

IN THE SUPREME COURT OF THE STATE OF NEVADA

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

*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.*

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ETW MANAGEMENT GROUP LLC, a  
Nevada limited liability company;

SUPREME COURT CASE NO.  
79669

Electronically Filed  
Jun 19 2020 04:30 p.m.  
CASE NO.: A-19-787004-B  
DEPT NO.: XI Elizabeth A. Brown  
Clerk of Supreme Court

**RESPONDENTS' APPENDIX  
VOLUME XI**

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<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.

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; 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.*

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## **RESPONDENTS' APPENDIX**

### **VOLUME XI**

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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, "ETW Parties")*

<b>Document Description</b>	<b>Date</b>	<b>Page Nos.</b>
Hearing on Objections to State's Response, Nevada Wellness Center's Motion Re Compliance Re Physical Address, and Bound Amount Setting	08/29/2019	RA1929 – 2001
Amended Application for Mandamus to Compel State of Nevada, Department of Taxation to Move Nevada Organic Remedies into "Tier 2" of Successful Conditional License Applicants	11/21/2019	RA2002 – 2056
Notice of Entry of Order Denying Amended Application for Writ of Mandamus to Compel State of Nevada, Department of Taxation to Move Nevada Organic Remedies into "Tier 2" of Successful Conditional License Applicants	01/14/2020	RA2057 – 2062

**RESPONDENTS' APPENDIX (ALPHABETICAL)**

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RED EARTH LLC, THC NEVADA LLC, ZION GARDENS LLC, and MMOF  
VEGAS RETAIL, INC. (collectively, "ETW Parties")*

<b>Document Description</b>	<b>Volume</b>
Amended Application for Mandamus to Compel State of Nevada, Department of Taxation to Move Nevada Organic Remedies into "Tier 2" of Successful Conditional License Applicants (November 11, 2019)	Volume XI RA2002 – 2056
E-mail from Mr. Shevorski (August 21, 2019)	Volume X RA1902 – 1904
ETW Plaintiffs' Complaint (January 4, 2019)	Volume I RA0179 – 250
ETW Plaintiffs' Complaint – Continued (January 4, 2019)	Volume II RA0251 – 493
ETW Plaintiffs' Second Amended Complaint (May 21, 2019)	Volume III RA0494 – 743
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Evidentiary Hearing – Day 4 Transcript (May 30, 2019)	Volume V RA0815 – 1057
Evidentiary Hearing – Day 6 Transcript (June 10, 2019)	Volume VI RA1058 – 1282
Evidentiary Hearing – Day 7 Transcript (June 11, 2019)	Volume VIII RA1350 – 1600

Evidentiary Hearing – Day 7 Transcript – Continued (June 11, 2019)	Volume IX RA1601 – 1602
Evidentiary Hearing – Day 17 Transcript (August 13, 2019)	Volume IX RA1603 – 1694
Evidentiary Hearing – Day 20 Transcript (August 16, 2019)	Volume X RA1735 – 1901
Findings of Fact and Conclusion of Law Granting Preliminary Injunction (August 23, 2019)	Volume X RA1905 – 1928
Google Maps Photo (June 11, 2019)	Volume VII RA1344 – 1346
Governor’s Task Force on the Implementation of Question 2: The Regulation and Taxation of Marijuana Act (May 30, 2017)	Volume I RA0001 – 162
GreenMart of Nevada NLV’s Trial Memorandum (August 15, 2019)	Volume IX RA1714 – 1723
Hearing on Objections to State’s Response, Nevada Wellness Center’s Motion Re Compliance Re Physical Address, and Bound Amount Setting (August 29, 2019)	Volume XI RA1929 – 2001
Nevada Organic Remedies’ Organizational Chart (2018)	Volume I RA0163 – 178
Nevada Organic Remedies’ Pocket Brief Regarding the Interpretation of NRS 435D.200(6) and the Mandate to Conduct Background Checks of Each Owner of an Applicant for a Recreational Marijuana License (August 14, 2019)	Volume IX RA1695 – 1713
Notice of Entry of Order Denying Amended Application for Writ of Mandamus to Compel State of Nevada, Department of Taxation to Move Nevada Organic Remedies into “Tier 2” of Successful Conditional License Applicants (January 14, 2020)	Volume XI RA2057 – 2062
State of Nevada Pocket Brief Regarding the Meaning of the Phrase “All Regulations Necessary or Convenient to Carry Out the Provisions of” (June 10, 2019)	Volume VII RA1283 – 1343
The Essence Entities’ Bench Brief (Corrected) (August 15, 2019)	Volume IX RA1724 – 1734
UPS Store Address (June 11, 2019)	Volume VII RA1347 - 1349

DATED this 19th day of June, 2020.

BROWNSTEIN HYATT FARBER SCHRECK, LLP

*/s/ Adam K. Bult*

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**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that the foregoing **RESPONDENTS' APPENDIX VOLUME XI** was filed electronically with the Nevada Supreme Court on the 19th day of June, 2020. Electronic service of the foregoing document shall be made in accordance with the Master Service List as follows:

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TRAN

DISTRICT COURT  
CLARK COUNTY, NEVADA  
\* \* \* \* \*

SERENITY WELLNESS CENTER LLC, .  
et al. .

Plaintiffs .

CASE NO. A-19-786962-B

vs. .

STATE OF NEVADA DEPARTMENT OF .  
TAXATION .

DEPT. NO. XI

Defendant .

**Transcript of  
Proceedings**

. . . . .

BEFORE THE HONORABLE ELIZABETH GONZALEZ, DISTRICT COURT JUDGE

**HEARING ON OBJECTIONS TO STATE'S RESPONSE,  
NEVADA WELLNESS CENTER'S MOTION RE COMPLIANCE  
RE PHYSICAL ADDRESS, AND BOND AMOUNT SETTING**

THURSDAY, AUGUST 29, 2019

COURT RECORDER:

TRANSCRIPTION BY:

JILL HAWKINS  
District Court

FLORENCE HOYT  
Las Vegas, Nevada 89146

Proceedings recorded by audio-visual recording, transcript  
produced by transcription service.

APPEARANCES:

FOR THE PLAINTIFFS:

DOMINIC P. GENTILE, ESQ.  
WILLIAM KEMP, ESQ.  
NATHANIEL RULIS, ESQ.  
ADAM BULT, ESQ.  
MAXIMILIEN FETAZ, ESQ.  
THEODORE PARKER, ESQ.

FOR THE DEFENDANTS:

STEVE SHEVORSKI, ESQ.  
THERESA HAAR, ESQ.  
RUSTY GRAF, ESQ.  
BRIGID HIGGINS, ESQ.  
ERIC HONE, ESQ.  
DAVID KOCH, ESQ.  
ALINA SHELL, ESQ.  
JARED KAHN, ESQ.  
JOSEPH GUTIERREZ, ESQ.  
TODD BICE, ESQ.  
DENNIS PRINCE, ESQ.



1 LAS VEGAS, NEVADA, THURSDAY, AUGUST 29, 2019, 9:21 A.M.

2 (Court was called to order)

3 THE COURT: Do I have everybody? Do I have  
4 everybody? Am I missing anyone? Look around your friends.

5 MR. KEMP: Everybody on our side, Your Honor.

6 THE COURT: Okay. Couple of agenda items. After I  
7 released the findings of fact and conclusions of law I sent a  
8 copy to each of the judges who are not Business Court judges  
9 who had cases, advised them I had completed the hearing on the  
10 preliminary injunctions, that I had this hearing scheduled,  
11 and that they needed to handle the rest of their case. I've  
12 not heard back from a single one.

13 So I have one other agenda item, which is a motion  
14 to strike that I signed an OST and set for tomorrow because I  
15 couldn't set it for today. Does anyone have an objection to  
16 advancing it and having it heard today?

17 MR. KEMP: Judge, we'd like to file an opposition to  
18 that, because there's various evidentiary points being in  
19 raised in there, and we do think we should address it. Not so  
20 much for you, Your Honor, but --

21 THE COURT: For your record.

22 MR. KEMP: Right.

23 THE COURT: It's okay, Mr. Kemp. I understand what  
24 record's about. I had Polsenberg here already this morning.

25 Anything else before we go to the discussion about

1 the bond? Mr. Gentile.

2 I'm missing Ms. Shell. Wait. I can't start. I  
3 don't have Ms. Shell or Ms. McLetchie.

4 (Pause in the proceedings)

5 THE COURT: If she circulated dial-in information,  
6 can you give it to us, Mr. Bice, so Ramsey can dial in. Thank  
7 you. If you'd help Ramsey, please.

8 MR. BICE: I will.

9 THE COURT: Thank you.

10 (Pause in the proceedings)

11 THE COURT: Good morning, Ms. Shell. How are you  
12 today?

13 MS. SHELL: I'm fine, Judge. Thank you.

14 THE COURT: All right. I have the other  
15 participants who are all gathered here. We have not advanced  
16 the motion that was filed to strike by Mr. Hone. That is  
17 scheduled for hearing tomorrow. I do not know if you are  
18 interested and plan to attend. And I also made a disclosure  
19 that I communicated my decision on the preliminary injunction  
20 and sent the written order to the judges who are not Business  
21 Court judges who had cases, and referred the remainder of the  
22 handling of those cases to them. But I've not heard back.

23 All right. So now I was to point where I was going  
24 to talk about a bond. Mr. Gentile.

25 MR. GENTILE: No. Prior to that I just wanted --

1 for the record, I looked at the pleadings on the other matters  
2 that are set for today, objections, and apparently we did not  
3 file a written joinder with Mr. Parker's. And so for the  
4 record we join in Mr. Parker's.

5 THE COURT: Okay. Anybody want to talk about the  
6 bond?

7 MR. KEMP: Judge, I thought we agreed to have a  
8 separate bond hearing.

9 THE COURT: That's what I set for today. That's why  
10 I put it in the order and the footnote that today was today.  
11 Anybody want to talk about the bond?

12 MR. KOCH: Your Honor, our position would be that  
13 the question of the bond would be premature as it relates to  
14 our clients. I know the Court set the bond with respect to  
15 the State, because it enjoined the State. We believe, as the  
16 Court indicated, that the issue of being included or excluded  
17 from the group as was talked about would be discussed today.  
18 And so the issue of the bond could be addressed at a later  
19 time with respect to these entities.

20 THE COURT: No, no. We're going to do the bond  
21 today. But if you want me to do other things first, I'll do  
22 that first.

23 Mr. Parker, you've got a motion about addresses,  
24 property locations.

25 MR. PARKER: Yes, Your Honor. I do.

1 THE COURT: And apparently there are joinders by Mr.  
2 Gentile and others.

3 MR. PARKER: Yes, there are. Your Honor, I thought  
4 I would be very brief, because I know the Court is familiar  
5 with the competitive bidding process and --

6 THE COURT: Did you re-read 134 Nev. Adv. Op. 17,  
7 the Nuleaf Dispensary case?

8 MR. PARKER: No, I did not this morning, Your Honor.

9 THE COURT: Here. I'm going to give you this --

10 MR. PARKER: Let me see it.

11 THE COURT: -- so you can read it. Wait. I'm going  
12 to unfold my page. There are a couple of highlights that are  
13 probably important. I think Mr. Bice forwarded them in his  
14 brief, though. So we'll wait for a minute for you to read  
15 that, because that's important to our discussion this morning.

16 MR. SHEVORSKI: That was Shevorski, actually.

17 THE COURT: That was Shevorski? Okay.

18 MR. SHEVORSKI: But it was his case.

19 THE COURT: It was his case.

20 (Pause in the proceedings)

21 THE COURT: All right. Mr. Parker, it's your  
22 motion.

23 MR. PARKER: Thank you, Your Honor.

24 That case, while helpful, is not I think completely  
25 applicable to where we are, Your Honor. First, it deals with

1 the medical marijuana, as opposed to recreational, which is  
2 obvious from the front of it. But it also deals with whether  
3 or not a applicant has received approved approval from a local  
4 municipality. That's not the issue here.

5 The question here is whether or not the applicant  
6 complied with the statute, as well as the regulation, not  
7 whether or not it's received conditional or provisional  
8 approval of a location from a municipality, in that case the  
9 City. And so that's what Nuleaf was dealing with.

10 What our motion is directed to is whether or not the  
11 initiative by virtue of the statute was adhered to by certain  
12 applicants, which I believe goes with and is consistent with  
13 the Court's overall request originally to the State to  
14 determine whether or not the background checks were done also  
15 in conformance with NRS 453D.200.

16 So, Your Honor, I think if you take a look at  
17 453D.200 --

18 THE COURT: I'm there.

19 MR. PARKER: -- and you can consider what the  
20 applications and the applicants were required to do by  
21 statute, it points out or requires not only the portion that  
22 the Court has already addressed, that being the background  
23 checks, but also the physical address. So going to 453D.210,  
24 this is specifically where we deal with the 90-day period  
25 which is also referenced in the case you just provided me,

1 Your Honor. And in 453D.210(5)(b) it requires a physical  
2 address, Your Honor. And in fact it does not mention the word  
3 "floor plan" in the statute. It says, "The physical address  
4 where the proposed marijuana establishment will operate is  
5 owned by applicant or the applicant has the written permission  
6 of the property owner to operate the proposed marijuana  
7 establishment on that property." That's what it says.

8 Now, if you think back to the application,  
9 Exhibit 5, it's consistent with what Exhibit 5 said. This  
10 is the information that required the physical address. 5A was  
11 different, but 5 was more akin to what the statute and the  
12 initiative required.

13 So although Mr. Shevorski -- I can understand his  
14 attempt to advance the position that that Nuleaf decision  
15 helps his position, it does not. It simply speaks the  
16 ambiguous nature of that 453D, whether or not within the  
17 90 days you actually have to have a location approved by a  
18 municipality versus simply providing an address, which is  
19 required by the statute. So I don't think it applies here,  
20 Your Honor.

21 What I do believe applies is not only that  
22 453D.210(5)(b) mentions physical address, but it's also  
23 mentioned, as well, in the regulation, NAC 453D.265(1)(b)(3).  
24 And, Your Honor, you have that in front of you.

25 THE COURT: I do.

1           MR. PARKER: It says, "The physical address where  
2 the proposed marijuana establishment will be located and the  
3 physical address of any co-owned or otherwise affiliated  
4 marijuana establishments." So it's required in the statute,  
5 it's required in the regulation, Your Honor. I don't believe  
6 that there's any ambiguity in terms of that requirement.

7           It is also, Your Honor, mentioned in NAC  
8 453D.268(e). So we'll go to that, as well. And it says  
9 again, "The physical address where the proposed marijuana  
10 establishment will be located and the physical address of any  
11 co-owned or otherwise affiliated marijuana establishment."

12           Your Honor, there is no ambiguity in terms of what  
13 453D the statute requires or the regulations require. Now,  
14 when the Court issued its order and everyone had a chance to  
15 pore over it and pore over and pore over it, I had the  
16 pleasure of being on the plane, and I had four hours of  
17 nothing else to do but go back and forth over it.

18           THE COURT: Sorry.

19           MR. PARKER: No worries. No worries, Your Honor.

20           But I gleaned a lot from it, and it gave me a chance  
21 to ponder I would think all aspects of it. And that's why  
22 when you look at our brief we start out in part mentioning the  
23 statutes and as well as the regulations. But we also point  
24 out the verbiage in your order when you speak to the process.

25           Now, the bidding statutes, the 338 cases and those

1 that have followed 338 deal with a competitive bidding  
2 process. And typically that deals with the lowest response of  
3 a responsible bidder. And the Court's aware of that.

4 THE COURT: I am.

5 MR. PARKER: I know. But the cases that have come  
6 from those decisions, the Bud Mohas case, the Gulf Oil case,  
7 the cases that we cite all deal with favoritism that can be --  
8 that should be prevented from a competitive bid process.

9 Now, your report has actually shown the similarities  
10 in this competitive application process to the competitive bid  
11 process, which I would suggest to Your Honor, be it a  
12 competitive bid process where you're looking for the lowest  
13 responsible bidder or a competitive application process borne  
14 out by the regulations and the statute, you have to prevent  
15 favoritism or corruption or improvidence. That's what the  
16 caselaw says in Nevada, as well as the Federal District Court  
17 in the Gulf Oil case, Your Honor.

18 So, Your Honor, you actually put within your order  
19 -- you said, serious issues presented by the testimony from  
20 Ms. Contine, as well as Mr. Pupo. Ms. Contine said, "I  
21 created these regulations, they were supposed to be consistent  
22 with the initiative. To the extent there is a deviation  
23 between the regulation and the initiative the priority is the  
24 initiative." She said that the application required physical  
25 address. She should have required physical address. She said



1 that physical address was important in the initiative and it  
2 was equally important in the regulations. And that's why I  
3 started with the initiative and then I pointed out the  
4 sections within the regulations that also indicate the  
5 requirement of physical address.

6 Beyond that, Your Honor, I've asked the Court --  
7 this is the relief we're seeking in this -- by virtue of this  
8 motion. I'm asking the Court to instruct or request from the  
9 State the same exercise requested earlier, because it goes to  
10 the initiative and it goes to the requirement that the people  
11 of Nevada though were important. And that included physical  
12 address. So I think it's something that can be done fairly  
13 easily by Mr. Shevorski and his team or his team as well as  
14 the Department of Taxation. But I think it's certainly  
15 required under 453D.210, and I believe that the 90-day period  
16 of time, which is 453D.210(4). refers not only to the  
17 background check that has to be done within that time period,  
18 but also every other requirement under this statute, which  
19 also includes, of course, the physical address. That's the  
20 argument, Your Honor.

21 THE COURT: Thank you, Mr. Parker.

22 MR. PARKER: Thank you.

23 THE COURT: Does anyone else wish to speak in favor  
24 of the Nevada Wellness Center motion this morning?

25 Mr. Bult.

1 MR. BULT: Thank you, Your Honor.

2 We join Mr. Parker's motion and reiterate some of  
3 the things he noted on fairness of process, Bud Mohas, the  
4 serious issues you note in your written ruling. The only  
5 thing that we would add to that that we don't think was clear  
6 or clear enough in the motion is that if you continue through  
7 NRS 453D.210 to get through that statute, you must get to  
8 section (6), and that's without a physical address you cannot  
9 get to the competitive bidding process set out in NRS  
10 453D.210(6). And for that reason, Your Honor, we join in the  
11 request that the State perform the same analysis it did on  
12 background.

13 THE COURT: Thank you.

14 Anyone else wish to speak in favor of the motion?  
15 Mr. Kemp.

16 MR. KEMP: Your Honor, we didn't file a written  
17 joinder, but I just wanted to join in the motion.

18 THE COURT: Thank you. I have written joinders by  
19 ETW, Mr. Gentile's oral, and yours now.

20 Okay. In opposition? Who wants to start? I know I  
21 have several.

22 MR. SHEVORSKI: Mr. Bice is going to handle it,  
23 since [inaudible].

24 THE COURT: Mr. Bice wants to argue his Nuleaf  
25 decision's applicability to this case because he spent so much

1 time dealing with it in the medical marijuana situation?

2 MR. BICE: Well, yes and no. I mean, this is --  
3 there's nothing new -- this is, you know, reconsideration.  
4 There's nothing new here. This is the same argument that's  
5 been going on for about the last however many months.

6 Your Honor, just to sort of briefly touch on it, you  
7 know, I need to reiterate to -- particularly on this point  
8 about standing. They are not -- I mean, regardless of what  
9 they think the statute should -- how it should be interpreted  
10 and how it should be administered by the State, it's not for  
11 their protection. It's for the public's protection. So the  
12 assertion that they are entitled to some sort of an injunction  
13 based on, well, I don't think that these applications were  
14 sufficiently complete, is, again, not a claim that belongs to  
15 a losing party.

16 But nonetheless, turning to the merits, yes, Nuleaf  
17 does apply here, because Nuleaf -- the language is not  
18 identical, but substantively it is the same. It's under the  
19 90-day provision. The initiative proponents took the medical  
20 marijuana provisions and modified them for purposes of the  
21 initiative. In the interim period the Nevada Supreme Court  
22 decided the Nuleaf case and explained that, notwithstanding  
23 the arguments that were made there, the statute says that if  
24 someone has complied with all of the following in that 90  
25 days, if, then they can obtain a conditional license. And

1 what the Nevada Supreme Court said is, you have to read the  
2 statute as a whole, not just little snippets out of it and  
3 then -- like is going on here, and say that it's -- you know,  
4 that term about "if" and "all" are unambiguous and so  
5 therefore because you had to have a physical location there,  
6 too, in fact, you had to have even more than a physical  
7 location, you had to have the physical location and the local  
8 land use approvals. As the testimony --

9 THE COURT: So do you think the delay of the local  
10 authorities in granting the land use request was the reason  
11 for the decision in the Nuleaf case? You litigated it.

12 MR. BICE: I'm sorry.

13 THE COURT: The delay.

14 MR. BICE: The delay by the City? No. Because this  
15 happened in every jurisdiction. It happened -- did that  
16 influence ultimately or highlight the ambiguity in the  
17 statute? I think so. But every jurisdiction did something  
18 like this. The Nuleaf case was actually only one of multiple.  
19 It's the one that made it to the Supreme Court. The other  
20 cases -- there was a case in front of Judge Delaney where a  
21 preliminary injunction TRO was sought, which was denied.  
22 There was another one in front of -- I don't recall which  
23 judge handled the other one. But ultimately this is the one  
24 that was -- that ultimately made its way to the Nevada Supreme  
25 Court. But all those cases have the same issue about these

1 local jurisdictions, some accuse them of trying to manipulate  
2 the process by the timing and the triggering of their local  
3 land use approvals. But at the end of the day the Nevada  
4 Supreme Court said, none of that matters because the  
5 Department, in this case it was the Department of Health, has  
6 to have the discretion and has the discretion to figure out  
7 how to best implement this policy, right. Because the statute  
8 there on its face said the same argument that's being advanced  
9 to you today, well, it says that you have to have a physical  
10 address so therefore you have to have a physical address.

11 But that doesn't make a lot of sense, and the  
12 Department I think recognized that fact. And the reason it  
13 doesn't make sense is for multiple reasons. One, the statute  
14 also gives you the ability to move locations. So you could  
15 submit an application even if you could obtain a physical  
16 address and even if you get that conditional license, guess  
17 what, you can submit an application the next day to move the  
18 location. And so the Nevada Supreme Court recognized -- and  
19 that's -- by the way, that is the same provision in the  
20 medical marijuana statute. Doesn't make a lot of sense to  
21 say, oh, the physical location is so critical. Because it's  
22 not critical.

23 Then, as you heard in the evidence in this case,  
24 people couldn't even obtain physical addresses. You had over  
25 400 applicants here spread throughout the state, 460-some.

1 You're not going to have 460 individual locations where people  
2 could actually put marijuana establishments. That's not going  
3 to happen. On top of that you also had jurisdictions that  
4 have moratoriums. You couldn't possibly have a physical  
5 address, because it's illegal in those locations to have  
6 submitted a physical address. You couldn't have gotten a  
7 lease, as they're trying to say the statute should be  
8 literally interpreted to require. So the Department  
9 recognized, just like the Nevada Supreme Court recognized in  
10 the medical marijuana context, is the licenses are conditional  
11 until such time as you get the final approvals for opening.  
12 Any concerns about locations --

13 Because you've also got to remember, Your Honor,  
14 some of these jurisdictions don't even have local land use  
15 approval -- or processes. Don't even have ordinances in  
16 places. And the State was required by the statute to act  
17 within a certain time period. So they couldn't --

18 THE COURT: Ms. Shell, are you still there?

19 Okay. Sorry.

20 MR. BICE: In any event, Your Honor, the point here  
21 is I believe that your order accurately notes that this is  
22 something that, just like in Nuleaf the Nevada Supreme Court  
23 said, can be addressed at a subsequent point in time as part  
24 of the final licensing criteria. And it's not possible for  
25 the State to have required everyone to have submitted a

1 physical address, an actual physical address at the time of  
2 application.

3 And that I think ties into this attempt to now claim  
4 that Ms. Contine's testimony is somehow the end all be all of  
5 all legal analysis. With all due respect to Ms. Contine, I  
6 don't believe -- my recollection is, Your Honor, she wasn't  
7 there at the time this was actually implemented, and --

8 THE COURT: Well, she was there at the time they  
9 were created and took responsibility for being the person in  
10 charge of them.

11 MR. BICE: Correct. At the time of creation.

12 THE COURT: Correct.

13 MR. BICE: But then there was implementation issues  
14 that arose, which is --

15 THE COURT: Really? That was sarcasm. I've been  
16 reminded by Mr. Graf recently sarcasm does not appear well on  
17 the record.

18 MR. BICE: It doesn't. It doesn't. And I'm  
19 obviously guilty of that, too.

20 But the point is the Department has the discretion  
21 and the obligation to make this process work as well as it  
22 can, and it has to reconcile these competing policy goals that  
23 are in the statute. One of them is land use consideration,  
24 one of them is physical locations. How to best achieve that  
25 in light of the public safety issues is best left to the

1 Department, and the Department ultimately had to implement  
2 this in recognition that you can't literally have physical  
3 addresses for an unlimited number of applicants who are  
4 particularly in jurisdictions that you couldn't even designate  
5 a location. And I know for a fact that if the State had done  
6 -- had had a different standard for those jurisdictions where  
7 there were existing land use laws so therefore you could have  
8 theoretically had a physical location, as opposed to those  
9 that not, they would have screamed, well, that's  
10 discriminatory, you can't have different standards in  
11 different jurisdictions, this is a statewide statute. So the  
12 Department has the discretion and the authority to implement  
13 this.

14 And my last part on discovery, Your Honor, is this  
15 case has gone on for a not insignificant amount of time.

16 THE COURT: We haven't even done a Rule 16  
17 conference. Nobody's done any initial disclosures. This has  
18 not really gone on very long from a discovery standpoint.

19 MR. BICE: From a discovery standpoint. I agree. I  
20 understand that, Your Honor. I understand that. What I'm  
21 talking about, though, is the preliminary injunction hearing,  
22 which the Court has decided except for the bond. That's why I  
23 do object to, well, let's just start now, everyone's loading  
24 up -- I mean, this is just the briefing that has occurred on  
25 -- and not the appendix. I don't have --



1 THE COURT: I didn't print the appendix, either.  
2 Dani did, but --

3 MR. BICE: Just occurring on this simple question  
4 that you asked the State. So I object to this effort to  
5 interject new evidence and ask the State to now do an  
6 investigation into all of these other people. But, of course,  
7 don't look into any of these plaintiffs and where they  
8 acquired standing to raise these points. I mean, many of  
9 these plaintiffs don't comply with the very provisions upon  
10 which they're telling the Court it should enjoin everyone else  
11 under. How do they have standing to enjoin -- let's just use  
12 the 5 percent rule as an example. Many of them didn't have  
13 their own background investigations done, yet they're  
14 obtaining an injunction on the basis that they are likely to  
15 prevail when they didn't comply with the very same statute  
16 that they are now attacking? I think that same premise  
17 applies here, and there isn't any basis for further discovery.

18 THE COURT: Before you sit down, Mr. Bice --

19 MR. BICE: Yeah.

20 THE COURT: -- for record purposes I had previously  
21 marked Mr. Shevorski's email which --

22 MR. BICE: Yes.

23 THE COURT: -- answered my question as a Court  
24 exhibit. Do you want it marked again for purposes of today's  
25 hearing for your record?

1 MR. BICE: No. It's in the Court's record. Thank  
2 you.

3 THE COURT: All right. Thank you.  
4 Next?

5 MR. PRINCE: On behalf of the Thrive defendants,  
6 Your Honor, good morning. Dennis Prince. We join in Mr.  
7 Bice's arguments and have nothing additional.

8 THE COURT: Well, aren't you the same parties as Mr.  
9 Bice sort of?

10 MR. PRINCE: I also represent Essence, but I'm on  
11 behalf of Thrive.

12 THE COURT: Anybody else? Mr. Shevorski, you filed  
13 a written opposition. Do you want to say anything else in  
14 addition to Mr. Bice?

15 MR. SHEVORSKI: No.

16 THE COURT: Okay. Mr. Parker, that means you're up.  
17 Last word.

18 MR. PARKER: Yes indeed. I prefer actually the  
19 rebuttal than the initial argument, Your Honor.

20 MR. KEMP: Judge, I had one comment, too.

21 MR. PARKER: You had something you want to say?

22 THE COURT: Mr. Kemp, do you want to go before Mr.  
23 Parker, please.

24 MR. KEMP: Maybe I should go before, Your Honor. I  
25 just want to talk about the standing issue.

1 THE COURT: Okay.

2 MR. KEMP: Mr. Bice argued it was impossible to get  
3 addresses. Actually, LivFree had addresses for each one of  
4 its six applications. And he also talked about standing on  
5 the 5 percent. I think he was taking a shot at MM  
6 Development, but whatever. LivFree was a private company at  
7 that time. It didn't become a public company until I believe  
8 March or April. So it had no 5 percent requirement  
9 whatsoever. So there's no standing issue with regards to  
10 LivFree on either point.

11 And on this address thing we're really talking about  
12 two different things here, Your Honor. You're talking about  
13 addresses in the context of grading, and then you're talking  
14 about addresses in what Mr. Bice calls implementation. I  
15 mean, I think your order's pretty clear that it was impossible  
16 to adequately grade these without an address. And I think the  
17 -- you know, using the example I've used over and over again,  
18 we had a location that was actually built out that we gave the  
19 address for, and we got a 15-something for it. They used a  
20 UPS box, referring to Thrive, and they got a 19.67. How is  
21 that -- you know, that's not an implementation issue, because  
22 they've gotten a license. That's a grading issue.

23 Now, implementation is did in fact all these people  
24 give the Department real addresses within 90 days of December  
25 5th. The answer's going to be no, Your Honor. That's why

1 don't want the answer to be given. And it doesn't have  
2 anything to do with municipalities. They didn't give  
3 addresses for City of Las Vegas, they didn't give addresses  
4 for the County, they didn't give addresses for North Las  
5 Vegas. You know, there's no moratorium in any of those  
6 jurisdictions. The statute says specifically 90 days after  
7 the conditional license is awarded they have to provide the  
8 address. Didn't happen, Your Honor. They didn't happen in  
9 the application, they didn't have it in the implementation  
10 period like Mr. Bice addresses. And that's what's wrong about  
11 this whole process.

12 And those are the only points I have unless the  
13 Court has --

14 THE COURT: Mr. Parker, you're up.

15 MR. PARKER: Thank you, Your Honor.

16 Your Honor, let me start off where Mr. Kemp left  
17 off. On behalf of Nevada Wellness Center we provided  
18 addresses. We went through the painstaking process of finding  
19 what we believed to be appropriate, compliant locations for  
20 each of the four applications we submitted. That's number  
21 one.

22 Number two, Your Honor, Mr. Bice has been here long  
23 enough to hear some of the -- you know, to prepare for the  
24 closing arguments, but he was not here to hear all the  
25 testimony. And he was not here to go through all of the

1 regulations we've gone through with each of the Department of  
2 Taxation employees. He mentioned this issue or problem with  
3 perhaps the change of ownership and a change of location and  
4 how that could affect the Court's determination.

5 Well, the statutes provide for that. If you look at  
6 453D.200, Your Honor, (1)(j), it says, "Procedures and  
7 requirements to enable the transfer of a license for a  
8 marijuana establishment to another qualified person and to  
9 enable a licensee to move the location of its establishment to  
10 another suitable location." Suitability, Your Honor, again  
11 requires an actual location. Impact on the community requires  
12 a physical location.

13 Other portions of the application dealing with the  
14 criteria for scoring go again to physical -- a physical  
15 address. The statute -- I've mentioned already three  
16 locations in the statutes themselves that reference and  
17 require physical address. This Court has indicated in its  
18 order and throughout the questioning of several witnesses how  
19 it placed -- what importance it placed on the initiative and  
20 these statutes. All we're asking the Court to do is to follow  
21 through with those questions, which would be -- the  
22 culmination of which would be a question to the State, which  
23 of these applicants actually complied with the statute as it  
24 pertains to physical address. You've done it terms of  
25 background. This doesn't take much in terms of physical

1 address. And I think Mr. Kemp indicated that would have  
2 provided a physical address within the 90-day period.

3 Your Honor, I listed in our brief some of the Nevada  
4 cases that deal with the fundamental purpose of competitive  
5 bidding and how the competitive bidding process is placed  
6 there to make sure that contract-making officials like Mr.  
7 Pupo, Ms. Contine, Ms. Cronkhite are not placed in a position  
8 where they can alter, change, or prevent there from being a  
9 fair playing field. In fact, the caselaw says, "The  
10 fundamental purpose of competitive bidding is to deprive or  
11 limit the discretion of contract-making officials in the areas  
12 which are susceptible to such abuses as fraud, favoritism,  
13 improvidence, and extravagance."

14 Now, we heard and this Court heard -- Mr. Pupo  
15 talked about dinners he went with some of these applicants,  
16 lunches, drinks, conversations, access by cell phone, how  
17 certain information was not provided. I mean, you compare  
18 what was done in 2014 for the medical marijuana to what was  
19 done here, it was open question-and-answer periods, one point  
20 of contact, all by email so that everyone got the same  
21 information. That was not done here. The testimony we heard  
22 from Mr. Pupo and we heard from Ms. Contine, Your Honor, reeks  
23 of favoritism. And the only way this Court can flesh this  
24 out, complete this analysis is to require that at least in  
25 terms of what the statute required the applicants to provide

1 that that question be answered by the State. It took two days  
2 for the State to do it in terms of the last question. I don't  
3 -- I'm not speaking for Mr. Shevorski. I don't know how long  
4 it will take to simply check the applications. But what I  
5 say, Your Honor, is we cannot. Because many of the winning  
6 side when they presented their applications, they redacted  
7 that type of information. But we do know that the initiative  
8 never allowed for or afforded an applicant to simply put a  
9 floor plan. The changes made by Mr. Pupo through backdoor  
10 negotiations and discussions with their consultant, Ms.  
11 Connor, that's exactly the type of favoritism that the Nevada  
12 competitive bidding statute and caselaw interpreting the same  
13 was meant to prevent.

14           The only other thing I would say, Your Honor, and I  
15 don't want to beat this horse to death, but no one on this  
16 side has argued prior to Mr. Shevorski presenting in court the  
17 Nuleaf case that these statutes are ambiguous. They've not  
18 made that argument. And they certainly have not provided an  
19 alternative interpretation of NRS 453D.200, .210, NAC .265 or  
20 .268. So if you're not doing so, then they cannot rely on the  
21 Nuleaf case that simply talks about having to have  
22 municipality approval as a part of your application. That's  
23 not the case we have here, and that's not the analysis the  
24 Court is going through.

25           The Court has never asked any of the witnesses,

1 including not only the Department of Taxation witnesses or any  
2 of the plaintiffs in this case whether or not you have  
3 municipal approval of that location. The question is did you  
4 provide a location. And that's a question that needs to be  
5 answered, Your Honor.

6 Unless the Court has any other questions --

7 THE COURT: I don't. Thank you, Mr. Parker.

8 MR. PARKER: Thank you, Your Honor.

9 THE COURT: Everyone who participated in the hearing  
10 recognizes --

11 MR. BULT: Your Honor, could I clarify one thing?

12 THE COURT: No.

13 Everyone who participated in the hearing process  
14 recognizes the process used by the Department of Taxation was  
15 flawed. It was adversely impacted by changing the physical  
16 address requirement midstream in the application distribution  
17 process. But, given the Supreme Court's decision in Nuleaf,  
18 the Court denies the motion.

19 All right. That takes me to my issues related to  
20 Mr. Shevorski's email where the Department answered my  
21 question in three parts. I have several objections on all  
22 sides related to this, and I am happy to hear them in turn. I  
23 am going to start on the plaintiffs' side and I'm going to  
24 work around.

25 So anyone on the plaintiffs' side, including Mr.



1 Kemp, wish to say anything related to the objection to the  
2 State's answer to my question that I asked at the end of the  
3 hearing after Mr. Prince came up with a less restrictive  
4 relief for the injunction?

5 So, Mr. Prince, we're going to keep giving you  
6 credit for that.

7 MR. KEMP: Judge, you want to go applicant by  
8 applicant, or do you want to go --

9 THE COURT: You can go in whatever order you want,  
10 which is why there was no time limit today. Mr. Kemp.

11 MR. KEMP: Well, Your Honor, I think we've raised  
12 our points. I would just reserve time for rebuttal.

13 THE COURT: All right. Thanks.

14 MR. KEMP: I would make one point, however, which  
15 is, you know, everyone, Mr. Graf especially, yelled and  
16 screamed about, oh, we can't attach exhibits that weren't  
17 introduced at the hearing. And for the most part we limited  
18 ourselves to exhibits at the hearing, with the exception of  
19 the two public records and the verified complaint. But then  
20 they turn around and file the exact same kind of stuff. They  
21 filed Mr. Black's affidavit, who, according to Mr. Hawkins's  
22 testimony which was unrebutted at the hearing, was dodging  
23 service. I can file the affidavit of process server. You  
24 know, Mr. Graf says I should have tried harder. But maybe he  
25 should just produce Mr. Black. Then to suggest that now all

1 of a sudden they can strike all my exhibits because they  
2 weren't introduced at the hearing but then Clear River can  
3 come in with a new exhibit, this sale document which shows  
4 that the sale wasn't effectuated until sometime in December  
5 after the conditional license. But, in any event, they can  
6 come in with a new document and, in addition to that, an  
7 affidavit from Mr. Black, who was ducking service? You know,  
8 I just want a fair playing field, Your Honor. If their  
9 stuff's coming in -- and I talked to Mr. Graf about this  
10 before and he said there was a minute order allowing his  
11 stuff. I went back and I didn't find any minute order. I did  
12 find --

13 THE COURT: No. The minute order related to you.  
14 Mr. Graf asked a similar question by email with my law clerk,  
15 whether he was going to get in trouble for filing an  
16 objection. I was in trial, so I told Dani to tell him to look  
17 at the footnote which told him he could file an objection if  
18 he wanted to.

19 MR. KEMP: I just want an equal playing field, Your  
20 Honor.

21 THE COURT: I know.

22 MR. KEMP: We file stuff, they file stuff. It's  
23 fine with me.

24 THE COURT: Okay. Anybody else on the plaintiffs'  
25 side wish to say anything?

1           Okay. Mr. Koch.

2           MR. KOCH: Thank you, Your Honor.

3           And the Court had indicated in its order that it was  
4 looking for a discussion about inclusion or exclusion from  
5 this [unintelligible]. I really think my audience today is  
6 frankly Mr. Shevorski and the Department, because the Court  
7 asked the Department to make a determination of the  
8 applications and the information contained there and to report  
9 back to the Court on what it found. And the Court is not  
10 making a determination of what was there, so they're asking  
11 the Department for that information.

12           We have obviously considered the Court's order.  
13 We've been here. The Court considered a lot of information  
14 and put that into the order. We would disagree with the  
15 component of that order with respect to the 5 percent  
16 provision and the 453D.255 of the regulations. We're not here  
17 to argue that, we're not asking the Court to reconsider that.  
18 And if this matter goes up on appeal, I assume that will be  
19 addressed at that time. It's not what we're here for today.

20           What we're here for today is to confirm that in fact  
21 my client did comply with the requirement to list all  
22 prospective owners, officers, and board members so that it can  
23 move forward with its perfection of its application. When the  
24 Court asked for the State to provide information that it  
25 provided, it did so, and it said -- you know, I guess there's

1 three tiers.

2 THE COURT: So you're asking me to let the State now  
3 make a decision as to whether applications are complete when  
4 they totally abdicated their responsibility related to that  
5 last fall?

6 MR. KOCH: Well, that's an interesting question,  
7 because if the Court is saying -- asked the State for  
8 information as of this last Tuesday or Wednesday and it said,  
9 give me the information on that, it's a little bit ironic, I  
10 suppose, when the Court has said, well, the State didn't do  
11 its job back then, but do it now.

12 THE COURT: Well, I'm not sure they did it right  
13 now, which is why I had the opportunity for everybody to have  
14 an objection to determine if I am going to restructure the  
15 relief as Mr. Prince had requested.

16 MR. KOCH: And so with that, the State did provide  
17 those three tiers. One is some people who aren't we just  
18 trust them, they must all be good, so they got a license,  
19 we're going to let them go. There's another tier that said,  
20 we don't have anything to dispute what they said so we're  
21 going to let them -- say their application was complete, as  
22 well. And there's a third tier that said, we have some  
23 questions about what was part of that application. And when I  
24 get a question I try to provide an answer, and I saw the State  
25 had a question, and I in fact called Mr. Shevorski and said,

1 you got a question, I want to provide information. Mr.  
2 Shevorski is a fair guy, friend of many in the courtroom, I  
3 suppose.

4 THE COURT: He is a friend to all.

5 MR. KOCH: Friend to all.

6 MR. SHEVORSKI: Ecumenical, Your Honor.

7 MR. KOCH: But I think Mr. Shevorski probably  
8 rightly, although I may disagree, I suppose, said, look, we're  
9 neutral, the Court has asked us to do something, we're going  
10 to do what the Court asked us to do and make a decision on  
11 what the Court asked us to do and submit that, but we're not  
12 deciding anything else, we're not saying yea or nay, we have a  
13 question that cannot be answered.

14 And so the answer to that question we provided in  
15 our response, the answer the Department had that answer all  
16 along because Nevada Organic Remedies submitted in first  
17 August 2018 its ownership transfer request, and the Department  
18 has, attached to Exhibit A to our response, sent back a  
19 transfer of ownership approval letter dated August 20th, 2018,  
20 listing each of the owners of Nevada Organic Remedies, the  
21 applicant in this case. Listed GGV Nevada LLC and listed also  
22 individuals well below 5 percent, in fact, even Mr. Peterson,  
23 who owned one tenth of 1 percent. It listed Pat Byrne, who  
24 had one half of 1 percent, individuals -- anyone who had a  
25 membership in the applicant listed there. And the Department

1 approved that list. And when Nevada Organic Remedies  
2 submitted its application and provided its organizational  
3 chart that same organizational chart and list of owners was  
4 provided there, and in fact, as indicated in the footnote to  
5 our Exhibit B, that organizational chart, it states, "Please  
6 note. This ownership structure was approved by the Department  
7 of Taxation on August 20th, 2018. All owners, all prospective  
8 owners, officers, and board members were listed there and were  
9 approved by the Department.

10 And so when the State said, we have an open question  
11 of whether there were shareholders who owned a membership  
12 interest in the applicant, information was there all along.  
13 Because what that ownership interest is in an applicant, in an  
14 LLC, an ownership interest is a membership interest. And that  
15 information was provided. The Nevada Organic Remedies itself  
16 is not a public company, it's an LLC. None of the owners of  
17 membership interests of Nevada Organic Remedies are public  
18 companies. Each of the owners of those membership interests  
19 in Nevada Organic Remedies was disclosed, was approved by the  
20 Department, and for that reason Nevada Organic Remedies must  
21 be included -- to the extent that the Court is even going to  
22 consider that point, included within the group of those  
23 applicants that have properly disclosed all prospective  
24 owners, officers, and board members.

25 And to the extent that there's any question about

1 completing background checks or something else that had not be  
2 done, that's not what the Court's question was. And that  
3 background check could be completed at some future time if it  
4 were necessary or appropriate. But we believe background  
5 checks were in fact completed of those that were listed there.  
6 If the Department believed that there needed to be a  
7 background check done of the entity that owned membership  
8 interests in Nevada Organic Remedies, it fashioned such  
9 relief. They've not been asked to do that.

10 So we believe that Nevada Organic Remedies has  
11 clearly complied with the statute, the express terms of the  
12 statute as the Court has read that statute literally, and we  
13 have complied with what the Department has requested, and the  
14 Department has approved what we have submitted. And we do not  
15 believe we need to go any further than that, but to the extent  
16 that the Department would come back now and say, oh, we  
17 approved it before but now we have a question, we believe that  
18 the Department would be estopped from taking that position,  
19 because we complied with the rules and regulations in place at  
20 the time that the Department asked to provide without  
21 objection but actually explicit approval of that list that was  
22 provided to the Department.

23 THE COURT: And so you think the change of ownership  
24 approval trumps the ballot question?

25 MR. KOCH: Not at all. We provided -- the ballot

1 question says each prospective owner, officer, or board  
2 member.

3 THE COURT: Correct.

4 MR. KOCH: We provided a list of each prospective  
5 owner, officer, and board members. Listed right there. The  
6 change of ownership letter is there, but it's also directly in  
7 the application. We provided that as part of our Exhibit B,  
8 here are the owners, these are the owners of the applicant,  
9 and it is disclosed right there. There is no secondary  
10 question. The Court has read that statute quite literally.  
11 It's an owner of the applicant. It's not to say, well, let's  
12 see if there's, you know, somewhere else off here, we're going  
13 to engage in some investigation to see if there's some sort of  
14 secondary tertiary ownership. And, frankly, that's what, you  
15 know, plaintiffs, many of them, same type of situation.  
16 Frankly, some of them probably a little more explicit. And  
17 Mr. Kemp talked about MM, but then said, well, LivFree wasn't  
18 [unintelligible], but MM was. MM provided the disclosure of  
19 its structure which doesn't even have the same LLC --  
20 ownership of the LLC, provided a different structure and did  
21 provide a list of any other shareholders up above.

22 Serenity, same thing. Said, here's our structure,  
23 here's the LLC that owns a membership in our entity. We're  
24 not saying anybody did anything wrong in that. That's what  
25 was asked for, that's what was provided. And if the Court has



1 made its determination of the statute precluding the  
2 regulation -- which I don't know how a regulation that adopts  
3 a 5 percent rule that's already in the medical regs that apply  
4 to the same owners that half of the owners of medical be able  
5 to apply for recreational becomes arbitrary at that point in  
6 time when you've already got the 5 percent rule there. But we  
7 submitted it at the time within the application period.

8           You know, it's -- frankly, the date of application  
9 period could be potentially more arbitrary than anything else.  
10 If there's a question of shareholders changing over in these  
11 public companies over here, they submit the application on the  
12 14th, by the 18th, the end, that could change over.

13           THE COURT: You set a record date, Mr. Koch. You  
14 know how that works from doing proxies and --

15           MR. KOCH: Absolutely. Could set record date. But  
16 for that purpose, for purposes of what we had explained and  
17 clearly laid out, there is no public ownership of a membership  
18 interest in our applicant. We've complied with the statute,  
19 we've complied with the law, and for that purpose, to the  
20 extent the Court is going to make any determination, which I  
21 think that's up to the State to do or the Department to do, it  
22 should include Nevada Organic Remedies in the list of  
23 companies that provided full ownership and can move forward  
24 with perfecting their conditional licenses in a timely manner.

25           THE COURT: Okay. Thank you.

1 MR. HONE: Your Honor, Eric Hone on behalf of Lone  
2 Mountain parties. Real quickly just two points.

3 One, we have a motion to strike, of course, the  
4 material that was submitted by Mr. Kemp that you're hearing  
5 tomorrow, so I'll reserve the issue on that.

6 Secondly, just a real quick point. Our position is  
7 that to the extent that the Court asked a question of the  
8 State and the State raised a question as to completeness for  
9 the first time, that it's the State's obligation to answer  
10 that question, not abdicate its responsibility, to then  
11 actually answer that question and then come back into court.  
12 So we would say from a logistical position our point would be  
13 that if the State has a question or they do have a question  
14 with regard to our client that they raised for the first time  
15 last week, we should be able to address that with the  
16 Department of Taxation. If they can resolve their question,  
17 then we can come back to Your Honor and see whether our client  
18 can go forward with the rest of the group. But as an initial  
19 take we believe the object rests with the State. They should  
20 answer the question that they raised for the first time last  
21 week and then allow us to come back to your court to see if  
22 that satisfies Your Honor. Thank you.

23 THE COURT: Thank you.

24 Next?

25 MR. GRAF: Good morning, Your Honor.

1 THE COURT: Mr. Graf, the person who asks for  
2 affirmative relief in his objection.

3 MR. GRAF: I did, Your Honor. And it's not an  
4 objection.

5 THE COURT: It's a brief. I'm sorry.

6 MR. GRAF: Correct. And I wanted to make that  
7 clear, and I want to make that clear to Mr. Kemp. Our  
8 objection early on when they initially filed their objection  
9 and then the appendix was the fact that there was no  
10 procedural mechanism for doing that. That's what we objected  
11 to.

12 THE COURT: Not until I had Footnote Number 19 in  
13 the findings of fact and conclusions of law.

14 MR. GRAF: I agree. So, and that's fine, Your  
15 Honor. But the issue is here and our problem with what they  
16 produced was you didn't get leave. So then we prepared a  
17 letter to all counsel and the Court and said, hey, Your Honor,  
18 if and when we submit a brief can we submit additional  
19 information, Her Honor was --

20 THE COURT: I didn't see your letter at time I did  
21 the minute order.

22 MR. GRAF: All counsel saw it.

23 THE COURT: I struck it because I wasn't taking  
24 post-trial briefing.

25 MR. GRAF: Understood, Your Honor. We eserved it on

1 all counsel, just so Mr. Kemp's aware that he was aware of our  
2 request to the Court regarding that issue.

3 But, Your Honor, you necessarily don't need any  
4 documents. So here's the issue. The State has answered your  
5 question and said Clear River submitted a completed  
6 application pursuant to 453D.200(6). Your Honor, even in the  
7 ballot initiative it reads the same way as it does in the  
8 statute. The ballot initiative in Part 6 reads, "The  
9 Department shall conduct a background check of each  
10 prospective owners, officers, and board members of a marijuana  
11 establishment license applicant." Your Honor, Clear River  
12 couldn't be a bigger and better poster child for this very  
13 prospective owner issue. This is a case where Clear River had  
14 one other owner, Armco LLC. Armco LLC owned 8 percent. They  
15 disputed the ownership and everything else in the initiative  
16 litigation in 2015, February 26th, 2015. That litigation was  
17 resolved in September with a confidential settlement agreement  
18 signed, dated September 21st, 2016.

19 I raise those dates for this reason, Your Honor.  
20 It's before the initiative was passed, it's before all of  
21 these deadlines for these applications were even set. And  
22 then there were deadlines for payments that were going to be  
23 made, four in total, the last payment being made December 1st,  
24 2018. That's coincidence, the very definition of coincidence.

25 So then we've got an issue where they're submitting

1 an application, and we know on December 1st or December 4th,  
2 when the actual last payment was made, that this entity will  
3 no longer be a member. That's the definition of prospective.  
4 What's going to happen in the future? That's what Clear River  
5 did, that's what they submitted. That's why we're not -- we  
6 didn't file an objection, Your Honor. We just wanted to file  
7 a brief that said, hey, these are all the facts and by the way  
8 that's what the State knew, that's why the State put us in  
9 Category Number 2. In our conditional letter they said, hey,  
10 you've got to file this transfer of ownership. And  
11 immediately on December 14th, within the 30 days required in  
12 the conditional letter, we filed our change and transfer of  
13 ownership to create ownership of 100 percent.

14 So, Your Honor, we're actually what they've been  
15 railing against. Well, not necessarily some of them, because  
16 some of these plaintiffs are publicly traded companies. And,  
17 again, Your Honor, as we argued in our closing argument to the  
18 motion for preliminary injunction, it is not lost on us the  
19 unclean hands and/or the lack of equity that some of these  
20 plaintiffs come to this Court with.

21 But here's the issue. Here's the issue, Your Honor.  
22 What kind of whack-a-mole are we going to keep playing in this  
23 case? Are we going to keep having -- we've had eight  
24 different theories of the case by the plaintiffs throughout  
25 this process that they have coming on for various reasons.

1 But on this one issue you've got before you an applicant that  
2 owns a hundred percent of the company. Her Honor asked a  
3 question, a very specific question, a very specific question,  
4 did these applicants comply with NRS 453D.200(6).

5 THE COURT: Actually, I asked which applicants.

6 MR. GRAF: Which applicants. Clear River is one of  
7 them, and Mr. Randy Black, the one man who controls Clear  
8 River LLC, that's what we're talking about.

9 So unless Her Honor has any questions about that  
10 process or any of the documents that were submitted -- but,  
11 again, Your Honor, we submit that all of those documents were  
12 in the possession and control of the State. The State knew  
13 all of this information. And I guess that's the final  
14 comment, Your Honor. These plaintiffs can say whatever they  
15 want, they can make whatever arguments that they want; but at  
16 the end of the day in this one issue, whether or not there was  
17 ownership in one entity, it's this case and it's this client,  
18 and it's our client, Clear River. Do you have any questions,  
19 Your Honor?

20 THE COURT: I do not.

21 MR. GRAF: Thank you, Your Honor.

22 THE COURT: Next?

23 MR. KAHN: Good morning, Your Honor. Jared Kahn for  
24 Helping Hands Wellness Center, Inc. My client representative  
25 Dr. Jameson also has the pleasure of being here today for this

1 hearing.

2           Your Honor, the State responded to your inquiry as  
3 it pertains to Helping Hands Wellness Center that it is unable  
4 to eliminate a question whether Mr. Terteryan's testimony that  
5 he was the COO and how he was not listed on Exhibit A could  
6 respond to your inquiry. What is before the Court and Helping  
7 Hands's objection that has been filed is a rundown that  
8 explains that. You asked for an objection to the State's  
9 inquiry, and we submitted the evidence. And that evidence  
10 shows in Exhibit 1 there was a corporate resolution that was  
11 executed in July of 2019 that Alyssa Navallo-Herman was no  
12 longer the president, she resigned as the president, and  
13 Klaris Terteryan was nominated as the president, and that Mr.  
14 Alfred Terteryan was nominated as the chief operating officer  
15 to assist the company.

16           Now, that transfer of ownership that caused Ms.  
17 Navallo-Herman to resign occurred on July 19th, 2019, in the  
18 middle of this entire process and not contemplated at the time  
19 when they submitted their application. Certainly she's listed  
20 in the application as an owner and president in there. So  
21 upon her resignation they substitute who's going to be the new  
22 president, and they nominated Mr. Terteryan as COO.

23           In the application itself that's designated  
24 Exhibit 3, Mr. Terteryan is disclosed in the application as a  
25 director of cultivation operations. So he's fully disclosed

1 in the application.

2 The organizational chart, which is included, as  
3 well, shows that the COO position is blank. There was no COO  
4 position at the time of the application. It was a prospective  
5 position that they did not know who would have that title  
6 until Mr. Terteryan was actually nominated in July of 2019,  
7 after Mr. Navallo-Herman resigned as president.

8 The State inquiry as to whether they have a question  
9 as to who should be an officer, they should look at the  
10 company's application and the company's documents. And what  
11 those company documents say now --

12 THE COURT: Well, but actually they should have  
13 looked at that when they got the applications; right?

14 MR. KAHN: Correct.

15 THE COURT: Okay.

16 MR. KAHN: And I don't know if they did look at it  
17 or not at the time, but they certainly couldn't look at Mr.  
18 Terteryan being a COO at the time, because he wasn't a COO at  
19 the time. It is not for them to hypothecate that to say he  
20 should be the COO when he's the director of cultivation  
21 operations. It's not the State's position to say who should  
22 be an officer.

23 Mr. Terteryan was also noted in the State's response  
24 to your inquiry, Your Honor, that he was fully background  
25 checked because he's been a key employee working at the



1 facility for four years. And he was background checked then,  
2 and he's background checked now. He has his agent card, and  
3 they're in full compliance as to who has been background  
4 checked in compliance with your concern, Your Honor, as to  
5 which owners, officers, and board members have been background  
6 checked.

7           The point of your order was to ensure that the State  
8 background checks all of those folks, essentially, your  
9 inquiry and your order that they can't issue the final license  
10 until there's that compliance. For the State to then question  
11 Mr. Terteryan and say he should be a COO as of the time of the  
12 application, that's not the State's role and that's not what  
13 your inquiry was. Your inquiry wasn't for the State to  
14 determine who should be an officer, should it be the guy who's  
15 running the dispensary who's the general manager. Should he  
16 have been an officer? At what point does the State's inquiry  
17 as to who should be an officer become a fantasy, as opposed to  
18 let's look at what is actually disclosed and what actually  
19 occurred. So now the State has this information that the  
20 corporate resolution occurred in July 2019 after the transfer  
21 of ownership occurred, and that inquiry should be complete  
22 now.

23           Now, we are not certain as Helping Hands and I think  
24 the other defendant intervenors whether or not it's your job,  
25 Your Honor, to actually make a determination of completeness

1 here today or whether it's really the State's. The State was  
2 tasked to respond to your inquiry, but you don't have the full  
3 application before you, Your Honor. You don't have the -- you  
4 weren't tasked, Your Honor, with determining whose application  
5 is actually complete. That's the State's. And certainly  
6 we're objecting to the State's objection that was filed and is  
7 now -- I think it's marked Exhibit 3 and providing that proof  
8 to respond to their inquiry. And is it up to you, Your Honor,  
9 to determine now that Helping Hands is compliant, or is it up  
10 to the State to say, well, we provided the information and  
11 we're compliant? That -- I don't know if that's happening  
12 here today or we go back to the State and have that inquiry  
13 with them. When I also reached out to Mr. Shevorski he said  
14 that was going to be your determination, essentially. Not  
15 putting words in your mouth, Mr. Shevorski, but essentially  
16 that's where we are today. He said, we're supposed to file  
17 the objection. Which we did.

18           So the last point I want to make, Your Honor, on  
19 this issue is the plaintiffs have made a great deal of  
20 commotion of saying who was gaming the system by not listing  
21 owners, officers, or board members or maybe listing new  
22 owners, officers, and board members to obtain diversity  
23 points. Here Mr. Terteryan was background checked. If he was  
24 actually listed as an officer, we would have received more  
25 points, Your Honor, because he's a minority. But in fact he

1 was not an officer at the time, and that's why he wasn't  
2 listed.

3           So there's no harm or foul to the State and its  
4 public policy to protect the public to ensure everyone's  
5 background checked, which was I believe Your Honor's concern  
6 as to why we should ensure everyone has been background  
7 checked, to make sure the public knows who is the owners and  
8 how they pass background checks. So that's been complied with  
9 in response to their objection as to Mr. Terteryan.

10           And, again, it shows that we have substantially  
11 complied. And I can understand now the confusion from the  
12 State when Mr. Terteryan comes in and testifies in August that  
13 he acts as the COO, which just occurred several weeks prior.  
14 But nobody asked him on the stand, Your Honor. There's no  
15 testimony that said, were you the COO at the time of the  
16 application. Because at the time he wasn't. He was the  
17 director of cultivation operations.

18           Therefore, Your Honor, I believe we have  
19 substantially complied with filing a proper objection proving  
20 Mr. Terteryan was not a COO at the time of the application,  
21 and Helping Hands' application should be deemed complete and e  
22 should move into the other tier, Your Honor. Thank you. And  
23 if you have any questions --

24           THE COURT: Thank you. No.

25           Anyone else? Anything else, Mr. Kemp?

1 MR. KEMP: Yes, Your Honor.

2 THE COURT: Anything, Mr. Shevorski?

3 Mr. Shevorski is standing neutral.

4 MR. SHEVORSKI: Mr. Shevorski is here to answer your  
5 questions, Your Honor, should you turn your fire in that  
6 direction.

7 MR. KEMP: Your Honor, on Lone Mountain Mr. Hone  
8 never answered the central issue, which is did Verano own Lone  
9 Mountain at the time the application was filed. The answer to  
10 that is clearly yes, and the support we rely in for that is  
11 Mr. Kahn's complaint we've attached. He filed a complaint on  
12 behalf of the Frye family against Lone Mountain, saying they  
13 stole all his trade secrets. But in that complaint he alleges  
14 clearly that Verano was the owner of Lone Mountain at the time  
15 the application was filed. But more importantly, we have the  
16 two -- I call them SEC filings. They're not really filing  
17 with the United States Securities and Exchange Commission.

18 THE COURT: They're Canadian.

19 MR. KEMP: They're whatever the Canadian SEC is. So  
20 I just want to make that clear. But I'm going to continue to  
21 call them SEC filings. But anyway, we have not one, but two  
22 SEC filings that specifically show that Verano owned Lone  
23 Mountain at the time the application was filed. I mean, that  
24 is it, Your Honor. You know, first of all, the State was  
25 right; but, second of all, it's undisputed. And you didn't

1 hear Mr. Hone argue this fact. He won't admit it. He just  
2 sits there and he says -- tries to be coy about it. But the  
3 undisputed fact is that Verano owned Lone Mountain at the time  
4 the application was filed and they did not disclose the Verano  
5 owners -- the officers and directors on the application. I  
6 mean, it's clear that there's support from the State's  
7 position.

8           Moving to Mr. Koch's argument, he says, Judge,  
9 ignore Schedule B where we listed the officers, directors, and  
10 board members, and also he listed janitors and the maintenance  
11 people and everybody else. But he says, ignore Schedule B,  
12 look at the organizational chart we provided. That was not  
13 part of Schedule B, Your Honor. What he's arguing is that he  
14 did not list the officers and directors for the parent in  
15 Schedule B but State should have figured this out and moved  
16 them over there from his organizational chart to Schedule B.  
17 Well, I mean, a couple problems with that. First, you know,  
18 it's obvious that the State and the graders used Schedule B,  
19 because they did the diversity rating -- by the way, NOR got  
20 an 8, we got a 4, we being M&M. They used the people that  
21 were listed on Schedule B as the owners, officers, and  
22 directors. That's where he should have had all these other  
23 owners, officers, and directors, not hidden somewhere on  
24 Exhibit B. And he says, oh, well, M&M's bad, too. Your  
25 Honor, we're not bad. We listed our owners, officers, and

1 directors of the holding company, the Canadian holding  
2 company. We listed them on Schedule B, where they're supposed  
3 to be listed. And because of that, we got lower diversity  
4 points than them. We got a 4, they got an 8. And in our case  
5 adding another 4 would have been outcome determinative. We  
6 would have won a couple of the licenses. But, you know, to  
7 say --

8 THE COURT: And I've deferred that to your  
9 department. I sent that --

10 MR. KEMP: I understand that, Your Honor. We're  
11 filing a motion with the -- you know, the new judge is  
12 probably going to call you. But, any event --

13 THE COURT: I hope not.

14 MR. KEMP: But, in any event, we'll file a motion.  
15 We're going to blame you. But, in any event --

16 THE COURT: I sent it to him. Even though he  
17 doesn't have a County email yet, I sent it to his email at his  
18 office.

19 MR. KEMP: Okay. In any event, Your Honor, I think  
20 -- I don't know, you should send him a gift or something -- or  
21 vice versa. But, in any event, the record clearly supports  
22 that on the Nevada Organic Remedies thing that it wasn't  
23 properly complete in Section B.

24 Moving to GreenMart, we didn't hear anything on  
25 GreenMart, so I'm going to skip over it.

1 THE COURT: I believe that's because we lost Ms.  
2 Shell during the conference call.

3 MR. KEMP: I won't take advantage of the situation,  
4 Your Honor, I'll just rely upon the brief.

5 THE COURT: Thank you.

6 MR. KEMP: On Clear River -- this is my favorite,  
7 okay.

8 Can I have my chart, please, Shane.

9 Well, one of my favorites. I've got a couple  
10 favorites here.

11 THE COURT: I specifically told a group yesterday  
12 they could not use Disney princesses in a PowerPoint. So  
13 let's not use any Disney princesses.

14 MR. KEMP: All I was going to put is the purchase  
15 and sale agreement that Mr. Black tendered.

16 THE COURT: Okay.

17 MR. KEMP: Okay, Your Honor. This is his own  
18 purchase and sale agreement, okay. This is what he tendered.

19 Can we have that up, Shane.

20 (Pause in the proceedings)

21 MR. KEMP: Whatever the document that he put up,  
22 Your Honor. He tendered this document. The document --

23 THE COURT: That Mr. Graf asked me to determine --  
24 make a determination on today.

25 MR. KEMP: Yeah. What happened here is that Mr.

1 Black, like a lot of the applicants, started out with people  
2 who were consultants or whatever who came in to -- and  
3 supposedly knew something about marijuana, so he gave them a  
4 piece of the action. But anyway, they were actual owners at  
5 the time the application was filed. And the two men whose  
6 names we referred to in the brief are Kozar and Arbelez  
7 [phonetic]. They were actual owners at the time the  
8 application was filed in September 2016.

9           When the awards were announced on December 5th they  
10 were also actual owners, okay, both of these people. And then  
11 in the admitted exhibit, the May 1st list of the State's  
12 owners, officers, and directors, they're still listed as  
13 owners of Clear River. They're still listed. That's an  
14 admitted exhibit, Your Honor.

15           Now, he says, well, ignore the actual owners because  
16 we were in the process of buying them out. They did not buy  
17 -- what they did is they had a membership interest, and  
18 instead of just doing the buyout and executing a note, they  
19 had -- I guess they didn't trust each other -- they had the  
20 membership interest tendered into the escrow maintained by one  
21 of the attorneys, and that's where it was held to make sure  
22 all four payments were made. The final fourth payment wasn't  
23 made until after the awards were announced by the State.

24           So at the time that the application was filed and at  
25 the time the award was made these people were actual owners of



1 the LLC, Clear River LLC. So Mr. Graf's argument is, Your  
2 Honor, ignore the actual owners because we were buying them  
3 out, they were going to be prospective owners. Well, first of  
4 all, at the time the application was filed that was  
5 speculative, because all the payments hadn't been made. Maybe  
6 they were going to be actual owners, maybe they weren't. But  
7 that ignores reality. These are the actual owners who should  
8 be background checked more than anyone other than the actual  
9 owners. And for that reason, Your Honor, we submit that the  
10 Clear River application should be added to the list.

11 Moving to the next one --

12 THE COURT: Add to the list of Tier 3?

13 MR. KEMP: Yeah. I call it the Bad Boy List, Your  
14 Honor.

15 THE COURT: I called it the Tier 3 list.

16 MR. KEMP: Okay, the Tier 3 list. All right. It  
17 should be added to the Tier 3 list.

18 Helping Hands, Your Honor. This reminds me of the  
19 cases we used to read about casinos on Fremont Street in the  
20 '50s. Who knows who the real owner is, okay. I mean, we have  
21 -- you know, I've done this a while, Your Honor, and that was  
22 some of the most unbelievable testimony I've ever heard, you  
23 know. Mr. -- I don't want to pronounce his name wrong, so  
24 I'll just call him Mr. T. So Mr. T., he testifies that the  
25 Jamesons come in with all the money, they have the architect,

1 they have -- they put everyone on the board, they find the  
2 locations, they pay the -- some of the consultant fees, they  
3 pay when the \$20,000 is due on the applications but they're  
4 not the owners, okay, that's going to be worked out at a later  
5 point. And now today we've got the client representative Dr.  
6 Jameson, who two or three weeks ago when we did Mr. T's  
7 testimony wasn't an owner at that time. I don't know what's  
8 going on.

9 But this is one of the squirelliest situations I  
10 think you can imagine, Your Honor. And that's why they're  
11 properly on the list. I don't want to belabor the point.

12 The last one we haven't -- I'll rely on the brief as  
13 to Circle S. Circle S is pretty much in the same situation as  
14 Helping Hands in that Mr. Hoffman is the husband, he's the one  
15 that's really running the show for this particular applicant,  
16 so that's why we submit they should be added on the list.

17 THE COURT: Thank you, Mr. Kemp.

18 Anyone else wish to speak?

19 MR. PARKER: Your Honor, I have a question for you.

20 THE COURT: Yes, Mr. Parker.

21 MR. PARKER: Just a quick one.

22 THE COURT: Is this a procedural question?

23 MR. PARKER: It is a procedural question, Your  
24 Honor.

25 THE COURT: Lovely.

1           MR. PARKER: Okay. Your Honor, in terms of Rule 60  
2 relative to amending an order --

3           THE COURT: Yes.

4           MR. PARKER: -- we didn't put all our arguments  
5 forward today. I think the deadline is on Monday.

6           THE COURT: Today is not that day.

7           MR. PARKER: Good. I just wanted to make sure.

8           THE COURT: I am not doing motions to amend today.

9           MR. PARKER: Perfect.

10          THE COURT: I am handling discussions related to two  
11 issues that I addressed in the findings of fact and  
12 conclusions of law, one being who's in the categories  
13 according to the email that Mr. Shevorski and the Department  
14 of Taxation were kind enough to send me, and then the issue of  
15 the bond.

16          MR. PARKER: And you're not foreclosing the  
17 motion --

18          THE COURT: I'm not.

19          MR. PARKER: Thank you, Your Honor. That's it.  
20 That's all I have.

21          THE COURT: Anything else?

22          MR. KOCH: Can I just address one thing Mr. Kemp  
23 raised?

24          THE COURT: You can.

25          MR. KOCH: Mr. Kemp had indicated that the owners

1 were not listed in the Department's record. Exhibit 5023 is  
2 the current license's owner -- license owners of record, if it  
3 was not attached to our response here.

4 THE COURT: As of May.

5 MR. KOCH: As of the time --

6 THE COURT: That was in May.

7 MR. KOCH: These were -- these were of the  
8 applicants that were of record. Based upon the transfer of  
9 ownership letter from August 2018, DGV Nevada LLC is listed as  
10 the first owner there. The other owners, officers, and board  
11 members are each listed there. And so to say that somehow  
12 this was hidden away someplace when the Department's own  
13 records have that of record in their list at the time the  
14 applications is an inappropriate comment.

15 MR. KEMP: Your Honor, I didn't say the owners  
16 weren't listed. I said the officers and directors of the  
17 holding company weren't listed.

18 THE COURT: Okay. Anybody else?

19 MR. KAHN: Your Honor, I think you're going to get a  
20 couple of us standing up here.

21 Your Honor, just to briefly address Mr. Kemp's  
22 comments and what this Court asked the State to do, the Court  
23 asked the State to respond to the inquiry, and the State  
24 provided its response after it thoroughly went through the  
25 applications. It did not ask the plaintiffs to come in and

1 make a determination as to who the plaintiffs think should be  
2 on the clients' applications, it did not ask the plaintiffs to  
3 say who should be owners or officers or board members based on  
4 testimony that actually said there was not an agreement on  
5 ownership for Helping Hands until this year, Your Honor, which  
6 is still under tax attorney review, has not been finalized,  
7 has not been inked, Your Honor. And that's in our brief.  
8 It's not for Mr. Kemp to make that determination, it's really  
9 for the State, and the State did not bring that issue up  
10 before you, Your Honor.

11 THE COURT: Thank you.

12 The question that I asked the Department of Taxation  
13 at the conclusion of the arguments was made based upon a  
14 suggestion by one of the defendants in intervention that a  
15 narrower scope for injunctive relief might be appropriate.  
16 The question that I asked was which successful applicants  
17 completed the application in compliance with NRS 453D.200(6)  
18 at the time the application was filed in September 2018.

19 Because the Court did not have unredacted versions  
20 of the applications for all applicants, it was impossible and  
21 remains impossible for the Court to make a determination,  
22 which is why I have asked the Department of Taxation to make  
23 that determination, since that's within their records.

24 The standard on injunctive relief is different from  
25 the standard that the parties will face at trial or at summary

1 judgment if this matter should proceed. And based upon the  
2 limited information that was provided to the parties through  
3 disclosures as part of the injunctive relief hearing we've had  
4 a hearing based upon what I would characterize as extremely  
5 limited information.

6 I am not granting any affirmative relief to Clear  
7 River as requested, because that was not the purpose of this  
8 hearing. I have previously made a determination that I was  
9 going to exclude applicants who properly completed the  
10 applications in accordance with NRS 453D.200(6) at the time  
11 the application was filed in September 2018.

12 The applicants who fit into that category based upon  
13 the State's email to me are those in the first and second tier  
14 as identified by the State. While I certainly understand the  
15 arguments by the parties that certain other information was  
16 available that may not be within the scope of my question, my  
17 question was limited for a reason. Those who are in the third  
18 category will be subject to the injunctive relief which is  
19 described on page 24 the findings of fact and conclusions of  
20 law. Those who are in the first and second category will be  
21 excluded from that relief.

22 Any request for modifications by the State based  
23 upon the State's review of the applications that were  
24 submitted by the applicants during the application period will  
25 be submitted by motion by the State, and then all of you will

1 have an opportunity to submit any briefs and any argument you  
2 think is appropriate.

3 I am not precluding the State from making any other  
4 determinations related to this very flawed process the State  
5 decides to make related to the application process. That's  
6 within the State's determination as to how they handle any  
7 corrections to this process. And I'm not going to determine  
8 what that is. I was merely seeking to exclude applicants who  
9 filed applications in compliance with NRS 453D.200(6) at the  
10 time the applications were filed from the injunctive relief  
11 that I have granted in order that was filed last Friday on  
12 page 24.

13 Does anybody have any questions about the tiers?  
14 Any issues should be directed to the Department for you to  
15 resolve based upon the information that was in your  
16 applications at the time.

17 I am not going to do the goose-gander analysis that  
18 was urged upon me by one of the parties under the Whitehead  
19 decision.

20 Okay. That takes me to the bond. Anybody want to  
21 talk about a bond?

22 MR. KEMP: Judge, on the bond just some logistics  
23 that you should be aware of. Mr. Gentile's expert is  
24 available on the 16th or 17th.

25 THE COURT: That's why I'm doing the hearing today,

1 because I'm doing the bond hearing today. So anybody want to  
2 talk to me about a bond? Anybody think the bond's okay at the  
3 amount I've already set? Anybody want me to modify the bond?  
4 I got no briefing on that issue from anyone. I was surprised.

5 MR. KAHN: Your Honor, I think collectively from  
6 this table we did want to hear how the exclusion occurs before  
7 bonds are applied. However, we are prepared to address  
8 certain issues on the bond before Your Honor today based on --

9 THE COURT: Great.

10 MR. KAHN: -- based on evidence that was admitted  
11 into the record during the hearing.

12 THE COURT: I'm listening.

13 MR. KAHN: Let me approach real quick, Your Honor.

14 Your Honor, currently the bond that was issued in  
15 the TRO in the amount of approximately \$400,000 --

16 THE COURT: And some related TROs.

17 MR. KAHN: -- and related TRO, the Nevada Organic  
18 Remedies, only applies to those two locations when you talk  
19 about Thrive and then Nevada Organic Remedies licenses and the  
20 harm that would occur as to those particular licenses. Those  
21 amounts certainly cannot cover what the Tier 3 applicants and  
22 capture 25 of the licenses. So \$400,000 would certainly not  
23 compensate this side of the table if this side of the table  
24 happened to be wrong at trial.

25 THE COURT: Well, it's not whether you're wrong at



1 trial. The standard is whether the injunctive relief was  
2 improvidently granted. That's what the standard is. It's a  
3 very narrow standard. And Polsenberg's here if you want to  
4 ask him.

5 MR. KAHN: No, no. That's fine, Your Honor. And I  
6 appreciate the correction.

7 THE COURT: Because you and Polsenberg and Bice are  
8 going to spend time in Carson City now.

9 MR. KAHN: And I appreciate that, Your Honor. And I  
10 appreciate the correction now.

11 If you're taking a look at what the bond -- how much  
12 it should be issued, you should be taking a look at what these  
13 licenses will basically generate [unintelligible] on the  
14 profits potentially lost by failing to be able to be open due  
15 to the injunction.

16 The document that was actually prepared by one of  
17 the plaintiffs, Mr. Ritter, on behalf of his entity, TGIG LLC,  
18 which is a plaintiff in this matter, presented to my client in  
19 March of 2019, which was Exhibit 5064 in this matter, Your  
20 Honor, indicates that there are net profits to the tune of  
21 \$6.7 million for the location. Now, Mr. Gentile argued at the  
22 time that that maybe encompassed two of the locations, so that  
23 net profit calculation would be 3.35 million annually for each  
24 location of the two, Your Honor, that would be lost by my  
25 client based on the plaintiffs' projections as to how valuable

1 these licenses are.

2 So we submit, Your Honor, the bond would be  
3 calculated at at least the amount the plaintiffs believe the  
4 lost profits would be in this case.

5 Now, Your Honor, if you take that number and you  
6 apply it times the 61 licenses or just the Tier 3, which are  
7 the 25 licenses, certainly the \$400,000 isn't a compensable  
8 number, and 3.35 million per license it would be for the net  
9 profits expected to be lost.

10 If Your Honor were to take a look at the \$400,000  
11 number, and I think it was 385,000, if I recall, as it applied  
12 to Thrive, and you times that by 25, you would have  
13 \$10 million as an appropriate bond. However, that \$385,000  
14 number for Thrive was only based on being closed temporarily  
15 during the preliminary injunction hearing.

16 THE COURT: For a couple months, hopefully.

17 MR. KAHN: For a couple months, correct.

18 THE COURT: That was the plan.

19 MR. KAHN: Correct. Pending trial, where we haven't  
20 even had a Rule 16.1 conference, Your Honor, we have not had a  
21 scheduling order on the trial date --

22 THE COURT: We actually have one set for  
23 September 6th.

24 MR. KAHN: Correct. We haven't had one yet.

25 THE COURT: September 9th.

1           MR. KAHN: Yeah. It would be inappropriate to say  
2 \$385,000 for one location that's only closed for a couple  
3 months would be the correct number that would apply to 25  
4 licenses.

5           THE COURT: You don't think I can get the Business  
6 Court cases to trial before the end of the year?

7           MR. KAHN: Well, I don't know if you can get all  
8 these lawyers in that room within a year, Your Honor. But I  
9 hope you can. You had a hard time finishing the preliminary  
10 injunction hearing.

11          THE COURT: I'm not worried about the rest of the  
12 departments. I'm just worried about mine.

13          MR. KAHN: Right. No. What I mean is we had a hard  
14 time getting everybody here already, so --

15          THE COURT: I know.

16          MR. KAHN: No. And I appreciate that, Your Honor.  
17 If it's done expeditiously, then that's the appropriate thing  
18 to do and it eliminates the --

19          THE COURT: That's why I called it an expedited  
20 schedule in my order.

21          MR. KAHN: Correct. And that eliminates the  
22 potential harm. But certainly we don't know when that is yet  
23 at this point. And a modification to the bond could occur if  
24 you set it at a higher number to predict that we're going to  
25 lose 3.35 million annually in net profits in the first year of

1 operations for just our licenses each, you know, that could be  
2 modified if trial was set sooner. But apparently right now  
3 there's no trial set before Your Honor.

4 THE COURT: I haven't had a Rule 16 conference yet.

5 MR. KAHN: Exactly. And last thing I would note,  
6 Your Honor, is even Mr. Yemenidjian, and I'm sorry of I  
7 butchered the name, from Essence, he testified conservatively  
8 \$2.8 million annually was the profits that could be lost. And  
9 those numbers weren't disputed.

10 Now, at his calculation applying to the 25 licenses,  
11 you're looking at a bond, you know, in excess of \$50 million.  
12 So I'm just trying to put before Your Honor that currently the  
13 plaintiffs' own party has presented what the potential net  
14 profits could be for these licenses. That was undisputed by  
15 the plaintiffs, other than whether that was for one or two  
16 license at the \$6.7 million number. And that's where the bond  
17 should be set, Your Honor. Thank you.

18 THE COURT: Thank you.

19 Anyone else from the defendants in intervention wish  
20 to speak related to the bond amount? Mr. Koch.

21 MR. KOCH: I again join what Mr. Kahn had offered.  
22 There's been a fair amount of evidence. Frankly, we had  
23 thought there would be separate evidentiary hearings, but I  
24 think enough evidence has been presented with respect to the  
25 amounts --

1 THE COURT: Me, too.

2 MR. KOCH: -- and I've got other things to do. But  
3 I want to just talk to the State after this, because we think  
4 that there needs to be -- it needs to be modified.

5 For purposes of the bond here, as Mr. Kahn said, the  
6 evidence offered by the Essence representative was the  
7 2.8 million per license per year profit, and that was a  
8 conservative number. That was internal [unintelligible] that  
9 it was conservative. We believe our store's generating a  
10 higher profit, much higher profit number. At the time Mr.  
11 Jolley was here he'd testified about that, testified about a  
12 lot of things. But at that point in time we weren't putting  
13 on dollars and cents. 2.8 million is an appropriate number.  
14 In the context of 25 licenses that would be \$70 million. We  
15 have seven of those licenses. We believe that that 2.8 is an  
16 appropriate number. Frankly, I'd be shocked if these cases  
17 got to trial within a year based upon the process that has  
18 gone on so far. And to the extent that the plaintiffs, who --  
19 you've got numerous of them, all with varying different  
20 interests and claims --

21 THE COURT: I've only got two sets of plaintiffs.

22 MR. KOCH: You will have only two sets of  
23 plaintiffs. But this injunction hearing goes out to the other  
24 judges who'll have to look at that, as well.

25 They have offered -- you know, Mr. Ritter got up on

1 the stand said each license is worth 10 million and we're  
2 shopping ours, we're trying to sell ours. We're not saying,  
3 you've got to pay us the full value of the license. 10  
4 million for 26 licenses would be \$250 million. On that basis  
5 the 70 million is a very conservative number to the extent  
6 that we are not going to be permitted to open, we're going to  
7 lose that amount of money that's pure profit. If you take the  
8 same calculation the Court's already provided with respect to  
9 Essence, Thrive -- I get the entities confused there, but the  
10 TRO bond of \$400,000, that was for two months, as the Court  
11 had stated. That'd be 2.4 million for a year. Am I right?  
12 Yes. There we go. 2.4 million for the year times 25  
13 licenses, that's \$60 million.

14 So based upon all those calculations that number is  
15 appropriate. The plaintiffs have been the ones who have come  
16 forward talking about the massive financial largess that's  
17 here that they need to be able to grab a hold on, and now  
18 they're trying to take that away from entities like us who are  
19 going to lose revenue and profit in the meantime. So the  
20 amount that should be set for the bond is no less than  
21 \$70 million to secure this injunction based upon the evidence  
22 that has been presented.

23 THE COURT: Thank you, Mr. Koch.

24 Anyone else on the defendants in intervention side  
25 wish to speak related to this issue?

1 MR. HONE: Your Honor, Eric Hone on behalf of Lone  
2 Mountain. We would just join in the arguments of Mr. Koch and  
3 Mr. Kahn.

4 THE COURT: Thank you.

5 Mr. Prince --

6 MR. PRINCE: Your Honor, thank you.

7 THE COURT: -- aren't you excluded from the  
8 injunctive relief?

9 MR. PRINCE: In part, yes.

10 THE COURT: Then why are you talking?

11 MR. PRINCE: Because I want to address -- they've  
12 been discussing the bond that's applicable to the Thrive  
13 defendants. That was part of a TRO which now obviously has  
14 dissolved as a result of your ruling. That \$450,000  
15 encompassed six weeks. It was \$150,000 for two weeks, then  
16 you increased it to 300,000 for four weeks. That was  
17 approximately May 24th through June 30th only. So you have an  
18 identifiable number, number one, which particular --

19 THE COURT: So, Mr. Prince --

20 MR. PRINCE: Go ahead.

21 THE COURT: -- let me ask again. Your client is one  
22 of those excluded because they're in Tier 1 or 2.

23 MR. PRINCE: Correct.

24 THE COURT: Why are you talking with me about the  
25 bond?

1           MR. PRINCE: The only reason why is we're going to  
2 be moving separately for the release of that bond amount to  
3 our client --

4           THE COURT: Okay.

5           MR. PRINCE: -- so therefore should not be  
6 considered --

7           THE COURT: Right.

8           MR. PRINCE: -- for your purposes in --

9           THE COURT: I will exclude that from my  
10 calculations. Thank you.

11          MR. PRINCE: Thank you.

12          THE COURT: Anybody else on the defendants' side?

13          All right. The plaintiffs' side. Because the State  
14 is standing silent.

15          Right, Mr. Shevorski?

16          MR. SHEVORSKI: Correct.

17          MR. GENTILE: Did you ever hear the phrase, are you  
18 buying or are you selling?

19          THE COURT: I know.

20          MR. GENTILE: All right. It's got to be --

21          THE COURT: That's why in a settlement conference we  
22 have them write the number down on a paper, and then we try  
23 and have it exchanged. And whoever wrote that number down,  
24 they're going to take it and buy it or sell it.

25          MR. GENTILE: I do not want to criticize Mr. Ritter,



1 but I think the Court needs to look at the context in which  
2 Mr. Ritter was stating to a prospective --

3 THE COURT: He was trying to sell product and get a  
4 management --

5 MR. GENTILE: He was sure trying to sell.

6 THE COURT: -- percentage out of that, too.

7 MR. GENTILE: Absolutely. Okay. And so --

8 THE COURT: I read the exhibit when it was admitted.

9 MR. GENTILE: All right. So, you know, then I don't  
10 need to go any further. The bottom line here is that with  
11 regard to the bond the value of the license should have  
12 nothing to do with anything for two reasons. Number one, if  
13 they lose, that license isn't worth anything. And, number  
14 two, if they win, they have the license. And so nothing's at  
15 risk. So what you really have to look at is how certain, what  
16 kind of comfort can you have with regard to the profitability  
17 of any business that hasn't opened its stores. And none of  
18 these businesses have opened their doors. Our expert, Mr.  
19 Seigneur, to the best of my knowledge, he is the only person  
20 that has written a book specifically with regard to the  
21 evaluation of cannabis businesses. And he's been at it for  
22 quite some time in Colorado. And were he to have testified,  
23 were you to have conducted a hearing, I can tell you that his  
24 testimony would be that the value in this context in our  
25 community, particularly in light of Mr. Peckman's testimony

1 that nobody's waiting around for a store to open closer to  
2 them so that they could start smoking weed --

3 MR. KOCH: Your Honor, I object to Mr. Gentile  
4 testifying what his expert would testify to if he shows up at  
5 some future date.

6 THE COURT: No. He's talking about what Mr. Peckman  
7 testified to.

8 MR. KOCH: No. He's talking about his expert from  
9 Colorado.

10 MR. GENTILE: No. I'm talking about Mr. Peckman.  
11 Mr. Peckman --

12 THE COURT: He said his expert was the only one who  
13 wrote a book and it would be really nice if I continued this  
14 hearing and let him get his expert here. And I'm not doing  
15 that, because I've heard enough evidence. Now, if somebody  
16 wants to increase the bond again later, you'll have to file a  
17 motion.

18 MR. GENTILE: So Mr. Peckman's testimony was pretty  
19 clear, and Mr. Peckman acknowledged in addition to that that  
20 he does expect to lose some of the customers that used to go  
21 to the Commerce store at the Sahara location.

22 THE COURT: Because they don't want to drive as far.

23 MR. GENTILE: Exactly. So --

24 THE COURT: And there are other places in between  
25 that Commerce location and Sahara already that are open.

1           MR. GENTILE: So what I think is in any market, any  
2 market for any kind of a product, and this is a product, there  
3 comes a point in time when you're going to start seeing  
4 cannibalization. I think that time is now. And under the  
5 circumstances it is --

6           THE COURT: Then why are we all here if you're going  
7 to all --

8           MR. GENTILE: Market share. Exactly. That is  
9 exactly why we're here, to protect market share, okay.

10          THE COURT: Okay.

11          MR. GENTILE: And so under the circumstances, Your  
12 Honor, I think the bond that you've previously set at  
13 \$400,000, it may be little low, okay, but to suggest that \$70  
14 million is a reasonable bond is certainly subject to  
15 criticism.

16          THE COURT: Thank you.

17          MR. GENTILE: So under the circumstances I'd ask you  
18 -- I'm not going to ask you for a particular number. I'm not,  
19 okay. What I'm going to ask you is to recognize that none of  
20 these stores have any kind of a track record. And so you  
21 really cannot compare apples to apples here. And it's going  
22 to take them some time to build up steam, if they ever get  
23 open. And so under the circumstances this bond -- I'm not  
24 going to ask you a number, but I'm going to tell you it  
25 shouldn't be more than seven digits.

1 THE COURT: Thank you.

2 MR. KEMP: Your Honor, I just want to add a couple  
3 facts here. Out of 25 licenses 13 of the 25 are here in Clark  
4 County. Of those 13 two are in Henderson, where there's  
5 already a moratorium. So I would submit that moratorium, you  
6 know, precludes them from arguing any damages on those two.

7 But anyway, so that leaves 11 that in Clark County,  
8 Las Vegas, and North Las Vegas. I just wanted the Court to be  
9 aware of that.

10 THE COURT: Thank you.

11 Anybody else from the plaintiffs' side?

12 Anyone else on the defense side want to speak again?

13 While I appreciate the comments from all counsel  
14 related to the amount of the bond, the risks of businesses  
15 actually opening prior to the trial in this matter, as well as  
16 the risks of any business that is a startup or new location,  
17 makes it very difficult for the Court to place a value on the  
18 income stream of any of those entities, which is what the bond  
19 needs to be based on, is the losses that will be suffered as a  
20 result of this injunctive relief.

21 For that reason the Court has set a fair bond in the  
22 amount of \$5 million.

23 So can you post it in 10 days?

24 MR. GENTILE: Yes, Your Honor.

25 THE COURT: Okay. Anything else?

1           MR. KEMP: Judge, you made one comment that kind of  
2 confused me.

3           THE COURT: I make lots of comments that confuse  
4 you, Mr. Kemp. Ask for clarification.

5           MR. KEMP: You said the injunction going back to my  
6 department.

7           THE COURT: No, not your injunction.

8           MR. KEMP: It's not my --

9           THE COURT: The injunction's here.

10          MR. KEMP: The injunction stays here, so we pay the  
11 5 million --

12          THE COURT: Motions for reconsideration on the thing  
13 that Mr. Parker's going to file that he wants me to reconsider  
14 certain findings or conclusions of law, that comes here.

15          MR. KEMP: Right.

16          THE COURT: You do your Rule 16 in Department 8 with  
17 whichever senior judge is there prior to your judge taking  
18 office on or about September 30th.

19          MR. KEMP: Yeah. We're in the discovery phase over  
20 there, Your Honor.

21          THE COURT: I don't know what you're going to do.

22          MR. KEMP: I just wanted to ask. So I put my 5  
23 million up with Mr. Gentile; right?

24          THE COURT: You all as a group --

25          MR. KEMP: Okay. Thank you, Your Honor.

1 THE COURT: -- are putting up \$5 million.

2 Anything else?

3 MR. KOCH: Your Honor, I just want to for the record  
4 say they as a group are putting up \$5 million. Some of these  
5 plaintiffs may drop out of the case, which whoever's putting  
6 this up is ambiguous. We believe that in each case the amount  
7 should be put up as \$5 million, because each of the parties  
8 that have brought that are the ones that are claiming they've  
9 been harmed. For example, MM Development, which has the same  
10 issues with respect to the application, has no irreparable  
11 harm. So in each case that \$5 million should be posted.

12 THE COURT: So the \$5 million is only being posted  
13 in the Business Court cases, because that is the only cases in  
14 which the injunctive relief has been issued. So that's the  
15 cases the bonds are going to be issued. I agreed to do the  
16 injunctive relief so all the other departments didn't have to  
17 and we only had to have one circus for the injunctive relief  
18 hearing.

19 (Off-record colloquy - Clerk and Court)

20 THE COURT: And that does not include the amount  
21 that was previously posted, which is going to be the subject  
22 of the motion practice Mr. Prince mentioned.

23 Anything else? 'Bye, guys. See some of you  
24 tomorrow unless you work it out.

25 THE PROCEEDING CONCLUDED AT 11:00 A.M.

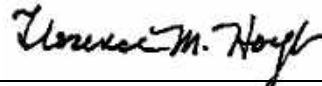
**CERTIFICATION**

I CERTIFY THAT THE FOREGOING IS A CORRECT TRANSCRIPT FROM THE AUDIO-VISUAL RECORDING OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER.

**AFFIRMATION**

I AFFIRM THAT THIS TRANSCRIPT DOES NOT CONTAIN THE SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER OF ANY PERSON OR ENTITY.

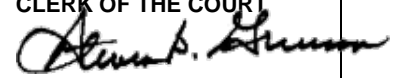
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FLORENCE M. HOYT, TRANSCRIBER

8/30/19

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Nevada Organic Remedies, LLC

**EIGHTH JUDICIAL DISTRICT COURT  
CLARK COUNTY, NEVADA**

IN RE DOT

AND ALL CONSOLIDATED CASES.

**CASE NO.: A-19-787004-B (Lead Case)**

A-18-785818-W (Sub Case)  
A-18-786357-W (Sub Case)  
A-19-786962-B (Sub Case)  
A-19-787035-C (Sub Case)  
A-19-787540-W (Sub Case)  
A-19-787726-C (Sub Case)  
A-19-801416-B (Sub Case)

**DEPT. 11**

**AMENDED APPLICATION FOR  
WRIT OF MANDAMUS TO  
COMPEL STATE OF NEVADA,  
DEPARTMENT OF TAXATION TO  
MOVE NEVADA ORGANIC  
REMEDIES, LLC INTO "TIER 2" OF  
SUCCESSFUL CONDITIONAL  
LICENSE APPLICANTS**

Defendant-Intervenor and Counterclaimant Nevada Organic Remedies, LLC ("NOR") hereby amends its application to this Court for the issuance of a writ of mandamus pursuant to NRS 34.160 to compel the State of Nevada, Department of Taxation (the "Department") to move NOR into the Department-created "Tier 2" of successful applicants for recreational marijuana licenses. This Amended Application is supported by the following Memorandum of Points and Authorities and exhibits



1 attached thereto, the Declarations of David R. Koch and Brandon Wiegand, the  
2 pleadings and papers on file herein, and any other materials this Court may wish to  
3 consider.

## 4 **MEMORANDUM OF POINTS AND AUTHORITIES**

### 5 **I. PRELIMINARY STATEMENT**

6 NOR originally filed this Application for Writ of Mandamus in *MM*  
7 *Development Company, Inc. v. State of Nevada, Department of Taxation*, Case No. A-  
8 18-785818-W in front of Department 8. NOR believed at the time that the  
9 marijuana licensing cases were likely to be consolidated in front of that  
10 department. Since filing the Application, the cases have been consolidated in  
11 front of this Court, and the Application is now set to be heard on December 8,  
12 2019.

13 NOR is filing this Amendment to the Application due to the events that  
14 have unfolded since filing the original Application. The Amended Application  
15 still asks for the same relief for the same reasons, but the Amended Application  
16 is tailored to this Court, which has significantly more knowledge about the  
17 relevant events than Department 8 had available to it. Therefore, NOR directs the  
18 Court's attention to the Amended Application in preparing for the hearing on  
19 December 8.

### 20 **II. INTRODUCTION**

21 In connection with this Court's Preliminary Injunction issued August 26, 2019, the  
22 Court instructed the Department to determine which successful applicants had listed all  
23 owners on their respective applications. NOR's application listed the owners of 100% of  
24 the membership interests of the applicant, even down to the owners of 0.1% of the  
25 company. As stated in the application at the time it was submitted:

- 26 • GGB Nevada, LLC owned **95%** of the membership interests of NOR
- 27 • Andrew Jolley owned **2.2%** of the membership interests of NOR
- 28 • Stephen Byrne owned **1.7%** of the membership interests of NOR

- Patrick Byrne owned **0.5%** of the membership interests of NOR
- Harvest Dispensaries owned **0.5%** of the membership interests of NOR
- Darren Petersen owned **0.1%** of the membership interests of NOR

(Ex. 3.) The total of these ownership percentages is **100%**. There was no additional membership interest owned by any person or entity.

The Department expressly approved this ownership list in August 2018, weeks before the application period opened. But despite the complete listing of every single owner of any membership interest of the applicant, and despite the Department's express acknowledgement and approval of NOR's listed ownership, the Department changed course one year later in August 2019 and stated that it now "could not determine whether there were shareholders who owned a membership interest in the applicant at the time the application was submitted, but who were not listed." (Ex. 4.)

The Department provided no support or explanation of this change of course regarding the ownership of NOR membership interests. Even when NOR specifically requested the Department to clarify or explain what it believes NOR should have listed in its application, the Department has not provided any explanation nor stated any grounds or reasons for its vaguely worded statement. NOR has subsequently met in person with the Department and again walked through all of the ownership interests of the applicant at the time of the application, and while the Department received the information, it has not corrected its designation or provided any explanation or response as to its failure to move NOR to Tier 2.

The Department's continued designation of NOR in Tier 3 is an arbitrary and capricious action, as it has not provided a basis for doing so, and this Court should compel the Department to redesignate NOR into Tier 2 of the applicants. Doing so will allow NOR to move forward to open establishments with its approved licenses just as numerous other licensees with similar ownership structures have been permitted to proceed by the Department and this Court.

1                                   **III.    LEGAL AND FACTUAL BACKGROUND**

2   **A.    The Department Approves NOR's Ownership Structure Prior to NOR**  
3       **Submitting Its Application**

4           Pursuant to NRS 453D.200, the Department accepted recreational marijuana  
5   establishment license applications in September 2018. Months **prior to the application**  
6   **period**, NOR had submitted to the Department a transfer of ownership request with an  
7   ownership list that **included all owners of any membership interest in NOR**, no matter  
8   how small. In preparing this list, NOR specifically asked the Department for  
9   confirmation on how the ownership should be properly listed under Department  
10   regulations and guidelines. The Department provided a response of how the ownership  
11   should be listed to comply with applicable laws and regulations. (Ex. 1.)

12           NOR submitted its ownership list, and the Department reviewed and **approved**  
13   **the ownership list** on August 20, 2018, several weeks **before applications were**  
14   **submitted**. (Ex. 2.) The list specified that the membership interests of NOR were owned  
15   by GGB Nevada, LLC 95%, Andrew Jolley 2.2%, Stephen Byrne 1.7%, Patrick Byrne  
16   0.5%, Harvest Dispensaries 0.5%, Darren Petersen 0.1%. (*Id.*) The total of these  
17   ownership percentages is 100%, and there were no additional membership interest  
18   owned by any entity.

19           The Department's own ownership register was updated to include this full list of  
20   NOR owners in August 2018. This **same list of owners** continues to be listed on the  
21   Department's register to this day. (Ex. 4.) The **same list of owners** was included in  
22   NOR's applications for recreational marijuana licenses in September 2018. NOR's  
23   application expressly referenced the Department's approval, stating that "this  
24   ownership structure was approved by the Department of Taxation on August 20,  
25   2018....[and] the Department was provided notice of the officers of the Company on  
26   August 31, 2018 and September 7, 2018." (Ex. 3 at DOT-NVOrganic 001427.)

27   ///

28   ///

1     **B.     The Preliminary Injunction Is Issued Regarding Background Checks of**  
2             **Owners, Officers, and Board Members**

3             At some point during the many weeks of the evidentiary hearing on plaintiffs'  
4 motions for preliminary injunction, the Department's mandate under NRS 453D.200(6)  
5 to "conduct a background check of each prospective owner, officer, and board member  
6 of a marijuana establishment license applicant" began to be part of the discussion. This  
7 issue was not part of any complaint in the various actions and was not argued in the  
8 motions for preliminary injunction that were filed.

9             In January 2018, the Department adopted NAC 453D.255(1) providing that the  
10 application of NRS 453D would "only apply to a person with an aggregate ownership  
11 interest of 5 percent or more in a marijuana establishment" (the "5% rule"). As discussed  
12 in the preliminary injunction hearing, the 5% rule was already part of the medical  
13 marijuana regulatory framework (NAC 453A.302(1) included the same 5% limitation  
14 since 2014), and the 5% rule was specifically requested by the industry and  
15 recommended by the Governor's Task Force. Though the 5% rule was not mentioned in  
16 any motion for preliminary injunction, this Court determined that the 5% rule did not  
17 comply with NRS 453D.200(6), because the Department's decision "to not require  
18 disclosure on the application and to not conduct background checks on persons owning  
19 less than 5% prior to award of a conditional license is an impermissible deviation from  
20 the mandatory language of...NRS 453D.200(6)." (FFCL, ¶ 82).

21             In conjunction with its Findings of Fact and Conclusions of Law, this Court asked  
22 the Department to determine which successful applicants it could confirm had listed  
23 "each prospective owner, officer, and board member" at the time they filed their  
24 applications. The Department, through the Attorney General's office, sent an email in  
25 response preliminarily placing each successful applicant into one of three Tiers,  
26 including "Tier 2" for successful applicants that had all owners listed in their  
27 applications and "Tier 3" for successful applicants that did not list all owners. (Ex. 5.)  
28

1 The Court decided that the preliminary injunction would prevent the Department from  
2 conducting final inspections only for those applicants designated to be in Tier 3.

3 **C. The Court Directs the Department to Redesignate an Applicant's Tier When**  
4 **Warranted. The Department Has Failed to Do So.**

5 The initial assessment of applicant Tiers was not intended to be set in stone. This  
6 Court expressly stated that the Department should move applicants between Tiers, if  
7 warranted, after reviewing the information that the applicants had submitted to the  
8 Department. The Court stated that it was "merely seeking to exclude applicants who  
9 filed applications in compliance with NRS 453D.200(6) at the time the applications were  
10 filed from the injunctive relief that I have granted...**Any issues should be directed to**  
11 **the Department for you to resolve based upon the information that was in your**  
12 **applications at the time.**" (Ex. 6 at 57: 3-16.)

13 On August 26, 2019, NOR filed a "Response to the Department's Statement  
14 Regarding Completeness of Applications with Reference to NRS 453D.200(6)" which set  
15 forth the ownership structure of NOR in its application and confirmed that each and  
16 every owner had been listed in its September 2018 application (even those with less than  
17 a 5% ownership interest). The Department did not oppose or take any position with  
18 respect to this Response, but it also did not take the action required to correct its earlier  
19 designation of NOR in Tier 3.

20 NOR has subsequently corresponded with and met with representatives from the  
21 Department to provide any additional necessary information to resolve any questions  
22 the Department had regarding the content of NOR's September 2018 applications.  
23 (Koch Decl., ¶ 9.) Since August 26, 2019, NOR has requested on several occasions that  
24 the Department correct its erroneous determination of NOR in Tier 3, but as of this  
25 writing the Department has not taken any action to correct its miscategorization of NOR.  
26 Nor has the Department made any statement to NOR as to why it has not moved NOR  
27 to Tier 2. To this day, the Department has not made any specific statement to explain its  
28 lack of action or reasoning with respect to NOR's ownership listing. At present, it

1 appears that the Department will not take any action to correct its miscategorization  
2 unless it is instructed to do so by this Court.

#### 3 IV. ARGUMENT

##### 4 A. Standard for Writ of Mandamus Relief

5 Pursuant to NRS 34.160, a district court may issue a writ of mandamus “to  
6 compel the performance of an act which the law especially enjoins as a duty resulting  
7 from an office, trust or station; or to compel the admission of a party to the use and  
8 enjoyment of a right or office to which the party is entitled and from which the party is  
9 unlawfully precluded by such inferior tribunal, corporate, board or person.”

10 A writ of mandamus will issue when the respondent “has a clear, present legal duty to  
11 act.” *Round Hill Gen. Imp. Dist. v. Newman*, 637 P.2d 534, 536 (Nev. 1981). When “factual  
12 issues are critical in demonstrating the propriety of a writ of mandamus, the writ should  
13 be sought in the district court.” *Id.* at 536.

14 Writs of mandamus are available to compel government agencies such as the  
15 Department to perform “an act that the law requires as a duty or to control an arbitrary  
16 or capricious exercise of discretion.” *Gumm ex rel. Gumm v. Nevada Dept. of Educ.*, 113  
17 P.3d 853, 856 (Nev. 2005) (holding that a writ of mandamus is the proper vehicle to  
18 challenge the Nevada Department of Education’s compliance with the Individuals with  
19 Disabilities Education Act). A government action will be deemed arbitrary and  
20 capricious “when it denies a license without any reason for doing so” and “is most often  
21 found in an **apparent absence of any grounds or reasons for the decision**. ‘We did it  
22 just because we did it.’” *City Council of City of Reno v. Irvine*, 721 P.2d 371, 372-373 (Nev.  
23 1986)

24 The Nevada Supreme Court has recently held that parties may utilize mandamus  
25 to challenge agency decisions regarding marijuana licensing. *See, State Dept. of Health and*  
26 *Human Services, Div. of Pub. and Behavioral Health Med. Marijuana Estab. Program v.*  
27 *Samantha Inc.*, 407 P.3d 327, 332 (Nev. 2017) (noting that the Department of Health and  
28 Human Services, the agency then tasked with issuing medical marijuana registration

1 certificates, had itself acknowledged that mandamus may be available to challenge  
2 licensing decisions).

3 Under the recreational marijuana statutory framework, the Department is  
4 required to approve a license if the requirements of the application process have been  
5 met. NRS 453D.210(5) imposes a mandatory requirement that “the Department *shall*  
6 *approve* a license application” if the listed criteria are satisfied. The issuance of a writ of  
7 mandamus is therefore appropriate to challenge the Department’s determination of an  
8 applicant being included in Tier 3 and to compel the Department to move NOR into the  
9 Tier 2 group.

10 **B. The Department’s Failure to Recategorize NOR into Tier 2 Is Arbitrary and**  
11 **Capricious**

12 NOR’s recreational marijuana establishment applications complied with the  
13 requirement to provide the information necessary to allow the Department to fulfill its  
14 obligation under NRS 453D.200(6) to “conduct a background check of each prospective  
15 owner, officer, and board member of [the] marijuana license applicant.” This is true  
16 even without applying the limitation of the 5% rule set forth in NAC 453D.255(1), which  
17 this Court found to be improper. While NOR considers the 5% rule to be a valid exercise  
18 of the Department’s discretion,<sup>1</sup> that issue can be set aside for purposes of this  
19 Application, as the 5% rule has no bearing on NOR’s requested relief here.

20 NOR indisputably listed **every owner** of a membership interest in the applicant.  
21 NOR’s applications list every “owner”—even those with less than 5% ownership—and  
22 provides the percentage of ownership of each owner at the time of the application. As  
23 stated in the application when it was submitted: GGB Nevada, LLC owned 95% of the  
24 membership interests of NOR, Andrew Jolley owned 2.2%, Stephen Byrne owned 1.7%,  
25 Patrick Byrne owned 0.5% of the membership interests of NOR, Harvest Dispensaries  
26 owned 0.5%, and Darren Petersen owned 0.1%. (Ex. 3.) The total of these ownership  
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28 <sup>1</sup> NOR and additional parties have filed an Appeal of the Preliminary Injunction, and certain  
plaintiffs in this case, including MM Development and LivFree, have filed a Cross-Appeal.

1 percentages is 100%. **There is no additional membership interest owned by any**  
2 **person or entity.**

3 Despite the complete accounting for 100% of NOR's membership interests, the  
4 Department has vaguely stated that it "could not determine whether there were  
5 shareholders who owned a membership interest in the applicant at the time the  
6 application was submitted, but who were not listed [in the application]." (Ex. 5.)  
7 (emphasis added).) To this day, the Department has never explained what this  
8 statement means, nor has it provided a specific explanation of its inclusion of NOR  
9 within Tier 3. NOR does not know why the Department states that it has an  
10 "unanswered question" regarding ownership, because the owners of all membership  
11 interests are included. The Department has never explained what it believes should have  
12 been listed in the application if it perceives any shortcoming in the application. In failing  
13 to do so, the Department has violated the law and failed to comply with the directive of  
14 this Court.

15 In making its vague statement, the Department appears to be introducing a  
16 definition of "owner" that is not included in the statute. NRS 453D does not define  
17 "owner," nor does it provide any method to determine the "owner" of an applicant. If  
18 the Legislature had "independently defined [a] word or phrase contained within a  
19 statute," then the court "must apply that definition wherever the Legislature intended it  
20 to apply...." *Knickmeyer v. State ex. Rel. Eighth Judicial Dist. Ct.*, 133 Nev. 675, 679 (2017).  
21 But when no definition is provided, the court must give the words "their plainest and  
22 most ordinary meaning unless the Legislature clearly used them differently, or the  
23 words are used in an ambiguous way." *Id.*

24 Neither this Court nor the Department have ever defined the term "owner" in the  
25 context of the statutory scheme. The only place where "owner" is addressed is in the  
26 regulations interpreting the statute. NAC 453D.250(2) states that "the following persons  
27 must comply with the provisions governing **owners**, officers and board members of a  
28 marijuana establishment: ... (c) If a **limited-liability company is applying** for a license



1 for a marijuana establishment, **the members of a limited-liability company**" (emphasis  
2 added). This provision aligns with NRS Chapter 86, which provides that "members" of  
3 an LLC are the "owner[s] of a member's interest in a limited-liability company." NRS  
4 86.081. And during the preliminary injunction hearing, Department representative Steve  
5 Gilbert confirmed that when the Department considered "owners" of limited liability  
6 company applicants, it determined the owners to be the "members" of the LLC. (Ex. 9 at  
7 84:3-15.)<sup>2</sup>

8 In compliance with this statutory and regulatory framework, NOR's application  
9 listed every owner of any membership interest in NOR, including owners with less than  
10 a 5% membership interest. This fact is undisputed, yet the Department has failed to  
11 explain why it believes there may be other membership interests that were not listed on  
12 the application, as there are no other members of NOR that were not listed.

13 Even before the Department approved the ownership list, NOR asked the  
14 Department how it should list its owners, officers, and board members on its transfer of  
15 interest forms. The Department confirmed that NOR's proposed list was correct, and  
16 this same ownership structure was provided to the Department well before the  
17 application time period. In response to NOR's submission, the Department issued a  
18 Notice of Transfer of Interest Approval letter expressly stating that **NOR's ownership**  
19 **list was "reviewed and APPROVED."** (Ex. 2.) This same ownership list has been  
20 included in the Department's register of owners maintained by the Department since  
21 before the time that applications were submitted. This same list was in place prior to the  
22 application period, and the same list is still available on the Department's website. (Ex.  
23 4.) In submitting its ownership list, NOR therefore relied not only on the terms of the  
24 statutes and regulations but also upon direction and express approval from the  
25 Department. The Department's own correspondence indicated that it defined the  
26

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27 <sup>2</sup> The transcript of Gilbert's testimony states that the Department looked to the statute to  
28 determine owners, and provided that owners are defined for each entity: "Corporations are  
officers, partnerships are partners, and are members." The transcript appears to have left a  
blank space for "LLC", which was Gilbert's statement made during the hearing and reflects the  
terms of the applicable regulation.

1 members of NOR to be the owners and further confirmed that NOR had properly  
2 disclosed its full ownership.

3 For the Department to now flip-flop and say it has an “unanswered question” or  
4 that it “cannot determine” whether the list was correct, is the epitome of arbitrary and  
5 capricious action. *See State v. Dist. Ct.*, 127 Nev. 927, 931-932 (2011) (board acts arbitrarily  
6 and capriciously “when it denies a license without any reason for doing so”). The  
7 Department gave specific approval, and the Department cannot now change course with  
8 no basis for doing so. The Department is estopped based on its previous action and  
9 approvals, and it must be required to maintain consistency with its own prior approval  
10 in this very matter.

11 **D. Subsequent Ownership by a Parent Company Is Not Relevant under the**  
12 **Statute**

13 Any purported “question” regarding NOR’s ownership appears to arise from a  
14 new idea that because one of NOR’s owners, GGB Nevada, LLC, is in turn owned by a  
15 parent company, Xanthic Biopharma, Inc., there may be shareholders of Xanthic that  
16 were not listed as owners of NOR. Such a construction or interpretation of an “owner”  
17 would directly contradict applicable regulations and would contradict the prior  
18 direction and approval from the Department.

19 As a parent company of the GGB Nevada, LLC entity, Xanthic Biopharma is listed  
20 on the Department’s own register of owners, officers, and board members as an  
21 “affiliated entity.” (Exhibit 3.) This is consistent with how the Department handled  
22 establishments such as NOR and many other companies with similar ownership  
23 structures, including MM Development and LivFree and now companies such as  
24 Essence, which have parent companies that are publicly owned. The Department does  
25 not list up-the-ladder parent companies that may have some interest in the owner of an  
26 applicant as direct “owners” of the applicant. There is no statutory or regulatory  
27 provision to do so, and this Court has not issued such a directive, as it would be  
28 improper to do so.

1           There was no need to list shareholders of a parent company like Xanthic, because  
2 Xanthic and its shareholders **are not members of NOR** and **do not own any**  
3 **membership interest of NOR**. Nothing in the application, the statute, or this Court’s  
4 Preliminary Injunction requires the Department to trace down every layer of ownership  
5 or require applicants to further break down ownership of its constituent owners. Once  
6 NOR provided the Department with the information necessary to confirm ownership  
7 and to conduct a background check on each owner—which NOR did provide—the  
8 Department had sufficient information to comply with the requirements of NRS  
9 453D.200(6), whether or not the 5% rule applied.

10           Moreover, each applicant for recreational marijuana licenses in this lawsuit is  
11 already operating a medical or a recreational marijuana establishment (applicants for  
12 recreational licenses were required by statute to already have a medical marijuana  
13 license), and any concern about background checks for “each owner” would and could  
14 have already been addressed for existing establishments, as the ownership is identical  
15 for the ongoing operations of the currently operating and existing establishments.

16 **E.     NOR Is Suffering Serious Harm as a Result of the Department’s Failure to Act**

17           Since receiving its seven conditional licenses, NOR has worked to secure  
18 locations, receive local permits, hire employees, obtain inventory, and prepare for the  
19 final inspections on those locations across all of the jurisdictions where it has obtained a  
20 license. (Declaration of Brandon Wiegand, ¶ 3). As of the date of this Application, NOR  
21 has received special permits, business licenses, and other necessary jurisdictional  
22 approvals required to open dispensaries in the City of Las Vegas, the City of Reno, and  
23 the Town of Pahrump. It has secured specific locations in those jurisdictions, performed  
24 necessary tenant improvements, purchased security systems, signed agreements for  
25 operations systems, and has hired and trained employees, NOR is, in all respects, ready  
26 to open the doors to these locations after obtaining a final inspection from the  
27 Department. (*Id.* at ¶ 4). It is also moving forward in the other locations. In North Las  
28 Vegas, NOR has secured a location and has been paying rent since early 2019. In Clark

1 County, NOR has already lost a highly desirable location that it had secured and was  
2 ready to move forward but could not do so because of the Department's inaction in  
3 moving NOR to the proper Tier. (*Id.* at ¶ 5).

4 The Department's failure to move NOR into Tier 2, which precludes the  
5 completion of final inspections on specified applicants, is causing tremendous damage  
6 to NOR, which will only increase in the coming weeks, as locations are lost and  
7 employees are laid off. NOR stands to lose all of the work it has put into the process to  
8 this point. It will likely lose its special permits, its employees, and all other work it has  
9 put into opening a viable business.

10 Under NAC 453D.295 and the extension recently granted by the Department,  
11 NOR only has until June 5, 2020 to receive final inspections. Once the injunction is lifted,  
12 it will take NOR months to obtain all necessary permits and prepare for final inspections  
13 in those jurisdictions. (*Id.* at ¶ 6).

14 The Department should be required to address this issue by confirming that NOR  
15 did in fact listed each owner of the applicant in its applications. Five other similarly  
16 situated intervenors have been permitted to move forward by the Department by being  
17 placed into Tier 2, and there is no defensible basis to preclude NOR from doing the  
18 same.

19 **F. The Pending Appeal Is Not an Adequate Remedy**

20 NOR has filed an appeal of this Court's Preliminary Injunction. The focus of that  
21 appeal is the validity of the 5% rule in NAC 453D.255(1). The Department's separate  
22 determination here that NOR is in Tier 3 is not the subject of that appeal. To be sure, if  
23 the Nevada Supreme Court determines that the 5% rule is valid and reverses the  
24 issuance of the Preliminary Injunction, then the determination of Tiers will likely be  
25 moot, but the appeal will not correct the Department's independent act in determining  
26 the Tiers of applicants.

27 Accordingly, NOR's pending appeal is not a "plain, speedy, and adequate  
28 remedy in the ordinary course of the law." *See, State v. Dist. Ct. (Armstrong)*, 127 Nev.

1 927, 931 (2011). The Department's categorization of applicant Tiers was not performed  
2 by this Court, and the Supreme Court will not be addressing the Department's  
3 determinations on this issue. The existence of the appeal is not an adequate alternative  
4 to the mandamus remedy requested here.

5 **V. CONCLUSION**

6 A writ of mandamus is necessary and appropriate to compel the Department to  
7 comply with the statute and confirm that NOR did list each owner of NOR in its  
8 application. The Department must be compelled to move NOR into "Tier 2" of  
9 applicants so it may move forward with opening its stores under its conditional licenses.

10  
11 DATED: November 21, 2019

KOCH & SCOW, LLC

12 By: /s/ David R. Koch  
13 David R. Koch, Esq.  
14 *Attorneys for Defendant-Intervenor,*  
*Counterclaimant*  
*Nevada Organic Remedies, LLC*

**DECLARATION OF DAVID R. KOCH**

I, David R. Koch, declare and state as follows:

1. I am an attorney licensed to practice law in the State of Nevada and am attorney of record for Nevada Organic Remedies, LLC ("NOR") in this matter. I have personal knowledge of the facts stated herein and make this declaration in support of NOR's Amended Application for Writ of Mandamus to Compel State of Nevada, Department of Taxation to Move Nevada Organic Remedies, LLC into "Tier 2" of Successful Conditional License Applicants.

2. I am competent to testify to the matters asserted herein, of which I have personal knowledge, except as to those matters stated upon information and belief. As to those matters stated upon information and belief, I believe them to be true.

3. Attached as Exhibit 1 to the Amended Application is a true and correct copy of the emails between Amanda Connor, counsel for NOR, and Steve Gilbert from the Department wherein Mr. Gilbert confirmed what information NOR was required to place in its transfer of ownership request.

4. Attached as Exhibit 2 to the Amended Application is a true and correct copy of the letter NOR received from the Department approving the transfer of ownership of NOR on August 20, 2018.

5. Attached as Exhibit 3 to the Amended Application is a true and correct copy of the organizational chart found in NOR's applications for licenses to open marijuana establishments that it submitted to the Department in September 2018.

6. Attached as Exhibit 4 to the Amended Application is a true and correct copy of the list of owners and affiliated entities of NOR as of May 1, 2019, as found on the Department's website, which can be found at the URL <https://tax.nv.gov/uploadedFiles/taxnvgov/Content/FAQs/CURRENTLICENSEESMAY12019.pdf>.

7. Attached as Exhibit 5 to the Amended Application is a true and correct copy of the email the State of Nevada, Department of Taxation (the "Department") sent to Judge

1 Gonzalez's chamber and to counsel for the parties to the Lawsuit. The tiers referred to in  
2 the attached email are those that Judge Gonzalez referred to in issuing the Findings of  
3 Fact and Conclusions of Law regarding the motion for preliminary injunction issued  
4 against the Department in the Lawsuit, and the email has been admitted as Court's Exhibit  
5 3.

6 8. Attached as Exhibit 6 to the Amended Application is a true and correct copy  
7 of select portions of the Hearing on Objections to State's Response, Nevada Wellness  
8 Center's Motion Re Compliance Re Physical Address, and Bond Amount Setting from  
9 August 29, 2019.

10 9. After the State of Nevada Department of Taxation (the "Department") sent  
11 an email placing NOR in what it deemed "Tier 3" because it had questions regarding  
12 whether NOR included all of its owners in its applications for licenses to operate  
13 marijuana establishments, I, along with other representatives of NOR, have subsequently  
14 corresponded with and met with representatives from the Department to provide any  
15 additional necessary information to resolve any questions the Department had regarding  
16 the content of NOR's September 2018 applications.

17 I declare under penalty of perjury under the laws of the United States and the  
18 State of Nevada that the foregoing is true and correct.

19 Executed this 21<sup>st</sup> day of November, 2019.

21 \_\_\_\_\_  
/s/ David R. Koch

22 David R. Koch  
23  
24  
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28

1                                    **DECLARATION OF BRANDON WIEGAND**

2            I, Brandon Wiegand, declare and state as follows:

3            1.        I am the Regional General Manager of Nevada Organic Remedies and am  
4 responsible for the operation and opening of licensed marijuana establishments for the  
5 company in the State of Nevada. I have personal knowledge of the facts stated in this  
6 Declaration and could testify competently thereto.

7            2.        On December 5, 2018, NOR was notified that it had been awarded seven  
8 conditional licenses by the Department of Taxation. Since December 5, 2018, NOR has  
9 been diligently acting to ensure that its stores can be inspected by the Department of  
10 Taxation and open for business no later than December 4, 2019.

11           3.        NOR has leased locations, hired employees, worked with city and county  
12 governmental bodies to obtain approvals and permits, and has expended hundreds of  
13 hours and hundreds of thousands of dollars to ensure that it will be able to open its  
14 stores within the defined timeframe.

15           4.        NOR has received special permits, business licenses, and other necessary  
16 jurisdictional approvals required to open dispensaries in the City of Las Vegas at 1725 S.  
17 Rainbow Blvd., Suite 21; City of Reno at 5270 Longley Lane, Suite 103; and Town of  
18 Pahrump at 2370-2380 Homestead Road. It has secured specific locations in those  
19 jurisdictions, performed necessary Tenant Improvements, purchased security systems,  
20 signed agreements for operations systems, and has hired and trained employees, NOR  
21 is, in all respects, ready to open the doors to these locations after obtaining a final  
22 inspection from the Department.

23           5.        NOR is also moving forward in the other locations. In North Las Vegas,  
24 NOR has secured a location and has been paying rent since early 2019. In Clark County,  
25 NOR had obtained a highly desirable location located at the intersection of Flamingo  
26 and Paradise to open a marijuana establishment, but it has already lost this location due  
27 to the subject litigation causing uncertainty in the minds of Clark County elected  
28 officials.



1           6.       NOR has been informed and believes that it will not be able to move  
2 forward at a local level in either Clark County or the city of North Las Vegas until the  
3 injunction is lifted, and once the injunction is lifted, it will take NOR months to obtain all  
4 necessary permits and prepare for final inspections in those jurisdictions.

5           7.       Based on its currently operating locations and the demographics of the  
6 locations where NOR would open its new dispensaries, NOR projects that it will see  
7 \$27.5MM in annual gross profits from the five locations closest to opening for business.

8           I declare under penalty of perjury that the foregoing is true and correct to the  
9 best of my knowledge.

10  
11           Date: November 21, 2019

\_\_\_\_\_  
/s/ Brandon Wiegand  
BRANDON WIEGAND

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**CERTIFICATE OF SERVICE**

I, the undersigned, declare under penalty of perjury, that I am over the age of eighteen (18) years, and I am not a party to, nor interested in, this action. I certify that on November 21, 2019, I caused the foregoing document entitled:  
to be served as follows:

- ☒ Pursuant to EDCR 8.05(a) and 8.05(f), to be electronically served through the Eighth Judicial District court's electronic filing system, with the date and time of the electronic service substituted for the date and place of deposit in the mail; and/or;
- ☐ by placing same to be deposited for mailing in the United States Mail, in a sealed envelope upon which first class postage was prepaid in Henderson, Nevada; and/or
- ☐ Pursuant to EDCR 7.26, to be sent via facsimile; and/or
- ☐ hand-delivered to the attorney(s) listed below at the address indicated below;
- ☐ to be delivered overnight via an overnight delivery service in lieu of delivery by mail to the addressee (s); and or:
- ☐ by electronic mailing to:

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22 **D H Flamingo Inc:**

23 Joshua Dickey (jdickey@baileykennedy.com)  
24 Sarah Harmon (sharmon@baileykennedy.com)  
25 Kelly Stout (kstout@baileykennedy.com)  
26 Dennis Kennedy (dkennedy@baileykennedy.com)  
27 Bailey Kennedy, LLP (bkfederaldownloads@baileykennedy.com)  
28 Stephanie Glantz (sglantz@baileykennedy.com)

29 **Euphoria Wellness LLC:**

30 Justin Jones (jjones@joneslovelock.com)  
31 Nicole Lovelock (nlovelock@joneslovelock.com)  
32 Alison Anderson (aanderson@joneslovelock.com)  
33 Lorie Januskevicius (ljanuskevicius@joneslovelock.com)

34 **Other Service Contacts** not associated with a party on the case:

35 Peter Christiansen (pete@christiansenlaw.com)  
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37 R. Todd Terry (tterry@christiansenlaw.com)  
38 Eloisa Nunez (enunez@pnalaw.net)  
39 David Koch (dkoch@kochscow.com)  
40 Steven Scow (sscow@kochscow.com)  
41 Brody Wight (bwight@kochscow.com)  
42 Jonathan Crain (jcrain@christiansenlaw.com)

43 Mariella Dumbrique (mdumbrique@blacklobello.law)  
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45 Patricia Stoppard (p.stoppard@kempjones.com)

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3 Alicia Ashcraft (ashcrafta@ashcraftbarr.com)  
Daniel Scow (dscow@kochscow.com)  
4 Michelle Harrell (harrellm@ashcraftbarr.com)  
Diane Meeter (dmeeter@blacklobello.law)  
5 J. Graf (Rgraf@blacklobello.law)  
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7 Joyce Martin (jmartin@blacklobello.law)  
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8 Tanya Bain (tbain@gcmaslaw.com)  
9 ShaLinda Creer (screer@gcmaslaw.com)  
Dominic Gentile (dgentile@gcmaslaw.com)  
10 Vincent Savarese (vsavarese@gcmaslaw.com)  
Michael Cristalli (mcristalli@gcmaslaw.com)  
11 Ross Miller (rmiller@gcmaslaw.com)  
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12 Rusty Graf (rgraf@blacklobello.law)  
Thomas Gilchrist (tgilchrist@bhfs.com)  
13 Lisa Lee (llee@thedplg.com)  
Eservice Filing (eservice@thedplg.com)  
14 Anna Karabachev (a.karabachev@kempjones.com)  
15 Krystal Saab ([KSaab@nvorganicremedies.com](mailto:KSaab@nvorganicremedies.com))

16  
17 **DH FLAMINGO – A-19-787035-C SERVICE LIST**

18 **D H Flamingo Inc:**

18 Joshua Dickey (jdickey@baileykennedy.com)  
19 Sarah Harmon (sharmon@baileykennedy.com)  
Kelly Stout (kstout@baileykennedy.com)  
20 Dennis Kennedy (dkennedy@baileykennedy.com)  
Bailey Kennedy, LLP (bkfederaldownloads@baileykennedy.com)  
21 Stephanie Glantz (sglantz@baileykennedy.com)

22 **Helping Hands Wellness Center Inc:**

23 Jared Kahn (jkahn@jk-legalconsulting.com)7777

24 **Greenmart of Nevada NLV LLC:**

24 Alina Shell (alina@nvlitigation.com)  
25 Margaret McLetchie (maggie@nvlitigation.com)

26 **Clear River LLC:**

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Brigid Higgins (bhiggins@blacklobello.law)  
Diane Meeter (dmeeter@blacklobello.law)  
28 J. Graf (Rgraf@blacklobello.law)  
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1 Mark Lounsbury (mlounsbury@blacklobello.law)

2 **Circle S Farms LLC:**

3 Amy Reams (areams@naylorandbrasterlaw.com)

4 John Naylor (jnaylor@naylorandbrasterlaw.com)

5 Jennifer Braster (jbraster@naylorandbrasterlaw.com)

6 Andrew Sharples (asharples@naylorandbrasterlaw.com)

7 **Pure Tonic Concentrates LLC:**

8 Heather Motta (hmotta@mcllawfirm.com)

9 Rick Hsu (rhsu@mcllawfirm.com)

10 **Agua Street LLC:**

11 Jarrod Rickard (jlr@skrlawyers.com)

12 Christopher Kircher (cdk@skrlawyers.com)

13 Olivia Kelly (oak@skrlawyers.com)

14 Lawrence Semenza, III (ljs@skrlawyers.com)

15 Teresa Beiter (tnb@skrlawyers.com)

16 Angie Barreras (alb@skrlawyers.com)

17 Katie Cannata (klc@skrlawyers.com)

18 **Bioneva Innovations of Carson City LLC:**

19 Amber Handy (amber@handelinlaw.com)

20 Steven Handelin (steve@handelinlaw.com)

21 Kristalei Wolfe (kristalei@handelinlaw.com)

22 **Blue Coyote Ranch LLC:**

23 Charles Vlastic (cvlastic@cv3legal.com)

24 **Compassionate Team of Las Vegas LLC:**

25 Daniel Simon (lawyers@simonlawlv.com)

26 **DP Holdings Inc:**

27 Daniel Simon (lawyers@simonlawlv.com)

28 **Euphoria Wellness LLC:**

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Lorie Januskevicius (ljanuskevicius@joneslovelock.com)

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Jeffrey Barr (barrj@ashcraftbarr.com)

**Good Chemistry Nevada LLC:**

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Mia Hurtado (mia@argentumnv.com)

**Green Life Productions LLC:**

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Amanda Armstrong (aarmstrong@peelbrimley.com)  
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Diana Wheelen (dwheelen@fclaw.com)

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Linda Schone (ls@juwlaw.com)

**Natural Medicine LLC:**

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**Nevada Wellness Center LLC:**

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**Rural Remedies LLC:**

Gail May (Gail@ramoslaw.com)

**Strive Wellness of Nevada LLC:**

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Stephanie Smith (ssmith@bendavidfirm.com)

Leilani Gamboa (lgamboa@bendavidfirm.com)

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Mia Hurtado (mia@argentumnv.com)

**WSCC Inc:**

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Rick Hsu (rhsu@mcllawfirm.com)

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3 Debra Spinelli (dls@pisanellibice.com)  
4 Dustun Holmes (dhh@pisanellibice.com)  
5 MGA Docketing (docket@mgalaw.com)  
6 Ali Augustine (a.augustine@kempjones.com)  
7 Nathanael Rulis (n.rulis@kempjones.com)  
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9 Adam Bult (abult@bhfs.com)  
10 Travis Chance (tchance@bhfs.com)  
11 Maximillen Fetaz (mfetaz@bhfs.com)  
12 Daniel Scow (dscow@kochscow.com)  
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17 Thomas Gilchrist (tgilchrist@bhfs.com)  
18 Shannon Dinkel (sd@pisanellibice.com)  
19 Julia Diaz (jd@juwlaw.com)  
20 L Rose (lcr@juwlaw.com)  
21 Rebecca Post (rebecca@connorpllc.com)

22 Executed on November 21, 2019 at Henderson, Nevada.

23 /s/ Andrea Eshenbaugh  
24 Andrea Eshenbaugh  
25  
26  
27  
28

# EXHIBIT 1

# EXHIBIT 1



From: **Steve F. Gilbert** <[sfgilbert@tax.state.nv.us](mailto:sfgilbert@tax.state.nv.us)>  
Date: Tue, Mar 26, 2019 at 12:59 PM  
Subject: Re: Transfer of Ownership forms  
To: Amanda Connor <[amanda@connorpllc.com](mailto:amanda@connorpllc.com)>  
Cc: Ruth Del Rio <[rdelrio@tax.state.nv.us](mailto:rdelrio@tax.state.nv.us)>, Rebecca Post <[rebecca@connorpllc.com](mailto:rebecca@connorpllc.com)>, Melanie Lopez <[melanie@connorpllc.com](mailto:melanie@connorpllc.com)>, Jorge Pupo <[jpupo@tax.state.nv.us](mailto:jpupo@tax.state.nv.us)>

Hi Amanda  
You're correct. It must be officers and board members of the publicly traded company.

Sent from my iPhone

On Mar 25, 2019, at 2:20 PM, Amanda Connor <[amanda@connorpllc.com](mailto:amanda@connorpllc.com)> wrote:

Steve

I just wanted to follow up the question below. I would appreciate guidance on who would need to sign the transfer forms.

Sincerely

*Amanda N. Connor Esq.*

**Connor & Connor PLLC.**

710 Coronado Center Dr., Suite 121

Henderson, NV 89052

(702) 750-9139; (702) 749-5991 (fax)

[amanda@connorpllc.com](mailto:amanda@connorpllc.com)

On Mar 12, 2019, at 6:31 PM, Amanda Connor <[amanda@connorpllc.com](mailto:amanda@connorpllc.com)> wrote:

**RA2027**

Steve

No the license holder is a Nevada LLC that would be owned 100% by XYZ LLC. DEF Inc is a publicly traded Canadian company. DEF Inc is the sole shareholder of ABC Inc. ABC Inc is a foreign corporation but I am unsure what state.

Thank you

*Amanda N. Connor Esq.*

**Connor & Connor Pllc.**

710 Coronado Center Dr., Suite 121

Henderson, NV 89052

(702) 750-9139; (702) 749-5991 (fax)

[amanda@connorpllc.com](mailto:amanda@connorpllc.com)

On Mar 12, 2019, at 6:15 PM, Steve F. Gilbert <[sfgilbert@tax.state.nv.us](mailto:sfgilbert@tax.state.nv.us)> wrote:

Amanda.

Let me make sure I understand this structure.

Is DEF a domestic corporation? If yes, Nevada?

Where is ABC located?

Is XYZ a license holder in Nevada?

**From:** Amanda Connor [<mailto:amanda@connorpllc.com>]

**Sent:** Tuesday, March 12, 2019 10:28 AM

**To:** Steve F. Gilbert; Ruth Del Rio

**Cc:** Rebecca Post; Melanie Lopez

**Subject:** Transfer of Ownership forms

Good morning,

I have a quick question, for a transfer of interest, if the proposed new owner is to be an LLC that is 100% owned by a corporation that is 100% owned by a publicly traded corporation, who should sign the transfer of interest forms? It is my understanding that it needs to be the officers and board members of the publicly traded company and cannot be signed by an officer of the LLC without tracing back to the publicly traded company. Can you please confirm that is correct?

Here is the structure we are discussing:

License Holder

100% owned by XYZ, LLC (with an officer)

ABC Inc (owns 100% of XYZ, LLC)

DEF, Inc publicly traded (sole shareholder of ABC, INC)

- board members and officers of DEF, Inc.

Based on this structure it is my understanding that the board members and officers of DEF, Inc. need to sign the transfer of interest forms and that the transfer forms could not be signed by the officer of XYZ, LLC. Is that correct?

I appreciate your prompt attention to this question.

Thank you,

*Amanda N. Connor Esq.*

**Connor & Connor PLLC.**

710 Coronado Center Dr., Suite 121

Henderson, NV 89052

(702) 750-9139; (702) 749-5991 (fax)

[amanda@connorpllc.com](mailto:amanda@connorpllc.com)

The unauthorized disclosure or interception of e-mail is a federal crime. See 18 U.S.C. Sec. 2517(4). This e-mail is intended only for the use of those to whom it is addressed and may contain information which is privileged, confidential and exempt from disclosures under the law. If you have received this e-mail in error, do not distribute or copy it. Please return it immediately to the sender with attachments, if any, and notify me by calling (702) 750-9139.



# EXHIBIT 2

# EXHIBIT 2



BRIAN SANDOVAL  
Governor  
JAMES DEVOLLO  
Chair, Nevada Tax Commission  
BILL ANDERSON  
Executive Director

# STATE OF NEVADA DEPARTMENT OF TAXATION

Web Site: <https://tax.nv.gov>

1550 College Parkway, Suite 115  
Carson City, Nevada 89706-7937  
Phone: (775) 684-2000 Fax: (775) 684-2020

LAS VEGAS OFFICE  
Grant Sawyer Office Building, Suite 1300  
555 E. Washington Avenue  
Las Vegas, Nevada 89101  
Phone: (702) 486-2300 Fax: (702) 486-2373

RENO OFFICE  
4800 Kietzke Lane  
Building L, Suite 235  
Reno, Nevada 89502  
Phone: (775) 687-9999  
Fax: (775) 688-1303

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

August 20, 2018

Ms. Amanda Connor  
Nevada Organic Remedies, LLC  
710 Coronado Center Dr. Suite 121  
Henderson, NV 89052

State of Nevada Application ID Number:	MME Certificate	C094 – 88242054656300627601
	ME License	# 1018539646-002-CUL
	MME Certificate	D152 – 02441426022753521200
	ME License	# 1018539646-001-DIP
	MME Certificate	P063 – 72792951478780009507
	ME License	# 1018539646-002-PRO
	ME License	T056 # 1018539646-002-DIT

**Subject: MME Ownership Change**

Dear Ms. Connor,

Your Notice of Transfer of Interest pertaining to the ownership of the above referenced MME(s) has been reviewed and APPROVED. Effective immediately, your MME(s) and ownership Schedule of Interest is recorded as follows:

<u>Name</u>	<u>% Held</u>
GGB Nevada, LLC	95.00%
Xanthic Biopharma, Inc.	
Board Members:	
- Jean Schottenstein	
- Peter Horvath	
- Stephen Stoute	
- Carli Posner, Chairman	
- Timothy Moore, CEO	
- Igor Galitsky, President	
- Marc Lehmann, Board Member	
- David Bhumgara, CFO	

Officers:

- Igor Galitsky
- Timothy Moore, CEO
- David Bhungara, CFO
- Carli Posner, Chairman

Andrew M. Jolley	2.20%
Stephen J. Byrne	1.70%
Patrick G. Byrne	0.50%
Harvest Dispensaries, Cultivation & Kitchen Consultants, LLC	0.50%
Liesl Sicz	
Darren C. Petersen	<u>0.10%</u>
<b>Total</b>	<b>100.00%</b>

Please feel free to contact us at [marijuana@tax.state.nv.us](mailto:marijuana@tax.state.nv.us) if you have any questions.

Sincerely,



Steve Gilbert, Program Manager II  
Department of Taxation, Marijuana Enforcement Division

# EXHIBIT 3

# EXHIBIT 3



the+source

**5.2.10.1**

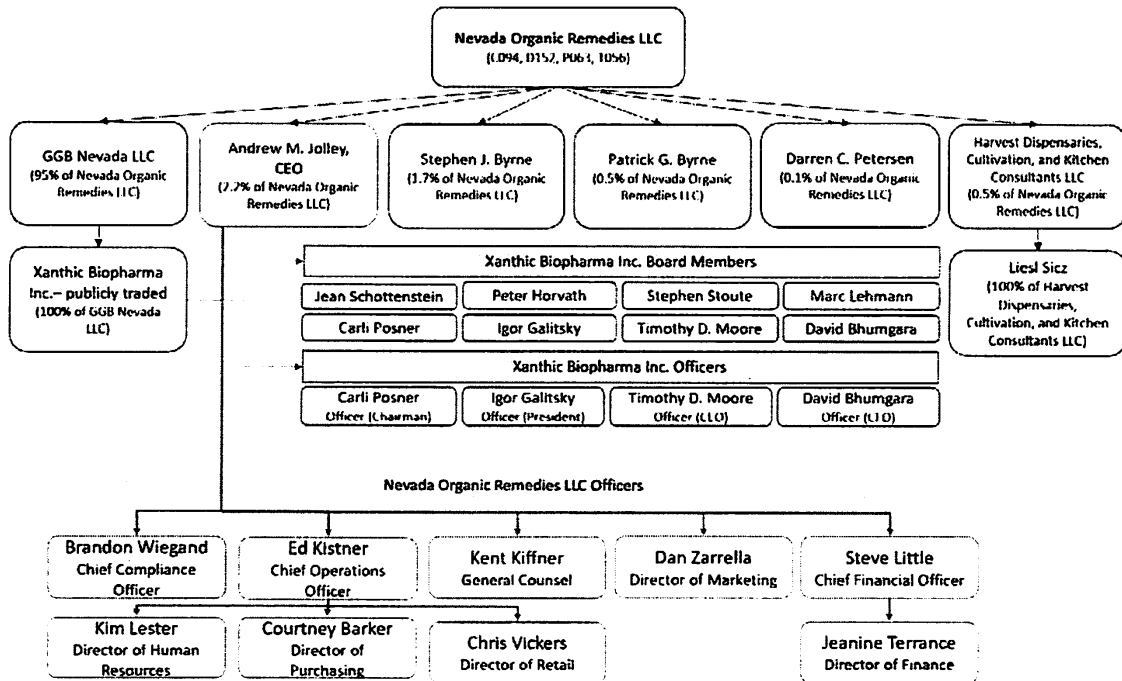
## **ORGANIZATIONAL CHARTS**

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY 5.2.10.1 Page 2 of 403  
DOT-NV-Organic-001426

**RA2035**

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

The following Organizational Chart shows all owners, officers and board members of Nevada Organic Remedies LLC ("NOR").<sup>1</sup> This chart is also provided in larger size in *Exhibit A: Organizational Chart and Ownership Structure*.



NOR is a robust organization with oversight, governance and support provided by owners, board members and officers. Due to the size of the organization, multiple charts have been provided in this section in an effort to clearly illustrate not only the Company's ownership, but the operational structure of the company leadership team and the retail store organizational structure. Collectively, these sub-sections and exhibits provide a wholistic view of the Company's ownership and operational structure and are referenced here for clarity:

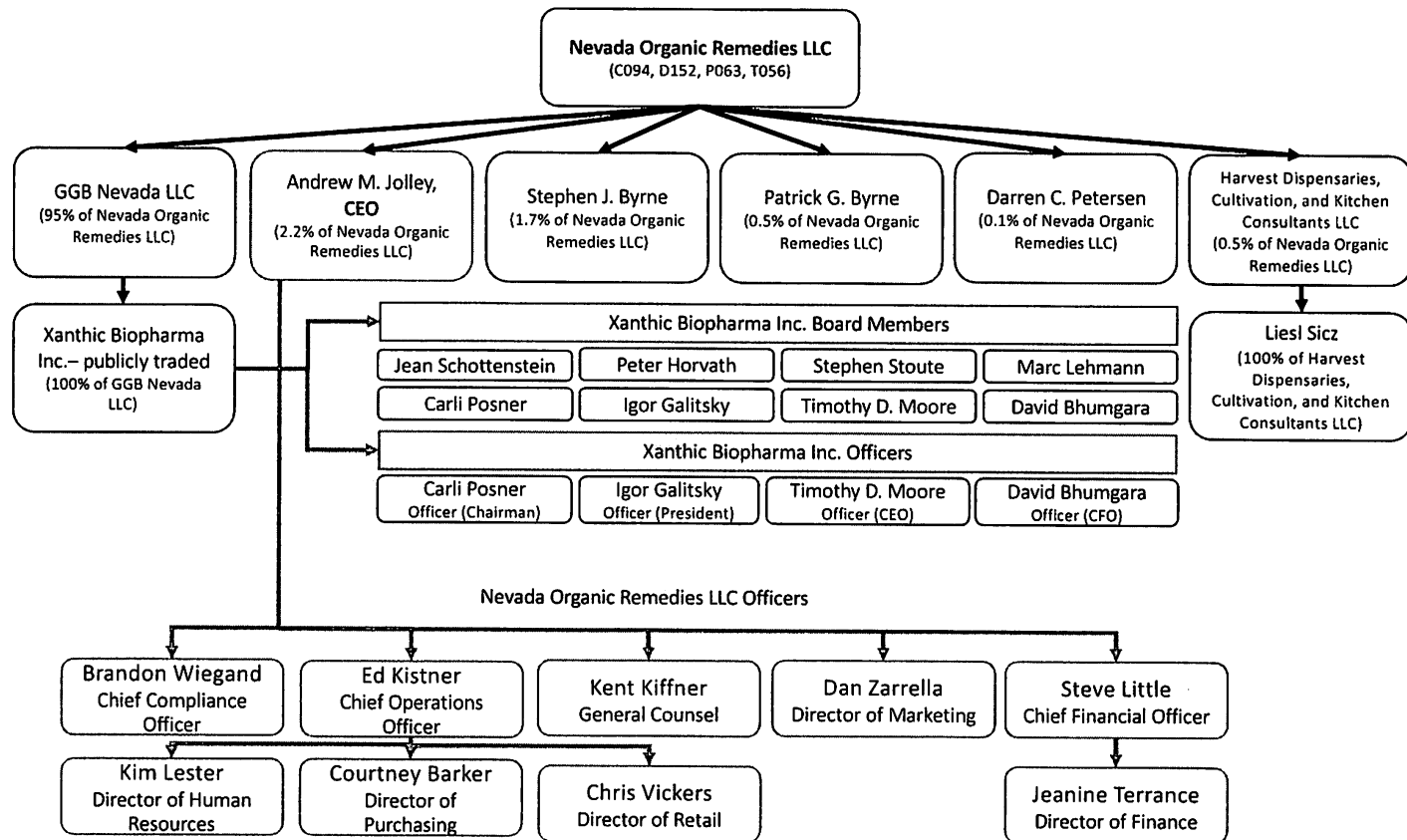
1. Organizational Chart and Ownership Structure. This section and the associated exhibit (*Exhibit A: Organizational Chart and Ownership Structure*) outline NOR's organizational

<sup>1</sup> Please note this ownership structure was approved by the Department of Taxation on August 20, 2018 (see attached letter Exhibit E). Please note the Department was provided notice of the officers of the Company on August 31, 2018 and September 7, 2018 (see attached letters Exhibit E).

***Exhibit A: Organizational Chart and Ownership Structure***

HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY 5201 Invt 000024 of 400  
DOT-INV-Organic001448

**RA2037**



# EXHIBIT 4

# EXHIBIT 4

**LICENSED ENTITY - OWNERS/OFFICERS/BOARD MEMBERS as of: May 1, 2019.** *An affiliated entity may be a parent company, subsidiary, an organization that controls another entity, is controlled by another entity or under common control alongsid*

ID	Licensed Entity	License Type	Establishment Jurisdiction	COUNTY	Last Name	First Name	MI	Owner	Officer	Board Member	Affiliated Entity (1)	Affiliated Entity (2)	Affiliated Entity (3)	Affiliated Entity (4)	Affiliated Entity (5)
RP063	Nevada Organic Remedies LLC	Rec Production	Las Vegas	Clark	Schottenstein	Jean	R	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RP063	Nevada Organic Remedies LLC	Rec Production	Las Vegas	Clark	Stoute	Stephen	J	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD152	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Jolley	Andrew	M	Owner	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD152	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Byrne	Patrick	G	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD152	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Byrne	Stephen	J	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD152	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	GGB Nevada LLC			Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD152	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Peterson	Darren	C	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD152	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Sicz	Liesl	M	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	Harvest Dispensaries, Cultivation & Kitchen	no	no
RD152	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Bhumgara	David	W	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD152	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Galitsky	Igor	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD152	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Moore	Timothy	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD152	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Posner	Carli		no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD152	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Horvath	Peter	Z	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD152	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Schottenstein	Jean	R	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD152	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Stoute	Stephen	J	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Byrne	Patrick	G	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	GGB Nevada LLC			Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Sicz	Liesl	M	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	Harvest Dispensaries, Cultivation & Kitchen	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Barker	Courtney	D	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Bhumgara	David	W	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Galitsky	Igor	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Kiffner	Kent	C	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Kistner	Edward	J	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Lester	Kimberly	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Little	Steven	J	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Moore	Timothy	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Posner	Carli		no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Terrance	Jeanine	N	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Vickers	Christopher	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Wiegand	Brandon	M	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Horvath	Peter	Z	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Lehmann	Marc	E	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Schottenstein	Jean	R	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD215	Nevada Organic Remedies LLC	Retail Dispensary	Unincorporated Clark	Clark	Stoute	Stephen	J	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Jolley	Andrew	M	Owner	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no

**LICENSED ENTITY - OWNERS/OFFICERS/BOARD MEMBERS as of: May 1, 2019.** *An affiliated entity may be a parent company, subsidiary, an organization that controls another entity, is controlled by another entity or under common control alongsid*

ID	Licensed Entity	License Type	Establishment Jurisdiction	COUNTY	Last Name	First Name	MI	Owner	Officer	Board Member	Affiliated Entity (1)	Affiliated Entity (2)	Affiliated Entity (3)	Affiliated Entity (4)	Affiliated Entity (5)
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Byrne	Patrick	G	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Byrne	Stephen	J	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	GGB Nevada LLC			Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Peterson	Darren	C	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Sicz	Liesl	M	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	Harvest Dispensaries, Cultivation & Kitchen	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Barker	Courtney	D	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Bhumgara	David	W	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Galitsky	Igor	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Kiffner	Kent	C	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Kistner	Edward	J	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Lester	Kimberly	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Little	Steven	J	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Moore	Timothy	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Posner	Carli		no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Terrance	Jeanine	N	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Vickers	Christopher	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Wiegand	Brandon	M	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Horvath	Peter	Z	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Lehmann	Marc	E	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Schottenstein	Jean	R	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD216	Nevada Organic Remedies LLC	Retail Dispensary	Las Vegas	Clark	Stoute	Stephen	J	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Jolley	Andrew	M	Owner	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Byrne	Patrick	G	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Byrne	Stephen	J	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	GGB Nevada LLC			Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Peterson	Darren	C	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Sicz	Liesl	M	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	Harvest Dispensaries, Cultivation & Kitchen	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Barker	Courtney	D	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Bhumgara	David	W	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Galitsky	Igor	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Kiffner	Kent	C	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Kistner	Edward	J	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Lester	Kimberly	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Little	Steven	J	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Moore	Timothy	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no

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RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Posner	Carli		no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Terrance	Jeanine	N	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Vickers	Christopher	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Wiegand	Brandon	M	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Horvath	Peter	Z	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Lehmann	Marc	E	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Schottenstein	Jean	R	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD217	Nevada Organic Remedies LLC	Retail Dispensary	North Las Vegas	Clark	Stoute	Stephen	J	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Jolley	Andrew	M	Owner	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Byrne	Patrick	G	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Byrne	Stephen	J	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	GGB Nevada LLC			Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Peterson	Darren	C	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Sicz	Liesl	M	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	Harvest Dispensaries, Cultivation & Kitchen	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Barker	Courtney	D	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Bhumgara	David	W	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Galitsky	Igor	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Kiffner	Kent	C	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Kistner	Edward	J	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Lester	Kimberly	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Little	Steven	J	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Moore	Timothy	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Posner	Carli		no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Terrance	Jeanine	N	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Vickers	Christopher	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Wiegand	Brandon	M	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Horvath	Peter	Z	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Lehmann	Marc	E	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Schottenstein	Jean	R	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD218	Nevada Organic Remedies LLC	Retail Dispensary	Henderson	Clark	Stoute	Stephen	J	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Jolley	Andrew	M	Owner	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Byrne	Patrick	G	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Byrne	Stephen	J	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	GGB Nevada LLC			Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Peterson	Darren	C	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no



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RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Sicz	Liesl	M	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	Harvest Dispensaries, Cultivation & Kitchen	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Barker	Courtney	D	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Bhumgara	David	W	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Galitsky	Igor	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Kiffner	Kent	C	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Kistner	Edward	J	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Lester	Kimberly	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Little	Steven	J	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Moore	Timothy	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Posner	Carli		no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Terrance	Jeanine	N	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Vickers	Christopher	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Wiegand	Brandon	M	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Horvath	Peter	Z	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Lehmann	Marc	E	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Schottenstein	Jean	R	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD219	Nevada Organic Remedies LLC	Retail Dispensary	Reno	Washoe	Stoute	Stephen	J	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Jolley	Andrew	M	Owner	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Byrne	Patrick	G	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Byrne	Stephen	J	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	GGB Nevada LLC			Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Peterson	Darren	C	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Sicz	Liesl	M	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	Harvest Dispensaries, Cultivation & Kitchen	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Barker	Courtney	D	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Bhumgara	David	W	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Galitsky	Igor	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Kiffner	Kent	C	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Kistner	Edward	J	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Lester	Kimberly	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Little	Steven	J	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Moore	Timothy	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Posner	Carli		no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Terrance	Jeanine	N	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Vickers	Christopher	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Wiegand	Brandon	M	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no

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RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Horvath	Peter	Z	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Lehmann	Marc	E	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Schottenstein	Jean	R	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD221	Nevada Organic Remedies LLC	Retail Dispensary	Nye	Nye	Stoute	Stephen	J	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Jolley	Andrew	M	Owner	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Byrne	Patrick	G	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Byrne	Stephen	J	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	GGB Nevada LLC			Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Peterson	Darren	C	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Sicz	Liesl	M	Owner	no	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	Harvest Dispensaries, Cultivation & Kitchen	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Barker	Courtney	D	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Bhumgara	David	W	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Galitsky	Igor	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Kiffner	Kent	C	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Kistner	Edward	J	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Lester	Kimberly	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Little	Steven	J	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Moore	Timothy	D	no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Posner	Carli		no	Officer	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Terrance	Jeanine	N	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Vickers	Christopher	A	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Wiegand	Brandon	M	no	Officer	no	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Horvath	Peter	Z	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Lehmann	Marc	E	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Schottenstein	Jean	R	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
RD222	Nevada Organic Remedies LLC	Retail Dispensary	Carson City	Carson City	Stoute	Stephen	J	no	no	BM	GGB Nevada, LLC	Xanthic Biopharma, Inc	no	no	no
D009	Nevada Wellness Center LLC	Med Dispensary	Las Vegas	Clark	Hawkins	Frank		Owner	Officer	no	no	no	no	no	no
D009	Nevada Wellness Center LLC	Med Dispensary	Las Vegas	Clark	Mack	Luther		Owner	Officer	no	no	no	no	no	no
D009	Nevada Wellness Center LLC	Med Dispensary	Las Vegas	Clark	Rhodes	Andre		Owner	Officer	no	no	no	no	no	no
RD009	Nevada Wellness Center LLC	Retail Dispensary	Las Vegas	Clark	Hawkins	Frank		Owner	Officer	no	no	no	no	no	no
RD009	Nevada Wellness Center LLC	Retail Dispensary	Las Vegas	Clark	Mack	Luther		Owner	Officer	no	no	no	no	no	no
RD009	Nevada Wellness Center LLC	Retail Dispensary	Las Vegas	Clark	Rhodes	Andre		Owner	Officer	no	no	no	no	no	no
T005	Nevada Wholesalers LLC	Distributor	Reno	Washoe	Adams	Michael		Owner	no	no	no	no	no	no	no
T005	Nevada Wholesalers LLC	Distributor	Reno	Washoe	Aramini	Eliene		Owner	no	no	no	no	no	no	no
T005	Nevada Wholesalers LLC	Distributor	Reno	Washoe	Coward	Jeanine		Owner	no	no	no	no	no	no	no

**RA2044**

# EXHIBIT 5

# EXHIBIT 5

From: Steven G. Shevorski SShevorsk @ag.nv.gov  
Subject: RE: A786962 Seren ty - Response to Judge s Quest on on NRS 453D.200(6)  
Date: August 21, 2019 at 3:23 PM

SS

To: Mer wether, Dan e e LC Dept11LC@c arkcountycourts.us, M chae Cr sta mcr sta @gcmas aw.com, V ncent Savarese vsavarese@gcmas aw.com, Ross M er rm er@gcmas aw.com, Ketan D. Bh rud KBh rud@ag.nv.gov, Robert E. Werb cky RWeb cky@ag.nv.gov, Dav d J. Pope DPope@ag.nv.gov, Theresa M. Haar THaar@ag.nv.gov, jag@mga aw.com, rgraf@b ack obe o. aw, bh gg ns@b ack obe o. aw, a na@nv t gat on.com, Work magg e@nv t gat on.com, Er c Hone, Esq. (er c@h1 awgroup.com) er c@h1 awgroup.com, jam e@h1 awgroup.com, moorea@h1 awgroup.com, jkahn@jk- ega consu t ng.com, dkoch@kochscow.com, sscow@kochscow.com, Bu t, Adam K. ABu t@bhfs.com, tchance@bhfs.com, a.hays ett@kempjones.com, Nathanae Ru s, Esq. (n.ru s@kempjones.com) n.ru s@kempjones.com, tparker@pna aw.net, Fetaz, Max m en MFetaz@bhfs.com, ph @hymanson awnv.com, shane@ asvegas ega v deo.com, joe@ asvegas ega v deo.com, Pat Stoppard (p.stoppard@kempjones.com) p.stoppard@kempjones.com, jde carmen@pna aw.net, Kut nac, Dan e Kut nacD@c arkcountycourts.us, ShaL nda Creer screer@gcmas aw.com, Tanya Ba n tba n@gcmas aw.com, Karen W eh (Karen@HymansonLawNV.com) Karen@hymanson awnv.com, Kay, Pau a PKay@bhfs.com, Denn s Pr nce (dpr nce@thedp g.com) dpr nce@thedp g.com, t b@p sane b ce.com, JTS@p sane b ce.com  
Cc: Kut nac, Dan e Kut nacD@c arkcountycourts.us

Case : A-19-786962-B  
Dept. 11

Danielle,

The Department of Taxation answers the Court's question as follows:

**Court's Question:** Which successful applicants completed the application in compliance with NRS 453D.200(6) at the time the application was filed in September 2018?

**Answer:** The Department of Taxation answers the Court's question in three parts.

**First,** there were seven successful applicants who are not parties to the coordinated preliminary injunction proceeding. 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. Accepting as truthful these applicants' attestations regarding who their owners, officers, and board members were at the time of the application, these applications were complete at the time they were filed with reference to NRS 453D.200(6).

**Second,** there were five successful applicants who are parties to this coordinated preliminary injunction proceeding whose applications were complete with reference to NRS 453D.200(6) if the Department of Taxation accepts as truthful their attestations regarding who their owners, officers, and board members were. These applicants were Clear River LLC, Cheyenne Medical LLC, Essence Tropicana LLC, Essence Henderson LLC, and Commerce Park Medical LLC.

**Third,** there were four successful applicants who are parties to this proceeding regarding whom the Department of Taxation could not eliminate a question as to the completeness of their applications with reference to NRS 453D.200(6). These applicants were Helping Hands Wellness Center Inc., Lone Mountain Partners LLC, Nevada Organic Remedies LLC, and Greenmart of Nevada NLV LLC.

RA2046

With respect to the third group, the Department of Taxation could not eliminate a question as the completeness of the applications due to the following:

1. **Helping Hands Wellness Center, Inc.** – The Department of Taxation could not eliminate a question a question regarding the completeness of the applicant's identification of all of its officers on Attachment A in light of Mr. Terteryan's testimony that he is the Chief Operating Officer and was not listed on Attachment A. The Department of Taxation does note, however, that Mr. Terteryan has been the subject of a completed background check.
2. **Lone Mountain Partners, LLC** – The Department of Taxation could not eliminate a question regarding the completeness of the applicant's identification of all of its owners because the Department could not determine whether Lone Mountain Partners, LLC was a subsidiary of an entity styled "Verona" or was owned by the individual members listed on Attachment A.
3. **Nevada Organic Remedies, LLC** - The Department of Taxation could not eliminate a question regarding the completeness of the applicant's identification of all of its owners because the Department could not determine whether there were shareholders who owned a membership interest in the applicant at the time the application was submitted, but who were not listed on Attachment A, as the applicant was acquired by a publicly traded company on or around September 4, 2018.
4. **Greenmart of Nevada NLV, LLC** - The Department of Taxation could not eliminate a question regarding the completeness of the applicant's identification of all of its owners. The Department could not determine whether the applicant listed all its owners on Attachment A because a subsidiary of a publicly traded company owned a membership interest in the applicant at the time the applicant submitted its application.

In creating this answer, the Department of Taxation sought to answer the Court's question in a neutral fashion based on the information available to it from the applications themselves, testimony given at the hearing (without reference to issues of admissibility, which an affected party may raise), and information publicly available from a government website (the Canadian Securities Exchange website), which was submitted by the applicant or information submitted about the applicant by an entity claiming an affiliation to the applicant. The Department of Taxation expects that Helping Hands Wellness Center Inc., Lone Mountain Partners LLC, Nevada Organic Remedies LLC, and Greenmart of Nevada NLV LLC may explain why they believe they submitted complete applications in compliance with the provisions of NRS 453D.200(6).

Best regards,

Steve Shevorski

Steve Shevorski  
Head of Complex Litigation  
Office of the Attorney General  
555 E. Washington Ave., Suite 3900  
Las Vegas, NV 89101  
702-486-3783

---

**From:** Meriwether, Danielle LC <Dept11LC@clarkcountycourts.us>

**Sent:** Wednesday, August 21, 2019 10:11 AM

**To:** Steven G. Shevorski <SShevorski@ag.nv.gov>; 'Michael Cristalli' <mcristalli@gcmaslaw.com>; 'Vincent Savarese' <vsavarese@gcmaslaw.com>; 'Ross Miller' <rmiller@gcmaslaw.com>; Ketan D. Bhirud <KBhirud@ag.nv.gov>; Robert E. Werbicky <RWerbicky@ag.nv.gov>; David J. Pope <DPope@ag.nv.gov>; Theresa M. Haar <THaar@ag.nv.gov>; 'jag@mgalaw.com' <jag@mgalaw.com>; 'rgraf@blacklobello.law' <rgraf@blacklobello.law>; 'bhiggins@blacklobello.law' <bhiggins@blacklobello.law>; 'alina@nvlitigation.com' <alina@nvlitigation.com>; 'Work' <maggie@nvlitigation.com>; 'Eric Hone, Esq.' <eric@h1lawgroup.com>; 'jamie@h1lawgroup.com' <jamie@h1lawgroup.com>; 'moorea@h1lawgroup.com' <moorea@h1lawgroup.com>; 'jkahn@jk-legalconsulting.com' <jkahn@jk-legalconsulting.com>; 'dkoch@kochscow.com' <dkoch@kochscow.com>; 'sscow@kochscow.com' <sscow@kochscow.com>; 'Bult, Adam K.' <ABult@bhfs.com>; 'tchance@bhfs.com' <tchance@bhfs.com>; 'a.hayslett@kempjones.com' <a.hayslett@kempjones.com>; 'Nathanael Rulis, Esq.' <n.rulis@kempjones.com>; 'tparker@pnalaw.net' <tparker@pnalaw.net>; 'Fetaz, Maximilien' <MFetaz@bhfs.com>; 'phil@hymansonlawnv.com' <phil@hymansonlawnv.com>; 'shane@lasvegaslegalvideo.com' <shane@lasvegaslegalvideo.com>; 'joe@lasvegaslegalvideo.com' <joe@lasvegaslegalvideo.com>; 'Pat Stoppard' <p.stoppard@kempjones.com>; 'jdelcarmen@pnalaw.net' <jdelcarmen@pnalaw.net>; Kutinac, Daniel <KutinacD@clarkcountycourts.us>; 'ShaLinda Creer' <screer@gcmaslaw.com>; 'Tanya Bain' <tbain@gcmaslaw.com>; 'Karen Wiehl' <Karen@HymansonLawNV.com>; 'Kay, Paula' <PKay@bhfs.com>; 'Dennis Prince' <dprince@thedplg.com>; 'tlb@pisanellibice.com' <tlb@pisanellibice.com>; 'JTS@pisanellibice.com' <JTS@pisanellibice.com>

**Cc:** Kutinac, Daniel <KutinacD@clarkcountycourts.us>

**Subject:** RE: A786962 Serenity - Request for 1 day extension to respond to Judge's Question on NRS 453D.200

Mr. Shevorski,

Judge said she understands and asks that you please get us an answer as soon as you can.

Thank you,

**Danielle M. Meriwether, Esq.**  
Law Clerk to the Honorable Elizabeth G. Gonzalez  
District Court, Department XI  
D. 702.671.4975

**RA2048**

P: (702) 671-4375  
F: (702) 671-4377

---

**From:** Meriwether, Danielle LC

**Sent:** Tuesday, August 20, 2019 4:06 PM

**To:** 'Steven G. Shevorski'; Michael Cristalli; Vincent Savarese; Ross Miller; Ketan D. Bhirud; Robert E. Werbicky; David J. Pope; Theresa M. Haar; [jag@mgalaw.com](mailto:jag@mgalaw.com); [rgraf@blacklobello.law](mailto:rgraf@blacklobello.law); [bhiggins@blacklobello.law](mailto:bhiggins@blacklobello.law); [alina@nvlitigation.com](mailto:alina@nvlitigation.com); Work; Eric Hone, Esq. ([eric@h1lawgroup.com](mailto:eric@h1lawgroup.com)); [jamie@h1lawgroup.com](mailto:jamie@h1lawgroup.com); [moorea@h1lawgroup.com](mailto:moorea@h1lawgroup.com); [jkahn@jk-legalconsulting.com](mailto:jkahn@jk-legalconsulting.com); [dkoch@kochscow.com](mailto:dkoch@kochscow.com); [sscow@kochscow.com](mailto:sscow@kochscow.com); Bult, Adam K.; [tchance@bhfs.com](mailto:tchance@bhfs.com); [a.hayslett@kempjones.com](mailto:a.hayslett@kempjones.com); Nathanael Rulis, Esq. ([n.rulis@kempjones.com](mailto:n.rulis@kempjones.com)); [tparker@pnalaw.net](mailto:tparker@pnalaw.net); Fetaz, Maximilien; [phil@hymansonlawnv.com](mailto:phil@hymansonlawnv.com); [shane@lasvegaslegalvideo.com](mailto:shane@lasvegaslegalvideo.com); [joe@lasvegaslegalvideo.com](mailto:joe@lasvegaslegalvideo.com); Pat Stoppard ([p.stoppard@kempjones.com](mailto:p.stoppard@kempjones.com)); [jdelcarmen@pnalaw.net](mailto:jdelcarmen@pnalaw.net); Kutinac, Daniel; ShaLinda Creer; Tanya Bain; Karen Wiehl ([Karen@HymansonLawNV.com](mailto:Karen@HymansonLawNV.com)); Kay, Paula; Dennis Prince ([dprince@thedplg.com](mailto:dprince@thedplg.com)); [tlb@pisanellibice.com](mailto:tlb@pisanellibice.com); [JTS@pisanellibice.com](mailto:JTS@pisanellibice.com)

**Cc:** Kutinac, Daniel

**Subject:** RE: A786962 Serenity - Request for 1 day extension to respond to Judge's Question on NRS 453D.200

Mr. Shevorski,

Thank you for your email. I will inform Judge.

**Danielle M. Meriwether, Esq.**

Law Clerk to the Honorable Elizabeth G. Gonzalez

District Court, Department XI

P: (702) 671-4375

F: (702) 671-4377

---

**From:** Steven G. Shevorski [<mailto:SShevorski@ag.nv.gov>]

**Sent:** Tuesday, August 20, 2019 4:03 PM

**To:** Meriwether, Danielle LC; Michael Cristalli; Vincent Savarese; Ross Miller; Ketan D. Bhirud; Robert E. Werbicky; David J. Pope; Theresa M. Haar; [jag@mgalaw.com](mailto:jag@mgalaw.com); [rgraf@blacklobello.law](mailto:rgraf@blacklobello.law); [bhiggins@blacklobello.law](mailto:bhiggins@blacklobello.law); [alina@nvlitigation.com](mailto:alina@nvlitigation.com); Work; Eric Hone, Esq. ([eric@h1lawgroup.com](mailto:eric@h1lawgroup.com)); [jamie@h1lawgroup.com](mailto:jamie@h1lawgroup.com); [moorea@h1lawgroup.com](mailto:moorea@h1lawgroup.com); [jkahn@jk-legalconsulting.com](mailto:jkahn@jk-legalconsulting.com); [dkoch@kochscow.com](mailto:dkoch@kochscow.com); [sscow@kochscow.com](mailto:sscow@kochscow.com); Bult, Adam K.; [tchance@bhfs.com](mailto:tchance@bhfs.com); [a.hayslett@kempjones.com](mailto:a.hayslett@kempjones.com); Nathanael Rulis, Esq. ([n.rulis@kempjones.com](mailto:n.rulis@kempjones.com)); [tparker@pnalaw.net](mailto:tparker@pnalaw.net); Fetaz, Maximilien; [phil@hymansonlawnv.com](mailto:phil@hymansonlawnv.com); [shane@lasvegaslegalvideo.com](mailto:shane@lasvegaslegalvideo.com); [joe@lasvegaslegalvideo.com](mailto:joe@lasvegaslegalvideo.com); Pat Stoppard ([p.stoppard@kempjones.com](mailto:p.stoppard@kempjones.com)); [jdelcarmen@pnalaw.net](mailto:jdelcarmen@pnalaw.net); Kutinac, Daniel; ShaLinda Creer; Tanya Bain; Karen Wiehl ([Karen@HymansonLawNV.com](mailto:Karen@HymansonLawNV.com)); Kay, Paula; Dennis Prince ([dprince@thedplg.com](mailto:dprince@thedplg.com)); [tlb@pisanellibice.com](mailto:tlb@pisanellibice.com); [JTS@pisanellibice.com](mailto:JTS@pisanellibice.com)

**Cc:** Kutinac, Daniel

**Subject:** A786962 Serenity - Request for 1 day extension to respond to Judge's Question on NRS 453D.200

To the Honorable Judge Gonzales,

The Department of Taxation needs until tomorrow to submit the email responding to your query. My office needs a little more time to confer with the DOT on the answer to your question. I also have to leave work early due to a medical circumstance involving my wife's family, which requires my wife to attend to her mother in the hospital and I have the charge of my two children.

**RA2049**

I apologize for the delay. The DOT requests an additional day to provide its response, if possible.

Steve Shevorski  
Head of Complex Litigation  
Office of the Attorney General  
555 E. Washington Ave., Suite 3900  
Las Vegas, NV 89101  
702-486-3783

---

**From:** Meriwether, Danielle LC <[Dept11LC@clarkcountycourts.us](mailto:Dept11LC@clarkcountycourts.us)>

**Sent:** Thursday, August 15, 2019 8:23 AM

**To:** Michael Cristalli <[mcristalli@gcmaslaw.com](mailto:mcristalli@gcmaslaw.com)>; Vincent Savarese <[vsavarese@gcmaslaw.com](mailto:vsavarese@gcmaslaw.com)>; Ross Miller <[rmiller@gcmaslaw.com](mailto:rmiller@gcmaslaw.com)>; Ketan D. Bhirud <[KBhirud@ag.nv.gov](mailto:KBhirud@ag.nv.gov)>; Robert E. Werbicky <[RWerbicky@ag.nv.gov](mailto:RWerbicky@ag.nv.gov)>; David J. Pope <[DPope@ag.nv.gov](mailto:DPope@ag.nv.gov)>; Steven G. Shevorski <[SShevorski@ag.nv.gov](mailto:SShevorski@ag.nv.gov)>; Theresa M. Haar <[THaar@ag.nv.gov](mailto:THaar@ag.nv.gov)>; [jag@mgalaw.com](mailto:jag@mgalaw.com); [rgraf@blacklobello.law](mailto:rgraf@blacklobello.law); [bhiggins@blacklobello.law](mailto:bhiggins@blacklobello.law); [alina@nvlitigation.com](mailto:alina@nvlitigation.com); Work <[maggie@nvlitigation.com](mailto:maggie@nvlitigation.com)>; Eric Hone, Esq. ([eric@h1lawgroup.com](mailto:eric@h1lawgroup.com)) <[eric@h1lawgroup.com](mailto:eric@h1lawgroup.com)>; [jamie@h1lawgroup.com](mailto:jamie@h1lawgroup.com); [moorea@h1lawgroup.com](mailto:moorea@h1lawgroup.com); [jkahn@jk-legalconsulting.com](mailto:jkahn@jk-legalconsulting.com); [dkoch@kochscow.com](mailto:dkoch@kochscow.com); [sscow@kochscow.com](mailto:sscow@kochscow.com); Bult, Adam K. <[ABult@bhfs.com](mailto:ABult@bhfs.com)>; [tchance@bhfs.com](mailto:tchance@bhfs.com); [a.hayslett@kempjones.com](mailto:a.hayslett@kempjones.com); Nathanael Rulis, Esq. ([n.rulis@kempjones.com](mailto:n.rulis@kempjones.com)) <[n.rulis@kempjones.com](mailto:n.rulis@kempjones.com)>; [tparker@pnalaw.net](mailto:tparker@pnalaw.net); Fetaz, Maximilien <[MFetaz@bhfs.com](mailto:MFetaz@bhfs.com)>; [phil@hymansonlawnv.com](mailto:phil@hymansonlawnv.com); [shane@lasvegaslegalvideo.com](mailto:shane@lasvegaslegalvideo.com); [joe@lasvegaslegalvideo.com](mailto:joe@lasvegaslegalvideo.com); Pat Stoppard ([p.stoppard@kempjones.com](mailto:p.stoppard@kempjones.com)) <[p.stoppard@kempjones.com](mailto:p.stoppard@kempjones.com)>; [jdelcarmen@pnalaw.net](mailto:jdelcarmen@pnalaw.net); Kutinac, Daniel <[KutinacD@clarkcountycourts.us](mailto:KutinacD@clarkcountycourts.us)>; ShaLinda Creer <[screer@gcmaslaw.com](mailto:screer@gcmaslaw.com)>; Tanya Bain <[tbain@gcmaslaw.com](mailto:tbain@gcmaslaw.com)>; Karen Wiehl ([Karen@HymansonLawNV.com](mailto:Karen@HymansonLawNV.com)) <[Karen@hymansonlawnv.com](mailto:Karen@hymansonlawnv.com)>; Kay, Paula <[PKay@bhfs.com](mailto:PKay@bhfs.com)>; Dennis Prince ([dprince@thedplg.com](mailto:dprince@thedplg.com)) <[dprince@thedplg.com](mailto:dprince@thedplg.com)>; [tlb@pisanellibice.com](mailto:tlb@pisanellibice.com); [JTS@pisanellibice.com](mailto:JTS@pisanellibice.com)

**Cc:** Kutinac, Daniel <[KutinacD@clarkcountycourts.us](mailto:KutinacD@clarkcountycourts.us)>

**Subject:** A786962 Serenity - Bench Briefs Received

Counsel:

I am emailing to confirm the receipt of the following briefs:

1. MM & LivFree (Kemp)
2. CPCM/Thrive (Gutierrez)
3. NOR (Koch)
4. Essence (Bice)
5. Greenmart (Shell)
6. Clear River (Graf)

Thank you,

**Danielle M. Meriwether, Esq.**  
Law Clerk to the Honorable Elizabeth G. Gonzalez  
District Court, Department XI  
P. (709) 671-4375

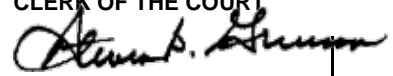
**RA2050**



F: (702) 671-4377

# EXHIBIT 6

# EXHIBIT 6



TRAN

DISTRICT COURT  
CLARK COUNTY, NEVADA  
\* \* \* \* \*

SERENITY WELLNESS CENTER LLC, .  
et al. .

Plaintiffs .

CASE NO. A-19-786962-B

vs. .

STATE OF NEVADA DEPARTMENT OF .  
TAXATION .

DEPT. NO. XI

Defendant .

**Transcript of  
Proceedings**

. . . . .

BEFORE THE HONORABLE ELIZABETH GONZALEZ, DISTRICT COURT JUDGE

**HEARING ON OBJECTIONS TO STATE'S RESPONSE,  
NEVADA WELLNESS CENTER'S MOTION RE COMPLIANCE  
RE PHYSICAL ADDRESS, AND BOND AMOUNT SETTING**

THURSDAY, AUGUST 29, 2019

COURT RECORDER:

TRANSCRIPTION BY:

JILL HAWKINS  
District Court

FLORENCE HOYT  
Las Vegas, Nevada 89146

Proceedings recorded by audio-visual recording, transcript  
produced by transcription service.

APPEARANCES:

FOR THE PLAINTIFFS:

DOMINIC P. GENTILE, ESQ.  
WILLIAM KEMP, ESQ.  
NATHANIEL RULIS, ESQ.  
ADAM BULT, ESQ.  
MAXIMILIEN FETAZ, ESQ.  
THEODORE PARKER, ESQ.

FOR THE DEFENDANTS:

STEVE SHEVORSKI, ESQ.  
THERESA HAAR, ESQ.  
RUSTY GRAF, ESQ.  
BRIGID HIGGINS, ESQ.  
ERIC HONE, ESQ.  
DAVID KOCH, ESQ.  
ALINA SHELL, ESQ.  
JARED KAHN, ESQ.  
JOSEPH GUTIERREZ, ESQ.  
TODD BICE, ESQ.  
DENNIS PRINCE, ESQ.

1 judgment if this matter should proceed. And based upon the  
2 limited information that was provided to the parties through  
3 disclosures as part of the injunctive relief hearing we've had  
4 a hearing based upon what I would characterize as extremely  
5 limited information.

6 I am not granting any affirmative relief to Clear  
7 River as requested, because that was not the purpose of this  
8 hearing. I have previously made a determination that I was  
9 going to exclude applicants who properly completed the  
10 applications in accordance with NRS 453D.200(6) at the time  
11 the application was filed in September 2018.

12 The applicants who fit into that category based upon  
13 the State's email to me are those in the first and second tier  
14 as identified by the State. While I certainly understand the  
15 arguments by the parties that certain other information was  
16 available that may not be within the scope of my question, my  
17 question was limited for a reason. Those who are in the third  
18 category will be subject to the injunctive relief which is  
19 described on page 24 the findings of fact and conclusions of  
20 law. Those who are in the first and second category will be  
21 excluded from that relief.

22 Any request for modifications by the State based  
23 upon the State's review of the applications that were  
24 submitted by the applicants during the application period will  
25 be submitted by motion by the State, and then all of you will

1 have an opportunity to submit any briefs and any argument you  
2 think is appropriate.

3 I am not precluding the State from making any other  
4 determinations related to this very flawed process the State  
5 decides to make related to the application process. That's  
6 within the State's determination as to how they handle any  
7 corrections to this process. And I'm not going to determine  
8 what that is. I was merely seeking to exclude applicants who  
9 filed applications in compliance with NRS 453D.200(6) at the  
10 time the applications were filed from the injunctive relief  
11 that I have granted in order that was filed last Friday on  
12 page 24.

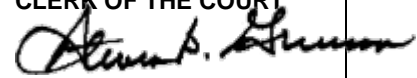
13 Does anybody have any questions about the tiers?  
14 Any issues should be directed to the Department for you to  
15 resolve based upon the information that was in your  
16 applications at the time.

17 I am not going to do the goose-gander analysis that  
18 was urged upon me by one of the parties under the Whitehead  
19 decision.

20 Okay. That takes me to the bond. Anybody want to  
21 talk about a bond?

22 MR. KEMP: Judge, on the bond just some logistics  
23 that you should be aware of. Mr. Gentile's expert is  
24 available on the 16th or 17th.

25 THE COURT: That's why I'm doing the hearing today,



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*Attorneys for Defendant  
State of Nevada of Nevada, Department of Taxation*

**DISTRICT COURT  
CLARK COUNTY, NEVADA**

IN RE DOT

Case No. A-19-787004-B  
A-18-785818-W (Sub Case)  
A-18-786357-W (Sub Case)  
A-19-786962-B (Sub Case)  
A-19-787035-C (Sub Case)  
A-19-787540-W (Sub Case)  
A-19-787726-C (Sub Case)  
A-19-801416-B (Sub Case)

Dept. No. XI

**NOTICE OF ENTRY OF ORDER**

PLEASE TAKE NOTICE that a Order Denying Nevada Organic Remedies, LLC's Amended Application for Writ of Mandamus to Compel State of Nevada, Department of Taxation to Move Nevada Organic Remedies, LLC in to "Tier 2" of Successful Conditional License Applicants was entered on the 14th day of January, 2020, a copy of which is attached hereto as Exhibit "A".

DATED this 14<sup>th</sup> day of January, 2020.

AARON D. FORD  
Attorney General

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

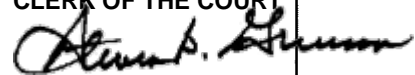
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/s/ Traci Plotnick  
Traci Plotnick, an employee of the  
Office of the Attorney General



# EXHIBIT A

# EXHIBIT A



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ex rel. The Department of Taxation*

**DISTRICT COURT  
CLARK COUNTY, NEVADA**

IN RE DOT,

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

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

Date of Hearing: December 9, 2019  
Time of Hearing: 9:00 a.m.

**ORDER DENYING NEVADA ORGANIC REMEDIES, LLC'S AMENDED  
APPLICATION FOR WRIT OF MANDAMUS TO COMPEL STATE OF NEVADA,  
DEPARTMENT OF TAXATION TO MOVE NEVADA ORGANIC REMEDIES, LLC  
INTO "TIER 2" OF SUCCESSFUL CONDITIONAL LICENSE APPLICANTS**

Intervenor, Nevada Organic Remedies, LLC, filed its amended application for writ of mandamus to compel State of Nevada, Department of Taxation to move Nevada Organic Remedies, LLC into "Tier 2" of successful conditional license applicants, which came on for hearing on December 9, 2019. David R. Koch of Koch & Scow, LLC appeared for Nevada Organic Remedies, LLC and Steve Shevorski of the Nevada Attorney General's Office appeared on the Department of Taxation's behalf. The Court having reviewed Nevada Organic Remedies' Application, Department of Taxation's opposition, and Nevada Organic Remedies' reply, and after listening to oral argument by counsel for both parties, denies Nevada Organic Remedies' application.

///

01-09-20P05:15 RCVD

## BACKGROUND

The Court issued findings of fact and conclusions of law granting a preliminary injunction against the Department of Taxation, which was filed on August 23, 2019. The Court held the plaintiffs had shown a likelihood of success on the merits of their argument that Nevada Administrative Code 453D.200(1) violated Article 19, Section 3 of the Nevada Constitution by improperly amending through regulation a statute, Nevada Revised Statute 453D.200(6), enacted via the initiative process. The Court in its order enjoined the Department of Taxation from conducting a final inspection of conditional licensees who did not disclose "each prospective owner, officer and board member as required by NRS 453D.200(6)..."

Nevada Organic Remedies was a conditional licensee that among those affected by the Court's preliminary injunction. The Department of Taxation, through its counsel, indicated that it could not eliminate a question as to whether Nevada Organic Remedies had disclosed each prospective owner at the time Nevada Organic Remedies submitted its application for conditional retail licensure in September 2018. Nevada Organic Remedies vigorously disputed the Department of Taxation's statement.

NOR has appealed the Court's findings of fact and conclusions of law granting preliminary injunction to the Nevada Supreme Court. Nevada Organic Remedies' appeal is pending before the Nevada Supreme Court. During the pendency of its appeal, Nevada Organic Remedies filed the instant petition for writ of mandamus.

## CONCLUSION OF LAW

Mandamus relief is not available where an adequate remedy at law is available to the party alleging it was aggrieved. NRS §34.170. An appeal is an adequate remedy at law. *Int'l Game Tech. v. Dist. Ct.*, 124 Nev. 193, 197, 179 P.3d 556, 558 (2008). The Court finds that Nevada Organic Remedies' pending appeal is an adequate legal remedy and determines on this procedural basis that the mandamus relief requested is therefore not available. The Court makes no finding as to the substantive merit of the arguments raised in the motion.

ORDER

The Court having considered the pleadings, papers, and memoranda on file, heard argument of counsel, and good cause appearing,

**IT IS HEREBY ORDERED** that Nevada Organic Remedies, LLC, filed its amended application for writ of mandamus to compel State of Nevada, Department of Taxation to move Nevada Organic Remedies, LLC into "Tier 2 of successful conditional license applicants is **DENIED**.

DATED this 10 day of Jan, 2020.

  
DISTRICT COURT JUDGE

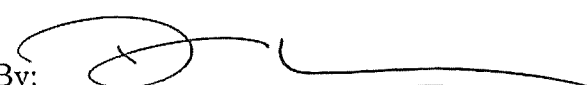
Submitted by:

AARON D. FORD  
Attorney General

By:   
Steve Shevorski, Bar No. 8256

Approved as Form:

KOCH & SCOW, LLC

By:   
David R. Koch, Bar No. 8830