

From: [Miller, Ross](#)
To: [Tina Padovano](#)
Subject: Letter in Opposition to Approving the Settlement
Date: Friday, July 31, 2020 9:09:23 AM
Attachments: [TGIG's Joinder to THC Nevada and Herbal Choice Ex Parte Application for TRO \(1\).pdf](#)

We write on behalf of seven locally owned and operated cannabis companies urging you to defer any action today.

Ultimately, we only asking that you defer action until your next meeting. Under the guise of some apparent government emergency, the Tax Commission has been summoned to a special meeting but given only three short days to consider a decision that may literally determine the future of an industry and indeed, the regulatory reputation of our state. To be clear, this so called emergency agreement won't even end the State's involvement in this legal battle. Irrespective of the decision you make today, the State will still be engaged in this litigation.

There are three key points relative to the agreement you are asked to approve:

1. This emergency settlement agreement does not settle the case, and the state is getting very little, if anything, of worth in the settlement. The remaining plaintiffs can and will proceed with all of the claims against the state. The settling parties have no ability to resolve these claims without the consent of the remaining plaintiffs.
2. As proposed, the partial settlement actually substantially hinders the state's ability to resolve the case because it allocates all, or virtually all, of the licenses of interest to only some of the plaintiffs, leaving the remaining plaintiffs with no reasonable relief.
3. The settlement agreement requires the state to commit to things that are factually false and/or violate state law. These points are more substantively raised in a motion we filed before the court requesting an injunction of today's hearing. To be clear, we knew the court would likely not be inclined to take such an extraordinary step of enjoining your decision but the attached motion nevertheless outlines some of the myriad of very serious issues within this emergency Settlement Agreement. The decision is ultimately before your body and should not be approved.

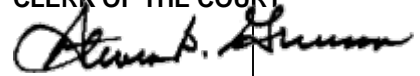
Please defer action on any approval. There is simply no justifiable reason to rush approval of such an important agreement.

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10 **DISTRICT COURT**
11 **CLARK COUNTY, NEVADA**

12) **Case No. A-19-787004-B**
13)
14) **Consolidated with** A-785818
15) A-786357
16) A-786962
17) A-787035
18) A-787540
19) A-787726
20) A-801416
In Re: D.O.T. Litigation,) **Dept. No. XI**
)
) **OST Hearing Date: 7.31.2020**
) **OST Hearing Time: 8:30 a.m.**
)

21 **JOINDER**
22 **TO**
23 **THC NEVADA, LLC and HERBAL CHOICE, INC.’S EX PARTE APPLICATION FOR**
24 **TEMPORARY RESTRAINING ORDER WITH NOTICE AND MOTION FOR**
25 **PRELIMINARY INJUNCTION ON ORDER SHORTENING TIME**

26 TGIG, LLC, Nevada Holistic Medicine, LLC, GBS Nevada Partners, Fidelis Holdings,
27 LLC, Gravitas Nevada, Nevada Pure, LLC, Medifarm, LLC, and Medifarm IV, LLC., Plaintiffs
28 in Case A-19-786962-B (“Plaintiffs”), by and through counsel, the law firm CLARK HILL,
PLLC, hereby submit their Joinder to THC Nevada, LLC and Herbal Choice, Inc.’s *Ex Parte*

1 *Application for Temporary Restraining Order with Notice and Motion for Preliminary Injunction*
2 *on Order Shortening Time* (“Motion”) filed July 28, 2020.

3 Pursuant to EDCR 2.20(d), Plaintiffs join in the Motion’s legal arguments, conclusion,
4 and requested relief. Plaintiffs’ Joinder is also based on the papers and pleadings on file, and any
5 oral argument at the time of the hearing. If for any reason the Motion becomes moot or is
6 withdrawn, then this Joinder shall serve as its own stand-alone Motion.

8 In addition, Plaintiffs provide the following supplement to their Joinder.

9
10 **1. The Court Should Issue a Temporary Restraining Order Because the Proposed**
11 **Settlement Agreement Provides Unlawful Provisions which will Cause**
12 **Irreparable Harm to Plaintiffs**

13 The Settlement Agreement unlawfully binds the Parties to join an ambiguously described
14 DoT filed Motion that exceeds any lawful authority of the State, binds the parties to an
15 agreement which usurps and supplants the proper role of this court and which evidences a clear
16 intent by the settling parties to inappropriately collude toward a settlement that is inapposite to
17 sound public policy and good government. Paragraph Seven (7) of the Agreement provides:

19 “As a condition and term of this settlement, DOT will notify the Court and will file an
20 appropriate Motion on OST in the Lawsuit informing the Court that it has determined that Lone
21 Mountain, NOR, GreenMart, and Helping Hands (each, a “Tier 3 Party”) have satisfied the DOT
22 that each such Settling Defendant provided the information necessary in their respective
23 applications to allow the DOT and/or CCB to conduct all necessary background checks and
24 related actions and that Lone Mountain, NOR, GreenMart, and Helping Hands are being
25 reassigned to Tier 2 status in the Lawsuit for purposes of the Preliminary Injunction or any other
26 injunction that may be issued in the Lawsuit or any related proceedings.”
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1 **A. The Proposed Settlement Agreement Exceeds Lawful State Authority to Issue**
2 **Licenses**

3 While the express terms of any Motion that the DoT would be required to file pursuant to
4 the Settlement Agreement remain unclear, the DOT simply has no authority to revise its previous
5 representations to the court and now claim instead that applications were complete for purposes
6 of evaluation and scoring of the identified portions of the merit criteria. In support of the Court's
7 Findings of Fact and Conclusions of Law, the DoT responded to the Court's inquiry regarding
8 completeness of applications "based on the information available to it from applications
9 themselves, testimony given at the hearing (without reference to issues of admissibility, which an
10 affected party may raise), and information publicly available from a government website (the
11 Canadian Securities Exchange website), which was submitted by the applicant or information
12 submitted about the applicant by an entity claiming an affiliation to the applicant." (See, Court
13 Exhibit 3 to FFCL). Based upon that determination, DoT represented that applications filed by
14 the parties subject to the Court's injunction were not complete and in compliance with respect to
15 disclosures of ownership. As the court noted in its FFCL, the law "required the DoT to
16 determine that an Application is "complete and in compliance" with the provisions of NAC
17 453D in order to properly apply the licensing criteria set forth therein and the provision of the
18 Ballot Initiative and the enabling statute." The court further determined that, "[w]hen the DoT
19 received applications, it undertook no effort to determine if the applications were in fact
20 "complete and in compliance."
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25 Factual determinations that certain successful applicants did not submit complete
26 applications with respect to ownership cannot now be simply conveniently disregarded or
27 forgotten by the State to reach a partial settlement agreement. As the court noted in its FFCL,
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1 “[t]he testimony elicited during the evidentiary hearing established that multiple changes in
2 ownership have occurred since the applications were filed. Given this testimony, simply updating
3 the applications previously filed would not comply with BQ2” (FFCL pg 17 Footnote 16).
4 Indeed, the fact that the enjoined parties failed to list all owners in their applications remains
5 unchanged. This fact is critical to the ultimate factual determination by the court as to whether
6 the DoT’s failure to comply with the law invalidates the issuance of licenses because the
7 applicants’ designations of owners, officers and board members were directly tied to the merit
8 criteria used by the evaluators to score and rank applicants.
9

10
11 In evaluating numerous sections of the application, the evaluators applied a percentage-
12 based formula of the proportional number of owners, officers or board members who met
13 established criteria such as educational achievements, previous business experience, experience
14 in the marijuana industry and diversity. Therefore, if certain applicants were awarded
15 conditional licenses based upon scoring which did not include a complete disclosure of the
16 applicant’s owners, officers or board members, the DoT cannot now simply revise its previous
17 findings regarding the completeness of applications and suddenly suggest to this Court that the
18 ranking and scoring would remain unchanged.
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21 Furthermore, the proposed Settlement Agreement provides in Paragraph Two (2) that,
22 “the DoT and/or CCB agrees to issue a conditional Henderson license to LiveFree” subject to
23 conditions which appear to completely disregard the statutory mandates relating to the
24 requirement that the State conduct a competitive application process prior to issuing any such
25 licenses. See, NRS 453D.210(6). Any such contemplated issuance of a Henderson license to
26 LivFree circumvents clear statutory mandates and is facially violative of the clear provisions
27 mandating a merit-based review of competing applicants. DoT was granted no such authority to
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1 wholly disregard the law in granting licenses, which are limited in quantity by statute, and are the
2 entire subject of dispute of the instant litigation.

3
4 Consequently, any proposed settlement agreement which requires the State to reach any
5 such finding is unlawful, collusive and injurious to other Plaintiffs to this litigation.

6 **B. The Proposed Settlement Agreement Includes Provisions That Usurp the Proper**
7 **Role of This Court and Should Be Enjoined From Formal Approval by the**
8 **Nevada Tax Commission**

9 The proposed Settlement Agreement alarmingly suggests the Parties agree to circumvent
10 key provisions of this Court’s previous findings and instead swiftly allow illegally issued
11 conditional licenses to move forward with approvals toward final inspections. The Settlement
12 Agreement provides, “[t]he Motion to be filed by DOT will indicate the DOT’s approval of the
13 applications of the previously designated Tier 3 Defendant Intervenors and that final inspections
14 may be completed for any establishments owned by Lone Mountain, NOR, GreenMart, and
15 Helping Hands.” The Agreement further mandates that “[a]ll Parties will join in the DOT’s
16 Motion.” However, the proposed terms of the Settlement Agreement should be enjoined by this
17 court prior to any requested approval by the Nevada Tax Commission because the terms of the
18 agreement exceed any authority granted to DoT and inappropriately binds the parties to a
19 vaguely described agreement that seemingly intends to moot proceedings properly before the
20 Court.
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23 It is well-established that a live case and controversy must exist throughout the entire
24 proceeding. *Personhood Nev. v. Bristol*, 126 Nev. 599, 602, 245 P.3d 572, 574 (2010). However,
25 a case is only moot if *all* claims and requests for relief are moot. For example, “when the
26 violation of a statute or another law may be remedied by monetary damages, as well as
27 injunctive or declaratory relief, a complaint for damages may remain viable even when the
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1 injunctive or declaratory remedies have been rendered moot.” *Stockmeier v. Nev. Dep’t of Corr.*
2 *Psychological Review Panel*, 124 Nev. 313, 318 n.16, 183 P.3d 133, 136 (2008). To the extent
3 the Settlement Agreement requires the State to argue the entire case is now moot, that argument
4 has no merit. This case involves both claims for injunctive relief and for damages. Thus, it is
5 clear under *Stockmeier* that the amendment of the statutes to define “owner” does not render the
6 entire case moot. In any event, the ultimate legal issues still must be litigated to conclusion in
7 order to resolve the Plaintiffs’ damages claims.
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10 To the extent the Settlement requires the State to argue that only the preliminary
11 injunction is moot, that argument must also be rejected. The State’s failure to follow the law
12 during the 2018 Recreational Marijuana Application period is not cured by the amendment of the
13 statute or ensuing regulations because, had the State followed the law, the rankings would have
14 turned out differently. Specifically, had the State followed the law, the enjoined parties to the
15 Agreement, namely Helping Hands Wellness Center, Inc, Lone Mountain Partners, LLC, Nevada
16 Organic Remedies, LLC and GreenMart of Nevada NLV LLC, would have been evaluated,
17 scored and ranked differently because those applicants failed to list owners. *See* NAC
18 453D.272(1) (requiring that an application be “complete and in compliance” with the
19 regulations).
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22 The number of available licenses is limited, and the State has now awarded the maximum
23 number allowed in multiple counties, but the State awarded those licenses based upon scoring
24 and rankings of incomplete applications that cannot now be remedied by any DoT fiction that the
25 State might somehow be able to reconstruct the applications to include an applicant’s omitted
26 owners, officers or board members. *See* NRS 453D.210(5)(d); 678B.260(1)(a). Consequently,
27 the applicants who would have received a license, but did not because the State ignored the law,
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1 have been and still are being harmed. Any proposed approval by the Nevada Tax Commission of
2 a partial Settlement Agreement that mandates transfer of illegally awarded licenses would result
3 in injury to Plaintiffs in this litigation and should be enjoined as the agreement seeks to
4 circumvent this Court's ultimate determination on the merits.
5

6 The Court's injunction cannot be mooted as the proposed Settlement Agreement implies.
7 This case is plainly distinguishable from those where a disappointed bidder failed to demonstrate
8 prejudice. In *Intralot, Inc. v. Blair*, 2018-Ohio-3873, ¶ 46 (Ct. App. 2018), the court held that a
9 preliminary injunction was properly dissolved as moot where, after the litigation started, the state
10 procurement agency properly scored the plaintiff's application and the score was so low that "it
11 had no realistic chance" of winning the contract. This case is also distinguishable from those
12 where the plaintiff is challenging the *enforcement* of a law that is then amended or repealed. In
13 those types of cases, the courts generally hold that repealing or amending the law through formal
14 legislative action is often enough to moot a request to enjoin enforcement of the law. *See e.g.*,
15 *All. for America's Future v. State*, No. 56283, 2012 Nev. Unpub. LEXIS 287, at *6 (Feb. 24,
16 2012) (unpublished) (appeal of order issuing preliminary injunction was moot where the
17 underlying statute had been amended pending the appeal); *Boulder Sign Co. v. City of Boulder*
18 *City, Nevada*, 382 F. Supp. 2d 1190, 1196 (D. Nev. 2005) (recognizing the general rule that
19 repeal of a statute moots any objection to that statute's constitutionality, even if the statute could
20 be reenacted). This case is the opposite: the claim is that the State *failed to enforce* the law, and
21 this failure materially changed the outcome of its licensing process. Repealing the law that the
22 State failed to enforce in the past does not cure the harm because, due to the limited number of
23 licenses, Plaintiffs are now unable to obtain a license that they could have otherwise.
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1 Furthermore, injunctive relief is proper to remedy the State’s violation of the law. Ballot
2 Question 2 required the State to use “an impartial and numerically scored competitive bidding
3 process.” NRS 453D.210(6). Therefore, this case must be treated like other competitive bidding
4 processes, such as those used in procurement (see NRS Chapter 333) or public works (see NRS
5 Chapter 338, 341). This means that the State should have rejected as incomplete and not in
6 compliance all applications that did not list all owners or that listed “strawman” owners,
7 directors, or officers. Its failure to do so renders the issuance of licenses to any such entities void.
8 This is because the applications were, effectively, not responsive because they failed to meet the
9 requirements of the law to even be considered.
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12 The Nevada Supreme Court has previously recognized that the lowest responsible bidder
13 whose bid is unlawfully rejected should bring a timely challenge to require the government to
14 accept his bid and award him the contract. *Gulf Oil*, 94 Nev. at 119. Injunctive relief awarding
15 the contract to the lowest bidder is the proper relief. *Id.* The federal district court, applying
16 Nevada law, has also ordered that the government award a contract to the lowest bidder. *Fisher*
17 *Sand & Gravel Co. v. Clark Cty.*, No. 2:09-cv-01372-RCJ-GWF, 2010 U.S. Dist. LEXIS 4888,
18 at *32 (D. Nev. Jan. 6, 2010). In *Fisher*, the court found that the Clark County Board of County
19 Commissioners violated the plaintiff’s due process rights at the hearing on whether the plaintiff
20 was a “responsible” bidder. *Id.* at *31. After a rehearing, as ordered by the court, the board failed
21 to produce any evidence that the plaintiff was not a responsible bidder. *Id.* But instead of
22 awarding the plaintiff the contract, it cancelled the project entirely. *Id.* at *32. The court held that
23 the board had no authority to do so and ordered that it must award the contract to the plaintiff.
24 *Id.* The California courts have also addressed these issues. As the California Supreme Court has
25 recognized, “the most effective enforcement of the competitive bidding law is to enforce by
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1 injunction the representation that the contract will be awarded to the lowest responsible bidder.
2 This is generally done by setting aside the contract award to the higher bidder.” *Kajima/Ray*
3 *Wilson v. Los Angeles County Metropolitan Transportation Authority*, 23 Cal.4th 305, 313, fn. 1,
4 1 P.3d 63 (Cal. 2000). The court in *Eel River Disposal & Res. Recovery, Inc. v. Cty. of Humboldt*
5 recognized that in some cases the contract awarded may be fully performed by the time of the
6 litigation, which would limit the ability of the court to issue effective injunctive relief. 221 Cal.
7 App. 4th 209, 240, 164 Cal. Rptr. 3d 316, 340 (2013). In those cases, damages are likely the
8 appropriate remedy. *Id.* However, in that case 99% of the work had not yet been accomplished.
9 *Id.* The court therefore remanded to the trial court to determine whether an injunction awarding
10 the contract to the plaintiff was the appropriate relief. *Id.*

13 This case is analogous to *Eel River* because the “project” at issue, the opening of a
14 dispensary, has not actually occurred for all of the licensees. Accordingly, injunctive relief is not
15 moot because it is still entirely possible for the Court to award effective equitable relief. A major
16 purpose of using a competitive bidding system is “to guard against favoritism, improvidence and
17 corruption.” *Gulf Oil Corp. v. Clark Cty.*, 94 Nev. 116, 118, 575 P.2d 1332, 1333 (1978). In this
18 case, the State’s process utterly failed to meet that purpose. Indeed, the process was so flawed
19 that it threw the door wide open to favoritism, improvidence, and corruption. The only effective
20 relief, for both the Plaintiffs (and for the public who is harmed by allowing such corruption) is to
21 invalidate the State’s actions and require a new round of licensing where all applicants are
22 treated equally and fairly. Therefore, the provisions of the Settlement Agreement requiring the
23 State to invalidate findings central to the ultimate factual determinations before the Court must
24 be enjoined prior to any Nevada Tax Commission approval in order to prevent injury to
25 Plaintiffs.
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1 **C. The Proposed Settlement Agreement Evidences Collusion Between the Parties**
2 **and is Contrary to Sound Public Policy**
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4 DoT’s desire to reach a partial settlement in this case does not appear motivated by the
5 best interest of the State but instead appears motivated by collusive interests of the settling
6 parties that weigh against sound public policy. Paragraph Five (5) of the Settlement Agreement
7 provides, “[c]ontemporaneously, Settling Plaintiffs will withdraw the pending Motion for Case
8 Terminating Sanctions filed against the DOT seeking to strike its Answer to the Lawsuit.” It is
9 notable that an express condition of the Settlement Agreement withdraws a Motion alleging
10 improper conduct by the State and representatives of the Attorney General’s office. Indeed, the
11 Settlement Agreement mandates withdrawal of a Motion in which MM Development Company,
12 Inc and LivFree Wellness LLC alleged that the, “stunning spoliation of cell phones from 3 of the
13 top 4 DOT employees involved in the marijuana application process requires that the Court
14 strike the DOT answer in the MM/LivFree case and the NWC case wherein written preservation
15 orders were entered.” The Court’s hearing relative to those motions further substantiated claims
16 of spoliation and improper conduct which prevented Plaintiffs from discovering evidence that
17 may have established favoritism, improvidence, or corruption.
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21 Apparently coincidentally, at the first Board Meeting ever held by the State’s recently
22 formed Cannabis Compliance Board Meeting on July 21, 2020, both MM Development
23 Company and Nevada Wellness Center LLC were two of only three licensees among the
24 hundreds throughout Nevada who were served with Notices of Complaints for Disciplinary
25 Actions based upon alleged violations of provisions within the Governor’s Declaration of
26 Emergency (Directive 021). Both MM Development and Nevada Wellness Center now propose
27 a partial settlement wherein they agree to drop their claims of inappropriate State conduct in
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1 exchange for DoT's commitment that it will disregard the State's statutorily mandated ranking of
2 competitive applicants and instead award licenses to the very same two applicants who
3 previously sought to expose unlawful conduct by the State.
4

5 **2. The proposed Settlement Agreement's provisions concerning transfer of conditional**
6 **license violates clearly articulated prohibitions in both NAC453D and NCCR.**

7 Paragraph 8 of the proposed Settlement Agreement provides:

8 "As a condition and term of this settlement, after the conditions precedent in
9 Paragraphs 5-7 are met, the CCB agrees to make a good faith effort to expedite
10 any and all CHOW requests for the transfer of licenses from existing licensee to
11 another existing licensee as set forth in Paragraph 1 above. The CCB agrees that
12 it will make a good faith effort to expedite and process all CHOWs after
13 submission thereof. For purposes of approving the transfers, LivFree, MM, ETW
14 Plaintiffs, NWC, Qualcan, and Thrive were previously and are currently approved
15 by the DOT as owners and operators of medical and retail marijuana dispensary
16 licenses in the state of Nevada. In compliance with NRS/NAC 453D, these
17 parties have operated retail marijuana dispensaries without any suspensions or
18 revocations of those licenses. Any delays in approvals of the CHOWs due to no
19 fault of transferor shall not be deemed a breach of this Agreement.
20

21 Id.

22 Both NAC 453D and NCCR provide identical provisions related to a requirement that a
23 request to transfer an ownership interest in a conditional license requires a notarized attestation
24 by the transferor declaring that the prospective owner will build and operate the establishments at
25 standards meeting or exceeding the criteria contained in the original application. Absent a
26 finding invalidating the ranking of applications by DOT, neither the proposed "Settling
27 Defendants" nor the proposed "Settling Plaintiffs" can assert that the marijuana establishment
28 will meet or exceed the very same criteria that DOT purports it appropriately considered and
ranked from first to last among competing applicants. The Settling Parties simply cannot assert
that the proposed transfers will be built and operated at the same standards ranked and scored by
the DoT absent an explicit admission by DoT or a determination by the court that the rankings of

1 these same applications among competing applicants are devoid of any meaning.

2 NAC 453.315(9) and NCCR 5.110(9) provide identical restrictions toward the requested
3 transfer of conditional licenses: “[a] request to transfer an ownership interest in a cannabis
4 establishment which holds a conditional license must be accompanied by a notarized attestation,
5 signed by a person authorized to submit such an attestation by the governing documents of the
6 cannabis establishment, declaring that the prospective owner will build and operate the cannabis
7 establishment at standards that meet or exceed the criteria contained in the original application
8 for the cannabis establishment.”
9

10 Notwithstanding the above, the purported Settlement Agreement provides for unlawful
11 transfers of conditional licenses as follows:
12

13 * *Lone Mountain hereby assigns 1 City of Las Vegas conditional license to Qualcan;*

14 This provision seeks unlawful transfer of a license from an applicant ranked
15 number **Six (6)** to an applicant ranked number **Eleven (11)**

16 * *Lone Mountain hereby assigns 1 Washoe County – City of Reno conditional license,*

17 This provision seeks unlawful transfer of a license from an applicant ranked
18 number **Five (5)** to an applicant whose ranking cannot specifically be determined
19 but **would not have qualified for licensure**

20 * *1 Lincoln County conditional license, 1 Esmerelda conditional license, and
21 1 Eureka County conditional license to ETW Plaintiffs;*

22 This provision seeks unlawful transfer of a license from an applicant ranked
23 number **One (1)** to an applicant that did not apply in that jurisdiction but based on
24 scores in other jurisdictions **would not have qualified for licensure.**

25 * *Helping Hands hereby assigns 1 Unincorporated Clark County conditional license to
26 LivFree;*

27 This provision seeks unlawful transfer of a license from an applicant ranked
28 number **Five (5)** to an applicant ranked **Thirty-Five (35)**

* *NOR hereby assigns 1 Unincorporated Clark County conditional license to MM;*

1 This provision seeks unlawful transfer of a license from an applicant ranked
2 number **Three (3)** to an applicant ranked **Fourteen (14)**

3 * ***NOR hereby assigns 1 Carson City conditional license to Qualcan;***

4 This provision seeks unlawful transfer of a license from an applicant ranked
5 number **Two (2)** to an applicant that did not apply in that jurisdiction but based on
6 scores in other jurisdictions **would not have qualified for licensure.**

7 * ***GreenMart hereby assigns 1 Unincorporated Clark County conditional license to
8 NWC;***

9 This provision seeks unlawful transfer of a license from an applicant ranked
10 number **Seven (7)** to an applicant ranked **sixty-nine (69)**

11 * ***Thrive hereby assigns 1 Clark County – City of Henderson conditional license
12 (RD266) to ETW Management or a related-entity designee;***

13 This provision seeks unlawful transfer of a license from an applicant ranked
14 number **Fourth (4)** to an applicant ranked **Thirty (30)**

15 * ***Lone Mountain hereby assigns 1 Douglas County conditional license to Thrive***

16 This provision seeks unlawful transfer of a license from an applicant ranked
17 number **One (1)** to an unspecified applicant. Per the terms of the Agreement, the
18 Parties agree to a transfer to Thrive yet that applicant applied under two separate
19 entity names. Both Thrive entities, Cheyenne Medical and Commerce Park,
20 submitted identical applications but were scored differently. Supposing that the
21 intended transfer of license was intended to be built and operated by Commerce
22 Park then the applicant **would not have qualified for licensure.**

23 Applicable provisions of NAC 453D clearly establish that the intent of NAC 453.315(9)
24 is that the terms “build and operate the marijuana establishment at standards that meet or exceed
25 the criteria contained in the original marijuana establishment” are intended to prohibit the exact
26 conditions the settling parties now seek to apply. NAC 453D.260 provides that the
27 “[d]epartment will provide notice of a request for applications to operate a marijuana
28 establishment...” NAC 453D.268 provides in relevant part, “The application must include,
without limitation: Documentation concerning the size of the proposed marijuana establishment,

1 including, without limitation, building and general floor plans with supporting details.” These
2 associated regulations evidence a clear intent prohibiting the precise conduct that DoT now
3 attempts to condone in permitting transfer of conditional licenses.
4

5 The DoT simply does not have any such authority to disregard the law in furtherance of
6 any proposed partial settlement and should the agreement should therefore be enjoined by this
7 court.

8 Dated this 30th day of July, 2020.

9 **CLARK HILL, PLLC**

10 By Ross Miller, Esq.
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15 3800 Howard Hughes Pkwy., #500
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17 Attorneys for Plaintiffs

18 **CERTIFICATE OF SERVICE**

19 I hereby certify that on the 30th day of July, 2020, I served a true and correct copy of the
20 foregoing via the Court’s electronic filing system only, pursuant to the Nevada Electronic Filing
21 and Conversion Rules, Administrative Order 14-2, to all parties currently on the electronic
22 service list.
23

24 /s/ Tanya Bain
25 An Employee of Clark Hill
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