

**IN THE SUPREME COURT OF THE STATE OF NEVADA**

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GREENMART OF NEVADA NLV LLC, a Nevada Limited Liability  
Company; NEVADA ORGANIC REMEDIES, LLC; and LONE  
MOUNTANT PARTNERS, LLC,

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Elizabeth A. Brown  
Clerk of Supreme Court

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 WELLNESS CENTER, LLC; GBS NEVADA  
PARTNERS, LLC; FIDELIS HOLDINGS, LLC; GRAVITAS NEVADA,  
LLC; NEVADA PURE, LLC; MEDIFARM, LLC; MEDIFARM, IV LLC;  
and THE STATE OF NEVADA, DEPARTMENT OF TAXATION,

Respondents.

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ON APPEAL FROM THE EIGHTH JUDICIAL DISTRICT COURT  
CASE No. A-19-786962-B

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**THE STATE OF NEVADA EX REL. DEPARTMENT OF  
TAXATION'S ANSWERING BRIEF**

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## SUMMARY OF ARGUMENT AND ARGUMENT

Respondent, The State of Nevada ex rel. The Department of Taxation, agrees with the position of Nevada Organic Remedies, LLC. Nevada Revised Statutes 453D.200(6) is ambiguous. The Department of Taxation's interpretation, which gave rise to Nevada Administrative Code 453D.255(1) is by far the best interpretation. The district court erred by concluding that the Department of Taxation violated Nevada's constitutional prohibition on amending an initiative on an issue where the Department of Taxation is entitled to "great deference. *State of Nev. ex. rel. Div. of Ins. v. State Farm Mut. Auto. Ins. Co.*, 116 Nev. 290, 293, 995 P.2d 482, 485 (2000) (internal quotations omitted).

As will be more fully explained in its answering brief to Greenmart of Nevada NLV, LLC's opening brief, Ballot Question 2, or the Regulation and Taxation of Marijuana Act, does not define the phrases "prospective," "owner," "officer," or "board member." *See* NRS 453D.200(6). Subsection 6's lack of a definition of "prospective" is especially challenging from an interpretation point of view since it could conceivably apply to individual owners of a single share in a publicly-traded corporation, which may change each second of a trading day on a listed exchange. But such a

draconian interpretation would hardly be consistent with necessary or convenient regulations (NRS 453D.200(1)) or public safety and security, which is clearly the intended purpose of the background check requirement. The Department of Taxation's adoption of Nevada Administrative Code 453D.255(1) is a rational interpretation of an ambiguous statute and wholly consistent with the purpose of NRS 453D.200(6)'s background check requirement.

### **CONCLUSION**

As will be more fully explained in its answering brief to Greenmart of Nevada NLV, LLC's opening brief, the Department of Taxation urges this Court to vacate the district court's preliminary injunction order.

Dated this 12th day of February, 2020.

AARON D. FORD  
Attorney General

By: /s/ Steve Shevorski  
Steve Shevorski (Bar No. 8256)  
Chief Litigation Counsel

## CERTIFICATE OF COMPLIANCE

1. I hereby certify that this brief complies with the formatting requirements of NRAP 32(a)(4), the typeface requirements of NRAP 32(a)(5) and the type style requirements of NRAP 32(a)(6) because:

☒ This brief has been prepared in a proportionally spaced typeface using Microsoft Word 2010 in 14 pt. font and Century Schoolbook; or

☐ This brief has been prepared in a monospaced typeface using [state name and version of word processing program] with [state number of characters per inch and name of type style].

2. I further certify that this brief complies with the page- or type volume limitations of NRAP 32(a)(7) because, excluding the parts of the brief exempted by NRAP 32(a)(7)(C), it is either:

☒ Proportionately spaced, has a typeface of 14 points or more and contains 294 words; or

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☐ Does not exceed \_\_\_\_ pages.

3. Finally, I hereby certify that I have read this appellate brief, and to the best of my knowledge, information, and belief, it is not frivolous or

interposed for any improper purpose. I further certify that this brief complies with all applicable Nevada Rules of Appellate Procedure, in particular NRAP 28(e)(1), which requires every assertion in the brief regarding matters in the record to be supported by a reference to the page and volume number, if any, of the transcript or appendix where the matter relied on is to be found. I understand that I may be subject to sanctions in the event that the accompanying brief is not in conformity with the requirements of the Nevada Rules of Appellate Procedure.

Dated this 12th day of February, 2020.

AARON D. FORD  
Attorney General

By: /s/ Steve Shevorski  
Steve Shevorski  
Chief Litigation Counsel

## CERTIFICATE OF SERVICE

I hereby certify that I electronically filed the foregoing document with the Clerk of the Court by using the electronic filing system on the 12th day of February, 2020, and e-served the same on all parties listed on the Court's Master Service List.

*/s/ Traci Plotnick*

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Traci Plotnick, an employee of  
the office of the Nevada Attorney General