

IN THE SUPREME COURT OF THE STATE OF NEVADA

NUVEDA, LLC, A NEVADA LIMITED LIABILITY COMPANY; SHANE M. TERRY, A NEVADA RESIDENT; AND JENNIFER M. GOLDSTEIN, A NEVADA RESIDENT, Appellants,
v.
PEIMAN BADY; AND POUYA MOHAJER, Appellees.

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Supreme Court Case No. 69648
District Court Case No. A-15-728510-B, Department XI (Elizabeth Gonzales)

**JOINT APPENDIX
VOLUME 4**

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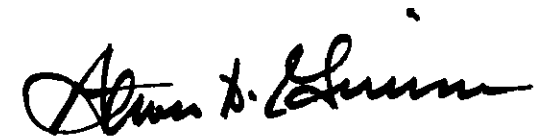
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CLERK OF THE COURT

TRAN

DISTRICT COURT
CLARK COUNTY, NEVADA
* * * * *

NUVEDA LLC, et al.

Plaintiffs

vs.

PEJMAN BADY, et al.

Defendants

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CASE NO. A-728510

DEPT. NO. XI

**Transcript of
Proceedings**

BEFORE THE HONORABLE ELIZABETH GONZALEZ, DISTRICT COURT JUDGE

PRELIMINARY INJUNCTION HEARING - DAY 1

MONDAY, DECEMBER 28, 2015

APPEARANCES:

FOR THE PLAINTIFFS:

ERIKA A. PIKE-TURNER, ESQ.

FOR THE DEFENDANTS:

ALVIN W. MAUPIN, ESQ.
JOHN M. NAYLOR, ESQ.,
VINCENT J. AIELLO III, ESQ.
MATTHEW T. DUSHOFF, ESQ.

COURT RECORDER:

PATRICIA SLATTERY
District Court

TRANSCRIPTION BY:

FLORENCE HOYT
Las Vegas, Nevada 89146

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

1 LAS VEGAS, NEVADA, MONDAY, DECEMBER 28, 2015, 9:55 A.M.

2 (Court was called to order)

3 MS. PIKE-TURNER: Your Honor, I put these together
4 yesterday.

5 THE COURT: So do you want to take a couple minutes
6 so then I can ask you the question.

7 Now, on the defense side, have you had an
8 opportunity to review those that are marked 1 through 30? You
9 can't both be 1s. So the defendants are 101 through 130,
10 okay.

11 So, Dulce, just add a 1.

12 MS. PIKE-TURNER: I don't have a copy, Your Honor.

13 THE COURT: That's why I'm doing this first.

14 (Pause in the proceedings)

15 THE COURT: So here. I'm going to give mine to Ms.
16 Turner for now.

17 (Pause in the proceedings)

18 THE COURT: So we've got two issues. The defense
19 exhibits that are 101 through 130 and the plaintiffs'
20 exhibits, which are 1 through 34. And after a minute, since
21 you haven't had a chance to look at each other's, I'm going to
22 give you 10 minutes to look through and tell me if you can
23 stipulate to any. I do not need to know what your objections
24 are, just if there is a particular document you can stipulate
25 to, that's yes or no, and then we'll go through and I'll admit

1 the ones that are stipulated to. If there's an objection,
2 I'll deal with it when we get to the document and it's
3 offered.

4 So anything else of a preliminary housekeeping
5 matter I can do right before I step out while you guys look at
6 1 through 34 and 101 through 130? Does anybody else have any
7 exhibits they're going to offer today besides these two
8 groups?

9 MR. DUSHOFF: We have just a demonstrative, Judge.

10 THE COURT: Demonstratives are great. Do you need
11 copies?

12 MR. DUSHOFF: No. We have copies.

13 THE COURT: Dulce will need to mark them as letters.

14 MR. DUSHOFF: Okay.

15 THE COURT: Okay. I'm going to step out while you
16 don't feel like I'm sitting here watching you. Look at 1
17 through 34 and 101 through 130, and then I'll ask you if you
18 have a stipulation in a minute.

19 (Court recessed at 9:58 a.m., until 10:19 a.m.)

20 THE COURT: You can be seated.

21 Ms. Turner, did you get a chance to review
22 Defendant's Proposed 101 through 130?

23 MS. PIKE-TURNER: I did.

24 THE COURT: Were there any of those that you can
25 stipulate to just by number?

1 MS. PIKE-TURNER: Yes. Most of them. 1 --
2 THE COURT: Well, no. 101.
3 MS. PIKE-TURNER: I'm sorry. 101, 103 through 107,
4 111 through 123.
5 THE COURT: So 101, 103 through 107, and 111 through
6 123 will be admitted.
7 (Defendant's Exhibits 101, 103 through 107
8 and 111 through 123 admitted)
9 THE COURT: Were there any of the Plaintiffs'
10 Proposed Exhibits 1 through 34 that the group of you can
11 stipulate to?
12 MR. DUSHOFF: Yes, Your Honor.
13 THE COURT: And which are those?
14 MR. DUSHOFF: 1, 5, 7, 13, 15 through 17, 22, 24,
15 and 30.
16 THE COURT: So 1, 5, 7, 13, 15 through 17, 22, 24,
17 and 30 will be admitted.
18 (Plaintiffs' Exhibits 1, 5, 7, 13, 15 through 17,
19 22, 24, and 30 admitted)
20 THE COURT: Would anyone like to make an opening
21 statement?
22 MS. PIKE-TURNER: Your Honor, just very briefly,
23 because I know you review the papers. Since the --
24 THE COURT: Yesterday afternoon.
25 MS. PIKE-TURNER: Since the telephonic hearing that

1 resulted in the temporary restraining order you had -- we
2 discovered the details of the CW deal. And it's even more
3 important that the preliminary injunction be entered, because
4 that deal, if it moves forward, will tank or actually, more
5 appropriately, gut NuVeda LLC. Interestingly, included in
6 that agreement is conditions, condition of regulatory
7 approval, also condition that this Court not enter a
8 preliminary injunction. If it enters a preliminary
9 injunction, the deal is void.

10 So today we have Pantea Stevenson, counsel for
11 NuVeda, Shane Terry, Jennifer Goldstein, who are here with me
12 at the table, and then the defendants. Thank you.

13 THE COURT: Okay. Thank you.

14 Would you like to make an opening statement?

15 MR. MAUPIN: Yes, Your Honor. Bill Maupin for Dr.
16 Mohajer. But I think I can speak for everybody this morning.
17 Is that correct?

18 MR. DUSHOFF: Yeah. Well, I may want to speak. It
19 depends. Go ahead.

20 THE COURT: We have a 10-minute rule that's not
21 applying. It's named after Mr. Dushoff, though. He and Mr.
22 Peek caused me to enter a 10-minute rule for my motion
23 calendar. But not you.

24 MS. PIKE-TURNER: And I was calling it the Todd Bice
25 rule.

1 THE COURT: No. Matt Dushoff.

2 MR. MAUPIN: Well, I'm going to try to make a Bill
3 Maupin rule.

4 The case that they have filed for preliminary
5 injunction, as I said over the phone the other day, is
6 strictly an instrument of surrender, because it self defines
7 -- alleges facts that show that they have no standing to argue
8 that they had grounds to expel the majority in this company.
9 6.2 is clear. They did not have the votes -- 6.2 in the
10 operating agreement is clear they did not have the votes to
11 expel Dr. Bady because they couldn't expel him without Dr.
12 Mohajer. And the reverse is true.

13 And they have no theory under which they can
14 construe this agreement to allow some sort of grouped
15 expulsion, which is clearly what they claim they have done.
16 And with that in hand they can't win the case, and there's no
17 evidence that's going to change that; because to the extent to
18 which they argue that they are allowed to group expel, that
19 would involve a construction of 6.2. That would mean it would
20 have to be ambiguous. It is not ambiguous. There's no
21 provision for group expulsion in 6.2, no provision at all.
22 And so if it's ambiguous, this agreement, which was drawn by
23 Ms. Goldstein, as we understand it, has to be construed by
24 her, and she can't construe it, because she drew it. And to
25 the extent that she could construe it, it would have to be

1 construed against her as against her constituent clients for
2 whom she was working. So there are other arguments, but
3 basically on the face of this they have no case.

4 As a housekeeping measure we would move to dismiss
5 the NuVeda suit. To the extent to which it's some sort of
6 derivative action, their claim is that they've suffered
7 irreparable harm because they can't run the company after they
8 tried to expel the majority interests. That's something for
9 arbitration, and they have not asked for any provisional
10 remedies in arbitration in aid of a direct claim by NuVeda.

11 THE COURT: Mr. Dushoff, did you need to add
12 anything?

13 MR. DUSHOFF: Yeah. Just real briefly, Your Honor.

14 Ms. Turner wants to try the case. That's exactly
15 what she came up and said. She wants to try the case. She
16 wants to go in and say, hey, listen, the CW deal is not good
17 for my client. Sorry. That's not what we're here for.

18 THE COURT: Well, but you're supposed to have a
19 meeting at least; right?

20 MR. DUSHOFF: Well, you don't actually have to have
21 a meeting. It could be done through a resolution. But, be
22 that as it may, fine, come in and have a meeting, if you want
23 to do that, give everybody their interest, have a meeting.
24 It's still going to get approved because it's still by the
25 majority, and they can sell the assets, not the interests.

1 And they come off with trying the case instead of what we have
2 here, which is a preliminary injunction hearing. They have to
3 show a reasonable likelihood of success. And what Justice
4 Maupin said, they don't have -- they don't have the votes.
5 And we went back to the operating agreement. They couldn't
6 have the votes. They can't put up here all this stuff about
7 the CW when they don't even have the votes. And, two, they've
8 got to show irreparable harm. So what did they do in their
9 TRO? Judge, our irreparable harm is the statute forbids this
10 to happen and we'll lose our interests. Until we showed them
11 that the statute changed. Then they came up with a -- gosh,
12 we gotta come up with a new irreparable harm. Judge, that'll
13 be forever changing. They cannot show irreparable harm. This
14 deal is only the selling of the assets. They still all have
15 their interests. And that -- what Judge Maupin said is true.
16 When you have the majority, the tail can't wag the dog in this
17 case. And that's what they're trying to do.

18 MR. MAUPIN: May I make a request?

19 THE COURT: Yes. Do I call you Bill, Mr. Maupin, or
20 Judge, or Justice?

21 MR. MAUPIN: Well, you can call me Bill or Mr.
22 Maupin, but the operative word behind the Justice part is
23 "retired."

24 THE COURT: All right. I knew you were retired.

25 MR. DUSHOFF: I just can't -- I can't get beyond

1 that.

2 MS. PIKE-TURNER: Section 12.12 of the operating
3 agreement gives this --

4 THE COURT: No, no. You already did your opening.

5 MS. PIKE-TURNER: -- Court jurisdiction --

6 THE COURT: So now we're on evidence. Do you have a
7 witness?

8 MS. PIKE-TURNER: I do.

9 THE COURT: Great.

10 MS. PIKE-TURNER: Pantea Stevenson will be our first
11 witness.

12 THE COURT: Ma'am, if you'd come, please, to the
13 witness stand. I believe there are M&Ms in the dispenser and
14 there's water in the pitcher.

15 PANTEA STEVENSON, PLAINTIFFS' WITNESS, SWORN

16 THE CLERK: Thank you. Please be seated, and please
17 state and spell your name for the record.

18 THE WITNESS: Pantea Stevenson. P-A-N-T-E-A, and
19 then my last name is Stevenson, S-T-E-V-E-N-S-O-N.

20 DIRECT EXAMINATION

21 BY MS. PIKE-TURNER:

22 Q Ms. Stevenson, this is a case regarding NuVeda LLC.
23 What is your role with NuVeda LLC?

24 A I'm former corporate counsel to NuVeda LLC.

25 Q And who hired you on behalf of NuVeda LLC?

1 A Dr. Bady.

2 Q And when did Dr. Bady hire you on behalf of NuVeda?

3 A In June or July.

4 Q Of 2015?

5 A Yes.

6 Q And you're an attorney?

7 A Yes.

8 Q And have you been an attorney from June forward?

9 A Yes. But I'm an out-of-state attorney.

10 Q What states are you licensed?

11 A Virginia, New York, Pennsylvania, and New Jersey.

12 Q And what kind of law do you practice?

13 A Corporate transactional.

14 Q Strictly corporate transactional?

15 A Strictly corporate transactional.

16 Q You don't go to court?

17 A No. I'm actually nervous.

18 Q And when you were hired was there any other attorney

19 working on or for -- on behalf of or for NuVeda?

20 A I worked under the supervision of Ms. Goldstein. I

21 was the only corporate attorney working on the matter that I

22 was working on.

23 Q And what was your understanding of Ms. Goldstein's

24 role with NuVeda?

25 A She was general counsel of NuVeda.

1 Q And who told you that Jennifer Goldstein was general
2 counsel for NuVeda?

3 A Dr. Bady.

4 Q And did Dr. Bady instruct you to work with Jennifer
5 Goldstein?

6 A That was a condition for which I imposed for under
7 Rule 5.5 of the Ethics Rules of the State of Nevada for
8 Attorneys. That was the condition that was stipulated to,
9 that Ms. Goldstein must sign off on what I do.

10 Q And was it important to you to have Ms. Goldstein
11 review your work and sign off on it?

12 MR. DUSHOFF: Objection. Leading.

13 THE COURT: Overruled.

14 THE WITNESS: Yes.

15 BY MS. PIKE-TURNER:

16 Q Did you -- and when did you stop being outside
17 counsel for NuVeda?

18 A When Ms. Goldstein stepped down, so I would no
19 longer be able to practice.

20 Q Okay. And during the time that you worked on behalf
21 of NuVeda did you feel that Ms. Goldstein was influencing you?

22 A No.

23 Q And who did you perceive you owed a duty to?

24 A The company.

25 Q Did you perceive that you owed any duty to any

1 members in addition to the company?

2 A No. Company. Company only.

3 Q And who communicated with you on behalf of NuVeda
4 during your assignment with NuVeda?

5 A Initially during the preliminary discussions mostly
6 Dr. Bady. And as it progressed to the actual practice of law,
7 I communicated with Ms. Goldstein and Mr. Terry, also.

8 Q And what was your initial assignment when you were
9 hired by Dr. Bady?

10 A Working on a conditional convertible note, a
11 potential deal that ended up not closing.

12 Q Okay. And you were working on a conditional
13 convertible note with a third party, somebody who was not
14 related to NuVeda?

15 A Yes.

16 Q And who was the potential investor or lender?

17 A Dr. Daniel's group.

18 Q And you said that the deal did not close?

19 A Yes.

20 Q Did you work on it for some period of time before
21 coming to that realization that it would not close?

22 A Absolutely. We were on the -- we were at the end
23 end of the deal that it did not close.

24 Q And was there a due diligence period?

25 A Absolutely. Yes.

1 Q And did you participate in the due diligence on
2 behalf of NuVeda?

3 A I was involved in the discussions, and since I was
4 the counsel for NuVeda, all of the communications went through
5 me and I was listed on it.

6 Q And when you say the communications went through
7 you, the communications from Dr. Daniel's group?

8 A Yes.

9 Q And was Dr. Daniels represented by counsel?

10 A Yes.

11 Q Out-of-state counsel?

12 A They were New York attorneys.

13 Q And what was the potential investment for NuVeda?

14 A I'm not sure if I can disclose that.

15 Q It was a confidential term?

16 A Yes.

17 MS. PIKE-TURNER: Can we seal the answer?

18 THE COURT: It's a public hearing. So no.

19 BY MS. PIKE-TURNER:

20 Q All right. You can go ahead and answer. It's at
21 the direction of the Judge.

22 A Sure. I'm actually trying to remember the term now.

23 Q Let me ask a different question. Was it in excess
24 of a million dollars?

25 A Yes.

1 Q Was it in excess of 5 million?

2 A I remember the deal changed, and I don't remember
3 where it ended up. But it was somewhere around there, if my
4 memory serves me correctly.

5 Q Now, during due diligence was there discovery of any
6 wrongful conduct or bad acts by anyone related to NuVeda?

7 MR. DUSHOFF: Objection. Leading. Vague as to
8 bad --

9 THE COURT: Can you rephrase the question, please.

10 BY MS. PIKE-TURNER:

11 Q During due diligence did any issues arise?

12 A Without violating any attorney-client privilege,
13 issues arose that gave the other side pause.

14 Q And sticking --

15 MR. DUSHOFF: Objection. Vague as to "other side."

16 THE COURT: The Daniels side?

17 THE WITNESS: Dr. Daniels side, yes.

18 THE COURT: Okay. Does that help, Mr. Dushoff?

19 MR. DUSHOFF: Yes.

20 BY MS. PIKE-TURNER:

21 Q And I only want to focus on your communications with
22 Dr. Daniels group --

23 A Yes.

24 Q -- so that we don't have any privilege issues.

25 What was communicated to you from Dr. Daniels group

1 as problematic?

2 A They harped on --

3 MR. DUSHOFF: Objection. Hearsay.

4 THE COURT: Overruled.

5 THE WITNESS: They harped on several transactions
6 that had taken place where it was not disclosed to them that
7 Dr. Bady was on both sides of the transaction. The diligence
8 process was expected to be something -- when I initially came
9 on it was supposed to be a very brief diligence process, and
10 it ended up extending and extending. And they asked a lot of
11 very strict diligence questions that were unexpected for that
12 deal, the size of the deal, the type of deal. And it appeared
13 that the more information they got the more uncomfortable they
14 became with the deal.

15 THE COURT: Was there an objection?

16 MR. MAUPIN: I have an objection to interpose at
17 this point to this testimony. It is obviously an attempt to
18 free-standingly litigate their claim grounds for this illegal
19 expulsion of our clients. As a condition precedent of even
20 litigating the grounds inside this corporation they have to
21 have 60 percent of the vote. They did not have that, so this
22 is --

23 THE COURT: Well, there's an issue --

24 MR. MAUPIN: -- this is --

25 THE COURT: -- as to interested parties. And part

1 of what they've argued, whether they're right or not, and I
2 eventually may agree with them, is whether they can when they
3 allege there is a conspiratorial act between two parties,
4 whether those two parties are both disqualified in voting on
5 that expulsion. That's really the allegation they've made.
6 They haven't said it quite like that, but that's what they
7 mean.

8 MR. MAUPIN: But it is -- as it'll turn out, of
9 course, it is an allegation.

10 THE COURT: Absolutely.

11 MR. MAUPIN: My point here is that -- to make a
12 record, that any of this testimony with regard to what we
13 believe the proper construction of this agreement is shouldn't
14 even involve a construction forbids any discussion of this,
15 because it's irrelevant.

16 THE COURT: Okay. The objection's overruled. You
17 can continue.

18 BY MS. PIKE-TURNER:

19 Q When Dr. Daniels group brought these transactions
20 where there was self dealing or believed to be self dealing --

21 MR. MAUPIN: I object to that. These are -- this is
22 a statement --

23 THE COURT: Alleged self dealing.

24 MS. PIKE-TURNER: Alleged.

25 MR. MAUPIN: This is a statement that this happened.

1 They never proved it, they never articulated it other than by
2 making an allegation in a letter.

3 MS. PIKE-TURNER: Your Honor, we're having speaking
4 objections --

5 THE COURT: Wait. Wait.

6 MS. PIKE-TURNER: -- that are --

7 THE COURT: It's okay.

8 MR. MAUPIN: There's no jury here.

9 THE COURT: There's no jury, and the witness is an
10 attorney. So I don't think a speaking objection is really
11 going to influence anybody in the courtroom today even though
12 you may be nervous because you're not usually here.

13 But I do need to focus this that these are
14 allegations that the Daniels group made to the witness. The
15 witness didn't do any independent investigation. If she did,
16 it would be privileged and I'm not going to hear about it.
17 Right?

18 MS. PIKE-TURNER: Correct, kind of. I'll be careful
19 with it.

20 THE COURT: Well, no, it's a little more than
21 correct, because I've got a corporation that holds the
22 privilege, not the people involved in this room. And I don't
23 know under the Nevada Supreme Court's most recent
24 interpretation of who gets to waive the privilege, if anybody
25 in this room can waive the privilege.

1 MS. PIKE-TURNER: Not asking for her to waive the
2 privilege.

3 BY MS. PIKE-TURNER:

4 Q Did you take any steps on behalf of NuVeda after
5 communications with Dr. Daniels group to address the
6 allegations?

7 A I believe that would be attorney-client privilege.

8 Q The answer's just yes or no.

9 A Yes.

10 Q Okay. As a result of your action did you develop an
11 opinion of whether there had been self dealing?

12 A Yes. But at that point I did not understand the
13 full extent of it.

14 Q Okay. Did you --

15 MR. MAUPIN: The opinion --

16 THE COURT: Sustained.

17 MR. MAUPIN: Thank you.

18 THE COURT: Stricken.

19 BY MS. PIKE-TURNER:

20 Q Did you -- well, were you provided documents by the
21 members of NuVeda? Were you provided documents to help you
22 with the due diligence?

23 A I was copied on the emails, yes.

24 Q Was -- can you describe in more detail what
25 transactions were problematic from the Dr. Daniels group

1 perspective.

2 MR. MAUPIN: These are -- these are opinions.

3 THE COURT: No. Let me make sure I understand the
4 question.

5 You're asking her what the Daniels group alleged
6 were problematic transactions?

7 MS. PIKE-TURNER: Yes.

8 THE COURT: Not whether they were or not --

9 MS. PIKE-TURNER: No.

10 THE COURT: -- but just what the Daniels group --

11 MS. PIKE-TURNER: What they alleged --

12 THE COURT: -- said, these are problematic
13 transactions for us?

14 MS. PIKE-TURNER: Yes.

15 THE COURT: Okay. Overruled with that
16 clarification.

17 MS. PIKE-TURNER: Thank you, Your Honor.

18 THE WITNESS: The 2Prime transactions, and I
19 remember some discussions about the 2113 and having to clarify
20 those. And they were also concerned because there wasn't
21 proper corporate governance controlling -- it's actually
22 allowing 2Prime -- the transactions through 2Prime to occur.

23 BY MS. PIKE-TURNER:

24 Q Okay. And again, only focused on your
25 communications with the Dr. Daniels group and what was

1 provided to them, can you describe what the 2Prime LLC
2 transaction was.

3 A It was a transaction where loans were made to
4 NuVeda, but it was not disclosed that Dr. Bady was also a
5 holder in 2Prime.

6 Q So 2Prime was a lender to NuVeda?

7 A (No audible response)

8 Q Is that yes?

9 A Yes.

10 Q And Dr. Bady was an owner in 2Prime LLC?

11 A Yes.

12 Q And the fact that Dr. Bady was an owner in 2Prime
13 was not disclosed to Dr. Daniels?

14 A No. It wasn't disclosed to me, either.

15 Q And I want to just go to your state of mind. Did
16 you believe it had been disclosed to all the members?

17 THE COURT: The objection is sustained.

18 MR. MAUPIN: Best objection I ever made.

19 THE COURT: I had a criminal lawyer win without even
20 being here this morning.

21 MS. PIKE-TURNER: Well, Your Honor, that goes to her
22 state of mind.

23 THE COURT: Her state of mind is irrelevant. She is
24 counsel to the company.

25 MS. PIKE-TURNER: It is relevant --

1 THE COURT: Right?

2 MS. PIKE-TURNER: -- because it goes to the next
3 step. I'll go back to it. She ended up preparing the consent
4 for the expulsion of the defendants.

5 THE COURT: That's -- state of mind is not an issue.

6 BY MS. PIKE-TURNER:

7 Q All right. Did you possess any information that led
8 you to believe that the fact that Dr. Bady had ownership
9 interest in 2Prime had been disclosed to anyone, including the
10 plaintiffs Jennifer Goldstein and Shane Terry?

11 A No.

12 Q Okay. Now, 2113, what was the 2113 transaction?

13 A The 2113 transaction was Dr. Bady and Joe Kennedy.
14 There was -- from my understanding of it, there was a property
15 that NuVeda needed, and without disclosure to NuVeda Dr. Bady
16 and Joe Kennedy formed an entity and purchased the property
17 and then leased the property back to NuVeda. And during the
18 negotiations it wasn't -- Dr. Bady's ownership interest was
19 misrepresented as a minor interest when in fact it is my
20 understanding that he had a major interest in the company,
21 2113.

22 Q Were there other issues --

23 MR. MAUPIN: Excuse me. I just want to make sure
24 there's a clarification here. This is your understanding?
25 That's not evidence.

1 MS. PIKE-TURNER: Your Honor --

2 THE COURT: Hold on a second. Wait.

3 Ma'am, remember, we don't want you to give us any
4 information that is privileged. You've been directed to give
5 us information that you obtained from the Daniels group side,
6 not from any additional investigation you made, only those --
7 that information that the Daniels group side gave you, because
8 that's clearly nonprivileged.

9 THE WITNESS: Can we strike -- I don't know how this
10 works.

11 THE COURT: The last answer was not inconsistent
12 with that.

13 THE WITNESS: I don't -- I don't -- I'm trying to
14 refresh my memory. I don't remember it coming out during the
15 Daniels discussion.

16 BY MS. PIKE-TURNER:

17 Q Okay. So the 2113 transaction was something that
18 came up subsequent to Dr. Daniels cancelling the transaction?

19 A It was a concern issue for Dr. Daniels side, but the
20 background information of it was discovered in other corporate
21 documents and things to that effect.

22 Q Did you communicate with Dr. Daniels the facts as
23 you understood them regarding the transaction?

24 A No.

25 Q Okay. You didn't go back to address Dr. Daniels

1 questions on the 2113 transaction?

2 A We were trying to keep costs down so that the actual
3 communications about diligence was with the members of NuVeda.
4 And at that point I was starting to understanding the
5 structure, and they were in a better position to answer it,
6 because I was new counsel.

7 Q Did there come a point in time where you
8 participated in an expulsion of members on behalf of NuVeda?

9 A Yes.

10 Q If you go to --

11 MR. MAUPIN: I object to that only for the record.
12 It's a purported expulsion.

13 THE COURT: Okay. I recognize your position that
14 these are all allegations at this point.

15 MR. MAUPIN: Just so long as -- I think I've made
16 my --

17 THE COURT: I understand. Everybody's here because
18 there are allegations, and I'm going to find some facts and
19 interpret some law today maybe.

20 MS. PIKE-TURNER: Your Honor, I hope you do.

21 BY MS. PIKE-TURNER:

22 Q Right behind you is a black binder. Exhibit 1 is in
23 evidence. If you could turn to Exhibit 1. The first page is
24 wonky. That's only because I made my own copies over the
25 holiday.

1 Exhibit 1, do you recognize that document?

2 A Yes. It's the operating agreement of NuVeda.

3 Q And did the operating agreement inform your work on
4 behalf of NuVeda?

5 A Yes.

6 Q And did you review Section 6.2 -- well, actually,
7 did you review all the sections of the operating agreement?

8 A Yes.

9 Q And Section 6.2, that is on page Bates Number 12.

10 A Yes.

11 Q Are you familiar with Section 6.2?

12 A Yes.

13 Q And did you participate in an effort to expel
14 certain members of NuVeda pursuant to Section 6.2?

15 A Yes.

16 Q Now, when you participated in the attempt to expel
17 members was that on behalf of NuVeda, or on behalf of any
18 particular members?

19 A NuVeda.

20 Q And if you go to Exhibit 7 --

21 THE COURT: And that's an admitted exhibit.

22 BY MS. PIKE-TURNER:

23 Q Exhibit 7 is in. Ms. Stevenson, did you assist in
24 the preparation of Exhibit 7?

25 A Yes.

1 Q And was it your production of the document set forth
2 at Exhibit 7 that was signed?

3 A Yes.

4 Q Okay. And the Exhibit 7 is an action by written
5 consent of the disinterested voting members of NuVeda LLC?

6 A Yes.

7 Q Did you determine who would constitute the
8 disinterested voting members of NuVeda LLC for the purpose of
9 the preparation of this consent?

10 A Yes.

11 Q Okay. Walk through that process.

12 A 6.2 defines disinterested voting members as "those
13 members whose membership in the company is not being voted
14 upon." So the members whose interests was not being voted
15 upon was --

16 MR. MAUPIN: Well --

17 THE COURT: And so are you objecting on a legal
18 conclusion?

19 MR. DUSHOFF: Yes.

20 MR. MAUPIN: But in fairness to the proceedings, I
21 think she should read the agreement. It doesn't say
22 "members." It says "member."

23 MS. PIKE-TURNER: Well, Your Honor --

24 THE COURT: It says "disinterested voting
25 interests."

1 MR. DUSHOFF: Objection. Legal conclusion.
2 THE WITNESS: It actually says "members."
3 THE COURT: From me?
4 MR. DUSHOFF: From her. Not you. Definitely not
5 you.
6 MS. PIKE-TURNER: Your Honor, the question is
7 whether she went through the process of determining --
8 THE COURT: I understand. My problem is that you're
9 asking one of the attorneys for the company to make a
10 determination as to the meaning of the agreement. And to
11 the --
12 MS. PIKE-TURNER: No.
13 THE COURT: No?
14 MS. PIKE-TURNER: I'm not. I'm asking her whether
15 she went through the process of determining who the
16 disinterested voting members were and how she did that for
17 this particular document.
18 THE COURT: I'd love to know how she did it.
19 Whether it's something I agree with later or not is entirely
20 different issue.
21 Was there an objection that you wanted to make?
22 MR. MAUPIN: Well, there is an objection. The
23 question itself asks for a construction of the agreement, and
24 they can't construe it, because they drew it.
25 THE COURT: Okay. The objection is overruled.

1 MS. PIKE-TURNER: All right.

2 THE COURT: I just want to know the process is all
3 I'm looking for.

4 BY MS. PIKE-TURNER:

5 Q That's my question, what you did to determine the
6 disinterested voting members for this document set forth at
7 Exhibit 7.

8 A I went through the operating agreement, I looked at
9 Section 6.2, Section 4.3, and the -- and I constructed it
10 based on my legal expertise.

11 Q All right. Now, have you seen expulsion provisions
12 before in your -- over your career?

13 A I regularly draft LLC operating agreements.

14 Q And have you seen provisions similar to 6.2?

15 A Similar.

16 Q And what is your understanding of the purpose of a
17 provision like Section 6.2? Is it for the benefit of the
18 members --

19 MR. DUSHOFF: Objection. Legal conclusion.

20 THE COURT: Sustained.

21 BY MS. PIKE-TURNER:

22 Q Now, how did you determine -- well, first let me ask
23 you who did you determine constituted disinterested voting
24 members for the purpose of preparation of Exhibit 7?

25 MR. MAUPIN: Your Honor, her opinion of what

1 constitutes disinterested members involves her construction of
2 this agreement. And the problem is that evidence is
3 inadmissible because they drew the agreement.

4 THE COURT: Overruled. And I'm only looking for
5 process.

6 MS. PIKE-TURNER: Of what she actually did.

7 THE COURT: What did you do to draft the document
8 which is Exhibit 7?

9 THE WITNESS: Would you like my legal reasoning, or
10 my --

11 THE COURT: I do not want your legal reasoning.

12 THE WITNESS: Okay.

13 BY MS. PIKE-TURNER:

14 Q How did you determine who constituted the
15 disinterested members for the purpose of preparation of
16 Exhibit 7?

17 A The members who had engaged in wrongful conduct were
18 grouped together because they co-conspired for multiple --
19 allegedly --

20 MR. DUSHOFF: Objection. Legal conclusion.

21 MR. MAUPIN: Well, it's not just a legal conclusion,
22 it is a fact that she found. And she's not the fact finder.
23 It's the corporation that would be the fact finder.

24 THE COURT: Okay. The objection is sustained.

25 MS. PIKE-TURNER: The objection that she is the fact

1 finder?

2 THE COURT: No. That she reached a legal opinion as
3 to who the coconspirators were.

4 BY MS. PIKE-TURNER:

5 Q When you prepared Exhibit 7 did you come -- this is
6 yes or no -- did you come to an opinion that there had been
7 conduct in concert that was wrongful to NuVeda?

8 MR. DUSHOFF: Objection. Calls for a legal
9 conclusion.

10 THE COURT: Sustained.

11 MS. PIKE-TURNER: Well, Your Honor --

12 THE COURT: She's not the one who's going to testify
13 about whether there was conduct or not. She may have drafted
14 this document. She's welcome to tell me the process she went
15 through to draft this document. But she is not the person
16 who's going to testify to the facts from her investigation
17 unless the corporation is waiving the attorney-client
18 privilege. And I don't know who in this room at the moment is
19 the corporation.

20 MS. PIKE-TURNER: Understood, Your Honor. But the
21 action of whether this -- and whether this was a proper
22 expulsion or not certainly depends on whether or not this
23 counsel for NuVeda -- what she believed at the time.

24 THE COURT: No, it doesn't.

25 MR. MAUPIN: Oh, I object to that.

1 THE COURT: Wait. I already -- I already said I
2 disagree.

3 MR. MAUPIN: Sorry. You're too fast.

4 THE COURT: And it's not that I'm criticizing her.
5 It's because of the attorney-client privilege issues. And so
6 I want to avoid those issues, so I am happy to listen to those
7 individuals who can provide the facts that are supporting the
8 documents she drew. Someone told her there was an issue as to
9 interested versus disinterested, and she drafted an expulsion
10 agreement. I'm happy to listen to that process. But the
11 facts need to come from the person who did that investigation
12 who doesn't have a privilege issue.

13 BY MS. PIKE-TURNER:

14 Q All right. Ms. Stevenson, if you -- did you review
15 the operating agreement to determine whether 60 percent or
16 more of disinterested voting interests were obtained or
17 represented in this Exhibit 7?

18 A Yes.

19 MR. DUSHOFF: Objection. Leading. Legal
20 conclusion.

21 THE COURT: Overruled.

22 BY MS. PIKE-TURNER:

23 Q And was the action that you took in preparation of
24 Exhibit 7 and the construing the operating agreement in the
25 preparation of Exhibit 7, was that based on your own -- strike

1 that. I know what's going to happen.

2 As a result of the execution of Exhibit 7 by Shane
3 Terry, Jennifer Goldstein, Ryan Windmill, and John Penders did
4 you believe that there had been an expulsion under
5 Section --

6 MR. DUSHOFF: Objection. Legal conclusion. Her
7 opinion.

8 THE COURT: Sustained.

9 BY MS. PIKE-TURNER:

10 Q Did you conduct yourself as if there had been an
11 expulsion?

12 MR. DUSHOFF: Objection. Same objection.

13 THE COURT: Sustained. Doesn't matter how she
14 conducted herself.

15 BY MS. PIKE-TURNER:

16 Q Why did you prepare Exhibit 7?

17 A It was for the benefit of the company. I was
18 retained to represent the company, and it was what I believed
19 to be in the best interests of the company given the facts and
20 given the delicate situation that the company is in as a
21 medical marijuana establishment under heavily regulatory --
22 under regulatory scheme where their assets can be taken away
23 for certain bad acts and for the fact that it's a pre-revenue
24 company looking for funds and the issues that had come to
25 light would make it very unlikely that an investor would

1 invest in the company even if they did not lose their medical
2 marijuana licenses.

3 MR. MAUPIN: May I ask a question on voir dire?

4 THE COURT: Sure.

5 VOIR DIRE EXAMINATION

6 BY MR. MAUPIN:

7 Q Are you a member of NuVeda LLC?

8 A No.

9 MR. MAUPIN: Then I move to strike all of that
10 testimony on the grounds that her opinion about that is an
11 opinion -- that is the issue of whether or not there was any
12 grounds to do this, which is -- again, we don't think you
13 should reach that. But the issue of whether there's any
14 grounds has to be determined and adjudicated within the
15 company in the first instance by the members. And in this
16 case, of course, it's convenient that they never gave our
17 clients a chance to defend themselves in this process.

18 MR. DUSHOFF: I object to the legal conclusion.

19 THE COURT: The objection is sustained. The request
20 to strike is granted.

21 DIRECT EXAMINATION (Resumed)

22 BY MS. PIKE-TURNER:

23 Q Ms. Stevenson, if you'd go to Exhibit 17, which is
24 admitted. We have a series of communications from you to --
25 and it's between you and Vincent Aiello.

1 A Yes.

2 Q Who is Vincent Aiello?

3 A I understand him to be Dr. Bady's attorney.

4 Q Okay. Did you send the email set forth of November
5 24th to Mr. Aiello? It's Bates Number 112 is where it starts.

6 A Yes.

7 Q And in the email that was set forth on November 24th
8 there were allegations of serious misconduct. And I direct
9 you specifically to Bates Number 113. Do you see the top of
10 the page there?

11 A Yes.

12 Q In response to this email that you sent to Mr.
13 Aiello on November 24th did he ever communicate back to you --

14 A No.

15 Q -- with an explanation --

16 MR. DUSHOFF: Objection. Relevance.

17 THE COURT: Overruled.

18 BY MS. PIKE-TURNER:

19 Q Did he provide any -- or attempt to explain any of
20 those alleged misdeeds to you?

21 A No. We -- I personally reached out three times over
22 that weekend. I reached out via email three times over that
23 weekend. I reached out again. It got to the point that I
24 started to call his office, and then I called his office, he
25 didn't answer. I said I was going to call him again, at which

1 point was my first communication back from him saying he's in
2 court, he'll call me back. When he called me back he said he
3 didn't know anything because he had been in court all day.
4 And he didn't discuss anything of substance at all.

5 Q Subsequent to November 24th did Mr. Aiello reach
6 back out to you and address the allegations?

7 A No. That was the only communication I had with him.

8 Q And when you learned that Mr. Aiello was
9 representing Dr. Bady did you communicate with Dr. Bady
10 directly?

11 A No. I initially sent an email to Dr. Bady before I
12 knew he was represented by counsel, asking him to resolve this
13 matter because of the -- because being a corporate
14 transactional attorney I know these things never end well.
15 And he told me he was represented by counsel. So then I
16 ceased communications. I forwarded the email that I had sent
17 to Dr. Bady to his counsel with an explanation.

18 Q And subsequent to receiving the response from Mr.
19 Aiello saying, I'm in court, did you ever hear from him again?

20 A Just a return phone call where he refused to discuss
21 anything of substance, saying he was unaware of any others.

22 Q Okay. Now, were you asked to review any proposed
23 contract with CW Nevada --

24 A No.

25 Q -- before it was signed?

1 A No.

2 Q Were you asked to review the submission to the State
3 of Nevada from Dr. Bady?

4 A No.

5 Q And have you reviewed the corporate records of
6 NuVeda -- or were you asked to review the corporate records of
7 NuVeda to assist the defendants in preparation of the
8 submission to the State of Nevada?

9 A No.

10 MS. PIKE-TURNER: All right. Your Honor,
11 understanding that there are privilege issues that it doesn't
12 look like I'm going to get past, I will pass the witness.

13 THE COURT: Cross-examination?

14 CROSS-EXAMINATION

15 BY MR. MAUPIN:

16 Q Good morning.

17 A Good morning.

18 Q A few questions on cross-examination or maybe --
19 well, we'll see.

20 You stated at some point that Ms. Goldstein stepped
21 down as general counsel. When was that?

22 A I believe on the day of the mediation. And that's
23 also the day I ceased representing NuVeda.

24 THE COURT: And given what I was told, that would
25 have been on or about December 18th.

1 MR. MAUPIN: December 18th?

2 THE COURT: Because Floyd Hale told me he didn't get
3 the case settled. That's all I know.

4 MR. MAUPIN: Yeah. Unfortunately did not.

5 BY MR. MAUPIN:

6 Q So while you were acting as counsel for this company
7 you were being supervised by Ms. Goldstein?

8 A Yes.

9 Q And, of course, Ms. Goldstein is a plaintiff in this
10 case over her 7 percent minority interest; correct?

11 A Yes.

12 Q And you're not licensed here, so you were working
13 under her.

14 A Yes.

15 Q Now, were you familiar with a letter that was
16 written on I believe it's November 18. It's Exhibit 109 in
17 our package, but I believe it's an exhibit to your --
18 whichever is easier to use. Does that work for you?

19 A No. I was -- well, I was only notified of it after
20 the fact.

21 Q After what?

22 A After it was sent.

23 Q Well, that's my question. Were you aware of it
24 before you were involved in the actual resolution terminating
25 these people?

1 A No. No, I was not.

2 Q You weren't aware of it until afterwards?

3 A Yes.

4 Q Just if you would take a quick look at the letter

5 from Dr. Bady.

6 A To Dr. Bady; right?

7 Q I'm sorry. To Dr. Bady.

8 A Okay.

9 Q That she wrote. She accuses Dr. Bady of breaches of

10 fiduciary duty, self --

11 MS. PIKE-TURNER: Your Honor, this is not an exhibit

12 that's been admitted. There's no foundation.

13 MR. MAUPIN: Well, I'm --

14 MS. PIKE-TURNER: And it's regarding a settlement

15 discussion. It's inadmissible.

16 MR. MAUPIN: It's not a settlement discussion, it is

17 a summons to answer allegations. They weren't trying to

18 settle anything.

19 THE COURT: Wait.

20 You can answer.

21 MS. PIKE-TURNER: Your Honor, this witness didn't --

22 THE COURT: Cross-examining the witness on the scope

23 of her knowledge that is not privileged.

24 MR. MAUPIN: And this letter --

25 MS. PIKE-TURNER: With a document that's not

1 admitted?

2 THE COURT: Absolutely.

3 THE WITNESS: I knew nothing about this letter. It
4 was -- I only learned of it after the fact that it was sent.
5 BY MR. MAUPIN:

6 Q Well, no. But you drafted the resolution
7 terminating the majority members, didn't you?

8 A Yes.

9 Q And in this letter it makes a series -- if you look
10 at it, it makes a series of allegations against Dr. Bady and
11 makes a general allegation about allocation of tax losses.
12 And then it says, "investigation of your fellow shareholders."
13 Now, this is a document that has been -- it was sent that
14 ostensibly was used to justify the termination of Doctors Bady
15 and Mohajer. And so --

16 MS. PIKE-TURNER: Objection. Move to strike the
17 editorializing by Counsel.

18 THE COURT: Denied. Overruled.

19 BY MR. MAUPIN:

20 Q So it says on page 3, if you follow along with me,
21 "At this point it does not appear that the other owners I've
22 interviewed have engaged in any wrongdoing and therefore they
23 do not share your exposure. There's some evidence that
24 shareholder Pouya --"

25 THE COURT: Can we not read -- can we not read from

1 it, since it's not admitted. I don't have a problem with you
2 examining her --

3 MR. MAUPIN: Well, I'm going to ask her a question
4 about it.

5 THE COURT: Well, but don't read from it. Because
6 it's not admitted.

7 MR. MAUPIN: All right. Well, then I move to admit
8 it.

9 THE COURT: Any objection to the admission?

10 MS. PIKE-TURNER: Yes, Your Honor. This is a
11 settlement discussion. And if you go to the last page, it
12 says, "I encourage you to consider the company's settlement
13 offer very carefully." If there's any ambiguity, that
14 certainly makes it clear this is inadmissible for the purposes
15 that we're trying to admit it now, which is -- and beyond
16 that, this witness doesn't have any knowledge regarding the
17 allegations.

18 THE COURT: So it's your position it is truly a
19 settlement offer?

20 MS. PIKE-TURNER: That's what it says.

21 THE COURT: Well, I'm just --

22 MS. PIKE-TURNER: Yeah.

23 MR. MAUPIN: I --

24 THE COURT: Wait.

25 MR. AIELLO: It's not a settlement offer, Your

1 Honor. There are many components inside that letter that do
2 not speak to issues of settlement. Interjecting a phrase of
3 settlement does not cloak it in settlement privilege.

4 THE COURT: Sometimes it does.

5 MR. AIELLO: Sometimes.

6 MR. MAUPIN: Well, it's more fundamental than that.
7 They go through this letter at length and they make all these
8 accusations, and they demand that Dr. Bady present himself
9 before this grand inquisitor lawyer who says she's
10 investigating this claim and explain himself. Then it says,
11 why don't you accept our settlement offer.

12 THE COURT: Okay. So the settlement offer is what
13 paragraph?

14 MR. MAUPIN: The last.

15 THE COURT: No. There's got to be another
16 settlement offer besides, please accept our settlement offer.
17 There's got to be something that says, we'll buy you out, or,
18 we'll agree to a mediation, or, we'll agree to evaluation
19 process, something that's the actual settlement offer.

20 MR. MAUPIN: The second-to-the-last paragraph
21 complains about all that'll happen if they delay in succumbing
22 to this effort.

23 THE COURT: So which portion of the letter is the
24 settlement offer?

25 MS. PIKE-TURNER: Well, the entire thing is made in

1 conjunction with a settlement request.

2 THE COURT: Usually what I do at this stage is I
3 redact the settlement offer from it and I admit those portions
4 that aren't the settlement offer, which is, here's all the
5 things we're threatening you with and then, A, we'd like to
6 offer you X, or, we'd like to do B. And then I have that
7 portion redacted because that's the true settlement issue.
8 The rest is all the stuff you're fighting about.

9 MS. PIKE-TURNER: The last paragraph relates to the
10 settlement offer. The details of the settlement offer are in
11 separate correspondence --

12 THE COURT: Okay. So --

13 MR. MAUPIN: Very good. These --

14 MS. PIKE-TURNER: -- which is --

15 THE COURT: Wait. I want --

16 MS. PIKE-TURNER: -- the next exhibit.

17 THE COURT: Is it okay if I redact that paragraph,
18 or do you have a problem with that paragraph being part of the
19 letter --

20 Mr. Maupin, you've got to move one side or the
21 other, because I can't see Ms. Turner. Thank you.

22 So if I redact that last paragraph? Or since the
23 settlement offer is in a separate document, do we need to
24 redact from this letter?

25 MS. PIKE-TURNER: Your Honor, there's two

1 correspondence, Exhibits 109, 110 that are being offered. 110
2 has the detail of the settlement offer. That can't come in.
3 The correspondence in 109 provides a description of why the
4 plaintiffs believe they should enter into the settlement
5 offer. I think they go hand in hand. But, understanding Your
6 Honor's going to permit the allegations in Exhibit 109, I
7 don't have any objection to that coming in. However, through
8 this witness I'm not understanding the basis for this witness
9 to testify about these allegations other than they're coming
10 from Mr. Maupin's questions. When I asked the very same
11 thing, it was a privilege that couldn't be discussed.

12 THE COURT: Well, he hasn't gotten an answer yet,
13 remember?

14 MR. MAUPIN: And also I'm not asking about anything
15 that's privileged. This is --

16 THE COURT: Well, wait. So 109 is admitted. The
17 only question is does anybody think the last paragraph -- or
18 the second-to-the-last paragraph needs to be redacted, the
19 ones that refers to the settlement offer?

20 MR. MAUPIN: I stipulate that you can redact it.

21 MS. PIKE-TURNER: No. I'm -- I don't think one
22 paragraph being redacted helps the situation, so I'm not
23 asking for it.

24 THE COURT: Okay. So 109 will be admitted. You may
25 continue.

1 (Defendant's Exhibit 109 admitted)

2

3 THE COURT: 109's admitted, so now you can ask her
4 or read from it. But I still am encouraging her not to give
5 me any information that is privileged, because it is unclear
6 to me which person in this room, if any, could waive the
7 privilege on behalf of the company.

8 MR. MAUPIN: I'm not going to ask any questions that
9 implicate her privilege we've been discussing.

10 THE COURT: Her legal work? Okay. Well, we'll see.

11 MR. MAUPIN: Yes, we will. An understanding will
12 eventually occur.

13 BY MR. MAUPIN:

14 Q "At this point it does not appear the other owners
15 I've interviewed have engaged in any wrongdoing, and therefore
16 they do not share your exposure. There is some evidence that
17 shareholder Pouya Mohajer was a party to your malfeasance, but
18 that remains to be further investigated." Now, this letter --
19 and then it says, "However, if you have information or
20 documentation that contradicts these initial conclusions,"
21 which are not articulated, "please provide me at your earliest
22 opportunity so that it can be evaluated by a corporate
23 attorney."

24 My point there is did you consider this when you --

25 MS. PIKE-TURNER: Objection. The same privilege --

1 THE COURT: Let him finish the question, please.

2 MS. PIKE-TURNER: Did you consider.

3 THE COURT: Wait. Let him finish the question,
4 please.

5 BY MR. MAUPIN:

6 Q Did you consider the distinction between Dr. Mohajer
7 and Dr. Bady when you drafted this expulsion resolution?

8 THE COURT: And you're talking about Exhibit 7?

9 MR. MAUPIN: Correct.

10 THE COURT: Okay. That's privileged. Anything
11 else?

12 MR. MAUPIN: Their Exhibit 7.

13 THE COURT: Right.

14 MR. MAUPIN: Well, this is the -- this is the
15 written consent to expel my clients that she's been testifying
16 about.

17 THE COURT: She has not really testified about it.
18 I've been trying to get the process that it was prepared, as
19 opposed to the research and factual investigation that went
20 through and part of the factual investigation is making the
21 determination as to who is interested and who's disinterested.

22 MR. MAUPIN: Well, she did say that she drafted this
23 document --

24 THE COURT: She did.

25 MR. MAUPIN: -- which did what it did. It claimed

1 to do what it did.

2 THE COURT: Not until somebody signed it.

3 MR. MAUPIN: Well, that's true.

4 THE COURT: And then I have questions as to whether
5 it's effective.

6 MR. MAUPIN: My question is -- my question is in
7 this resolution they lump them together and they don't make
8 any specific allegations of misconduct in this resolution.

9 THE COURT: I understand the document doesn't.

10 MR. MAUPIN: So the question is did she -- when she
11 drafted this resolution was she aware that this letter from
12 the investigator drew a distinction between the two of them.

13 MS. PIKE-TURNER: Objection to the --

14 THE COURT: You're asking if she was aware of the
15 letter that was 109 --

16 MR. MAUPIN: No. If she's aware of --

17 THE COURT: -- at the time Exhibit 7 was drafted.

18 MR. MAUPIN: Yes. Correct.

19 THE COURT: So were you aware of 109 at the time you
20 drafted Exhibit 7?

21 THE WITNESS: I had read through it, yes.

22 THE COURT: Okay. So the answer's yes.

23 BY MR. MAUPIN:

24 Q So the resolution was entered into two days after
25 this letter was sent to Dr. Bady?

1 A Yes.

2 Q So I take it there was some sort of exhaustive
3 investigation that took place over a day and a half.

4 A May I answer that in a way that doesn't -- I was
5 counsel to the company for -- since the summer. She was
6 retained I think a few days -- I'm not familiar with when she
7 was retained, but she was retained a few days before the
8 letter was sent out. Her knowledge does not equal my
9 knowledge. I was -- I didn't communicate with her about this.

10 Q Fair enough. I'm just asking you whether that
11 distinction was -- you were aware of that distinction in this
12 letter when you drew the resolution.

13 A Absolutely.

14 Q You were aware of the distinction?

15 A Yes. And I -- I can't --

16 Q That's it.

17 A Yeah.

18 Q That answered the question.

19 Now, in the -- so you prepared the consent to
20 expel the defendants, and then on -- let's see. What is
21 the email where -- we've been talking about where you -- is
22 it Exhibit 17?

23 THE COURT: 17.

24 BY MR. MAUPIN:

25 Q In Exhibit 17 --

1 A Can I grab it?

2 Q Oh. I'm sorry. On page 112 you had received
3 evidently some sort of communication with Mr. Aiello, and you
4 advised Mr. Aiello that Dr. Mohajer and Dr. Bady had been
5 expelled from the company in the second full paragraph of this
6 email.

7 A Yes.

8 Q And then on the next page you said this. "Dr. Bady
9 and Dr. --" the grounds were, "Based on our investigation, Dr.
10 Bady and Dr. Mohajer changed distributed losses in K-1
11 filings. We'll be working to correct this with the IRS." Is
12 that one of the grounds?

13 A Yes. I'm sorry. I don't think I can --

14 Q Was this correctable?

15 THE COURT: Well, this is a letter you sent to Mr.
16 Aiello; right?

17 THE WITNESS: Yes. Yes.

18 THE COURT: Okay.

19 BY MR. MAUPIN:

20 Q Was this correctable?

21 A Given the situation of a medical marijuana
22 establishment --

23 Q No, no. It is possible the IRS?

24 THE COURT: To change a K-1?

25 MR. MAUPIN: Uh-huh. Do they file amended returns

1 if there was something wrong with it?

2 MS. PIKE-TURNER: We'll stipulate you can amend
3 a K-1, and we've never seen an attempt to amend a K-1.

4 MR. MAUPIN: I'm not --

5 MR. DUSHOFF: That's not the question.

6 THE COURT: I don't need -- I don't need you
7 helping.

8 MR. MAUPIN: That's my point.

9 THE WITNESS: Yes, you can. But is my understanding
10 that they --

11 BY MR. MAUPIN:

12 Q No. The question is yes or no.

13 A Yes.

14 Q Thank you. Then it says, "Dr. Bady failed to
15 disclose multiple interested party transactions where he
16 negotiated on both sides of the deal." Did you write that?

17 A Yes.

18 Q Did you write that, "Dr. Bady created an entity that
19 usurped corporate opportunity without disclosure"? Did you
20 write that?

21 A Yes.

22 Q And did you write that Dr. Bady actively misled
23 potential investors and members?

24 A Yes.

25 Q Anything else about Dr. Mohajer?

1 A This is an email to --

2 Q No, no. Is there anything else in that email that
3 speaks to Dr. Mohajer? It's a simple question.

4 THE COURT: And you're on page numbered 113 of
5 Exhibit 17?

6 MR. MAUPIN: I am.

7 BY MR. MAUPIN:

8 Q Yes, no?

9 A I feel like I need to explain.

10 Q I know you do. But you -- the call of the question
11 asks you to respond in the affirmative or the negative.

12 MR. MAUPIN: I ask the Court to instruct the witness
13 to so answer.

14 THE WITNESS: Yes.

15 THE COURT: If you can answer yes or no, yes or no
16 is good. If you can't answer yes or no, tell us, I can't
17 answer that yes or no.

18 THE WITNESS: There's nothing else in -- about Dr.
19 Mohajer in the communication to Dr. Bady.

20 BY MR. MAUPIN:

21 Q Thank you very much.

22 Now, when -- this was done by consent and not by a
23 formal meeting?

24 A Yes.

25 Q So Doctors Mohajer and Dr. Bady were not invited to

1 this deliberation over their misfeasance; correct?

2 A No.

3 Q The answer is no, they weren't?

4 A They were not invited, no.

5 Q Is it your position that resolutions like this to
6 take this type of action are permitted under the operating
7 agreement?

8 MS. PIKE-TURNER: Objection. Calls for a legal
9 conclusion.

10 THE COURT: Sustained.

11 BY MR. MAUPIN:

12 Q Well, you did do this by resolution, didn't you?

13 A Yes.

14 Q Now, are you aware of the fact that under 2.5 and
15 4.3 of the agreement there are provisions for making decisions
16 on behalf of the company?

17 A Yes.

18 Q And 2.5 basically says you need to -- if you're
19 calling a meeting you need to conduct business collectively
20 through a majority?

21 A Yes.

22 Q Unless otherwise provided in the agreement. So in
23 4.3 of the agreement it talks about the fact that you don't
24 need meetings, but you can deal with corporate business and
25 take actions by written consent and resolution in accordance

1 with the Act, capital A?

2 A Yes, the Nevada Act.

3 Q And capital A means the Nevada --

4 A LLC Act.

5 Q -- Limited Liability Company Act?

6 A Yes.

7 Q Now, are you familiar with that statute, statutory

8 construct?

9 A Yes, I've reviewed it.

10 Q Is there anything in that Act that covers

11 resolutions?

12 MS. PIKE-TURNER: Objection. Calls for a legal

13 conclusion.

14 MR. MAUPIN: Oh, no, it doesn't. It just asks for a

15 fact.

16 THE COURT: Statute. The statute. Does it include

17 resolutions?

18 THE WITNESS: No.

19 BY MR. MAUPIN:

20 Q If you know.

21 A It is silent.

22 Q So when -- so the -- if you had to exact this

23 resolution in accordance with the Act and you tried to refer

24 to the Act to make sure you're doing it right, there's nothing

25 there, is there?

1 MS. PIKE-TURNER: Objection to the form of the
2 question.

3 THE COURT: Overruled.

4 THE WITNESS: No. It's a permissive Act.

5 BY MR. MAUPIN:

6 Q Oh. It's a permissive Act.

7 A It's a --

8 Q That's your interpretation?

9 A That's my interpretation of it, is Nevada's a --

10 Q Very good.

11 Now, when you wrote this resolution this was an act
12 -- you were trying to expel them on behalf of NuVeda, not any
13 individual in the corporation?

14 A Yes.

15 Q So who was instructing you to take these actions on
16 behalf of the company?

17 MS. PIKE-TURNER: Objection. Privilege.

18 MR. MAUPIN: It's not privilege.

19 THE COURT: Overruled.

20 BY MR. MAUPIN:

21 Q It was Ms. Goldstein, wasn't it?

22 A No one instructed me.

23 Q Okay. Who was -- who was -- who gave the task of
24 generally handling this problem?

25 A That's not -- this is not something that I would do

1 because someone told me to do it.

2 Q That is not my question. You're having a little
3 problem with that. The question is did you do this on behalf
4 of Dr. Bady.

5 A I did it on behalf of the corporation.

6 Q Right. So -- but the corporation has to act through
7 its agents; correct?

8 A Yes.

9 Q And Ms. Goldstein is an agent of the company. She's
10 a general counsel; correct?

11 A Yes.

12 Q And because you're not licensed here, you acted
13 under her license; is that correct?

14 A I acted under her supervision, yes.

15 Q And under her supervision. That's my point.

16 MS. PIKE-TURNER: Well, objection. That misstates
17 her --

18 THE COURT: Overruled.

19 THE WITNESS: Her supervision in the sense -- I feel
20 like I should explain that, if that's --

21 THE COURT: I understand the ethical rule.

22 BY MR. MAUPIN:

23 Q No. You may, but I haven't asked you anything about
24 that.

25 A Okay.

1 Q Now, do you regularly draft limited liability
2 company operating agreements?

3 A Yes.

4 Q And you have in front of you the NuVeda agreement?

5 A Yes.

6 Q Now, it has a kind of a familiar tiny pica print to
7 it, doesn't it? I think it's real small print, and it's in a
8 pica font.

9 A Not -- not the actual agreement that I have. I have
10 actually a really nice .pdf.

11 Q Well, that's nice. But the agreement that's been
12 produced and is in evidence here has -- is it a form?

13 A What do you mean?

14 Q Well, it comes in the same type of presentation of
15 at least 50 of these things I've seen. I'm just asking you
16 does this appear to be a form agreement.

17 A In corporate law we draft everything with a form,
18 and then we modify. This has been heavily modified for
19 NuVeda. Is that -- does that answer your question?

20 Q Fair enough. Fair enough.

21 A Okay.

22 Q And you were not asked to review the proposal with
23 CW?

24 A No. I -- no.

25 MR. MAUPIN: With that in hand I have no further

1 questions.

2 THE COURT: Mr. Dushoff? Mr. Dushoff, you're up.

3 MR. DUSHOFF: Thank you.

4 CROSS-EXAMINATION

5 BY MR. DUSHOFF:

6 Q Ms. Stevenson --

7 A Yes.

8 Q -- you're not an attorney in Nevada; correct?

9 A Yes.

10 Q Have you ever registered with the State Bar of
11 Nevada --

12 A No.

13 Q -- to say that you were working as in-house counsel
14 for a Nevada company?

15 A I was not in-house counsel.

16 Q You weren't NuVeda's counsel?

17 A I was not in-house counsel. There's a difference.
18 I was outside --

19 Q Okay. What were you?

20 A Outside corporate counsel.

21 Q Did you register in the state of Nevada?

22 A No. Under 5.5(b)(5) I believe is the rule.

23 Q Did you ever look at the Nevada Supreme Court rules
24 regarding that?

25 A I looked at multiple rules, I discussed the matter

1 with multiple lawyers, because there's two issues with me
2 representing Nevada -- I mean NuVeda. One is it's a medical
3 marijuana establishment and there's ethics rules with that,
4 and then there is also the out of state issue.

5 Q Okay. So the answer is no, you did not; correct?

6 A I did look at multiple -- I don't recall what I
7 looked at, but I do remember looking at State of Nevada
8 opinions and along with Virginia opinions on the matter.

9 Q And based on that you decided that you didn't need
10 to register in the state of Nevada; correct?

11 A Yes.

12 Q You made a -- on direct examination you made it very
13 clear that you tried to get a hold of Vincent Aiello; correct?

14 A Yes.

15 Q All right. And on November 24th you sent him I
16 believe it's Exhibit 9 --

17 THE COURT: 17.

18 MR. DUSHOFF: 17. I apologize. Thank you.

19 BY MR. DUSHOFF:

20 Q -- Exhibit 17 -- no, 7. Where's the email?

21 THE COURT: 17.

22 MR. DUSHOFF: 17. Their 17. Thank you.

23 BY MR. DUSHOFF:

24 Q You sent this email to Vincent Aiello; correct?

25 A Yes. On November 24th?

1 Q Right.

2 A Yes.

3 Q And you've testified that subsequent to that and
4 before that you haven't heard from Aiello; is that correct?

5 A Yes.

6 MR. DUSHOFF: I'd like to have this marked, please,
7 as our Exhibit --

8 THE COURT: You're 200s.

9 MR. DUSHOFF: -- 131?

10 THE COURT: Are you using their book, too?

11 MR. DUSHOFF: I'm not using their book right now.

12 THE COURT: Or do you want to be your own series?

13 MR. DUSHOFF: What?

14 THE COURT: You want your own series numbers, or you
15 want to use --

16 MR. DUSHOFF: Yeah, I want to use ours. This is --
17 this was not an exhibit in the beginning. We have a copy of
18 it.

19 THE COURT: So why don't you call it 200.

20 MR. DUSHOFF: I'll call it 200. That's fine.

21 MS. PIKE-TURNER: Can I see it?

22 MR. DUSHOFF: Absolutely.

23 MS. PIKE-TURNER: I don't have any objection, Your
24 Honor. I'd like to keep the copy.

25 THE COURT: Do we need to make some extra copies?

1 MR. DUSHOFF: We've got to make copies.
2 MS. PIKE-TURNER: I've never seen it.
3 THE COURT: Kevin, how about four.
4 MS. PIKE-TURNER: Thanks, Kevin.
5 THE COURT: So 200 will be admitted when you get it
6 back, Dulce.
7 (Defendant's Exhibit 200 admitted)
8 THE COURT: So we have to break for your hearing the
9 -- so you're going over to Federal Court. Your hearing's at
10 12:30. When do you think you'll be back?
11 MS. PIKE-TURNER: I would hope to be back by 1:00.
12 THE COURT: If I break from like 12:00 to 1:15, are
13 you okay?
14 MS. PIKE-TURNER: Since the defendant filed for
15 bankruptcy, I think it'll be real quick.
16 THE COURT: I don't tell federal judges how to do
17 their job. 12:00 to 1:15 going to work? Is everybody okay
18 with that break?
19 MR. MAUPIN: Certainly. I don't want to object to
20 this notion that the supremacy clause applies between general
21 jurisdiction judges in the federal system and in the state
22 system.
23 THE COURT: At least he scheduled it while was going
24 to have a lunch break. I was really impressed by that. Did
25 he do it on purpose, or was that --

1 MS. PIKE-TURNER: He did.

2 THE COURT: That's nice. That's really nice. Tell
3 him I said thank you.

4 MS. PIKE-TURNER: When I told him I was in here he
5 said I could advise you that I can be there at 12:30. And I
6 thought Bill Maupin might have a few comments on that.

7 THE COURT: I get one, too. Thank you.

8 All right.

9 BY MR. DUSHOFF:

10 Q Ms. Stevenson, I'm showing you what has been marked
11 as Exhibit 200.

12 THE COURT: It's admitted.

13 BY MR. DUSHOFF:

14 Q Admitted as Exhibit 200. Do you recognize this?

15 A Yes. It's an email he sent in response to my
16 November 24th --

17 Q Okay. And this is November -- it's the day after;
18 correct?

19 A Yes.

20 Q So when you just testified that you hadn't heard
21 from Mr. Aiello regarding this that wasn't true, because he
22 responded to you the very next day, didn't he?

23 A I hadn't -- my understanding was I was being asked
24 about the period of time before the November 24th. And you're
25 absolutely right, he did respond to me on the 25th. But

1 during that time he --

2 Q I didn't ask you that question before. I asked you
3 when you testified on direct examination specifically that
4 subsequent to your November 24th email you hadn't heard from
5 Vincent Aiello? Do you remember that testimony?

6 MS. PIKE-TURNER: Objection. It misstates her prior
7 testimony.

8 THE COURT: Overruled. She can explain.

9 THE WITNESS: Prior to the November 24th letter I
10 had not heard anything from him on the communications that we
11 had. This was November 25th. My understanding of what I was
12 answering was prior to November 24th.

13 BY MR. DUSHOFF:

14 Q I just asked you two minutes ago that subsequent to
15 your November 24th email have you heard from Vincent Aiello.
16 And consistent with your direct examination, you said no. Do
17 you remember that?

18 MS. PIKE-TURNER: Objection. Misstates her --

19 THE COURT: Overruled.

20 BY MR. DUSHOFF:

21 Q If you remember.

22 THE COURT: You can answer.

23 THE WITNESS: I had this letter from Vincent Aiello
24 November 25th.

25 //

1 BY MR. DUSHOFF:

2 Q Okay.

3 A So if I said something to the contrary, I misstated.

4 Q Have you ever drafted an operating agreement in the
5 state of Nevada?

6 A No.

7 Q All right. So this operating agreement in this
8 case, which is Exhibit 1 in our part, that operating agreement
9 is drafted for a Nevada company; correct?

10 A Yes.

11 Q Did you have any hand in drafting that?

12 A No.

13 Q That was drafted by Ms. Goldstein; correct?

14 A I have -- that's my understanding of it. I have no
15 firsthand knowledge.

16 Q All right. She never told you that she drafted
17 this?

18 A I believe she did.

19 Q Did Ms. Goldstein propose this to you or ask you for
20 any help in drafting this operating agreement?

21 A I never helped in drafting this operating agreement.
22 It was executed 2014.

23 Q Did you ever prepare an application for a marijuana
24 establishment in the state of Nevada?

25 A Absolutely not.

1 Q Okay. Are you aware of the rules and regulations
2 regarding the licensing for the state for a marijuana license?

3 A I am aware of them. I'm not an expert in the area,
4 nor do I represent NuVeda.

5 Q Yeah. I understand you're aware of them. But have
6 you ever applied them? Have you ever used them?

7 A During the deal process we went through the rules.

8 Q I understand you went through them. I can read
9 them, anybody can read them. But have you ever applied them?
10 Did you ever use them?

11 A It was applied during the deal that I worked on, but
12 under --

13 THE COURT: The due diligence process?

14 THE WITNESS: During the due diligence process, yes.

15 THE COURT: Thank you.

16 BY MR. DUSHOFF:

17 Q Did you prepare any -- did you help prepare any of
18 the applications in the state of Nevada --

19 A No.

20 Q -- for NuVeda?

21 A No.

22 Q How about for the County, Clark County?

23 A No.

24 Q No. How about for Nye County?

25 A None of them.

1 Q How about for the City of North Las Vegas?

2 A None of them.

3 Q Okay. And that includes the City of Las Vegas, as

4 well; correct?

5 A None of them.

6 Q What action have you taken with the State of Nevada

7 or what contact have you had with the State of Nevada

8 regarding NuVeda's licenses and their marijuana licenses?

9 A That was not the scope of my representation.

10 Q I'm sorry?

11 A None. That was not the scope of my representation.

12 Q I didn't ask you -- is it you had none?

13 A None.

14 Q How about with the City of Las Vegas?

15 A It's all none.

16 Q I want to talk about their Exhibit 7. You prepared

17 this document; correct?

18 A Yes.

19 Q And before you prepared this document there was an

20 investigation done; correct?

21 A Yes.

22 Q Did you conduct that investigation?

23 A Not the formal investigation. I had my own

24 information.

25 Q Who performed the investigation?

1 A Some of it -- some of the information was disclosed
2 during the diligence process with the other party, and then
3 additional information came out and I reviewed the documents.

4 Q You just expelled --

5 A I didn't expel. I drafted the agreement.

6 Q You just drafted the agreement to expel the majority
7 shareholders; correct? That's Exhibit 7.

8 A Yes.

9 Q Okay. Who -- did you conduct the investigation to
10 do that?

11 A I'm sorry?

12 Q Did you conduct the investigation that led to their
13 expulsion?

14 A I conducted my own investigation to be comfortable
15 with the fact that I'd drafted that.

16 Q When did you start conducting your investigation?

17 A It had been during the -- again, during the
18 diligence process many of this came out, and then --

19 Q Many of what came out?

20 A Many of the information about the self dealing
21 started coming out. And then I was -- I was -- I looked at
22 other documents and other information, and then from other
23 information then I knew. But I prepared the document. I did
24 not execute the document. From my standpoint I took the extra
25 step of being comfortable with it, but my comfort level --

1 this was executed by the members, the disinterested --

2 Q It was executed by the minority members; correct?

3 A The disinterested members.

4 Q Right. The disinterested members, who were the
5 minority members; correct?

6 A Yes.

7 Q NuVeda?

8 A Yes.

9 Q So you based this on information that you received
10 that you believed that there was self dealing on behalf of Dr.
11 Bady; correct?

12 A And information that I reviewed, for example, the
13 Secretary of State filings.

14 Q And the Secretary of State filings.

15 A Yes.

16 Q Okay. So information that you believed that you
17 received regarding Dr. Bady self dealing and Secretary of
18 State filing led you to draft this document which is Exhibit 7
19 to expel them; correct?

20 A Yes.

21 Q At any time during your investigation, since you
22 said it was self dealing, did you ever talk with Dr. Bady, the
23 majority shareholder in this company?

24 A That's privileged.

25 Q I didn't ask you what you said. I asked you did you

1 say it -- did you talk with him?

2 THE COURT: Did you speak to Dr. Bady is what he's
3 asking.

4 THE WITNESS: We had a general discussion about
5 corporate housekeeping then.

6 BY MR. DUSHOFF:

7 Q I didn't ask you that. You drafted and expulsion
8 agreement in Exhibit 7 to expel the majority members of
9 NuVeda. My question to you is did you even contact --

10 A Absolutely.

11 Q -- Dr. Bady regarding the allegations of self
12 dealing.

13 A Yes, I did. And he was represented by counsel, so I
14 ceased communications.

15 Q When did you do that?

16 A It was all around the same time.

17 Q Okay. Then I'm confused. When did you commence
18 your investigation of the alleged self dealing?

19 A It is -- when did I commence?

20 Q Yeah.

21 A Again, I was aware of it from the -- from -- in the
22 summer into fall when we were doing the due diligence.

23 Q Okay. So you were aware of it during the due
24 diligence. That's summer.

25 A I became aware of it.

1 Q Would you say August?

2 A September I think is when things started to fall
3 apart.

4 Q Okay. And at that point in time, in September when
5 you had an inkling that there could have been self dealing --

6 A Yes.

7 Q -- at any time at that point did you contact Dr.
8 Bady and say, hey, Dr. Bady, I found some interesting issues
9 regarding NuVeda, you're the majority member, can we talk
10 about this?

11 A That's --

12 MS. PIKE-TURNER: Objection. Asked and answered,
13 Your Honor. She said she contacted counsel.

14 THE COURT: Overruled. It's a yes or no. Did you
15 contact him? And then I don't to know what you talked about.

16 THE WITNESS: I'm trying to answer just as
17 accurately as I can, and it's hard to do a yes or no, because
18 I brought up the issues that all of this needed to be fixed.
19 BY MR. DUSHOFF:

20 Q In September when you're doing your due diligence,
21 yes or no?

22 A I wasn't doing the due diligence. The other side
23 was doing the due diligence. I became aware of it because the
24 other side was raising questions. The full extent of it I was
25 not aware of until later in the process.

1 Q Well, you stated in September you became aware. Is
2 that an accurate statement?

3 A I became aware of some. Not the full extent.

4 Q At that point in time did you contact Dr. Bady
5 regarding the due diligence and the findings of the due
6 diligence?

7 A I didn't fully grasp the -- at that time no.

8 Q Okay. Thank you. When you fully grasped what you
9 allege was that in November 18th, around November 18th of
10 2015?

11 A It was on or about that time. I reached my -- I
12 reached out to Dr. Bady when -- after it was -- after I was
13 comfortable with the allegations being --

14 Q And the comfortable, when you say comfortable with
15 the allegations, that was November when?

16 A I don't recall. But it was around the same time I
17 contacted Dr. Bady.

18 Q Okay. So due diligence regarding the Daniels deal,
19 when did that blow up?

20 A In late September-November.

21 Q Okay. Well, you missed an entire month there. Was
22 it late September, was it in October, was it in November?

23 A I don't recall.

24 Q Okay. So let's call it late September.

25 A Somewhere in that range.

1 Q Okay. So late September you knew the deal blew up,
2 and you knew the deal blew up because of the alleged self
3 dealing; correct?

4 A Some self dealing. I wasn't aware of the full
5 extent of the self dealing.

6 Q Some self dealing?

7 A Yes.

8 Q And that some self dealing at that point in time
9 would have jeopardized -- potentially jeopardized their
10 marijuana license in your opinion?

11 A Not necessarily. It would have jeopardized
12 investment.

13 Q Okay. It would have jeopardized? I'm sorry?

14 A If another company did diligence, they would flag
15 this issue.

16 Q Okay. And then what?

17 A You would fix it.

18 Q Okay. So it was fixable?

19 A That's 2Prime.

20 Q Well, let's talk about this. You realized about
21 2Prime in September; correct?

22 A I started to get a realization of it in September.

23 Q Not started to get a realization. You knew of
24 2Prime back in September.

25 A I didn't know when the actions were -- I can't

1 answer this without breaking privilege.

2 Q And you checked the Secretary of State filing on the
3 2Prime?

4 A I checked that --

5 Q Secretary of State of Nevada.

6 A I checked that in November.

7 Q You didn't check that back in September when you
8 heard about 2Prime?

9 A No. Because I didn't fully -- that one I understood
10 -- I can't answer these without breaking privilege.

11 Q I'm asking just yes or no questions. I'm not asking
12 what you told somebody. I'm just asking you yes or no.

13 So back in September you knew potentially that there
14 were allegations of self dealing on Dr. Bady; correct?

15 A There was a potential issue, yes.

16 Q Not a potential issue. There was an issue.

17 A Yes.

18 Q And at that point in time you did not contact Dr.
19 Bady regarding what you found?

20 A This is why I said it's hard to answer yes or no,
21 because there was contact. It was about -- I had --

22 Q Okay. Was there contact about the alleged self
23 dealing?

24 A I can't answer that without breaking privilege.

25 Q You can say yes or no.

1 A Can you reword the question so that I can answer it
2 accurately? I mean --

3 Q I'm not going to reword the question unless the
4 Judge orders me to reword the question.

5 A Or repeat it.

6 THE COURT: Can you rephrase your question.

7 MR. DUSHOFF: Sure.

8 BY MR. DUSHOFF:

9 Q Did you ever speak with Dr. Bady regarding the
10 alleged self dealing in September?

11 A I can't answer that accurately with a yes or no.

12 Q Did you have any communication with Dr. Bady --

13 A Yes.

14 Q -- in September?

15 A Yes.

16 Q Okay. Did you have any conversation with Dr. Bady
17 regarding the Daniels deal in September?

18 A Yes.

19 Q Okay. Did you contact -- when you contacted Dr.
20 Bady did you contact everybody? Was it a group email?

21 A This was a -- what I'm recalling was a phone
22 conversation.

23 Q Okay. A phone conversation solely with Dr. Bady?

24 A I don't remember. I believe that other people may
25 have been on.

1 Q Okay. And at that point in time -- so other people,
2 when you say other people you mean other members of NuVeda;
3 correct?

4 A Yes. Shane Terry I -- Shane Terry may have been on
5 that call.

6 Q Okay. And you don't represent Dr. Bady in his
7 individual capacity; is that correct?

8 A No.

9 Q You don't represent Shane Terry in his individual
10 capacity; correct?

11 A No.

12 Q As a matter of fact, you represent none of the
13 members in their individual capacity?

14 A That's correct.

15 Q So during that conversation with Shane Terry and Dr.
16 Bady in September you were talking about the Daniels deal;
17 correct? I think that's what you said.

18 A It was -- no. You said, did you have a conversation
19 about the Daniels --

20 Q Okay. Did you have a conversation about the Daniels
21 deal?

22 A That conversation was a general corporate advice
23 conversation that I had about what they need to do to get
24 themselves ready for -- to fix many issues that were
25 disclosed.

1 Q Okay. And was one of those issues any of the issues
2 that you brought up in Exhibit 7?

3 A Yes.

4 Q Okay. Let's look to Exhibit 7.

5 A It's not listed.

6 Q That's what we're going to. You drafted this;
7 correct?

8 A Yes.

9 Q Okay. This exhibit is the action taken by the
10 minority shareholders or the disinterested voters to vote out
11 the majority shareholders in NuVeda; correct?

12 A Yes.

13 Q Okay. So this document is the action document, for
14 lack of a better phrase; correct?

15 A Yes.

16 Q All right. This is the document pursuant to the --
17 pursuant to the operating agreement that you relied upon in
18 order to divest the majority shareholders of their interest in
19 NuVeda; correct?

20 A It's a document I drafted to that effect, yes.

21 Q All right. And after this document -- from -- or
22 the consequence of filing this document --

23 A There's no filing.

24 Q Or, I apologize, there is no filing. As a
25 consequence of signing this document and delivering the

1 document to Dr. Bady and Dr. Mohajer, they no longer had an
2 interest in NuVeda; correct?

3 A Yes.

4 Q Can you show me anywhere, anywhere in this document,
5 the one that is used to divest the majority shareholders of
6 any interest, the specific actions that they took in order to
7 have their entire interest expelled?

8 A The actions that they partook is referred to in the
9 whereas clauses. It's not specifically listed for legal
10 reasons.

11 Q I'm sorry. You said for legal reasons?

12 A For corporate, yes, in the corporate documents.
13 That was my opinion at the time.

14 Q But my question to you is the document, the one
15 document -- this is the one document, right, that expelled
16 them?

17 A Absolutely.

18 Q This one document that you used to expel them in
19 nowhere -- anywhere in this document did you explain or show
20 or anything regarding any specific conduct done?

21 A It talks about the conduct done in the first two
22 whereas clauses and what is -- actually in the second and
23 third whereas clauses, and then it further discusses the
24 compromising company --

25 Q You're an attorney.

1 A Absolutely.

2 Q Those are conclusions, aren't they? You never said
3 anything specific actions that he did any alleged self dealing
4 or he did this with Prime2 [sic] or -- none of that stuff's in
5 here.

6 A So if you're asking if I'm an attorney, you're
7 asking if I did this the way I would normally execute --

8 Q No.

9 A -- normally I would draft these documents. And this
10 is how I would normally draft these documents.

11 Q That's how you normally draft these documents;
12 correct?

13 A Yes.

14 Q And the answer to my question is nowhere in here are
15 there any specific allegations.

16 A That's not correct. There's discussions of breaches
17 of fiduciary duty, that's a specific allegation.

18 Q But it doesn't tell you what Mohajer or Dr. Bady did
19 to breach the fiduciary duty, does it? That's just a claim.

20 A Those are -- yes.

21 Q You testified -- Mr. Maupin earlier in the
22 testimony --

23 A I'm sorry. Can you repeat that.

24 Q I'm sorry. I still can't. I still have to use
25 Justice Maupin.

1 You testified -- you remember when Justice Maupin,
2 Bill Maupin cross-examined you you testified that you did not
3 see -- that you only saw the Jaccarino letter after your
4 November 18th Exhibit 7 action. Do you remember that?

5 A Uh-huh.

6 Q Okay. Then later on you testified that you did see
7 the Jaccarino days before you took action. Do you remember
8 that testimony?

9 A That's dated November 18th. And this is dated
10 November 20th.

11 Q I understand what day it's dated. I get that.

12 A If you're asking me if I saw or in any way saw that
13 letter and contributed to it, I did not.

14 Q Okay. So it's your testimony now that you did not
15 see --

16 A No, no. That's not accurate. That's not accurate.
17 I'm not changing my testimony.

18 Q Hold on. Let me -- hold on.

19 A You're implying.

20 THE COURT: Wait. It's really important only one
21 person at a time speaks, because we make a record in court.
22 And so if two of you are speaking, my record gets all screwed
23 up.

24 THE WITNESS: Sorry, Your Honor.

25 THE COURT: So you have to let him finish his

1 question even if it seems like you know what he's asking,
2 because sometimes he changes on you.

3 THE WITNESS: I understand, Your Honor.

4 THE COURT: And then if you could answer, please.

5 BY MR. DUSHOFF:

6 Q So is it your testimony that you did not see the
7 Jaccarino letter before the action was taken to expel Dr. Bady
8 and Dr. Mohajer?

9 A No, I did not see it.

10 Q So you only saw that letter afterwards; correct?

11 A That's my recollection of it, yes.

12 Q You were in touch -- how often were you in touch
13 with Jennifer Goldstein regarding NuVeda since you were
14 retained?

15 A During the transaction I was very much in touch with
16 her. And then there was a period of lull where I was not in
17 touch with her. I had communications with Shane Terry.

18 Q So you had communications with Shane Terry, and you
19 had communications with Jennifer Goldstein regarding NuVeda on
20 a relatively daily basis; correct?

21 A When is the daily basis?

22 Q When were you retained?

23 A In the summer. June --

24 Q Summer of 2015?

25 A Yes.

1 Q And you said Dr. Bady retained you.

2 A Yes.

3 Q All right. Have you been paid as the attorney for
4 NuVeda?

5 A Only partially.

6 Q How much are you owed by NuVeda?

7 A Approximately 40,000.

8 Q If the preliminary injunction is not granted, would
9 you receive payment from NuVeda in this matter?

10 A I'm not sure.

11 Q What do you mean you're not sure?

12 A I will send a bill, but the deal -- the deal was
13 that after -- because I knew the NuVeda -- somewhat foolishly
14 I knew that NuVeda was in a tight financial situation, so
15 payment was -- I waited -- after a conversation with Dr. Bady
16 he asked me to wait to send a bill until after the Dr. Daniel
17 deal closed. It did not close.

18 Q Did you request payment from Jennifer Goldstein?

19 A No.

20 Q She was the attorney.

21 A Mo.

22 Q Isn't it true that if they are successful in getting
23 this preliminary injunction that they will pay you your money
24 that is owed?

25 A If I wanted a conflict of interest, I would have

1 picked their side, because they're the side that has money,
2 with all due respect. I chose the side that -- I went with
3 what was in the best interests of the corporation knowing that
4 Shane Terry and Ms. Goldstein have nowhere near the funds that
5 Dr. Bady has. So if that's the crux of your question, which
6 is asking me if I had a conflict of interest because of that,
7 that's your answer.

8 Q Well, it's good, and I appreciate that. But that
9 wasn't my question. My question was if they win the
10 preliminary injunction isn't it true they said they're going
11 to pay you.

12 A No. I will send my bill regardless of what happens.

13 Q Let me ask you this. During the due diligence with
14 the Daniels deal who were you in contact with over -- for
15 NuVeda?

16 A Mostly Dr. Bady.

17 Q What conversations did you have with Jennifer
18 Goldstein?

19 MS. PIKE-TURNER: Objection. Privilege.

20 THE COURT: Sustained.

21 BY MR. DUSHOFF:

22 Q Did you have conversations with Jennifer Goldstein?

23 A Yes.

24 Q Okay. And at the time you felt that there could
25 have been self dealing in your belief did you have

1 conversations with Jennifer Goldstein?

2 A About the self dealing?

3 Q Yep.

4 A Again, it's -- only about the potential of self
5 dealing.

6 Q Well, there was a meeting called, right, a meeting
7 to expel the majority shareholders; right?

8 A It was done by written action.

9 Q Right. But there had to be -- you had to get the
10 minority shareholders together on that; correct?

11 A You distribute documents --

12 Q Right.

13 A -- for signature via DocuSign.

14 Q Called the minority shareholders?

15 A Yes.

16 Q At any time, any time did you invite Dr. Bady or Dr.
17 Mohajer to a meeting to discuss the allegations?

18 A I was not allowed to communicate with them because
19 they were represented by counsel. I tried to invite them. I
20 tried to invite Dr. Bady.

21 Q You tried -- whoa. You tried to invite Dr. Mohajer?

22 A No. Dr. Bady.

23 Q Okay.

24 A That's --

25 Q But you or the members, disinterested members not

1 only expelled Dr. Bady, but expelled Dr. Mohajer; correct?

2 A Dr. Mohajer and -- correct. Because -- may I answer
3 that, or no?

4 Q No.

5 A Okay.

6 Q That was my question to you.

7 A Yes.

8 Q Did you ever send any invitation, any correspondence
9 to Dr. Mohajer or his attorneys to invite him to go to this
10 meeting in which you were going to vote to expel them?

11 A Dr. Mohajer didn't have attorneys at that point.
12 But no, because he had also for the same -- actually I can't
13 -- I feel like I can't answer that without attorney-client
14 privilege.

15 Q And isn't it a fact that it was actually Ms.
16 Goldstein who headed up the campaign to expel Dr. Bady and Dr.
17 Mohajer?

18 A She's the one who approached me about it.

19 Q Are you aware of 4Front?

20 A On the periphery, yes.

21 Q What do you mean on the periphery?

22 A I haven't -- I know of them. I know -- I've never
23 met with them.

24 Q 4Front is a deal that the minority shareholders in
25 NuVeda want to do; is that correct?

1 A Yes.

2 Q All right. And isn't it true that part of that deal
3 would mean Dr. Bady and Dr. Mohajer would not be part of
4 NuVeda?

5 A I am not -- I have not reviewed any deal documents
6 for 4Front.

7 Q When did you become -- no longer become counsel for
8 NuVeda?

9 A On the day of the mediation, whenever that day was.

10 Q So before that day of the mediation were you aware
11 that a 4Front -- that there was a 4Front deal with the
12 minority shareholders?

13 A I believe there were -- my understanding was there
14 were talks of a deal.

15 Q And you never saw that deal?

16 A No.

17 Q All right. Were you ever given an understanding of
18 that deal that that deal would only go through if Dr. Bady and
19 Dr. Mohajer were no longer with NuVeda?

20 A I don't know.

21 Q Let's turn to our Exhibit 1.

22 MS. PIKE-TURNER: 101?

23 THE COURT: 101.

24 BY MR. DUSHOFF:

25 Q 101. I apologize. Go to Section 6.2. And it's

1 pursuant to this section that you expelled Dr. Bady and Dr.
2 Mohajer?

3 A Yes.

4 Q And it's under this section that you grouped them as
5 coconspirators; correct?

6 A They were grouped as disinterested voting members.

7 Q I didn't ask you that. The question before you is
8 were they grouped as conspirators, coconspirators.

9 A Yes.

10 Q As an attorney do you know what the legal definition
11 of "conspiracy" is?

12 A I'm aware of it. I'm not a -- it's a -- two people
13 collude. Yes, I'm aware of the definition.

14 Q And so is it your testimony that Dr. Mohajer -- that
15 Dr. Mohajer and Dr. Bady conspired, agreed to do something
16 that wasn't in the best interest of the company?

17 A From my understanding of the facts, yes.

18 Q But your understanding of the facts in your
19 statements before were -- and in your email were only regards
20 to Dr. Bady; correct?

21 A Yes. Because it was communication with Dr. Bady's
22 counsel.

23 Q Let's go to 6.2. This is the expulsion.

24 A Uh-huh.

25 Q First line, "A member's interest," this -- when it

1 says "A member's interest," as somebody who writes and drafts
2 these, that's not plural, is it?

3 A No.

4 Q It's a singular member?

5 THE COURT: Singular possessive.

6 BY MR. DUSHOFF:

7 Q Singular possessive.

8 THE COURT: And we're breaking now, because I have
9 to get somebody to Federal Court.

10 MR. DUSHOFF: Not a problem.

11 THE COURT: So we'll see you at 1:15. There's a
12 very strange decision in Nevada that says if you are in the
13 middle of an examination you shouldn't consult with anybody
14 because it's not privileged. So just making you aware of
15 that, since you're not licensed here and we do have unusual
16 decisions from our Supreme Court.

17 THE WITNESS: I appreciate it. Thank you.

18 THE COURT: Anything else? See you guys at 1:15.

19 MS. PIKE-TURNER: Thank you, Your Honor.

20 MR. DUSHOFF: Thank you.

21 THE COURT: How many more witnesses have you got,
22 three, two?

23 MS. PIKE-TURNER: Two more after Ms. Stevenson.

24 THE COURT: And then how many have you guys got?

25 MR. MAUPIN: It's going to be at least -- I'm sorry,

1 Your Honor. It would be -- we have three here --

2 THE COURT: No. That means tomorrow, you'll be

3 finishing tomorrow. I've got to go check and see what I'm

4 doing tomorrow.

5 MS. PIKE-TURNER: Your Honor, while we're talking

6 about housekeeping --

7 THE COURT: You're supposed to be going to Federal

8 Court.

9 MS. PIKE-TURNER: I know. Can I approach the bench?

10 They can come.

11 THE COURT: Come up here, Mr. Naylor and/or Mr.

12 Dushoff or whoever.

13 (Bench conference)

14 MS. PIKE-TURNER: I think Mr. Naylor is aware I have

15 [inaudible].

16 MR. DUSHOFF: What is it?

17 THE COURT: She has an appointment tomorrow

18 afternoon, medical appointment.

19 MR. DUSHOFF: Well, hopefully we can finish --

20 THE COURT: I don't think we're going to finish

21 today at the pace you guys are going.

22 MS. PIKE-TURNER: Yeah, I don't think so.

23 THE COURT: Okay. So we'll talk about scheduling

24 when you get back.

25 MS. PIKE-TURNER: But tomorrow morning is -- yeah.

1 (End of bench conference)

2 THE COURT: I have a criminal hearing tomorrow
3 maybe, so I'm trying to figure that out.

4 (Court recessed at 12:01 p.m., until 1:55 p.m.)

5 THE COURT: Okay. Let's go.

6 REDIRECT EXAMINATION

7 BY MS. PIKE-TURNER:

8 Q The Exhibit 7 in the black book, that's the action
9 by consent that you prepared?

10 A Yes.

11 Q Now, the recitals -- you testified in cross those
12 provide general descriptions that you wrote; correct?

13 A Yes.

14 Q Did those correlate to specific conduct?

15 A Yes.

16 Q Did you omit the specific conduct for a reason?

17 A I did.

18 Q And what was that reason?

19 A The conduct is -- it's basic corporate
20 recordkeeping. You don't put dirty laundry there in your
21 corporate record books. And then the other element of it is
22 the licenses. You do not want it listed out in your corporate
23 records.

24 Q Did you feel it was in NuVeda's best interests to
25 have that general description of the wrongful conduct?

1 A Yes.

2 Q Now, if you go to Exhibit 17 in that same book,
3 Bates Number 113 in the bottom right-hand corner, the list --
4 there's four bullet points up at the top. Are those the
5 specific acts that correlate with the general descriptions?

6 A There's more, but those were the acts that were
7 discussed in the letters that were already made public.

8 Q And were you aware of alleged conduct adverse to
9 NuVeda's interests where Mohajer and Bady acted jointly?

10 A Yes.

11 Q Now, in response to this email you testified that
12 you did not hear back from Mr. Aiello with respect to those
13 bullet points; correct?

14 A No.

15 Q Now, if you go to Exhibit 200, it's that looseleaf
16 one that was added.

17 THE COURT: Is it in the book, or just -- there it
18 is. Kevin has it.

19 BY MS. PIKE-TURNER:

20 Q That's the letter.

21 A Thank you so much.

22 Q This letter dated November 25th from Mr. Aiello
23 that's set forth at Exhibit 200, is there anywhere in this
24 letter where Mr. Aiello addresses those bullet points and the
25 specific conduct that's outlined in your correspondence at

1 Exhibit 17?

2 A I don't recall, but I would have to review it.

3 There are not.

4 Q So at any point -- to be clear, in response to your
5 correspondence set forth at Exhibit 17 did Dr. Bady or his
6 counsel ever address the specific conduct outlined in your
7 email?

8 A No.

9 Q Now, you worked with investors or potential
10 investors other than Dr. Daniel; correct?

11 A Very -- on behalf of NuVeda?

12 Q Yes.

13 A Very briefly.

14 Q Okay. When information was being communicated from
15 NuVeda to an investor or potential investor did you review
16 that information to make sure it was accurate?

17 A No.

18 Q You were given information, and it was passed to the
19 other side?

20 A A lot of times it was directly sent from NuVeda,
21 with me copied.

22 Q So when you were provided information from Dr.
23 Daniel's side was that the first time that you realized that
24 there were specific bad acts?

25 A Yes.

1 Q And without any alleged wrongdoing being raised to
2 your attention you didn't go out and investigate transactions?

3 A Not at that time, no.

4 Q Okay. It was subsequent to issues being raised by
5 Dr. Daniel's group?

6 A It was subsequent to that, yes.

7 Q Now, you testified in cross the Jennifer Goldstein
8 approached you regarding the consent.

9 A Yes.

10 Q Did Jennifer Goldstein direct you to expel the
11 members?

12 A Not at all.

13 MR. MAUPIN: Well, it's out --

14 THE COURT: Overruled.

15 BY MS. PIKE-TURNER:

16 Q And in your correspondence to Mr. Aiello you
17 indicated, "We will be working to correct this with the IRS,"
18 with respect to the K-1s. Do you recall that?

19 A Yes.

20 Q Do you recall whether there was any communication
21 from Pej Bady or Pouya Mohajer that they were willing to amend
22 the K-1s?

23 A None that I'm aware of.

24 MS. PIKE-TURNER: I don't have any further
25 questions. I'll pass the --

1 THE WITNESS: There's one thing I want to correct in
2 case --
3 MR. DUSHOFF: There's no question pending.
4 MR. MAUPIN: There's no question pending.
5 THE COURT: There's no question pending.
6 MS. PIKE-TURNER: Well, Your Honor, can I take my --
7 take my passing of the witness back for just a moment?
8 THE COURT: Yes, you can take your pass back real
9 quick.
10 BY MS. PIKE-TURNER:
11 Q Is there any answer that you wish to correct?
12 A There was a -- I was asked if I have seen the CW
13 Nevada deal in multiple ways I don't recall. But I do want to
14 make it clear that once it was produced to the Court I did see
15 it. I was not involved with it at all previously.
16 MS. PIKE-TURNER: Okay. Thank you.
17 THE COURT: So when it became Exhibit 20 you saw a
18 copy of it?
19 THE WITNESS: Yes.
20 THE COURT: Okay. Now? Recross? Have you still
21 passed?
22 MS. PIKE-TURNER: No, not yet.
23 BY MS. PIKE-TURNER:
24 Q When you received a copy of the CW agreement --
25 That was subsequent to December 18th; yes?

1 A Yes.

2 Q -- did you provide any advice to NuVeda based on
3 that agreement?

4 A I did.

5 Q And what was -- no?

6 MS. PIKE-TURNER: That's it. Thank you.

7 THE COURT: She stopped.

8 Mr. Maupin, would you like to examine further?

9 MR. MAUPIN: No, but I will.

10 THE COURT: Okay.

11 RE CROSS-EXAMINATION

12 BY MR. MAUPIN:

13 Q Just to be clear, you indicated that Dr. Bady did
14 not respond to you. And what was your communication with him?
15 Did not respond to your charges against him. When was that?

16 A Around November 18th onward.

17 Q Ah. So they didn't respond to you within 48 hours
18 before you offed them.

19 MR. MAUPIN: No further questions.

20 MS. PIKE-TURNER: Your Honor, I'm going to move to
21 strike the commentary from Mr. Maupin.

22 THE COURT: Denied. Overruled.

23 And next? Do you want to do any more? Mr. Dushoff
24 is sitting down. You see how he's not getting up?

25 Right, Mr. Dushoff? You weren't getting up, were

1 you?

2 MR. DUSHOFF: No. I'm good.

3 THE COURT: Do you have any more questions for Ms.
4 Stevenson?

5 MS. PIKE-TURNER: No, Your Honor.

6 THE COURT: Can we let her go?

7 MS. PIKE-TURNER: Yes.

8 THE COURT: Thank you, ma'am. We appreciate your
9 time. Have a nice afternoon, have a Happy New Year.

10 Next witness.

11 SHANE TERRY, A PLAINTIFF HEREIN, SWORN

12 THE CLERK: Thank you. Please be seated. And
13 please state and spell your name for the record.

14 THE WITNESS: Shane Terry. First name Shane,
15 S-H-A-N-E, last name Terry, T-E-R-R-Y.

16 THE COURT: Thank you. And, sir, you'll notice
17 there are M&Ms there. There's water in the pitcher, as well.

18 THE WITNESS: Thank you, Your Honor.

19 DIRECT EXAMINATION

20 BY MS. PIKE-TURNER:

21 Q Mr. Terry, we are here regarding the business of
22 NuVeda. Were you involved in the formation of that entity?

23 A Yes, I was.

24 Q And when was NuVeda formed?

25 A I would guess on or around maybe April. It was my

1 girlfriend that actually named the company.

2 Q April of what year?

3 A 2014. Excuse me.

4 Q And were you a member since inception?

5 A Yes, I am.

6 Q And manager?

7 A Yes.

8 Q Now, Exhibit 1 in the black book is an operating
9 agreement. It's in evidence. A wonky first page. Was
10 Exhibit 1 prepared with your involvement?

11 A Yes.

12 Q Who drafted the operating agreement?

13 A Jennifer Goldstein.

14 Q Were other members represented by counsel?

15 A No, I do not believe so. Not to my knowledge.

16 Q Did any other members provide input regarding the
17 operating agreement?

18 A Yes. We all reviewed it.

19 Q And did the other members provide comments?

20 A Yes.

21 Q And on page 24, so Bates Number 24 of Exhibit 1, is
22 that your signature?

23 A Yes. We had DocuSign.

24 Q Okay. And do you recognize the other signatures
25 that are set forth on page 24?

1 THE COURT: Okay. Wait. What's Docusign?

2 THE WITNESS: Docusign is an electronic signature,
3 almost kind of like how you can sign .pdfs with Adobe. That
4 is typically how we sign our corporate documents.

5 THE COURT: Okay. So they're not real signatures,
6 they're electronic signatures that somebody places there?

7 THE WITNESS: Yes, Your Honor.

8 THE COURT: Okay.

9 THE WITNESS: And you log into the system and swear
10 that it's you and --

11 THE COURT: Okay.

12 BY MS. PIKE-TURNER:

13 Q So when a document is sent to you, for instance, you
14 open it up, and if you agree to sign it, you have to click on
15 something?

16 A Yes, that's correct. It actually prompts you for
17 initials or signature. Whoever generates the document needs
18 to place where each person needs to review and sign.

19 Q And is it your testimony that's what you did in the
20 ordinary course of NuVeda's business regarding all corporate
21 documents?

22 A Yes. Most of them.

23 Q Now, on that same page there is a breakdown of
24 percentage interest, voting ownership interest, and
25 distribution. Do you see that?

1 A Yes. On page 23?

2 Q Yes. How were the percentages, the voting and
3 ownership interest percentages determined?

4 A They were primarily determined by Mr. Bady, Mr.
5 Mohajer, and myself, and there was actually a formula, a kind
6 of nebulous formula, but it took into account things like
7 capital contributions, sweat equity, risk of current
8 positions. But essentially it was up to the founding members
9 to determine how we were going to appropriately allocate
10 percentages based on contributions that we'd be making for the
11 future of the company.

12 Q And who provided this formula?

13 A I believe that it was originally generated by Pej or
14 Pouya, but we all kind of had inputs, and it was primarily for
15 ours, for our three percentages we primarily negotiated what
16 we were going to get, and in there was an offer given to
17 Jennifer Goldstein.

18 Q Now, medical marijuana is new to Nevada. What did
19 you do before medical marijuana came to Nevada?

20 A I was in the Air Force.

21 Q All right. And just give me a thumbnail sketch of
22 what you did in the Air Force.

23 A I went to the United States Air Force Academy,
24 graduated, went to pilot training, through my pilot training
25 ended up being a commander at Air Force Weapons School, which

1 is a top gun. And then as I started progressing I was a
2 project manager for -- I managed about 5.5 billion in assets
3 as a project manager for the operational test squadron, combat
4 veteran. I was appointed by the Chief of Staff of the Air
5 Force, and at that point in 2012 the Chief of Staff said that
6 his number one priority was to revamp the U.S. Air Force's
7 Nuclear Surety Program, and so I was the F-16 project manager
8 to see that program come to fruition, oversee it, manage it.
9 So a lot of it had to do with project management, regulatory
10 compliance, and leadership.

11 Q How long were you in the Air Force?

12 A Fourteen years plus four years of college.

13 Q And when you left the Air Force you were an officer?

14 A That is correct. I was a major and had been
15 nominated for lieutenant colonel.

16 Q And were you in good standing when you left?

17 A By decoration I was the number one of 4,000 pilots
18 in the Air Force. I was the number one flight commander in
19 the Air Combat Command, which is the nation's largest command
20 of over 120,000.

21 Q And did you have businesslike duties while in the
22 military?

23 A Yes, I did. In addition to flying, each officer is
24 essentially a company -- a corporate executive.

25 Q And while in the Air Force and subsequent have you

1 taken business courses?

2 A Yes. I took -- I'm currently enrolled and started
3 taking classes at University of Pennsylvania, Wharton School
4 of Business, and I currently have certificates in accounting,
5 corporate finance, operational management, and marketing.

6 Q How did you meet Pej Bady and Pouya Mohajer?

7 A Pej was introduced to me by a mutual friend. Took
8 him to an air show at Nellis Air Force Base.

9 Q And were you in the Air Force at the time that you
10 met Mr. Bady?

11 A Yes, I was.

12 Q And were you recruited to join Mr. Bady?

13 A Yes, I was.

14 Q By Mr. Bady?

15 A Yes, ma'am.

16 Q And was -- did you meet Mr. Mohajer through Pej
17 Bady?

18 A Yes.

19 Q And how did you -- or what did you understand their
20 relationship to be?

21 A I knew that they had practiced medicine together and
22 had been friends for what I believed about maybe 15 years or
23 so.

24 Q And what's your understanding of the living
25 arrangement between Mr. Mohajer and Mr. Bady?

1 A Roommates.

2 MR. DUSHOFF: Objection. Irrelevant.

3 MR. MAUPIN: The relevance of that escapes us.

4 THE COURT: Sustained.

5 MR. DUSHOFF: Move to strike.

6 MS. PIKE-TURNER: [Inaudible] roommates.

7 THE COURT: I said sustained.

8 BY MS. PIKE-TURNER:

9 Q All right. Now, under the agreement some interest

10 vested and some didn't at the time of execution; is that

11 right?

12 A Yes.

13 Q Who as of today's date has vested membership

14 interest?

15 A In accordance with our operating agreement

16 technically it would be John Penders and Ryan Windmill.

17 Q They're the only ones with vested interest? What

18 about you and Pej and --

19 A I'm sorry. Pej, Pouya, myself, Jennifer were not on

20 a vesting schedule, and there's no mention of us vesting in

21 the operating agreement. The only people that the operating

22 agreement addressed for a vesting schedule was Joe Kennedy,

23 Ryan Windmill, and John Penders.

24 Q Okay. And to make it clear, Pej Bady, Pouya

25 Mohajer, you, Jennifer Goldstein, you were all vested at the

1 time of the operating agreement being executed?

2 A Yes.

3 Q Okay. And then John Penders and Ryan Windmill were
4 on a vesting schedule?

5 A Yes. There's a separate vesting agreement in
6 accordance with the operating agreement. In addition to.
7 Excuse me.

8 Q And this separate vesting agreement, was it
9 accelerated?

10 A Yes, it was.

11 Q And how was it accelerated?

12 A We took a vote. There was Pej, Pouya, myself, and
13 Jennifer were present, and I voted for it, I initiated the
14 vote based on assumed performance, that they had met all the
15 requirements of our vesting schedule. Jennifer also voted for
16 it, Pouya voted for it, and Pej voted against it.

17 Q Okay. And Mr. Kennedy, he was on a vesting
18 schedule?

19 A The only mention of his vesting is in the operating
20 agreement and says that he will vest once he provides a -- I
21 believe a \$3 million line of credit to the company.

22 Q And was a \$3 million line of credit provided to
23 NuVeda?

24 A No, it was not.

25 Q Now, the purpose of NuVeda, that is set forth at

1 Section 1.6 of the agreement; correct?

2 A Yes.

3 Q Now, is it fair to say it's activities related to
4 the legal cultivation, processing, or dispensing of medical
5 marijuana?

6 A Yes.

7 Q And describe to me what your role is in the
8 activities related to legal cultivation, processing, or
9 dispensing of medical marijuana since NuVeda was formed.

10 A Since NuVeda was formed I initially was the chief
11 operating officer and then was -- took the role as chief
12 executive officer, where I have been up to these court
13 hearings.

14 Q Okay. When you were -- when NuVeda was formed you
15 were appointed the chief operating officer?

16 A That's correct.

17 Q And who was the chief executive officer?

18 A Pej Bady.

19 Q And when did you become the chief executive officer?

20 A I believe it was on or about November-December of
21 2014.

22 Q And was that with Mr. Bady's consent?

23 A Yes, it was.

24 Q And how did your role change when you went from COO
25 to CEO?

1 A In my opinion I was the -- I was really fulfilling
2 the CEO role to begin with anyways, as far as the
3 responsibility that I was taking on in conducting of the
4 business. I was overseeing all the operations, I was at the
5 it leading the fundraising structuring, basically doing both
6 duties as a CEO and COO before I officially became the CEO.

7 Q Now, if you go to Proposed Exhibit 2 in this black
8 book, do you recognize this flow chart?

9 A Yes, I do. I created it.

10 Q And do you believe it properly names the
11 subsidiaries for NuVeda?

12 A Yes, I do.

13 Q Okay. Tell me about the formation of the
14 subsidiaries.

15 A What we tried to do is create subsidiaries to
16 deconflict mainly geography and type of license. So Clark
17 NMSD, for example --

18 MR. DUSHOFF: Object to any reading from this
19 document. It has not been admitted into evidence.

20 THE COURT: Sir, please don't read from the
21 document.

22 THE WITNESS: Okay.

23 THE COURT: If you need it to refresh your memory,
24 please tell us, and we'll do that process. But otherwise give
25 us your best recollection.

1 THE WITNESS: I do not need it to refresh my memory.

2 So Clark NMSD LLC is a subsidiary that holds both of
3 our dispensary permits in the city of Las Vegas and the city
4 of North Las Vegas. Clark Natural Medicinal Solutions LLC
5 holds the two licenses in North Las Vegas for cultivation and
6 production, and Nye Natural Medicinal Solutions LLC holds the
7 two licenses in Nye County for cultivation and production.

8 BY MS. PIKE-TURNER:

9 Q So NuVeda LLC through its subsidiaries holds six
10 licenses?

11 A That is correct, yes.

12 Q What was your involvement in obtaining those
13 licenses?

14 A I believe I led the charge for it, meaning that I
15 found our consultants, really started creating our business
16 model, wrote our business plans, wrote our documents, wrote
17 most of the application, put together the structure of the
18 overall business plan that we were going to execute.

19 Q And who is the designated representative with the
20 State of Nevada with respect to the application?

21 A It is me.

22 MS. PIKE-TURNER: Let me move to admit Exhibit 2.

23 THE COURT: Any objection?

24 MR. NAYLOR: We object, Your Honor, because this
25 really isn't a piece of evidence. If anything, it's a

1 demonstrative exhibit just demonstrating what he believes.

2 THE COURT: Okay. Be admitted.

3 (Plaintiffs' Exhibit 2 admitted)

4 BY MS. PIKE-TURNER:

5 Q In Exhibit 2 there's a reference to Phil Ivey LLC as
6 a 3 percent owner; is that correct?

7 A In the two subsidiaries, yes.

8 Q In Clark Natural Medicinal Solutions LLC --

9 MR. DUSHOFF: Objection. Relevance as to Phil Ivey.
10 They've based their claim on the fact that the ownership of
11 this company is based solely on the operating agreement.

12 THE COURT: Okay. The objection's overruled. I'll
13 listen. Sometime we'll argue, and then I'll rule.

14 MR. DUSHOFF: Okay.

15 BY MS. PIKE-TURNER:

16 Q Let me go back and address Mr. Dushoff's objection.
17 Is there an operating agreement separate and apart from
18 NuVeda's operating agreement for the subsidiaries?

19 A No, there is not.

20 Q Right. And the subsidiary Clark Natural Medicinal
21 Solutions LLC, is it your belief that Phil Ivey LLC is a
22 3 percent owner?

23 A Yes.

24 Q Nye Natural Medicinal Solutions LLC, is it your
25 belief that Phil Ivey LLC is a 3 percent owner?

1 A Yes.

2 Q Did you report to the State of Nevada that you
3 believed Phil Ivey LLC was a 3 percent owner of those
4 subsidiaries of NuVeda?

5 A Yes.

6 Q And if you go to Proposed Exhibit 4, do you
7 recognize this document?

8 A Yes, I do.

9 Q Now, are you in possession of all the NuVeda
10 documents?

11 A I believe so.

12 Q Are there any documents that are not in your
13 possession related to the business of NuVeda, financial or
14 otherwise?

15 A Yes. Specifically the financials. We've requested
16 books and records from Pej and basically his personal
17 assistant and have not received them.

18 Q Okay. Now, on this communication that's set forth
19 at Proposed Exhibit 4 it says, "From Pejman Bady to Shane
20 Terry." Do you see that?

21 A Yes.

22 Q And there's a date, December 15th, 2015. Is this an
23 email from December 15th, 2015?

24 A No, it is not. And I can explain that.

25 Q Okay. Please do.

1 A I have no idea why, but I remember when I saved this
2 email as a .pdf it changed the date. But this email would
3 have been sent somewhere around June with the accompanying
4 documents.

5 Q Okay. On the second page of Proposed Exhibit 4
6 there's a piece of paper with a date June 1st, 2015. Does
7 that refresh your recollection of when you received the email
8 from Pej Bady?

9 A Yes.

10 MS. PIKE-TURNER: Is it Bady, or Bady?

11 UNIDENTIFIED SPEAKER: Bady.

12 MS. PIKE-TURNER: Thank you.

13 BY MS. PIKE-TURNER:

14 Q And please advise the Court what you received from
15 Pej Bady in this Proposed Exhibit 4 just generally.

16 A So at the time -- at the time we had Phil Ivey as a
17 3 percent owner in NuVeda LLC, and that was not going to be
18 able to work in accordance with regulatory compliance by the
19 City of Las Vegas, which was owned by Clark NMSD. So in order
20 to maintain our compliance and the wishes of the City, we
21 moved Phil Ivey into the subsidiaries of Clark and Nye Natural
22 Medicinal Solutions so he did not have a direct or indirect
23 ownership in the City of Las Vegas dispensary.

24 This paperwork was put together for our request that
25 we submitted to the State facilitating that transfer of

1 interest, and the email that was sent by Pej to me was the
2 original .pdfs that showed 3 percent ownership of Phil Ivey in
3 the subsidiary LLCs out of NuVeda. That is what we then maybe
4 a day or so after signed, attached with the associated
5 paperwork that you see here, and submitted to the State.

6 Q So what's set forth in Exhibit -- or Proposed
7 Exhibit 4, page 2 through the end of the document, is what you
8 finalized and sent to the State of Nevada?

9 A Yes. That is correct.

10 Q Do you have the original of what was sent?

11 A To my recollection, they were signed and notarized
12 by Pej's personal assistant, and to my recollection we do not
13 have the -- I do not possess the original signed documents.
14 But, to the best of my knowledge, they were just signed,
15 notarized, and mailed to the State.

16 Q And were they mailed to the State on or about
17 June 1st, 2015?

18 A I believe so, yes.

19 MS. PIKE-TURNER: All right. I move to admit
20 Exhibit 4.

21 MR. DUSHOFF: Objection to foundation. There's no
22 signature on this. It says from Jennifer Goldstein. I'm
23 going to object on foundation purposes.

24 THE COURT: Anything else?

25 MR. DUSHOFF: No.

1 THE COURT: Overruled, with the understanding that
2 the print date has modified the first page; right?

3 MS. PIKE-TURNER: Yes.

4 THE COURT: Okay.

5 (Plaintiffs' Exhibit 4 admitted)

6 BY MS. PIKE-TURNER:

7 Q Mr. Terry, the substance of the correspondence that
8 was sent on or about June 1st, 2015, to the State that starts
9 at page 2 -- well, at Bates Number 37, was that prepared by
10 you, or did that come to you from Pej Bady?

11 A It was -- we all provided inputs to the document,
12 and then it was originally like you see on that cover email on
13 page 1 in Exhibit 4 the originals that we had worked on were
14 emailed to me from Pej Bady. We printed them out, signed
15 them. To my knowledge it would have been exactly what you see
16 here, with the exception of notarized signatures. And we had
17 to collect that from Phil Ivey, as well.

18 Q Now, in paragraph 4 on page 37 it says, "Pouya
19 Mohajer and Shane Terry will each receive 1.5 percent of
20 Ivey's former interest in NuVeda." Do you see that?

21 A Yes.

22 Q Is it your understanding that that was how it was
23 allocated?

24 A Yes. When Phil Ivey entered NuVeda we vested him
25 out at 3 percent interest, and that came equally from myself

1 and Pouya. So when we divested him into the subsidiaries that
2 is when we regained that 1-1/2 percent.

3 Q Now, if you go to Exhibit 3 or Proposed Exhibit 3.
4 Purports to be an email chain that ends with Pej Bady emailing
5 you with a cc to Pouya. Is this a true and correct copy of
6 what you received?

7 A Yes.

8 Q There's highlighting. Did you add the highlighting?

9 A I did, yes.

10 Q And then you saved it as a .pdf?

11 A That is correct, yes.

12 Q All right. The attachment to this email chain,
13 which is Bates Number 34, did you prepare this chart?

14 A Yes, I did.

15 Q Was it an exhibit to your email?

16 A Yes.

17 Q If you go to middle of the first page, Bates
18 Number 32, it says on August 11th, 2015. All that's here is
19 the cap table with the interim vesting into the subs. Is that
20 the reference to the cap table?

21 A Yes, it is. And then right above my signature,
22 where it says "Cap Table 8.6.15, Dr. Daniel V2," that is the
23 cap table, and we created that to submit to Dr. Daniel's team
24 for due diligence.

25 MS. PIKE-TURNER: All right. I move to admit

1 Exhibit 3.

2 MR. DUSHOFF: Objection. Foundation.

3 THE COURT: Overruled.

4 (Plaintiffs' Exhibit 3 admitted)

5 BY MS. PIKE-TURNER:

6 Q On Exhibit 3 --

7 MS. PIKE-TURNER: It's admitted, Your Honor?

8 THE COURT: It is.

9 BY MS. PIKE-TURNER:

10 Q Okay. Pointing to the top email, where it's -- from
11 Pej Bady to you, dated August 11th, 2015, do you see that?

12 A Yes.

13 Q And it says, "Okay, boys. Shane, firstly, thank you
14 for taking the time to do this. It took me about three hours
15 to figure this," S word, "out. The numbers --"

16 THE COURT: We've heard that word here in this
17 department before.

18 BY MS. PIKE-TURNER:

19 Q "The numbers look right to me." Did you have any
20 followup communication with Pej Bady indicating that he
21 disagreed with the numbers set forth in the cap table?

22 A No. We were all in agreement.

23 Q If you go to the bottom of the page, where you have
24 Pouya Mohajer writing on August 10th, 2015, "Numbers are
25 accurate with respect to the dilution for Dr. Daniel." Do you

1 see that?

2 A Yes. Yes, I do.

3 Q Did you receive any followup communication from
4 Pouya Mohajer with respect to the cap table indicating he
5 disagreed with that cap table?

6 A There were a few times where I clarified the formula
7 on how we derived it, but no disagreement in the numbers
8 themselves.

9 Q And if you go to the cap table set forth at Bates
10 Number 34, there is "Current" and "Post Change." What is
11 current versus post change? What was the change to occur?

12 A This was -- the current would have been the current
13 structure of NuVeda, the post change would have been after we
14 received a 20 percent investment interest by Dr. Daniel. So
15 the post-Dr. Daniel investment.

16 Q Now, you heard the testimony from Ms. Stevenson
17 there was no investment from Dr. Daniel; correct?

18 A Correct.

19 Q Now, Phil Ivey's interest is noted here in the cap
20 table. What did Phil Ivey provide in exchange for his
21 interest in Clark Natural Medicinal Solutions and Nye Natural
22 Medicinal Solutions?

23 A Phil Ivey came in at the application phase, and he
24 provided us financial strength for applications along as
25 justification of his contribution to the State of Nevada in

1 terms of taxes and his business credibility for other
2 businesses and nonprofits that he ran. So he basically --
3 prior to Phil Ivey we were going to submit for five licenses.
4 Then with his financial -- his accounting and his financial
5 strength we were able to apply for an additional two licenses
6 that we normally would have not applied for.

7 Q Okay. And was the application that was submitted to
8 the State, did it include the Phil Ivey financial strength
9 information, the financial reporting?

10 A Yes, it did.

11 Q It included Phil Ivey?

12 A Yes, it did.

13 Q Okay. Now, did the State of Nevada recognize the
14 transfer to Phil Ivey for the subsidiaries?

15 A As far as when his interest moved from a 3 percent
16 in NuVeda down to the subsidiaries?

17 Q Yes.

18 A The State did not appropriately record it. And we
19 addressed it with the State as a followup, saying that there
20 had been a misinterpretation on their end.

21 Q And what do you understand your obligation to be on
22 behalf of NuVeda for reporting somebody who believes they have
23 ownership interest to the State?

24 A Well, I'm the primary -- or the sole MME contact for
25 the State of Nevada for our company, so basically they have

1 even told me that they will listen to what I put forward as
2 the authorized manager of NuVeda.

3 Q Now, you submitted a communication to the State of
4 Nevada regarding your belief that Phil Ivey was an owner and
5 would certainly claim to be an owner; correct?

6 A Correct. I believe I had Jennifer Goldstein draft
7 the email to the State, but we did report it.

8 Q And that June 2015 correspondence that we looked at
9 as part of Exhibit 3, was that the first time that it was
10 communicated that Phil Ivey had an interest in NuVeda's
11 subsidiaries?

12 A If I understand the question properly, it was always
13 communicated to the State that he had a 3 percent interest in
14 NuVeda, and that was the first time that we moved his interest
15 from NuVeda into the two subsidiaries. So, yes, that was the
16 first time that we submitted that change, transfer of interest
17 request to the State.

18 Q All right. If you go to Proposed Exhibit 30 --
19 admitted Exhibit 30, did you prepare this renewal application
20 and submit it to the State of Nevada?

21 A I just want to make sure I'm not confusing this with
22 the one that the defendants put together. But, yes, my
23 signature is on this one. I did.

24 Q And did you follow the Court's direction that the
25 submission would reflect the ownership as of November 20th?

1 A Yes, I did.

2 Q Okay. And if you go to Bates Number 291 of the
3 resubmission -- or the application.

4 THE COURT: 319?

5 MS. PIKE-TURNER: 291.

6 THE COURT: 291. Thank you.

7 BY MS. PIKE-TURNER:

8 Q .5 of the application says, "Has an ownership or
9 financial investment interest in any other MME"; correct?

10 A Yes.

11 Q And then you list who you believe has interest; is
12 that correct?

13 A That is correct. The way that this form works, the
14 next page, 292, actually shows the current interest for that
15 specific license. And that's where you'll see the current
16 status. And then where you'll see the difference between page
17 292 and 291 is 291 is asking for interests in other MMEs. So
18 in this case it looks like we are reading the -- yep. So we
19 are reading the submission for Clark NMSD. That's the
20 dispensary LLCs. That's why you notice that Phil Ivey is not
21 a part of 292. And when we are talking about -- when you look
22 at 291 the percentages are slightly different, because those
23 are the effective interests with the Phil Ivey having the
24 additional 3 percent. So if you were to total up those
25 percentages in each of Nye Natural Medicinal Solutions and

1 Clark Natural Medicinal Solutions, you'll only get to
2 97 percent for the NuVeda members, 3 percent for Phil Ivey.

3 Q If you go to Bates Number 307, Phil Ivey is listed
4 in the list. Do you see that?

5 A Yes. He's listed as a owner in Nye Natural
6 Medicinal Solutions.

7 Q Now, the percentages that you reported to the State
8 in conjunction with the application for -- what is it -- the
9 renewal application, did those percentages correspond with
10 that cap chart that you produced to Pouya Mohajer and Pej Bady
11 in August of 2015?

12 A That is where I derived the percentages from,
13 correct.

14 Q And why didn't you use the percentages that were in
15 the operating agreement?

16 A Because it was my understanding that under court
17 order we were supposed to address November 20th, basically the
18 essential state of NuVeda. And so I believe these to be our
19 effective ownership interests on November 20th.

20 MR. DUSHOFF: Objection. Vague with regards to
21 court order.

22 THE COURT: That would be me.

23 MR. DUSHOFF: Oh. Your court order? Okay.

24 THE COURT: I knew that part.

25 MR. DUSHOFF: But he said back in August.

1 THE COURT: No. He said October.

2 MR. DUSHOFF: Okay.

3 BY MS. PIKE-TURNER:

4 Q Did you believe that there were -- that there was an
5 agreement among the -- you, Pej Bady, and Pouya Mohajer
6 regarding the percentages set forth in that cap chart?

7 A Yes, I did. And the previous email acknowledged our
8 agreement.

9 Q And were those percentages that were set forth in
10 that cap chart, were those provided to third parties?

11 A Yes, they were.

12 Q And who in particular?

13 A Essentially that was constructed for Dr. Daniel's
14 due diligence and provided to any investor that asked for it
15 from that point on.

16 Q And did anybody ever object to those percentages set
17 forth in the -- that cap chart as --

18 A Nope. They were always agreed on.

19 Q -- as not accurate? Okay.

20 Now, at some point disputes arose between you, Shane
21 Terry, and the defendants Pouya Mohajer and Pej Bady; correct?

22 A Correct.

23 Q What was the beginning?

24 A I think probably we started having a divergence
25 where myself and Jennifer and the rest of the company was

1 going with the business model and where I assumed Pej Bady
2 wanted to go with the business model.

3 Q And was there a point in time where the difference
4 in opinion on how the business would go forward became
5 something else?

6 A Yes. We were struggling to fund raise, and there
7 was one point where there was doubt in both my vision and my
8 ability by Pej, and it was vocalized in front of our
9 independent contractors, the other team members, and some
10 point I decided to put my belief and faith in the vision and
11 my ability to operate on the line, and I told him that if I
12 had two weeks to raise \$1 million without his interference --
13 we all agreed on the terms of the deal structure and what we
14 would offer -- and if at the end of that two weeks if I was
15 unsuccessful in raising \$1 million, I would walk away from the
16 company as CEO. If I was successful after those two weeks,
17 then he would basically take a backseat role and not interfere
18 anymore from the president position.

19 Q Okay. Prior to that discussion did you feel that
20 Pej Bady was interfering with the ability to raise money?

21 A Yes.

22 MR. MAUPIN: Well, I guess you could as it so it's
23 not a leading question.

24 THE COURT: Is it yours, or Mr. Naylor's witness?

25 MR. NAYLOR: It's my witness, Your Honor.

1 THE COURT: So whisper in Mr. Naylor's ear.

2 MR. MAUPIN: I guess I just did.

3 THE COURT: Mr. Naylor, did you want to say
4 anything?

5 MR. NAYLOR: I'm sorry?

6 THE COURT: Do you want to say anything?

7 MR. NAYLOR: No. I just -- yeah. It's a leading
8 question, Your Honor. And I understand that this is --
9 there's no jury present and we're trying to move things along,
10 but if the witness could testify.

11 THE COURT: It's always better if the answers come
12 out of the witness's mouth.

13 MS. PIKE-TURNER: I understand.

14 BY MS. PIKE-TURNER:

15 Q Did you perceive any interference by Pej Bady prior
16 to that million-dollar challenge?

17 A Yes, I did. And there was multiple occasions where
18 I felt that I had taken an investor or investment group to the
19 brink of closing a deal, then when he would get involved in
20 the discussions it would pretty quickly fall apart.

21 Q Can you give some examples.

22 A The Phil Ivey deal, for example, is one that I
23 sourced and brought to the table, and I'd been working -- his
24 CFO was actually embedded with me for weeks, and we -- he was
25 very helpful in structuring the deal, working on the terms of

1 the negotiation. At that point it was almost all myself that
2 was doing the discussions and the deal structure. Towards the
3 end I remember Pej started becoming uncomfortable with the
4 fact that he wasn't involved, and then right I would say maybe
5 a week, week and a half before it actually fell apart that's
6 when he really became involved in the discussions with Phil
7 Ivey's business advisor and his CFO.

8 Q Now, you just testified that Phil Ivey provided his
9 financials. Are you talking about a different deal with Phil
10 Ivey?

11 A The agreement with Phil Ivey was that he would
12 immediately vest his 3 percent in the company to provide the
13 strength for the application. The reason that it was just a
14 small portion investment is he was going to come in for a
15 \$10 million investment if and when we won the licenses. We
16 did win the licenses, so this discussion that I'm talking
17 about was the structuring of that \$10 million investment.

18 Q And any others beyond Phil Ivey?

19 A The Dr. Daniel deal was also an investor that I had
20 found and brought to the table, and I had probably worked with
21 Dr. Daniel and his team for about 11 months structuring our
22 deal with essentially the same results. There were some
23 concerns specifically that Dr. Daniel brought up about 2113
24 Investors when he discovered that Pej was also an owner of the
25 company that was leasing the property back, and he told me,

1 that will never happen in our company again and it was dirty.
2 And the 2Prime example, as well.

3 Q If in the documents there's a reference to Gregory,
4 is that the same as Gregory Daniel?

5 A Dr. Gregory Daniel, correct.

6 Q With respect to Dr. Daniel, Gregory -- and you
7 raised 2113. What is 2113?

8 A 2113 Investors LLC was an LLC formed by Pejman Bady
9 and Joseph Kennedy.

10 Q And what was the transaction that was problematic or
11 explained as problem from Dr. Gregory's people?

12 A Dr. Daniel was not happy with the fact that 2113
13 Investors had purchased property, was leasing it back to the
14 company. Basically what he was uncomfortable with was the
15 fact that a president and manager of NuVeda also had a
16 business interest that was capitalizing on NuVeda's business.

17 Q Was NuVeda going to purchase the property?

18 A Yes.

19 Q And where was this property -- or is it?

20 A The first one was a dispensary in North Las Vegas.

21 Q And what's the address?

22 A 2113 North Las Vegas Boulevard, Las Vegas, Nevada
23 and the Zip Code. 109?

24 Q How did you learn about this proposed property at
25 2113 -- at the 2113 address?

1 A I believe it was disclosed by the City Council to
2 Jennifer Goldstein that the City, the Redevelopment Agency
3 owned a property that they were going to give one license in
4 the redevelopment and that they were going to put this
5 property up for auction, a sealed-bid auction.

6 Q And did NuVeda enter into escrow for the property?

7 A Yes, we did. We won the bid. I believe it was
8 originally Clark NMSD that won, and then it was very quickly
9 NuVeda. NuVeda entered the escrow.

10 Q Was there a security deposit or --

11 A Yes, there was.

12 Q -- money that was put down?

13 A I believe it was at least \$50,000 that was required
14 to be put down with the initial bid.

15 Q Did NuVeda ever get that 50,000 back?

16 A Not to my knowledge.

17 Q And the winning bid, was NuVeda -- was it
18 conditional on anything?

19 A Yes, it was. It was conditional on us receiving
20 both state and local licensing.

21 Q Now, what happened that resulted in 2113 Investors
22 LLC acquiring the property, as opposed to NuVeda, if NuVeda
23 was the winning bidder?

24 A NuVeda was under escrow. We were trying to source
25 money to pay for that company. And Joseph Kennedy and Pej

1 Bady were going to apply their lines of credits that was
2 submitted in our State application to purchase that property.
3 I was actually overseas, and I remember the conversation of
4 Pej asking me if I trusted him, if I'd have his back. And
5 then after that he kind of took control over the situation,
6 and, to my knowledge, he had -- he wanted to create another
7 company with Joe Kennedy that would then purchase the company
8 -- or purchase the property instead of NuVeda and lease it
9 back to NuVeda.

10 Q So the \$3 million line of credit that was to come
11 from Joe Kennedy for NuVeda under the operating agreement, do
12 you know whether that was used to benefit 2113?

13 A I don't know in its entirety. I know that there was
14 capital contributions from Joe Kennedy to purchase that
15 property. He also put up some of his non NuVeda, non MME-
16 related properties up for collateral.

17 Q Now, what were the terms of the lease from
18 2113 Investors to NuVeda?

19 A Originally it seemed that it was a relatively fair
20 lease to NuVeda in the sense that there wasn't a outrageous
21 cap rate, but it was a above-industry-standard cap rate or for
22 that type of use. The terms included a purchase provision
23 which they said was why this was still a good deal for NuVeda,
24 where NuVeda would have the opportunity to purchase the
25 building back from 2113 Investors at the value that they had

1 purchased it for plus 10 percent. And that escalated every
2 year. One of the issues that I remember we had with it was
3 rent payments would not have been applied towards that
4 purchase price.

5 Q So rent payments were just that. It wasn't applied
6 to acquire the property by NuVeda?

7 A Correct.

8 Q What were the rent payments?

9 A 22,500 a month, I believe. Might have been twenty-
10 one five.

11 Q And was there any mortgage that was associated with
12 the acquisition?

13 A From NuVeda?

14 Q Yes.

15 A No, there was not.

16 Q All right. Now, was it disclosed by Joe Kennedy and
17 Pej Bady that they were forming 2113 Investors to take this
18 property?

19 A No. In fact, I know that -- I believe that they
20 knew that Jennifer as general counsel would object to it, so
21 they nominated Pouya Mohajer to -- as our chief medical
22 officer, to sign the transfer of escrow so it wouldn't have to
23 go through Jennifer. And that's basically how it got
24 transferred.

25 Q And Pouya Mohajer, what was his intended role with

1 NuVeda?

2 A Chief medical officer.

3 Q Now, are there any duties for chief medical officer
4 prior to being operational?

5 A Nothing that directly affects our business.

6 Q Do you know Pouya Mohajer to have any expertise in
7 real estate transactions?

8 A No.

9 Q Did you have any separate discussions with Joe
10 Kennedy or Pej Bady before the lease was executed to inform
11 you of the percentage of their interests, what their ownership
12 interest in 2113 was?

13 A Yes. Pej Bady was the one that was corresponding
14 with Joe Kennedy about all the different lease terms. And so
15 he was essentially brokering that deal for the company. He
16 would tell us that Joe was requiring him to be a very small
17 minority owner. I don't remember if he specifically told me
18 or I assumed that it was about a 5 percent owner, but he would
19 always say that he was a very minor owner, not significant in
20 it, but this was Joe that was requiring him to do this, to be
21 a part of the owner to assume some of the liability. There
22 was specific terms that Pej would come to us about and say, I
23 can't do anything about this, Joe's forcing this, this is out
24 of my control. And this kind of went back and forth to
25 develop the lease. Once the lease was gotten to its final

1 state then it was turned over to me for signature.

2 As far as the different percentages, we later
3 discovered months after that an operating agreement that I
4 found that was given to investors that disclosed the true
5 percentages of 2113 Investor LLC.

6 Q And when was that that you discovered the true
7 ownership in 2113?

8 A It was during the time of Dr. Daniel's due diligence
9 when I was just going through different files that had been
10 provided and I found an operating agreement that I didn't know
11 had existed. And that's when I went through it and looked at
12 it and shared it with the rest of the company.

13 Q Did Dr. Daniel communicate any issues he saw with
14 that transaction?

15 A Yes, he did.

16 Q Now, did you confront Dr. Bady about the difference
17 in the ownership interest than what you were told it was?

18 A Yes. When we discovered it and up to and leading to
19 events today it was definitely something that I brought up
20 that I felt was misrepresented to the company.

21 Q Now, the rent payment -- rent obligation is 22,500 a
22 month?

23 A I believe it's either twenty-one five plus I added
24 about a thousand dollars a month estimated for common area
25 maintenance and cams, or the base rent was twenty-two five.

1 Q Was there an appraisal done for the property prior
2 to acquisition?

3 A When the City of North Las Vegas put it on auction
4 they did provide a series of appraisals, and one of the
5 appraisals was that in its existing condition, not with a
6 medical marijuana license, that it would be worth \$350,000.
7 When we started having this divergence in the company through
8 communications with Joe Kennedy I asked him to -- I asked him
9 if he had gotten any recent appraisals. The number that he
10 provided to me --

11 MR. NAYLOR: I'm going to object at this point, Your
12 Honor. We're getting into hearsay. We don't have the
13 appraisal, we don't have any of the documents he testifying as
14 to what --

15 THE COURT: Sustained. Can we focus.

16 BY MS. PIKE-TURNER:

17 Q Do you know if there's any correlation between the
18 rent payment demanded by 2113 and the value of the property as
19 it sits there today?

20 A No. I believe the correlation is the rent payments
21 compared --

22 MR. NAYLOR: Lack of foundation.

23 THE COURT: Wait. You've got to wait for a minute,
24 sir, when we get an objection.

25 MR. NAYLOR: There's no foundation for this kind of

1 testimony from this witness. It's basically calling for
2 speculation.

3 THE COURT: Can you lay some additional foundation,
4 please.

5 BY MS. PIKE-TURNER:

6 Q Were you as CEO ever apprised of how the rent
7 payment of 21,500 a month was reached?

8 A I believe it to be a derivative of the purchase
9 price.

10 THE COURT: Sir, I don't want you to say what you
11 believe it to be. I want to know if you were given any
12 information about it.

13 THE WITNESS: Yes. It was a derivative of the
14 purchase price.

15 THE COURT: That's -- your request is granted.

16 So try it again from a different perspective.

17 BY MS. PIKE-TURNER:

18 Q When rent payments are made by NuVeda to 2113 does
19 that go to improvement of the property?

20 A No. NuVeda was responsible for paying for the
21 tenant improvements.

22 Q And do you know whether the rent payment of 21,500
23 has any correlation to the as-is valuation of the property?

24 MR. NAYLOR: Objection, Your Honor.

25 THE COURT: It's a yes or a no.

1 THE WITNESS: I don't understand the question.

2 BY MS. PIKE-TURNER:

3 Q Okay. I'll move on. Did you have any problem with
4 2113 Investors buying the property if it was going to be used
5 by NuVeda?

6 A I did in the sense that I kind of looked at it where
7 if we can't afford something we probably shouldn't be paying
8 for it. So at that point there was some discussion between
9 us, is 2113 the only option that NuVeda has to save this
10 license. I think it was the opinion of some of us that if
11 they were not -- if they did not purchase this building for
12 us, then we would either be able to transfer the license, we
13 would have to find another property that was more affordable
14 for us. I did not believe that it was the only option that
15 the company could execute on.

16 Q Do you know of any ownership in 2113 Investors LLC
17 other than Joe Kennedy, member of NuVeda, and Pej Bady, member
18 of NuVeda?

19 A No, I don't.

20 Q Has 2113 Investors LLC sued NuVeda for nonpayment of
21 rent?

22 A Yes, they have.

23 And I would like to go back and correct a previous
24 statement.

25 Q What do you want to correct?

1 A I believe that there has been a change of ownership
2 with that property, but it was well after the fact of the
3 purchase.

4 Q Okay. The change of ownership from 2113 Investors
5 LLC?

6 A Yes. When I voiced my concerns and Dr. Daniel
7 voiced his concerns that Pej was an owner of 2113 they did go
8 back and ratify that where Pej was then no longer an owner of
9 2113.

10 MR. DUSHOFF: Objection. Hearsay as to what Mr.
11 Daniel said.

12 THE COURT: Sustained.

13 BY MS. PIKE-TURNER:

14 Q Your understanding is that there was a change?

15 A Yes. When I voiced an issue with the property Pej
16 said that he was going to work with Joe to have him removed --
17 then removed as an owner.

18 Q Do you know if Pej Bady has any side agreement with
19 Joe Kennedy or some other interest in the property?

20 A Not that I know of.

21 Q Okay. 2113 Investors has sued NuVeda for
22 nonpayment?

23 A Yes.

24 Q And when is the response to that lawsuit due?

25 A I believe it already -- or it was already due.

1 Jennifer Goldstein asked for a two-week extension, and I think
2 the response to that lawsuit with the extension is now
3 tomorrow, the 29th.

4 Q And why haven't you paid rent on the 2113 building?

5 A Our fundraising efforts have been stalled.

6 Q And why have the fundraising efforts been stalled?

7 A Part of it was when we lost Phil Ivey as a
8 \$10 million investor. At that point the State had a rule
9 where you were not able to bring in any new investors and
10 transfer 10 percent or more of your ownership. So as a pre-
11 revenue startup that was seeking at the time over \$20 million,
12 we could not construct a investment vehicle that was lucrative
13 for an investor. When the State changed the rules in October
14 of 2014, that's when we -- that's when I started that million-
15 dollar round to build an investor network, build our board of
16 directors, and then start tapping into their resources to
17 start funding the project. On or about that time is when we
18 started having concerns about the memberships and the conduct
19 within the company.

20 Q You said that there was a challenge where you said,
21 in two weeks I'll raise a million dollars. Did you?

22 A We were in process of it. I had about five and a
23 half million dollars of interest and people starting to fill
24 out subscription agreements. I would say most investors --

25 MR. MAUPIN: If I may, I believe there was a yes or

1 no question afoot.

2 THE COURT: Yes, I think there was, too.

3 MS. PIKE-TURNER: Your Honor, I'm just one little --
4 or big lady standing here, and --

5 THE COURT: You've got lots of people over there.

6 MS. PIKE-TURNER: I just feel bullied by all these
7 different attorneys coming at me with their objections.

8 THE COURT: I don't think you're bullied. You're
9 doing a fine job, and I'm trying to keep them on their
10 loose --

11 MR. MAUPIN: I will stipulate that it's not
12 possible.

13 THE COURT: If you would like to continue, please.

14 And, sir, we'll get done with this hearing -- it'll
15 be easier if you do yes and no.

16 THE WITNESS: Understood.

17 THE COURT: If you can do yes or no. Because
18 otherwise we'll be here for three or four days --

19 THE WITNESS: Understood, Your Honor.

20 THE COURT: -- and I'm not able to see you tomorrow.

21 BY MS. PIKE-TURNER:

22 Q Have you ever testified in a court before?

23 A No, I have not. Traffic court.

24 Q All right. So we can get through this, the million-
25 dollar challenge you didn't close any transactions?

1 A No, I did not.

2 Q Where did you get in the process of obtaining new
3 financing?

4 A A lot of interest. Most investors were more
5 interested in me cancelling the million-dollar round and
6 letting them invest in a bigger piece of NuVeda. We were
7 processing subscription agreements, going through it. And if
8 you raise money for a company before two weeks to raise a
9 million dollars is an incredibly short time. So the fact that
10 we generated that interest was a testament to our vision and
11 our operations. And once we started discovering concerns over
12 the alleged bad acts, that's when I put the whole entire thing
13 on pause, returned subscription agreements to the investors,
14 and told them that we had legal matters that we needed to
15 solve first and that I would return to them when NuVeda was a
16 safe and secure investment.

17 Q Why not close on the financing transactions before
18 you deal with the disputes with the other members?

19 A Because I didn't feel that we were a company that
20 investors should be putting money in, and I felt that I had a
21 fiduciary duty to not only the members to solve this first, I
22 felt that I had a responsibility to future investors to make
23 sure that our legal matters were all settled. Because I did
24 not want the responsibility of somebody putting millions of
25 dollars into our company that we were just on the verge of

1 losing our licenses for bad acts.

2 Q All right. Now, you discussed the 2113 transaction.
3 What's 2Prime?

4 A 2Prime was a company that owned what I assumed to be
5 Mehjed or Mike Golpa. Pej Bady found -- I believe Pej and
6 Pouya found Mike Golpa, brought him to the company. 2Prime
7 has given -- the latest one is a \$310,000 note, promissory
8 note to NuVeda. It originally started in smaller increments,
9 but it ended up accumulating to 310,000.

10 Q So 2Prime LLC loaned \$310,000 to NuVeda?

11 A That is correct. And we still have that promissory
12 note outstanding.

13 Q And who executed the note in favor of 2Prime?

14 A Pej Bady negotiated the terms of the note with
15 2Prime, came to us when he said it was at a final agreement,
16 and I signed the note as CEO.

17 Q And who did you know to be involved with 2Prime LLC
18 at time of that transaction?

19 A Mike Golpa.

20 Q And Mike Golpa was introduced to you by who?

21 A I had never met him at the time. Pej Bady had --
22 Pej and Pouya had all the correspondence with Mike Golpa.

23 Q How did you come --

24 A I'm sorry. I take that back. I did meet him maybe
25 a year ago in a social setting, and that was it.

1 Q And did you discover that Pej Bady had any interest
2 in 2Prime?

3 MR. DUSHOFF: Objection.

4 THE WITNESS: At the time I believe Mike Golpa to be
5 the sole owner, and it was discovered by Dr. Daniel's team in
6 due diligence that Pej Bady --

7 MR. DUSHOFF: Objection as to what Dr. Daniel --

8 THE COURT: Overruled.

9 THE WITNESS: It was presented by Dr. Daniel's team
10 in due diligence that they discovered Pej had a 50 percent
11 interest in 2Prime LLC. And there was concern that with the
12 interest rate that that was a beneficial interest rate to
13 2Prime.

14 Q And what was the interest rate with 2Prime?

15 A It was 8-1/2 percent, which was significantly higher
16 than the 4 percent that Mike Golpa apparently loaned
17 personally to Pej Bady.

18 Q So you eventually -- okay. So you did some
19 investigation of this transaction?

20 A Yes.

21 Q And what did you learn was the original source of
22 the money loaned to NuVeda?

23 A I knew that that was coming from Mike Golpa.

24 Q And is it -- why do you care where money comes from?

25 A We're in a highly regulated industry. If you read

1 the cull memo that was put out by the Department of Justice
2 that says, here are the rules that the federal government will
3 allow states to operate in, they are very specific that
4 they're concerned about traceability and where that money is
5 going. In my opinion it was -- it made no difference if it
6 was coming from a Mexican cartel or from a doctor. It had to
7 be disclosed, it had to be accounted for, and the State was
8 very concerned where money was going to and from.

9 Q In the original application to the State did you
10 disclose the source of capital contributions?

11 A Yes, we did.

12 Q And the money from 2Prime, where did you learn that
13 there was a 4 percent interest rate on the money going from
14 Mike Golpa to Pej Bady?

15 A The 2Prime promissory note was executed well after
16 our State application. I learned that there was a 4 percent
17 interest rate going from Mike Golpa -- I have not seen the
18 note, but it's disclosed in the CW Nevada MSA, and the very
19 last page in there there's an accountability of all NuVeda's
20 debts. And what CW says that they will report to pay up to
21 \$1.5 million, included in that was a \$600,000 personal loan
22 from Mike Golpa to Pej Bady that looks like CW Nevada is going
23 to pay off, and there's a claimed 4 percent interest rate with
24 that note. And that is not a NuVeda debt.

25 THE COURT: Can we stop for a second.

1 Is anyone going to talk about Exhibit 20 as part of
2 today's hearing? Because I typically do not seal documents
3 that are part of a evidentiary hearing.

4 MS. PIKE-TURNER: Yes, Your Honor. I don't
5 understand the basis for sealing it.

6 THE COURT: Okay. Well, there's been a request to
7 seal. They filed a motion, they followed the rules. I'm just
8 -- at this point it's not been admitted, and we've now had the
9 first reference to it besides the motion practice. Does
10 someone want to tell me what your position --

11 MS. PIKE-TURNER: It's been admitted now.

12 THE COURT: Has it been admitted?

13 MS. PIKE-TURNER: Yes. Exhibit 22 is admitted.

14 THE COURT: Well, it was 20 during the motion
15 practice.

16 MS. PIKE-TURNER: Right. But now it's Exhibit 22.

17 THE COURT: Which is what I'm holding in my hand.
18 Because that's where all my notes are.

19 THE CLERK: Exhibit 22 is admitted.

20 THE COURT: Okay. So is it 22 today?

21 THE CLERK: Yes, Your Honor.

22 THE COURT: All right. So let's go to the chart.

23 THE WITNESS: It is on the last page of Number 22.
24 And under the top line -- this is a chart -- I actually
25 created the format for this, and it says, "Mehjed Golpa,

1 NuVeda signor Pej," which I will note was not a NuVeda signor,
2 that was -- seems like it was a personal note, "for \$600,000
3 at a
4 4 percent rate. CW notes that it says 'Personal loan to Pej.
5 Why wasn't this a NuVeda loan? How was money used?'"

6 THE COURT: So, sir, did you write the part that's
7 in the CW notes, or did somebody else prepare those?

8 THE WITNESS: I can only take responsibility for the
9 original one. These have all been edited in the Excel
10 document. So, no, I did not write any of those --

11 THE COURT: Wait. Wait. Listen. Just listen.
12 It's yes or no.

13 THE WITNESS: No.

14 THE COURT: The column "CW Notes," did you create
15 the information that's in that column?

16 THE WITNESS: No.

17 THE COURT: Okay. Thank you.

18 BY MS. PIKE-TURNER:

19 Q So NuVeda agreed to pay 8 percent -- or 8-1/2
20 percent?

21 A 8-1/2 percent, correct.

22 Q And at the time that the note was entered in favor
23 of 2Prime LLC did you have any knowledge that Pej Bady was an
24 owner of 2Prime LLC?

25 A No.

1 Q Did you investigate prior to the note in favor of
2 2Prime being executed whether or not Pej Bady had ownership
3 interest in 2Prime?

4 A No. And when it was brought up the response was
5 that it was that it was Jen's responsibility as general
6 counsel to do due diligence on NuVeda's members.

7 Q Did you have an expectation that -- or do you take
8 issue with the position that it was your obligation to
9 investigate the other members?

10 A I don't understand -- no, I did not, because I
11 assumed that we would all be forthcoming and disclose any of
12 our interests.

13 Q Did you feel it was your obligation or Jennifer
14 Goldstein's obligation to investigate the other members?

15 A No, I did not.

16 Q Did -- and why was that?

17 A Because I trust the people that I work with.

18 Q Do you believe that you owe a fiduciary duty to
19 NuVeda?

20 A Absolutely.

21 Q Do you believe the other members owe the same
22 fiduciary duty?

23 A Absolutely.

24 Q Now, all the voting members under the operating
25 agreement, are they -- and we can go to the section, but

1 they're all voting members; correct?

2 A Correct.

3 Q And they're all managers?

4 A Correct.

5 Q All right. If you go to Exhibit 6 or Proposed
6 Exhibit 6, just generally describe if you recognize this --
7 what purports to be an email.

8 A Yes. This was one of the first emails that was sent
9 to the entire team from Pej Bady. This was a response when I
10 first started voicing my concerns -- or we, along with our
11 general counsel, started voicing our concerns about some of
12 the alleged bad acts, specifically undisclosed membership
13 interests, undisclosed sources of funds. And this was the one
14 where I realized that Pej was getting -- I assumed that Pej
15 was getting -- you know, wrote this to the team.

16 Q Okay. So you received this email from Pej?

17 A Yes. It was sent to the entire team.

18 MS. PIKE-TURNER: All right. I'll move to admit
19 Exhibit 6.

20 MR. NAYLOR: No objection.

21 THE COURT: Exhibit 6 will be admitted.

22 (Plaintiffs' Exhibit 6 admitted)

23 BY MS. PIKE-TURNER:

24 Q Now, you confronted Pej Bady regarding the 2113
25 note?

1 A Yes, I did.

2 Q And did he ever deny ownership once you discovered
3 it?

4 A In 2113?

5 Q No. Pardon me. 2Prime.

6 A No, I do not believe he did.

7 Q Okay. And what was his response?

8 A He responded that him and Mehjed Golpa had created
9 the LLC for acquisition of real estate unrelated to NuVeda and
10 he had completely forgot that he was still an owner of it.

11 Q Okay.

12 A When I looked at the Secretary of State records that
13 didn't match up.

14 Q And what did you discover when you looked at the
15 Secretary of State documents for 2113 -- or, pardon me,
16 2Prime?

17 A I discovered that 2Prime was formed in October of
18 2014, and that seemed -- there was no real estate transactions
19 in between then, and it did not seem like a timeline that
20 somebody would just forget about.

21 Q All right. Now, if you go to Exhibit 6, it says,
22 "Prior to obtaining any licenses for the company --" this is
23 the third paragraph "-- I personally borrowed 600,000 from
24 Mehjed." Do you see that?

25 A I do.

1 Q Who is Mehjed?

2 A Mahjed also goes as Mike Golpa and is the other
3 member of 2Prime LLC?

4 Q Okay. Now, is it your understanding that this
5 \$600,000 loan from Mehjed is the \$600,000 loan that is
6 referenced in Exhibit 22 for 600,000 to Mike Golpa?

7 A Yes, it is.

8 Q Okay. Well, it actually says Mehjed Golpa.

9 Did NuVeda agree to assume Pej Bady's \$600,000
10 personal loan?

11 A No.

12 Q Now, in this correspondence of October 14th it says,
13 "As of the terms of the loan the loan is to be paid back by me
14 with interest." Do you know what that interest is?

15 A Based on the CW Nevada filing I would assume that it
16 was 4 percent.

17 Q Okay. Did NuVeda agree to pay that 4 percent
18 interest?

19 A No.

20 Q Did NuVeda receive the 600,000?

21 A Indirectly. It -- this was brought to my attention
22 by both Pej and Pouya when they said that they had borrowed
23 \$600,000 from Mehjed and had offered him equity in exchange.
24 And at this point they were asking that -- if they would be
25 able to bring Mehjed forward as a original owner -- or, sorry,

1 as an official owner of NuVeda, and they were asking myself
2 and some of the rest of the company to share in that --
3 basically dilute our shares to bring him forward.

4 It was my understanding that the reason that Pej
5 Bady got his significant membership interest was for the money
6 that was bringing into the company. So it was my response
7 that if we are taking \$600,000 of money that funnelled through
8 Pej's bank account and we assumed to come from Pej, if we are
9 now going to allocate membership interest to another owner,
10 then those would come directly out of Pej and Pouya's shares
11 and nobody else's.

12 Q When NuVeda was formed and Pej Bady received over
13 45 percent interest was there an obligation to provide certain
14 capital?

15 A Yes, there was.

16 Q And did Pej Bady agree to fund your capital?

17 A \$120,000 of it, yes.

18 Q And did he agree to fund Pouya Mohajer's capital?

19 A Yes.

20 Q And that's pursuant to promissory notes?

21 A Yes.

22 Q And was there a representation from Pej Bady
23 regarding the source of the funds that were being used as
24 capital contributions?

25 A Yes. It was attested to the State that they were

1 coming from the sale of a medical practice and from other
2 business interests.

3 Q Okay. Now, was the -- in this October 14th, 2015,
4 correspondence it says, "Prior to obtaining any licenses for
5 the company I've personally borrowed 600,000 from Mehjed."
6 Was there new \$600,000 that came from Pej Bady subsequent to
7 the initial capital contributions?

8 A We have actually requested the books and records and
9 bank account statements to see when that would have come
10 through his account into the company, and have not been
11 provided them.

12 Q Now, it says in this email from Pej, "I previously
13 informed Mehjed that he may have the ability to obtain some
14 membership interest of the company as satisfaction of payment
15 of the loan in full by me and Pouya," and then there's some
16 conditions. Do you see that?

17 A Yes.

18 Q Have you seen any agreement between Mr. Golpa and
19 Pej Bady?

20 A No, I haven't.

21 Q Okay. Has Mehjed Golpa made any demands upon NuVeda
22 for equity interest?

23 A This surfaced in October, and this was brought to me
24 by Pej and Pouya that said that they both shared in promising
25 the shares to him. At that point NuVeda wanted to work with

1 them to see if this was something that we could fix, because
2 to me it seemed that -- from my communications I then reached
3 out directly to Mike Golpa and told him that I had no idea he
4 had put this much money into our company, had I know that we
5 would have kept him more informed, treated him like a normal
6 investor, been a lot more transparent. So I apologized that
7 in my opinion he had been neglected as an investor. I asked
8 him to meet with the --

9 MR. NAYLOR: Move to --

10 THE COURT: Sustained. Can we focus.

11 BY MS. PIKE-TURNER:

12 Q Yeah. You've got to focus on my question.

13 Did he make a demand upon the company for equity
14 interest?

15 A He wanted equity interest in the company, yes.

16 Q And what percentage did he ask for?

17 A The best of my recollection, it was about
18 5-1/2 percent. That originally started what was told to me by
19 Pej that it was --

20 MR. DUSHOFF: Objection. Again, he's not answering
21 the question.

22 THE COURT: Overruled.

23 So it was 5-1/2 percent equity interest that he told
24 you?

25 THE WITNESS: It was confusing from what I was

1 trying to get from Pej. What I was told --

2 MR. DUSHOFF: Speculation.

3 THE COURT: Sustained. Can you --

4 BY MS. PIKE-TURNER:

5 Q All right. The 5-1/2 percent that was being
6 demanded by Mehjed, was it for any new money that was being
7 provided to NuVeda?

8 MR. DUSHOFF: Objection. Hearsay. Speculation.
9 The 5-1/2 percent.

10 THE COURT: Overruled. Can you rephrase your
11 question, though, so we can get to the interest.

12 BY MS. PIKE-TURNER:

13 Q The 5-1/2 interest that was being demanded, what was
14 your understanding -- was it your understanding that that was
15 being demanded for new money to be invested?

16 A No. It was my understanding that the final number
17 to get to 5-1/2 percent was from previous -- this previous
18 \$600,000 that was invested.

19 Q And if you look at this October 14th email, it says,
20 if any of the conditions -- "any of the above are not
21 approved, he would not be an owner of the company, and I would
22 be required to pay back the loan with interest as stated in
23 the loan." Do you see that?

24 A Yes, I do.

25 Q Did you have communications with Pej Bady regarding

1 how he perceived it would benefit NuVeda for NuVeda to give
2 5-1/2 percent equity in exchange for paying back Pej Bady's
3 personal loan?

4 A No, he did not provide any benefit.

5 Q Do you know of any benefit to NuVeda to provide the
6 equity for that personal loan?

7 A No. And that is why we said that NuVeda would not
8 share in dilution for that loan.

9 Q Have you, Shane Terry, been threatened with a
10 lawsuit by Mehjed Golpa?

11 A No.

12 Q Okay. Now, next paragraph is, "With respect to
13 Mohsen, and as you are aware, he was approved by the majority
14 members of the company --"

15 Do you see that?

16 A Yes.

17 Q "-- to have a 2 percent ownership interest in the
18 company." Do you see that?

19 A Yes.

20 Q Is that 2 percent reflected in that cap chart that
21 we saw in Exhibit 3?

22 A We were going to give --

23 Q It's a yes or no.

24 A No.

25 Q Okay. And what was this reference that it says "He

1 was approved by the majority voting members of the company to
2 have a 2 percent ownership interest in the company"?

3 A Pej approached the team and said that he could bring
4 in an additional \$500,000 into the company from -- at that
5 point both Pouya and I gave up I believe half a percent each
6 to Pejman Bady for his additional infusion of capital.

7 Q And then it says --

8 THE COURT: So can I ask a question. How did you
9 document all these changes in membership interests?

10 MR. MAUPIN: They didn't.

11 THE COURT: Shh.

12 How'd you document them?

13 THE WITNESS: I think one of my biggest -- my
14 personal biggest learned is we had very sloppy and absent
15 corporate governance.

16 THE COURT: Okay.

17 THE WITNESS: So this was documented through due
18 diligence to other investors and the State submissions, but we
19 did not take the proper minutes for our meetings.

20 THE COURT: So you didn't document it well.

21 THE WITNESS: We did not document it well, but it
22 was documented.

23 THE COURT: Okay.

24 BY MS. PIKE-TURNER:

25 Q How was it documented?

1 A In due diligence items such as the cap table that we
2 provided to Dr. Daniel, to State submissions, to renewal
3 applications.

4 Q So these informal approvals, you reported those to
5 the State?

6 A Yes, we did.

7 Q The Phil Ivey one that we saw, that's an example?

8 A Yes, it is.

9 Q And with respect to the 2 percent ownership interest
10 in the company that you agreed would go where? You agreed to
11 reallocate where?

12 A We were going to reallocate shares between Pej,
13 Pouya, and myself.

14 Q Was there any agreement to have shares go to Mohsen?

15 A We did expect in the future that Mohsen would want
16 equity shares for it and they would come out of Pej's shares.

17 Q And if there was going to be a subsequent transfer,
18 that hadn't been done yet?

19 A Correct.

20 Q Had Pej indicated that was something he would be
21 requesting in the future?

22 A Yes.

23 Q And why wasn't it done?

24 A We just simply didn't have the time to do it or we
25 were in the process of doing all the transfers.

1 Actually, I take that back. Based on that time, the
2 State had not changed the rules to fully facilitate the
3 transfer.

4 Q Now, it says, "To do so," in the same paragraph, "I
5 had told him that I would transfer 2 percent additional shares
6 to him, same as Mehjed's loan." Do you see that?

7 A Yes, I do.

8 Q And what was your understanding of what the total
9 that Pej was asking be provided to Mohsen?

10 A He expected that 2 percent would be provided to
11 Mohsen, and Pej told us later that it was 4 percent that he
12 had promised to Mohsen.

13 Q Did you agree to 4 percent going to Mohsen?

14 MR. NAYLOR: If I could -- just a moment.

15 THE COURT: Yes, you can just interrupt and make an
16 objection, Mr. Naylor.

17 MR. NAYLOR: Thank you very much, Your Honor. Now,
18 I'm objecting -- I mean, the witness keeps referring to "we"
19 this --

20 THE COURT: I know.

21 MR. NAYLOR: -- "we" that. If the witness can limit
22 his testimony to what he actually knows.

23 THE COURT: That'd be really helpful.

24 THE WITNESS: Understood.

25 MR. DUSHOFF: And, Judge while we're -- can I ask

1 how much longer this will be a bathroom break by any chance?
2 It's going to be how much longer?

3 THE COURT: Do you need a restroom break?

4 MR. DUSHOFF: Depending on much longer she'll be.

5 THE COURT: Are you asking for a break for personal
6 convenience, Mr. Dushoff?

7 MR. DUSHOFF: Yes.

8 THE COURT: All right. How long do you guys need,
9 five or ten minutes?

10 MR. DUSHOFF: Five minutes.

11 THE COURT: Okay. Five to seven minutes.

12 MR. MAUPIN: Can I join in that motion? No.

13 THE COURT: You can all go.

14 (Court recessed at 3:20 p.m., until 3:39 p.m.)

15 THE COURT: Okay. Given the pace you're going, what
16 is your current best estimate of wrapping up with this
17 witness? How many days?

18 MS. PIKE-TURNER: Oh. I think we can do today for
19 my end.

20 THE COURT: Okay. Let's keep going.

21 MS. PIKE-TURNER: There's no way that we're going to
22 finish with cross and redirect or anything else.

23 THE COURT: No.

24 MS. PIKE-TURNER: I'm trying to boogie.

25 //

1 BY MS. PIKE-TURNER:

2 Q Okay. So my notes were prepared through Dragon
3 Dictation as I was driving back from Reno, and I don't -- I
4 don't understand some of them.

5 All right. So -- now, the -- we left off talking
6 about 2Prime -- no, pardon me, Mohsen. What is Mohsen's full
7 name?

8 A Mohsen Bahri.

9 Q And when did you first meet Mohsen Bahri or hear of
10 his existence?

11 A I heard of his existence as a friend of Pej's
12 probably about a year ago. I learned of his existence and
13 interest in the company maybe mid 2014 -- I'm sorry, mid 2015.

14 Q Did Mohsen Bahri loan NuVeda \$500,000?

15 A Yes.

16 Q And was interest promised to Mr. Bahri by NuVeda?

17 A It was a promissory note.

18 Q And did you approve the note?

19 A Yes.

20 Q Now, was there any additional moneys that Mohsen
21 Bahri claimed had been provided to NuVeda or for NuVeda's
22 benefit?

23 A Yes.

24 Q And how much in addition was there?

25 A \$500,000.

1 Q And that 500,000, did it come directly to NuVeda?
2 A It went to purchase land in Apex.
3 Q For?
4 A For NuVeda.
5 Q NuVeda. And what is the property in Apex?
6 A It is 15.56 acres of raw undeveloped land in
7 Mountainview Industrial Park.
8 Q And what was the intended purpose of the property in
9 Apex?
10 A Build a cultivation and production facility.
11 Q And how much was the total purchase price for Apex?
12 A Approximately \$1.7 million.
13 Q How much of that was paid in cash?
14 A \$1 million.
15 Q And the seven hundred remaining?
16 A A \$750,000 note with Real Cap Funding.
17 Q Okay. The 500,000 that went into Apex, was that
18 funded by Mohsen Bahri directly, or through Pej Bady?
19 A I do not know. I believe it to be through Pej Bady.
20 MR. DUSHOFF: Objection. Speculation.
21 THE COURT: Overruled.
22 BY MS. PIKE-TURNER:
23 Q Did Pej Bady tell you whether the money came through
24 -- the 500,000 that was used to fund Apex came through Mohsen
25 Bahri directly, or through him?

1 A I do not know.

2 Q Did you consider the 500,000 paid for the Apex
3 property always to have belonged to Mohsen Bahri?

4 A Yes.

5 Q Okay. And have you promised Mohsen Bahri anything
6 other than 2 percent ownership interest in the company?

7 A No.

8 Q And was that 2 percent conditional on anything?

9 A Yes.

10 Q What was it conditional on?

11 A Of us voting to ratify it and facilitate it with the
12 State and local jurisdiction.

13 Q And has Mohsen Bahri demanded more than 2 percent?

14 A Yes.

15 Q To you?

16 A Yes.

17 Q And did you say no?

18 A Yes, I did.

19 Q On behalf of NuVeda?

20 A Yes.

21 Q And has there been any threatened lawsuit against
22 you as a result of that?

23 A Yes.

24 Q Did you ever make any representation on behalf of
25 NuVeda that more than 2 percent would be provided to Mohsen

1 Bahri?

2 A No.

3 Q Now, in this October 14th, 2015, email that's set
4 forth at Exhibit 16, the second paragraph from the bottom it
5 says, "As we speak I've spend and underwritten about six and a
6 half million." Do you see that?

7 A Yes.

8 Q Do you know what was spent and underwritten that
9 totalled six and a half million?

10 A No.

11 Q Do you believe that six and a half million dollars
12 has come into NuVeda --

13 A No.

14 Q -- from Mr. Bady?

15 A No.

16 Q And have there been any guaranties that have been
17 executed by the members?

18 A Yes. There -- I know of a personal guaranty signed
19 for the \$750,000 promissory note to Real Cap Funding that is
20 -- I think was reassigned to Weststar Loan Servicing. And
21 that personal guaranty was signed by myself, Pej, and Pouya.

22 Q Any other personal guaranties?

23 A Not to my knowledge.

24 Q The \$750,000 mortgage for the Apex property, is that
25 being paid?

1 A Yes.

2 Q Who's paying it?

3 A I am.

4 Q You personally?

5 A Out of my personal account, yes.

6 Q Has there been any known attempt by the defendants

7 to fund that mortgage during the pendency of this lawsuit?

8 A No. I confirmed with Weststar this morning that I'm

9 the only person that has been paying that mortgage.

10 Q Now, if you go to Proposed Exhibit 32 --

11 THE COURT: Proposed 32?

12 MS. PIKE-TURNER: Yes.

13 THE COURT: Okay.

14 BY MS. PIKE-TURNER:

15 Q -- did you prepare this exhibit?

16 A Yes, I did.

17 Q And what did you -- what was the purpose of the

18 document?

19 A It was requested by Pej's law firm.

20 Q And what does it purport to show?

21 A Just the expenses that I personally paid out of

22 pocket for NuVeda in the month of December.

23 MS. PIKE-TURNER: And I'll move to admit Exhibit 32.

24 THE COURT: Any objection?

25 MR. NAYLOR: No objection.

1 MR. DUSHOFF: First of all, for the record, we
2 received this yesterday. Secondly, we did not request what
3 Shane Terry paid. We just requested the moneys that were paid
4 out on behalf of NuVeda for December. We have no idea whether
5 this is money paid out of Shane Terry or not. So we need
6 proper foundation for this.

7 THE COURT: Okay. Your objection's overruled. The
8 witness is the one who knows, since he prepared the document.
9 So let's go.

10 (Plaintiffs' Exhibit 32 admitted)

11 BY MS. PIKE-TURNER:

12 Q Okay. So did you pay \$47,650.19 of your own money
13 as set forth in this Exhibit 32?

14 A Yes.

15 Q And you understand you're under penalty of perjury?

16 A Yes.

17 Q Okay. And what is the ultimate source of those
18 funds?

19 A It's my personal account, money that I've -- that
20 has been personally loaned to me for my own personal checking
21 accounts.

22 Q Okay. Now, the Weststar Loan Service, we talked
23 about that. That was the mortgage payment. Dr. Greg Daniel,
24 you paid what was due under the note?

25 A Yes.

1 Q Mohsen Bahri, you paid him?
2 A Yes.
3 Q 2Prime, you paid that?
4 A Yes.
5 Q And then these accounts payable that are set forth,
6 the -- who's Wells Littlefield?
7 A He's an independent contractor that has been working
8 with the company for approximately one year.
9 Q And Joe LaPuma?
10 A Same. Independent that's been working for the
11 company for also about one year.
12 Q Now, have you received any communication from either
13 of the defendants that they were going to try to pay an
14 obligation on behalf of NuVeda?
15 A No.
16 Q Have you seen any evidence of them trying to pay an
17 obligation for NuVeda?
18 A No.
19 Q If you go to Proposed Exhibit -- I'm finding it.
20 Were there any permitting issues that came up in the
21 month of December?
22 A Could you define "permitting," please.
23 Q Were any of the special permits issued by
24 municipalities up for renewal?
25 A Yes. The State. And the permitting reference that

1 you see there for the City of Las Vegas has to do with
2 construction permitting.

3 Q Okay. And if you go to Exhibit 23, I believe it's
4 proposed, not admitted. Do you recognize this notice and
5 agenda for the City of North Las Vegas?

6 A Yes, I do.

7 Q And it has a date of December 9th, 2015. Did you
8 attend the Planning Commission meeting on December 9th, 2015?

9 A Yes, I did.

10 Q And did you attend that meeting on behalf of NuVeda?

11 A Yes, I did.

12 Q And if you'd look on Bates Number 183 of this
13 Proposed Exhibit 23, do you see Item Number 8?

14 A Yes.

15 Q Is that --

16 MR. DUSHOFF: Objection. This document is not in
17 evidence.

18 THE COURT: He hasn't done anything yet. He's just
19 looking at a document.

20 BY MS. PIKE-TURNER:

21 Q Does Item Number 8 relate to NuVeda's property
22 located in North Las Vegas?

23 A Yes.

24 Q That it leases?

25 A Yes.

1 Q And what was the -- or what is the intended use of
2 that property?

3 A A medical marijuana dispensary.

4 MS. PIKE-TURNER: Move to admit Exhibit 23.

5 THE COURT: Any objection?

6 MR. DUSHOFF: Objection. Relevance.

7 MR. NAYLOR: The same objection, Your Honor.

8 THE COURT: Overruled. Be admitted.

9 (Plaintiffs' Exhibit 23 admitted)

10 BY MS. PIKE-TURNER:

11 Q Who attended the Planning Commission hearing on
12 December 9th?

13 A Myself, Jennifer, Wells Littlefield, Drew Gennuso,
14 other people associated with our company, and George Garcia.

15 Q And did either of the defendants attend?

16 A No.

17 Q Did you receive any information to indicate they
18 were pursuing the renewal of the special permit issued by the
19 City of North Las Vegas?

20 A No.

21 Q Was the City of North Las Vegas special permit
22 extended?

23 A Yes, it was.

24 Q Have you seen any effort by Mr. Bady or Mr. Mohajer
25 to attend to the day-to-day operations of NuVeda or its

1 subsidiaries?

2 A None.

3 Q Now, if you go to Exhibit 24, it's admitted. When
4 did you receive a copy of what's set forth in Exhibit 24?

5 A I don't recall the actual date. I will -- on or
6 around December 12th, plus or minus a week.

7 Q Do you recall being asked to review this submission
8 -- well, let me lay the foundation.

9 Do you know what this document purports to be?

10 A I do now, yes.

11 Q And what do you believe it to be?

12 A I believe this to be the renewal requirement for the
13 State of Nevada to renew our provisional licenses.

14 Q How did you learn that this document set forth at 24
15 was submitted to the State?

16 A I did not find out about it until after it was
17 included as court evidence.

18 Q And were you asked to review the submission set
19 forth at Exhibit 24 --

20 A No.

21 Q -- prior to submission to the State?

22 A No.

23 Q Have you ever worked with Kaempfer Crowell --

24 A No.

25 Q -- related to NuVeda business?

1 A No.

2 Q Did you review the submission for accuracy?

3 A No.

4 Q Okay. Now, the renewal application that's set forth
5 at Exhibit 24 was signed by Pej Bady; correct?

6 A That appears so, yes.

7 Q On page 198 do you recognize his signature?

8 A Yes, I do.

9 Q Did Pej Bady inform you that he was going to be
10 submitting a renewal application to the State?

11 A No.

12 Q Did anybody tell you or communicate with you that
13 there was in intention that Pej Bady would submit a renewal
14 application to the State?

15 A No.

16 Q Now, subsequent to this document being submitted to
17 the State did you review it for accuracy?

18 A Yes.

19 Q And is it accurate in your opinion?

20 A No.

21 Q Why not?

22 A I wrote about two and a half pages of a Word
23 document of errors that I found in this.

24 Q Well, can you summarize them for the Court, the
25 material ones.

1 A I'll just hit on the salient points. They did not
2 include any mention of Phil Ivey, and the --

3 MR. DUSHOFF: Objection. I would like to have that
4 document. If he prepared a document that he's reading from, I
5 think we have a right to have that document.

6 THE COURT: Well, sure. All you have to do is ask
7 under the Justin Jones decision.

8 So, sir, you reviewed some documents in preparation
9 for your testimony and made some notes. Where are they?

10 THE WITNESS: I have them in my files.

11 THE COURT: Yeah. But where are your files?

12 THE WITNESS: On my computer.

13 THE COURT: And where's your computer?

14 THE WITNESS: Sitting right over there in the
15 corner, Your Honor.

16 THE COURT: Sweet. Isn't that nice. Can you email
17 the notes that you created to assist you in having this to my
18 assistant so he can print them.

19 THE WITNESS: Of course, Your Honor.

20 THE COURT: Or, I'm sorry, to my law clerk, because
21 my assistant's already left for the day. Her email address --
22 ready to write?

23 THE WITNESS: Mind if I get my computer, Your Honor?
24 Or I can write it down first.

25 THE COURT: Please. You can go over there, because

1 we have to take a break under the Nevada Supreme Court's
2 decision for you to gather the information before we proceed
3 further when this request is made of me.

4 So go over to your computer.

5 THE WITNESS: And I'll write down the email address,
6 Your Honor.

7 THE COURT: Now?

8 THE WITNESS: Yes.

9 MS. PIKE-TURNER: No. Not on the exhibits.

10 THE WITNESS: On the stickie note.

11 THE COURT: Okay. I'm sorry. Laura's going to give
12 it to you, because she doesn't trust me.

13 THE WITNESS: Thank you, Your Honor.

14 THE COURT: Hopefully her handwriting is neat. So
15 go over to your computer and email them to Laura. She'll
16 print them, bring them to you. Mr. Dushoff will then be
17 happy.

18 You can have a couple minutes, if you'd like, while
19 you have this break.

20 Mr. Maupin.

21 MR. MAUPIN: Can I ask you a question? Are we --

22 THE COURT: Absolutely.

23 MR. MAUPIN: Are we convening tomorrow morning and
24 not tomorrow afternoon?

25 THE COURT: No. Because I have a criminal

1 proceeding tomorrow morning. And while I thought I would be
2 done by lunchtime, since we don't have the afternoon
3 available, I'm not going to schedule you guys tomorrow.

4 MR. MAUPIN: Okay.

5 THE COURT: You're off tomorrow. We're going to
6 talk about scheduling as soon as we get close to the end of
7 this witness's direct, if that ever happens.

8 MS. PIKE-TURNER: Really? There's no rule named
9 after me.

10 THE COURT: No, not yet. But Matt Dushoff likes
11 having a rule with Steve Peek in which he shares the
12 responsibility.

13 (Pause in the proceedings)

14 MS. PIKE-TURNER: I have a procedural question.

15 THE COURT: On this case, or other cases?

16 MS. PIKE-TURNER: Other case.

17 THE COURT: This other case mine?

18 MS. PIKE-TURNER: Yeah. It's a procedural question.

19 THE COURT: No. But is it one of mine, or is it
20 another case for another judge? Do I put my presiding judge
21 hat on, or my I'm a real person?

22 MS. PIKE-TURNER: It's another judge who you've been
23 taking their calendar.

24 THE COURT: So we're on Judge Scan.

25 (Court recessed at 3:48 p.m., until 3:55 p.m.)

1 THE COURT: All right. So I don't think I have any
2 more availability this week in looking at my calendar. I will
3 know if I have availability next week Wednesday morning about
4 9:30. But I would have to have a conference call with you
5 guys to negotiate that time.

6 MS. PIKE-TURNER: I could be back here by 3:00.

7 THE COURT: It wouldn't finish. Two hours isn't
8 enough.

9 So everybody had a chance to look at the notes?

10 MR. DUSHOFF: No, I haven't had the opportunity.

11 THE COURT: Okay. So I'm --

12 MR. DUSHOFF: Your Honor, based on the information
13 you just provided us regarding not going to be ready until
14 next year -- next week, can I talk with counsel and my client
15 regarding that? Because there's very strict time constraints,
16 as you're aware of, in the documents.

17 THE COURT: No, really?

18 MR. DUSHOFF: Yeah. No. There is.

19 THE COURT: Why do you think you're here on the 28th
20 day of December?

21 MR. AIELLO: That's not normal?

22 THE COURT: So, sir, I'm going to ask you a question
23 while they look at the notes.

24 THE WITNESS: Yes, Your Honor.

25 THE COURT: Why do you think that Dr. Bady and Dr.

1 Mohajer were working together on these issues that were
2 identified, including 2113 and 2Prime?

3 THE WITNESS: The 2113 issue there's evidence of all
4 the paperwork. And the other two main issues that I believed
5 them to collude on were self reported by them to me.

6 THE COURT: Okay.

7 BY MS. PIKE-TURNER:

8 Q Let me address that issue. We'll come back to this.
9 So we can address the --

10 THE COURT: Well, let the counsel keep reading it.

11 MS. PIKE-TURNER: Okay.

12 THE COURT: But I was asking what was important to
13 me as the fact finder, because I have a tendency to do that
14 when I get tired of listening to the --

15 MS. PIKE-TURNER: I get it. Cut to the chase? Let
16 me ask the followup.

17 MR. DUSHOFF: I still haven't had an opportunity to
18 read this.

19 MS. PIKE-TURNER: So we're going to address the
20 Court's question.

21 BY MS. PIKE-TURNER:

22 Q In Exhibit 6 Pej told you that the undisclosed
23 600,000 from Mehjed was a loan to be paid in full by Pej and
24 Pouya; correct?

25 A Yes.

1 Q Now, we haven't talked about the issue with the loss
2 reallocation. What -- well, did Pej Bady have any
3 communication with you regarding loss allocation?

4 A Yes.

5 Q And what was Pej Bady's communication with you on
6 that subject?

7 A We had just received our corporate K-1s from Joseph
8 Kennedy, and Pej Bady approached me and asked me if I would
9 allocate my K-1 losses to him so that he could use it to
10 balance out financial interests outside of NuVeda.

11 Q And did you research the issue of whether you could
12 allocate -- reallocate losses to another member?

13 A Yes, I did.

14 Q Did you review the operating agreement?

15 A Yes, I did.

16 Q If you could go to Exhibit 1, Section 5.1. It says,
17 "Losses. Profits and losses shall be allocated among the
18 members in proportion to their percentage ownership interest";
19 correct?

20 A Yes.

21 Q Did you do any other research?

22 A Yes.

23 Q And what'd you do?

24 A Title 25 of the U.S. Code and IRC 704(b) states that
25 profits and losses will be allocated in accordance with the

1 membership interest unless your operating agreement defines
2 otherwise.

3 THE COURT: Sustained.

4 BY MS. PIKE-TURNER:

5 Q Okay. You did that to inform yourself; correct?

6 A Yes.

7 Q Did you have a followup discussion with Pej Bady
8 about what your opinion was with regard to whether or not he
9 should reallocate losses?

10 A Yes, I did.

11 MR. DUSHOFF: Objection as to legal opinion.

12 THE COURT: Sustained.

13 BY MS. PIKE-TURNER:

14 Q Did you tell Pej Bady to -- that he could reallocate
15 losses, or that he shouldn't?

16 MR. DUSHOFF: Same objection.

17 MS. PIKE-TURNER: I'm just --

18 THE COURT: Can you rephrase the question so we get
19 away from that. Did you ask him if he can reallocate the
20 losses.

21 BY MS. PIKE-TURNER:

22 Q Okay. Fair enough. Did you ask Pej Bady whether or
23 not -- no, that wouldn't work.

24 Did Pej Bady ask you -- I guess I'm not
25 understanding the --

1 THE COURT: He's sitting down.

2 BY MS. PIKE-TURNER:

3 Q Did you have a discussion with Pej Bady regarding

4 the allocation of losses?

5 A Yes, I did.

6 Q Did you tell him he couldn't or he could do it?

7 A I told him he could not do it.

8 MR. DUSHOFF: Again objection. Same objection.

9 THE COURT: Sustained.

10 What did Mr. Bady tell you?

11 THE WITNESS: Mr. Bady asked me if I would

12 reallocate my K-1 losses to him.

13 THE COURT: And what did you say?

14 THE WITNESS: I said, no, it is illegal in our

15 operating agreement and the IRS Code.

16 MR. MAUPIN: I move to strike all the rest of it

17 after "yes."

18 THE COURT: Overruled. Denied.

19 BY MS. PIKE-TURNER:

20 Q It's what you told him; correct?

21 A Yes.

22 Q It's what you believe?

23 A Yes.

24 Q And did you discover that Pej -- that losses were

25 reallocated to Pej Bady?

1 A Yes.

2 Q And how were they reallocated?

3 A They were the taken from Pouya Mohajer's K-1 and
4 reallocated to Pej Bady.

5 Q And did Pouya Mohajer disclose to you that he was
6 doing this?

7 A Yes.

8 Q And did you tell -- did he tell you that he was
9 going to do it despite your beliefs?

10 A He told me after it had already been done. I did
11 not know it occurred.

12 Q Now, why do you care if taxes are reallocated?

13 A We're an extremely highly regulated industry. It
14 statistically shows that medical marijuana companies get
15 audited about three times as much as a normal company, and I
16 knew that the concern over regulation, traceability of money,
17 and proper tax allocation were already scrutinized enough, and
18 I thought that it would be detrimental to our licenses.

19 Q When the Judge asked you how you believe that
20 Mohajer and Bady acted in concert related to 2113 you said
21 there were documents.

22 A Yes.

23 Q Can you explain what documents you're referring to.

24 A Specifically the reassignment of escrow from NuVeda
25 to 2113 Investors LLC assigned by Dr. Mohajer.

1 MR. DUSHOFF: Objection. He's talking about
2 documents that haven't been admitted or provided in this case.

3 THE COURT: Overruled.

4 MS. PIKE-TURNER: They haven't been provided despite
5 requests.

6 THE COURT: Wait. Wait. Guys. Don't fight,
7 please.

8 BY MS. PIKE-TURNER:

9 Q Can you go to Proposed Exhibit 5.

10 THE CLERK: 5 is admitted.

11 MS. PIKE-TURNER: Oh. It is admitted?

12 THE CLERK: Uh-huh.

13 BY MS. PIKE-TURNER:

14 Q Okay. Exhibit 5 that's admitted. It's a letter of
15 intent to purchase real property?

16 A Yes.

17 Q Tell me what you understand this document to be?

18 A This document is a transfer of interest signed by
19 Pouya Mohajer and not our general counsel.

20 Q And did you approve documents being executed on
21 behalf of NuVeda LLC with 2113 Investors LLC to have the
22 ownership interest in the 2113 property vested with 2113
23 Investors?

24 A I don't understand the question.

25 Q Did you agree to what's set forth in this letter of

1 intent to purchase real property?

2 A No.

3 Q Did Pouya discuss it with you prior to executing?

4 A No.

5 Q Was it ever disclosed by Pej Bady, Pouya Mohajer, or

6 Joseph Kennedy prior to executing this document?

7 A No.

8 Q And were there other escrow documents in addition to

9 the letter of intent?

10 A Yes.

11 Q Do you have the escrow documents?

12 A They're also back on my computer.

13 Q Okay. Are they voluminous?

14 A I believe so.

15 Q Okay.

16 MR. DUSHOFF: I would like those documents, as well.

17 THE COURT: Did you review those in preparation --

18 MS. PIKE-TURNER: They're on --

19 THE COURT: Wait.

20 Did you review those in preparation for your

21 testimony today?

22 THE WITNESS: I have reviewed them recently, yes.

23 THE COURT: Okay. Before he comes back to finish

24 you need to produce them even if they're in electronic form.

25 //

1 BY MS. PIKE-TURNER:

2 Q Are they on the Google drive that the defendants
3 have access to?

4 A Yes.

5 MR. AIELLO: Your Honor, we don't have access to
6 that Google drive.

7 THE COURT: I know. I told her they need to be
8 produced in electronic form.

9 MS. PIKE-TURNER: All right. Back to this new
10 exhibit. Do you want it to be admitted, the notes?

11 THE COURT: His notes?

12 MR. DUSHOFF: I still haven't --

13 THE COURT: Under the rule I only am -- under the
14 statute I am only required at the request of counsel to
15 provide whatever was reviewed to refresh his recollection.
16 That's been provided. If you want it marked, it can be marked
17 for purposes of your record. If you want it admitted, then
18 I've got to go through a different process.

19 MR. DUSHOFF: I haven't even had an opportunity to
20 review this.

21 THE COURT: Okay.

22 MR. DUSHOFF: If I can have a couple minutes to
23 review it before they move to admit it.

24 THE COURT: I'm not --

25 MR. DUSHOFF: All right. Thank you.

1 THE COURT: It isn't even marked yet. Right now
2 it's only handed out.
3 BY MS. PIKE-TURNER:
4 Q What are the material errors in the --
5 MR. DUSHOFF: Objection.
6 THE COURT: You want to read the document before he
7 answers questions on it?
8 MR. DUSHOFF: Yes, please.
9 THE COURT: Oh. Okay.
10 MS. PIKE-TURNER: All right. I'll push those --
11 THE COURT: So let me ask questions while Mr.
12 Dushoff reads.
13 At the pace we're going how much longer do you have
14 on direct?
15 MS. PIKE-TURNER: An hour.
16 THE COURT: Hour or so?
17 Mr. Naylor, your cross?
18 MR. NAYLOR: About 30 minutes, Your Honor.
19 THE COURT: Mr. Dushoff's about an hour?
20 MR. DUSHOFF: Probably about an hour, yes, Your
21 Honor. I mean an hour at the most.
22 THE COURT: About an hour.
23 MR. DUSHOFF: No. An hour.
24 THE COURT: How much do you have, Ms. Goldstein?
25 MS. PIKE-TURNER: Your Honor --

1 THE COURT: Best guess.

2 MS. PIKE-TURNER: -- I don't know that we're going
3 to need to call Ms. Goldstein. I think Ms. Stevenson covered
4 a lot.

5 THE COURT: All right. So any additional witnesses?

6 MS. PIKE-TURNER: Other than --

7 THE COURT: Mr. Dushoff, keep reading.

8 Okay. So you've got the two defendants. Best
9 estimate on direct? Half hour each, hour each?

10 MS. PIKE-TURNER: Yeah. I would say less than an
11 hour.

12 THE COURT: So you've got basically another full
13 day. No, I'm serious. Because then they've got to do their
14 case in chief through the witnesses and then you've got to
15 argue and, you know.

16 MR. MAUPIN: It sounds like much of that is going to
17 be taken care of if they call the two witnesses.

18 THE COURT: Well, but your direct of them and your
19 cross.

20 BY MS. PIKE-TURNER:

21 Q Okay. I'm going to move past the renewal
22 application and come back to it so that Mr. Dushoff has a
23 chance to review the notes that you prepared.

24 If you go to Proposed Exhibit 31, can you explain
25 what this document is.

1 A Yes. This document was generated by me to account
2 for all of the accounts payable, loans, capital contributions,
3 and liabilities that I knew of to be in existence in NuVeda,
4 and I circulated it with the other members, including Pej
5 Bady. We refined this to what we all agreed on to be true and
6 correct.

7 Q Was this a rolling document that was updated as new
8 information became relevant?

9 A Yes.

10 Q And is this Proposed Exhibit 31 the most recent
11 iteration of this spreadsheet that you prepared?

12 A Yes. This was supplied by Pej Bady.

13 Q Okay. So when you say it was supplied by Pej Bady,
14 the detail was provided?

15 A He had the final edits to this document. Correct.

16 Q And when were those final edits provided to you?

17 A Mid to late October.

18 Q And do you have any information received after
19 October to indicate that there's any additional or different
20 information than what's set forth at Exhibit 31?

21 A No. Although some of these will increase with time
22 for interest payments, rent payments, et cetera.

23 MS. PIKE-TURNER: All right. I move to admit
24 Exhibit 31.

25 THE COURT: Any objection to 31?

1 MR. NAYLOR: I don't have any objection, Your Honor,
2 other than I'd like to clarify when the witness says October
3 does he mean October 2015.

4 THE WITNESS: I apologize. October 2015.

5 MR. NAYLOR: Thank you.

6 THE COURT: Then yes.

7 MR. DUSHOFF: Again I'm going to object on
8 foundation. There is no date on here. There's no information
9 what he relied upon. I have no idea when this was prepared.

10 THE COURT: Okay. Objection's overruled. Be
11 admitted.

12 (Plaintiffs' Exhibit 31 admitted)

13 BY MS. PIKE-TURNER:

14 Q Now, if you go to last page of Exhibit 22.

15 A 22?

16 Q Yes. You didn't prepare Exhibit 22; right?

17 A I did not, no.

18 Q Do you have any knowledge regarding why the list of
19 loans and accounts payable is different here as an attachment
20 to Exhibit 22 and what you prepared --

21 A No, I do not.

22 Q -- with Pej Bady's input?

23 A No.

24 Q What do you believe to be the current obligations of
25 NuVeda, the amount?

1 A The previous document that I showed, that reflects
2 about \$4.3 million.

3 THE COURT: And that's the last --

4 THE WITNESS: I'm sorry. Which was the number --

5 THE COURT: 31?

6 THE WITNESS: 31, correct.

7 BY MS. PIKE-TURNER:

8 Q Now, the --

9 A I'm sorry. On 31 it's 4.537 million.

10 Q Now, if you go to Bates Number 148 of Exhibit 22.

11 THE COURT: My copy's not Bates numbered. So what
12 page is that? I'm working on my one I marked up before.

13 MS. PIKE-TURNER: Oh. It's page 10, Your Honor.

14 THE COURT: Thank you. I have a numbered copy, but
15 I have notes on this one.

16 BY MS. PIKE-TURNER:

17 Q It says, "The debt of NuVeda due and outstanding as
18 of the effective date is not more than \$2,182,130." Do you
19 see that?

20 A Yes, I do.

21 Q Do you believe that to be accurate?

22 A No.

23 Q Now, it indicates in this agreement, "CW shall be
24 responsible for resolving up to one and a half million of this
25 debt." Do you see that?

1 A Yes, I do.

2 Q Do you know what debt is being referred to as being
3 resolved by CW, the 1.5 million?

4 A Not specifically.

5 Q Did you have any communications with defendants,
6 either of them, regarding which million and a half of the
7 total NuVeda debt would be paid by CW?

8 A No.

9 Q Was it ever explained to you what the plan was for
10 the payment of all outstanding debt of NuVeda?

11 A No.

12 Q The CW agreement, if it is effectuated or closed, do
13 you have an understanding of what interests of NuVeda and/or
14 its members will be affected?

15 A No.

16 Q Okay.

17 A I'm sorry. Do you mean membership interests?

18 Q Yes.

19 A From this MSA 65 percent.

20 Q There are two subsidiaries that are a party to this
21 membership interest purchase agreement; correct?

22 A Correct.

23 Q The dispensaries --

24 A Correct.

25 Q -- and then the Nye County cultivation and

1 processing?

2 A Yes.

3 Q Are there obligations that are owed by NuVeda for
4 the third entity that has cultivation and processing in Apex?

5 A Yes.

6 Q And do you know -- did defendants tell you how they
7 intended to pay those obligations?

8 A No.

9 Q Do you know why the subsidiary that holds the Apex
10 licenses, why those were not included in the membership
11 interest purchase agreement?

12 A No, I do not.

13 Q Were the terms of the membership interest purchase
14 agreement discussed with you at all?

15 A No.

16 Q Were they -- was there a draft shared with you?

17 A Yes. There was a LOI presented by CW Nevada emailed
18 to me.

19 Q And in that LOI -- well, subsequent to that LOI were
20 there discussions with defendants regarding a possible deal
21 with CW?

22 A No. They were nonresponsive.

23 Q When did you first receive the LOI?

24 A 17 November, the day prior to our meeting with Brian
25 Padgett -- or, sorry, our team meeting. Excuse me.

1 Q And how did you receive the LOI?

2 A It was emailed to me by Brian Padgett, CW Nevada's
3 manager.

4 Q Did you reach out to Brian Padgett?

5 A Yes, I did.

6 Q And did you ask for production of the LOI from him?

7 A No, I did not. He volunteered it.

8 Q And did you know that there was an executed LOI with
9 anybody prior to receiving that from Brian Padgett?

10 A No, I didn't.

11 Q And had you been advised of the general terms before
12 you received the LOI from Brian Padgett?

13 A No.

14 Q Did you have any concerns with NuVeda entering into
15 the proposed deal with CW Nevada?

16 A Significant concerns.

17 Q And were those concerns -- did you have concerns
18 prior to receiving the LOI?

19 A Yes. Prior to and subsequent to.

20 Q All right. So had you communicated any concerns
21 with the defendants regarding CW Nevada specifically?

22 A Yes. Attempted to.

23 Q And did -- all right. And when did you attempt to
24 communicate those concerns to defendants?

25 A When we had our team meeting on November 18th. And

1 I was the one that brought up the CW deal. It was not
2 disclosed to the team, and I said, there's significant
3 concerns in both the size of the membership interest, the way
4 that it was being facilitated, which I had concerns would
5 violate the regulatory requirements, and I was also very
6 concerned about the overall vagueness in the terms of the
7 deal.

8 Q Have you had a chance to review the membership sale
9 agreement that's set forth at Exhibit 22?

10 A Yes.

11 Q Do you believe it's good for NuVeda?

12 A It's horrible for the company.

13 Q Why?

14 A One, it doesn't address our pending legal issues,
15 but that could be set aside. Other than that, it's a
16 65 percent interest into the company with no total monetary
17 contribution. The only thing that it mentions is that it
18 will pay up to \$1.5 million of debt, and included in that
19 \$1.5 million of debt is \$600,000 that's going to be paid off
20 to Pej Bady as a personal -- that he borrowed as a personal
21 loan. NuVeda is giving out membership interests for Pej to
22 pay off his personal loans.

23 In addition to that it is vague of any sort of
24 operational plan to get up and running. I can't put a dollar
25 valuation on it. It doesn't even address the assets that go

1 to Clark Natural Medicinal Solutions, the subsidiary that you
2 talked about. It basically guts NuVeda's interest, shifts it
3 over to a new company that does not have a disclosed operating
4 agreement. All it says is that CW Nevada will be the
5 controlling manager member of that new company, which my
6 concern is, without seeing an operating agreement, this is
7 just a shell company to dilute NuVeda's interest. And without
8 an operating agreement anything can happen from that point.
9 There's no way for us to protect ourselves. Not to mention
10 the overall capital contributions, the ability of CW Nevada to
11 fund this is vague of any sort of tangible --

12 Q Is CW Nevada a competitor in your opinion?

13 A A direct competitor. One of our primary
14 competitors.

15 Q The dispensaries that NuVeda has, the potential
16 dispensaries, where are those located?

17 A One is in -- right outside the Arts District in
18 downtown Las Vegas, and the other one's on North Las Vegas
19 Boulevard, right across from the courthouse in North Las
20 Vegas.

21 Q Have you received --

22 A City Hall. Sorry.

23 Q Since the State changed its law on transferability
24 have you received offers from others?

25 A Yes.

1 Q And I believe Counsel referred to 4Front.

2 A Correct.

3 Q What's 4Front?

4 A 4Front is a company that's comprised mainly of two
5 different entities. One is 4Front Advisors, which is the
6 consulting company for NuVeda's dispensaries and also helped
7 us get our licenses.

8 4Front Capital is a separate arm of 4Front, and they
9 are looking to help us through fundraising and invest in
10 NuVeda.

11 Q Have you received an LOI from 4Front?

12 A I've received two LOIs, yes.

13 Q The most recent LOI, when did you receive that?

14 A I received it the day before Christmas. On the
15 24th, I believe. 24th, 25th.

16 Q Let's see if it's in here.

17 Exhibit 21, it's proposed. Is this an offer that
18 you received from 4Front in December 2015?

19 A This is the second offer to also go along with the
20 previous offer that they sent us. This is in addition to the
21 first offer.

22 MS. PIKE-TURNER: And I'm going to move to admit
23 Exhibit 21.

24 MR. DUSHOFF: Objection. Foundation.

25 THE COURT: It's overruled.

1 Did you have another objection, Mr. Naylor?

2 MR. NAYLOR: No.

3 THE COURT: Okay.

4 (Plaintiffs' Exhibit 21 admitted)

5 BY MS. PIKE-TURNER:

6 Q Now, when you receive LOIs or offers of interest do
7 you conduct research into -- or conduct due diligence into
8 feasibility?

9 A Absolutely.

10 Q Were you able to conduct feasibility with respect to
11 the CW deal?

12 A I was never given that opportunity.

13 Q And with respect to 4Front just doing a comparison
14 from black-and-white paper do you believe that the 4Front
15 offer is richer than the CW offer?

16 MR. DUSHOFF: Objection. Vague, this question as to
17 "richer."

18 THE COURT: Overruled.

19 And by richer you mean more beneficial to the
20 company?

21 MS. PIKE-TURNER: More beneficial to NuVeda.

22 THE COURT: Okay.

23 THE WITNESS: Simply the fact that it states a
24 dollar amount makes it more tangible than the CWs do. And not
25 to mention -- yes. So this is for a cumulative -- math in

1 public -- \$10.3 million investment for approximately 42
2 percent of the company. So I would say that's a significantly
3 better offer than 65 percent for up to \$1.5 million and the
4 rest undisclosed.

5 BY MS. PIKE-TURNER:

6 Q Now, in the CW deal there is a promise to help build
7 out the facilities; correct?

8 A Yes.

9 Q And doesn't that have potential value to NuVeda?

10 A The way that it's written it actually seems that
11 they would use proceeds from the dispensary that would be
12 built first, that a minimum of 50 percent of that net income
13 would then go to fund the cultivation facility. The
14 cultivation facility itself is only 25,000 square feet. It's
15 a -- it says a greenhouse. So it seems that NuVeda will
16 actually be funding a majority of that --

17 MR. DUSHOFF: Objection. Goes beyond the question.

18 THE COURT: Overruled. You can finish.

19 THE WITNESS: So it seems that NuVeda will actually
20 be funding -- or would have the potential to self fund the
21 building of that greenhouse. So when I look at the CW Nevada
22 LOI it says a 65 percent membership interest for up to. It
23 doesn't mean they have to contribute 1.5 million, again of Pej
24 Bady's personal debt, and then the dispensary construction
25 amount is undisclosed. And then from -- once that gets

1 constructed per the MSA as I read it, they might not have to
2 expend any other capital.

3 BY MS. PIKE-TURNER:

4 Q Were you denied an ability to ask these questions of
5 the defendants prior to execution of the agreement?

6 A Yes. They were unresponsive.

7 Q Now, with respect to the 25,000-square-foot
8 greenhouse have you seen any plans on the detail? Is it the
9 Trump Tower quality, or is it a gray shell? What is it?

10 A No. If they said they were going to commit a
11 hundred million dollars to the building of that facility, it
12 might be a great deal for NuVeda. But if it's going to be a
13 million dollars, it's a terrible deal for NuVeda. I have no
14 way to assess it.

15 Q Now, as part of the CW transaction or agreement set
16 forth at Exhibit 22 it says that, "Transferor, NuVeda, shall
17 sell 100 percent of the membership interest owned by
18 transferor in Clark and Nye." Do you believe that there is an
19 ability to sell 100 percent of the interest?

20 A No.

21 Q Why not?

22 A Primarily because NuVeda does not own 100 percent of
23 the interest. Phil Ivey owns 3 percent, and, as I interpret
24 the regulatory structure from the State, there's no ability to
25 facilitate that.

1 MR. DUSHOFF: Objection. His interpretation of --

2 THE COURT: Overruled.

3 THE WITNESS: And secondly, Clark, which is a
4 reference to the dispensary, at the local level they do not
5 permit any sort of transfer of ownership.

6 BY MS. PIKE-TURNER:

7 Q Now, in both yours and Pej Bady's submissions to the
8 State there is a representation of ownership in the
9 subsidiaries that's equal to the ownership in NuVeda. Is that
10 correct?

11 A Yes -- I'm not sure I understand that.

12 Q Well, let's go to the document.

13 A Thank you.

14 Q If you go to Exhibit 30. And I'll just pick a page.

15 THE COURT: 307?

16 BY MS. PIKE-TURNER:

17 Q Bates Number 299.

18 THE COURT: Never mind. I was guessing.

19 BY MS. PIKE-TURNER:

20 Q Now, this is your submission, 299? You see where
21 there's a representation that Clark -- we can go to Nye -- Pej
22 Bady is a 44.48 percent owner in Nye Natural. Do you see
23 that?

24 A Yes, I do.

25 Q And those percentages are pro rata with the

1 ownership interest in NuVeda; correct?

2 A No, they -- pro rata, yes. They are diluted by
3 Phil's 3 percent interest.

4 Q Okay. Well, he doesn't have that interest in Nye;
5 correct?

6 A He does in Nye. He doesn't -- if you actually look
7 at the next page, that is the ownership interest for this
8 Clark NMSD LLC, which is the Clark entity that the MSA
9 references.

10 Q Okay. So it's a different percentage.

11 Now, if you go to --

12 MR. MAUPIN: I didn't hear an answer.

13 THE COURT: Was there an answer?

14 THE WITNESS: Can you repeat the question.

15 BY MS. PIKE-TURNER:

16 Q There was a different percentage ownership than
17 NuVeda when you take that 3 percent into consideration?

18 A NuVeda and Clark NMSD have the same exact ownership
19 interests. NuVeda and Clark Natural Medicinal Solutions and
20 NuVeda and Nye Natural Medicinal Solutions have a different
21 ownership interest due to Phil Ivey's 3 percent.

22 Q If you go to Exhibit 24, which is Pej Bady's
23 submission and Bates Number 225. And I'm just picking one of
24 the pages with the percentages. Do you see where it indicates
25 ownership interest Clark NMSD and Clark Natural, you know,

1 46.5 percent for Pej Bady?

2 A Yes.

3 Q And these numbers that are included in Pej Bady's
4 submission are pro rata with the NuVeda ownership; correct?

5 A Correct.

6 Q And these are the percentages that are in the
7 operating agreement?

8 A Correct.

9 Q And did you as an owner of 21 percent of Clark NMSD
10 LLC vote on transferring interest in Clark NMSD LLC to a NewCo
11 with CW Nevada?

12 A No.

13 Q Now, time deadlines have been discussed in this
14 case, the December 15th date. What was the December 15th
15 deadline?

16 A December 15th was the required renewal date for our
17 provisional licenses.

18 Q Now, what is the --

19 MR. DUSHOFF: Just for clarification, was that with
20 the State?

21 THE WITNESS: Yes, it was.

22 MR. DUSHOFF: Okay.

23 BY MS. PIKE-TURNER:

24 Q And that's the submission that Dr. Bady submitted
25 and you submitted, was to comply with that deadline; correct?

1 A Yes.

2 Q Now, this lawsuit was commenced December 3rd.
3 Subsequent to that was there a guidance provided by the State
4 regarding subsequent deadlines?

5 A Yes, there was.

6 Q If you go to Exhibit 33.

7 THE COURT: Is that a proposed exhibit?

8 MS. PIKE-TURNER: It is a proposed exhibit.

9 BY MS. PIKE-TURNER:

10 Q Is that the guidance you're referring to?

11 A Yes, it is.

12 Q And with respect -- if you go to Bates Number 346,
13 that second paragraph, without reading it out loud, is that
14 your understanding of the State's new guidance on the
15 subsequent deadline?

16 A Yes, it is.

17 MS. PIKE-TURNER: Okay. I move to admit Exhibit 33.

18 THE COURT: Any objection?

19 MR. DUSHOFF: Yes. Objection. Page 345 has been
20 redacted somehow. I have no idea what it says in there. This
21 is an incomplete document.

22 THE COURT: Did it get redacted, or was that just
23 poor copying on your part?

24 MS. PIKE-TURNER: It did not get redacted. It was
25 -- I can make the representation it was downloaded from the

1 Website. It's a public document.

2 THE COURT: What's the Website?

3 THE WITNESS: DPBH.health.gov -- nv.gov.

4 MR. DUSHOFF: Which is it?

5 THE WITNESS: Try DPBH.nv.gov.

6 THE COURT: Which exhibit is this?

7 MS. PIKE-TURNER: 33.

8 (Pause in the proceedings)

9 THE COURT: Yeah. It's got those funky little

10 windows in other places, too.

11 MS. PIKE-TURNER: Yeah. On the first page --

12 THE COURT: A bunch of them.

13 MS. PIKE-TURNER: -- and on the second page.

14 MR. DUSHOFF: And the third page I'm not sure -- if

15 you look at the first paragraph --

16 MS. PIKE-TURNER: I'm only addressing the third

17 page.

18 MR. DUSHOFF: We have a right to get a complete

19 document, Your Honor.

20 THE COURT: Absolutely you do. But this does not

21 appear to be redactions, it appears to be funky windows that

22 the Department has put on that you have to sign into to be

23 able to access the document in full.

24 So is there a way to get us a clean copy?

25 MS. PIKE-TURNER: Yes, Your Honor.

1 THE COURT: What do you think the address is? Is it
2 Nevada, State of Nevada?

3 THE WITNESS: Yes, it is, Your Honor. DPBH.
4 something.

5 MS. PIKE-TURNER: .nv.gov.

6 MS. GOLDSTEIN: Go to medical marijuana.

7 THE COURT: You know, I'm going to get blocked from
8 that, because my computer's going to determine that it's
9 criminal activity, and I'm not allowed to engage in criminal
10 activity. Yeah. I'm not allowed to go to it.

11 MS. PIKE-TURNER: Really?

12 THE WITNESS: On the State Website.

13 MR. MAUPIN: This is signed by the Governor.

14 MS. PIKE-TURNER: Can you email it?

15 THE COURT: The filters are pretty --

16 MS. PIKE-TURNER: Can you email it to Laura Rose.

17 THE COURT: All right. It's 4:33. Is there
18 something we can do while we're waiting to admit that
19 document? Can somebody tell me what the deadlines are so I
20 can intelligently address the issue somebody's going to talk
21 to be about in a few minutes given what Mr. Dushoff said.

22 MS. PIKE-TURNER: Well, Your Honor, this is a public
23 document. The May 3rd, 2016, deadline, it's been extended,
24 per se, where the State has said, so long as the MME is not
25 making an effort -- sorry -- "The Division intends to take no

1 action on the MME certificate at the 18-month May 3rd, 2016,
2 deadline. However, if the MME is not making an effort to
3 become operational, is unresponsive, or submits misleading or
4 incorrect renewal information, the Division reserves the right
5 to investigate and revoke the MME's registration." So they're
6 not revoking on May 16th unless you have these carve-outs.

7 MR. MAUPIN: Your Honor, if I may.

8 THE COURT: Yes.

9 MR. MAUPIN: That says that they may not under a
10 series of very vague circumstances, number one. And I would
11 remind the Court that at least two years ago when the National
12 Medicare Website said that you didn't to do set-asides and
13 third-party claims, they said no problem. But every treatise
14 in the entire academic community said you'd better set aside.
15 So these Websites are advisory at best.

16 THE COURT: Okay. I was able to get on the official
17 State of Nevada Department of Health and Human Services
18 Website. Where do you believe you found that document?

19 MS. PIKE-TURNER: If you click on "Medical
20 Marijuana."

21 MS. GOLDSTEIN: It's "Medical Marijuana," and then
22 "Medical Marijuana Establishments" on the next page.

23 THE COURT: And then where?

24 MS. GOLDSTEIN: The title of the document is MMP --

25 THE WITNESS: On the right-hand side of that page

1 it'll say "Policies."

2 MS. GOLDSTEIN: Yeah. I'm just trying to send it to
3 Department 11 right now.

4 THE COURT: "Program Process Updates December 8,
5 2015"?

6 THE WITNESS: Yes.

7 MS. GOLDTEIN: Yep. That's it.

8 THE COURT: I don't have a little box on mine, so
9 I'm going to try and print it for you guys.

10 Kevin, can you go pick up copies of what I hope has
11 just -- it's only three pages long onto Dan's computer. It
12 was only three pages.

13 MS. GOLDSTEIN: It is. I have multiple copies in
14 here, but it is only three pages.

15 MS. PIKE-TURNER: But it is only three pages.

16 THE COURT: Okay. Show it to Mr. Dushoff to make
17 sure that he's okay with it now that we have a clean copy of
18 the three-page document.

19 MR. NAYLOR: No objection, Your Honor.

20 MR. DUSHOFF: No objection, Your Honor.

21 THE COURT: Okay. So can we mark that as A.

22 MS. PIKE-TURNER: Thank you.

23 THE COURT: Whatever the other number was as A.

24 MS. PIKE-TURNER: 33A.

25 THE COURT: We're not admitting 33. We're admitting

1 33A, which is apparently a true and complete copy, since I
2 printed it from the Website.

3 MS. PIKE-TURNER: Yes.

4 THE COURT: I didn't read it, because it's -- you
5 know.

6 (Plaintiffs' Exhibit 33A admitted)

7 THE COURT: Next?

8 BY MS. PIKE-TURNER:

9 Q Do you on behalf of NuVeda continue to make an
10 effort to become operational?

11 A Yes.

12 Q Do you believe that you can get the financing
13 necessary to become operational?

14 A Yes.

15 Q What is the impediment right now to getting that
16 financing?

17 A This current legal status.

18 Q Being in litigation?

19 A Correct.

20 Q Having disputes with the other members?

21 A Correct.

22 Q And in this guidance it indicates that the MME may
23 be revoked if misleading or incorrect renewal information has
24 been provided. Do you see that?

25 A Yes, I do.

1 Q Do you take extra care to provide correct
2 information that is transparent?

3 A Absolutely.

4 Q And have you been taking efforts to be transparent
5 with potential investors?

6 A Absolutely.

7 Q Is there anything that -- well, to date have you
8 received any allegation of wrongdoing, self dealing, or
9 usurping of corporate opportunity for your personal benefit
10 from the defendants?

11 A Not from the defendants, no.

12 Q Have you ever been alleged to have been self
13 dealing --

14 A No.

15 Q -- on behalf of NuVeda?

16 A No.

17 Q Or usurping of corporate opportunity for your
18 personal benefit?

19 A I'm trying to think of the letter from Mohsen Bahri.

20 Q Okay. We have the letter from Mohsen Bahri here.
21 Did you receive any money from Mohsen Bahri?

22 A No.

23 Q Did you receive any benefit from anything that
24 Mohsen Bahri provided?

25 A Personally, or NuVeda?

1 Q Personally.

2 A No.

3 Q All right. Find the letter. If you go to Proposed
4 Exhibit 19. Is this the letter that you were referencing?

5 A Yes. There's this letter, and then there was a
6 potential suit that was drafted and sent to us from Mohsen's
7 attorney.

8 Q If you go to Proposed Exhibit 20, is that the
9 correspondence with the attached proposed lawsuit?

10 A Yes, it is.

11 Q And does that refresh your recollection regarding
12 the allegation -- whether or not there was an allegation that
13 you personally benefitted?

14 A These are the only allegations that I'm aware of
15 against me personally.

16 MS. PIKE-TURNER: And I'm going to move to admit
17 Exhibits 19 and 20.

18 THE COURT: Any objection?

19 MR. DUSHOFF: I'll do Number 19. 19, object as to
20 foundation. I have no idea where this came from, there's no
21 date, there's no signature, and it's an incomplete document.

22 THE COURT: Why do you believe it to be incomplete?
23 Because the witness just testified where he got it from.

24 MR. DUSHOFF: Yeah. But he said he got it through
25 an email, attach to an email letter. But there's no email,

1 there's no anything with it.

2 THE COURT: So why do you believe the document is
3 incomplete, merely because the cover letter email's not with
4 it?

5 MR. DUSHOFF: Because there's nothing with it. I
6 have nothing to identify this document except his statement.
7 But there's no date on it, no signature.

8 THE COURT: But that's the foundation, is the
9 witness has testified, you know. So what do you think's
10 missing from it? I know the other one we had missing boxes
11 that just randomly appeared on the document. I'm trying to
12 figure out what you're -- if there's something missing from
13 this document.

14 MR. DUSHOFF: I don't know if there's any more.
15 There's no sign -- there's no saying that it was from anybody
16 that I'm aware of.

17 THE COURT: The objection's overruled. Okay.

18 (Plaintiffs' Exhibits 19 and 20 admitted)

19 BY MS. PIKE-TURNER:

20 Q When did you receive the correspondence set forth at
21 Exhibit 19 from Mohsen Bahri?

22 A It was after we had a company meeting on or about
23 October 20th.

24 Q Okay. Now, the second paragraph --

25 A Of 2015.

1 Q -- of the correspondence from Mohsen Bahri, it says,
2 "To summarize, you as a group had agreed to transfer shares to
3 Pejman and those shares would become my shares when allowed."
4 Do you see that?

5 A Yes, I do. I know it's in there.

6 Q It's the second paragraph.

7 THE COURT: It's the second paragraph.

8 THE WITNESS: Yes.

9 BY MS. PIKE-TURNER:

10 Q Now, that's true; correct?

11 A Yes.

12 Q Now, if you go to -- did you receive any personal
13 benefit from transferring your shares?

14 A No.

15 Q You diluted -- you agreed to dilute your own shares
16 to comply with Pejman's demand?

17 A Correct.

18 Q Was there -- did you believe there was a benefit to
19 NuVeda by diluting your share and providing that to Pejman?

20 A Yes, I did.

21 Q And what did you believe that benefit would be?

22 A \$500,000.

23 Q Okay. Now, if there was going to be a subsequent
24 transfer from Pejman to Mohsen Bahri, would that have been
25 disclosed to potential investors and the State?

1 A Yes.

2 Q And you were unwilling to transfer it until it was
3 something that was legal; correct?

4 A Correct.

5 Q Okay. Now, in this second paragraph it says, "It
6 seemed to me that you guys had voted to have some of Mehjed's
7 money --"

8 That's Mehjed Golpa?

9 A That is correct, yes.

10 Q "-- transferred to ownership." Did you ever agree
11 to have Mehjed's money transferred to ownership?

12 A We agreed that with a future investment, yes.

13 Q Okay. Not with the six hundred that was loaned to
14 Pej Bady --

15 A No.

16 Q -- and Pouya?

17 MR. NAYLOR: Objection again, Your Honor. If the
18 witness could testify as to himself, as opposed to this vague
19 "we." I know we're trying to move things along, but --

20 THE COURT: Sir, we're focused on you, not "we."

21 THE WITNESS: Yes, Your Honor.

22 BY MS. PIKE-TURNER:

23 Q Now, in this second paragraph he says, "I brought in
24 a million dollars, 500 loans and 500 K at a \$25 million
25 value." What does that mean, do you know?

1 A I would assume it means a \$25 million --
2 MR. DUSHOFF: Objection. Speculation.
3 THE COURT: I don't want you to assume, sir.
4 THE WITNESS: I do not know with certainty what that
5 means.
6 THE COURT: Thank you.
7 BY MS. PIKE-TURNER:
8 Q Did you have -- now, further down in the paragraph
9 it says, "I learned that evening that you were trying to sell
10 more shares at \$10 million valuation." Do you see that?
11 A Yes.
12 Q Do you know -- did you try to sell NuVeda shares at
13 \$10 million?
14 A Yes.
15 Q Okay. Did you try to sell shares at 25 million
16 value?
17 A Not to -- no.
18 Q Okay. Describe what you were -- what your offering
19 was to third parties.
20 A That was part of the million-dollar raise that I
21 said I would put my title on the line for two weeks, and we
22 were selling at a \$30 million valuation that was discounted
23 for certain investors that would provide sweat equity. It
24 begun at a \$10.5 million valuation for first money, and then
25 it incrementally went up in valuation to the full 30 million.

1 Q Okay. Were you willing to offer to Mohsen Bahri and
2 investment with a \$10 million valuation?

3 A No.

4 Q And why not?

5 A He did not provide any value to the company in sweat
6 equity or the equivalent of.

7 Q Now, Mr. Bahri says that it was unethical and biased
8 to not provide him the same deal. Did you receive any
9 personal benefit from offering a discounted valuation to
10 certain investors as opposed to others?

11 A No.

12 Q Did you have any communications with Mohsen Bahri
13 where you promised him a discounted valuation?

14 A Absolutely not.

15 Q Now, the lawsuit that was threatened on December
16 2nd, did you -- has it been filed, as far as you know?

17 A I do not think so.

18 Q And do you know whether Samira Knight, counsel for
19 -- had you communicated with Samira Knight on behalf of Mohsen
20 Bahri prior to receiving this correspondence?

21 A Yes, I had.

22 Q And was she introduced to you -- who introduced her
23 to you?

24 A She forwarded a letter from Mohsen Bahri that
25 accused me of fraud and amongst a couple other things and said

1 we had 48 hours to respond. It was -- if I recall, it was
2 over the weekend, and I wanted to make sure that I provided a
3 response, a timely response to that letter.

4 Q Did you make any misrepresentation to Mohsen Bahri?

5 A No.

6 Q And other than Mohsen Bahri making the allegation
7 that you should have provided the 25 million -- or the
8 10 million, as opposed to a \$25 million valuation, has there
9 been any other alleged wrongdoing on how you conduct the
10 business of NuVeda?

11 A From how I read it it was basically meaningless
12 allegations. So there was accusations of fraud, bias --

13 Q From Mohsen Bahri?

14 A Correct. Yes.

15 Q That's set forth in Exhibits 19 and 20?

16 A Yes.

17 Q Anything else that's been alleged against you, Shane
18 Terry acting on behalf of NuVeda?

19 A No.

20 Q And with respect to all the allegations of Mohsen
21 Bahri did you receive any personal benefit?

22 A No.

23 Q And did you ever have any communication from Dr.
24 Bady, Pouya Mohajer, or their counsel saying that you made
25 misrepresentations to Mohsen Bahri.

1 A No. And in fact I never spoke to Mohsen Bahri --
2 Pej Bady had the sole communication with him prior to us
3 meeting around October 20th.

4 Q There's a Pahrump lease, yes?

5 A Yes.

6 Q And who is the Pahrump lease with?

7 A Ralph and Betty McKnight.

8 Q And did you have any participation in the
9 negotiation of the Pahrump lease?

10 A I was -- I was present at one meeting, but I did not
11 directly negotiate with them.

12 Q Who directly negotiated for the Pahrump lease?

13 A Pej Bady.

14 Q Now, the McKnights have sued; correct?

15 A Yes.

16 Q And if you go to Proposed Exhibit 29. My old
17 partner Sid Kistler sued Pejman Bady and Medicinal Solutions;
18 is that right?

19 A Nye Natural Medicinal Solutions, yes.

20 Q Or Nye Natural Medicinal Solutions.

21 Did you receive a copy of this complaint on behalf
22 of NuVeda?

23 A Yes.

24 MS. PIKE-TURNER: And I'm going to move to admit
25 Exhibit 29.

1 MR. NAYLOR: General objection there, Your Honor,
2 on the basis of relevance, particularly with about the last
3 15 minutes of questions that we've had. This is a preliminary
4 injunction hearing, and it doesn't appear at all to have any
5 real basis on any of the elements.

6 THE COURT: Or relate to the question I asked about
7 two hours ago. But under the circumstances I'm going to admit
8 it. Whether it ends up being relevant or not is an entirely
9 different issue.

10 (Pleadingiffs' Exhibit 29 admitted)

11 THE COURT: So it's 4:51. It's time to break. You
12 think a full day. Does everybody think a full day given the
13 pace we've been going?

14 MR. NAYLOR: Yes, Your Honor.

15 MR. DUSHOFF: Yes, Your Honor.

16 THE COURT: Okay. I will know Wednesday at about
17 9:30 what time the week of January 4th I have. You want to
18 have a conference call Wednesday morning about 10:00?

19 MR. DUSHOFF: We are available, Your Honor.

20 MR. NAYLOR: Yes, Your Honor.

21 THE COURT: That way nobody has to come down here.
22 We can just try and negotiate a date. All right. You're
23 going to get the --

24 MR. DUSHOFF: Your Honor, we'll prepare the
25 conference call to send -- for everybody to send out, unless

1 the Court has one.

2 THE COURT: I don't.

3 MR. DUSHOFF: Okay.

4 THE COURT: I have that phone over there.

5 MR. DUSHOFF: We'll prepare it and have it sent out.

6 THE COURT: The escrow documents that are
7 electronically available need to be produced in an electronic
8 format. I don't care what method you do it, but it needs to
9 be made available.

10 And I'm going to leave the TRO that was entered on
11 December 15th in place until the conclusion of our hearing
12 that will be scheduled on January 4th.

13 MR. MAUPIN: At this point, just as a matter of
14 housekeeping, today I believe is the day for us to answer the
15 complaint. May we have two weeks?

16 THE COURT: Can they have two weeks?

17 MS. PIKE-TURNER: Yeah. If they'd asked --

18 MR. MAUPIN: Guess it doesn't make any difference.

19 THE COURT: She said sure, you can have an
20 extension. She's going to extend you all the professional
21 courtesies that you'd like.

22 MR. MAUPIN: I would have expected no less.

23 THE COURT: Wonderful.

24 What else? So Mr. Dushoff is in charge of --

25 MR. DUSHOFF: I'm having it done right now, Your

1 Honor.

2 THE COURT: -- doing the call-in number. You're
3 going to send that to us, to Dan or Laura, so that I can then
4 make sure that we are part of that. And then we'll discuss
5 the schedule.

6 Yes, Dulce.

7 THE CLERK: The notes, Your Honor, did -- is this
8 going to be marked, or not?

9 THE COURT: Don't give it to me. I'll lose it.

10 MS. PIKE-TURNER: Your Honor, one more matter.

11 THE COURT: Sir, you can step down, if you'd like.

12 THE WITNESS: Thank you, Your Honor.

13 MS. PIKE-TURNER: Since the TRO is still in effect,
14 we would be entitled to books and records of NuVeda under the
15 operating agreement. And we've made requests, and they've
16 gone unanswered. And we also get financial records and other
17 documents that are in the possession of the defendants. And
18 due diligence for CW. That's in our request.

19 MR. AIELLO: To the extent we have them we will. It
20 was my understanding from my clients that those were all on
21 the Google drive. So that's --

22 THE COURT: So I don't do Google drive. I don't
23 know what it is.

24 MR. AIELLO: Me, neither. But whatever we can do to
25 get that --

1 THE COURT: It's a new world out there.

2 MR. AIELLO: Yeah. So I'm happy to facilitate.

3 THE COURT: So perhaps the information in that part
4 of the Google drive could be provided in an electronic format,
5 as well.

6 MR. AIELLO: Any way we can provide it we will.
7 I'll try to. I just don't know where those documents are.

8 THE COURT: Here's what I'm hearing that's not
9 connecting. If there's one Google drive, you should all be
10 able to access it.

11 MS. GOLDSTEIN: There are physical records.

12 MR. AIELLO: My client just told me --

13 THE COURT: So where's the due diligence on the CW
14 transaction?

15 MR. AIELLO: Again I believe that's on the Google
16 drive. But I'll check and I'll try and get it to you.

17 THE COURT: Well, how's this? You guys try and
18 figure it out. If you can't find it after making best efforts
19 to look for it, somebody set up a conference call, we'll
20 discuss what appears to be a slight discovery dispute before
21 the hearing.

22 MR. MAUPIN: This might be solved very easily if we
23 can find an eight-year-old kid.

24 THE COURT: Well, all I've got to do is ask my
25 teenage kid, and she'll be able to do it. Because I know she

1 knows how to use it, because she does her papers on it. But I
2 don't know what it is.

3 Okay. So, Kevin, this pile, don't hide it far.

4 Okay. So I'll talk to you guys Wednesday morning
5 about 10:00. Have a nice afternoon.

6 (Court recessed at 4:54 p.m., until
7 a time to be determined)

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* * *

EXHIBITS

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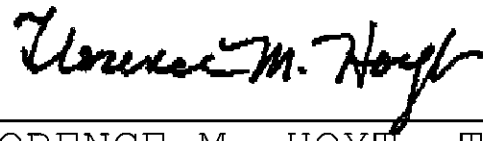
CERTIFICATION

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.

FLORENCE HOYT
Las Vegas, Nevada 89146



FLORENCE M. HOYT, TRANSCRIBER

12/31/15

DATE