ranking for the application review. The principal of BBM was unable to acquire his stepfather's financials for purposes of the Naturex Application nor did the principal of BBM offer such assistance. At the time BBM received the request the day prior to the expiration of the Application Period, Plaintiffs were still of the belief and understanding the Defendants were submitting the Naturex Applications on behalf of Naturex. The Defendants communications the day prior to the expiration of the Application Period never revealed an intent Defendants would not be submitting the Naturex Applications, but in fact, such communications requesting the aforementioned financials indicated to Plaintiffs the Naturex Applications were still be prepared by Defendants for purpose of submitting Naturex Applications.

38. On the morning of September 20, 2018, the last day for submitting the Applications during the Application Period, Defendants informed Plaintiffs the Defendants would not be submitting the Applications. Defendants claimed the Applications would be incomplete without locations specified in the Application materials – albeit an incorrect analysis

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and unsubstantiated excuse proffered by Defendants, to which Plaintiffs reasonably relied on such misrepresentation at the time.

39. Defendants receive prior advice from Defendants' personal counsel and corporate counsel for the Plaintiffs informing Defendants that actual locations and land use approvals were not required for the Applications, yet, despite the repeated advice, Defendants' claimed the lack of sufficient locations to identify in the Applications rendered the submittal of the Applications pointless.

40. Despite the extensive efforts by the Plaintiffs and compliance with all requested items to be completed for the Naturex Applications, and despite the fact locations would not be required for the Applications, Defendants purposefully, with an intent to cause financial harm and to eliminate Plaintiffs from applying for the Applications, instead applied for the Applications through their cultivation facility Lone Mountain with the express and deliberate intent to cut out Plaintiffs from the Licenses.

41. Defendants had made repeated representations – in hindsight misrepresentations – to Plaintiffs that Defendants would submit the Applications on behalf of Naturex.

42. Plaintiffs relied upon the Defendants representations by extensively providing the necessary materials required for the Applications to be submitted on behalf of Naturex, and, relied upon Defendants to submit the Naturex Applications rather than Plaintiffs completing the Naturex Applications and submitting themselves.

43. As a result of the detrimental reliance upon the Defendants intentional misrepresentations fraudulently inducing Plaintiffs not to submit the Naturex Applications, Plaintiffs did not submit any Applications during the Application Period.

44. Instead of submitting the Naturex Applications, Defendants intentionally concealed the fact Defendants instead submitted the Applications on behalf of Lone Mountain

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without including Plaintiffs, yet, on information and belief, the Lone Mountain Application would reference the "Zen Leaf" dispensary actually owned by Naturex.

45. Until late-November 2018, Defendants repeatedly communicated to Plaintiffs that Applications were not submitted, and it was not until late-November 2018 that an employee of Defendants informed a co-owner of BBM that Defendants did indeed submit Applications. Upon Plaintiffs confronting Defendants with such information, Defendants acknowledged it submitted Applications on behalf of their cultivation entity Lone Mountain and purposefully did not include Plaintiffs.

46. Upon discovery of Defendants' award of the Licenses, Plaintiffs repeatedly confronted Defendants whether they intended to include Plaintiffs in the newly awarded dispensary licenses, to which Defendants refuse.

47. Defendants' Licenses are premised on the fact they will use the "Zen Leaf" brand for the dispensaries, which is in fact a fictitious firm name belonging to Plaintiff Naturex. On information and belief, Defendants' misappropriated the fictitious firm name "Zen Leaf" for Defendant Lone Mountain's Application.

48. On further information and belief, in furtherance of Defendants' Lone Mountain Application submittal, Defendants' misappropriated, without permission, Plaintiffs' trade secrets and proprietary information belonging to Plaintiff Naturex, such as Plaintiffs' Standard Operating Procedures ("SOPs"), financials, business plans, business designs, business models, and other personal and confidential financial information belonging to Plaintiff Naturex (the "Naturex Proprietary Information").

49. As a result of Defendants' repeated assertions and conduct, Plaintiffs relied upon such representations and did not submit any Applications for Naturex. Naturex is now not eligible to obtain additional recreational dispensary licenses.

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50. On information and belief, subsequent to the Defendants' receipt of the Licenses, Defendants have utilized, at Naturex' cost but without Plaintiffs' approval, certain Naturex employees to perform services for the benefit of Defendants for the Licenses and for Defendants' other businesses, evidencing Defendants' intent to utilize corporate assets for Defendants' own use in furtherance of the usurped corporate opportunity.

51. Defendants have asserted the value of just the existing Naturex "Zen Leaf" dispensary at Fifteen Million Dollars ($15,000,000.00). Defendants were awarded, on information and belief, ten (10) new recreational dispensaries, gaining an estimated One Hundred Fifty Million Dollars ($150,000,000.00) in equity.

52. As a result of Defendant's conduct, Plaintiff will suffer damages by losing 50.0% of the $150,000,000.00 in equity, therefore, the damages are in excess of Seventy-Five Million Dollars ($75,000,000.00).

53. As a result of Defendants' conduct, Plaintiffs are entitled to fifty percent (50.0%) of the value of the equity obtained by the awarded Licenses, or otherwise, Plaintiffs are entitled to their respective fifty percent (50.0%) ownership interest in the newly awarded Licenses.

54. Pursuant to the Inventory Purchase Agreement, the Zen Leaf dispensary and the dispensaries for the Licenses – had they been submitted as part of the Natuerx Application - would ordinarily have been obligated to purchase inventory from BBM's affiliated cultivation entity, however, due to Defendants' usurpation and fraudulent conduct to attempt to evade its obligations due to Plaintiffs, BBM will suffer damages by not having an Inventory Purchase Agreement with the Licenses despite that the dispensary licenses should have been awarded to Naturex. As a result, BBM will suffer damages in excess of Fifty Million Dollars ($50,000,000.00).

55. On information and belief, Defendants are attempting to selling one or more of

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the Licenses to third-party purchasers with the intent to exclude Plaintiffs from the proceeds of any such sale.

FIRST CLAIM FOR RELIEF

USURPATION OF CORPORATE OPPORTUNITY

(All Defendants)

56. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 55, inclusive.

57. As directors and/or officers of Naturex, including comprising of the purported Board for Naturex as Defendants would propose each of the Defendants would be Board members on the Naturex Applications, each of the Defendants owe fiduciary duties of care, loyalty and good faith to Naturex's members, including Plaintiffs. Defendants' fiduciary duties include obligations to exercise good business judgment, to act prudently in the operation of Naturex's business, to discharge their actions in good faith, to act in the best interests of Naturex and its members, and to put the interests of Naturex before their own.

58. Defendants breached their fiduciary duty owed to Naturex and its members, by among other things, appropriating for their own use, the opportunity to apply for the Applications, which was an opportunity that should belong to Naturex.

59. The newly awarded Licenses will be directly competing businesses because the Licenses will be utilized to open additional recreational marijuana dispensaries in direct competition of Naturex and operated to the detriment of Plaintiffs.

60. Defendants maintain an interest and expectancy in the Licenses and the competing businesses' opportunity opened thereto with the Licenses because Defendants explicitly applied under Defendant Lone Mountain, which is owned and operated by the Defendants.

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61. Defendants repeated conduct of informing Plaintiffs the Applications would be submitted on behalf of Naturex, obtaining all of the Naturex Proprietary Information, and then utilizing the Naturex tradename Zen Leaf, was a direct exploit of the opportunity available to Naturex, which Naturex relied upon the representations by Defendants the Application would be submitted on behalf of Naturex. Defendants then intentionally and maliciously usurped the opportunity available and belonging to Naturex and instead utilized the Naturex materials for its own entity Defendant Lone Mountain to apply without including Plaintiffs and without informing Plaintiffs of Defendants intended course of action.

62. The opportunity to apply for the Licenses belonged to Naturex, the Plaintiffs maintained an expectancy interest in the opportunity to apply for the Licenses, and the equitable interest and expectancy grew out of a pre-existing right of Naturex, therefore, Defendants – as fiduciaries to Plaintiffs – could not keep the opportunity for themselves.

63. The proposed activity to apply for the Licenses was developed through Naturex' assets and it is reasonably incident to the Naturex business, therefore, a protected opportunity the Defendants usurped for their own personal benefit for the purposeful exclusion of the Plaintiffs.

64. As a direct result of Defendant's actions to usurp the opportunity belonging to Naturex and instead utilizing the Naturex materials for Defendants to apply for and obtain the Licenses directly caused the Plaintiffs' damages because Plaintiffs were unable to apply for the Licenses after detrimentally relying on Defendant's representations the Application would be submitted on behalf of Naturex, when in fact, Defendants did not intend to do so. Instead, it was not until the day of the expiration of the Application Period the Defendants informed Plaintiffs the Application would not be submitted, therefore, making it impossible for Plaintiffs to submit their own Application after detrimentally relying upon Defendants' course of conduct

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and representations the Defendants would prepare and submit the Application for Plaintiffs.

65. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses.

66. As a result of the usurpation of the corporate opportunity by Defendants, Plaintiffs suffered damages in an amount in excess of $10,000.00.

67. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses.

68. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

69. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

70. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

SECOND CLAIM FOR RELIEF

BREACH OF FIDUCIARY DUTY

(All Defendants)

71. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 70, inclusive.

72. As directors and/or officers of Naturex, including comprising of the purported Board for Naturex as Defendants would propose each of the Defendants would be Board members on the Naturex Applications, each of the Defendants owe fiduciary duties of care,

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loyalty and good faith to Naturex's members, including Plaintiffs. Defendants' fiduciary duties include obligations to exercise good business judgment, to act prudently in the operation of Naturex's business, to discharge their actions in good faith, to act in the best interests of Naturex and its members, and to put the interests of Naturex before their own.

73. The fiduciary duty existing between Plaintiffs and Defendants requires Defendants to act with a duty for or give advice for the benefit of Plaintiffs upon the matters within the scope of their business relationship.

74. Defendants breached their fiduciary duty owed to Naturex and its members, by among other things, appropriating for their own use, the opportunity to apply for the Applications, which was an opportunity that should belong to Naturex. Defendants failed to use due care or diligence, failed to act with the utmost faith, exercise ordinary skill, and act with reasonable intelligence in exercising their fiduciary duty to Plaintiffs.

75. Defendants breached their fiduciary duties of loyalty and good faith by, among other things, intentionally appropriating for their own use the Naturex Proprietary Information, by failing to submit the Naturex Applications, by failing to afford the opportunity in the Applications and Licenses to Plaintiffs, and by purposefully misrepresenting to Plaintiffs' detriment the Naturex Application would be prepared and submitted, when in fact, Defendants instead intended and did submit the Lone Mountain Application to Naturex's detriment.

76. Plaintiffs have been damaged by the Defendants' breach of their fiduciary duties.

77. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses.

78. As a result of the Defendants breach of their fiduciary duties, Plaintiffs suffered damages in an amount in excess of $10,000.00.

79. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses. Plaintiffs are further

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entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses..

80. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

81. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

82. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

THIRD CLAIM FOR RELIEF

FRAUD

(All Defendants)

83. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 82, inclusive.

84. Defendants made false representations or misrepresentations to Plaintiffs when Defendants indicated the Applications would be prepared and submitted on behalf of Naturex.

85. Defendants knew during the Application Period the Defendants' representations were false and the Naturex Application would not be submitted.

86. Defendants intended to induce Plaintiffs to act in reliance on the representations the Applications would be submitted so the Plaintiffs could not submit the Application on behalf of Naturex.

87. Plaintiffs justifiably relied upon the Defendants' representations by completing

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the requested sections of the Naturex Application and relying upon Defendants, through their repeated promises and representations Defendants would handle the preparation and submittal of the Application using Defendants' 'application team'.

88. Plaintiffs justifiable reliance on the Defendants' representations led to Plaintiffs inability to submit the Application themselves since Defendants only informed Plaintiffs on the last day of the Application Period the Application for Naturex would not be submitted. Defendants did not inform Plaintiffs that Defendants would instead submit an Application for Defendants' own entity Lone Mountain.

89. The failure to submit the Application on behalf of Naturex, which Plaintiffs were relying upon Defendants to submit, led to financial damages because Naturex was unable to apply for the limited available dispensary licenses. Instead, Defendants were awarded the Licenses, with, on information and belief, Naturex Proprietary Information and trade name "Zen Leaf" utilized for the Lone Mountain Application.

90. Plaintiffs have been damaged by the Defendants' fraudulent conduct.

91. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses.

92. As a result of the Defendants fraudulent conduct, Plaintiffs suffered damages in an amount in excess of $10,000.00.

93. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses.

94. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

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95. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

96. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

FOURTH CLAIM FOR RELIEF

BREACH OF DUTY OF LOYALTY

(All Defendants)

97. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 96, inclusive.

98. As directors and/or officers of Naturex, including comprising of the purported Board for Naturex as Defendants would propose each of the Defendants would be Board members on the Naturex Applications, each of the Defendants owe fiduciary duties of care, loyalty and good faith to Naturex's members, including Plaintiffs. Defendants' fiduciary duties include obligations to exercise good business judgment, to act prudently in the operation of Naturex's business, to discharge their actions in good faith, to act in the best interests of Naturex and its members, and to put the interests of Naturex before their own.

99. The fiduciary duty existing between Plaintiffs and Defendants requires Defendants to maintain, in good faith, Naturex's and its members' best interests over anyone else's interests.

100. Defendants breached their fiduciary duty owed to Naturex and its members, by among other things, appropriating for their own use, the opportunity to apply for the Applications, which was an opportunity that should belong to Naturex. Defendants failed to use

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due care or diligence, failed to act with the utmost faith, exercise ordinary skill, and act with reasonable intelligence in exercising their fiduciary duty to Plaintiffs.

101. Defendants breached their fiduciary duties of loyalty and good faith by, among other things, intentionally appropriating for their own use the Naturex Proprietary Information, by failing to submit the Naturex Applications, by failing to afford the opportunity in the Applications and Licenses to Plaintiffs, and by purposefully misrepresenting to Plaintiffs' detriment the Naturex Application would be prepared and submitted, when in fact, Defendants instead intended and did submit the Lone Mountain Application to Naturex's detriment.

102. Plaintiffs have been damaged by the Defendants' breach of their fiduciary duties.

103. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses.

104. As a result of the Defendants breach of their fiduciary duties, Plaintiffs suffered damages in an amount in excess of $10,000.00.

105. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses.

106. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

107. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

108. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and

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costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

FIFTH CLAIM FOR RELIEF

MISAPPROPRIATION OF TRADE SECRETS

(Violation of Nevada Trade Secrets Act NRS 600A *et seq*.)

(All Defendants)

109. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 108, inclusive.

110. Naturex possess a viable trade secret as part of its business, including but not limited to market research, customer lists, customer and product pricing information, formulas, patterns, compilations, programs, devices, methods, techniques, products, systems, processes, designs, prototypes, procedures and computer programming instructions, including the Naturex Proprietary Information, which are extremely confidential and derive independent economic value from not being generally known to, and not being readily ascertainable by proper means by the public or any other persons who can obtain commercial or economic value from their disclosure or use.

111. Naturex took adequate measures and maintained the foregoing information and technology as trade secrets, which secrecy was guarded and not readily available to others.

112. On information and belief, Defendants intentionally, and with reason to believe that its actions would cause injury to Plaintiffs, misappropriated and exploited the trade secret information through use and disclosure of the trade secret for Defendants' own use and personal gain when it utilized the Naturex Proprietary Information for the Lone Mountain Application.

113. The misappropriation is wrongful because it was made in breach of an expressed or implied contract that the information would only be used for the Naturex Application, and, by Defendants' who maintained a fiduciary duty not to disclose the trade secret.

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114. On information and belief, Defendants misappropriated the trade secret information with willful, wanton, or reckless disregard of Plaintiffs' rights for Defendants' Lone Mountain Application instead of utilizing the information for the Naturex Application that was never submitted.

115. Plaintiffs have been damaged by the Defendants' misappropriate of trade secrets because Defendants would not have been successful in obtaining the Licenses without the trade secrets, which the Licenses will not be directly competing with Naturex.

116. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits for the effectuation of justice.

117. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

118. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

119. As a direct result of the Defendants misappropriation, Plaintiffs suffered damages in an amount in excess of $10,000.00.

120. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 600A.060.

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SIXTH CLAIM FOR RELIEF

BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING

(All Defendants)

121. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 120, inclusive.

122. The Parties entered into that particular Membership Interest Purchase Agreement for the Defendant to purchase fifty percent (50.0%) of the membership interest of Naturex and be partners with Plaintiffs.

123. The Membership Interest Purchase Agreement contains an implied covenant to act in good faith in performance and enforcement of the contract.

124. The Membership Interest Purchase Agreement contained various provisions regarding the management and partnership between the Parties going forward for the operations of the business of Naturex.

125. Plaintiffs maintained a justifiable expectation to receive certain benefits consistent with the provisions of the Agreement, such as a co-manager acting with a duty of loyalty and fiduciary duty to Naturex and the members.

126. Defendants conduct was in violation of or unfaithful to the spirit of the Agreement because Defendants duty of loyalty and fiduciary duty were breached when Defendants failed to submit the Naturex Application and instead usurped the opportunity by only submitting the Lone Mountain Application.

127. Defendants actions were deliberate because Defendants waited until the last day of the Application Period to inform Naturex the Application would not be submitted despite all the while Defendants were preparing and submitted the Lone Mountain Application to the

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detriment of Plaintiffs.

128. Plaintiffs have been damaged by the Defendants' breach of the implied covenant of good faith and fair dealing because Plaintiffs were unable to apply for and obtain the Licenses.

129. As a result of the Defendants breach, Plaintiffs suffered damages in an amount in excess of $10,000.00.

130. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses.

131. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

132. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

133. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*., and the Membership Interest Purchase Agreement.

SEVENTH CLAIM FOR RELIEF

IMPOSITION OF CONSTRUCTIVE TRUST

(All Defendants)

134. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through

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135, inclusive.

135. As directors and/or officers of Naturex, including comprising of the purported Board for Naturex as Defendants would propose each of the Defendants would be Board members on the Naturex Applications, each of the Defendants owe fiduciary duties of care, loyalty and good faith to Naturex's members, including Plaintiffs. Defendants' fiduciary duties include obligations to exercise good business judgment, to act prudently in the operation of Naturex's business, to discharge their actions in good faith, to act in the best interests of Naturex and its members, and to put the interests of Naturex before their own.

136. The fiduciary duty existing between Plaintiffs and Defendants requires Defendants to maintain, in good faith, Naturex's and its members' best interests over anyone else's interests and was a confidential relationship between the Parties.

137. Defendants breached their fiduciary duty owed to Naturex and its members, by among other things, appropriating for their own use, the opportunity to apply for the Applications, which was an opportunity that should belong to Naturex. Defendants failed to use due care or diligence, failed to act with the utmost faith, exercise ordinary skill, and act with reasonable intelligence in exercising their fiduciary duty to Plaintiffs.

138. Defendants breached their fiduciary duties of loyalty and good faith by, among other things, intentionally appropriating for their own use the Naturex Proprietary Information, by failing to submit the Naturex Applications, by failing to afford the opportunity in the Applications and Licenses to Plaintiffs, and by purposefully misrepresenting to Plaintiffs' detriment the Naturex Application would be prepared and submitted, when in fact, Defendants instead intended and did submit the Lone Mountain Application to Naturex's detriment.

139. Plaintiffs have been damaged by the Defendants' breach of their fiduciary duties.

140. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses and

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retention of legal title by Defendants would be inequitable under the circumstances.

141. As a result of the Defendants breach of their fiduciary duties, Plaintiffs suffered damages in an amount in excess of $10,000.00.

142. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits for the effectuation of justice.

143. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

144. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

145. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

EIGHTH CLAIM FOR RELIEF

TORTIOUS INTERFERENCE WITH BUSINESS RELATIONS

(All Defendants)

146. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 145, inclusive.

147. Plaintiffs maintained a prospective economic interest to apply for the Licenses.

148. Defendants had knowledge of the prospective economic interest.

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149. Defendants intended to harm Plaintiff by preventing the prospective economic interest when Defendants failed to prepare and submit the Application on behalf of Naturex.

150. There exists no justification or privilege for Defendants' conduct.

151. Plaintiffs have been damaged by the Defendants' tortuous interference with the prospective economic interest.

152. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses.

153. As a result of the Defendants tortuous interference with the prospective economic interest, Plaintiffs suffered damages in an amount in excess of $10,000.00.

154. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits for the effectuation of justice.

155. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

156. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

157. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

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NINTH CLAIM FOR RELIEF
CIVIL CONSPIRACY

(All Defendants)

158. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 157, inclusive.

159. Defendants, through their various entities, officers, board members, and members, intended to accomplish an unlawful objective together by causing the Naturex Application to not be submitted in order to provide Defendants an advantage for the application process.

160. Defendants acted in concert and by agreement of a meeting of the minds to pursue the Lone Mountain Application while purposefully disregarding the Naturex Application and the failure to submit it for review.

161. The Defendants intentions of waiting until the day of the expiration of the Application Period to inform Naturex it would not submit the Naturex Application while contemporaneously concealing the fact Defendants intended to submit an Application on behalf of Lone Mountain instead were to accomplish the unlawful objection of harming Naturex because it would be too late for Naturex to complete and submit its Application.

162. By misappropriating the Naturex Proprietary Information and defrauding Plaintiffs into believing the Application would be submitted based on the repeated promises despite Defendants' intent to submit the Application instead under Lone Mountain, Defendants committed an unlawful act in furtherance of the agreement to harm Naturex.

163. Plaintiffs have been damaged by the Defendants' civil conspiracy setout to cause the Naturex Application to not be submitted.

164. As a direct result, Plaintiffs were unable to apply for and obtain the Licenses.

165. As a result of the Defendants civil conspiracy, Plaintiffs suffered damages in an

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amount in excess of $10,000.00.

166. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses, which exceed $75,000,000.00 based upon the Defendants' valuation of the Licenses. Plaintiffs are further entitled to an implied trust imposed on the Licenses and interest at the legal rate thereon the profits for the effectuation of justice.

167. Plaintiffs are therefore entitled to their fifty percent profits to be earned from the Inventory Purchase Agreement that otherwise would have supplied the Licenses' dispensaries, which exceeds $50,000,000.00 based on the projected sales to the Licenses.

168. Plaintiffs are therefore entitled to the proceeds from the sale of any of the Licenses the Defendants are seeking to sell. Furthermore, Plaintiffs are entitled to injunctive relief to prevent the disposal of any such License assets prior to the final adjudication of the Plaintiffs claims.

169. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

TENTH CLAIM FOR RELIEF

MISAPPROPRIATION OF CORPORATE ASSETS

(EMBEZZLEMENT)

(All Defendants)

170. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 169, inclusive.

171. Naturex possesses certain assets, including its employees, who are financially remunerated by Naturex to perform services for Naturex.

172. Naturex assets, including its employees, are not readily available for use by

others.

173. On information and belief, Defendants intentionally, and with reason to believe that its actions would cause injury to Plaintiffs, misappropriated the Naturex assets for Defendants' own use and personal gain when it utilized the Naturex employees for the benefit of the Licenses and for Defendants' other businesses while Defendants' relied upon Naturex to pay for those employees' salaries.

174. The misappropriation is wrongful because Defendants are utilizing the Naturex assets, without authority nor compensation, while furthering Defendants' improper usurped corporate opportunity by utilizing Naturex assets for Defendants' own use.

175. On information and belief, Defendants misappropriated the Naturex assets with willful, wanton, or reckless disregard of Plaintiffs' rights for Defendants' Licenses and other businesses of Defendants.

176. Plaintiffs have been damaged by the Defendants' misappropriation because Plaintiffs' assets are being utilized without compensation and to further Defendants' corporate opportunity and Licenses that should have belonged to Naturex.

177. As a direct result of the Defendants misappropriation, Plaintiffs suffered damages in an amount in excess of $10,000.00.

178. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

ELEVENTH CLAIM FOR RELIEF

DECLARATORY RELIEF

(All Defendants)

179. Plaintiffs reallege and incorporate herein the allegations of paragraphs 1 through 178, inclusive.

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180. A justifiable controversy exists that warrants a declaratory judgment pursuant to Nevada's Uniform Declaratory Judgments Act, NRS 30.010 to 30.160, inclusive.

181. Plaintiffs and Defendants have adverse and/or competing interests pursuant to the Membership Interest Purchase Agreement and the Defendants' conduct of usurping the corporate opportunity by failing to submit the Naturex Application and instead submitting the self-serving Application for Defendant Lone Mountain.

182. The Defendants' conduct of failing to submit the Naturex Application and then the Licenses awarded to the Defendants affects Plaintiff's rights afforded to it under the Membership Interest Purchase Agreement and the Uniform Trade Secrets Act.

183. The Defendants' actions and/or inactions also created an actual justifiable controversy ripe for judicial determination between Plaintiffs and Defendants with respect to the construction, interpretation and implementation of the Membership Interest Purchase Agreement and the fiduciary duties owed between officers, directors and members to Naturex.

184. Plaintiffs have been harmed, and will continue to be harmed, by Defendants' actions.

185. Accordingly, Plaintiffs seek a declaration from this Court that, *inter alia*:

a. Defendants improperly usurped Naturex's opportunity to obtain the Licenses;

b. Defendants improperly breached their fiduciary duties owed to Plaintiffs;

c. Defendants improperly breached their covenants of good faith and fair dealing pursuant to the agreements and partnership between the Parties;

d. Defendants improperly mispresented and defrauded Plaintiffs by informing them Naturex would be applying for the Licenses, when Defendants did not intend to submit the Naturex Application and instead

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were only going to submit a self-serving Lone Mountain Application;

e. Defendants civil conspiracy to interference with Naturex's prospective business interests caused financial harm to the Plaintiffs;

f. Plaintiffs are entitled to their fifty percent profits to be earned from the Licenses;

g. Plaintiffs are entitled to their fifty percent ownership in the Licenses;

h. Plaintiffs are entitled to their fifty percent of profits pursuant to the Inventory Purchase Agreement;

i. Plaintiffs are entitled to injunctive relief enjoining Defendants from continued exclusion from ownership interest in the Licenses;

j. Plaintiffs are entitled to injunctive relief enjoining Defendants from selling any of the Licenses prior to the relief afforded to Plaintiffs herein.

186. Plaintiffs assert and contend that a declaratory judgment is both necessary and proper at this time for the Court to determine the respective rights, duties, responsibilities and liabilities of the Parties.

187. As a result of the actions by Defendants, Plaintiffs incurred attorney fees and costs and are entitled to reimbursement pursuant to NRS 18 *et seq*.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment as follows:

1. For declaratory relief as set forth above.
2. For a preliminary and permanent injunction enjoining the Defendants from excluding Plaintiffs from ownership of the Licenses and/or to receive the profits generated by the Licenses, including profits pursuant to the Inventory Purchase Agreement.

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3. For preliminary and permanent injunction enjoining the Defendants from selling or otherwise disposing of the Licenses to the exclusion of Plaintiffs.
4. For Judgment on Plaintiffs' First through Tenth Claims for Relief that Plaintiffs are entitled to their fifty percent profits to be earned from the Licenses, or, entitled to their fifty percent ownership in the Licenses.
5. For compensatory and special damages as set forth herein.
6. For attorneys' fees and costs.
7. For all other relief the Court deems just and proper.

JURY DEMAND

Plaintiffs hereby demand on all claims and issues to be triable by jury.

DATED: January 18, 2019.

/s/ Jared B. Kahn
Jared B. Kahn, Nevada Bar # 12603
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Of Attorneys for Plaintiffs

Exhibit 9

5.3.3 Tab III – Building/Establishment Information

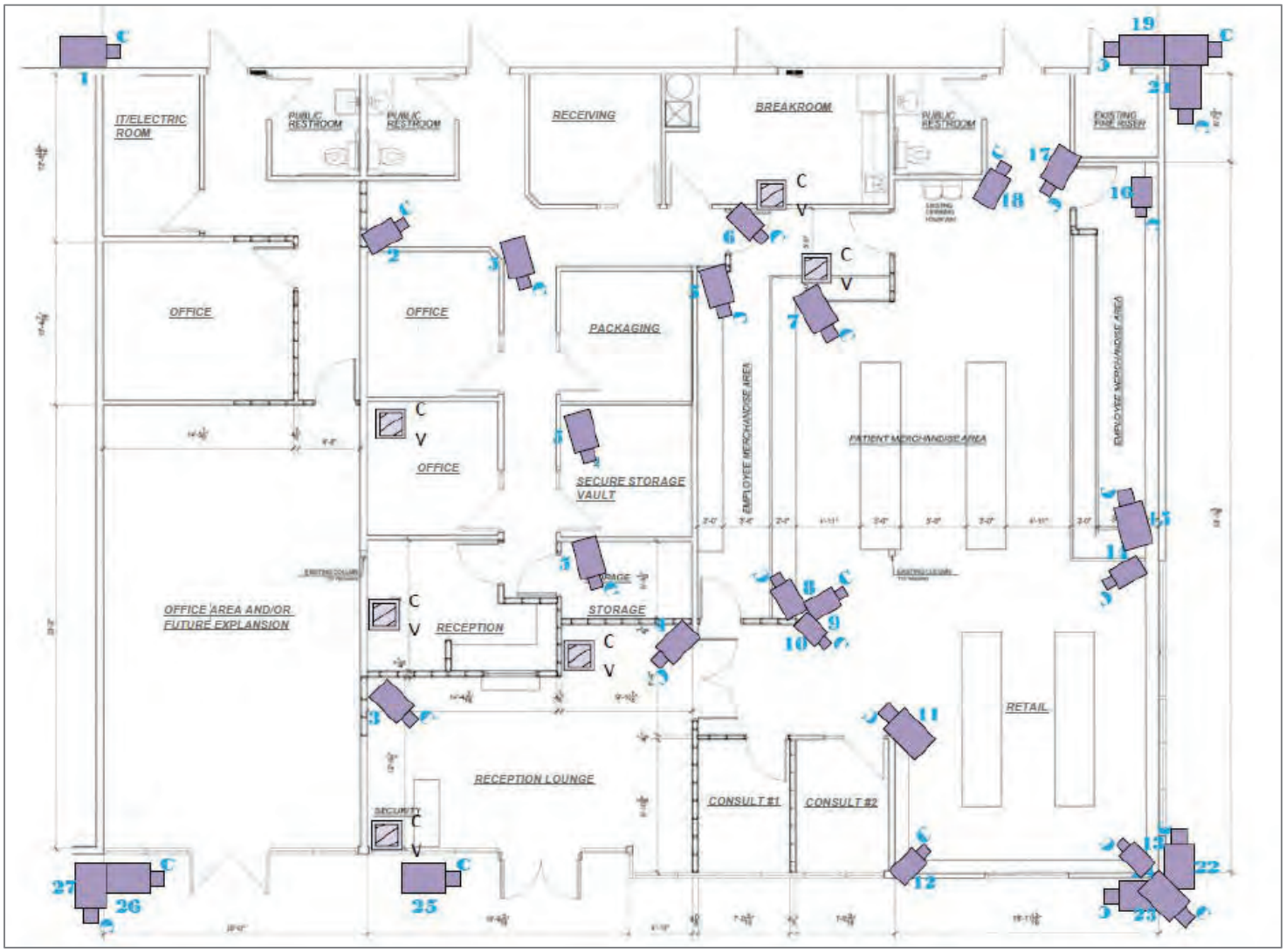
On the following page, please find a copy of the Company's general floor plans for the proposed recreational marijuana retail store.

Company has included two sets of plans in this non-identified section. The first set of plans is for a leased 4600 sq. ft. facility, already built as shown, and has been operated as a fully compliant Nevada licensed marijuana dispensary, and has previously passed Nevada Department of Taxation inspection and approvals.

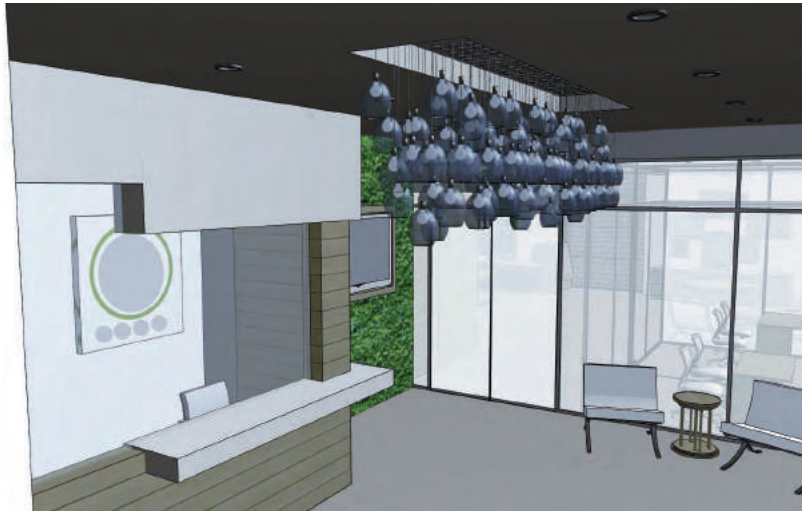
The second set of plans are proposed leasehold improvements for locations 2 through 6 which are requested in this application, and demonstrate a general format for a 2662 sq. ft. or larger facility which will be adapted to each of those specific locations.

5.3.3 Tab III – Building/Establishment Information

Floor Plan



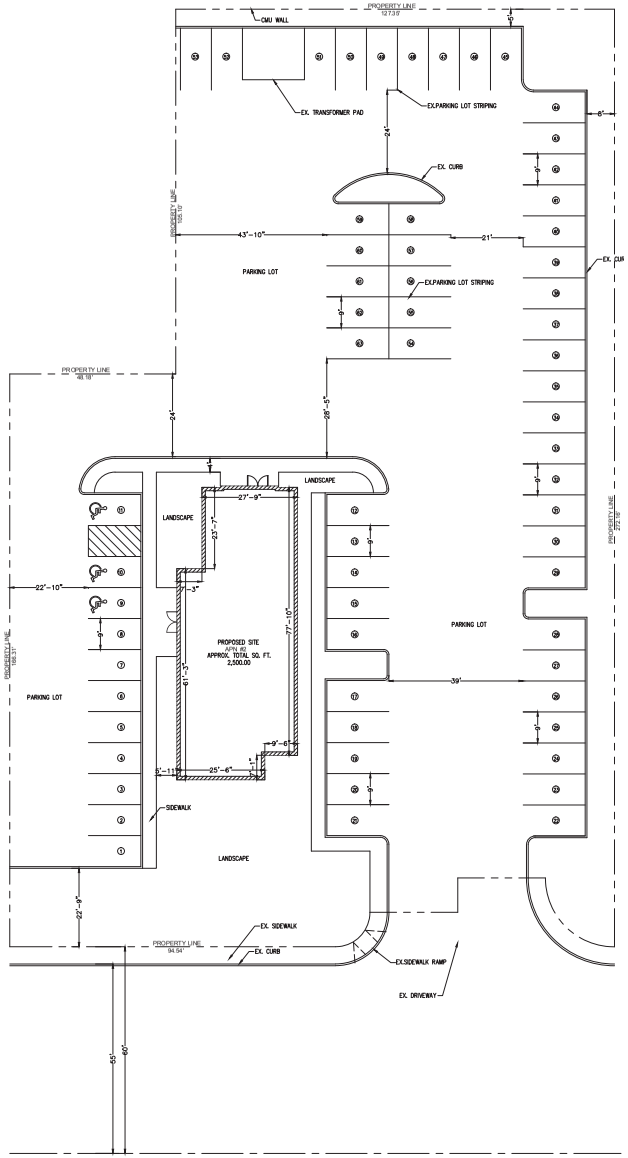
1 PERSPECTIVE



2 PERSPECTIVE

5.3.3 Tab III – Building/Establishment Information

On the following page, please find a copy of the Company's general floor plans for the proposed recreational marijuana retail store. The floor plans demonstrate a general format for a 2662 sq. ft. or larger facility which will be adapted to each of those specific locations.



PROPOSED SITE PLAN LAYOUT

SCALE: 1/16" = 1'

LEGEND

- CENTER LINE (TYP)
- CURB AND GUTTER
- RIGHT OF WAY
- BUILDING OVERHANG
- EXISTING ELECTRIC (TYP)
- EXISTING WATER (TYP)
- PEDESTRIAN SIGNAL
- EXISTING HANDICAP RAMPS (TYP)
- EXISTING REMOVABLE BOLLARD (TYP)
- PIPE BOLLARDS(TYP)

SITE CALCULATIONS

SQUARE FOOTAGES:

PROPERTY SIZE	0.96 ACRES
OVERALL BUILDING SIZE	2,662.27 SQ. FT.

PARKING:

TOTAL PARKING SPACES REQUIRED	10 TOTAL
TOTAL PARKING SPACES PROVIDED	63 TOTAL
TOTAL HANDICAP SPACES REQUIRED	3 TOTAL
TOTAL HANDICAP SPACES PROVIDED	3 TOTAL

PROPERTY INFORMATION

PARCEL NUMBER: APN #2
OWNER NAME: OWNER ENTITY A
SITE ADDRESS: FACILITY LOCATION C
ZONING: (C-2) GENERAL COMMERCIAL
ESTIMATED INTERIOR SQUARE FOOTAGE: 2,662.27 SQ.FT.
ESTIMATED LOT SIZE: 00.96 ACRES

DRAWING GUIDELINES

1. ALL DIMENSIONS SHOWN ON THIS DRAWING SHOULD BE CHECKED/VERIFIED PRIOR TO THE ORDERING OF ANY MATERIALS AND PRIOR TO THE FABRICATION AND INSTALLATION OF ANY MATERIALS.

2. THESE DRAWINGS WERE PREPARED WITHOUT THE BENEFIT OF A FULL SET OF ARCHITECTURAL DRAWINGS. SOME PERIMETER CONDITIONS MAY BE SHOWN AS UNKNOWN. THESE CONDITIONS SHOULD BE VERIFIED PRIOR TO FABRICATION AND INSTALLATION FOR THEIR EFFECT ON THE WORK BEING PERFORMED.

3. THESE DRAWINGS WERE PREPARED WITHOUT THE BENEFIT OF STRUCTURAL DRAWINGS. THIS MAY AFFECT THE LOCATION AND SIZING. THE STRUCTURAL LAYOUT IN THESE AREAS SHOULD BE VERIFIED PRIOR TO FABRICATION AND INSTALLATION OF THE WORK.

DRAWING DISCLAIMER:

THIS DISCLAIMER APPLIES TO ALL IDEAL SOLUTIONS CUSTOMERS AS WELL AS ANY PARTY USING THESE DRAWINGS TO OBTAIN INFORMATION NEEDED TO ORDER, COORDINATE, CONSTRUCT, FABRICATE, OR INSTALL MATERIALS FOR THIS PROJECT.THIS ALSO APPLIES TO ALL CONTRACTORS AND TRADES.
THIS DRAWING IS AN INTERPERTATION OF THE PROJECT BY IDEAL SOLUTIONS. THIS DRAWING WAS GENERATED FOR IDEAL SOLUTIONS CLIENT. THE INTERPERTATION OF THESE DRAWINGS IS AFFECTED BY THE INFORMATION GIVEN TO IDEAL SOLUTIONS BY ITS CLIENT AS WELL AS INDUSTRY STANDARDS AND TECHNICAL INFORMATION. IN CASES WHERE IDEAL SOLUTIONS IS NOT PROVIDED WITH THE NECESSARY INFORMATION, IT WILL BE IDEAL SOLUTIONS DECISION WETHER TO ASSUME, EXTRAPOLATE OR OMIT THIS INFORMATION IN ORDER TO COMPLETE THE DRAWINGS. IT IS THE RESPONSIBILITY OF IDEAL SOLUTIONS CLIENT (OR END USER IF APPLICABLE) TO REVIEW THE PLAN DRAWINGS. IDEAL SOLUTIONS NOR IT'S DRAFTSMAN SHALL NOT BE LIABLE OR RESPONSIBLE FINANCIALLY FOR ANY ERRORS AND/OR OMISSIONS FROM THESE DRAWINGS. ARCHITECTURAL, ENGINEER AND/OR CONTRACTOR APPROVAL DOES NOT RELIEVE IDEAL SOLUTIONS CLIENT FROM REVIEWING THESE DRAWINGS AS NOTED ABOVE.

EXISTING CONDITIONS:

THE CONTRACTOR SHALL BE RESPONSIBLE FOR REVIEWING ALL EXISTING JOB CONDITIONS. ANY ADVERSE EXISTING CONDITIONS AFFECTING WORK SHOWN ON THESE DRAWINGS SHALL BE BROUGHT TO THE ATTENTION THE CLIENT AND IDEAL SOLUTIONS FOR POSSIBLE CLARIFICATION OR RECONCILIATION.

ADA AND LEGAL DISCLAIMER

THIS DOCUMENT IS NOT REPRESENTED TO COMPLY WITH ALL REQUIREMENTS CONTAINED IN THE ADA OR OTHER LAWS. IDEAL SOLUTIONS IS NOT LICENCED TO INTERPRET LAWS OR GIVE ADVISE CONCERNING LAWS. THE OWNER SHOULD HAVE THIS DOCUMENT REVIEWED BY HIS ATTORNEY TO DETERMINE LEGAL COMPLIANCE.

CONTRACTOR'S NOTE

EXISTING POWER AND UTILITY LOCATIONS SHOWN HEREIN ARE APPROXIMATE ONLY. IT SHALL BE THE CONTRACTOR'S RESPONSIBILITY TO DETERMINE THE EXACT VERTICAL AND HORIZONTAL LOCATION OF ALL EXISTING POWER AND UTILITIES PRIOR TO COMMENCING CONSTRUCTION. NO REPRESENTATION IS MADE THAT ALL EXISTING UTILITIES ARE SHOWN HEREON. IDEAL SOLUTIONS ASSUMES NO RESPONSIBILITY FOR POWER AND UTILITIES NOT SHOWN OR POWER AND UTILITIES NOT SHOWN IN THEIR PROPER LOCATIONS.

NO.	REVISION	BY	DATE	APP.	DATE
6					
5					
4					
3					
2					
1					

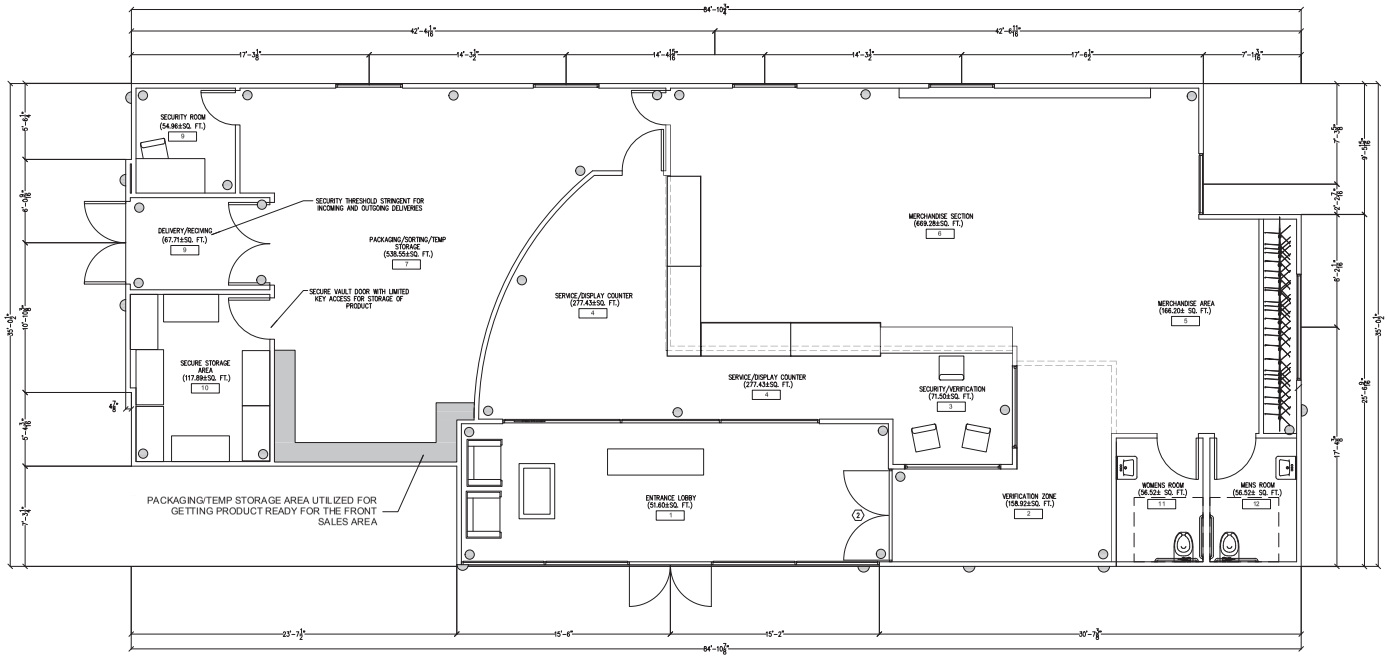
FACILITY LOCATION C

SHEET: PROPOSED DISPENSARY SITE PLAN

IDEAL SOLUTIONS
CAD DRAFTING SERVICES
6255 McLEOD DRIVE SUITE #22
LAS VEGAS, NEVADA 89120
TELEPHONE: 7022362363
EMAIL: RDP@IDEALSOLUTIONSDRAFTING.COM
WEB SITE: WWW.IDEALSOLUTIONSDRAFTING.COM

Owner Entity A

DESIGNED BY: RDP
DRAWN BY: RDP
SIGNATURE:
SCALE: 1/16" = 1'
PROJECT DATE:
SHEET INFO: A.1
PROJECT # XXX-XXXX



NORTH

PROPOSED FLOOR PLAN LAYOUT

SCALE: 1/4" = 1'

DRAWING GUIDELINES

1. ALL DIMENSIONS SHOWN ON THIS DRAWING SHOULD BE CHECKED/VERIFIED PRIOR TO THE ORDERING OF ANY MATERIALS AND PRIOR TO THE FABRICATION AND INSTALLATION OF ANY MATERIALS.

2. THESE DRAWINGS WERE PREPARED WITHOUT THE BENEFIT OF A FULL SET OF ARCHITECTURAL DRAWINGS. SOME PERIMETER CONDITIONS MAY BE SHOWN AS UNKNOWN. THESE CONDITIONS SHOULD BE VERIFIED PRIOR TO FABRICATION AND INSTALLATION FOR THEIR EFFECT ON THE WORK BEING PERFORMED.

3. THESE DRAWINGS WERE PREPARED WITHOUT THE BENEFIT OF STRUCTURAL DRAWINGS. THIS MAY AFFECT THE LOCATION AND SIZING. THE STRUCTURAL LAYOUT IN THESE AREAS SHOULD BE VERIFIED PRIOR TO FABRICATION AND INSTALLATION OF THE WORK.

DRAWING DISCLAIMER:

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THIS DRAWING IS AN INTERPERTATION OF THE PROJECT BY IDEAL SOLUTIONS. THIS DRAWING WAS GENERATED FOR IDEAL SOLUTIONS CLIENT. THE INTERPERTATION OF THESE DRAWINGS IS AFFECTED BY THE INFORMATION GIVEN TO IDEAL SOLUTIONS BY ITS CLIENT AS WELL AS INDUSTRY STANDARDS AND TECHNICAL INFORMATION. IN CASES WHERE IDEAL SOLUTIONS IS NOT PROVIDED WITH THE NECESSARY INFORMATION, IT WILL BE IDEAL SOLUTIONS DECISION WETHER TO ASSUME, EXTRAPOLATE OR OMIT THIS INFORMATION IN ORDER TO COMPLETE THE DRAWINGS. IT IS THE RESPONSIBILITY OF IDEAL SOLUTIONS CLIENT (OR END USER IF APPLICABLE) TO REVIEW THE PLAN DRAWINGS. IDEAL SOLUTIONS NOR IT'S DRAFTSMAN SHALL NOT BE LIABLE OR RESPONSIBLE FINANCIALLY FOR ANY ERRORS AND/OR OMISSIONS FROM THESE DRAWINGS. ARCHITECTURAL, ENGINEER AND/OR CONTRACTOR APPROVAL DOES NOT RELIEVE IDEAL SOLUTIONS CLIENT FROM REVIEWING THESE DRAWINGS AS NOTED ABOVE.

EXISTING CONDITIONS:

THE CONTRACTOR SHALL BE RESPONSIBLE FOR REVIEWING ALL EXISTING JOB CONDITIONS. ANY ADVERSE EXISTING CONDITIONS AFFECTING WORK SHOWN ON THESE DRAWINGS SHALL BE BROUGHT TO THE ATTENTION THE CLIENT AND IDEAL SOLUTIONS FOR POSSIBLE CLARIFICATION OR RECONCILIATION.

ADA AND LEGAL DISCLAIMER

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CONTRACTOR'S NOTE

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PROPERTY INFORMATION

PARCEL NUMBER: APN# 2
OWNER NAME: OWNER ENTITY A
SITE ADDRESS: FACILITY LOCATION C
ZONING: (C-2) GENERAL COMMERCIAL
ESTIMATED INTERIOR SQUARE FOOTAGE: 2,662.27 SQ.FT.
ESTIMATED LOT SIZE: 00.96 ACRES

NO.	REVISION	BY	DATE	APP.	DATE
6					
5					
4					
3					
2					
1					

Facility Location C

SHEET: PROPOSED DISPENSARY FLOOR PLAN LAYOUT

IDEAL SOLUTIONS CAD DRAFTING SERVICES
6255 McLEOD DRIVE SUITE #22
LAS VEGAS, NEVADA 89120
TELEPHONE: 702.368.2363
EMAIL: RDP@IDEALSOLUTIONSCADFTW.COM
WEB SITE: WWW.IDEALSOLUTIONSCADFTW.COM

OWNER EINTITY A

DESIGNED BY: RDP
DRAWN BY: RDP
SIGNATURE:
SCALE: 1/4" = 1'
PROJECT DATE:
SHEET INFO: A.2
PROJECT # XXX-XXXX

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

BRIAN SANDOVAL
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
WILLIAM D. ANDERSON
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

ATTACHMENT I
FACILITY JURISDICTION FORM

Mark the jurisdiction(s) and number of stores in each jurisdiction for which you are applying. Only one application is necessary for multiple jurisdictions and licenses, however, you must submit attachments "A" & "E" for each jurisdiction, location and the appropriate application fee for each of the jurisdictions/locality and number of licenses requested.

No applicant may be awarded more than 1 (one) retail store license in a jurisdiction/locality, unless there are less applicants than licenses allowed in the jurisdiction.

Jurisdiction	*Indicate Number of Licenses Requested*
Unincorporated Clark County	1
City of Henderson	
City of Las Vegas	1
City of Mesquite	1
City of North Las Vegas	1
Carson City	
Churchill County	
Douglas County	
Elko County	
Esmeralda County	
Eureka County	
Humboldt County	

Jurisdiction	*Indicate Number of Licenses Requested*
Unincorporated Washoe County	
City of Reno	1
City of Sparks	
Lander County	
Lincoln County	
Lyon County	
Mineral County	
Nye County	1
Pershing County	
Storey County	
White Pine County	

STATE OF NEVADA
DEPARTMENT OF TAXATION
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Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment if the applicant owns property or has secured a lease or other property agreement.

Name of Individual or Entity Applying for a Marijuana Establishment License:

Company

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):

Location 01

City:	County:	State:	Zip Code:
Unincorporated	Clark County	Nevada	89118

Legal Description of the Property:

Redacted for Unidentified Section 5.3.3 Tab III of the Application.

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

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Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
WILLIAM D. ANDERSON
Executive Director

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Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

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To be completed by the applicant for the physical address of the proposed marijuana establishment if the applicant owns property or has secured a lease or other property agreement.

Name of Individual or Entity Applying for a Marijuana Establishment License:

Company

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):

Location 02

City:	County:	State:	Zip Code:
North Las Vegas	Clark County	Nevada	89086

Legal Description of the Property:

Redacted for Unidentified Section 5.3.3 Tab III of the Application.

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

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Fax: (702) 486-3377

ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment if the applicant owns property or has secured a lease or other property agreement.

Name of Individual or Entity Applying for a Marijuana Establishment License:

Company

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):

To Be Determined

City:	County:	State:	Zip Code:
City of Reno	Washoe	NV	TBD

Legal Description of the Property:

To Be Determined

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
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Carson City, Nevada 89706-7937
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ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

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Name of Individual or Entity Applying for a Marijuana Establishment License:

Company

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):

To Be Determined

City:	County:	State:	Zip Code:
City of Las Vegas	Clark County	NV	TBD

Legal Description of the Property:

To Be Determined

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
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ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment if the applicant owns property or has secured a lease or other property agreement.

Name of Individual or Entity Applying for a Marijuana Establishment License:

Company

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):

Location 05

City:	County:	State:	Zip Code:
Pahrump	Nye	NV	89060

Legal Description of the Property:

Redacted for Unidentified Section 5.3.3 Tab III of the Application.

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
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Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

ATTACHMENT E
PROPOSED ESTABLISHMENT PROPERTY ADDRESS

To be completed by the applicant for the physical address of the proposed marijuana establishment if the applicant owns property or has secured a lease or other property agreement.

Name of Individual or Entity Applying for a Marijuana Establishment License:

Company

Physical Address of Proposed Marijuana Establishment (must be a Nevada address, not a P.O. Box):

To Be Determined

City:	County:	State:	Zip Code:
City of Mesquite	Clark County	NV	TBD

Legal Description of the Property:

To Be Determined

Exhibit 10

Nate Rulis

From: Robert E. Werbicky <RWerbicky@ag.nv.gov>
Sent: Friday, December 21, 2018 4:19 PM
To: Nate Rulis
Subject: MM Development

Categories: Livfree, MM Development

Mr. Rulis:

In compliance with the Court Order of 12/13/18 this is the list of personnel that primarily assisted in the evaluation and rating of all dispensary applications as part of the September 2018 application period.

Manpower Employee 1	***-2*1-*0*5	Accountant I
Manpower Employee 2	***-7**-213*	Accountant I
Manpower Employee 3	***-72*-7*0*	Accountant I
Manpower Employee 4	***-*71-92**	Personal Officer I
Manpower Employee 5	***-*3*-*654	Fire & Life Safety Inspector
Manpower Employee 6	***-2*0-*9*1	Marijuana/Health Inspector II

The employee designation is as discussed in Court. The partial phone number is as discussed in follow up conversations and is based on the records of the Department. Also provided is the position designation which, I understand, determines the pay rate.

Let me know if you have any questions.

Robert E. Werbicky
Office of the Attorney General
Division of Business and State Service
555 E. Washington Ave., #3900
Las Vegas, NV 89101
Phone: (702) 486-3105
Fax: (702) 486-3416
RWerbicky@ag.nv.gov

This message and attachments are intended only for the addressee(s) and may contain information that is privileged and confidential. If the reader of the message is not the intended recipient or an authorized representative of the intended recipient, I did not intend to

waive and do not waive any privileges or the confidentiality of the messages and attachments, and you are hereby notified that any dissemination of this communication is strictly prohibited. If you receive this communication in error, please notify me immediately by e-mail at RWerbicky@ag.nv.gov and delete the message and attachments from your computer and network. Thank you.

Exhibit 11

LinkedIn Sign in Join now

Tina Banaszak

Administrator

Sparks, Nevada

Retail

Right At Home

Concord High School, Concord CA

3 connections

View Tina Banaszak's full profile. It's free!

Your colleagues, classmates, and 500 million other professionals are on LinkedIn.

Join LinkedIn

Experience

Care Coordinator
Right At Home
May 2012 – August 2012 • 4 months

Image for Sales

Sales
Office Max
July 2010 – May 2012 • 1 year 11 months

Owner/Office Administrator
WE BANASZAK GENERAL CONTRACTING
September 1997 – November 2008 • 11 years 3 months

Linked in Sign in Join now

Owner/

Image for Concord High

Concord High School, Concord CA

1971 – 1975

Image for Diablo Valley College, Pleasant Hill, CA

Diablo Valley College, Pleasant Hill, CA

Skills & Endorsements

Join LinkedIn to see Tina's skills, endorsements, and full profile

View Tina Banaszak's full profile to...

- See who you know in common
- Get introduced
- Contact **Tina Banaszak** directly

Join LinkedIn

People also viewed

Brett Figueroa
High Octane Success Coach

Sara Opperlee
Business Supplies and Equipment Professional

Robert Rhoden
--

Robert Rhoden
Product Owner, UX Designer

Exhibit 12

From: Karalin Cronkhite
Sent: Wednesday, May 2, 2018 10:49 AM
To: [redacted]
Cc:
Subject: SODs for sale to minors
Attachments: Investigations Letter_ Henderson Organic Remedies, LLC D107.pdf; SOD Routine Nevada Organic D152 4.20.18.docx; Investigations SOD Letter_Integral Associates LLC.DOCX

Importance: High

Please remove the investigation SODs regarding self-reported incidents of sales to a minor for the following: Integral, Nevada Organic Remedies, Henderson Organic Remedies.
Per Jorge, this should be a letter similar to an APOC. It should state something to the effect of:
We received your incident report.
The corrective actions taken were deemed appropriate (or not).
No further action is necessary at this time (or please take the following actions to remedy the issue).
These investigations should be removed from the log.
Once the new letter is drafted, please send to me and Damon for review.
Thanks,

Kara Cronkhite, REHS, MPH
Marijuana Supervisor
Marijuana Enforcement Division
Nevada Department of Taxation
555 E. Washington Ave. Suite 4100
Las Vegas, NV 89101
Phone: 702.486.5404
kcronkhite@tax.state.nv.us

Exhibit 13

INTEGRAL ASSOCIATES, LLC

Business Entity Information

Status:	Active	File Date:	4/9/2014
Type:	Domestic Limited-Liability Company	Entity Number:	E0190162014-7
Qualifying State:	NV	List of Officers Due:	4/30/2020
Managed By:	Managers	Expiration Date:	
NV Business ID:	NV20141248367	Business License Exp:	4/30/2020

Additional Information

Central Index Key:	

Registered Agent Information

Name:	SIERRA CORPORATE SERVICES - LAS VEGAS	Address 1:	2300 WEST SAHARA AVE STE 1200
Address 2:		City:	LAS VEGAS
State:	NV	Zip Code:	89102
Phone:		Fax:	
Mailing Address 1:		Mailing Address 2:	
Mailing City:		Mailing State:	NV
Mailing Zip Code:			
Agent Type:	Commercial Registered Agent - Corporation		
Jurisdiction:	NEVADA	Status:	Active

Financial Information

No Par Share Count:	0	Capital Amount:	$ 0

No stock records found for this company

Officers

Include Inactive Officers

Manager - BRIAN L GREENSPUN

Address 1:	3790 PARADISE ROAD STE 200	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89169	Country:	
Status:	Active	Email:	

Manager - ALEJANDRO YEMENIDJIAN

Address 1:	3790 PARADISE ROAD STE 200	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89169	Country:	
Status:	Active	Email:	

Manager - ARMEN YEMENIDJIAN

Address 1:	3790 PARADISE ROAD STE 200	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89169	Country:	
Status:	Active	Email:	

Actions\Amendments

Action Type:	Articles of Organization		
Document Number:	20140265130-84	# of Pages:	2
File Date:	4/9/2014	Effective Date:	
(No notes for this action)			

Action Type:	Initial List		
Document Number:	20140265131-95	# of Pages:	1
File Date:	4/9/2014	Effective Date:	
(No notes for this action)			

Action Type:	Amended List		
Document Number:	20140290362-19	# of Pages:	1
File Date:	4/21/2014	Effective Date:	
(No notes for this action)			

Action Type:	Annual List		
Document Number:	20150130628-68	# of Pages:	1
File Date:	3/23/2015	Effective Date:	
2015-2016			

Action Type:	Annual List		
Document Number:	20160070668-86	# of Pages:	1
File Date:	2/17/2016	Effective Date:	
(No notes for this action)			

Action Type:	Annual List		
Document Number:	20170146660-33	# of Pages:	1
File Date:	4/3/2017	Effective Date:	
(No notes for this action)			

Action Type:	Amended List		
Document Number:	20170255417-94	# of Pages:	1
File Date:	6/13/2017	Effective Date:	
(No notes for this action)			

Action Type:	Registered Agent Change		
Document Number:	20170445146-44	# of Pages:	1
File Date:	10/20/2017	Effective Date:	
(No notes for this action)			

Action Type:	Amended List		
Document Number:	20170447827-22	# of Pages:	1
File Date:	10/23/2017	Effective Date:	
(No notes for this action)			

Action Type:	Registered Agent Change		
Document Number:	20170454647-90	# of Pages:	1
File Date:	10/26/2017	Effective Date:	
(No notes for this action)			
Action Type:	Merge In		
Document Number:	20170551071-99	# of Pages:	6
File Date:	12/29/2017	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20180059679-17	# of Pages:	1
File Date:	2/6/2018	Effective Date:	
(No notes for this action)			
Action Type:	Correction		
Document Number:	20180139930-76	# of Pages:	1
File Date:	3/27/2018	Effective Date:	
(No notes for this action)			
Action Type:	Annual List		
Document Number:	20190109962-49	# of Pages:	1
File Date:	3/12/2019	Effective Date:	
(No notes for this action)			

Exhibit 14

ESSENCE HENDERSON, LLC

Business Entity Information

Status:	Active	File Date:	12/29/2017
Type:	Domestic Limited-Liability Company	Entity Number:	E0601882017-4
Qualifying State:	NV	List of Officers Due:	12/31/2019
Managed By:	Managers	Expiration Date:	
NV Business ID:	NV20171831595	Business License Exp:	12/31/2019

Additional Information

Central Index Key:	

Registered Agent Information

Name:	SIERRA CORPORATE SERVICES - LAS VEGAS	Address 1:	2300 WEST SAHARA AVE STE 1200
Address 2:		City:	LAS VEGAS
State:	NV	Zip Code:	89102
Phone:		Fax:	
Mailing Address 1:		Mailing Address 2:	
Mailing City:		Mailing State:	NV
Mailing Zip Code:			
Agent Type:	Commercial Registered Agent - Corporation		
Jurisdiction:	NEVADA	Status:	Active

Financial Information

No Par Share Count:	0	Capital Amount:	$ 0

No stock records found for this company

Officers

Include Inactive Officers

Manager - ARMEN YEMENIDJIAN

Address 1:	3790 PARADISE ROAD SUITE 200	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89169	Country:	
Status:	Active	Email:	

Actions\Amendments

Action Type:	Articles of Organization		
Document Number:	20170549862-14	# of Pages:	3
File Date:	12/29/2017	Effective Date:	

(No notes for this action)

Action Type:	**Initial List**		
Document Number:	**20170549864-36**	**# of Pages:**	**1**
File Date:	**12/29/2017**	**Effective Date:**	
(No notes for this action)			
Action Type:	**Annual List**		
Document Number:	**20180460514-41**	**# of Pages:**	**1**
File Date:	**10/23/2018**	**Effective Date:**	
(No notes for this action)			

ESSENCE TROPICANA, LLC

Business Entity Information

Status:	Active	File Date:	12/29/2017
Type:	Domestic Limited-Liability Company	Entity Number:	E0601972017-5
Qualifying State:	NV	List of Officers Due:	12/31/2019
Managed By:	Managers	Expiration Date:	
NV Business ID:	NV20171831684	Business License Exp:	12/31/2019

Additional Information

Central Index Key:	

Registered Agent Information

Name:	SIERRA CORPORATE SERVICES - LAS VEGAS	Address 1:	2300 WEST SAHARA AVE STE 1200
Address 2:		City:	LAS VEGAS
State:	NV	Zip Code:	89102
Phone:		Fax:	
Mailing Address 1:		Mailing Address 2:	
Mailing City:		Mailing State:	NV
Mailing Zip Code:			
Agent Type:	Commercial Registered Agent - Corporation		
Jurisdiction:	NEVADA	Status:	Active

Financial Information

No Par Share Count:	0	Capital Amount:	$ 0

No stock records found for this company

Officers

Include Inactive Officers

Manager - ARMEN YEMENIDJIAN

Address 1:	3790 PARADISE ROAD SUITE 200	Address 2:	
City:	LAS VEGAS	State:	NV
Zip Code:	89169	Country:	
Status:	Active	Email:	

Actions\Amendments

Action Type:	Articles of Organization		
Document Number:	20170550005-75	# of Pages:	3
File Date:	12/29/2017	Effective Date:	

(No notes for this action)

Action Type:	**Initial List**		
Document Number:	**20170550006-86**	**# of Pages:**	**1**
File Date:	**12/29/2017**	**Effective Date:**	
(No notes for this action)			

Action Type:	**Annual List**		
Document Number:	**20180460517-74**	**# of Pages:**	**1**
File Date:	**10/23/2018**	**Effective Date:**	
(No notes for this action)			

Exhibit 15

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

STEVE SISOLAK
Governor
JAMES DEVOLD
Chair, Nevada Tax Commission
MELANIE YOUNG
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

January 10, 2019

MM Development Company Inc.
c/o Will Kemp
3800 Howard Hughes Pkwy, 17th Fl.
Las Vegas, NV 89169

Re: Notice of Appeal (RD284, RD285, RD286, RD287, RD288)
TID 1038373026

Mr. Will Kemp,

The Department is in receipt of your Notice of Appeal to the Nevada Tax Commission regarding the denial of a license for a retail marijuana store. NRS 233B.127 indicates the statutes dealing with adjudication of contested cases "do not apply to the grant, denial or renewal of a license unless notice and opportunity for hearing are required by law to be provided to the applicant before the grant, denial or renewal of the license."

The Department scored timely submitted applications using an impartial and numerically scored competitive process in accordance with NRS 453D.210(6). After scoring the applications, the Department ranked the applications from first to last. Pursuant to Sec. 80 of Permanent Regulation LCB File No. R092-17 filed on February 27, 2018 ("Permanent Regulations"), the Department issued licenses for retail marijuana stores to the highest-ranked applicants until the Department issued the number of licenses authorized for each jurisdiction. The Department issued the licenses or denials within 90 days of the closing of the application period (NRS 453D.210(4) & Sec. 84 of the Permanent Regulations). Unless otherwise indicated in the notice, the basis for the denial of your application was a failure to obtain a high enough ranking to obtain a license in the jurisdiction(s) in which you applied. There is no statutory or regulatory allowance for appealing the scoring, ranking, or denial.

As there is no allowance for an appeal of the denial of your application for the issuance of a retail marijuana store license, no further action will be taken by the Department on your Notice of Appeal.

Thank you for your interest in this application process.

Jorge Pupo
Deputy Executive Director
Marijuana Enforcement Division

STATE OF NEVADA
DEPARTMENT OF TAXATION
Web Site: https://tax.nv.gov
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
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Building L, Suite 235
Reno, Nevada 89502
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STEVE SISOLAK
Governor
JAMES DEVOLLD
Chair, Nevada Tax Commission
MELANIE YOUNG
Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

January 10, 2019

Livfree Wellness, LLC
c/o Will Kemp
3800 Howard Hughes Pkwy, 17th Fl.
Las Vegas, NV 89169

Re: Notice of Appeal (RD292, RD293, RD294, RD295, RD296, RD297)
TID 1019900563

Mr. Will Kemp,

The Department is in receipt of your Notice of Appeal to the Nevada Tax Commission regarding the denial of a license for a retail marijuana store. NRS 233B.127 indicates the statutes dealing with adjudication of contested cases "do not apply to the grant, denial or renewal of a license unless notice and opportunity for hearing are required by law to be provided to the applicant before the grant, denial or renewal of the license."

The Department scored timely submitted applications using an impartial and numerically scored competitive process in accordance with NRS 453D.210(6). After scoring the applications, the Department ranked the applications from first to last. Pursuant to Sec. 80 of Permanent Regulation LCB File No. R092- 17 filed on February 27, 2018 ("Permanent Regulations"), the Department issued licenses for retail marijuana stores to the highest-ranked applicants until the Department issued the number of licenses authorized for each jurisdiction. The Department issued the licenses or denials within 90 days of the closing of the application period (NRS 453D.210(4) & Sec. 84 of the Permanent Regulations). Unless otherwise indicated in the notice, the basis for the denial of your application was a failure to obtain a high enough ranking to obtain a license in the jurisdiction(s) in which you applied. There is no statutory or regulatory allowance for appealing the scoring, ranking, or denial.

As there is no allowance for an appeal of the denial of your application for the issuance of a retail marijuana store license, no further action will be taken by the Department on your Notice of Appeal.

Thank you for your interest in this application process.

Jorge Pupo
Deputy Executive Director
Marijuana Enforcement Division

Exhibit 16

CERTIFIED COPY

1 STATE OF NEVADA

2 TAX COMMISSION

3 VIDEO-CONFERENCED OPEN MEETING

4 MONDAY, MARCH 4, 2019

5 CARSON CITY, NEVADA

6

7

8

9

10 The Board: JIM DEVOLLD, Chairman
RANDY BROWN, Member
11 CRAIG WITT, Member
FRANCINE LIPMAN, Member
12 SHARON RIGBY, Member
GEORGE KELESIS, Member
13 ANN BERSI, Member
TONY WREN, Member
14

15 For the Department: MELANIE YOUNG,
Executive Director
16 SHELLIE HUGHES,
Chief Deputy Director
17 TINA PADOVANO,
Executive Assistant
18

19

20

21 Reported by: CAPITOL REPORTERS
22 Christy Y. Joyce,
Nevada CCR #625
23 123 W. Nye Lane Suite 107
Carson City, Nevada 89706
24 (775)882-5322

1 I N D E X

2 ITEM PAGE

3 1 - Public comment 4

4 2 - Meeting minutes
A. Consideration for approval of the January 5
5 14, 2019 Nevada Tax Commission meeting minutes

6 3 - Consent calendar 6

7 4 - Division of Local Government Services
A. Local Government Services
8 1) Review and consideration for approval 26
of the assessor's handbook of rural
9 building costs for 2020-2021

10 2) Review and consideration for approval 29
of exemptions as authorized under
11 NRS 361.068(2)

12 3) Discussion and consideration for 31
granting the waiver to remain on
13 guaranteed status for supplemental
city-county relief tax pursuant to
14 NRS 377.057(2)

15 5 - Compliance Division

16 A. Department's recommendation to the
Commission for denial of an
17 offer-in-compromise pursuant to NRS 360.263
1) Brent Orchard 47
18 2) Bryan Shepherd 53
3) Franz Gaiter, Sr and Franz Gaiter, II 55
19

B. Consideration for approval of motion to
20 dismiss taxpayer's appeal of
Advisory Opinion 17-019
21 1) Burning Man Project 68

22 C. Regulation
1) Consideration for approval of
23 Third Revised Proposed Regulation
of the Nevada Tax Commission
24

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1) Big Burger & More LLC dba Street Food	92
B. Taxpayer's appeal of administrative law judge's decision pursuant to NRS 360.245 and NAC 360.175	
1) Steven S. Acor - Vision Airlines, Inc.	12
C. Request for closed hearing pursuant to NRS 360.247(2-4)	
1) Bob Kingston Productions, Inc.	
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7 - Briefing	103
8 - Next meeting date: May 6, 2019	106
9 - Public comment	106
10 - Items for future agendas	111
11 - Adjourn	112

1 that you provide a copy of a true and correct document that's
2 been filed with the IRS. So that's just a comment more than
3 anything else. Okay. All those in favor, please signify by
4 saying aye.
5 (The vote was unanimously in favor of the motion)
6 CHAIRMAN DEVOLLD: Anyone opposed?
7 Okay. Very good. It's remanded back to the ALJ.
8 Thank you, Mr. Singer.
9 MR. CSOKA: Thank you.
10 MR. SINGER: Thank you.
11 CHAIRMAN DEVOLLD: Director Young.
12 MS. YOUNG: Director Young for the record.
13 Moving on to Number 6, informational items. Item A, penalty
14 and interest waivers granted by the Department for sales and
15 use tax, modified business tax, and excise taxes.
16 CHAIRMAN DEVOLLD: Okay. And this is just an
17 informational item. Are there any questions on that item?
18 Seeing none, the next item.
19 MS. YOUNG: Director Young for the record. Item
20 B, approval and denial status to report log for organization
21 created for religious, charitable, or educational purposes.
22 CHAIRMAN DEVOLLD: Are there any questions on
23 that informational item? Okay. Seeing none, the next item.
24 MS. YOUNG: The next item is Item 7, the briefing

1 to the commission from the executive director. Again,
2 Melanie Young, the executive director from the Department of
3 Taxation.
4 I was wanting to talk to you about some efforts
5 that the Department has done and what we are doing since our
6 last meeting. Since the last meeting, the Department has had
7 five presentations to the legislature that we've made. There
8 was a pre-session budget hearing and an overview of the
9 Department of Taxation. We did a sales and use tax
10 presentation and marijuana taxes, property tax presentation,
11 as well as our final budget hearing, which was Friday. And
12 we don't anticipate there's going to be any more
13 presentations coming up. But that was big for the Department
14 to be able to prepare, especially being the new director
15 taking that on.
16 The governor has also issued an executive order
17 creating an advisory panel for the creation of the Cannabis
18 Compliance Board. The Department has had two meetings. The
19 chair of that commission is Brin Gibson. He's the general
20 counsel for the governor's office. The first meeting was two
21 weeks ago. The last meeting was last Friday.
22 We did present at the first meeting an overview
23 of the Department. Several of the commissioners attended.
24 That was a big meeting for the Department. The last one they

1 presented banking for the cannabis industry, which is a, you
2 know, a concern for the cannabis industry being able to be --
3 Being a cash-based business makes it tough for the Department
4 as well.
5 There's a lot happening at the legislature. We
6 presented SB 81, which revises the statutes for tobacco and
7 other tobacco products, which was introduced on February
8 26th. And currently we are tracking 39 bills that could
9 impact the Department.
10 I wanted to go in to something that I have kind
11 of heard out of this meeting today. And it was a
12 presentation brought to my attention by the administrative
13 law judges. And that is -- relates to the backlog of offers
14 in compromise. I do address that that is an issue. And what
15 we are doing is the administrative law judge has offered some
16 of their assistance in reviewing these. So within the next
17 meeting you should see anywhere from eight to ten is what
18 we're anticipating on the agenda. So we have two different
19 teams that will be working on these to address that backlog.
20 So I'm very excited to be able to present that to you in the
21 next meeting. We will have a few of those on there.
22 During that fiscal -- During the calendar year of
23 2018, the Legislative Council Bureau came in to the
24 Department and audited the Department on the marijuana

1 program. The marijuana program at that point in time when
2 they started the audit was about seven months in to its
3 implementation. And the results of that audit, we received
4 our final letter last week and we submitted our response to
5 the legislature that will be up in the public soon.
6 The Department has agreed that we have some areas
7 where we need to improve. And we'll be working on those as a
8 result of this audit. And at the next meeting we'll be
9 presenting that. And that concludes my briefing.
10 CHAIRMAN DEVOLLD: Okay. Very good. Our next
11 meeting is May the 6th.
12 Is there any public comment in Las Vegas at this
13 time?
14 MEMBER KELESIS: Before the public comment,
15 Mr. Chairperson, can I ask the director a question?
16 CHAIRMAN DEVOLLD: Yes, Commissioner Kelesis.
17 MEMBER KELESIS: Maybe this is proper for
18 business on the next meeting. But regarding the committees
19 and what's been going on with the cannabis, one question that
20 has been posed to me that I have heard now a number of times
21 is a number of the taxpayers have filed petitions for
22 redetermination. The Department declined the petitions for
23 redeterminations. And those taxpayers have filed appeals of
24 those defamations. And my question is when can we expect to

1 hear those and why haven't we heard them yet?
2 MS. YOUNG: Director Young for the record. If I
3 understand the question correctly, this is in relation to the
4 litigation and appeals of the licensing?
5 MEMBER KELESIS: I'm not familiar with how they
6 worded their petitions. But in the past if there is a denial
7 and the appeal of the denial is brought to us and we hear
8 that. And there's nothing in the regulations that says that
9 should be stopped for any reason. So I'm wondering why we
10 haven't seen any of the appeals.
11 MS. YOUNG: Again, Director Young for the record.
12 I would have to get back to you on that. I'm not sure what
13 the status of those are.
14 MEMBER RIGBY: Can I ask a question of the
15 director? Would it be possible in a future meeting or after
16 the net proceeds bulletin is published for 2018, which comes
17 out about usually July or something, would it be possible
18 just to share that with the commission and just have a brief
19 overview of it? I don't see that that's coming up as -- It
20 doesn't need to be approved. But it would be helpful, I
21 think, if it was just reviewed just for background
22 information and just a brief presentation of it.
23 MS. YOUNG: Director Young for the record. Yes,
24 we can put that on for you.

1 MEMBER KELESIS: Mr. Chairperson, on the question
2 I asked, can we have an answer in ten days, all of us,
3 instead of waiting? What are these appeals and where are
4 they in the system?
5 CHAIRMAN DEVOLLD: You know, we've got an
6 attorney/client meeting directly after this and maybe we can
7 help you with some of those questions right after this
8 meeting. Is that all right?
9 MEMBER KELESIS: You're the chairperson. I'm
10 just simply saying, those appeals are -- they have nothing to
11 do with the litigation. They're not in the system.
12 CHAIRMAN DEVOLLD: Let's tackle that in the
13 attorney/client meeting right after this. If there's no
14 other questions -- Is there any other questions? Okay. I'm
15 sorry.
16 Public comment in Las Vegas.
17 MR. SPIRTOS: Can you hear me?
18 CHAIRMAN DEVOLLD: Perfectly.
19 MR. SPIRTOS: Okay. My name is Nick Spirtos and
20 I was at your January meeting in which after Commissioner
21 Kelesis made the commission aware of issues surrounding the
22 function of the marijuana division in particular, the recent
23 application process and requested for a hearing to be
24 scheduled ASAP. The chair stated, quote, I'll make sure it's

1 on a future agenda in response to it being an urgent nature.
2 And all that's happened since actually speaks to
3 the point Commissioner Kelesis just brought up is a denial
4 has been issued to our request to have a hearing regarding
5 the denial of our application. So we just got a blanket
6 we're not hearing your appeal.
7 Additionally, to shed further light on the length
8 that this Division is going to mislead the public and the
9 commission, all one must do is look at the recent Division
10 MME presentation, medical marijuana or marijuana presentation
11 to the governor's advisory board. These slides are
12 disingenuous and flat-out misrepresent the action of the
13 Division. I'm sorry, in northern Nevada you don't have the
14 slides. But on slide on page 59 misrepresents the
15 application process. As for the advisory board slide uses
16 the word county as it's in the regs as the entity to which
17 the number of licenses are given. The actual application,
18 which included in the packet, uses the word jurisdiction,
19 completely changed from the regs.
20 Additionally on page 59 the regs are accurately
21 represented as they pertain to the anti-monopolistic measures
22 as the Department does not issue to any person, group of
23 persons, or entity granted the one license or more than ten
24 person of the allocable retail licenses.

1 Unfortunately, the Division ignores that and
2 allows at least two or three of the companies, Essence being
3 one of them, Essence Tropicana and Essence Henderson to be
4 considered as separate entities.
5 I have provided for you in these packages that
6 Essence's own claims that they are all one company, they have
7 three stores, and one of them is their most popular one or
8 busiest one, and their notice of sale where they're all
9 included as one company, yet the Division allowed them to
10 apply and receive licenses as separate.
11 On page 58, and quite personally bothersome, as I
12 scheduled an entire half day to meet with the Division, the
13 Division presented a slide in which five criterion on the
14 application were merged into two. Yet, the regs clearly
15 provide that we would receive a score for each criterion.
16 I've included the regs in this package.
17 We have never received the scores as required by
18 the regs. But, worse yet, the Division insists on presenting
19 misleading information to the public and government agencies
20 by presenting this kind of material in a public forum.
21 Given the Chair's pledge to agendize this item
22 and the continued efforts of the Division to mislead all
23 involved, I personally on behalf of many who are too scared
24 to show up here due to the intimidation factor that this item

1 is placed on your next agenda. I appreciate your time.
2 CHAIRMAN DEVOLLD: Thank you.
3 Is there any other public comment in Las Vegas?
4 Is there any public comment on the telephone?
5 Is there any public comment in Carson City?
6 Okay. The next item is items for future agendas.
7 Can we all agree that we will put an item on the agenda for
8 the next meeting relating to the last public comment and have
9 that on the agenda?
10 MEMBER LIPMAN: I would also suggest that the
11 handout that we received from the commenter is distributed to
12 all the commissioners.
13 CHAIRMAN DEVOLLD: Yeah, that would be
14 beneficial. It's hard to respond to slides that we don't
15 have. So that would be terrific. Okay.
16 MEMBER KELESIS: I would be in support of putting
17 an action item on.
18 CHAIRMAN DEVOLLD: I'm sorry. I apologize.
19 Commissioner Kelesis, could you say that again.
20 MEMBER KELESIS: I'm responding to your question,
21 Mr. Chair. I would be in support of putting an action item
22 on the next agenda regarding the marijuana.
23 CHAIRMAN DEVOLLD: Thank you.
24 Okay. If there's no other items for future

1 agendas, we stand adjourned. We'll go in to an
2 attorney/client meeting in ten minutes. Five minutes.
3 (Hearing concluded at 12:23 p.m.)
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STATE OF NEVADA)
)ss.
COUNTY OF WASHOE)

I, CHRISTY Y. JOYCE, Official Court Reporter for the State of Nevada, Department of Taxation, do hereby certify:

That on Monday, the 4th day of March, 2019, I was present at the offices of Nevada Division of Public and Behavioral Health, 4150 Technology Way, Room 303, Carson City, Nevada, for the purpose of reporting in verbatim stenotype notes the within-entitled public meeting;

That the foregoing transcript, consisting of pages 1 through 112, inclusive, includes a full, true and correct transcription of my stenotype notes of said public meeting.

Dated at Reno, Nevada, this 18th day of March, 2019.

CHRISTY Y. JOYCE, CCR
Nevada CCR #625

Electronically Filed
5/6/2019 3:51 PM
Steven D. Grierson
CLERK OF THE COURT

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3800 Howard Hughes Parkway, 17th Floor
Las Vegas, Nevada 89169
Telephone: (702) 385-6000
Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

SERENITY WELLNESS CENTER, LLC, a Nevada limited liability company, TGIG, LLC, a Nevada limited liability company, NULEAF INCLINE DISPENSARY, LLC, a Nevada limited liability company, NEVADA HOLISTIC MEDICINE, LLC, a Nevada limited liability company, TRYKE COMPANIES SO NV, LLC a Nevada limited liability company, TRYKE COMPANIES RENO, LLC, a Nevada limited liability company, PARADISE WELLNESS CENTER, LLC, a Nevada limited liability company, GBS NEVADA PARTNERS, LLC, a Nevada limited liability company, FIDELIS HOLDINGS, LLC, a Nevada limited liability company, GRAVITAS NEVADA, LLC, a Nevada limited liability company, NEVADA PURE, LLC, a Nevada limited liability company, MEDIFARM, LLC, a Nevada limited liability company; DOE PLAINTIFFS I through X; and ROE ENTITIES I through X, Plaintiffs, vs. THE STATE OF NEVADA, DEPARTMENT OF TAXATION, Defendant.	Case No.: A-19-786962-B Dept. No.: XI **NOTICE OF FILING BRIEF IN SUPPORT OF MOTION FOR PRELIMINARY INJUNCTION** Hearing Date: May 24, 2019

Pursuant to the parties' stipulation on briefing and the Court's prior order from the April 22, 2019 hearing, Plaintiffs MM Development Company, Inc. and LivFree Wellness, LLC dba

Case Number: A-19-786962-B

KEMP, JONES & COULTHARD, LLP
3800 Howard Hughes Parkway
Seventeenth Floor
Las Vegas, Nevada 89169
(702) 385-6000 • Fax (702) 385-6001
kjc@kempjones.com

The Dispensary have filed a brief in support of the Serenity Wellness Center, LLC Motion for Preliminary Injunction.

Plaintiffs MM Development Company, Inc. and LivFree Wellness, LLC dba The Dispensary hereby provide notice to all parties that their brief was filed in the following matter: MM Development Company Inc., et al v. State of Nevada Department of Taxation, Eighth Judicial District Court Case No. A-18-785818-W on May 6, 2019.

DATED this May 6, 2019.

KEMP, JONES & COULTHARD LLP

/s/ Nathanael Rulis

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CERTIFICATE OF SERVICE

I hereby certify that on the 6th day of March, 2019, I served a true and correct copy of the foregoing **Notice Of Filing Brief In Support Of Motion For Preliminary Injunction** via the Court's electronic filing system only, pursuant to the Nevada Electronic Filing and Conversion Rules, Administrative Order 14-2, to all parties currently on the electronic service list.

/s/ Ali Augustine
An employee of Kemp, Jones & Coulthard, LLP

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Clear River, LLC

DISTRICT COURT

CLARK COUNTY, NEVADA

SERENITY WELLNESS CENTER, LLC, a Nevada limited liability company, TGIG, LLC, a Nevada limited liability company, NULEAF INCLINE DISPENSARY, LLC, a Nevada limited liability company, NEVADA HOLISTIC MEDICINE, LLC, a Nevada limited liability company, TRYKE COMPANIES SO NV., LLC, a Nevada limited liability company, TRYKE COMPANIES RENO, LLC, a Nevada limited liability company, PARADISE WELLNESS CENTER, LLC, a Nevada limited liability company, GBS NEVADA, LLC, a Nevada limited liability company, FIDELIS HOLDINGS, LLC, a Nevada limited liability company, GRAVITAS NEVADA, LLC, a Nevada limited liability company, NEVADA PURE, LLC, a Nevada limited liability company, MEDIFARM, LLC, a Nevada limited liability company, DOE PLAINTIFFS I through X; and ROE ENTITY PLAINTIFFS I through X, Plaintiffs, STATE OF NEVADA, DEPARTMENT OF TAXATION, Defendant. CLEAR RIVER, LLC, a Nevada limited liability company, Applicant in Intervention	Case No, A-19-786962-B Dept. No. 11 **CLEAR RIVER, LLC'S ANSWER TO PLANTIFFS' COMPLAINT**

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Defendant in Intervention Clear River, LLC ("Clear River"), by and through its counsel, hereby answers to the Complaint filed by Plaintiffs Serenity Wellness Center, LLC, TGIG, LLC, Nuleaf Incline Dispensary, LLC, Nevada Holistic Medicine, LLC, Tryke Companies So NV, LLC, Tryke Companies Reno, LLC, Paradise Wellness Center, LLC, GBS Nevada Partners, LLC, Fidelis Holdings, LLC, Gravitas Nevada, LLC, Nevada Pure, LLC, and Medifarm, LLC, and (collectively "Plaintiffs"). Clear River states as follows:

Clear River denies each and every allegation in the complaint except those allegations that are admitted, qualified, or otherwise answered herein.

I. PARTIES & JURISDICTION

1. Answering paragraph 1 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

2. Answering paragraph 2 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

3. Answering paragraph 3 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

4. Answering paragraph 4 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

5. Answering paragraph 5 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

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6. Answering paragraph 6 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

7. Answering paragraph 7 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

8. Answering paragraph 8 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

9. Answering paragraph 9 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

10. Answering paragraph 10 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

11. Answering paragraph 11 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

12. Answering paragraph 12 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

13. Answering paragraph 13 of the Complaint, Clear River admits that the Department of Taxation is an agency of the State of Nevada. Clear River states that the duties of the Department are outlined by applicable law and regulation. Clear River admits the allegations

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in this paragraph only insofar as they accurately reflect these laws and regulations.

14. Answering paragraph 14 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

15. Answering paragraph 15 of the Complaint, no response is required as the allegations contained therein are Plaintiff's legal conclusions. To the extent a response is required, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

II. GENERAL ALLEGATIONS

16. Answering paragraph 16 of the Complaint, Clear River states that Assembly Bill 422 speaks for itself. No response is required as the allegations in contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis denies these allegations.

17. Answering paragraph 17 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions and statements regarding the contents of laws or regulations. To the extent a response is required, and the allegations state the laws or regulations reference therein, Clear River admits these allegations.

18. Answering paragraph 18 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions and statements regarding the contents of laws or regulations. To the extent a response is required, and the allegations state the laws or regulations reference therein, Clear River admits these allegations.

19. Answering paragraph 19 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions and statements regarding the

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contents of laws or regulations. To the extent a response is required, and the allegations state the laws or regulations reference therein, Clear River admits these allegations.

20. Answering paragraph 20 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions and statements regarding the contents of laws or regulations. To the extent a response is required, and the allegations state the laws or regulations reference therein, Clear River admits these allegations.

21. Answering paragraph 21 of the Complaint, Clear River states that the August 16, 2018 letter from the Department speaks for itself and no response is required. To the extent a response is required, and the allegations accurately state the contents of the document referenced therein, Clear River admits these allegations.

22. Answering paragraph 22 of the Complaint, Clear River admits these allegations.

23. Answering paragraph 23 of the Complaint, Clear River admits these allegations.

24. Answering paragraph 24 and subparagraphs 24(a)-(h) of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions and statements regarding the contents of laws or regulations. These laws and regulations speak for themselves. To the extent a response is required, and the allegations state the laws or regulations reference therein, Clear River admits these allegations.

25. Answering paragraph 25 of the Complaint, no response is required as the allegations therein reference a document that speaks for itself. To the extent a response is required, and the allegations accurately state the contents of the document referenced therein, Clear River admits these allegations.

26. Answering paragraph 26 of the Complaint, no response is required as the allegations therein reference a document that speaks for itself. To the extent a response is required, and the allegations state the laws or regulations reference therein, Clear River admits

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these allegations.

27. Answering paragraph 27 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions and statements regarding the contents of laws or regulations. To the extent a response is required, and the allegations state the laws or regulations reference therein, Clear River denies these allegations.

28. Answering paragraph 28 of the Complaint, Clear River admits that the Department of Taxation announced it would issue recreational retail store licenses no later than December 5, 2018. Clear River denies these allegations to the extent that it imposes a legal obligation on the Department that is inconsistent or outside of the requirements set forth in Nev. Rev. Stat. § 453D.210.

29. Answering paragraph 29 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis deny these allegations.

30. Answering paragraph 30 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis deny these allegations.

31. Answering paragraph 31 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis deny these allegations.

32. Answering paragraph 32 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis deny these allegations.

33. Answering paragraph 33 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on

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that basis deny these allegations.

34. Answering paragraph 34 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis deny these allegations. Insofar as the allegations pertain to Clear River, Clear River denies these allegations.

35. Answering paragraph 35 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on that basis deny these allegations. Insofar as the allegations pertain to Clear River, Clear River denies these allegations.

III.

CLAIMS FOR RELIEF
FIRST CLAIM FOR RELIEF
(Violation of Civil Rights)
(Due Process; Deprivation of Property)
(U.S. Const., Amendment XIV; Nev. Const. Art. 1, Sec. 1, 8; Title 42 U.S.C. § 1983)

36. Answering paragraph 36 of the Complaint, Clear River hereby repeats and realleges its answers to paragraph 1 through 35 above and incorporates the same herein by reference as though fully set forth herein.

37. Answering paragraph 37 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

38. Answering paragraph 38 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

39. Answering paragraph 39 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is

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required, Clear River denies these allegations.

40. Answering paragraph 40 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

41. Answering paragraph 41 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

42. Answering paragraph 42 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

43. Answering paragraph 43 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

44. Answering paragraph 44 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

45. Answering paragraph 45 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

46. Answering paragraph 46 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

47. Answering paragraph 47 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is

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required, Clear River denies these allegations.

48. Answering paragraph 48 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

49. Answering paragraph 49 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

50. Answering paragraph 50 and subparagraphs 50(a)-(g) of the Complaint, no response is required as the allegations contained therein are not factual in nature and/or contain legal conclusions. To the extent a response is required, Clear River denies these allegations.

51. Answering paragraph 51 of the Complaint, no response is required as the allegations contained therein are not factual in nature and/or contain legal conclusions. To the extent a response is required, Clear River denies these allegations.

52. Answering paragraph 52 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

53. Answering paragraph 53 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

54. Answering paragraph 54 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

55. Answering paragraph 55 of the Complaint, Clear River is without sufficient knowledge or information as to the truth or falsity of the allegations contained therein, and on

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that basis denies these allegations.

56. Answering paragraph 56 of the Complaint, Clear River denies these allegations.

57. Answering paragraph 57 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

58. Answering paragraph 58 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

59. Answering paragraph 59 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

60. Answering paragraph 60 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

61. Answering paragraph 61 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

SECOND CLAIM FOR RELIEF
(Violation of Civil Rights)
(Due Process: Deprivation of Liberty)
(U.S. Const., Amendment XIV; Nev. Const. Art. 1, Sec. 1, 8; Title 42 U.S.C. § 1983)

62. Answering paragraph 62 of the Complaint, Clear River hereby repeats and realleges its answers to paragraph 1 through 61 above and incorporates the same herein by reference as though fully set forth herein.

63. Answering paragraph 63 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is

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required, Clear River denies these allegations.

64. Answering paragraph 64 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

65. Answering paragraph 65 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

66. Answering paragraph 66 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

67. Answering paragraph 67 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

68. Answering paragraph 68 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

69. Answering paragraph 69 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

THIRD CLAIM FOR RELIEF
(Violation of Civil Rights)
(Equal Protection)
(U.S. Const., Amendment XIV; Nev. Const. Art. 1, Sec. 1; Title 42 U.S.C. § 1983)

70. Answering paragraph 70 of the Complaint, Clear River hereby repeats and realleges its answers to paragraph 1 through 69 above and incorporates the same herein by reference as though fully set forth herein.

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71. Answering paragraph 71 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

72. Answering paragraph 72 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

73. Answering paragraph 73 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

74. Answering paragraph 74 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

FOURTH CLAIM FOR RELIEF

(Petition for Judicial Review)

75. Answering paragraph 75 of the Complaint, Clear River hereby repeats and realleges its answers to paragraph 1 through 74 above and incorporates the same herein by reference as though fully set forth herein.

76. Answering paragraph 76 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

77. Answering paragraph 77 of the Complaint, no response is required as the allegations contained therein are Plaintiffs' legal conclusions. To the extent a response is required, Clear River denies these allegations.

78. Answering paragraph 78 of the Complaint, no response is required as the

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