

IN THE SUPREME COURT OF THE STATE OF NEVADA

\*\*\*

GREENMART OF NEVADA NLV  
LLC, A NEVADA LIMITED  
LIABILITY COMPANY; NEVADA  
ORGANIC REMEDIES, LLC,

*Appellants,*

vs.

ETW MANAGEMENT GROUP LLC,  
A NEVADA LIMITED LIABILITY  
COMPANY; GLOBAL HARMONY  
LLC, A NEVADA LIMITED  
LIABILITY COMPANY; GREEN  
LEAF FARMS HOLDINGS LLC, A  
NEVADA LIMITED LIABILITY  
COMPANY; HERBAL CHOICE INC.,  
A NEVADA LIMITED LIABILITY  
COMPANY; JUST QUALITY, LLC, A  
NEVADA LIMITED LIABILITY  
COMPANY; LIBRA WELLNESS  
CENTER, LLC, A NEVADA LIMITED  
LIABILITY COMPANY; MOTHER  
HERB, INC., A NEVADA LIMITED  
LIABILITY COMPANY; GBS  
NEVADA PARTNERS, LLC, A  
NEVADA LIMITED LIABILITY  
COMPANY; NEVCANN LLC, A  
NEVADA LIMITED LIABILITY  
COMPANY; RED EARTH LLC, A  
NEVADA LIMITED LIABILITY  
COMPANY; THC NEVADA LLC, A  
NEVADA LIMITED LIABILITY  
COMPANY; ZION GARDENS LLC, A  
NEVADA LIMITED LIABILITY  
COMPANY; and STATE OF  
NEVADA, DEPARTMENT OF  
TAXATION,<sup>1</sup>

*Respondents.*

ETW MANAGEMENT GROUP LLC, a  
Nevada limited liability company;  
GLOBAL HARMONY LLC, a Nevada

SUPREME COURT CASE NO.  
79669

Electronically Filed  
Dec 20, 2019 03:29 p.m.  
CASE NO.: Dec 19/2019-03  
DEPT NO.: Elizabeth A. Brown  
Clerk of Supreme Court  
**RESPONSE TO ORDER TO  
SHOW CAUSE**

<sup>1</sup> Appellants' caption failed to include GREEN THERAPEUTICS LLC, ROMBOUGH REAL ESTATE INC. dba MOTHER HERB, and MMOF VEGAS RETAIL, INC. and incorrectly named MOTHER HERB, INC. and GBS NEVADA PARTNERS.

limited liability company; GREEN LEAF FARMS HOLDINGS LLC, a Nevada limited liability company; GREEN THERAPEUTICS LLC, a Nevada limited liability company; HERBAL CHOICE INC., a Nevada corporation; JUST QUALITY, LLC, a Nevada limited liability company; LIBRA WELLNESS CENTER, LLC, a Nevada limited liability company; ROMBOUGH REAL ESTATE INC. dba MOTHER HERB, a Nevada corporation; NEVCANN LLC, a Nevada limited liability company; RED EARTH LLC, a Nevada limited liability company; THC NEVADA LLC, a Nevada limited liability company; ZION GARDENS LLC, a Nevada limited liability company; and MMOF VEGAS RETAIL, INC., a Nevada corporation,

*Respondent/Cross-Appellants,*

v.

STATE OF NEVADA, DEPARTMENT OF TAXATION, a Nevada administrative agency.

*Respondent.*

///

///

///

///

///

**RESPONSE TO ORDER TO SHOW CAUSE**

**BROWNSTEIN HYATT FARBER SCHRECK, LLP**  
ADAM K. BULT, ESQ., Nevada Bar No. 9332  
MAXIMILIEN D. FETAZ, ESQ., Nevada Bar No. 12737  
TRAVIS F. CHANCE, ESQ., Nevada Bar No. 13800  
100 N. City Parkway, Suite 1600  
Las Vegas, NV 89106  
Telephone: 702.382-2101  
Facsimile: 702.382.8135

**JENNINGS & FULTON, LTD.**  
ADAM R. FULTON, ESQ., Nevada Bar No. 11572  
2580 Sorrel Street  
Las Vegas, NV 89146  
Telephone: 702.979.3565  
Facsimile: 702.362.2060

*Attorneys for ETW MANAGEMENT GROUP LLC, GLOBAL HARMONY LLC,  
GREEN LEAF FARMS HOLDINGS LLC, GREEN THERAPEUTICS LLC,  
HERBAL CHOICE INC., JUST QUALITY, LLC, LIBRA WELLNESS CENTER,  
LLC, ROMBOUGH REAL ESTATE INC. dba MOTHER HERB, NEVCANN LLC,  
RED EARTH LLC, THC NEVADA LLC, ZION GARDENS LLC, and MMOF  
VEGAS RETAIL, INC. (collectively the “ETW Parties”)*

The ETW Parties, by and through their undersigned counsel of record, hereby file this Response to the Order to Show Cause issued on November 21, 2019.

**I. INTRODUCTION**

On November 21, 2019, this Court entered an Order to Show Cause as to why the appeals and cross-appeal in this case should not be dismissed. This Court is concerned with two issues, which call into question the jurisdictional viability of the appeal: (1) the fact that the appealed August 23, 2019, Findings of Fact and Conclusions of Law Granting Preliminary Injunction (the “Preliminary Injunction Order”) was filed only in case A-19-786962-B, and not in the other five district court cases, which could deprive this Court of jurisdiction over the cases where no Preliminary Injunction Order was filed; and (2) in case A-19-787540-W, Nevada Wellness Center, LLC filed a tolling motion pursuant to NRCP 52(b), which could render the appeal and cross-appeal untimely. Both of these concerns have been

resolved by actions in the district court, and therefore, the appeal is viable under the Nevada Rules of Appellate Procedure. Thus, the ETW Parties ask that this Court decline to dismiss the appeals and cross-appeal in this matter, as there are no jurisdictional defects.

## **II. DISCUSSION**

### **A. Coordination of the Preliminary Injunction Order**

To address this Court's first concern, at the time that the Preliminary Injunction Order was entered, the cases had all been coordinated for the purposes of that preliminary injunction hearing and resulting Preliminary Injunction Order. Judge Gonzalez specifically ordered that the following cases were coordinated for purposes of the preliminary injunction hearing: A-18-786357-W; A-19-787726-C; A-19-787540-W; A-19-787004-B; and A-18-785818-W. *See Exhibit 1*, Order Granting in Part and Denying in Part Motion to Consolidate, at 2:16-23, dated July 11, 2019. The parties to each of the five cases listed in this Court's Order to Show Cause had notice of the Preliminary Injunction Order and notice of the appeal of the Preliminary Injunction Order, as they were all present at the preliminary injunction hearing. *See Exhibit 2*, Preliminary Injunction Order, at 2–3, dated Aug. 23, 2019.

Currently, at this stage in the litigation below, Chief Judge Bell has consolidated all of the cases pending in the Eighth Judicial District Court before Judge Gonzalez in Department XI. The cases have been given the consolidated title *In Re: D.O.T. Litigation* and the consolidated Docket Number A-19-787004-B. *See Exhibit 3*, Order Granting Joint Motion to Consolidate, dated Dec. 6, 2019. Given that these cases have now been consolidated, refiling a copy of the order in each of the former unconsolidated cases could duplicate the prior coordination and current

consolidation.<sup>2</sup> The ETW Parties maintain that this Court has proper jurisdiction over this appeal in all the coordinated cases, due to the prior coordination of the preliminary injunction hearing and order, and the current consolidations of the cases.

**B. Nevada Wellness Center, LLC’s Motion to Amend pursuant to NRCP 52(b)**

This Court’s second concern involves Nevada Wellness Center, LLC’s Motion to Amend the Preliminary Injunction Order, which was filed on September 30, 2019. Greenmart of Nevada NVL, LLC and Nevada Organic Remedies, LLC each filed a Notice of Appeal on September 25, 2019. The ETW Parties filed their Notice of Cross Appeal, challenging the same Preliminary Injunction Order, but on different grounds, on October 3, 2019. Because the initial notices of appeal were filed prior to Nevada Wellness Center, LLC’s Motion to Amend, this Court has jurisdiction to hear this appeal, and the district court is divested of jurisdiction except to the extent laid out in *Huneycutt v. Huneycutt*, 94 Nev. 79, 575 P.2d 585 (1978).

As this Court has explained, a NRCP 52(b) motion that is brought after a notice of appeal is filed divests the district court of jurisdiction, except to the extent that the *Huneycutt* procedure applies. *Foster v. Dingwall*, 126 Nev. 49, 52 n.1, 228 P.3d 453, 455 n.1 (2010). As explained in *Hunneycutt*, “the perfection of an appeal divests the district court of jurisdiction to act except with regard to matters

---

<sup>2</sup>While this Court has advised in footnote 3 of its Order to Show Cause that any appellate defect created by the failure to file the order in each of the coordinated cases could be cured by re-filing the order in each case, this option is not available to the parties because the order was originally filed by the district court. In order for this cure to be affected, the district court would need to refile its order into each case number. However, given that the cases were already coordinated in a prior order for the purposes of the preliminary injunction hearing and order, *see* Ex. 1 at 2:16-23, and given that the district court explained in the order that it was considering various motions for preliminary injunctions and joinders filed in other case numbers, *see* Ex. 2 at 4 n.3, the ETW Plaintiffs maintain that the preliminary injunction hearing and order were properly coordinated and this Court has jurisdiction over an appeal and cross appeal of the Preliminary Injunction Order in district court case number A-19-787004-B.

collateral to or independent from the appealed order, the district court nevertheless retains a limited jurisdiction to review motions made in accordance with [the *Huneycutt*] procedure.” *Id.* In regard to motions that are not collateral or independent from the appealed order, the district court has jurisdiction to: (1) “direct briefing on the motion,” (2) “hold a hearing regarding the motion,” and (3) “enter an order denying the motion.” *Id.* at 52–53, 288 P.3d at 455. But the district court “lacks jurisdiction to enter an order granting such a motion.” *Id.* at 53, 288 P.3d at 455.

Here, because the notice of appeal was properly filed five days prior to Nevada Wellness Center, LLC’s Motion to Amend pursuant to NRCP 52(b), this Court retains jurisdiction over the appeal. Moreover, the district court is divested of jurisdiction except to the extent outlined above. As such, the appeal was not prematurely filed. Nevertheless, on November 5, 2019, the district court entered a written order denying Nevada Wellness Center, LLC’s Motion to Amend, as was within its jurisdiction under *Huneycutt*. See **Exhibit 4**, Order Regarding Nevada Wellness Center, LLC’s Motion to Amend Findings of Facts and Conclusions of Law Issued on August 23, 2019, Pursuant to NRCP 52, dated Nov. 5, 2019; see also **Exhibit 5**, Notice of Entry of Order Regarding Nevada Wellness Center, LLC’s Motion to Amend Findings of Facts and Conclusions of Law Issued on August 23, 2019, dated Dec. 6, 2019. This order cures any potential defect in this appeal under the Nevada Rules of Appellate Procedure because the tolling motion is now resolved. NRAP 4(a)(6)(explaining that if “a written disposition of the last-remaining timely motion listed in Rule 4(a)(4), is entered before dismissal of the premature appeal, the notice of appeal shall be considered filed on the date of and after entry of the order, judgment or written disposition of the last-remaining timely motion.”).

### **III. CONCLUSION**

Accordingly, the ETW Parties maintain that there is good cause to decline to

dismiss the instant appeal for two reasons. First, the Preliminary Injunction Order was coordinated by the district court across the district court cases where an appeal was filed and all parties in the appealed cases had notice of the entry of the Preliminary Injunction Order. But even if the coordination of the matters and resulting coordinated Preliminary Injunction Order was insufficient, the ETW Parties have filed a notice of entry of order in all the former unconsolidated case numbers. Second, the appeal was not prematurely filed because the notices of appeal were filed five days prior to Nevada Wellness Center, LLC's Motion to Amend. Further, even if the appeal was premature, the district court has entered a written order denying the motion prior to the dismissal of the appeal. As such, the appeal is treated as properly filed under NRAP 4(a)(6). Therefore, the instant appeal is properly before this Court and should not be dismissed.

DATED this 20th day of December, 2019.

BROWNSTEIN HYATT FARBER SCHRECK,  
LLP

*/s/ Adam K. Bult*

ADAM K. BULT, ESQ., Nevada Bar No. 9332  
MAXIMILIEN D. FETAZ, ESQ., Nevada Bar  
No. 12737

TRAVIS F. CHANCE, ESQ., Nevada Bar No.  
13800

JENNINGS & FULTON, LTD.  
ADAM R. FULTON, ESQ., Nevada Bar No.  
11572

*Attorneys for Plaintiffs*

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that the foregoing **RESPONSE TO ORDER TO SHOW CAUSE** was filed electronically with the Nevada Supreme Court on the 20th day of December, 2019. Electronic service of the foregoing document shall be made in accordance with the Master Service List as follows:

David R. Koch  
Steven B. Scow  
Daniel G. Scow  
Brody R. Wight  
KOCH & SCOW, LLC

*Counsel for Appellant/Cross-Respondent  
Nevada Organic Remedies, LLC*

Ketan D. Bhirud  
Aaron D. Ford  
Theresa M. Haar  
David J. Pope  
Steven G. Shevorski  
OFFICE OF THE ATTORNEY  
GENERAL

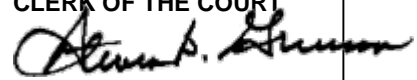
*Counsel for Respondent  
The State of Nevada Department of  
Taxation*

Margaret A. McLetchie  
Alina M. Shell  
MCLEATCHIE LAW

*Counsel for Appellant  
GreenMart of Nevada NLV, LLC*

/s/ Ebony S. Davis  
an employee of Brownstein Hyatt Farber Schreck, LLP

# **EXHIBIT 1**



**ORDR**  
AARON FORD  
Attorney General  
Ketan D. Bhirud (Bar No. 10515)  
Chief Litigation Counsel  
Steve Shevorski (Bar No. 8256)  
Head of Complex Litigation  
David J. Pope (Bar No. 8617)  
Chief Deputy Attorney General  
Theresa M. Haar (Bar No. 12158)  
Senior Deputy Attorney General  
Office of the Attorney General  
555 E. Washington Ave, Suite 3900  
Las Vegas, NV 89101  
(702) 486-3420 (phone)  
(703) 486-3773 (fax)  
kbhirud@ag.nv.gov  
sshevorski@ag.nv.gov  
dpope@ag.nv.gov  
thaar@ag.nv.gov  
*Attorneys for the State of Nevada*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

ETW MANAGEMENT GROUP, LLC, a  
Nevada limited liability company; GLOBAL  
HARMONY LLC, a Nevada limited liability  
company, GREEN LEAF FARMS  
HOLDINGS, LLC, a Nevada limited  
liability company; GREEN  
THERAPEUTICS LLC, a Nevada limited  
liability company; HERBAL CHOICE INC.,  
a Nevada corporation; JUST QUALITY,  
LLC, a Nevada limited liability company;  
LIBRA WELLNESS CENTER, LLC, a  
Nevada limited liability company;  
ROMBOUGH REAL ESTATE INC., dba  
MOTHER HERB, a Nevada corporation;  
NEVCANN LLC, a Nevada limited liability  
company; THC NEVADA LLC, a Nevada  
limited liability company; and ZION  
GARDENS LLC, a Nevada limited liability  
company,

Plaintiffs,

vs.

Case No. A-19-787004-B  
Dept. No. 11

**ORDER GRANTING IN PART AND  
DENYING IN PART MOTION TO  
CONSOLIDATE**

Hearing Date: May 13, 2019  
Hearing Time: 9:00 am

1 STATE OF NEVADA, DEPARTMENT OF  
2 TAXATION, n Nevada administrative  
3 agency; DOES 1 through 20, inclusive; and  
4 ROE CORPORATIONS 1 through 20,  
5 inclusive,

6 Defendants.

7 and

8 ALL RELATED INTERVENORS.

9 This matter came on for hearing before the Court on May 13, 2019, on the Motion to  
10 Consolidate filed by the State of Nevada ex. rel. the Department of Taxation (Department).  
11 Steve Shevorski appeared for the Department. Dennis Kennedy appeared for D.H.  
12 Flamingo, Inc. Adam Fulton appeared for ACC Enterprises, LLC.

13 The Court having reviewed the motion and the oppositions filed by D.H. Flamingo,  
14 Inc. and ACC Enterprises, LLC, and for good cause appearing, makes the following findings  
15 and orders:

16 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Department's  
17 motion to consolidate on order shortening time is granted in part and denied in part.

18 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the  
19 Department's motion is granted to the extent that under Eighth Judicial District Court  
20 Rule 2.50(b), the following matters shall be coordinated for purposes of the motion for  
21 preliminary injunction being heard by this Court beginning on May 24, 2019:

- 22 • MM Development, A-18-785818-W (8<sup>th</sup> JD);
- 23 • Compassionate Team of LV, A-18-786357-W (8<sup>th</sup> JD);
- 24 • ETW Management Group, A-19-787004-B (8<sup>th</sup> JD);
- 25 • Nevada Wellness Center, A-19-787540-W (8<sup>th</sup> JD);
- 26 • Serenity Wellness Center, A-19-786962-B (8<sup>th</sup> JD);
- 27 • High Sierra Holistics, A-19-787726-C (8<sup>th</sup> JD).

28 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the  
Department's motion is denied to the extent that the following matters shall not be  
coordinated:

- ACC Enterprises, A-19-786888-J (8<sup>th</sup> JD);
- D.H. Flamingo, A-19-787035-C (8<sup>th</sup> JD); and

...

1 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the  
2 Department's request to consolidate any of the above-referenced cases under Eighth  
3 Judicial District Court Rule 2.50(a) and/or Nevada Rule of Civil Procedure 42(a)(2) is  
4 denied.

5 IT IS SO ORDERED this 2 day of July, 2019.

6  
7  
8   
DISTRICT COURT JUDGE  
9

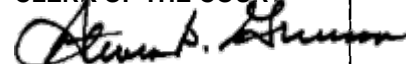
10 Respectfully submitted by:

11 AARON D. FORD  
12 Attorney General

13 By: 

Ketan D. Bhirud (Bar No. 10515)  
14 Chief Litigation Counsel  
15 Steve Shevorski (Bar No. 8256)  
16 Head of Complex Litigation  
17 David J. Pope (Bar No. 8617)  
Chief Deputy Attorney General  
Theresa M. Haar (Bar No. 12158)  
Senior Deputy Attorney General

# **EXHIBIT 2**



FFCL

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 ENTITY PLAINTIFFS I through X,

Plaintiff(s),

vs.

THE STATE OF NEVADA, DEPARTMENT OF TAXATION,

Defendant(s).

and

NEVADA ORGANIC REMEDIES, LLC; INTEGRAL ASSOCIATES LLC d/b/a ESSENCE CANNABIS DISPENSARIES, a Nevada limited liability company; ESSENCE TROPICANA, LLC, a Nevada limited liability company; ESSENCE HENDERSON, LLC, a Nevada limited liability company; CPCM HOLDINGS, LLC d/b/a THRIVE CANNABIS MARKETPLACE, COMMERCE PARK MEDICAL, LLC, a Nevada limited liability company; and CHEYENNE MEDICAL, LLC, a Nevada limited liability company; LONE MOUNTAIN PARTNERS, LLC, a Nevada

Case No. A-19-786962-B  
Dept. No. 11

FINDINGS OF FACT AND  
CONCLUSIONS OF LAW GRANTING  
PRELIMINARY INJUNCTION

CLERK OF THE COURT

RECEIVED  
AUG 23 2019

1 limited liability partnership; HELPING HANDS  
2 WELLNESS CENTER, INC., a Nevada  
3 corporation; GREENMART OF NEVADA  
4 NLV LLC, a Nevada limited liability company;  
5 and CLEAR RIVER, LLC,

Intervenors.

5 This matter having come before the Court for an evidentiary hearing on Plaintiffs' Motion for  
6 Preliminary Injunction beginning on May 24, 2019, and occurring day to day thereafter until its  
7 completion on August 16, 2019;<sup>1</sup> Dominic P. Gentile, Esq., Vincent Savarese III, Esq., Michael V.  
8 Cristalli, Esq., and Ross J. Miller, Esq., of the law firm Gentile Cristalli Miller Armeni Savarese,  
9 appeared on behalf of Serenity Wellness Center, LLC, TGIG, LLC, Nuleaf Incline Dispensary, LLC,  
10 Nevada Holistic Medicine, LLC, Tryke Companies SO NV, LLC, Tryke Companies Reno, LLC,  
11 Paradise Wellness Center, LLC, GBS Nevada Partners, LLC, Fidelis Holdings, LLC, Gravitas Nevada,  
12 LLC, Nevada Pure, LLC, Medifarm, LLC (Case No. A786962-B) (the "Serenity Plaintiffs"); Adam K.  
13 Bult, Esq. and Maximilien D. Fetaz, Esq., of the law firm Brownstein Hyatt Farber Schreck, LLP,  
14 appeared on behalf of Plaintiffs ETW Management Group LLC, Global Harmony LLC, Green Leaf  
15 Farms Holdings LLC, Green Therapeutics LLC, Herbal Choice INC., Just Quality, LLC, Libra  
16 Wellness Center, LLC, Rombough Real Estate Inc. dba Mother Herb, NevCann LLC, Red Earth LLC,  
17 THC Nevada LLC, Zion Gardens LLC, and MMOF Vegas Retail, Inc. (Case No. A787004-B) ( the  
18 "ETW Plaintiffs"); William S. Kemp, Esq. and Nathaniel R. Rulis, Esq., of the law firm Kemp, Jones  
19 & Coulthard LLP, appeared on behalf of MM Development Company, Inc. and LivFree Wellness LLC  
20 (Case No. A785818-W) (the "MM Plaintiffs"); Theodore Parker III, Esq., of the law firm Parker  
21 Nelson & Associates, appeared on behalf of Nevada Wellness Center (Case No. A787540-W)  
22 (collectively the "Plaintiffs"); Steven G. Shevorski, Esq., Ketan D. Bhirud, Esq., and Theresa M. Haar,  
23 Esq., of the Office of the Nevada Attorney General, appeared on behalf of the State of Nevada,  
24 Department of Taxation; David R. Koch, Esq., of the law firm Koch & Scow LLC, appeared on behalf

25 <sup>1</sup> Although a preservation order was entered on December 13, 2018, in A785818, no discovery in any case was done  
26 prior to the commencement of the evidentiary hearing, in part due to procedural issues and to statutory restrictions on  
27 disclosure of certain information modified by SB 32 just a few days before the commencement of the hearing. As a result,  
28 the hearing was much longer than anticipated by any of the participating counsel. In compliance with SB 32, the State  
produced previously confidential information on May 21, 2019. These documents were reviewed for confidentiality by the  
Defendants in Intervention and certain redactions were made prior to production consistent with the protective order entered  
on May 24, 2019.

1 of Nevada Organic Remedies, LLC; Brigid M. Higgins, Esq. and Rusty Graf, Esq., of the law firm  
2 Black & Lobello, appeared on behalf of Clear River, LLC; Eric D. Hone, Esq., of the law firm H1 Law  
3 Group, appeared on behalf of Lone Mountain Partners, LLC; Alina M. Shell, Esq., of the law firm  
4 McLetchie Law, appeared on behalf of GreenMart of Nevada NLV LLC; Jared Kahn, Esq., of the law  
5 firm JK Legal & Consulting, LLC, appeared on behalf of Helping Hands Wellness Center, Inc.; and  
6 Joseph A. Gutierrez, Esq., of the law firm Maier Gutierrez & Associates, and Philip M. Hymanson,  
7 Esq., of the law firm Hymanson & Hymanson; Todd Bice, Esq. and Jordan T. Smith, Esq. of the law  
8 firm Pisanelli Bice; and Dennis Prince, Esq. of the Prince Law Group appeared on behalf of Integral  
9 Associates LLC d/b/a Essence Cannabis Dispensaries, Essence Tropicana, LLC, Essence Henderson,  
10 LLC, CPCM Holdings, LLC d/b/a Thrive Cannabis Marketplace, Commerce Park Medical, LLC, and  
11 Cheyenne Medical, LLC (the “Essence/Thrive Entities”). The Court, having read and considered the  
12 pleadings filed by the parties; having reviewed the evidence admitted during the evidentiary hearing;  
13 and having heard and carefully considered the testimony of the witnesses called to testify; having  
14 considered the oral and written arguments of counsel, and with the intent of deciding the Motion for a  
15 Preliminary Injunction,<sup>2</sup> makes the following preliminary findings of fact and conclusions of law:

### 16 ***PROCEDURAL POSTURE***

17 Plaintiffs are a group of unrelated commercial entities who applied for, but did not receive,  
18 licenses to operate retail recreational marijuana establishments in various local jurisdictions throughout  
19 the state. Defendant is Nevada’s Department of Taxation (“DoT”), which is the administrative agency  
20 responsible for issuing the licenses. Some successful applicants for licensure intervened as Defendants.

21 The Serenity Plaintiffs filed a Motion for Preliminary Injunction on March 19, 2019, asking for  
22 a preliminary injunction to:

- 23 a. Enjoin the denial of Plaintiffs applications;  
24 b. Enjoin the enforcement of the licenses granted;  
25 c. Enjoin the enforcement and implementation of NAC 453D;

26  
27 <sup>2</sup> The findings made in this Order are preliminary in nature based upon the limited evidence presented after very  
28 limited discovery permitted on an expedited basis and may be modified based upon additional evidence presented to the  
Court at the ultimate trial of the business court matters.

- 1 d. An order restoring the *status quo ante* prior to the DoT's adoption of NAC 453D;  
2 and  
3 e. Several orders compelling discovery.

4 This Court reviewed the Serenity Plaintiffs' Motion for Preliminary Injunction and at a hearing on  
5 April 22, 2019, invited Plaintiffs in related cases, not assigned to Business Court, to participate in the  
6 evidentiary hearing on the Motion for Preliminary Injunction being heard in Department 11 for the  
7 purposes of hearing and deciding the Motions for Preliminary Injunction.<sup>3</sup>

8 ***PRELIMINARY STATEMENT***

9 The Attorney General's Office was forced to deal with a significant impediment at the early  
10 stages of the litigation. This inability to disclose certain information was outside of its control because  
11 of confidentiality requirements that have now been slightly modified by SB 32. Although the parties  
12 stipulated to a protective order on May 24, 2019, many documents produced in preparation for the  
13 hearing and for discovery purposes were heavily redacted because of the highly competitive nature of  
14 the industry and sensitive financial and commercial information being produced.

15 All parties agree that the language of an initiative takes precedence over any regulation that is in  
16 conflict and that an administrative agency has some discretion in determining how to implement the  
17 initiative. The Court gives deference to the agency in establishing those regulations and creating the  
18 framework required to implement those provisions in conformity with the initiative.

19  
20  
21 <sup>3</sup> The complaints filed by the parties participating in the hearing seek declaratory relief, injunctive relief and writs of  
22 mandate, among other claims. The motions and joinders seeking injunctive relief which have been reviewed by the Court in  
conjunction with this hearing include:

23 A786962-B Serenity: Serenity Plaintiffs' Motion for Preliminary Injunction filed 3/19/19 (Joinder to Motion by  
24 Compassionate Team: 5/17; Joinder to Motion by ETW: 5/6 (filed in A787004); and Joinder to Motion by Nevada  
25 Wellness: 5/10 (filed in A787540)); Opposition by the State filed 5/9/19 (Joinder by Essence/Thrive Entities: 5/23);  
26 Opposition by Nevada Organic Remedies: 5/9 (Joinder by Lone Mountain: 5/13; Joinder by Helping Hands: 5/21; and  
Joinder by Essence/Thrive Entities: 5/23). Application for TRO on OST filed 5/9/19 (Joinder by Compassionate Team:  
5/17; and Joinder by ETW: 5/10 (filed in A787004)); Opposition by Nevada Organic Remedies: 5/9 (Joinder by Clear River:  
5/9); Opposition by Essence/Thrive Entities: 5/10 (Joinder by GreenMart: 5/10; Joinder by Lone Mountain: 5/11; and  
Joinder by helping Hands: 5/12).

27 A785818-W MM Development: MM Plaintiffs' Motion for Preliminary Injunction or Writ of Mandamus filed 5/9/19  
28 (Joinder by Serenity: 5/20 (filed in A786962); Joinder by ETW: 5/6 (filed in A787004 and A785818); and Joinder by  
Nevada Wellness: 5/10 (filed in A787540)).

1 The initiative to legalize recreational marijuana, Ballot Question 2 ("BQ2"), went to the voters  
2 in 2016. The language of BQ2 is independent of any regulations that were adopted by the DoT. The  
3 Court must balance the mandatory provisions of BQ2 (which the DoT did not have discretion to  
4 modify);<sup>4</sup> those provisions with which the DoT was granted some discretion in implementation;<sup>5</sup> and  
5 the inherent discretion of an administrative agency to implement regulations to carry out its statutory  
6 duties. The Court must give great deference to those activities that fall within the discretionary  
7 functions of the agency. Deference is not given where the actions of the DoT were in violation of BQ2  
8 or were arbitrary and capricious.

### 9 FINDINGS OF FACT

10 1. Nevada allows voters to amend its Constitution or enact legislation through the initiative  
11 process. Nevada Constitution, Article 19, Section 2.

12 <sup>4</sup> Article 19, Section 2(3) provides the touchstone for the mandatory provisions:

13 . . . . An initiative measure so approved by the voters shall not be amended, annulled, repealed, set aside or  
14 suspended by the Legislature within 3 years from the date it takes effect.

15 <sup>5</sup> NRS 453D.200(1) required the adoption of regulations for the licensure and oversight of recreational marijuana  
16 cultivation, manufacturing/production, sales and distribution, but provides the DoT discretion in exactly what those  
17 regulations would include.

18 . . . the Department shall adopt all regulations necessary or convenient to carry out the provisions of this chapter.  
19 The regulations must not prohibit the operation of marijuana establishments, either expressly or through regulations  
20 that make their operation unreasonably impracticable. The regulations shall include:

- 21 (a) Procedures for the issuance, renewal, suspension, and revocation of a license to operate a marijuana  
22 establishment;
- 23 (b) Qualifications for licensure that are directly and demonstrably related to the operation of a marijuana  
24 establishment;
- 25 (c) Requirements for the security of marijuana establishments;
- 26 (d) Requirements to prevent the sale or diversion of marijuana and marijuana products to persons under 21  
27 years of age;
- 28 (e) Requirements for the packaging of marijuana and marijuana products, including requirements for child-  
resistant packaging;
- (f) Requirements for the testing and labeling of marijuana and marijuana products sold by marijuana  
establishments including a numerical indication of potency based on the ratio of THC to the weight of a product  
intended for oral consumption;
- (g) Requirements for record keeping by marijuana establishments;
- (h) Reasonable restrictions on signage, marketing, display, and advertising;
- (i) Procedures for the collection of taxes, fees, and penalties imposed by this chapter;
- (j) Procedures and requirements to enable the transfer of a license for a marijuana establishment to another  
qualified person and to enable a licensee to move the location of its establishment to another suitable location;
- (k) Procedures and requirements to enable a dual licensee to operate medical marijuana establishments and  
marijuana establishments at the same location;
- (l) Procedures to establish the fair market value at wholesale of marijuana; and
- (m) Civil penalties for the failure to comply with any regulation adopted pursuant to this section or for any  
violation of the provisions of NRS 453D.300.

1           2.       In 2000, the voters amended Nevada's Constitution to allow for the possession and use  
2 of marijuana to treat various medical conditions. Nevada Constitution, Article 4, Section 38(1)(a). The  
3 initiative left it to the Legislature to create laws "[a]uthoriz[ing] appropriate methods for supply of the  
4 plant to patients authorized to use it." Nevada Constitution, Article 4, Section 38(1)(e).

5           3.       For several years prior to the enactment of BQ2, the regulation of medical marijuana  
6 dispensaries had not been taken up by the Legislature. Some have argued in these proceedings that the  
7 delay led to the framework of BQ2.

8           4.       In 2013, Nevada's legislature enacted NRS 453A, which allows for the cultivation and  
9 sale of medical marijuana. The Legislature described the requirements for the application to open a  
10 medical marijuana establishment. NRS 453A.322. The Nevada Legislature then charged the Division of  
11 Public and Behavioral Health with evaluating the applications. NRS 453A.328.

12           5.       The materials circulated to voters in 2016 for BQ2 described its purpose as the  
13 amendment of the Nevada Revised Statutes as follows:  
14

15               Shall the *Nevada Revised Statutes* be amended to allow a person, 21 years old or older, to  
16 purchase, cultivate, possess, or consume a certain amount of marijuana or concentrated  
17 marijuana, as well as manufacture, possess, use, transport, purchase, distribute, or sell marijuana  
18 paraphernalia; impose a 15 percent excise tax on wholesale sales of marijuana; require the  
19 regulation and licensing of marijuana cultivators, testing facilities, distributors, suppliers, and  
20 retailers; and provide for certain criminal penalties?

21           6.       BQ2 was enacted by the Nevada Legislature and is codified at NRS 453D.<sup>6</sup>

22           7.       BQ2 specifically identified regulatory and public safety concerns:

23               The People of the State of Nevada proclaim that marijuana should be regulated in a manner  
24 similar to alcohol so that:

25               (a) Marijuana may only be purchased from a business that is licensed by the State of  
26 Nevada;

27               (b) Business owners are subject to a review by the State of Nevada to confirm that the  
28 business owners and the business location are suitable to produce or sell marijuana;

             (c) Cultivating, manufacturing, testing, transporting and selling marijuana will be strictly  
controlled through State licensing and regulation;

<sup>6</sup> As the provisions of BQ2 and the sections NRS 453D currently in effect (with the exception of NRS 453D.205) are identical, for ease of reference the Court cites to BQ2 as enacted by the Nevada Legislature in NRS 453D.

- 1 (d) Selling or giving marijuana to persons under 21 years of age shall remain illegal;  
2 (e) Individuals will have to be 21 years of age or older to purchase marijuana;  
3 (f) Driving under the influence of marijuana will remain illegal; and  
4 (g) Marijuana sold in the State will be tested and labeled.

5 NRS 453D.020(3).

6 8. BQ2 mandated the DoT to “conduct a background check of each prospective owner,  
7 officer, and board member of a marijuana establishment license applicant.” NRS 453D.200(6).

8 9. On November 8, 2016, by Executive Order 2017-02, Governor Brian Sandoval  
9 established a Task Force composed of 19 members to offer suggestions and proposals for legislative,  
10 regulatory, and executive actions to be taken in implementing BQ2.

11 10. The Task Force’s findings, issued on May 30, 2017, referenced the 2014 licensing  
12 process for issuing Medical Marijuana Establishment Registration Certificates under NRS 453A. The  
13 Task Force recommended that “the qualifications for licensure of a marijuana establishment and the  
14 impartial numerically scored bidding process for retail marijuana stores be maintained as in the medical  
15 marijuana program except for a change in how local jurisdictions participate in selection of locations.”

16 11. Some of the Task Force’s recommendations appear to conflict with BQ2.<sup>7</sup>

17  
18  
19 <sup>7</sup> The Final Task Force report (Exhibit 2009) contained the following statements:

20 The Task Force recommends that retail marijuana ownership interest requirements remain consistent with the  
21 medical marijuana program. . . .  
22 at 2510.

23 The requirement identified by the Task Force at the time was contained in NAC 453A.302(1) which states:

24 Except as otherwise required in subsection 2, the requirements of this chapter concerning owners of medical  
25 marijuana establishments only apply to a person with an aggregate ownership interest of 5 percent or more in a  
26 medical marijuana establishment.

27 The second recommendation of concern is:

28 The Task Force recommends that NRS 453A be changed to address companies that own marijuana establishment  
licenses in which there are owners with less than 5% ownership interest in the company. The statute should be  
amended to:

\*Limit fingerprinting, background checks and renewal of agent cards to owners officers and board members with  
5% or less cumulatively of the company to once every five years;

\*Only require owners officers and board members with 5% or more cumulatively and employees of the company to  
obtain agent registration cards; and

12. During the 2017 legislative session Assembly Bill 422 transferred responsibility for the registration, licensing, and regulation of marijuana establishments from the State of Nevada Division of Public and Behavioral Health to the DoT.<sup>8</sup>

13. On February 27, 2018, the DoT adopted regulations governing the issuance, suspension, or revocation of retail recreational marijuana licenses in LCB File No. R092-17, which were codified in NAC 453D (the "Regulations").

14. The Regulations for licensing were to be "directly and demonstrably related to the operation of a marijuana establishment." NRS 453D.200(1)(b). The phrase "directly and demonstrably related to the operation of a marijuana establishment" is subject to more than one interpretation.

---

\*Use the marijuana establishments governing documents to determine who has approval rights and signatory authority for purposes of signing ownership transfers, applications and any other appropriate legal or regulatory documents.

There was Task Force dissent on the recommendation. The concern with this recommendation was that by changing the requirements on fingerprinting and background checks, the state would have less knowledge of when an owner, officer, and board member commits an offense not allowed under current marijuana law, potentially creating a less safe environment in the state.  
at 2515-2516.

<sup>8</sup> Those provisions (a portion of which became NRS 453D.205) are consistent with BQ2:

1. When conducting a background check pursuant to subsection 6 of NRS 453D.200, the Department may require each prospective owner, officer and board member of a marijuana establishment license applicant to submit a complete set of fingerprints and written permission authorizing the Department to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

2. When determining the criminal history of a person pursuant to paragraph (c) of subsection 1 of NRS 453D.300, a marijuana establishment may require the person to submit to the Department a complete set of fingerprints and written permission authorizing the Department to forward the fingerprints to the Central Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report.

1           15.     A person holding a medical marijuana establishment registration certificate could apply  
2 for one or more recreational marijuana establishment licenses within the time set forth by the DoT in  
3 the manner described in the application. NAC 453D.268.<sup>9</sup>  
4

5 <sup>9</sup>           Relevant portions of that provision require that application be made

6           . . . by submitting an application in response to a request for applications issued pursuant to NAC 453D.260 which  
7 must include:

8 \*\*\*

9           2.     An application on a form prescribed by the Department. The application must include, without limitation:

- 10           (a) Whether the applicant is applying for a license for a marijuana establishment for a marijuana cultivation  
11 facility, a marijuana distributor, a marijuana product manufacturing facility, a marijuana testing facility or a retail  
12 marijuana store;  
13           (b) The name of the proposed marijuana establishment, as reflected in both the medical marijuana establishment  
14 registration certificate held by the applicant, if applicable, and the articles of incorporation or other documents filed  
15 with the Secretary of State;  
16           (c) The type of business organization of the applicant, such as individual, corporation, partnership, limited-liability  
17 company, association or cooperative, joint venture or any other business organization;  
18           (d) Confirmation that the applicant has registered with the Secretary of State as the appropriate type of business,  
19 and the articles of incorporation, articles of organization or partnership or joint venture documents of the applicant;  
20           (e) The physical address where the proposed marijuana establishment will be located and the physical address of  
21 any co-owned or otherwise affiliated marijuana establishments;  
22           (f) The mailing address of the applicant;  
23           (g) The telephone number of the applicant;  
24           (h) The electronic mail address of the applicant;  
25           (i) A signed copy of the Request and Consent to Release Application Form for Marijuana Establishment License  
26 prescribed by the Department;  
27           (j) If the applicant is applying for a license for a retail marijuana store, the proposed hours of operation during  
28 which the retail marijuana store plans to be available to sell marijuana to consumers;  
          (k) An attestation that the information provided to the Department to apply for the license for a marijuana  
          establishment is true and correct according to the information known by the affiant at the time of signing; and  
          (l) The signature of a natural person for the proposed marijuana establishment as described in subsection 1 of NAC  
          453D.250 and the date on which the person signed the application.

3           3.     Evidence 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 persons who are proposed to be owners, officers  
or board members of the proposed marijuana establishment.

4           4.     A description of the proposed organizational structure of the proposed marijuana establishment, including,  
without limitation:

- 5           (a) An organizational chart showing all owners, officers and board members of the proposed marijuana  
6 establishment;  
7           (b) A list of all owners, officers and board members of the proposed marijuana establishment that contains the  
8 following information for each person:  
9               (1) The title of the person;  
10               (2) The race, ethnicity and gender of the person;  
11               (3) A short description of the role in which the person will serve for the organization and his or her  
12 responsibilities;  
13               (4) Whether the person will be designated by the proposed marijuana establishment to provide written notice to  
14 the Department when a marijuana establishment agent is employed by, volunteers at or provides labor as a  
15 marijuana establishment agent at the proposed marijuana establishment;  
16               (5) Whether the person has served or is currently serving as an owner, officer or board member for another  
17 medical marijuana establishment or marijuana establishment;  
18               (6) Whether the person has served as an owner, officer or board member for a medical marijuana establishment  
19 or marijuana establishment that has had its medical marijuana establishment registration certificate or license, as  
20 applicable, revoked;

1 NRS 453D.210(6) mandated the DoT to use “an impartial and numerically scored competitive bidding  
2 process” to determine successful applicants where competing applications were submitted.

3 16. NAC 453D.272(1) provides the procedure for when the DoT receives more than one  
4 “complete” application. Under this provision the DoT will determine if the “application is complete and

5 (7) Whether the person has previously had a medical marijuana establishment agent registration card or  
6 marijuana establishment agent registration card revoked;

7 (8) Whether the person is an attending provider of health care currently providing written documentation for the  
8 issuance of registry identification cards or letters of approval;

9 (9) Whether the person is a law enforcement officer;

10 (10) Whether the person is currently an employee or contractor of the Department; and

11 (11) Whether the person has an ownership or financial investment interest in any other medical marijuana  
12 establishment or marijuana establishment.

13 5. For each owner, officer and board member of the proposed marijuana establishment:

14 (a) An attestation signed and dated by the owner, officer or board member that he or she has not been convicted of  
15 an excluded felony offense, and that the information provided to support the application for a license for a  
16 marijuana establishment is true and correct;

17 (b) A narrative description, not to exceed 750 words, demonstrating:

18 (1) Past experience working with governmental agencies and highlighting past experience in giving back to the  
19 community through civic or philanthropic involvement;

20 (2) Any previous experience at operating other businesses or nonprofit organizations; and

21 (3) Any demonstrated knowledge, business experience or expertise with respect to marijuana; and

22 (c) A resume.

23 6. Documentation concerning the size of the proposed marijuana establishment, including, without limitation,  
24 building and general floor plans with supporting details.

25 7. The integrated plan of the proposed marijuana establishment for the care, quality and safekeeping of marijuana  
26 from seed to sale, including, without limitation, a plan for testing and verifying marijuana, a transportation or  
27 delivery plan and procedures to ensure adequate security measures, including, without limitation, building security  
28 and product security.

8. A plan for the business which includes, without limitation, a description of the inventory control system of the  
proposed marijuana establishment to satisfy the requirements of NRS 453D.300 and NAC 453D.426.

9. A financial plan which includes, without limitation:

(a) Financial statements showing the resources of the applicant;

(b) If the applicant is relying on money from an owner, officer or board member, evidence that the person has  
unconditionally committed such money to the use of the applicant in the event the Department awards a license to  
the applicant and the applicant obtains the necessary approvals from the locality to operate the proposed marijuana  
establishment; and

(c) Proof that the applicant has adequate money to cover all expenses and costs of the first year of operation.

10. Evidence that the applicant has a plan to staff, educate and manage the proposed marijuana establishment on a  
daily basis, which must include, without limitation:

(a) A detailed budget for the proposed marijuana establishment, including pre-opening, construction and first-year  
operating expenses;

(b) An operations manual that demonstrates compliance with this chapter;

(c) An education plan which must include, without limitation, providing educational materials to the staff of the  
proposed marijuana establishment; and

(d) A plan to minimize the environmental impact of the proposed marijuana establishment.

11. If the application is submitted on or before November 15, 2018, for a license for a marijuana distributor,  
proof that the applicant holds a wholesale dealer license issued pursuant to chapter 369 of NRS, unless the  
Department determines that an insufficient number of marijuana distributors will result from this limitation.

12. A response to and information which supports any other criteria the Department determines to be relevant,  
which will be specified and requested by the Department at the time the Department issues a request for  
applications which includes the point values that will be allocated to the applicable portions of the application  
pursuant to subsection 2 of NAC 453D.260.

1 in compliance with this chapter and Chapter 453D of NRS, the Department will rank the applications . .  
2 . in order from first to last based on the compliance with the provisions of this chapter and chapter  
3 453D of NRS and on the content of the applications relating to . . .” several enumerated factors. NAC  
4 453D.272(1).

5 17. The factors set forth in NAC 453D.272(1) that are used to rank competing applications  
6 (collectively, the “Factors”) are:

- 7
- 8 (a) Whether the owners, officers or board members have experience operating another kind  
9 of business that has given them experience which is applicable to the operation of a marijuana  
10 establishment;
  - 11 (b) The diversity of the owners, officers or board members of the proposed marijuana  
12 establishment;
  - 13 (c) The educational achievements of the owners, officers or board members of the proposed  
14 marijuana establishment;
  - 15 (d) The financial plan and resources of the applicant, both liquid and illiquid;
  - 16 (e) Whether the applicant has an adequate integrated plan for the care, quality and  
17 safekeeping of marijuana from seed to sale;
  - 18 (f) The amount of taxes paid and other beneficial financial contributions, including, without  
19 limitation, civic or philanthropic involvement with this State or its political subdivisions, by the  
20 applicant or the owners, officers or board members of the proposed marijuana establishment;
  - 21 (g) Whether the owners, officers or board members of the proposed marijuana establishment  
22 have direct experience with the operation of a medical marijuana establishment or marijuana  
23 establishment in this State and have demonstrated a record of operating such an establishment in  
24 compliance with the laws and regulations of this State for an adequate period of time to  
25 demonstrate success;
  - 26 (h) The (unspecified) experience of key personnel that the applicant intends to employ in  
27 operating the type of marijuana establishment for which the applicant seeks a license; and
  - 28 (i) Any other criteria that the Department determines to be relevant.

18. Each of the Factors is within the DoT’s discretion in implementing the application  
process provided for in BQ2. The DoT had a good-faith basis for determining that each of the Factors  
is “directly and demonstrably related to the operation of a marijuana establishment.”

19. The DoT posted the application on its website and released the application for  
recreational marijuana establishment licenses on July 6, 2018.<sup>10</sup>

<sup>10</sup> The DoT made a change to the application after circulating the first version of the application to delete the  
requirement of a physical location. The modification resulted in a different version of the application bearing the same  
“footer” with the original version remaining available on the DoT’s website.

1           20.     The DoT utilized a question and answer process through a generic email account at  
2 marijuana@tax.state.nv.us to allow applicants to ask questions and receive answers directly from the  
3 Department, which were not consistent with NRS 453D, and that information was not further  
4 disseminated by the DoT to other applicants.

5           21.     In addition to the email question and answer process, the DoT permitted applicants and  
6 their representatives to personally contact the DoT staff about the application process.

7           22.     The application period ran from September 7, 2018 through September 20, 2018.

8           23.     The DoT accepted applications in September 2018 for retail recreational marijuana  
9 licenses and announced the award of conditional licenses in December 2018.

10          24.     The DoT used a listserv to communicate with prospective applicants.

11          25.     The DoT published a revised application on July 30, 2018. This revised application was  
12 sent to all participants in the DoT's listserv directory. The revised application modified a sentence on  
13 attachment A of the application. Prior to this revision, the sentence had read, "Marijuana  
14 Establishment's proposed physical address (this must be a Nevada address and cannot be a P.O. Box)."  
15 The revised application on July 30, 2018, read: "Marijuana Establishment's proposed physical address  
16 if the applicant owns property or has secured a lease or other property agreement (this must be a  
17 Nevada address and not a P.O. Box). Otherwise, the applications are virtually identical.

18          26.     The DoT sent a copy of the revised application through the listserv service used by the  
19 DoT. Not all Plaintiffs' correct emails were included on this listserv service.

20          27.     The July 30, 2018 application, like its predecessor, described how applications were to  
21 be scored. The scoring criteria was divided into identified criteria and non-identified criteria. The  
22 maximum points that could be awarded to any applicant based on these criteria was 250 points.

23          28.     The identified criteria consisted of organizational structure of the applicant (60 points);  
24 evidence of taxes paid to the State of Nevada by owners, officers, and board members of the applicant  
25  
26  
27  
28

1 in the last 5 years (25 points); a financial plan (30 points); and documents from a financial institution  
2 showing unencumbered liquid assets of \$250,000 per location for which an application is submitted.

3 29. The non-identified criteria consisted of documentation concerning the integrated plan of  
4 the proposed marijuana establishment for the care, quality and safekeeping of marijuana from seed to  
5 sale (40 points); evidence that the applicant has a plan to staff, educate and manage the proposed  
6 recreational marijuana establishment on a daily basis (30 points); a plan describing operating  
7 procedures for the electronic verification system of the proposed marijuana establishment and  
8 describing the proposed establishment's inventory control system (20 points); building plans showing  
9 the proposed establishment's adequacy to serve the needs of its customers (20 points); and, a proposal  
10 explaining likely impact of the proposed marijuana establishment in the community and how it will  
11 meet customer needs (15 points).  
12

13 30. An applicant was permitted to submit a single application for all jurisdictions in which it  
14 was applying, and the application would be scored at the same time.  
15

16 31. By September 20, 2018, the DoT received a total of 462 applications.

17 32. In order to grade and rank the applications the DoT posted notices that it was seeking to  
18 hire individuals with specified qualifications necessary to evaluate applications. The DoT interviewed  
19 applicants and made decisions on individuals to hire for each position.

20 33. When decisions were made on who to hire, the individuals were notified that they would  
21 need to register with "Manpower" under a pre-existing contract between the DoT and that company.  
22 Individuals would be paid through Manpower, as their application-grading work would be of a  
23 temporary nature.  
24

25 34. The DoT identified, hired, and trained eight individuals to grade the applications,  
26 including three to grade the identified portions of the applications, three to grade the non-identified  
27  
28

1 portions of the applications, and one administrative assistant for each group of graders (collectively the  
2 “Temporary Employees”).

3 35. It is unclear how the DoT trained the Temporary Employees. While portions of the  
4 training materials were introduced into evidence, testimony regarding the oral training based upon  
5 example applications was insufficient for the Court to determine the nature and extent of the training of  
6 the Temporary Employees.<sup>11</sup>

7  
8 36. NAC 453D.272(1) required the DoT to determine that an Application is “complete and  
9 in compliance” with the provisions of NAC 453D in order to properly apply the licensing criteria set  
10 forth therein and the provisions of the Ballot Initiative and the enabling statute.

11 37. When the DoT received applications, it undertook no effort to determine if the  
12 applications were in fact “complete and in compliance.”

13 38. In evaluating whether an application was “complete and in compliance” the DoT made  
14 no effort to verify owners, officers or board members (except for checking whether a transfer request  
15 was made and remained pending before the DoT).

16  
17 39. For purposes of grading the applicant’s organizational structure and diversity, if an  
18 applicant’s disclosure in its application of its owners, officers, and board members did not match the  
19 DoT’s own records, the DoT did not penalize the applicant. Rather the DoT permitted the grading, and  
20 in some cases, awarded a conditional license to an applicant under such circumstances, and dealt with  
21 the issue by simply informing the winning applicant that its application would have to be brought into  
22 conformity with DoT records.

23  
24 40. The DoT created a Regulation that modified the mandatory BQ2 provision “[t]he  
25 Department shall conduct a background check of each prospective owner, officer, and board member of  
26 a marijuana establishment license applicant” and determined it would only require information on the

27  
28 <sup>11</sup> Given the factual issues related to the grading raised by MM and LivFree, these issues may be subject to additional  
evidentiary proceedings in the assigned department.

1 application from persons “with an aggregate ownership interest of 5 percent or more in a marijuana  
2 establishment.” NAC 453D.255(1).

3 41. NRS 453D.200(6) provides that “[t]he DoT shall conduct a background check of each  
4 prospective owner, officer, and board member of a marijuana establishment license applicant.” The  
5 DoT departed from this mandatory language in NAC 453D.255(1) and made no attempt in the  
6 application process to verify that the applicant’s complied with the mandatory language of the BQ2 or  
7 even the impermissibly modified language.  
8

9 42. The DoT made the determination that it was not reasonable to require industry to  
10 provide every owner of a prospective licensee. The DOT’s determination that only owners of a 5% or  
11 greater interest in the business were required to submit information on the application was not a  
12 permissible regulatory modification of BQ2. This determination violated Article 19, Section 3 of the  
13 Nevada Constitution. The determination was not based on a rational basis.

14 43. The limitation of “unreasonably impracticable” in BQ2<sup>12</sup> does not apply to the  
15 mandatory language of BQ2, but to the Regulations which the DoT adopted.  
16

17 44. The adoption of NAC 453D.255(1), as it applies to the application process is an  
18 unconstitutional modification of BQ2.<sup>13</sup> The failure of the DoT to carry out the mandatory provisions  
19 of NRS 453D.200(6) is fatal to the application process.<sup>14</sup> The DoT’s decision to adopt regulations in  
20 direct violation of BQ2’s mandatory application requirements is violative of Article 19, Section 2(3) of  
21 the Nevada Constitution.  
22

---

23 <sup>12</sup> NRS 453D.200(1) provides in part:

24 The regulations must not prohibit the operation of marijuana establishments, either expressly or through regulations  
25 that make their operation unreasonably impracticable.

26 <sup>13</sup> For administrative and regulatory proceedings other than the application, the limitation of 5% or greater ownership  
27 appears within the DoT’s discretion.

28 <sup>14</sup> That provision states:

6. The Department shall conduct a background check of each prospective owner, officer, and board member of a  
marijuana establishment license applicant.

1           45.     Given the lack of a robust investigative process for applicants, the requirement of the  
2 background check for each prospective owner, officer, and board member as part of the application  
3 process impedes an important public safety goal in BQ2.

4           46.     Without any consideration as to the voters mandate in BQ2, the DoT determined that  
5 requiring each prospective owner be subject to a background check was too difficult for  
6 implementation by industry. This decision was a violation of the Nevada Constitution, an abuse of  
7 discretion, and arbitrary and capricious.

8  
9           47.     The DoT did not comply with BQ2 by requiring applicants to provide information for  
10 each prospective owner, officer and board member or verify the ownership of applicants applying for  
11 retail recreational marijuana licenses. Instead the DoT issued conditional licenses to applicants who  
12 did not identify each prospective owner, officer and board member.<sup>15</sup>

13           48.     The DoT's late decision to delete the physical address requirement on some application  
14 forms while not modifying those portions of the application that were dependent on a physical location  
15 (i.e. floor plan, community impact, security plan, and the sink locations) after the repeated  
16 communications by an applicant's agent; not effectively communicating the revision; and, leaving the  
17 original version of the application on the website, is evidence of conduct that is a serious issue.

18  
19           49.     Pursuant to NAC 453D.295, the winning applicants received a conditional license that  
20 will not be finalized unless within twelve months of December 5, 2018, the licensees receive a final  
21 inspection of their marijuana establishment.  
22  
23  
24

---

25 <sup>15</sup>     Some applicants apparently provided the required information for each prospective owner, officer and board  
26 member. Accepting as truthful these applicants' attestations regarding who their owners, officers, and board members were  
27 at the time of the application, these applications were complete at the time they were filed with reference to NRS  
28 453D.200(6). These entities are Green Therapeutics LLC, Eureka NewGen Farms LLC, Circle S Farms LLC, Deep Roots  
Medical LLC, Pure Tonic Concentrates LLC, Wellness Connection of Nevada LLC, Polaris Wellness Center LLC, and  
TRNVP098 LLC, Clear River LLC, Cheyenne Medical LLC, Essence Tropicana LLC, Essence Henderson LLC, and  
Commerce Park Medical LLC. See Court Exhibit 3 (post-hearing submission by the DoT).

50. The few instances of clear mistakes made by the Temporary Employees admitted in evidence do not, in and of themselves, result in an unfair process as human error occurs in every process.

51. Nothing in NRS 453D or NAC 453D provides for any right to an appeal or review of a decision denying an application for a retail recreational marijuana license.

52. There are an extremely limited number of licenses available for the sale of recreational marijuana.

53. The number of licenses available was set by BQ2 and is contained in NRS 453D.210(5)(d).

54. Since the Court does not have authority to order additional licenses in particular jurisdictions, and because there are a limited number of licenses that are available in certain jurisdictions, injunctive relief is necessary to permit the Plaintiffs, if successful in the NRS 453D.210(6) process, to actually obtaining a license, if ultimately successful in this litigation.

55. The secondary market for the transfer of licenses is limited.<sup>16</sup>

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

## CONCLUSIONS OF LAW

57. “Any person...whose rights, status or other legal relations are affected by a statute, municipal ordinance, contract or franchise, may have determined any question of construction or validity arising under the instrument, statute, ordinance, contract or franchise and obtain a declaration of rights, status or other legal relations thereunder.” NRS 30.040.

58. A justiciable controversy is required to exist prior to an award of declaratory relief. *Doe v. Bryan*, 102 Nev. 523, 525, 728 P.2d 443, 444 (1986).

<sup>16</sup> The testimony elicited during the evidentiary hearing established that multiple changes in ownership have occurred since the applications were filed. Given this testimony, simply updating the applications previously filed would not comply with BO2.

1           59.     NRS 33.010 governs cases in which an injunction may be granted. The applicant must  
2 show (1) a likelihood of success on the merits; and (2) a reasonable probability that the non-moving  
3 party's conduct, if allowed to continue, will cause irreparable harm for which compensatory damage is  
4 an inadequate remedy.

5           60.     Plaintiffs have the burden to demonstrate that the DoT's conduct, if allowed to continue,  
6 will result in irreparable harm for which compensatory damages is an inadequate remedy.

7           61.     The purpose of a preliminary injunction is to preserve the *status quo* until the matter can  
8 be litigated on the merits.  
9

10          62.     In *City of Sparks v. Sparks Mun. Court*, the Supreme Court explained, "[a]s a  
11 constitutional violation may be difficult or impossible to remedy through money damages, such a  
12 violation may, by itself, be sufficient to constitute irreparable harm." 129 Nev. 348, 357, 302 P.3d  
13 1118, 1124 (2013).

14          63.     Article 19, Section 2 of the Constitution of the State of Nevada provides, in pertinent  
15 part:  
16

17                 "1. Notwithstanding the provisions of section 1 of article 4 of this constitution, but subject to the  
18 limitations of section 6 of this article, **the people reserve to themselves the power to propose,**  
19 **by initiative petition, statutes and amendments to statutes and amendments to this**  
20 **constitution, and to enact or reject them at the polls.**

21                 ...

22                 3. If the initiative petition proposes a statute or an amendment to a statute, the person who  
23 intends to circulate it shall file a copy with the secretary of state before beginning circulation  
24 and not earlier than January 1 of the year preceding the year in which a regular session of the  
25 legislature is held. After its circulation, it shall be filed with the secretary of state not less than  
26 30 days prior to any regular session of the legislature. The circulation of the petition shall cease  
27 on the day the petition is filed with the secretary of state or such other date as may be prescribed  
28 for the verification of the number of signatures affixed to the petition, whichever is earliest. The  
secretary of state shall transmit such petition to the legislature as soon as the legislature  
convenes and organizes. The petition shall take precedence over all other measures except  
appropriation bills, and the statute or amendment to a statute proposed thereby shall be enacted  
or rejected by the legislature without change or amendment within 40 days. If the proposed  
statute or amendment to a statute is enacted by the legislature and approved by the governor in  
the same manner as other statutes are enacted, such statute or amendment to a statute shall  
become law, but shall be subject to referendum petition as provided in section 1 of this article.

1 If the statute or amendment to a statute is rejected by the legislature, or if no action is taken  
2 thereon within 40 days, the secretary of state shall submit the question of approval or  
3 disapproval of such statute or amendment to a statute to a vote of the voters at the next  
4 succeeding general election. If a majority of the voters voting on such question at such election  
5 votes approval of such statute or amendment to a statute, it shall become law and take effect  
6 upon completion of the canvass of votes by the supreme court. **An initiative measure so  
approved by the voters shall not be amended, annulled, repealed, set aside or suspended  
by the legislature within 3 years from the date it takes effect.**

7 (Emphasis added.)

8 64. The Nevada Supreme Court has recognized that “[i]nitiative petitions must be kept  
9 substantively intact; otherwise, the people’s voice would be obstructed. . . [I]nitiative legislation is not  
10 subject to judicial tampering-the substance of an initiative petition should reflect the unadulterated will  
11 of the people and should proceed, if at all, as originally proposed and signed. For this reason, our  
12 constitution prevents the Legislature from changing or amending a proposed initiative petition that is  
13 under consideration.” Rogers v. Heller, 117 Nev. 169, 178, 18 P.3d 1034,1039–40 (2001).

14 65. BQ2 provides, “the Department shall adopt all regulations necessary or convenient to  
15 carry out the provisions of this chapter.” NRS 453D.200(1). This language does not confer upon the  
16 DoT unfettered or unbridled authority to do whatever it wishes without constraint. The DoT was not  
17 delegated the power to legislate amendments because this is initiative legislation. The Legislature itself  
18 has no such authority with regard to NRS 453D until three years after its enactment under the  
19 prohibition of Article 19, Section 2 of the Constitution of the State of Nevada.

20 66. Where, as here, amendment of a voter-initiated law is temporally precluded from  
21 amendment for three years, the administrative agency may not modify the law.

22 67. NRS 453D.200(1) provides that “the Department shall adopt all regulations necessary or  
23 convenient to carry out the provisions of this chapter.” The Court finds that the words “necessary or  
24 convenient” are susceptible to at least two reasonable interpretations. This limitation applies only to  
25 Regulations adopted by the DoT.  
26  
27  
28

1           68.     While the category of diversity is not specifically included in the language of BQ2, the  
2 evidence presented in the hearing demonstrates that a rational basis existed for the inclusion of this  
3 category in the Factors and the application.

4           69.     The DoT's inclusion of the diversity category was implemented in a way that created a  
5 process which was partial and subject to manipulation by applicants.

6           70.     The DoT staff provided various applicants with different information as to what would  
7 be utilized from this category and whether it would be used merely as a tiebreaker or as a substantive  
8 category.  
9

10          71.     Based upon the evidence adduced, the Court finds that the DoT selectively discussed  
11 with applicants or their agents the modification of the application related to physical address  
12 information.

13          72.     The process was impacted by personal relationships in decisions related to the  
14 requirements of the application and the ownership structures of competing applicants. This in and of  
15 itself is insufficient to void the process as urged by some of the Plaintiffs.  
16

17          73.     The DoT disseminated various versions of the 2018 Retail Marijuana Application, one  
18 of which was published on the DoT's website and required the applicant to provide an actual physical  
19 Nevada address for the proposed marijuana establishment, and not a P.O. Box, (*see* Exhibit 5), whereas  
20 an alternative version of the DoT's application form, which was not made publicly available and was  
21 distributed to some, but not all, of the applicants via a DoT listserv service, deleted the requirement that  
22 applicants disclose an actual physical address for their proposed marijuana establishment. *See* Exhibit  
23 5A.  
24

25          74.     The applicants were applying for conditional licensure, which would last for 1 year.  
26 NAC 453D.282. The license was conditional based on the applicant's gaining approval from local  
27  
28

1 authorities on zoning and land use, the issuance of a business license, and the Department of Taxation  
2 inspections of the marijuana establishment.

3 75. The DoT has only awarded conditional licenses which are subject to local government  
4 approval related to zoning and planning and may approve a location change of an existing license, the  
5 public safety aspects of the failure to require an actual physical address can be cured prior to the award  
6 of a final license.

7  
8 76. By selectively eliminating the requirement to disclose an actual physical address for  
9 each and every proposed retail recreational marijuana establishment, the DoT limited the ability of the  
10 Temporary Employees to adequately assess graded criteria such as (i) prohibited proximity to schools  
11 and certain other public facilities, (ii) impact on the community, (iii) security, (iv) building plans, and  
12 (v) other material considerations prescribed by the Regulations.

13 77. The hiring of Temporary Employees was well within the DoT's discretionary power.

14 78. The evidence establishes that the DoT failed to properly train the Temporary  
15 Employees. This is not an appropriate basis for the requested injunctive relief unless it makes the  
16 grading process unfair.

17  
18 79. The DoT failed to establish any quality assurance or quality control of the grading done  
19 by Temporary Employees.<sup>17</sup> This is not an appropriate basis for the requested injunctive relief unless it  
20 makes the grading process unfair.

21 80. The DoT made licensure conditional for one year based on the grant of power to create  
22 regulations that develop "[p]rocedures for the issuance, renewal, suspension, and revocation of a  
23 license to operate a marijuana establishment." NRS 453D.200(1)(a). This was within the DoT's  
24 discretion.  
25  
26  
27

---

28 <sup>17</sup> The Court makes no determination as to the extent which the grading errors alleged by MM and Live Free may be  
subject to other appropriate writ practice related to those individualized issues by the assigned department.

1           81.     Certain of DoT's actions related to the licensing process were nondiscretionary  
2 modifications of BQ2's mandatory requirements. The evidence establishes DoT's deviations  
3 constituted arbitrary and capricious conduct without any rational basis for the deviation.

4           82.     The DoT's decision to not require disclosure on the application and to not conduct  
5 background checks of persons owning less than 5% prior to award of a conditional license is an  
6 impermissible deviation from the mandatory language of BQ2, which mandated "a background check  
7 of each prospective owner, officer, and board member of a marijuana establishment license applicant."  
8 NRS 453D.200(6).  
9

10          83.     The argument that the requirement for each owner to comply with the application  
11 process and background investigation is "unreasonably impracticable" is misplaced. The limitation of  
12 unreasonably impracticable applied only to the Regulations not to the language and compliance with  
13 BQ2 itself.

14          84.     Under the circumstances presented here, the Court concludes that certain of the  
15 Regulations created by the DoT are unreasonable, inconsistent with BQ2 and outside of any discretion  
16 permitted to the DoT.  
17

18          85.     The DoT acted beyond its scope of authority when it arbitrarily and capriciously  
19 replaced the mandatory requirement of BQ2, for the background check of each prospective owner,  
20 officer and board member with the 5% or greater standard in NAC 453.255(1). This decision by the  
21 DoT was not one they were permitted to make as it resulted in a modification of BQ2 in violation of  
22 Article 19, Section 2(3) of the Nevada Constitution.  
23

24          86.     As Plaintiffs have shown that the DoT clearly violated NRS Chapter 453D, the claims  
25 for declaratory relief, petition for writ of prohibition, and any other related claims is likely to succeed  
26 on the merits.

27          87.     The balance of equities weighs in favor of Plaintiffs.  
28

1 88. “[N]o restraining order or preliminary injunction shall issue except upon the giving of  
2 adequate security by the applicant, in such sum as the court deems proper, for the payment of such  
3 costs and damages as may be incurred or suffered by any party who is found to be wrongfully enjoined  
4 or restrained.” NRCp 65(d).

5 89. The DoT stands to suffer no appreciable losses and will suffer only minimal harm as a  
6 result of an injunction.

7 90. Therefore, a security bond already ordered in the amount of \$400,000 is sufficient for  
8 the issuance of this injunctive relief.<sup>18</sup>

9 91. If any conclusions of law are properly findings of fact, they shall be treated as if  
10 appropriately identified and designated.

11 / / / / /

12 / / / / /

13 / / / / /

14 / / / / /

15 / / / / /

16 / / / / /

17 / / / / /

18 / / / / /

19 / / / / /

20 / / / / /

21 / / / / /

22 / / / / /

23 / / / / /

24 / / / / /

25  
26  
27 <sup>18</sup> As discussed during the preliminary injunction hearing, the Court sets a separate evidentiary hearing on whether to  
28 increase the amount of this bond. That hearing is set for August 29, 2019, at 9:00 a.m.

**ORDER**

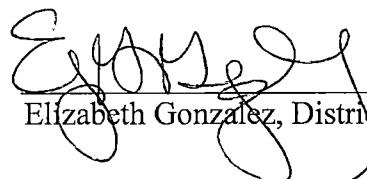
**IT IS HEREBY ADJUDGED ORDERED AND DECREED** that Plaintiffs' Motions for Preliminary Injunction are granted in part.

The State is enjoined from conducting a final inspection of any of the conditional licenses issued in or about December 2018 who did not provide the identification of each prospective owner, officer and board member as required by NRS 453D.200(6) pending a trial on the merits.<sup>19</sup>

The issue of whether to increase the existing bond is set for hearing on August 29, 2019, at 9:00 am.

The parties in A786962 and A787004 are to appear for a Rule 16 conference September 9, 2019, at 9:00 am and submit their respective plans for discovery on an expedited schedule by noon on September 6, 2019.

DATED this 23<sup>rd</sup> day of August 2019.

  
Elizabeth Gonzalez, District Court Judge

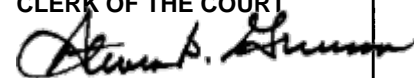
**Certificate of Service**

I hereby certify that on the date filed, this Order was electronically served, pursuant to N.E.F.C.R. Rule 9, to all registered parties in the Eighth Judicial District Court Electronic Filing Program.

  
Dan Kutinac

<sup>19</sup> As Court Exhibit 3 is a post-hearing submission by the DoT, the parties may file objections and/or briefs related to this issue. Any issues related to the inclusion or exclusion from this group will be heard August 29, 2019, at 9:00 am.

# **EXHIBIT 3**



**ORDR**

ADAM K. BULT, ESQ., Nevada Bar No. 9332

[abult@bhfs.com](mailto:abult@bhfs.com)

MAXIMILIEN D. FETAZ, ESQ., Nevada Bar No. 12737

[mfetaz@bhfs.com](mailto:mfetaz@bhfs.com)

TRAVIS F. CHANCE, ESQ., Nevada Bar No. 13800

[tchance@bhfs.com](mailto:tchance@bhfs.com)

BROWNSTEIN HYATT FARBER SCHRECK, LLP

100 North City Parkway, Suite 1600

Las Vegas, NV 89106-4614

Telephone: 702.382.2101

Facsimile: 702.382.8135

ADAM R. FULTON, ESQ., Nevada Bar No. 11572

[afulton@jfnvlaw.com](mailto:afulton@jfnvlaw.com)

JENNINGS & FULTON, LTD.

2580 Sorrel Street

Las Vegas, NV 89146

Telephone: 702.979.3565

Facsimile: 702.362.2060

*Attorneys for Plaintiffs*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

In Re: D.O.T. Litigation,

Case No.: A-19-787004-B

Consolidated with: A-18-785818-W  
A-18-786357-W  
A-19-786962-B  
A-19-787035-C  
A-19-787540-W  
A-19-787726-C  
A-19-801416-B

Dept No.: XI

**ORDER GRANTING JOINT MOTION  
TO CONSOLIDATE**

Date of Hearing: October 29, 2019

Time of Hearing: 9:00 a.m.

The Joint Motion to Consolidate Pursuant to EDCR 2.50(c), and all Joinders to the same, having come on for hearing before this Honorable Court on October 29, 2019; David R. Koch, Esq., of the law firm Koch & Scow LLC, appearing on behalf of Nevada Organic Remedies, LLC; Eric D. Hone, Esq., of the law firm H1 Law Group, appearing on behalf of Lone Mountain Partners, LLC; Adam K. Bult, Esq., of the law firm of Brownstein Hyatt Farber Schreck, LLP,

1 appearing on behalf of Plaintiffs ETW Management Group LLC, Global Harmony LLC, Green  
2 Leaf Farms Holdings LLC, Green Therapeutics LLC, Herbal Choice Inc., Just Quality, LLC,  
3 Libra Wellness Center, LLC, Rombough Real Estate Inc. dba Mother Herb, NevCann LLC, Red  
4 Earth LLC, THC Nevada LLC, Zion Gardens LLC, and MMOF Vegas Retail, Inc.'s (collectively,  
5 "ETW Plaintiffs"); Dominic P. Gentile, Esq. and Ross J. Miller, Esq., of the law firm Clark Hill  
6 PLC, appearing on behalf of Serenity Wellness Center, LLC, TGIG, LLC, Nuleaf Incline  
7 Dispensary, LLC, Nevada Holistic Medicine, LLC, TRYKE Companies SO NV, LLC, TRYKE  
8 Companies Reno, LLC, Paradise Wellness Center, LLC, GBS Nevada Partners, LLC, Fidelis  
9 Holdings, LLC, Gravitas Nevada, LLC, Nevada Pure, LLC, Medifarm, LLC (collectively,  
10 "Serenity Plaintiffs"); William S. Kemp, Esq. of the law firm Kemp, Jones & Coulthard LLP,  
11 appearing on behalf of MM Development Company, Inc. and LivFree Wellness LLC; Steven G.  
12 Shevorski, Esq., of the Office of the Nevada Attorney General, appearing on behalf of the State of  
13 Nevada, Department of Taxation; Todd L. Bice, Esq., of the law firm Pisanelli Bice, appearing on  
14 behalf of Integral Associates LLC d/b/a Essence Cannabis Dispensaries, Essence Tropicana,  
15 LLC, Essence Henderson, LLC; Jared Kahn, Esq., of the law firm JK Legal & Consulting, LLC,  
16 appearing on behalf of Helping Hands Wellness Center, Inc.; Alina M. Shell, Esq., of the law  
17 firm McLetchie Law, appearing on behalf of GreenMart of Nevada NLV LLC; Dennis Prince,  
18 Esq., of the law firm Prince Law Group, appearing on behalf of CPCM Holdings, LLC d/b/a  
19 Thrive Cannabis Marketplace, Commerce Park Medical, LLC, and Cheyenne Medical, LLC;  
20 Rusty Graf, Esq. and Brigid Higgins, Esq., of the law firm Black & Lobello, appearing on behalf  
21 of Clear River, LLC; Theodore Parker, III, Esq. and Mahogany Turfley, Esq. of the law firm  
22 Parker Nelson & Associates, appearing on behalf of Nevada Wellness Center, LLC; Peter  
23 Christiansen, Esq. and Whitney Barrett, Esq., of the law firm Christiansen Law Offices, appearing  
24 on behalf of Qualcan LLC; Dennis L. Kennedy, Esq. and Stephanie J. Glantz, Esq., of the law  
25 firm Bailey Kennedy, appearing on behalf of D.H. Flamingo, Inc.; and all other appearances  
26 noted in the record, and upon the Court's consideration of the pleadings and papers on file herein,  
27 including any joinders and oppositions, the arguments of counsel, and good cause appearing,  
28 makes the following findings of facts and conclusions of law:

**FINDINGS OF FACT**

1  
2 1. At least eight cases have been filed in the Eighth Judicial District Court that center  
3 on the Department of Taxation's method of awarding recreational marijuana licenses and whether  
4 that method violated the Constitution of the United States of America, the Nevada Constitution  
5 and NRS Chapter 453D.

6 2. The case numbers for the eight cases are listed in chronological order as follows:  
7 (1) A-18-785818-W, (2) A-18-786357-W, (3) A-19-786962-B; (4) A-19-787004-B; (5) A-19-  
8 787035-C; (6) A-19-787540-W; (7) A-19-787726-C; (8) A-19-801416-B.

9 3. The first case (Case No A-18-785818-W) was filed in Department VIII on  
10 December 10, 2018, and was brought by MM Development Company, Inc.

11 4. The most recent case (Case No. A-19-801416-B) was filed in Department XIII on  
12 September 5, 2019, and was brought by Qualcan, LLC.

13 5. Although it was not the first filed case, due to an absence in Department VIII, the  
14 case filed by Serenity Wellness Center LLC, et al. (Case No. A-19-786962-B) in Department XI  
15 became the lead case for these disputes.

16 6. To date, Department XI has heard various dispositive motions, including a motion  
17 for preliminary injunction, which was coordinated amongst a majority of the cases, and motions  
18 for summary judgment.

19 7. In total, Department XI has heard 20 days' worth of evidentiary hearings.

20 8. Additionally, Department XI has a trial setting for March 2020, which will resolve  
21 all of these disputes prior to the June 2020 extension for the recreational marijuana license  
22 awardees to open their businesses.

23 9. Although Department VIII has had its case for longer, it has heard fewer hearings  
24 and is not as far along in the litigation process as Department XI.

25 10. The plaintiffs in all of these cases allege substantially similar claims against the  
26 Department of Taxation and request substantially similar remedies to rectify the Department of  
27 Taxation's alleged wrongdoings.  
28

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

### CONCLUSIONS OF LAW

12. NRCP 42(a) allows for the consolidation of actions when there is “a common question of law or fact” among the actions that a party seeks to consolidate.

13. The purpose behind consolidation of actions is “to promote efficiency or preserve fairness.” *Shuette v. Beazer Homes Holdings Corp.*, 121 Nev. 837, 852, 124 P.3d 530, 541 (2005).

14. Actions share common questions of law or fact when “there is some commonality of issues,” even if there is not “perfect identity” between all the claims in the actions. *Krause v. Nevada Mut. Ins. Co.*, No. 2:12-CV-00342-JCM-CW, 2013 WL 6524657, at \*3 (D. Nev. Dec. 10, 2013).

15. If there is commonality of issues among the cases, then this Court must weigh the benefits that consolidation will produce against the inconvenience, prejudice, delay, or confusion to the parties that may result from consolidation. *Id.*

16. Under the local rules, consolidation motions are generally heard by the judge assigned to the first action that was commenced, and if the actions are consolidated, then the new consolidated case is generally heard before that same judge. EDCR 2.50(a).

17. However, EDCR 2.50(c) provides that the Chief Judge of the Eighth Judicial District Court has “the authority to order consolidation or coordination of any cases pending in the district,” regardless of “any other provisions in [the Eighth Judicial District Court Rules].”

18. Given that EDCR 2.50(c) gives this Court the authority to consolidate any cases pending in the district regardless of the other provisions in the local rules, this Court exercises that authority to consolidate these cases into Department XI

19. These cases all share common questions of law and fact, in that the claims and the prayers for relief mirror each other in each of the actions.

1           20.     These commonalities justify consolidating all of the above listed cases pending  
2 before the Eighth Judicial District Court, in order to promote efficiency, preserve fairness, and  
3 avoid conflicting results. *Shuette*, 121 Nev. at 852, 124 P.3d at 541.

4           21.     Moreover, due to how far along Department XI is in the litigation process, this  
5 Court exercises its authority under EDCR 2.50(c) to consolidate the pending cases into  
6 Department XI as opposed to Department VIII for the purpose of judicial efficiency.

7           22.     If any conclusions of law are properly findings of fact, they shall be treated as if  
8 appropriately identified and designated.

9                   **ORDER CONTAINED ON THE FOLLOWING PAGE]**


**ORDER**

ACCORDINGLY, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Joint Motion to Consolidate is hereby GRANTED.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the following cases are consolidated for all purposes before the Eighth Judicial District Court, Department XI: (1) A-18-785818-W, (2) A-18-786357-W, (3) A-19-786962-B; (4) A-19-787004-B; (5) A-19-787035-C; (6) A-19-787540-W; (7) A-19-787726-C; (8) A-19-801416-B.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the following case no. is the lead case no. as this matter proceeds forward: A-19-787004-B.

DATED this 5<sup>th</sup> day of December, 2019.

  
LINDA MARIE BELL, CHIEF JUDGE, EIGHTH JUDICIAL DISTRICT COURT

WS

Submitted by:

**BROWNSTEIN HYATT FARBER  
SCHECK, LLP**

By:   
Adam K. Bult, Esq., NV Bar No. 9332  
Maximilien D. Fetaz, Esq., NV Bar No. 12737  
Travis F. Chance, Esq., NV Bar No. 13800  
100 North City Parkway, Suite 1600  
Las Vegas, NV 89106-4614

Adam R. Fulton, Esq., NV Bar No. 11572  
JENNINGS & FULTON, LTD.  
2580 Sorrel Street  
Las Vegas, NV 89146

*Attorneys for ETW Plaintiffs*

1 Approved as to form and content:

2 **KEMP, JONES & COULTHARD, LLP**

**CLARK HILL PLC**

3  
4 By: /s/ Nathanael R. Rulis  
William S. Kemp, Esq., NV Bar No. 1205  
5 Nathanael R. Rulis, Esq., NV Bar No. 11259  
3800 Howard Hughes Pkwy., 17<sup>th</sup> Floor  
6 Las Vegas, NV 89169

By: /s/ Dominic P. Gentile  
Dominic P. Gentile, Esq., NV Bar No. 1923  
Ross Miller, Esq., NV Bar No. 8190  
Vincent Savarese III, Esq., NV Bar No. 2467  
1300 S. Decatur Blvd.  
Las Vegas, NV 89145

7 *Attorneys for MM Development, et al.*

*Attorneys for Serenity Wellness Center, LLC,  
et al.*

10 **MAIER GUTIERREZ & ASSOCIATES**

**KOCH & SCOW, LLC**

11  
12 By: \_\_\_\_\_  
Joseph A. Gutierrez, Esq., NV Bar No. 9046  
13 8816 Spanish Ridge Avenue  
Las Vegas, NV 89148

By: /s/ David R. Koch  
David R. Koch, Esq., NV Bar No. 8830  
Steven B. Scow, Esq., NV Bar No. 9906  
Brody R. Wight, Esq., NV Bar No. 13615  
Daniel G. Scow, Esq., NV Bar No. 14614  
11500 S. Eastern Ave., Suite 210  
Henderson, NV 89052

14 Philip M. Hymanson, Esq., NV Bar No. 2253  
15 HYMANSON & HYMANSON  
8816 Spanish Ridge Avenue  
16 Las Vegas, NV 89148

*Attorneys for Nevada Organic Remedies, LLC*

17 *Attorneys for Defendants CPCM Holdings, LLC*  
18 *d/b/a Thrive Cannabis Marketplace; Commerce*  
*Park Medical, LLC; and Cheyenne Medical,*  
19 *LLC*

20 **H1 LAW GROUP**

**JK LEGAL & CONSULTING, LLC**

21 By: /s/ Eric D. Hone  
22 Eric D. Hone, Esq., NV Bar No. 8499  
701 N. Green Valley Pkwy., #200  
23 Henderson, NV 89074

By: /s/ Jared Kahn  
Jared Kahn, Esq., NV Bar No. 12603  
9205 W. Russell Rd., Suite 240  
Las Vegas, NV 89148

24 *Attorneys for Lone Mountain Partners, LLC*

*Attorneys for Helping Hands Wellness  
Center, Inc.*

**OFFICE OF THE NEVADA ATTORNEY  
GENERAL**

By: /s/ Steven G. Shevorski  
Steven G. Shevorski, Esq., NV Bar No. 8256  
555 E. Washington Ave., #3900  
Las Vegas, NV 89101

*Attorneys for State of Nevada, Department of  
Taxation*

**McLETCHIE LAW**

By: /s/ Alina M. Shell  
Margaret A. McLetchie, Esq.  
NV Bar No. 10931  
Alina M. Shell, Esq., NV Bar 11711  
701 E. Bridger Ave., Suite 520  
Las Vegas, NV 89101

*Attorneys for GreenMart of Nevada NLV, LLC*

**PISANELLI BIC PLLC**

By: \_\_\_\_\_  
Todd L. Bice, Esq., NV Bar No. 4534  
Jordan T. Smith, Esq., NV Bar 12097  
400 South 7th Street, Suite 300,  
Las Vegas, NV 89101

*Attorneys for Integral Associates LLC d/b/a  
Essence Cannabis Dispensaries; Essence  
Tropicana, LLC; Essence Henderson, LLC*

**CHRISTIENSEN LAW OFFICES**

By: /s/ Whitney Barrett  
Peter Christiansen, Esq., NV Bar No. 1656  
Whitney Barrett, Esq., NV Bar 13662  
810 S Casino Center, Suite 104  
Las Vegas, NV 89101

*Attorneys for Qualcan LLC*

**PARKER NELSON & ASSOCIATES**

By: \_\_\_\_\_  
Theodore Parker III, Esq., NV Bar No. 4716  
2460 Professional Court #200  
Las Vegas, NV 89128

*Attorneys for Nevada Wellness Center*

**BLACK & LoBELLO**

By: /s/ Brigid Higgins  
Rusty Graf, Esq., NV Bar No. 6322  
Brigid Higgins, Esq., NV Bar No. 5990  
10777 W. Twain Ave., #300  
Las Vegas, NV 89135

*Attorneys for Clear River, LLC*

**BAILEY KENNEDY**

By: DISAPPROVED  
Dennis L. Kennedy, Esq., NV Bar No. 1462  
Stephanie J. Glantz, Esq., NV Bar No. 14878  
8984 Spanish Ridge Avenue,  
Las Vegas, NV 89148

*Attorneys for D.H. Flamingo, Inc.*

**SIMON LAW**

By: /s/ Benjamin Miller  
Daniel S. Simon, Esq., NV Bar No. 4750  
Benjamin Miller, Esq., NV Bar 10406  
810 S Casino Center Blvd.  
Las Vegas, NV 89101

*Attorneys for Compassionate Team of Las  
Vegas, LLC and DP Holdings, Inc.*

1 **HOLLEY, DRIGGS, WALCH, FINE,**  
2 **PUZEY, STEIN & THOMPSON**

3 By: /s/ James W. Puzey

4 James W. Puzey, Esq., NV Bar No. 5745  
400 South Fourth Street, Suite 300  
Las Vegas, NV 89101

5 *Attorneys for High Sierra Holistics, LLC*

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

# **EXHIBIT 4**



1 **ORD**

2 THEODORE PARKER, III, ESQ.

3 Nevada Bar No. 4716

4 **PARKER, NELSON & ASSOCIATES, CHTD.**

5 2460 Professional Court, Suite 200

Las Vegas, Nevada 89128

6 Telephone: (702) 868-8000

Facsimile: (702) 868-8001

7 Email: [tparker@pnalaw.net](mailto:tparker@pnalaw.net)

8 *Attorneys for Plaintiff*

9 **DISTRICT COURT**

10 **CLARK COUNTY, NEVADA**

11 SERENITY WELLNESS CENTER, LLC, a  
12 Nevada limited liability company, TGIG, LLC,  
13 a Nevada limited liability company, NULEAF  
14 INCLINE DISPENSARY, LLC, a Nevada  
15 limited liability company, NEVADA  
16 HOLISTIC MEDICINE, LLC, a Nevada  
17 limited liability company, TRYKE  
18 COMPANIES SO NV, LLC a Nevada limited  
19 liability company, TRYKE COMPANIES  
20 RENO, LLC, a Nevada limited liability  
21 company, PARADISE WELLNESS CENTER,  
22 LLC, a Nevada limited liability company, GBS  
23 NEVADA PARTNERS, LLC, a Nevada  
24 limited liability company, FIDELIS  
25 HOLDINGS, LLC, a Nevada limited liability  
26 company, GRAVITAS NEVADA, LLC, a  
27 Nevada limited liability company, NEVADA  
28 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,

v.

THE STATE OF NEVADA, DEPARTMENT  
OF TAXATION,  
Defendant.

Defendants.

CASE NO.: A-19-786962-B

DEPT. NO.: XI

DATE OF HEARING: October 28, 2019

TIME OF HEARING: 9:00 am

**ORDER REGARDING NEVADA  
WELLNESS CENTER, LLC'S MOTION  
TO AMEND FINDINGS OF FACTS AND  
CONCLUSIONS OF LAW ISSUED ON  
AUGUST 23, 2019, PURSUANT TO  
NRCP 52**

1 NEVADA WELLNESS CENTER, LLC, a  
2 Nevada Limited Liability Company,  
3 Plaintiff,

CASE NO.: A-19-787540-W  
DEPT. NO.: XVIII

4 STATE OF NEVADA, DEPARTMENT OF  
5 TAXATION; and DOES I through X; and ROE  
6 CORPORATIONS I through X, inclusive,

7 Defendants.

8 MM DEVELOPMENT COMPANY, INC., a  
9 Nevada corporation; LIVFREE WELLNESS  
10 LLC, dba The Dispensary, a Nevada limited  
11 liability company,

CASE NO.: A-18-785818-W  
DEPT. NO.: VIII

12 Plaintiffs,

13 v.

14 STATE OF NEVADA, DEPARTMENT OF  
15 TAXATION; and DOES 1 through 10; and  
16 ROE CORPORATIONS 1 through 10.

17 Defendants

18 ETW MANAGEMENT GROUP LLC, a  
19 Nevada limited liability company; GLOBAL  
20 HARMONY LLC, a Nevada limited liability  
21 company; GREEN LEAF FARMS HOLDINGS  
22 LLC, a Nevada limited liability company;  
23 GREEN THERAPEUTICS LLC, a Nevada  
24 limited liability company; HERBAL CHOICE  
25 INC., a Nevada corporation; JUST QUALITY,  
26 LLC, a Nevada limited liability company;  
27 LIBRA WELLNESS CENTER, LLC, a Nevada  
28 limited liability company; ROMBOUGH  
REAL ESTATE INC. dba MOTHER HERB, a  
Nevada corporation; NEVCANN LLC, a  
Nevada limited liability company; RED  
EARTH LLC, a Nevada limited liability  
company; THC NEVADA LLC, a Nevada  
limited liability company; ZION GARDENS  
LLC, a Nevada limited liability company; and  
MOMO VEGAS RETAIL, INC., a Nevada  
corporation,

CASE NO.: A-19-787004-B  
DEPT. NO.:

Plaintiffs,

v.

STATE OF NEVADA, DEPARTMENT OF  
TAXATION, a Nevada administrative agency;  
DOES 1 through 20, inclusive; and ROE  
CORPORATIONS 1 through 20, inclusive,  
Defendants.

1  
2 **ORDER REGARDING NEVADA WELLNESS CENTER, LLC'S MOTION TO AMEND**  
3 **FINDINGS OF FACTS AND CONCLUSIONS OF LAW ISSUED ON AUGUST 23, 2019,**  
4 **PURSUANT TO NRCP 52**

5 Plaintiff, NEVADA WELLNESS CENTER, LLC (hereinafter "NWC") having filed an  
6 Motion to Amend the Findings of Facts and Conclusions of Law issued August 23, 2019, pursuant  
7 to NRCP 52, good cause appearing, it is hereby ORDERED, ADJUDGED and DECREED as  
8 follows:

9 ORDERED that Motion is Denied.

10 DATED this 4 day of November, 2019.

11   
12 DISTRICT JUDGE

13  
14 Respectfully submitted by:

15 **PARKER, NELSON & ASSOCIATES, CHTD.**

16  
17   
18 THEODORE PARKER, III., ESQ.

19 Nevada Bar No. 4716

20 **PARKER, NELSON & ASSOCIATES, CHTD.**

21 2460 Professional Court, Suite 200

22 Las Vegas, Nevada 89128

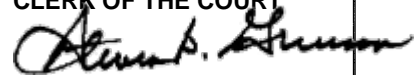
23 Telephone: (702) 868-8000

24 Facsimile: (702) 868-8001

25 Email: [tparker@pnalaw.net](mailto:tparker@pnalaw.net)

26 *Attorneys for Plaintiff*  
27

# **EXHIBIT 5**



1 **NOTC**  
2 THEODORE PARKER, III, ESQ.  
3 Nevada Bar No. 4716  
4 **PARKER, NELSON & ASSOCIATES, CHTD.**  
5 2460 Professional Court, Suite 200  
6 Las Vegas, Nevada 89128  
7 Telephone: (702) 868-8000  
8 Facsimile: (702) 868-8001  
9 Email: [tparker@pnalaw.net](mailto:tparker@pnalaw.net)

10 *Attorneys for Plaintiff,*  
11 *Nevada Wellness Center, LLC*

12 **DISTRICT COURT**  
13 **CLARK COUNTY, NEVADA**

14 In Re: D.O.T. Litigation,

15 **Case No.: A-19-787004-B**

16 **Consolidated with:**

17 A-18-785818-W  
18 A-18-786357-W  
19 A-19-786962-B  
20 A-19-787035-C  
21 A-19-787540-W  
22 A-19-787726-C  
23 A-19-801416-B

24 **Dept. No.: XI**

25 **NOTICE OF ENTRY OF ORDER REGARDING NEVADA WELLNESS CENTER,**  
26 **LLC'S MOTION TO AMEND FINDINGS OF FACTS AND CONCLUSIONS OF LAW**  
27 **ISSUED ON AUGUST 23, 2019, PURSUANT TO NRCP 52**

28 PLEASE TAKE NOTICE that an **ORDER REGARDING NEVADA WELLNESS**  
**CENTER, LLC'S MOTION TO AMEND FINDINGS OF FACTS AND CONCLUSIONS OF**

///

///

///

///

///

///

///

1 **LAW ISSUED ON AUGUST 23, 2019, PURSUANT TO NRCP 52**, a true and correct copy of  
2 which is attached hereto, was entered to the Court on the 5<sup>th</sup>, day of November, 2019.

3 DATED this 6<sup>th</sup>, day of November, 2019.

4 **PARKER, NELSON & ASSOCIATES, CHTD.**

5  
6 /s/Theodore Parker, III, Esq.

7 THEODORE PARKER, III., ESQ.

8 Nevada Bar No. 4716

9 **PARKER, NELSON & ASSOCIATES, CHTD.**

10 2460 Professional Court, Suite 200

11 Las Vegas, Nevada 89128

12 Telephone: (702) 868-8000

13 Facsimile: (702) 868-8001

14 Email: tparker@pnalaw.net

15 *Attorneys for Plaintiff*

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

☐ By placing an original or true copy thereof in a sealed envelope placed for collection and mailing in the United States Mail, at Las Vegas, NV, postage prepaid, following ordinary business practices.

☐ Facsimile transmission, pursuant to the amendment to the Eighth Judicial District Court Rule 7.26, by faxing a true and correct copy of the same to each party addressed as follows:

☐ By E-mail: by electronic mail delivering the document(s) listed above to the e-mail address(es) set forth below on this date before 5:00 p.m.

☒ By EFC: by electronic filing with the Court delivering the document(s) listed above via E-file & E-serve (Odyssey) filing system.

16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



1 **ORD**

2 THEODORE PARKER, III, ESQ.

3 Nevada Bar No. 4716

4 **PARKER, NELSON & ASSOCIATES, CHTD.**

5 2460 Professional Court, Suite 200

Las Vegas, Nevada 89128

6 Telephone: (702) 868-8000

Facsimile: (702) 868-8001

7 Email: [tparker@pnalaw.net](mailto:tparker@pnalaw.net)

8 *Attorneys for Plaintiff*

9 **DISTRICT COURT**

10 **CLARK COUNTY, NEVADA**

11 SERENITY WELLNESS CENTER, LLC, a  
12 Nevada limited liability company, TGIG, LLC,  
13 a Nevada limited liability company, NULEAF  
14 INCLINE DISPENSARY, LLC, a Nevada  
15 limited liability company, NEVADA  
16 HOLISTIC MEDICINE, LLC, a Nevada  
17 limited liability company, TRYKE  
18 COMPANIES SO NV, LLC a Nevada limited  
19 liability company, TRYKE COMPANIES  
20 RENO, LLC, a Nevada limited liability  
21 company, PARADISE WELLNESS CENTER,  
22 LLC, a Nevada limited liability company, GBS  
23 NEVADA PARTNERS, LLC, a Nevada  
24 limited liability company, FIDELIS  
25 HOLDINGS, LLC, a Nevada limited liability  
26 company, GRAVITAS NEVADA, LLC, a  
27 Nevada limited liability company, NEVADA  
28 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,

v.

THE STATE OF NEVADA, DEPARTMENT  
OF TAXATION,  
Defendant.

Defendants.

CASE NO.: A-19-786962-B

DEPT. NO.: XI

DATE OF HEARING: October 28, 2019

TIME OF HEARING: 9:00 am

**ORDER REGARDING NEVADA  
WELLNESS CENTER, LLC'S MOTION  
TO AMEND FINDINGS OF FACTS AND  
CONCLUSIONS OF LAW ISSUED ON  
AUGUST 23, 2019, PURSUANT TO  
NRCP 52**

1 NEVADA WELLNESS CENTER, LLC, a  
2 Nevada Limited Liability Company,  
3 Plaintiff,

CASE NO.: A-19-787540-W  
DEPT. NO.: XVIII

4 STATE OF NEVADA, DEPARTMENT OF  
5 TAXATION; and DOES I through X; and ROE  
6 CORPORATIONS I through X, inclusive,

7 Defendants.

8 MM DEVELOPMENT COMPANY, INC., a  
9 Nevada corporation; LIVFREE WELLNESS  
10 LLC, dba The Dispensary, a Nevada limited  
11 liability company,

CASE NO.: A-18-785818-W  
DEPT. NO.: VIII

12 Plaintiffs,

13 v.

14 STATE OF NEVADA, DEPARTMENT OF  
15 TAXATION; and DOES 1 through 10; and  
16 ROE CORPORATIONS 1 through 10.

17 Defendants

18 ETW MANAGEMENT GROUP LLC, a  
19 Nevada limited liability company; GLOBAL  
20 HARMONY LLC, a Nevada limited liability  
21 company; GREEN LEAF FARMS HOLDINGS  
22 LLC, a Nevada limited liability company;  
23 GREEN THERAPEUTICS LLC, a Nevada  
24 limited liability company; HERBAL CHOICE  
25 INC., a Nevada corporation; JUST QUALITY,  
26 LLC, a Nevada limited liability company;  
27 LIBRA WELLNESS CENTER, LLC, a Nevada  
28 limited liability company; ROMBOUGH  
REAL ESTATE INC. dba MOTHER HERB, a  
Nevada corporation; NEVCANN LLC, a  
Nevada limited liability company; RED  
EARTH LLC, a Nevada limited liability  
company; THC NEVADA LLC, a Nevada  
limited liability company; ZION GARDENS  
LLC, a Nevada limited liability company; and  
MMOF VEGAS RETAIL, INC., a Nevada  
corporation,

CASE NO.: A-19-787004-B  
DEPT. NO.:

Plaintiffs,

v.

STATE OF NEVADA, DEPARTMENT OF  
TAXATION, a Nevada administrative agency;  
DOES 1 through 20, inclusive; and ROE  
CORPORATIONS 1 through 20, inclusive,  
Defendants.

1  
2 **ORDER REGARDING NEVADA WELLNESS CENTER, LLC'S MOTION TO AMEND**  
3 **FINDINGS OF FACTS AND CONCLUSIONS OF LAW ISSUED ON AUGUST 23, 2019,**  
4 **PURSUANT TO NRCP 52**

5 Plaintiff, NEVADA WELLNESS CENTER, LLC (hereinafter "NWC") having filed an  
6 Motion to Amend the Findings of Facts and Conclusions of Law issued August 23, 2019, pursuant  
7 to NRCP 52, good cause appearing, it is hereby ORDERED, ADJUDGED and DECREED as  
8 follows:

9 ORDERED that Motion is Denied.

10 DATED this 4 day of November, 2019.

11   
12 DISTRICT JUDGE

13  
14 Respectfully submitted by:

15 **PARKER, NELSON & ASSOCIATES, CHTD.**

16  
17   
18 THEODORE PARKER, III., ESQ.

19 Nevada Bar No. 4716

20 **PARKER, NELSON & ASSOCIATES, CHTD.**

21 2460 Professional Court, Suite 200

22 Las Vegas, Nevada 89128

23 Telephone: (702) 868-8000

24 Facsimile: (702) 868-8001

25 Email: [tparker@pnalaw.net](mailto:tparker@pnalaw.net)

26 *Attorneys for Plaintiff*  
27