#### IN THE SUPREME COURT OF THE STATE OF NEVADA

MM DEVELOPMENT COMPANY, INC., D/B/A PLANET 13, a Nevada Corporation, Case No. 81938

Electronically Filed Mar 25 2021 03:11 p.m. Elizabeth A. Brown Clerk of Supreme Court

Appellant,

vs.

**TRYKE COMPANIES SO NV, LLC, a** Nevada Limited Liability Company,

**Respondent.** 

# APPELLANT'S APPENDIX VOLUME 2 OF 3

KEMP JONES, LLP Will Kemp, Esq. (#1205) Nathanael R. Rulis, Esq. (#11259) Ian P. McGinn, Esq. (#12818) 3800 Howard Hughes Parkway, 17th Floor Las Vegas, Nevada 89169 Telephone: (702) 385-6000 w.kemp@kempjones.com n.rulis@kempjones.com i.mcginn@kempjones.com Attorneys for Appellant MM Development Company, Inc.

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# **EXHIBIT C-13**

<

# Sep 06, 2019, 4:05 PM



\$8.57

### Thanks for riding with Angela



Your Trip

	43 E Desert Inn Rd	Pickup
)	Paradise	4:05 PM
	2554 W Desert Inn Rd	Dropoff
)	Paradise	4:15 PM

# Payment

**\$8.57** Lyft fare (1.05mi, 10m 43s)

\$8.32 APPENDIX 251

#### Adam Laikin

From: Sent: To: Subject: Alexandria Manuli <alexmanuli11@gmail.com> Tuesday, September 10, 2019 2:34 PM Adam Laikin Fwd: Receipt for Your Payment to Lyft

------ Forwarded message ------From: <u>service@paypal.com</u> <<u>service@paypal.com</u>> Date: Sat, Sep 7, 2019 at 4:16 PM Subject: Receipt for Your Payment to Lyft To: Alexandria Manuli <<u>alexmanuli11@gmail.com</u>>

PayPal

Sep 7, 2019 16:16:07 PDT Transaction ID: 57E026309R072904R

Hello Alexandria Manuli,

You sent a payment of \$8.57 USD to Lyft

(support@lyft.com)

It may take a few moments for this transaction to appear in your account.

Merchant Lyft support@lyft.com Instructions to merchant You haven't entered any instructions.



Subtotal	
Tax	
Total	

Payment

\$8.57 USD

\$8.32 USD

\$0.25 USD \$8.57 USD

Payment sent to <u>support@lyft.com</u> Payment sent from <u>alexmanuli11@gmail.com</u>

Funding Sources Used (Total)

\$8.57 USD

Invoice ID: f7db83c0bc4b4bec\_1312142189018953642\_ebfb54d7

Issues with this transaction?

You have 180 days from the date of the transaction to open a dispute in the Resolution Center.

? Questions? Go to the Help Center at www.paypal.com/help.

Please do not reply to this email. This mailbox is not monitored and you will not receive a response. For assistance, log in to your PayPal account and click **Help** in the top right corner of any PayPal page or please contact us toll free at 1-888-221-1161.

You can receive plain text emails instead of HTML emails. To change your Notifications preferences, log in to your account, go to your Profile, and click **My settings**.

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PayPal PPX001066:1.1:4bde2ff37a8f8

**Electronically Filed** 8/24/2020 11:37 AM Steven D. Grierson CLERK OF THE COURT

# **EXHIBIT C-14**

<

### Sep 13, 2019, 11:16 AM

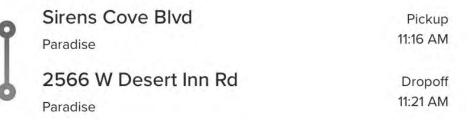


\$10.41

### Thanks for riding with Solomon



# Your Trip

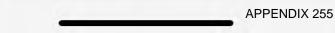


# Payment

## \$10.41

Lyft fare (0.8mi, 5m 14s)

\$10.11



# **EXHIBIT C-15**

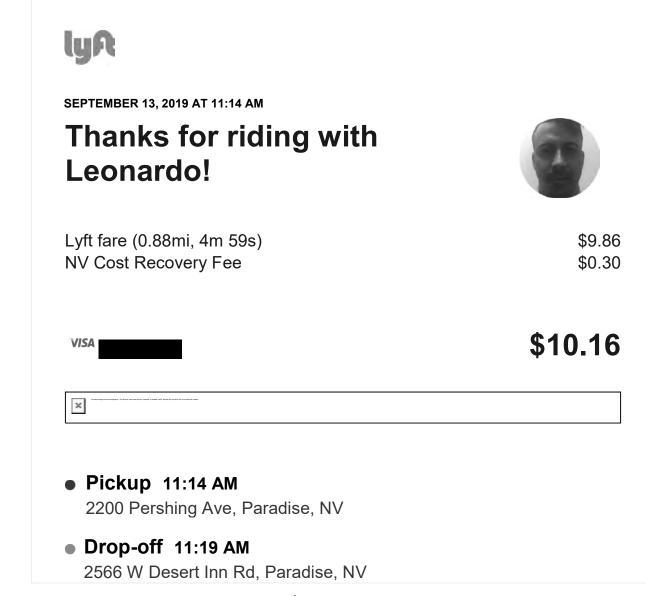
#### Adam Laikin

From: Sent: To: Subject: Alexis Avila <alexisavila\_06@yahoo.com> Tuesday, September 17, 2019 8:36 AM Adam Laikin Fwd: Your ride with Leonardo on September 13

Sent from my iPhone

Begin forwarded message:

From: Lyft Ride Receipt <<u>no-reply@lyftmail.com</u>> Date: September 13, 2019 at 1:54:54 PM PDT To: <u>alexisavila 06@yahoo.com</u> Subject: Your ride with Leonardo on September 13

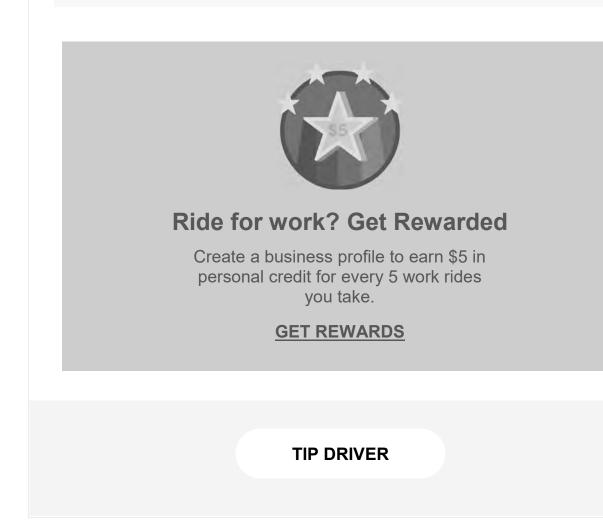




# Round Up & Donate

By rounding up their payments, our riders have donated over \$15 million to causes they believe in.

#### SUPPORT YOUR CAUSE



#### FIND LOST ITEM

#### **REQUEST REVIEW**

Help Center

Receipt #1314665512627153168

We never share your address with your driver after a ride. <u>Learn more</u> about our commitment to safety.

Map data <a>OpenStreetMap</a> contributors

© 2019 Lyft, Inc. 548 Market St., P.O. Box 68514 San Francisco, CA 94104 CPUC ID No. TCP0032513 - P

> Work at Lyft Become a Driver

EIGHTH JUDICIAL DISTRICT COURT			
CLARK COUNTY, NEVADA			
TRYKE COMPANIES SO NV, LLC, a ) Nevada limited liability ) company, ) Plaintiff, )			
vs. )			
MM DEVELOPMENT COMPANY, INC., ) dba PLANET 13, a Nevada ) corporation; DOES I through ) C, inclusive; and ROE BUSINESS) ENTITIES, I through C, ) inclusive,			
Defendants. )			
REPORTER'S TRANSCRIPTION OF AUDIOTAPE			
CAESAR PALACE September 13, 2019			
REPORTED BY: mg reporting Court Reporters			
MARY E. MANNING, RPR Certified Reporter2415 East Camelback Road, Suite 700 Phoenix, Arizona 85016 (602) 512-1300			
PREPARED FOR:			

CAESAR PALACE

09/13/19

1	CAESAR PALACE - 09/13/19
2	
3	PASSENGER: Sorry. I was a little confused
4	there.
5	DRIVER: Okay. How was your day? Good?
6	PASSENGER: Good. Good. How are you?
7	DRIVER: Good. Thank you.
8	I like your name.
9	PASSENGER: Thank you.
10	DRIVER: (Inaudible).
11	PASSENGER: Poquito.
12	DRIVER: In Spanish it's Alexis.
13	PASSENGER: Oh, okay.
14	DRIVER: Where are you going, Alexis?
15	PASSENGER: I'm going to Reef Dispensary's, yes.
16	DRIVER: This is whack. Change the address. Put
17	Planet 13. It's the best.
18	PASSENGER: Planet 13? You think so?
19	DRIVER: Yeah.
20	PASSENGER: Okay.
21	DRIVER: Change the address, please. It's too
22	close. It's more cheap. Everything is fresh. It's the
23	best dispensary in Vegas. Trust me.
24	PASSENGER: Gotcha. Do I can you I have to
25	change it through the app or you can just do it?
	mg reporting Court Reporters



	CAESAR PALACE 09/13/19
1	DRIVER: You change you change the address in
2	the app. Put Planet 13. It's the best. Because this
3	place
4	PASSENGER: No, no good?
5	DRIVER: super (inaudible).
6	PASSENGER: All right. I'm not really familiar
7	with the app.
8	DRIVER: Open your app and change the app to
9	Planet 13. This is easy.
10	PASSENGER: Edit, right? Is that it?
11	DRIVER: Edit, right. Edit the address, yeah.
12	It's Planet 13.
13	PASSENGER: Edit drop off?
14	DRIVER: No. Change the address.
15	PASSENGER: Oh, shit.
16	DRIVER: It's easy.
17	PASSENGER: Add stop?
18	DRIVER: No. Change the address.
19	You got it?
20	PASSENGER: Planet 13, you said?
21	DRIVER: Yeah, Planet 13. It's the best. Trust
22	me.
23	PASSENGER: Confirm.
24	DRIVER: You got it? It's the best.
25	PASSENGER: Planet 13 is the best? All right. I

	CAESAR PALACE 09/13/19
1	am excited. I haven't been there yet, so we'll see.
2	DRIVER: I show you right now where you're going.
3	Later, I show you Planet 13. You'll like it. It's the
4	best. Trust me.
5	PASSENGER: Okay.
6	DRIVER: Every day I pick up maybe 25 people, all
7	people, (inaudible) "I'll show you. This is Planet 13."
8	"Oh, my God."
9	PASSENGER: Wow, okay.
10	DRIVER: It's another world. So trust me.
11	PASSENGER: All right. I'm going to take your
12	word for it.
13	Have you been busy today?
14	DRIVER: Every day is busy, you know.
15	PASSENGER: Is it?
16	DRIVER: People come to Vegas all the time.
17	PASSENGER: Oh, yeah. I can only imagine.
18	DRIVER: People come to Vegas from Italy.
19	Everybody.
20	PASSENGER: Everywhere.
21	And you speak Spanish, so it's very good because
22	you can help, you know, people that don't speak very good
23	English, also.
24	DRIVER: No. I speak no. I speak four
25	language.

	CAESAR PALACE 09/13/19
1	PASSENGER: You speak a foreign language, okay.
2	DRIVER: I was living a long time in France and
3	in Italy.
4	PASSENGER: Oh, nice.
5	DRIVER: You don't speak Spanish because you
6	look the women from America are thinner.
7	PASSENGER: Uh-huh.
8	DRIVER: If somebody say, "Hey, Alexis. You look
9	(inaudible) women," you feel very good. Trust me.
10	PASSENGER: That's a good thing, yes.
11	DRIVER: Super good. Trust me. Because all
12	women from America I think is super beautiful.
13	PASSENGER: Gotcha.
14	DRIVER: Trust me.
15	PASSENGER: Thank you. I appreciate it.
16	My day's been pretty good, pretty good.
17	DRIVER: Where are you from?
18	PASSENGER: Me? I'm from Texas.
19	DRIVER: Oh, wow.
20	PASSENGER: Yeah, Texas.
21	You shop here at Planet 13?
22	DRIVER: Look at that. You're going behind this
23	building. It's nothing. I show you where is Planet 13.
24	PASSENGER: Okay. You get a lot of visitors that
25	want to go to the dispensaries?

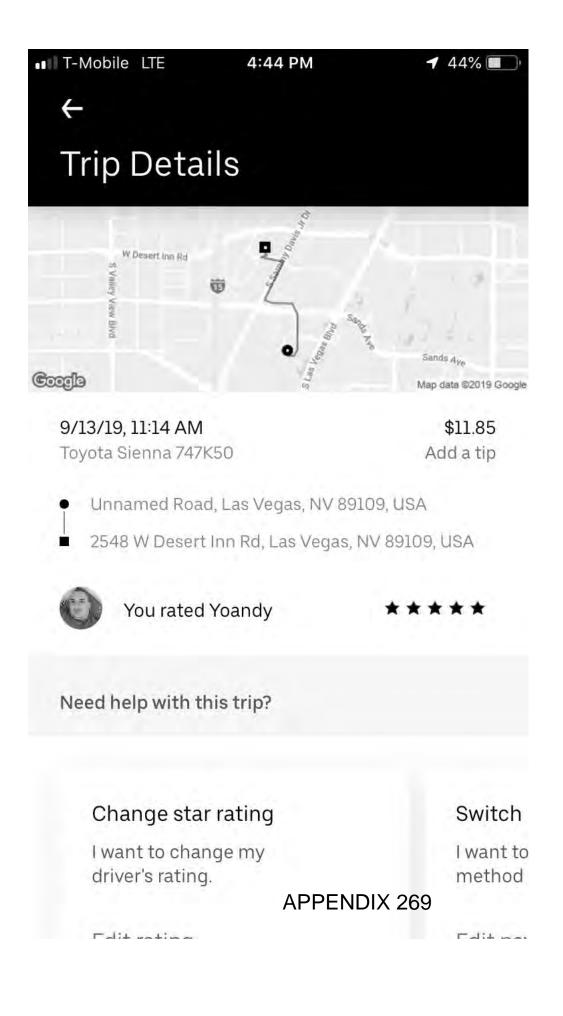
CAESAR PALACE 09/13/19 1 DRIVER: A lot of people. 2 PASSENGER: Yeah. 3 DRIVER: Vegas is normal. Just smoke one in 4 front of the police car, no problem. 5 PASSENGER: Nobody is going to say nothing. DRIVER: You say, "Hey. You want to smoke?" 6 The 7 police smoke. 8 PASSENGER: It's all okay. This is crazy Vegas. They don't care. 9 DRIVER: 10 PASSENGER: They don't care here? 11 DRIVER: Yeah. You're working (inaudible) no 12 problem. It's okay. You working, no problem. 13 PASSENGER: It's all good. 14 DRIVER: This is Vegas. It is all good. 15 PASSENGER: Nice. 16 I tell you, Planet 13 is the best DRIVER: 17 because it's the best. You go for another store, the 18 product is --19 PASSENGER: Is bad? 20 DRIVER: Yeah, it's bad. 21 PASSENGER: Oh, okay. 22 DRIVER: Look at that. This is Planet 13. 23 PASSENGER: Oh, okay. 24 DRIVER: All people come here. You go in this 25 building.

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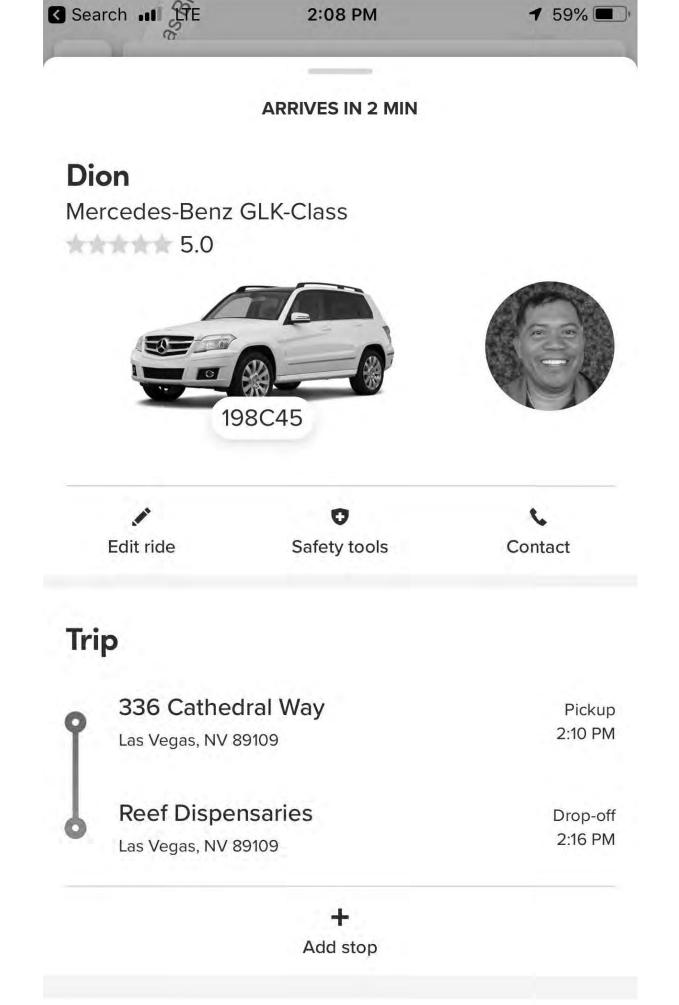
PASSENGER: Oh, okay. I see.         PRIVER: All people come here. This is Planet         I3. Nice dispensary place.         PASSENGER: It was very nice to meet you. I         appreciate your ride and your recommendation. We'll see         what this is all about.         DRIVER: Thank you. You're beautiful. You're so         beautiful.         PASSENGER: Thank you. I appreciate you.         DRIVER: Bye-bye.         Mill you give me five stars, Alexis?         PASSENGER: I will definitely give you five         stars. You have a good one.         PASSENGER: Bye-bye.         BRIVER: Bye.         PASSENGER: Bye-bye.         Mill pour give me five stars, Alexis?         PASSENGER: I will definitely give you five         stars. You have a good one.         PASSENGER: Bye-bye.         PASSENGER: Bye-bye.         K*******         Second the stars of the s		CAESAR PALACE 09/13/19
<ul> <li>13. Nice dispensary place.</li> <li>PASSENGER: It was very nice to meet you. I</li> <li>appreciate your ride and your recommendation. We'll see</li> <li>what this is all about.</li> <li>DRIVER: Thank you. You're beautiful. You're so</li> <li>beautiful.</li> <li>PASSENGER: Thank you. I appreciate you.</li> <li>DRIVER: Bye-bye.</li> <li>Will you give me five stars, Alexis?</li> <li>PASSENGER: I will definitely give you five</li> <li>stars. You have a good one.</li> <li>DRIVER: Bye.</li> <li>PASSENGER: Bye-bye.</li> <li>PASSENGER: Bye-bye.</li> <li>************************************</li></ul>	1	PASSENGER: Oh, okay. I see.
<ul> <li>PASSENGER: It was very nice to meet you. I</li> <li>appreciate your ride and your recommendation. We'll see</li> <li>what this is all about.</li> <li>DRIVER: Thank you. You're beautiful. You're so</li> <li>beautiful.</li> <li>PASSENGER: Thank you. I appreciate you.</li> <li>DRIVER: Bye-bye.</li> <li>Will you give me five stars, Alexis?</li> <li>PASSENGER: I will definitely give you five</li> <li>stars. You have a good one.</li> <li>DRIVER: Bye.</li> <li>PASSENGER: Bye-bye.</li> <li>********</li> <li>************************************</li></ul>	2	DRIVER: All people come here. This is Planet
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<pre>what this is all about. DRIVER: Thank you. You're beautiful. You're so beautiful. PASSENGER: Thank you. I appreciate you. DRIVER: Bye-bye. Will you give me five stars, Alexis? PASSENGER: I will definitely give you five stars. You have a good one. DRIVER: Bye. DRIVER: Bye. PASSENGER: Bye-bye. PASSENGER: Bye-bye. ************************************</pre>	4	PASSENGER: It was very nice to meet you. I
7DRIVER: Thank you. You're beautiful. You're so8beautiful.9PASSENGER: Thank you. I appreciate you.10DRIVER: Bye-bye.11Will you give me five stars, Alexis?12PASSENGER: I will definitely give you five13stars. You have a good one.14DRIVER: Bye.15PASSENGER: Bye-bye.16********18********19.20.21.22.23.24.	5	appreciate your ride and your recommendation. We'll see
<ul> <li>beautiful.</li> <li>PASSENGER: Thank you. I appreciate you.</li> <li>DRIVER: Bye-bye.</li> <li>Will you give me five stars, Alexis?</li> <li>PASSENGER: I will definitely give you five</li> <li>stars. You have a good one.</li> <li>DRIVER: Bye.</li> <li>PASSENGER: Bye-bye.</li> <li>PASSENGER: Bye-bye.</li> <li>*******</li> <li>*******</li> <li>*******</li> <li>*******</li> <li>4</li> <l< td=""><td>6</td><td>what this is all about.</td></l<></ul>	6	what this is all about.
<ul> <li>PASSENGER: Thank you. I appreciate you.</li> <li>DRIVER: Bye-bye.</li> <li>Will you give me five stars, Alexis?</li> <li>PASSENGER: I will definitely give you five</li> <li>stars. You have a good one.</li> <li>DRIVER: Bye.</li> <li>PASSENGER: Bye-bye.</li> <li>PASSENGER: Bye-bye.</li> <li>*******</li> <li>*******</li> <li>*******</li> <li>4</li> <li>PASSENGER: Alexis</li> <li>PASSENGER: Bye-bye.</li> <li>*******</li> <li>PASSENGER: Bye-bye.</li> <li>*******</li> <li>PASSENGER: Bye-bye.</li> <li></li></ul>	7	DRIVER: Thank you. You're beautiful. You're so
10DRIVER: Bye-bye.11Will you give me five stars, Alexis?12PASSENGER: I will definitely give you five13stars. You have a good one.14DRIVER: Bye.15PASSENGER: Bye-bye.16*********************************	8	beautiful.
Will you give me five stars, Alexis? PASSENGER: I will definitely give you five stars. You have a good one. DRIVER: Bye. PASSENGER: Bye-bye. **********************************	9	PASSENGER: Thank you. I appreciate you.
12PASSENGER: I will definitely give you five13stars. You have a good one.14DRIVER: Bye.15PASSENGER: Bye-bye.16	10	DRIVER: Bye-bye.
13       stars. You have a good one.         14       DRIVER: Bye.         15       PASSENGER: Bye-bye.         16       ********         18       ********         19       ********         20       ********         21       ********         22       ********         23       *******         24       ******	11	Will you give me five stars, Alexis?
14       DRIVER: Bye.         15       PASSENGER: Bye-bye.         16       *********         17       *********         18       *********         19       *********         20       *********         21       ************************************	12	PASSENGER: I will definitely give you five
15       PASSENGER: Bye-bye.         16       * * * * * * * *         17       * * * * * * * *         18       *         19       *         20       *         21       *         22       *         23       *         24       *	13	stars. You have a good one.
16       17     * * * * * * *       18       19       20       21       22       23       24	14	DRIVER: Bye.
17       * * * * * * *         18	15	PASSENGER: Bye-bye.
18         19         20         21         22         23         24	16	
19         20         21         22         23         24	17	* * * * * * *
20         21         22         23         24	18	
21         22         23         24	19	
22 23 24	20	
23 24	21	
24	22	
	23	
25	24	
	25	

	CAESAR PALACE 09/13/19
1	STATE OF ARIZONA )
2	COUNTY OF MARICOPA ) ss.
3	
4	
5	I, Mary E. Manning, hereby certify that
6	I listened to the audio file(s) of the recorded proceedings;
7	that I made a shorthand record of the oral matters had and
8	adduced at said proceedings; that thereafter, the transcript
9	of said proceedings was reduced to typewriting under my
10	direction, and that the material contained herein is a true
11	and accurate accounting of said matters on the recording all
12	to the best of my skill and ability.
13	DATED at Phoenix, Arizona, this 21st
14	day of August, 2020.
15	
16	Many ENtrance
17	Mary E. Manning, RPR
18	Certified Court Reporter Certificate No. 50444
19	mg reporting Court Reporters Firm No. R1006
20	(602) 512-1300
21	
22	
23	
24	*
25	

# **EXHIBIT C-16**



# EXHIBIT C-17



#### Payment

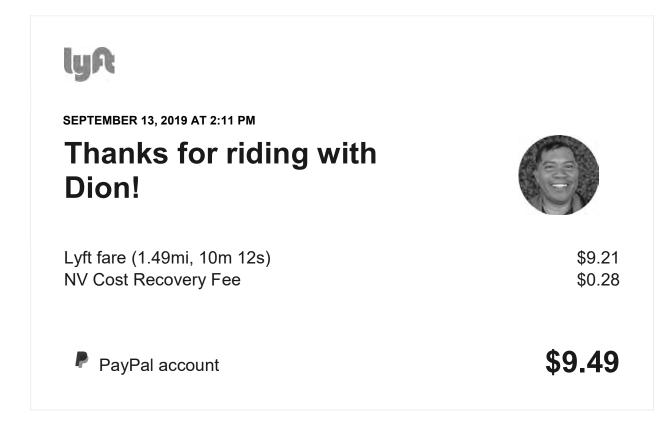
#### **Adam Laikin**

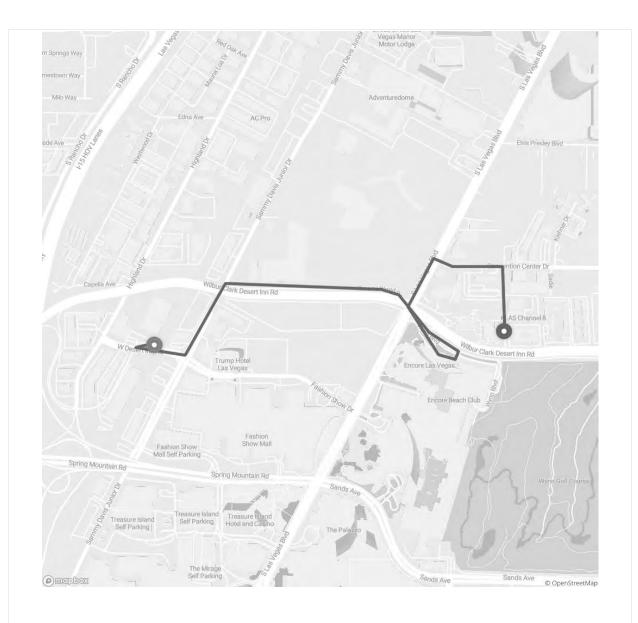
From: Sent: To: Subject: Samantha Upham <samantha.upham@yahoo.com> Friday, September 13, 2019 3:54 PM Adam Laikin Fwd: Your ride with Dion on September 13-Sam

Sent from my iPhone

Begin forwarded message:

From: Lyft Ride Receipt <<u>no-reply@lyftmail.com</u>> Date: September 13, 2019 at 3:01:00 PM PDT To: <u>samantha.upham@yahoo.com</u> Subject: Your ride with Dion on September 13





• Pickup 2:11 PM 39 E Desert Inn Rd, Paradise, NV

### • Drop-off 2:21 PM 2584 W Desert Inn Rd, Paradise, NV



# **Round Up & Donate**

By rounding up their payments, our riders have donated over \$15 million to causes they believe in.

#### SUPPORT YOUR CAUSE



# **Ride for work? Get Rewarded**

Create a business profile to earn \$5 in personal credit for every 5 work rides you take.

### **GET REWARDS**

**TIP DRIVER** 

**FIND LOST ITEM** 

**REQUEST REVIEW** 

To protect against unauthorized behavior, you may see <u>an authorization hold</u> on your bank statement. This is to verify your payment method and will not be charged.

Help Center

#### Receipt #1314710567364738996

We never share your address with your driver after a ride. <u>Learn more</u> about our commitment to safety.

Map data <a>OpenStreetMap</a> contributors

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> Work at Lyft Become a Driver

EIGHTH JUDICIAL DISTRICT COURT				
	CLARK CO	UNTY, NEVADA		
	PANIES SO NV, LLC, mited liability Plaintiff,	a ) ) )		
	VS.			
dba PLANE corporation C, inclust ENTITIES,	) MM DEVELOPMENT COMPANY, INC., ) dba PLANET 13, a Nevada ) corporation; DOES I through ) C, inclusive; and ROE BUSINESS) ENTITIES, I through C, ) inclusive, )			
	Defendants.	)		
REPORTER'S TRANSCRIPTION OF AUDIOTAPE				
FASHION SHOW MALL September 13, 2019				
REPORTED 1	BY:	mg reporting Court Reporters		
Certified	ANNING, RPR 241 Reporter te No. 50444	15 East Camelback Road, Suite 700 Phoenix, Arizona 85016 (602) 512-1300		
PREPARED	FOR:			

FASHION SHOW MALL 09/13/19 1 FASHION SHOW MALL - 09/13/19 2 3 DRIVER: I guess because of the bridge and stuff 4 like that. 5 PASSENGER: Oh. 6 DRIVER: It's crazy. 7 PASSENGER: We're going to head over to Reef 8 Dispensary. 9 DRIVER: Which one, ma'am? 10 PASSENGER: Reef. Reef Dispensary. 11 DRIVER: Do you need to charge your phone, hon? 12 PASSENGER: No. I think I'm okay. Thank you, 13 though. 14 DRIVER: You're all charged up, huh? 15 I appreciate it, though. PASSENGER: 16 DRIVER: Yeah. No problem. 17 Everything good? 18 PASSENGER: So far. DRIVER: It's starting to warm up a little bit, 19 20 yeah. It was much cooler the last two days. 21 PASSENGER: Yeah. 22 DRIVER: Just one of those things. 23 PASSENGER: Speaking of weather ... 24 DRIVER: Yeah. 25 Would you rather go to Planet 13? They got a

> mg reporting Court Reporters office@mgreporting.com

**APPENDIX 277** 

	FASHION SHOW MALL 09/13/19
1	much better deal out there, they say.
2	PASSENGER: Where at?
3	DRIVER: Planet just across the street. It's
4	a much, much bigger facility compared to your the Reef.
5	A lot a lot of people are, you know, going in there
6	instead.
7	PASSENGER: Yeah.
8	DRIVER: Much, much bigger. They got a much
9	better selection, they say.
10	PASSENGER: All right. Well, let's check it out.
11	DRIVER: It's just across the street.
12	Where are you from, hon?
13	PASSENGER: Wisconsin.
14	DRIVER: Does it get real hot out there, too?
15	PASSENGER: It gets humid.
16	DRIVER: Oh, you got
17	PASSENGER: But the summers are so short and the
18	winters are so long.
19	DRIVER: It gets real cold out there?
20	PASSENGER: It gets very cold, yeah.
21	DRIVER: Now we get all the heat.
22	Is it cooling off in there, hon?
23	PASSENGER: Oh, yeah. It's perfect, actually.
24	DRIVER: Okay. Planet 13, right here.
25	PASSENGER: Yep.

	FASHION SHOW MALL 09/13	/19
1	DRIVER: You have a safe one always, hon.	
2	Yeah, you can get out over here.	
3	PASSENGER: Okay.	
4	DRIVER: All right. Take care always.	
5	PASSENGER: Thank you so much.	
6	DRIVER: Have a good one, hon.	
7	PASSENGER: Thank you. Have a good one.	
8		
9	* * * * * * *	
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25		

FASHION SHOW MALL

1	STATE OF ARIZONA )
2	COUNTY OF MARICOPA ) ss.
3	
4	
5	I, Mary E. Manning, hereby certify that
6	I listened to the audio file(s) of the recorded proceedings;
7	that I made a shorthand record of the oral matters had and
8	adduced at said proceedings; that thereafter, the transcript
9	of said proceedings was reduced to typewriting under my
10	direction, and that the material contained herein is a true
11	and accurate accounting of said matters on the recording all
12	to the best of my skill and ability.
13	DATED at Phoenix, Arizona, this 21st
14	day of August, 2020.
15	11 -11
16	Mary Elferning
17	Mary E. Manning, RPB
18	Certified Court Reporter Certificate No. 50444
19	mg reporting Court Reporters Firm No. R1006
20	(602) 512-1300
21	
22	
23	
24	
25	

office@mgreporting.com APPENDIX 280

09/13/19

# **EXHIBIT C-18**

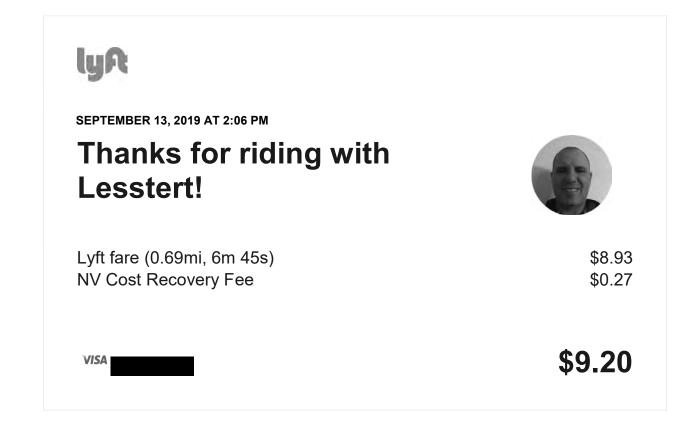
#### **Adam Laikin**

From: Sent: To: Subject: Alexis Avila <alexisavila\_06@yahoo.com> Tuesday, September 17, 2019 8:37 AM Adam Laikin Fwd: Your ride with Lesstert on September 13

Sent from my iPhone

Begin forwarded message:

From: Lyft Ride Receipt <<u>no-reply@lyftmail.com</u>> Date: September 13, 2019 at 2:48:04 PM PDT To: <u>alexisavila 06@yahoo.com</u> Subject: Your ride with Lesstert on September 13





• Pickup 2:06 PM 115 Dio Dr, Paradise, NV

#### • Drop-off 2:12 PM 2566 W Desert Inn Rd, Paradise, NV



## **Round Up & Donate**

By rounding up their payments, our riders have donated over \$15 million to causes they believe in.

#### SUPPORT YOUR CAUSE



### **Ride for work? Get Rewarded**

Create a business profile to earn \$5 in personal credit for every 5 work rides you take.

#### **GET REWARDS**

**TIP DRIVER** 

**FIND LOST ITEM** 

**REQUEST REVIEW** 

Help Center

3

Receipt #1314709583082092792

We never share your address with your driver after a ride. Learn more about our commitment to safety.

Map data <a>OpenStreetMap</a> contributors

© 2019 Lyft, Inc. 548 Market St., P.O. Box 68514 San Francisco, CA 94104 CPUC ID No. TCP0032513 - P

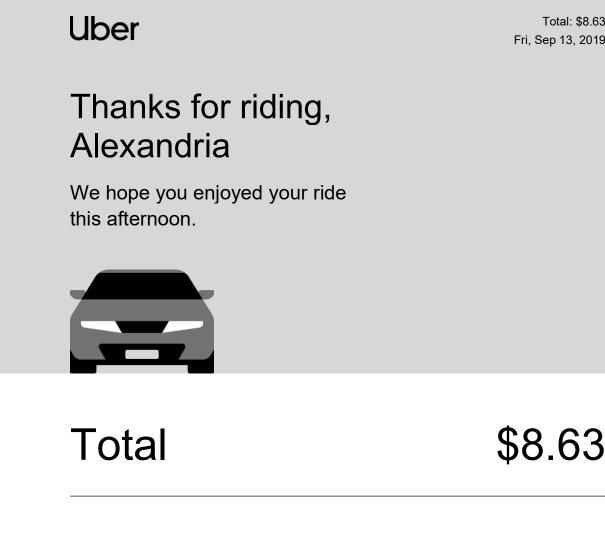
> Work at Lyft Become a Driver

## EXHIBIT C-19

#### **Adam Laikin**

From: Sent: To: Subject: Alexandria Manuli <alexmanuli11@gmail.com> Friday, September 13, 2019 3:57 PM Adam Laikin Fwd: Your Friday afternoon trip with Uber

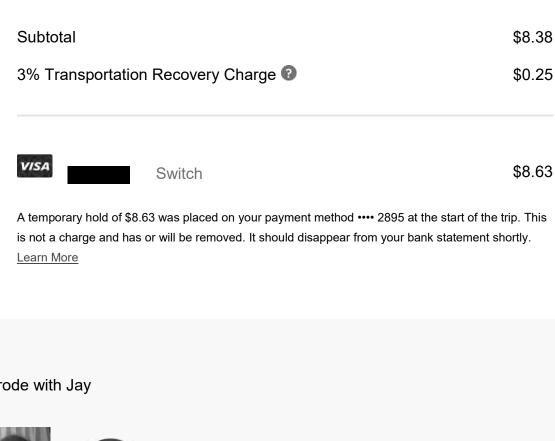
----- Forwarded message ------From: Uber Receipts <uber.us@uber.com> Date: Friday, September 13, 2019 Subject: Your Friday afternoon trip with Uber To: alexmanuli11@gmail.com



Total: \$8.63 Fri, Sep 13, 2019

Trip fare

\$8.38



#### You rode with Jay





4.92 🛧 Rating

Jay is known for:

**Excellent Service** 

How was your ride?

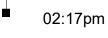
RATE OR TIP ->

When you ride with Uber, your trips are insured in case of a covered accident. Learn more.



02:13pm

<u>3131 S Las Vegas Blvd, Las</u> <u>Vegas, NV</u>



<u>2548 W Desert Inn Rd</u>, Las Vegas, NV





Invite your friends and family.

Get \$5 off your next ride when you refer a friend to try Uber. Share code: mx51bfqnue

REPORT LOST ITEM >

CONTACT SUPPORT >

## **EXHIBIT C-20**

<

#### Sep 17, 2019, 11:25 AM



### We are still processing your fare

#### Thanks for riding with Patrick Earl



### Your Trip

	LacMaraa	Pickup
	Las Vegas	11:25 AM
	2552 W Desert Inn Rd	Dropoff
2	Paradise	11:52 AM

Since you updated your stop or destination, your fare reflects actual time and distance

Learn More

### Payment

\$15.35

EIGHTH JUDICIAL DISTRICT COURT	
CLARK COUNTY, NEVADA	
TRYKE COMPANIES SO NV, LLC, a ) Nevada limited liability ) company, ) Plaintiff, ) vs. ) MM DEVELOPMENT COMPANY, INC., ) dba PLANET 13, a Nevada ) corporation; DOES I through ) C, inclusive; and ROE BUSINESS) ENTITIES, I through C, ) inclusive, ) Defendants. )	
REPORTER'S TRANSCRIPTION OF AUDIOTAPE	
FASHION SHOW MALL September 17, 2019	
REPORTED BY:mg reporting Court ReportersMARY E. MANNING, RPR Certified Reporter Certificate No. 504442415 East Camelback Road, Suite 700 Phoenix, Arizona 85016 (602) 512-1300PREPARED FOR:	

	FASHION SHOW MALL 09/17/19
1	FASHION SHOW MALL - 09/17/19
2	
3	PASSENGER: Hey.
4	DRIVER: Finally, girl. You over here driving me
5	crazy, man.
6	PASSENGER: I'm sorry.
7	DRIVER: You're already high, shit. But you want
8	to go there? That shit sucks, bro.
9	PASSENGER: Really?
10	DRIVER: Yeah.
11	PASSENGER: What do you recommend?
12	DRIVER: Planet 13.
13	PASSENGER: Okay.
14	DRIVER: You want to go to Planet 13?
15	PASSENGER: Is it better?
16	DRIVER: Yeah. Fresh shit, yo.
17	PASSENGER: Okay.
18	DRIVER: Fire shit.
19	PASSENGER: Is it close?
20	DRIVER: Yeah. Closer to Reef.
21	PASSENGER: Oh, okay. Cool.
22	DRIVER: You want to go to Planet 13?
23	PASSENGER: Yeah. That works.
24	DRIVER: All right. I'm changing the address.
25	PASSENGER: Yeah. The Venetian people told me

	FASHION SHOW MALL 09/17/19
1	that I had to walk all the way down here. They're fucking
2	with me, huh?
3	DRIVER: Yeah. Pretty much.
4	Planet 13 is only like four minutes away. Is
5	that close enough for you?
6	PASSENGER: It's only, what?
7	DRIVER: It's four minutes away.
8	PASSENGER: Oh, okay. Cool.
9	DRIVER: Where are you from?
10	PASSENGER: The Bay area.
11	DRIVER: Oh, yeah?
12	PASSENGER: The Area.
13	DRIVER: What are you doing out here?
14	PASSENGER: Ah, just gambling and fucking around.
15	DRIVER: Oh, yeah?
16	PASSENGER: Yeah.
17	DRIVER: By yourself?
18	PASSENGER: M'hum.
19	DRIVER: What the fuck?
20	PASSENGER: Yep.
21	DRIVER: Shit, girl. You're going to fucking
22	let's open the window.
23	PASSENGER: Have you been to The Bay?
24	DRIVER: Yeah. My dad is from Daly City.
25	PASSENGER: Okay. Cool.

3

	FASHION SHOW MALL 09/17/19
1	DRIVER: And then my dad my dad's brother, my
2	uncle, is from he stays at Vellejo.
3	PASSENGER: Oh, okay. For sho. I'm from
4	Martinez.
5	DRIVER: Martinez?
6	PASSENGER: Yeah.
7	DRIVER: Shit. What the fuck made you just
8	relax or get away? You work over there?
9	PASSENGER: Yeah, I work out there.
10	DRIVER: Well, you just trying to get away on
11	vacation?
12	PASSENGER: Yeah. It's hot it's super hot out
13	there, too. It's damn near the same weather out there that
14	it is here.
15	DRIVER: But over here is dry.
16	PASSENGER: Yeah. That's true.
17	DRIVER: But it's about to be chilly, like, later
18	on. Probably, like, 61 later on.
19	PASSENGER: Really?
20	DRIVER: Yeah. 61 at night.
21	PASSENGER: Oh, wow.
22	DRIVER: At 9:00.
23	Yeah, Planet 13 is (inaudible). It's like a
24	fucking toy store out there.
25	PASSENGER: Really? Wow.

	FASHION SHOW MALL 09/17/19
1	DRIVER: Fresh shit every fucking day, yo.
2	Fresh.
3	PASSENGER: They have cartridges and whatnot out
4	there?
5	DRIVER: Everything you want. Edibles,
6	everything fresh. Everything made every fucking day.
7	That's where I go, so
8	PASSENGER: Oh, yeah.
9	DRIVER: Yeah. Is that where you just picking
10	up?
11	PASSENGER: Yeah. Just picking up, checking it
12	out. I work in the weed industry in
13	DRIVER: The what?
14	PASSENGER: I work in the weed industry
15	DRIVER: Oh, really?
16	PASSENGER: in the Bay area, so, yeah.
17	DRIVER: Probably the best one is Planet 13 we
18	have out here.
19	The Reef is just right there.
20	PASSENGER: Oh, okay.
21	DRIVER: But it's trash, yo. You'll be like,
22	"What the fuck is this, yo?"
23	PASSENGER: I trust you.
24	DRIVER: Yeah. Just check out Planet 13.
25	Everything there is (inaudible).

5

	FASHION SHOW MALL 09/17/19
1	But you stay at the Venetian. Damn, girl. How
2	much you make? You own that place or some shit?
3	PASSENGER: No. I just rent. Hell, no.
4	Yeah, it's expensive out there.
5	DRIVER: Yeah. Fuck, yeah.
6	But where you work at, you're like a
7	PASSENGER: I work at a dispensary.
8	DRIVER: You just work there?
9	PASSENGER: Yeah. I am in the management.
10	Yeah. I just want to check out the Vegas ones to
11	see what they're all about. They'll never have weed like
12	us, so
13	DRIVER: Yeah. Yeah. This one is probably like
14	the best one out here.
15	PASSENGER: Yeah.
16	DRIVER: Because the Reef, you're going to be
17	like, "Oh, don't buy shit over there."
18	But, yeah, there's garbage there.
19	PASSENGER: Have you smoked a Caliva kush from
20	there?
21	DRIVER: From?
22	PASSENGER: Reef.
23	DRIVER: Yeah, with my buddy but I only had one
24	because I had to work the next day. I was already
25	fucking I was already drinking and shit.

	FASHION SHOW MALL 09/17/19
1	PASSENGER: Oh, okay.
2	DRIVER: But trust me, yo. This shit is fire
3	right here.
4	You said you never been here before, right?
5	PASSENGER: No.
6	DRIVER: All right. I'll take your ass right
7	here, yo.
8	Then they got the
9	PASSENGER: Highland Drive. That's funny.
10	DRIVER: You are already high as shit, girl.
11	Did you fly or you drove?
12	PASSENGER: Flew, yeah. It's only like an hour
13	flight. It's not too bad.
14	What's Area 15?
15	DRIVER: That's nothing yet.
16	PASSENGER: Oh.
17	DRIVER: That's nothing yet. It never opened
18	yet.
19	PASSENGER: Is it going to be a dispensary?
20	DRIVER: I'm not too sure. But it's it was
21	vacant, like, two months ago.
22	PASSENGER: Oh, really. Brand-new?
23	DRIVER: Brand-new, yeah. If it is a dispensary,
24	the it could be, but I don't think so. I don't know.
25	Too many dispensaries around here.

7

	FASHION SHOW MALL 09/17/19
1	PASSENGER: (Inaudible) right here, too. That's
2	fire.
3	DRIVER: How long are you going to be here?
4	PASSENGER: In town?
5	DRIVER: Yeah.
6	PASSENGER: Sunday.
7	DRIVER: Sunday?
8	PASSENGER: Yeah. Here for a minute.
9	DRIVER: Okay. What are you doing? Just fucking
10	cruising?
11	PASSENGER: Fucking around, gambling. I play
12	blackjack.
13	DRIVER: Oh, yeah?
14	PASSENGER: M'hum.
15	DRIVER: That shit, bro hey. Listen to me.
16	When you play that shit out here the Venetian is good.
17	I mean yeah. The Venetian is good. Try Mandalay Bay.
18	PASSENGER: Oh, really?
19	DRIVER: Blackjack, yeah. And Palms no, not
20	Palms. Mandalay Bay.
21	PASSENGER: I heard downtown, too, has some good
22	places.
23	DRIVER: Yeah. Yeah. Downtown, but I don't like
24	going there because it's fucking trashy, you know.
25	PASSENGER: Yeah.

8

9

1	DRIVER: I don't like to me, it's trashy. I
2	don't know.
3	PASSENGER: Not as nice, for sho.
4	DRIVER: But Mandalay Bay, I'm telling you, you
5	would be like too fucking
6	PASSENGER: Hell, yeah.
7	What's the minimum over there?
8	DRIVER: I'm not too sure. But my buddy, when he
9	comes out here, I'm the one that takes him there. And then
10	he just gives me like 500 bucks when he wins, but last
11	two weeks ago he was here. He won two grand.
12	PASSENGER: Damn.
13	DRIVER: And then before he left, he wanted to
14	play an extra 500.
15	PASSENGER: Damn. That's not bad at all.
16	DRIVER: Yeah. Fuck, yeah.
17	Right here. Fire shit, yo.
18	PASSENGER: This is cool. This is super cool.
19	Well, thank you. I appreciate it.
20	DRIVER: Yeah. You're going to need a ride back
21	or what?
22	PASSENGER: Probably not for a minute, to be
23	honest. I'm probably going to smoke and shit around here,
24	but thank you. I appreciate you.
25	DRIVER: Yeah. Right here, bro. It's fire right

mg reporting Court Reporters office@mgreporting.com

	FASHION SHOW MALL 09/17/19
1	here.
2	PASSENGER: Take some pictures. I can just walk,
3	too, if anything, to Reef, right?
4	DRIVER: Yeah. If you wanted to go there, yeah.
5	PASSENGER: All right, for sho. Thank you.
6	DRIVER: No problem.
7	PASSENGER: Have a good one.
8	
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	FASHION SHOW MALL 09/17/19
1	STATE OF ARIZONA )
2	COUNTY OF MARICOPA ) ss.
3	
4	
5	I, Mary E. Manning, hereby certify that
6	I listened to the audio file(s) of the recorded proceedings;
7	that I made a shorthand record of the oral matters had and
8	adduced at said proceedings; that thereafter, the transcript
9	of said proceedings was reduced to typewriting under my
10	direction, and that the material contained herein is a true
11	and accurate accounting of said matters on the recording all
12	to the best of my skill and ability.
13	DATED at Phoenix, Arizona, this 21st
14	day of August, 2020.
15	
16	Mary EManung
17	Mary E. Manning, RPR
18	Certified Court Reporter Certificate No. 50444
19	mg reporting Court Reporters Firm No. R1006
20	(602) 512-1300
21	
22	
23	
24	
25	

**Electronically Filed** 8/24/2020 11:37 AM Steven D. Grierson CLERK OF THE COURT

# **EXHIBIT D-1**

**Driver Diversion Incident Report Form** 

Date of Incident 121 19 Time of Incident 6:52

Customer Name Mark Conky DOB

I took a: Taxi \_\_\_\_ Uber \_\_\_ Lyft 🗶 Limo\_\_\_\_

Lyft or Uber Account Email MARK CONLEY 2963 @ Gmail. com

Cab Company \_\_\_\_\_ Cab Number \_\_\_\_\_

Did you ask to be taken to Reef specifically?  $\underline{\times}$  Yes  $\underline{\quad}$  No

Did you put Reef in an app as your original destination?

Did your driver suggest to take you elsewhere? <u>×</u> Yes <u>No</u>

If so, where? Acres, Planet 13

What was the reason the driver told you that they could not take you to Reef?

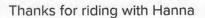
PRIVER pushed Acres 3, Planet 13 - both when offer Kickbacks - after specifically being asked to g. to Reef. "Acres is cheaper", "Planet 13 is much biggere" & "Reef is not that busy anymore."

🖾 🖉 🕪 🖬 🖬 🖉 🗢 🖾 🐨 \cdots 🛛 🛠 🔃 🙃 📶 93% 🗎 10:02 AM

### ← Jan 21, 2019









- W Tropicana Ave, Paradise
- Drop-off 7:02 PM
   3392 Western Ave, Paradise

Lyft fare (2.56mi, 10m 8s) \$8.51

# **EXHIBIT D-2**

Driver D	Diversion	Incident	<b>Report Form</b>
----------	-----------	----------	--------------------

Date of Incident <u>11/20/19</u> Time of Incident <u>8-30Ary</u>
Customer Name <u>She fisha</u> Combs DOB
I took a: Taxi 🐙 Uber 📝 Lyft Limo
Lyft or Uber Account Email 4HONY Driver Name
Cab Company Cab Number
Did you ask to be taken to Reef specifically? Yes No
Did you put Reef in an app as your original destination?
Did your driver suggest to take you elsewhere? YesNo
If so, where? <u>Planet 13</u>
What was the reason the driver told you that they could not take you to
Simply refused due to Planet 13 giving Kick backs

## **EXHIBIT E-1**



Home 💌 Forums 💌 🕲 US 💌 🕙 AU 👻 World 💌 What's new 💌 Tools 💌

Community - Garage - Information - Options -

UberPeople.NET - I	ndependent community of rideshare drivers. It's FREE to be a person and enjoy all the benefits of membership. JOIN US! CLICK HERE
<b>Target</b> Target	- We've Remodeled
Your Ta	arget Store is Remodeled. Come Check Out What's New.
	Phoenix
	WEBSITE OIRECTIONS
	I > US Cities > West : 19 Cities > Las Vegas >
Planet 13 음 JethroBodine · ⓒ Mai	r 8 2019
1 2 Next	
	Mar 8, 2019 🗳 🕯
B	I was told today that the stop must show up on app. Transportation Authority is clamping down. Many drivers are doing rides off the app to Planet 13.
JethroBodine Well-Known Member	justfacts
Big O Tir Great T	Tire Brands, Free Online Quotes. Call Today.  Phoenix
	WEBSITE OIRECTIONS
	Mar 8, 2019
<b>J</b> justfacts Well-Known Member	I'm still waiting for that elusive kickback, Do I really need to bring my Social Security card with me in order to claim it. If so I guess I'll have to have it laminated
	Mar 8, 2019 Thread Starter 📌 🗍
JethroBodine	justfacts said: ④ I'm still waiting for that elusive kickback, Do I really need to bring my Social Security card with me in order to claim it. If so I guess I'll have to have it laminated
Well-Known Member	Yes. And you fill out tax form the first time. I schmooze with riders. So they come up more often now. This time the riders asked about it. Many times they are going to another dispensary and steer them to one that pays. Other times they might be on a liquor run.
	justfacts
	Mar 8, 2019 ¢ #
	APPENDIX 310

WHO CARES?	justfacts said: (*) Home Forums (*) US (*) AU World What's new Tools I'm still waiting for that elusive kickback, Do I really need to bring my Social Security card with me in order to claim it. If so I guess I'll have to have laminated	ve it	
DEEJER77 Well-Known Member	The only place that has ever asked for my social security card is spearmint rhino But all places will require you to fill out a tax Pro <b>bably soctheyage</b> t it as a write off but that also means you have to claim it on your taxes	form	
	Mar 8, 2019 No ss card necessary. I do a drop there at least every other day, super easy in and out.You must show ride tho, nothing crazy a that.	چ bout	
NO DEAL Well-Known Member	LVcool and justfacts		
<b>Target -</b> Target	We've Remodeled		[
Your Tar	rget Store is Remodeled. Come Check Out What's New.		
	Phoenix		
	WEBSITE OIRECTIONS		
	Mar 8, 2019 Thread Starter	- «ĉ	#6
39	NO DEAL said: 🛞		
JethroBodine	No ss card necessary. I do a drop there at least every other day, super easy in and out. You must show ride tho, nothing crazy about that.		
Well-Known Member	l divert from other dispensaries most of the time.		
C.	Mar 8, 2019	a <sub>o</sub>	#7
gsx328 Well-Known Member	I just got a kb from there a few days ago on a ride that showed airport as only destination		
	Mar 8, 2019 Thread Starter	~ ~°°	#8
33	gsx328 said: 💿		
JethroBodine	l just got a kb from there a few days ago on a ride that showed airport as only destination		
Well-Known Member	They gave me KB. But they told me for now on.		
AL CONTRACT	Mar 8, 2019	æ	#9
	JethroBodine said: 🛞		
gsx328	They gave me KB. But they told me for now on.		
Well-Known Member	Hopefully it was just some wannabe bossman BSing. Itd also defeat the whole point of kickbacks. If person puts in Reef and u get them to divert to Planet, isnt that the whole point of paying drivers	get	
	JethroBodine		
- C	Mar 8, 2019	~~ #	<i>‡</i> 10
mi =	justfacts said: 🐵		
LVC Well-Known Member	I'm still waiting for that elusive kickback, Do I really need to bring my Social Security card with me in order to claim it. If so I guess I'll have to have laminated	ve it	
Well-Known Member	Takጅਝታለዊያትምንምሞwith your phone, keep the picture stored in a document app on your phone.		

	Home 🔻 Forums 👻 🕲 US 👻 🕙 AU 👻 World 👻 What's new 👻 Tools 💌	
-	-	
Big O T	Tires® Offers Great Tire Brands. Call Now For Details.	
	Phoenix	
	Big O Tries® OI Change Big O Tries® Offers Great Tire Brands. Call Now For Details.         Image: Control         Image: Contro      <	
	Mar 8, 2019	<b>~</b> \$#11
J	LVC said: 🛞	
	Take a picture of it with your phone, keep the picture stored in a document app on your phone.	
Well-Known Member	Sold! Thanks	
	LVC	
	Mar 8, 2019	<b>«</b> #12
	justfacts said: 👁	جَوْ #11     جَوْ #12     guess I'll have to have it         حَوْ #12         suess I'll have to have it         حَوْ #13     w them/do it for them -         حَوْ #14         em pull up your ride     l again to verify it on my     ified the ride at the front     Last edited: Mar 8, 2019         حَوْ #15
		e it
	Tattoo it on your forehead or the back of your right hand.	
	Mar 8, 2019	<b>«</b> #13
3		nem -
KenLV Well-Known Member		
	JethroBodine	
	Mar 8, 2019	<b>~</b> 8 #14
44	LVC said: 💿	<pre></pre>
heezlewaxin	Take a picture of it with your phone, keep the picture stored in a document app on your phone.	
Well-Known Member		le
	app. This is when I overheard one guy ask the other if he had moved the map around on my app when he verified the ride at the	
	Last edited: Ma	ar 8, 2019
	Mar 8, 2019	<b>«</b> #15
3L	Daniel Harbin said: 🛞	
Snider-Man	Tattoo it on your forehead or the back of your right hand.	
Well-Known Member		
		2

#### Page 4 of 13

Your T	arget Store is Remodeled. Come Check Out What's New.		
	• Pho	enix	
	Mar 8, 2019 WEBSITE	DIRECTIONS	چ #16
Daniel Harbin Vell-Known Member	Spider-Man said: ® Why are you expediting and encouraging <b>Revelation 13:16-17</b> ?	e a chip inserted under the skin or possibly something more si	
		r and the mark might not be on a specific hand or forehead. Jus	
	Mar 8, 2019		<b>%</b> #17
LVC Vell-Known Member		to end the ride. Or else be prepared to let them pull up your ride history entering the waiting room where they asked again to verify it on my ap p around on my app when he verified the ride at the front desk.	-
	You need to go back and read the quoted post I was reply card and save it on their phone. Not suggesting a screen s	ing to. I was suggesting that the person take a picture of their s hot of the ride.	ocial security
See. 1	Mar 9, 2019		≪ #18
beezlewaxin Vell-Known Member		to end the ride. Or else be prepared to let them pull up your ride history e entering the waiting room where they asked again to verify it on my ap	-
	Derp I just now realized "take a picture" means of your S		
	Yep that's a good idea. Hopefully it photocopies		
	LVC said:  Output: The second seco	I was suggesting that the person take a picture of their social security ca	ard and save
	Lol yeah I do And did. Thanks	Last e	edited: Mar 9, 2019
	LVC		
6	Mar 10, 2019		≪ #19
openUeyes Active Member		p inserted under the skin or possibly something more sinister. The hand ight not be on a specific hand or forehead. Just means the mark shows	
	what's in Soylent Green?		
	Mar 10, 2019		<b>%</b> #20
	openUeyes said: 👁		

### Page 5 of 13

what's in Soylent Green? LVcool Food coloring, a whole lot of food coloring.	SUS AU World What's new Tools
Oh yeah, and people.	
Well-Known Member	
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S WEBSITE	
l 2 Next	You must log in or register to reply here.
nare: f 🍯 🤠 👂 🕇 😥 🖂 🔗	

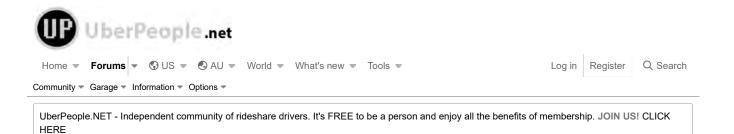
## **EXHIBIT E-2**

All you have to do is have the pax change the destination in the app, it's easy and if they don't know how, show them/do it for them - but have them hit "confirm" This also protects you against going afoul of "diversion" laws. This isn't rocket surgery. Same thing for strip clubs. KenLV Weil-Known Member

A #13

Mar 8, 2019

## **EXHIBIT E-3**



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#### Stay Compliant Reminder Notification- Anyone else get this?

吕 Dollywood18 · ⓒ Mar 18, 2019

	Mar 18, 2019 ~ #1	
D	Stay Compliant notification reminder popped up to only take passengers to destination in the app and to make sure your tnc sticker is in the window.	
Dollywood18 Member	<ul><li>2 things</li><li>1. Is this a response to the drunk lady being in the car with the non-Uber driver?</li><li>2. What if the destination is wrong? I've had addresses in New subdivision that the app showed the drop off was a block away from the physical address. Thoughts?</li></ul>	

### **Precise Drafting LLC**

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Precise Drafting LLC

	Mar 18, 2019		æ	#2
19	This is strip clubs, like the Rhino, complaining to the state I bet.			
19	Just do it right and you're compliant with the law.			
KenLV Well-Known				
Member	LVcool and Dollywood18			
	Mar 18, 2019	Thread Starter	ŝ	#3
D	I just read the feedback on Rhino's in the KB. Just wow!! Enough said			
Dollywood18 Member	LVcool			
	A			_

	Mar 19, 2019 Whew, I thought I had caused this. I dropped off a kid at Valley High School and he told me he was 17. He told me the account his. Then had a pax I picked up at T1 and his drop off was at T1 drop off, but he was headed toward the convention center but w unable to change destination due to ride being a pool.				
	Exclusive Focus on Personal Injury. No Recovery, No Fee. Tobler Law				
	Call 24/7 for Free Consult				
Member	<ul> <li>"Drivers are required to have the Uber trade dress and TNC sticker displayed in the bottom, passenger-side corner of a windshield."</li> <li>Want to reduce over-saturation of drivers? Report the violators. Report Uber for contracting with the violators.</li> <li>Seems like a jerk-move, but why should a driver in complete compliance have to wait for a ping, while Uber offers pings to an ill driver.</li> </ul>				
Taxi2Uber Well-Known	<i>Uber app."</i> You are not allowed to divert passengers. Period. But with careful wording, it could bring you into a grey area. I'm sure with Planet 13's location and kickbacks, Reef's business has suffered. Businesses that choose not to "pay to play" have likely voiced their grievance.				
2	Mar 19, 2019 "Drivers cannot attempt to convey any passenger to a destination other than the one directed by the passenger via the				
	As long as they ask what I recommend, I'm following the "rules" 🐨				
<b>Jberisfuninlv</b> Well-Known Member	Me: you guys are going to CH? Them: yes. What do u recommend? Me: CH is ok. But H is bigger and better. I always take people there and it's literally across the street. Them: ok. Let's go to H!				
	Exactly. Just like I did on Saturday night				

	Mar 19, 2019							
	I'm sure Metro will make it a top priority to ensure all 50,000 of us stop diverting our passengers to a place with a better kickback.							
	But srsly folks, I kind of read that warning as, "Make sure you have them change the destination in the app."							
Uberman12345								
6 Active Member	LVcool and Dollywood18							
	Mar 19, 2019							
	Planet 13 now requires the app to show Planet 13 as the destination. Weird to ask your passengers to do this while driving past Reef because now it seems a little obvious to the passenger unless you tell them that you get a kickback there. I tell my passenger anyways because why else would you be following them inside. Lame.							
uberclone Member								
-								

	Mar 19, 2019						
Α	uberclone said: 👁						
	Planet 13 now requires the app to show Planet 13 as the destination. Weird to ask your passengers to do this while driving past Reef because now						
Azazel	it seems a little obvious to the passenger unless you tell them that you get a kickback there. I tell my passengers anyways because why else would						
Active Member	you be following them inside. Lame.						
	Why not change the destination yourself if you don't want to ask your passenger						
	Mar 19, 2019 ~ #10						
	Azazel said: 🕅						
11 20	Why not change the destination yourself if you don't want to ask your passenger						
Daniel Harbin Well-Known	Because the pax can claim that was not his destination.						
Member	KenLV						
	Call 24/7 for Free Consult						
	Exclusive Focus on Personal Injury. No						
	Recovery, No Fee.						
	Tobler Law						
	Mar 19, 2019 % #11						
No.	uberclone said: 💿						
	I tell my passengers anyways because why else would you be following them inside. Lame.						
KenLV Well-Known	Why tell them anything?						
Member							
	And if you feel you must, try						
	"I think I'll take advantage of this stop and use the men's room."						
	For P13, you just walk in and go into the door on the right. Easy peasy.						
	Azazel said: (*)						
	Why not change the destination yourself if you don't want to ask your passenger						
	Because it's still a scam that works on Lyft for the paxhole to ask you to change destination and then they later claim they didn't.						
	Free ride for them, "screw you" for the driver.						
	Mar 19, 2019 Thread Starter 🗞 #12						
D	uberclone said: 💿						
	Planet 13 now requires the app to show Planet 13 as the destination. Weird to ask your passengers to do this while driving past Reef because now						
Dollywood18	it seems a little obvious to the passenger unless you tell them that you get a kickback there. I tell my passengers anyways because why else would you be following them inside. Lame.						
Member	[/QUOTE						
	Taxi2Uber said: 🛞						
	"Drivers cannot attempt to convey any passenger to a destination other than the one directed by the passenger via the Uber app." You are not allowed to divert passengers. Period. But with careful wording, it could bring you into a grey area.						
	I'm sure with Planet 13's location and kickbacks, Reef's business has suffered. Businesses that choose not to "pay to play" have likely voiced their grevance.						
	Edunococo triat onococ not to pay to piay navo intely volced trial girevance.						



	"Drivers are required to have the Uber trade dress and TNC sticker displayed in the bottom, passenger-side corner of their windshield." Want to reduce over-saturation of drivers? Report the violators. Report Uber for contracting with the violators. Seems like a jerk-move, but why should a driver in complete compliance have to wait for a ping, while Uber offers pings to an illegal driver. But don't all drivers receive a tnc sticker when there car passes initial inspection and process??
	Mar 19, 2019 e #13
U	Drivers get the TNC sticker and all the stuff they should display, with instructions on how to display it properly. A lot of drivers put it in the middle or on the drivers side windshield. I see them all the time. And there have been a number of drivers on here that claim they don't display anything. So it's probably a valid point on that one.
Udrivevegas Well-Known Member	Taxi2Uber
	Mar 19, 2019 ec #14
LVcool Well-Known Member	Just have the Pax change the destination. It's easy. They know how to do it. Pax expect to get our advice.
	Mar 20, 2019 <
THE MADE ANA RUABLE.	Dollywood18 said: ④ But don't all drivers receive a tnc sticker when there car passes initial inspection and process??
<b>Taxi2Uber</b> Well-Known Member	Yes, but there are other regulations as well. Using proper/current trade dress. How many old "U's" that were 2 trade dresses ago, still being used today. Proper placement of trade dress. As mentioned, how many do you see placed in the middle, or missing altogether. Some may think its trivial, but its required nonetheless.
	Take the Clark County Business License(orange card), for example. Uber should be punished/fined for contracting with drivers that are not legally able to do business in CC. I don't receive a ping while Uber offers a ping to an illegal driver? It's wrong, and hurts my company's bottom line.
	I liken it to the hiring of Illegal aliens. Much like a company being punished/fined for hiring illegals, Uber too, should be punished/fined for knowingly and willingly contracting with drivers not in compliance with the law.
	Instead of Uber sending us a reminder to be compliant, how about authorities taking action, reminding Uber to be compliant in the hiring/contracting with ONLY LEGAL drivers, giving some of us our deserved opportunity.
	Vegas rides, Udrivevegas and DEEJER77

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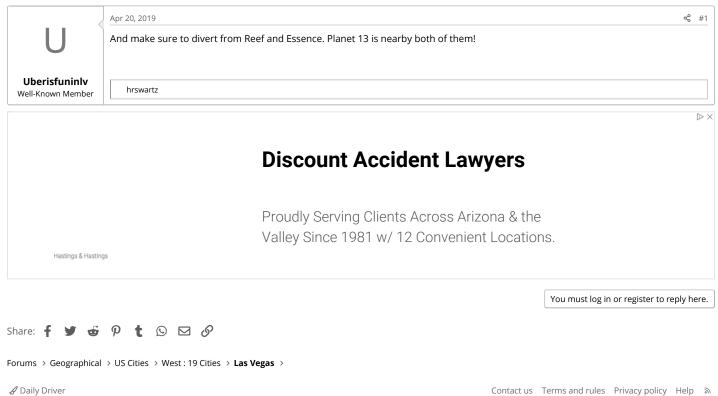
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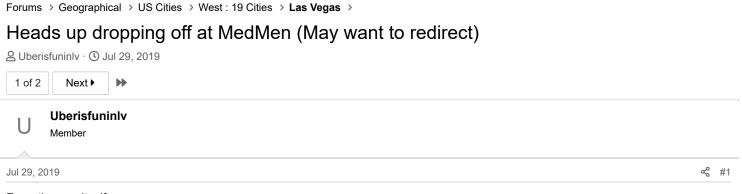
### Today is 4/20 get those dispensary runs!

요 Uberisfuninlv · ③ Apr 20, 2019



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From the app itself:



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gerg and AtomicBlonde

≡	0	Log in Register 分	Q
	TransporterX Well-Known Member		
Jul 29, 2	2019	ح ح	8 #2
Ths fo	r the heads up. Only dropped there once anyway. And P1	is still my fav.	
	AtomicBlonde Well-Known Member		
Jul 29, 2	2019	حـــــــــــــــــــــــــــــــــــــ	8 #3
Heads	up for taxi drivers, it's double the kickback if you're drivin	a MedMen car. Lol	
Ste	venMA		
	Spider-Man Well-Known Member		
Jul 29, 2	2019	~	8 #4
why ut	per? an lyft is allowed		



**jjub40** Well-Known Member

Jul 29, 2019

**~ #**5

Spider-Man said: 🕥

why uber? an lyft is allowed

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D	Drivincrazy Well-Known Member	
Jul 29, 2	019 දේ	#
	VegasRickster	
	VegasRickster Well-Known Member	
Jul 29, 2	Well-Known Member	. #

. Well-Known Member

Jul 29, 2019

Drivincrazy said: 🕥

Late Saturday nite...redirected a Pax from a non paying disp. To P13...in and out <5 minutes...\$20. The Grove is also quick. Pisos is slooow.

#### they upped it to 20\$ ? ive been there numerous x only got 15\$



Spider-Man said: 🕥

they upped it to 20\$ ? ive been there numerous x only got 15\$

You haven't figured out that everything he's been saying is BS?

Spider-Man

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**APPENDIX 327** 

**~**#8

#### Base Rate Sucks Well-Known Member

Jul 29, 2019

P13 sent out a text to drivers that sat was a special 20 dollar KB day. It was a single day promo. Put yourself in their text and you will be in the know. Of course I wasn't lucky enough to get a rider to p13. Ugh.

,	xi2Uber
M	Mountain Biker Member
Jul 30, 1	2019 °° #11
Apoth servic	ecary is now giving out a punch card and the 10th punch is \$50 rather than \$15. They are super easy, nice, and provide fast e.
En	nwad
	Wasted_Days Well-Known Member
Jul 30, 1	2019 ~~ #12
	t 13 every single time for me, PAX always seem pretty stoked when they see how clean and easy it is. I actually go out of my way mouth those dweebs at REEF, I guess I'll add MedMen to the list.
to bad	
to bad	mouth those dweebs at REEF, I guess I'll add MedMen to the list.
to bad	mouth those dweebs at REEF, I guess I'll add MedMen to the list. ider-Man Ermwad Member
to bad Sp Jul 30, 1 Mour	mouth those dweebs at REEF, I guess I'll add MedMen to the list. ider-Man Ermwad Member

Spider-Man	
Well-Known Member	Click HERE to join our community of thousands of drivers from around the world, it's FREE!
Jul 30, 2019	

**APPENDIX 328** 

**~**#10

Mountain Biker said: 🕥

Apothecary is now giving out a punch card and the 10th punch is \$50 rather than \$15. They are super easy, nice, and provide fast service.

#### I can go to p13 10x for 150\$, your shorting yourself a Cnote

#### father of unicorns



### toosexyforvegas

Well-Known Member

#### Jul 30, 2019

**~** #15

∝ #16

Thread Starter

Just dropped off at NuWu North of Downtown. They claim to be the biggest dispensary in town. No payout for rideshare drivers, just Limo drivers.



Uberisfuninlv Member

Jul 30, 2019

Yea NuWu is a no no for me. No payouts for rideshare. MedMen downtown still pays \$15



Planet 13 has always been the best, although yesterday was the first time it wasn't the best experience.

The security guard got a little snippy with me for no reason.

And the guy handing out the kickback was kind of a jerk.

Looks like some of the driver's attitudes are getting on these guy's nerves.

I've seen drivers come in and tell the guy to hurry up.

I've seen drivers come in and argue they dropped off earlier in the day, or yesterday, now demanding their kickback. I've seen a driver not have his drivers license yelling at the guy, like it's his fault.

Might ruin it for the rest of us.

AtomicBlonde, Morph4290vegas and NO DEAL

AtomicBlonde	
Well-Known Member	Click HERE to join our community of thousands of drivers from around the world, it's FREE!
Jul 30, 2019	
	APPENDIX 329

Click to expand
· · ··· ··· · ··· · ··· ·
Planet 13 has always been the best, although yesterday was the first time it wasn't the best experience. The security guard got a little snippy with me for no reason. And the guy handing out the kickback was kind of a jerk.
Taxi2Uber said: 🛞

Now you mention it, the guy at Planet 13 was a bit... less friendly than usual when I was in there the other night. And I was the only one there at the time so it's not like people were rushing him.

I can see some of the bonehead cab drivers being jerks. The way the Desert Cab guys drive, they seem very impatient, like they're counting seconds for no reason. A lot of Uber drivers are probably just newbies who don't know any better.

Taxi2Uber		
D Drivincraz Well-Known I	•	
Jul 30, 2019	چ ج	#19
I got one by accide	ent-re-directI didn't know it wasn't \$20 all the time. Picked a good dayyes! In and out, <5 minutes.	
U Uberisfun Member	inlv	
Jul 30, 2019	Thread Starter 🖧	#20
P13 has been no p the KB?	problem for me. Maybe MedMen has had bad experiences with Uber Drivers and that's why they decided to elimin	nate
	by we get anything. And the break to walk out and stretch our legs and clear our head from driving PAX is very uin it for the rest of us if you are gonna be jerks to them. Look at what MedMen by the airport did	

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🖌 Daily Driver

1 of 2

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#### 8/3/2020

#### Heads up dropping off at MedMen (May want to redirect) | Uber Drivers Forum

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#### Community Garage Information Options

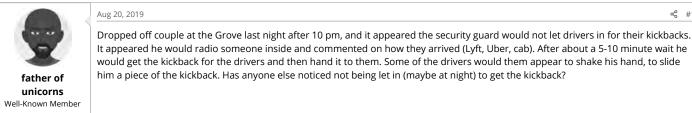
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#### The Grove kickback

A father of unicorns · ③ Aug 20, 2019





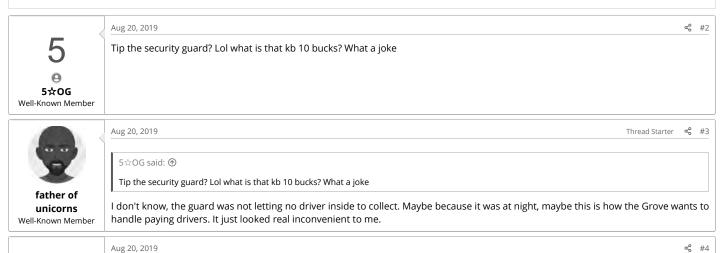
 $\triangleright \times$ 

**~** #1

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They are not on KB app now.

**~** #4

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JethroBodine Well-Known Member		
	Aug 20, 2019	<b>8</b> #5
R.	Simple Solution, any Disp you Persuade them to go to P13. and get your \$ w/no hassle. i haven't been Turned down Once, i make sound like a Movie Description when getting them to go there	ıt
<b>Spider-Man</b> Well-Known Member	father of unicorns	
<b>Big O T</b> Big O Tir	Tires® Oil Change	× 🛆
Great T	Tire Brands, Free Online Quotes. Call Today.	
	Phoenix	
	WEBSITE DIRECTIONS	
	Aug 20, 2019	<b>8</b> #6
	father of unicorns said: 🛞	
AtomicBlonde Well-Known Member	Dropped off couple at the Grove last night after 10 pm, and it appeared the security guard would not let drivers in for their kickbacks. It appeared would radio someone inside and commented on how they arrived (Lyft, Uber, cab). After about a 5-10 minute wait he would get the kickback for th drivers and then hand it to them. Some of the drivers would them appear to shake his hand, to slide him a piece of the kickback. Has anyone else noticed not being let in (maybe at night) to get the kickback?	
	Not having to go in with the customers would be an improvement. On the other hand, good luck finding room in that parking lot a certain times for the guard to even see you, or to park and wait. The Grove is annoying.	t
	Talking people into MedMen or Planet 13 isn't hard. It's even easier if you've been in these places as a customer. MedMen and P13 both much better stores, so you ain't lyin'.	are
	Aug 20, 2019	8 #7
39	AtomicBlonde said: 🐵	
JethroBodine	Not having to go in with the customers would be an improvement. On the other hand, good luck finding room in that parking lot at certain times for the guard to even see you, or to park and wait. The Grove is annoying.	or
Well-Known Member	Talking people into MedMen or Planet 13 isn't hard. It's even easier if you've been in these places as a customer. MedMen and P13 are both much better stores, so you ain't lyin'.	
	MedMen does not give kickbacks anymore.	
	Dollywood18, father of unicorns, Uberisfuninlv and 1 other person	
	Aug 20, 2019	8 #8
A T	JethroBodine said: 🟵	
AtomicBlonde	MedMen does not give kickbacks anymore.	
Well-Known Member	Wait, what? I was in there like a week ago! Those scoundrels	
U	Aug 20, 2019 Yup	8 #9
	It's best to look at the KB app once every week	
Uberisfuninlv Well-Known Member	Sometimes things change and we don't notice	
l	Looks like a bunch of dispensaries don't payout anymore or are missing APPENDIX 334	

	Medither, i Heigrove, cuit Wate, the apothecary shoppe, Jardin, used to all pay \$10 or \$15		
	Fewer options but the ones that appear to be decent \$10 and up still are Thrive, Acres, Oasis, Pisos, P13, Releaf Last edited: Aug 20	), 2019	
	Aug 20, 2019 حو	#10	
	MedMen is a good store, but Planet 13 is better, pays more than MedMen used to, gives us twice the discount, and lets us use the driver bathrooms even if we're not dropping off. Only downside is it's not on the way from the airport, but I can probably sell that it is!		
AtomicBlonde Well-Known Member	JethroBodine, Uberisfuninlv and Spider-Man		
Your on Aldo	e-stop shop for boots	D	
Try Befo	pre You Buy. 60 Day Returns.		
	Scottsdale		
	WEBSITE DIRECTIONS		
	Aug 20, 2019	#11	
	First time dropping off there, private regular wanted to stop by. I didn't even go down or bothered asking for kickback. The big black dude approached me and gave me \$20. Tipped him \$5. First time kickback walked itself to me. lol		
TransporterX Well-Known Member	U phoria		
	Aug 20, 2019	#12	
G	JethroBodine said: 🛞		
GoBigBlue	MedMen does not give kickbacks anymore.		
Well-Known Member	Got my KB last week from both locations		
-	Aug 20, 2019 دو	#13	
	l got nothing from the Grove. Dropped off, right in front of security.		
Taxi2Uber	Customers went in and I walked up to security and he said, "We don't give kickbacks" "Since when?" I asked.		
Well-Known Member	He just shook his head and said again, "No kickback" and turned away. No more rides to the Grove if I can help it.		
	JethroBodine		
	المعنى مراجع من مراج	#14	
U	These places could all stop paying kickbacks, and the small amount of drivers that divert pax to other places wouldn't make any difference at all.		
Udrivevegas Well-Known Member			
	Aug 20, 2019	#15	
U	I don't know. Word gets out among drivers, the KB app gets updated. Once a driver gets screwed he never drops off there again a goes somewhere else	nd	
Uberisfuninly	It does have an affect. It just takes some time.		
Well-Known Member	TransporterX		

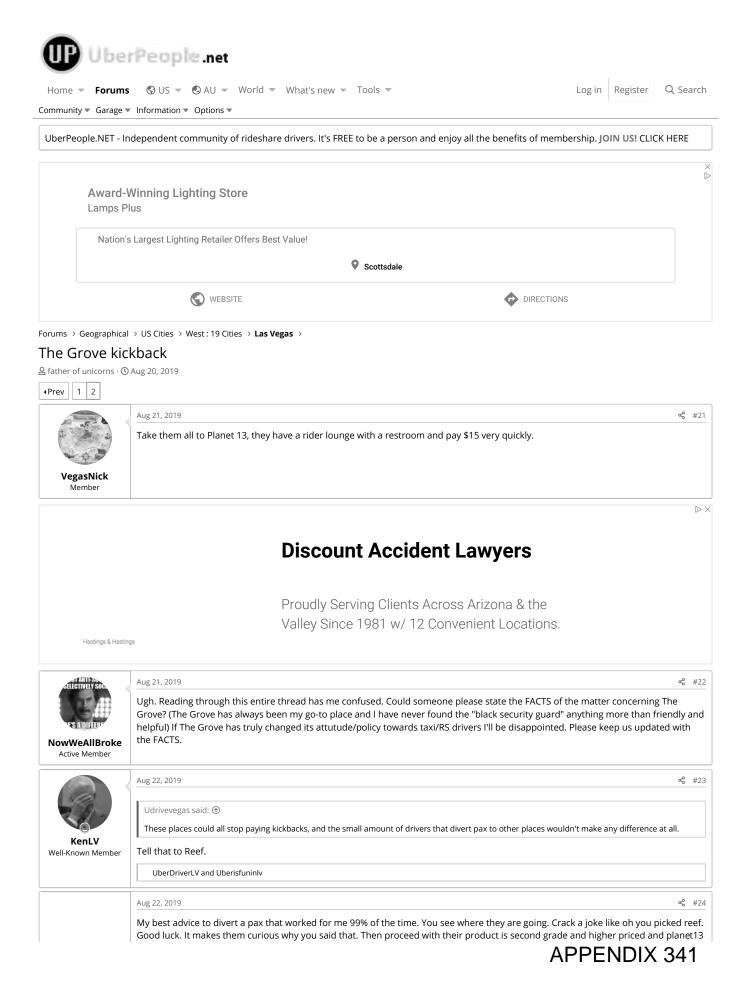
Great T	Tire Brands, Free Online Quotes. Call Today.	
Gleat I	Phoenix	
	♥ Piloellix	
	WEBSITE	DIRECTIONS
	Aug 20, 2019	ారి #
AtomicBlonde Well-Known Member	Rarely does someone get in my car knowing what weed store they want to get they just asked the doorman and ask me if he's right. Even the ones who Yel	
7. 15.	Aug 20, 2019	ళ్ల #1
Taxi2Uber Well-Known Member	I had one to the Apothecary Shoppe the other day. (Its been well over a year Customer wasn't wavering. It was his go-to and he's been to the others. Knowing I had to awkwardly follow him in, I just told him we get a KB and I'n He was cool about it. Thankfully no line, but security and check-in person sti All for \$5. Hate that place.	n going in with him.
	Udrivevegas	
	Aug 20, 2019	దరి #1
U	AtomicBlonde said: 💿	
<b>Udrivevegas</b> Well-Known Member	Rarely does someone get in my car knowing what weed store they want to go to. Or the doorman and ask me if he's right. Even the ones who Yelp first ask if they're going	
	Yeah. In a cab. With Uber the choice has been made before they get picked place. I'm still willing to bet most drivers won't put in the effort. Hell, most d driving.	
	Taxi2Uber said: 💮	
	I had one to the Apothecary Shoppe the other day. (Its been well over a year since th Customer wasn't wavering. It was his go-to and he's been to the others.	
	Knowing I had to awkwardly follow him in, I just told him we get a KB and I'm going ir He was cool about it. Thankfully no line, but security and check-in person still made i All for \$5. Hate that place.	
	Why only \$5? I got \$15 about a week ago. I don't see them in the kickback ap	op right now though.
	Aug 21, 2019	Thread Starter 🖧 #1
-	Taxi2Uber said: 🛞	
father of unicorns Well-Known Member	I got nothing from the Grove. Dropped off, right in front of security. Customers went in and I walked up to security and he said, "We don't give kickbacks" "Since when?" I asked. He just shook his head and said again, "No kickback" and turned away. No more rides to the Grove if I can help it.	
	I dropped off there Tuesday night, and spoke with the black security guard. "You got one yesterday right?". He then mentioned that as of Tuesday they and rolled.	
	Aug 21, 2019	ag #2
.5	Those kbs are too small and mostly a pain in the ass. I did like planet 13 very general. Go in with the customer? how awkward is thatlame.	y easy. Havent done many as i avoid the strip corridor in
5☆OG Vell-Known Member	TransporterX	

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Drewsnutz Active Member	is right next door with much better pricing and product. Can make planet 13 any dispensaries na automatically say re route me to there. Be semi passive aggresive and say you still wanna go to th Honestly i have gotten many tips amd kickbacks from this and usually a good rating. Only 1 time	ne worst dispensary around?
2.6	Aug 22, 2019	<b>«</b> #25
CONVOLUE Taxi2Uber Well-Known Member	Drewsnutz said: My best advice to divert a pax that worked for me 99% of the time. You see where they are going. Crack a jok makes them curious why you said that. Then proceed with their product is second grade and higher priced a better pricing and product. Can make planet 13 any dispensaries name you like. Then if they don't automatic passive aggresive and say you still wanna go to the worst dispensary around? Honestly i have gotten many tig good rating. Only 1 time a bad one as they worked at reef??	nd planet13 is right next door with much ally say re route me to there. Be semi
	If you say P13 is right next door to Reef, they'll say take me to Reef and I'll just walk to P13 after. Better, I think, is to say P13 is closer.	
Big O Tir	i <b>res® Oil Change</b> 25 ire Brands, Free Online Quotes. Call Today.	4
	Phoenix	
	WEBSITE OF DIRECT	TIONS
SELECTIVELY SOL	Aug 23, 2019	<b>e</b> #26
NowWeAllBroke	VegasNick said: ① Take them all to Planet 13, they have a rider lounge with a restroom and pay \$15 very quickly. A RIDER lounge or a DRIVER lounge?	
	Aug 23, 2019	چ 27 ھ
	Went to the grove on sunday, the big black security did go in and come out and hand us the 15\$. either easy 15\$ in and out and they have waters, coffee. etc	Never had an issue with P13 drop
808master Member	father of unicorns	
	<b>ද</b> #28	
jjub40 Well-Known Member	808master said: 💿 Went to the grove on sunday, the big black security did go in and come out and hand us the 15\$. Never had a and out and they have waters, coffee. etc	an issue with P13 drop either easy 15\$ in
	ll him by his name. His name is	
	5☆OG	
•Prev 1 2		You must log in or register to reply here.

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Forums > Geographical > US Cities > West : 19 Cities > Las Vegas >

🖌 Daily Driver

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Ellemay Active Member

Jun 19, 2020

AtomicBlonde said:

Is anyone paying kickbacks? Planet 13 / MedMen at least?

I do know there are people who have been there longer than I have, who weren't slackers, who haven't been called. Maybe Kabit calls and book were big factors?

P13 pisos acres that I know of



Taxi2Uber Well-Known Member

Jun 19, 2020

AtomicBlonde said:

Lol I just got a call from the Red Light "girls direct to your room" people telling me they are open for business so don't hesitate to send some guys their way lol lol

And yet strip clubs are not allowed to be open. I see salons, where there is close contact, are open I see that massage parlors are allowed to be open. I also see jiu jitsu/martial arts schools open. Seems it would be easier to social distance at a strip club than the above. Makes no sense.

Uberisfuninlv



LasVegasMellowYellow Well-Known Member

Jun 20, 2020

#125

#124

LasVegasMellowYellow said:

Planet 13 is... the Grove is not...as of Wednesday. Those are the only two that I'm certain of.

Confirmed again on Saturday... Grove isn't paying yet. Planet 13 is. Has anyone dropped at Medmen for a confirmation? (cab not uber. I think paradise/harmon quit paying rideshare long ago) Grove was always an easy sell coming out of the airport.

**Electronically Filed** 8/24/2020 11:37 AM Steven D. Grierson CLERK OF THE COURT

# EXHIBIT F

**APPENDIX 351** 

Case Number: A-19-804883-C



#### \$15 PER DROP

MUST SHOW PROOF OF RIDE.

#### PAYOUTS FROM 9AM - 1AM

Marijuana superstore & entertainment complex with easy drops and payouts.

All drivers: prior to 12 midnight, pull up to the front of our red ball monument and drop your riders. You will receive a paper receipt from a P13 staff member to take to our payout area around the west side of our building. AFTER midnight we do not issue paper receipts - proceed directly to our payout area after parking your vehicle. Uber and Lyft be prepared to show your ACTIVE ride (and drivers license) for verification to our payout personnel.

If you need to leave and cannot accept your payout at time of drop, be sure to have our staff member sign, and note date and time on your receipt - you may return before midnight of the SAME DAY for payout. If you are not issued a receipt, you will not be paid out. Best practice is to simply turn off your driver app or stop new ride requests and come collect your payout at the time of your drop. Drivers license is required to receive payout. We pay out extremely quickly.

Taxi: must provide customer copy of receipt or tell P13 staff member to verify and note on our paper receipt upon rider drop that your meter is still running in the event you are waiting for your riders. Taxis must park in our taxi line or on our far west wall near the payout area, not in parking spots.

DO NOT enter the dispensary with your riders.

You will be required to complete an IRS form W-9 if this is your first drop with P13



# EXHIBIT G



PAUL A. CONANT paulconant@conantlawfirm.com

June 24, 2019

### **Cease and Desist -- Litigation Hold**

Planet 13 Holdings, Inc. c/o Co-CEO Larry Scheffler Co-CEO Robert Groesbeck 2548 W. Desert Inn Road Las Vegas, Nevada 89109

### Re: Nevada's Prohibited Acts by Drivers Statute; Concert of Action Liability; Aiding and Abetting Liability.

Dear Messrs. Scheffler and Groesbeck:

I represent Tryke Companies, the owner and operator of Reef Dispensaries. Among other locations, Reef operates at 3400 Western Avenue, Las Vegas, Nevada 89109, and has for years. More recently, your company has opened a facility very nearby, at 2548 West Desert Inn Road, Las Vegas, Nevada 89109.

### **Cease and Desist**

My client has documented instances where transportation services customers (*e.g.*, Uber customers) have asked to be driven to Reef, but have instead been shunted to Planet 13. Customers seeking out Reef have been told that Planet 13 "is" Reef, and have been dropped off at Planet 13 instead of Reef. To be clear, customers seeking to patronize Reef have been dropped off directly at Planet 13 and falsely told that they are at Reef. When questions have been raised to challenge the representation that they are at Reef (when they are not), customers have been provided a fallback line that "everyone" goes to the location they are being dropped at (*i.e.*, the Planet 13 location). We have reason to believe that drivers engaged in such conduct are rewarded by Planet 13 with monetary payments known as "kickbacks". And, we are aware that Planet 13 caters to transportation services drivers in various ways, beyond paying kickbacks to drivers for bringing customers to its location.

As discussed below, it is no excuse or defense to claim that the conduct of transportation services drivers is not within the direct control of Planet 13.

Specifically, beyond the potential problems associated with paying kickbacks to persons unregulated under Nevada's marijuana laws seeking to nonetheless cause a sale of a controlled substance for compensation by one-on-one interaction, and although strip clubs (for example) pay kickbacks to get customers to their property (and within certain boundaries

LETTER FROM PAUL A. CONANT TO PLANET 13 JUNE 24, 2019 PAGE 2 OF 4

that practice can be legal), controlling Nevada law prohibits the practice which my client has observed occurring. NRS 706A.280(2) states that, "with respect to a passenger's destination", a driver "shall not: (a) Deceive or attempt to deceive any passenger who rides or desires to ride in the driver's motor vehicle" or "(b) Convey or attempt to convey any passenger to a destination other than the one directed by the passenger". And, while the above-quoted statutory prohibition applies to illegal driver conduct, Nevada law also extends those prohibitions to others, including Planet 13, who or which, through promotion or other conduct concerning such activity, support such activity through concert of action, who conspire to cause it, or who do or seek to aid and abet it.

In Nevada, it is illegal for two or more persons to violate the law while acting in concert. Restatement (Second) of Torts, Section 876(a). No intent to accomplish an unlawful objective for the purpose of harming another is required in order for concert of action liability to arise. All that is required for "concert of action" liability to arise is unlawful conduct and a "tacit" agreement, which may be demonstrated simply by a common design. W. Prosser, Law of Torts, Section 46, at 291 (4<sup>th</sup> Ed.).

As the Nevada Supreme Court has held, that tacit agreement (as with civil conspiracy liability and aiding and abetting liability) need not be in any particular form, and need not extend to all of the details of the conspiratorial scheme. *Eikelberger v. Tolotti*, 611 p. 2d 1086, 1091 (Nev. S. Ct. 1980). Further, civil conspiracy liability may also arise in such circumstances where a purpose of the agreement is to cause injury to another. Any loss of business by my client due to redirection of its customers, for example, would suffice as proof of such injury. And, aiding and abetting liability may rise in the event of such a tacit agreement where there is participation in an unlawful act (or engaging in a lawful act in an unlawful manner) which causes injury pursuant to a common scheme.

At a minimum, my client believes that that evidence of violations of NRS 706A.280(2), and concert of action by your client to support such violations, exists.

Other Nevada statutory law concerning deceptive and unfair trade practices also bans certain forms of misconduct relevant here. These prohibitions include, without limitation, prohibitions on:

- Passing off good for sale as those of another (as when customers seeking out Reef are told they are at Reef when they are, instead, at Planet 13).
- Making a false representation as to the source, sponsorship, approval or certification of goods for sale (as when customers seeking out Reef are told they are at Reef when they are, instead, at Planet 13).
- Making a false representation as to affiliation, connection, association or certification by another person (as when customers seeking out Reef are told they are at Reef when they are, instead, at Planet 13).

LETTER FROM PAUL A. CONANT TO PLANET 13 JUNE 24, 2019 PAGE 3 OF 4

See NRS 598.0915 (1), (2) and (3); see also NRS 598.0923 (2) (failure to comply with all required licenses) and (3) (failure to disclose a material fact in connection with the sale of goods).

Based on the foregoing, please consider this my client's demand that Planet 13 immediately and permanently cease and desist from any and all conduct which consists of concert of action, conspiracy to violate, or aiding and abetting in the violation of, or any direct violation of, NRS 706A.280(2), NRS 598.0915, NRS 598.0923 (2) and (3), and any other applicable state common law or statutory law, and any applicable rule, regulation or ordinance touching on and/or concerning the conduct described in this letter, or any similar misconduct unlawful under Nevada law which harms my client and/or fair and lawful competition.

#### **Litigation Hold**

My client's investigation into the activities analyzed in this letter is ongoing but has revealed sufficient information for the investigation to continue. The information revealed thus far is sufficiently concerning that my client may contemplate future litigation to enjoin such activity. Pending the completion or cessation of that investigation, this letter is to provide you with notice of the foregoing information in an explicit, written format as of a date certain and to request that a litigation hold be placed with respect to such matters so that, in the event of future litigation, evidence and relevant information in your possession, custody or control is not destroyed, lost, overwritten, misplaced or otherwise unavailable. As such, this "litigation hold" request seeks that you preserve all evidence in your possession, custody, or control that is or may be relevant to my client's claims concerning acts prohibited by NRS 706A.280(2)(a) and/or (b), and any concert of action or aiding and abetting conduct supporting, encouraging or promoting such violations. Such relevant evidence may include, but is not limited to, all matters touching on and or concerning payments to transportation services drivers you have made, arrangements you have made to provide support or encouragement to transportation services drivers, policies and procedures and sanctions which exist in order to prevent, deter and ban support or concert of action concerning NRS 706A.280(2)(a)/(b) violations. This preservation of evidence is required under law, and spoliation of this evidence may lead in any future litigation to my client seeking sanctions and/or all other penalties available under law. To prevent spoliation of relevant electronic information, documents or other data, you may consider it advisable to:

- Avoid deleting, altering, or otherwise failing to retain relevant information, documents, emails, files and/or electronic data.
- Consider cessation of any activity that may result in the loss of electronic data, including, but not limited to, routine rotation, destruction, overwriting, deletion and/or erasure in any way or by any means of such data in whole or in part.

- Consider cessation of any activities which may affect any electronically stored information to be retrieved in a usable format.
- Consider preservation of all of text messages, personal emails and any other form of electronic communication and/or documentation which may touch on or concern the matters described above.

This letter is not intended to be, and should not be construed as, a waiver or limitation of any of the rights and remedies available my client regarding the matters discussed herein, all of which are hereby expressly reserved.

In the event of litigation concerning the issues addressed herein, if information which you have been requested to preserve by this letter is unavailable, my client may seek any and all remedies allowed by law in response.

If there are any questions about the scope of this letter, please do not hesitate to contact me for clarification. As noted above, my client's investigation is ongoing in a lawful manner; further communications concerning this matter may issue as a result, and my client expressly reserves any and all of its rights and remedies.

Very truly yours.

Cc: Brett Scolari, Esq. General Counsel, Tryke Companies

#### EXHIBIT H

# DIDINGS INC.

# **Corporate Presentation** August 2020

CSE: PLTH OTCQX: PLNHF

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The forward-looking information and statements contained herein are presented for the purposes of assisting readers in understanding the Company's expected financial and operating performance and the Company's plans and objectives and may not be appropriate for other purposes. The forward-looking information and statements contained in this Presentation represent the Company's views and expectations as of the date of this Presentation and forward-looking information and statements contained in this Presentation represent the Company shears and the expectations as of the date of this Presentation and forward-looking information and statements contained herein represent the Company's views as of the date of this Presentation and forward-looking information and statements contained herein represent the Company's views as of the date of this Presentation and forward-looking information and statements contained herein represent the Company's views as of the date of this Presentation and forward-looking information and statements contained herein represent the Company's views as of the date of hereof. The Company anticipates that subsequent events and developments may cause its views to change. However, while the Company may elect to update such forward-looking information and statements at a future time, it has no current intention of doing so except to the extent required by applicable law.

#### Risk Factors

sale and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States through its subsidiary MM Development Company, Inc. ("MMDC"). The State of Nevada, where MMDC operates, permits such activities, however, these activities are currently illegal under United States Federal law. Additional information regarding this and other risks and uncertainties relating to the Company's business are disclosed in the Company's public filings, including its 2018 Annual information Form dated April 30, 2019 and the most assumptions underlying the forward-looking information or forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, recent quarterly MD&A dated, September 30, 2019, both filed on its issuer profile on SEDAR at www.sedar.com. Should one or more of these risk, uncertainties or other factors materialize, or should The Company is indirectly involved in the manufacture, possession, use, believed, estimated or expected.

# Cannabis-Related Practices or Activities are Illegal Under U.S. Federal Laws

cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis are illegal under U.S. Federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. Federal law, nor will it provide a defense to any Federal proceeding which may be brought against the Company. Any such The concepts of "medical cannabis" and "recreational cannabis" do not exist under U.S. Federal law. The U.S. Federal Controlled Substances Act classifies "marijuana" as a Schedule I drug, Accordingly. proceedings brought against the Company may adversely affect the Company's operations and financial performance.

#### Industry Information

surveys and other publicly available sources. Although the Company believes these sources to be generally reliable, such information is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other inherent limitations and uncertainties. The Company has not independently verified any This Presentation also contains or references certain market, industry and peer group data which is based upon information from independent industry publications, market research, analyst reports and of the data from third party sources referred to in this Presentation and accordingly, the accuracy and completeness of such data is not guaranteed.

#### US Disclaimer

This Presentation is not an offer of securities for sale in the United States or in any other jurisdiction. Securities may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended.

#### Currency

Unless otherwise indicated, all dollar ("US\$") values herein are in United States dollars.

### Disclaimer

This confidential presentation of Planet 13 Holdings Inc. ("Planet 13" or the "Company") is for informational purposes only and shall not constitute an offer to buy, sell, issue or subscribe for, or the solicitation of an offer to buy, sell, issue or subscribe for any jurisdiction in which such offer, solicitation or sale would be unlawful. The information contained herein is subject to change without notice and is based on publicly available information, internally developed data and other sources. Where any opinion or belief is expressed in this presentation, it is based on the assumptions and limitations mentioned presentation is confidential and is being provided to you solely for your information and may not be reproduced, in whole or in part, in any form or forwarded or further distributed to any person and is for herein and is an expression of present opinion or belief only. This presentation should not be construed as legal, financial or tax advice to any individual, as each individual's circumstances are different. informational purposes only. Readers should consult with their own professional advisors regarding their particular circumstances.

## Cautionary Statement Regarding Forward-Looking Information

proposed facilities, new revenue streams, cultivation and licensing assets, the roll out of new dispensaries and re-opening of existing dispensaries, launch of Planet 13 brands in Nevada or other states, status and among others, information regarding: statements relating to the business and future activities of, and developments related to, the Company after the date of this Presentation, including such things as future are under construction or may be constructed, the construction of additional cultivation and production facilities, the expansion into additional U.S. markets, any potential future legalization of adult-use and/or timing for cannabis consumption lounge authorization in each state, the expansion of existing cultivation and production facilities that medical cannabis under U.S. Federal law, expectations of market size and growth in the United States and the states in which the Company operates or contemplates future operations; expectations for other This Presentation contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws and United States securities laws. All information, other than statements of historical facts, included in this Presentation that addresses activities, events or developments that the Company expects or anticipates will or may occur in the future is forward-looking 'estimate", "expect" or similar expressions and includes business strategy, competitive strengths, goals, expansion and growth of the Company's business, operations and plans, including the addition of other unique attractions to the Company's existing or economic, business, regulatory and/or competitive factors related to the Company or the cannabis industry generally, and other events or conditions that may occur in the future. information. Forward-looking information is often identified by the words "may", "would", "sould", "will", "intend", "plan", "anticipate", "believe",

the time they were provided or made and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements. Such factors include, among others, risks relating to the an agricultural business; risks related to proprietary intellectual property and potential infringement by third parties; risks relating to financing activities including leverage; risks relating to the management of is service providers, risks related to the enforceability of contracts; the limited operating history of the Company, reliance on the expertise and judgment of senior management of the Company, risks inherent in Readers are cautioned that forward-looking information and statements are not based on historical facts but instead are based on reasonable assumptions and estimates of management of the Company at set in the set in the set in the set of the set of the seconomy generally, risk of litigation and settlements thereto; conflicts of interest; risks relating to certain manufactured for human consumption including potential product recalls; reliance on key inputs, suppliers and skilled labour; cyber-security risks; ability and constraints on marketing products; fraudulent relating to anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the cannabis industry; risks related to contracts with third party remedies being limited and the difficulty of enforcement of judgments and effecting service outside of Canada; risks related to future acquisitions or dispositions; sales by existing shareholders; the limited concentrated voting control of the Company and the unpredictability caused by the existing capital structure. U.S. regulatory landscape and enforcement related to cannabis, including political risks risks market for securities of the Company; limited research and data relating to cannabis; and other factors beyond the Company's control, as well as those risk factors incorporated by reference herein. growth; increased costs associated with the Company being a publicly traded company; increasing competition in the industry; risks relating to energy costs; risks associated to cannabis products

actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information and statements forward-looking information and statements, including the documents incorporated herein by reference, as statements containing forward-looking information involve significant risks and uncertainties and Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause will prove to be accurate as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, readers should not place undue reliance on should not be read as guarantees of future results, performance, achievements, prospects and opportunities.



# 74% of Americans prioritize experiences over products.

Source: <u>Expedia</u>





## Nevada

## California

#### Retail

One Retail Location

Santa Ana SuperStore

Opening HI 2021

# In-house Brands and Wholesale

Medizin Dispensary

Opening Q3 2020

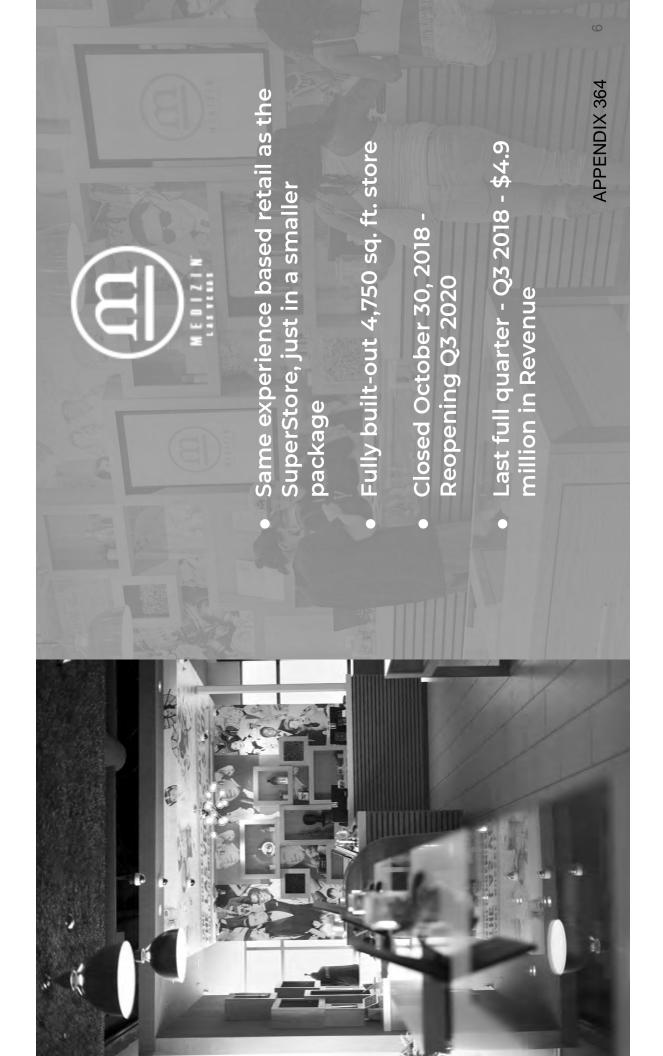
Planet 13 SuperStore

**Two Retail Locations** 

Retail

**3 Cultivation Facilities** 

- **3 Production Facilities**
- Multiple top SKUs in Nevada
- 29% of inhouse sales in Q2 are Planet 13 brands





# SuperStore Strategically Positioned in the Las Vegas Market

Closest dispensary to the heart of the Las Vegas Strip

planet

0

Minutes from every resort and casino on the Strip









F

Wholesaling to 26 dispensaries in Nevada

Increased cultivation to

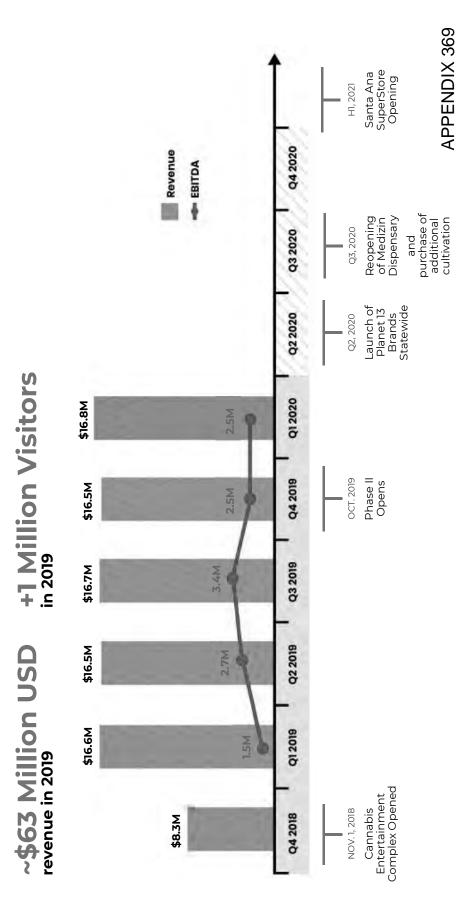
support vertical

integration of Medizin flower line

Multiple SKUs across product categories in top 10 in Nevada

Inhouse brands made up 29% of SuperStore Sales in Q2 2020 APPENDIX 368 TO

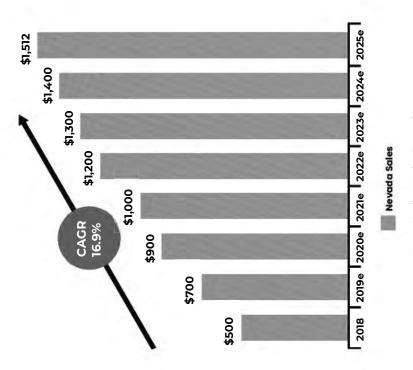




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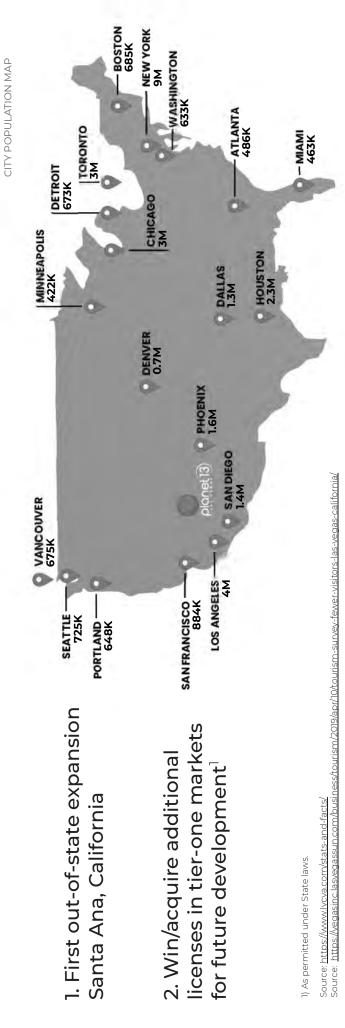
# 2020 Nevada Objectives

1. Maintain ~8-10% share of Nevada cannabis sales 2. Leverage production facility and additional cultivation facility to grow share of Nevada wholesale cannabis sales and increase margin at retail locations  Gain share of Las Vegas Valley residents through Medizin Dispensary and delivery business

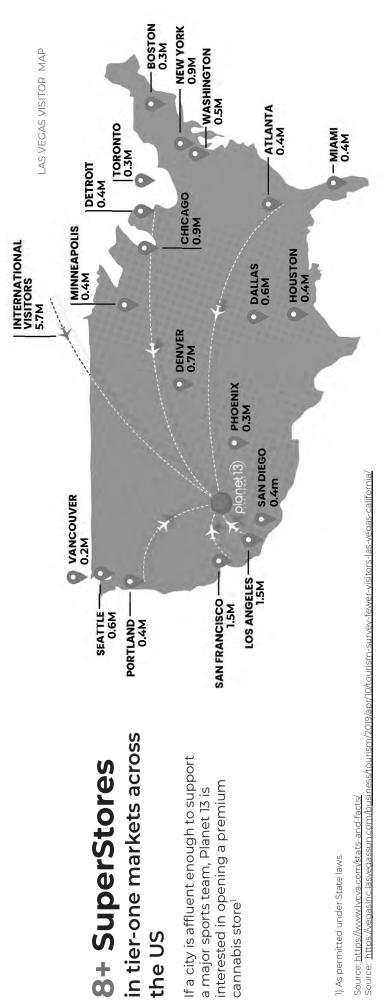


Source: Arcview Market Research









**APPENDIX 372** 

Supported by Fully-Aligned Management and Strong Balance Sheet

Summary Income	3 Months Ended Mar. 31	Mar. 31
Juatement (USD\$000)	2020	2019
Revenue	\$16,793	\$13,836
Gross Profit	\$9,280	\$7,455
Adjusted EBITDA	\$2,288	\$1,658
Net Income	\$(1,377)	\$(1,150)

As of Mar. 31, 2020	\$13,938	\$884
Statement of Financial Position (USD\$000)	Cash	Long Term Debt

<b>Fully Diluted Capitalization</b> As of July 31, 2020	
Common Shares	101,966,654
Class A Restricted Shares	59,173,872
Basic S/O	161,140,526
Fully Diluted S/O	170,641,487

~55%	
Inside Ownership	

(1) Class A restricted shares cannot be voted in respect to election of directors. Class A shares are convertible (at either the option of the company or holder) into common shares.

15

# **Management & Board of Directors**



### Robert Groesbeck

· Former Mayor of Henderson, Nevada

• Practiced law for 25+ years

Serial entrepreneur that has grown
multiple successful businesses



#### Larry Scheffler co-ceo & BOARD MEMBER

Founder of largest private printing company in Nevada

Former City Councilor

Managing director of real estate companies owning over 1,000 Acres



#### Dennis Logan

- CFO of multiple public companies
- 17+ years in investment banking

 Chair of audit committee for multiple public companies

#### **APPENDIX 374**

# Management & Board of Directors



#### Chris Wren VP OF OPERATIONS

Won multiple international

awards for cannabis strains

• Creator of award winning strain Chloe

• 15+ years of cannabis growing experience



#### Bill Vargas

 Over 25 years of senior financial management and accounting experience

 Former CFO and Corporate Secretary of LEC Technologies, a publicly-traded computer leasing company



#### David Farris VP OF SALES & MARKETING

 Clio Cannabis award winner for brand design of Dreamland Chocolates  Has launched and managed a variety of innovative marketing campaigns, strategic sponsorships and events.



### Stephen Markle

Has developed and launched

a variety of innovative concentrate and edible products

 7+ years as an analytical chemist in the nutraceutical and cannabis testing industries

#### **APPENDIX 375**





#### Adrienne O'Neal **BOARD MEMBER**

Nevada state board of marriage & family therapy

•Owner of Las Vegas Counselor LLC

 Former account manager at R&R Partners



#### **Mike Harman BOARD MEMBER**

Managing Partner with HRP CPAs, a certified public accounting and consulting firm based in Las Vegas

Primary focus is business consulting including performing outsourced CIO services



#### Leighton Koehler **GENERAL COUNSEL**

with former work experience Licensed attorney and CPA as a transactional and tax attorney at EY and senior agent at the IRS • Successfully represented Fortune 500 company clients before federal, state, and local regulators



**Growing Product Portfolio** 

## TREND

#### EXTRACTS · VAPES CONCENTRATES

approach, Trendi delivers an exceptional product that upholds a high level of potency and purity. disposable vape pen products and concentrates that create the trend, not the other way around. Utilizing Trendi specializes in expertly crafting the best cutting edge technology and a unique visual

TRENDI

GENDER 69% MALE 31% FEMALE

TOP LOCATION AGE RANGE SC LAS VEGAS, NV 21–35

GE SOCIAL IMPRESSION +640k **APPENDIX 378** 





APES

Leaf & Vine was founded on a simple mission – to deliver elegance & happiness. Created with handpicked strains on-the-go, sophisticated lifestyles. Each pen contains a state-of-the-art battery designed to last the life of the with higher CBD content and high-quality vaporizing technology, Leaf & Vine is the perfect brand for pen and a chic exterior worthy of display.

43% MALE LAS VEGAS, NV 57% FEMALE

+600K

21-35

22

owing Product Portfolio

#### DREAMLAND CHOCOLATES

Welcome to the world of Dreamland Chocolates, where your taste buds will be dazzled. We select each of our ingredients and handcraft each flavor in our production facility. A mix of single-origin craft chocolate and pure cannabis distillate, providing the highest caliber of flavor and effect. Designed to be delicious and dreamy

#### for you.

Mystical Milk, Cookies n' Dream, Cool Mint, Decadent Dark, White Chocolate with Radiant Raspberries, Simply Salted Toffee, Crackling C Dark Chocolate with Pistachio and Chili Pepper

GENDER 51% MALE 49% FEMALE

LAS VEGAS, NV 21-35

SOCIAL IMPRESSIC +900K







### TINCTURES · TOPICALS BATH BOMBS · GUMMIES

At Planet M, you get exactly what you see. High-end products that are custom formulated and curated with full-spectrum and CBD isolate. For all those times you wanted to feel elevated, but without the "high".

GENDER 69% MALE 31% FEMALE

 TOP LOCATION
 AGE RANGE
 SOCIA

 LAS VEGAS, NV
 21–35

SOCIAL IMPRESSIC +800K



1 2 3 4 5 6 7	Will Kemp, Esq. (#1205) Nathanael R. Rulis, Esq. (#11259) n.rulis@kempjones.com Ian P. McGinn, Esq. (#12818) i.mcginn@kempjones.com KEMP JONES, LLP 3800 Howard Hughes Parkway, 17 <sup>th</sup> Floor Las Vegas, Nevada 89169 Telephone: (702) 385-6000 Attorneys for Defendant MM Development Company, Inc.	Electronically Filed 8/28/2020 2:59 PM Steven D. Grierson CLERK OF THE COURT
8	DISTRIC	
9	CLARK COUN	(TY, NEVADA
10 11	TRYKE COMPANIES SO NV, LLC, a Nevada limited liability company,	Case No.: A-19-804883-C Dept. No.: 24
Aa 12 12	Plaintiff,	
LLP Parkw 301 89169 20) 385 com 50 02) 385 20) 385 20) 385 20) 385 20) 385 20) 385 20) 385 20) 385 20) 385 20) 70 20) 70 20) 70 70 70 70 70 70 70 70 70 70 70 70 70 7	VS.	MM DEVELOPMENT COMPANY,
KEMP JONES, 3800 Howard Hughes Seventeenth Flc Las Vegas, Nevada 2) 385-6000 • Fax (70 kic@kempiones.d	MM DEVELOPMENT COMPANY, INC., dba PLANET 13, a Nevada corporation; DOES I through C, inclusive; and ROE BUSINESS ENTITIES I through C, inclusive,	INC.'S OPPOSITION TO MOTION FOR PRELIMINARY INJUNCTION ON ORDER SHORTENING TIME Hearing Date: September 3, 2020 Hearing Time: 9:00 a.m.
<sup>66</sup> <sup>60</sup> 17 18	Defendants.	
19		
20	Defendant MM Development Company.	, Inc. ("Planet 13"), by and through counsel of
21	record, hereby submits this opposition to Tryke	Companies SO NV, LLC ("Reef") Motion for
22	Preliminary Injunction on Order Shortening Tim	e (the "Motion").
23	I	
24	INTROD	
25		a dispensary industry and its competition are
26	manifested through this litigation. The causes of action advanced by Reef and their various	
27	arguments of damage at the hands of Planet 13	
28	litigation is simply the tool-du-jour by which	Reel has chosen to deal with an increasingly
	2 Case Number: A-19-8048	Docket 81938 Document 2021-086054

competitive marketplace. By way of this action and, particularly this Motion, Reef asks this Court 1 2 to do what numerous judges previously refused to do, what Nevada Governor Kenny Guinn 3 refused to do, what the Clark County Liquor and Gaming Licensing Board refused to do, and 4 what the Nevada Taxicab Authority refused to do; *i.e.*, expressly ban the tipping of taxicab, Uber, 5 and Lyft drivers.

Rather than accept the fact that Reef might have to innovate to stay competitive and retain the market share in the industry that it may have had at one point, Reef has chosen to burden the courts with the assertion of meritless claims and hollow cries of damage against its competition. Indeed, Planet 13 represents a different and successful manner in which to operate an adult-use dispensary in Las Vegas; one with which Reef has simply failed to keep up. As readily as those lines are identified, the Court should recognize that the Preliminary Injunction sought by the Reef is not only unwarranted, but to enter such extraordinary relief upon such a weak showing would be plain error.

#### <u>II.</u>

#### FACTUAL & PROCEDURAL BACKGROUND

#### **Historical Overview** А.

17 It is axiomatic that the working class in a service industry depends, if not survives, on the 18 generation of tip and gratuity income. Indeed, not only do dispensaries tip taxicab, Uber, and 19 Lyft drivers, but many other businesses such as strip clubs, nightclubs, casinos, attorneys, and 20 restaurants do as well. See, e.g., Michael Squires, Taxicab Authority Repeals Tip Law, Las Vegas 21 Review-Journal, June 25, 2002, Exhibit A; Adrienne Packer, County Backs Away From Cabby 22 Tipping Law, Las Vegas Review-Journal, Dec. 21, 2005, Exhibit B. Some businesses offer cash, 23 others offer other rewards such as free food and drink tickets, free coffee and even free traffic 24 ticket representation. Id.

25 In recognition of this reality, over 15 years ago Governor Kenny Guinn vetoed Assembly 26 Bill 505, amid mass protests by taxicab drivers across the state, because Section 133 of that bill 27 banned taxicab driver gratuities. See Press Release, Office of Governor Guinn, June 14, 2005,

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1 **Exhibit C.** Governor Guinn vetoed Assembly Bill 505 because, among other things, "it singles 2 out and hurts the financial well-being of taxicab drivers." Id.

Following the Governor's absolute refusal to ban such behavior, on March 28, 2006, the Clark County Liquor and Gaming Licensing Board followed suit and voted to repeal County Ordinance 8.20.297, in its entirety. This ordinance, for the brief time of its existence, made it unlawful for any liquor licensee "to pay any tip, gift, or gratuity of any kind to any taxicab driver for the delivery of any passenger to the business location of the licensee." See Relevant Portion of Agenda for March 28, 2006, Meeting, **Exhibit D**. The Clark County Commission, in repealing County Ordinance 8.20.297, clearly indicated its intention to permit the practice of tipping cabdrivers. "Commissioners agreed that the issue is one that can be sorted out by the free market.

If businesses want to pay the drivers, the government shouldn't interfere." Ex. B., p. 2.

Notably, in 2002, the Nevada Taxicab Authority specifically repealed a regulation that banned taxicab drivers from accepting gratuities from anyone other than their employer or a passenger. Ex. A. The Nevada Taxicab Authority did so even with the clear understanding that diversion may happen. When the Nevada Taxicab Authority repealed that regulation in 2002, then-administrator John Plunket said, "[w]e will monitor diversions and if we see it increase, we'll be out there to enforce the law. But you just can't stop people from taking tips." Ex. A (bold 18 added). In fact, the Nevada Taxicab Authority's repeal of the regulation was actually "prompted" 19 by a legal action between adult nightclubs over the practice of tipping. Talking about allowing 20 businesses to tip taxicab drivers, then-administrator John Plunket went further: "For 30 years they've been accepting gratuities. It's almost like part of their salary." Ex. A.

22 Presently, no state or county law prohibits the tipping of taxicab, Uber, or Lyft drivers nor 23 is there any law prohibiting taxicab, Uber, or Lyft drivers from accepting tips.

#### **B**. **Tipping Practices Previously Unsuccessfully Challenged**

25 Despite the clear directives of Nevada's executive and legislative branches, an association 26 of adult nightclubs sought to challenge the practice of tipping taxicabs in various lawsuits between 27 2002 and 2006, by filing complaints alleging that other adult nightclubs were, among other things, 28 violating anti-diversion laws under NRS 706.8846. The truth became evident very quickly - that

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1 plaintiffs in those cases never had any moral or legal issue with tipping taxicab drivers (or with 2 the anti-diversion statutes) until they decided that tipping was simply an expense they did not 3 want to incur. Over nearly 40 years, tipping of taxicabs increased to as much as \$70.00 per 4 passenger dropped off at some businesses. See, e.g., **Ex. B**, p. 2.

As a result of the increase in tipping prices, thirteen adult nightclubs (including Palomino Club, Spearmint Rhino, Déjà vu, Sapphire, Treasures, and Cheetah's, among others) united on December 5, 2005, to form an association, the sole and stated purpose of which was to take legal action to ensure compliance with all of the laws and regulations concerning the adult night club business. Then, in January 2006, the adult nightclub association sent letters to other nightclubs in an attempt to coerce these other nightclubs to stop the practice of tipping taxicabs. If the other nightclubs dared to decline to join the organization, then the association threatened to file suit and request damages and injunctive relief if the facts support such a course of action. Some of these other nightclubs decided against joining the association and, as a direct result, were sued for claims including: Violation of NRS §§ 598A et. seq., Civil Conspiracy, Violation of NRS 207.360 Nevada Civil RICO, Intentional Interference with Business Relations, Intentional Interference with Prospective Business Advantage, and Injunctive Relief. See Amended Complaint filed in Nevada Assoc. of Nightclubs, Inc. v. D.I. Food & Beverage of Las Vegas, LLC, et al., Eighth Judicial District Court Case No. 05A514591, March 3, 2006, attached hereto as Exhibit E.

19 In April 2006, the plaintiff in that case filed a motion for temporary restraining order and 20 preliminary injunction (which is virtually identical to that presented in the instant action) against 21 non-association nightclubs to enjoin those clubs from:

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- (1)diverting passengers to nightclubs and away for Plaintiff's nightclubs; and
- (2)knowingly and/or participating in any manner which provides taxicab drivers compensation specifically for taking customers to defendant's nightclub.
- 25 *Compare* to Reef's Motion, 26:18-27:1. The request of an injunction was based on affidavits it 26 alleged contained "evidence" of other nightclubs' wrongdoing and that nightclub association 27
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members were being "irreparably" harmed by taxicab tipping.<sup>1</sup> Nevertheless, the association 1 2 waited over two months after the litigation was commenced before filing the preliminary 3 injunction motion.

That motion by plaintiff was denied by Judge Adair in a decision, filed in that action on March 23, 2007. Presently, the very same entities that sought to enjoin the practice of tipping taxi cabs (e.g., Palomino Club, Spearmint Rhino, Déjà vu, Sapphire, Treasures, and Cheetah's), and those that defended it (e.g. Scores), all offer tips to taxicab, Uber, and Lyft drivers via the Kickback app. Reef now asks this Court to do what Judge Adair refused to do, what Governor Guinn refused to do, what the Clark County Commission refused to do, and what the Nevada Taxicab Authority refused to do; *i.e.*, ban the tipping of taxicab, Uber, and Lyft drivers.

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#### C. **Procedural History**

On November 5, 2019, Reef filed its Complaint alleging three causes of action: (1) Civil Conspiracy; (2) Aiding and Abetting; and (3) Intentional Interference with Economic Advantage. All of Reef's claims hinge on the specious and unsupported allegation that Planet 13's tipping of taxicab, Uber, and Lyft drivers is illegal and somehow designed to encourage the diversion (as defined by NRS 706A.280(2) and NAC 706.552(1)) of passengers to Planet 13. Neither of these predicates is true.

18 Nevada law is also clear that there is no private right of action under NRS 706A.280(2), 19 NAC 706.552(1), or any other Nevada statutes or regulations for diversion. Planet 13 moved to 20 dismiss Reef's complaint on this basis and, during oral argument on Planet 13's Motion to 21 Dismiss, this Court agreed. See February 27, 2020 Hearing Transcript ("Hearing Transcript") at 22 6:9-11, 15:9-10, and 16:1-2, on file. Yet, the Court denied dismissal of claims because it

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<sup>&</sup>lt;sup>1</sup> After sending the threatening letter (just like Reef did in this matter), the association claimed to 25 have compiled "evidence" to support its request for an injunction. That "evidence" consisted of affidavits from private investigators and an "investigation" for the nightclub association as to 26 "whether or not any Las Vegas Cab Drivers were diverting customers away from their requested destination ...." (just like Reef submits as part of its instant motion). See Affidavits of Hal De 27 Becker, III, and Michael L. Yepko, attached hereto as Exhibit F.

understood Reef's Complaint had managed to sufficiently allege the underlying tort of
 interference with prospective or economic advantage. *Id.* at 15:12-14.

Reef waited nearly ten months *after* filing the Complaint to move for a preliminary injunction. Despite waiting almost a year to file the instant Motion, Reef somehow claims that this Motion had to be heard on shortened time. Aside from the fact that Reef's claims asserted in this litigation have no legal or factual merit, Reef's request for an injunction and its claims of irreparable harm are absolutely refuted by its dilatory conduct alone.<sup>2</sup>

#### III.

#### ARGUMENT

#### A. Standard for Injunctive Relief

11 Issuance of the extraordinary remedy of injunctive relief is appropriate only when: (i) the 12 moving party shows a reasonable likelihood of success on the merits; and (ii) irreparable harm 13 will be sustained by the moving party if the requested injunction is not issued. *Pickett v.* 14 Camanche Constr., Inc., 108 Nev. 422,426, 836 P.2d 42, 44 (1992); Number One Rent-A-Car v. 15 Ramada Inns, Inc., 94 Nev. 779, 780-81, 587 P.2d 1329, 1330 (1978); see also NRS 33.010. 16 "Where, as here, a party seeks a mandatory preliminary injunction, forcing another party to take 17 action that goes beyond maintaining the status quo, such relief is subject to heightened scrutiny 18 and the injunction requested should not be issued unless the facts and law clearly favor the moving 19 party." Wal-Mart Stores, Inc. v. County of Clark, 125 F. Supp. 2d 420, 424 (D. Nev. 1999) 20 (citation omitted); see also Mustafa v. Clark County Sch. Dist., 876 F. Supp. 1177, 1183 (D. Nev. 21 1995) ("Mandatory injunctions are not granted unless extreme or very serious damage will result

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<sup>&</sup>lt;sup>24</sup> When a plaintiff's delays are neither justifiable nor reasonable, and they have materially disadvantaged the defendant, the plaintiff is guilty of laches and precluded from relief. *Bldg. & Const. Trades Council of N. Nevada v. State ex rel. Pub. Works Bd.*, 108 Nev. 605, 611-12, 836
<sup>26</sup> P.2d. 633, 637 (1992); *Carson City v. Price*, 113 Nev. 409, 412, 934 P.2d 1042, 1044 (1997) (sixmonth delay before threatening legal action, and subsequent two-month delay before filing complaint was inexcusable). Here, Reef first sent a letter threatening litigation in June 2019, but delayed nearly five months before filing its complaint in November 2019. Now, after waiting more than **nine months** after filing its complaint, Reef seeks a preliminary injunction. Reef's conduct is the definition of laches and sufficient grounds alone for denial of Reef's Motion.

and are not issued in doubtful cases.") (citation omitted). Before Reef can obtain any equitable 1 2 relief from this Court, it must clearly establish that it enjoys a reasonable likelihood of success on 3 the merits and that it will suffer irreparable harm if Planet 13's actions are not enjoined. As set forth below, Reef has fallen far short of this heightened standard. Reef's Motion should be denied. 4 5 **B**.

#### **Reef Failed to Establish That the Law and Facts Clearly Favor Enjoining Planet 13**

#### *Reef has submitted no admissible evidence.*

Reef asks this Court to issue an entirely unnecessary preliminary injunction on Reef's bare allegation that Planet 13 has allegedly violated the law. See Reef's Motion, p. 2:2-5. Reef's attempted indictment of Planet 13 is not supported by law or evidence, but is merely offered by Reef's counsel in the form of "argument." Reef apparently hopes that its sweeping and repeated attacks upon Planet 13 will somehow become evidence or "fact" if they are repeated enough times. Such self-serving statements of counsel are unsupported assertions that have no impact upon this dispute and should be disregarded by this Court. See, e.g., K-2 Ski Co. v. Head Ski Co., 467 F.2d 1087, 1088.89 (9th Cir. 1972) (stating that if the facts in support of a preliminary injunction motion consist "largely of general assertions," the court should not grant injunctive relief unless the moving party makes a further showing sufficient to demonstrate that he will probably succeed on the merits); Dermody v. City of Reno, 113 Nev. 207, 211, 931 P.2d 1354, 1357 (1997) ("A party cannot manufacture a genuine issue of material fact by making assertions in its legal memorandum."). Other than the rhetoric and hyperbole of its counsel, Reef has no evidence whatsoever to prove that it is "clearly" entitled to a preliminary injunction.

21 In fact, the only additional "evidence" submitted by Reef consists of an affidavit passing 22 along alleged statements from internet chat boards and allegedly secretly-taped conversations by 23 "secret shopping" riders. See Affidavit of Adam Laikin, attached to Reef's Motion. This 24 "evidence" is textbook inadmissible hearsay. Reef is offering these statements for the truth of the 25 matter asserted. Such statements are inadmissible and should not be considered for purposes of 26 deciding Reef's Motion. See ACLU of Nev. v. City of Las Vegas, 13 F. Supp. 2d 1064, 1070 (D. 27 Nev. 1998) (refusing to consider inadmissible hearsay statements when adjudicating plaintiffs' 28 preliminary injunction motion). Indeed, a court should be "wary of granting a preliminary

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injunction based 'solely on allegations and conclusory affidavits submitted by plaintiff." Id. at 1 1071 (citation omitted). 2

3 Furthermore, Reef's own employee's "secret shopper" investigation and his statements 4 that Planet 13 "continues to pay kickbacks for diverting customers to Planet 13" go to the ultimate 5 factual and legal issues in this case. See Laikin Affidavit to Reef's Motion. These statements must be excluded for purposes of adjudicating Reef's Motion. See ACLU, 13 F. Supp. 2d at 1071 6 7 ("Affidavits must be based on personal knowledge and must not contain conclusions of law or ultimate facts."). 8

Finally, due to the fact that the only "evidence" Reef provides in support of its Motion, is hearsay from a self-serving "secret shopper" investigation and anonymous internet chat boards, Reef has failed to show that **customers**, not hired employees or investigators, are being diverted. Once those Reef employees and/or investigators heard the magic name Planet 13, it appears they stopped all discussions with the driver and acquiesced to the driver's recommendation. This is not evidence that the same scenario occurs with a customer. In addition, it appears none of the people listed in Reef's affidavit actually had any contractual relationship with Reef that Planet 13 could have allegedly interfered with in any way.

In sum, when stripped of its hyperbole and inadmissible evidence, Reef has submitted absolutely no evidence in support of its Motion. Reef's Motion should, therefore, be denied.

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#### **b**. Reef has not borne its burden of clearly demonstrating that it has a reasonable probability of ultimate success on the merits.

In support of its Motion, Reef alleges that it is "likely to succeed on the merits of its claim for tortious interference with prospective economic relations, as well as conspiracy and aiding and abetting claims that relate to this claim." See Reef's Motion, 20:21-23. As set forth below, Reef has not stated one proper claim for relief against Planet 13, much less met its burden of clearly demonstrating that it has a reasonable probability of success on the merits of its claims against Planet 13.

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i. Reef has failed to state a proper claim for interference with economic 1 advantage. 2 With respect to Reef's claim for intentional interference with economic advantage, Reef 3 must allege and prove the following elements: 4 (1) a prospective contractual relationship between the plaintiff and a third party; 5 (2) knowledge by the defendant of the prospective relationship; (3) intent to harm the plaintiff by preventing the relationship; (4) the absence of a privilege or 6 justification by the defendant; and (5) actual harm to the plaintiff as a result of the 7 defendant's conduct. 8 Wichinsky v. Mosa, 109 Nev. 84, 88, 847 P.2d 727, 729-30 (1993); Consolidated Generator-Nev., 9 Inc. v. Cummins Engine Co., 114 Nev. 1304, 1311, 971 P.2d 1251, 1255 (1998) (same). Reef 10 completely glosses over any argument or evidence that it had "a prospective contractual 11 relationship" with any taxicab, Uber, or Lyft passengers. See Reef's Motion, 20:19-22:28. That 12 is because there is no "contractual relationship", prospective or otherwise, between Reef and a 13 potential patron of Reef's dispensary.<sup>3</sup> As such, Reef has failed to state a proper claim against 14 Planet 13. 15 Furthermore, even if Reef could state a proper claim for interference with prospective

16 economic advantage against Planet 13 in the absence of a "prospective contractual relationship" 17 Reef fails to offer any evidence to show that any alleged interference by Planet 13 was not 18 privileged or justified. "Privilege or justification can exist when defendant acts to protect his own 19 interests." Custom Teleconnect, Inc. v. Int'l Tele-Servs., Inc., 254 F. Supp. 2d 1173, 1181 (D. 20 Nev. 2003) (citation omitted). Indeed, the Nevada Supreme Court has long recognized that 21 Perhaps the most significant privilege or justification for interference with a prospective business advantage is free competition. Ours is a competitive 22 economy in which business entities vie for economic advantage. In a sense, all vendees are potential buyers of the products and services of all sellers in a given 23

24 <sup>3</sup> Reef strains to get around the "prospective contractual relationship" element by discussing 25 paying "illegal commissions" in Las Vegas-Tonopah-Reno Stage Lines v. Gray Line Tours, 106 26

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Nev. 283, 792 P.2d 386 (1990). But that case involved a dispute over actions taken while companies were competing over a contract with a firm which places tourists with bus companies. Id. No contracts are at issue in this action. Moreover, Las Vegas-Tonopah-Reno Stage Lines involved illegal payments and, as has been discussed above, none of the tips paid by Planet 13 to any drivers – taxicab, Uber, or Lyft – are illegal.

line, and the success goes to him who is able to induce potential customers not to deal with a competitor. Thus, as Prosser states: "So long as the plaintiff's contractual relations are merely contemplated or potential, it is considered to be in the interest of the public that any competitor should be free to divert them to himself by all fair and reasonable means." (Prosser, Torts (4th ed. 1971) p. 954.)

Crockett v. Sahara Realty Corp., 95 Nev. 197, 199, 591 P.2d 1135, 1136 (1979) (affirming trial court's grant of summary judgment on tortious interference with prospective economic advantage claim). Stated another way, "[w]here a party has a financial interest in a business, it ordinarily cannot be found that decisions made with respect to that business and for the purpose of furthering that business are improper." Id.

While Reef claims that Planet 13 created its tipping program, the reality is – as recognized by the administrator for the Nevada Taxicab Authority in 2002 – that tipping of drivers (taxi, Uber, and Lyft) has been around in Las Vegas since at least the 1970s. Ex. A. Planet 13 did not create the concept or program for tipping drivers. As stated by Ruthie Jones, then vice president of the cabdrivers' union, "This town is based on incentives." Id. And allowing drivers to accept tips is considered part of their wages. Id. Moreover, it is a practice that is so widespread that restaurants, museums, pawn shops, casinos, and even shopping malls have engaged in it. Id. Even several other dispensaries provide tips to taxicab, Uber, and Lyft drivers. At various times, the following dispensaries all provided tips to drivers: NuLeaf, MedMen (two locations), The Grove, Pisos, Sahara Wellness, Releaf, Acres, Oasis, and Jardin.<sup>4</sup> Any tipping of taxicab, Uber, or Lyft drivers by Planet 13 is absolutely privileged as free competition, not just with Reef, but with all the other dispensaries in town.

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- 23
- 24 <sup>4</sup> At the time of filling this Opposition, the Kickback app (which Reef mentions in its Motion) lists 16 different strip clubs including Palomino Club, Spearmint Rhino, Déjà Vu, Sapphire, 25 Treasures, Cheetah's (all part of the plaintiff association in the prior tipping litigation mentioned in Sec. II(B), above – and Scores – one of the defendants in that same litigation, Ex. E) all of 26 which offer tips to drivers delivering customers. In addition to the strip clubs, Kickback also lists 27 7 dispensaries, 3 liquor stores, 2 gun ranges, 2 auto body and repair shops, 2 clubs/pools, 2 car washes, 12 restaurants, 3 hookah lounges, one tattoo parlor, one spray tanning facility, and a pawn 28 shop, among others.

The Ninth Circuit Court of Appeals has, interpreting California law, enumerated four 1 2 specific tests, which, if met, exonerate a competitor for the tort of interference with prospective 3 business advantage: 1. The relation concerns a matter involved in the competition between the actor 4 and the other; 5 2. The actor does not employ wrongful means; His action does not create or continue an unlawful restraint of trade; and 6 3. 4. His purpose is at least in part to advance his interest in competing with the 7 other. 8 See Pac. Express, Inc. v. United Airlines, Inc., 959 F.2d 814, 819 (9th Cir. 1992) (affirming 9 summary judgment on claim for tortious interference with prospective economic advantage where 10 the defense of competitor's privilege was undisputed). 11 Even though the Nevada Supreme Court has not specifically adopted this four-part test, 12 Planet 13 still passes the test. There is no question that Planet 13 competes with Reef. Likewise, 13 Reef has not offered any legal authority or factual evidence which would demonstrate or even 14 infer that Planet 13 has employed unlawful means or has created an unlawful restraint of trade. 15 The reality is that the Governor of Nevada, the Clark County Liquor and Gaming Licensing 16 Board, and the Nevada Taxicab Authority have all made the express determination that the tipping of taxicab, Uber, and Lyft drivers is absolutely permitted. Finally, it is undisputed that any actions 17 18 taken by Planet 13 were designed to increase business at Planet 13. Conversely, all that Reef 19 could possibly show (but has not even a shred of evidence of that) is the loss of customer 20 patronage, a circumstance which is one of the normal hazards of business. Under these 21 circumstances, Reef has failed to state a claim for tortious interference with prospective economic 22 advantage. As such, this claim should be dismissed and Reef's Motion should be denied. 23 ii. Reef has failed to state proper claims for civil conspiracy or aiding and abetting, much less shown a likelihood of success on the merits of these 24 claims. 25 Reef does not even address the merits of its claims for civil conspiracy or aiding and 26 abetting. "An actionable civil conspiracy consists of a combination of two or more persons who, 27 by some concerted action, intend to accomplish an unlawful objective for the purpose of harming 28 another, and damage results from the act or acts." Consolidated Generator-Nev., Inc. v. Cummins

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1 *Engine Co.*, 114 Nev. 1304, 1311, 971 P.2d 1251, 1256 (1998). In this regard, Reef (vaguely) 2 alleges that Planet 13 has conspired with one or more taxicab, Uber, or Lyft drivers to violate 3 NRS 706A.280(2) and NAC 706.552(1) by "diverting" the passengers away from his/her 4 requested destination. See Reef's Motion, 5:17-19. In order to demonstrate a likelihood of 5 success on the merits of Reef's claim that Planet 13 conspired with these drivers to accomplish an "unlawful objective," Reef would have to properly allege and prove the following: (1) NRS 6 7 706A.280(2) and NAC 706.552(1) apply to Planet 13; (2) the statute and/or regulation creates a private right of action; and (3) the statute and/or regulation were violated. Reef has failed to 8 allege and prove any of these elements.<sup>5</sup> 9

10 First, the Court must look to the statutes at issue in Reef's Motion. "The construction of a statute is a question of law." Del Papa v. Bd. of Regents, 114 Nev. 388, 392, 956 P.2d 770, 773 (1998) (citation omitted). "Where the language of a statute is plan and unambiguous, and its meaning is clear and unmistakable, there is no room for construction, and the courts are not 14 permitted to search for its meaning beyond the statute itself." Id. at 392; 956 P.2d at 774. Finally, "[a] statute should always be construed to avoid absurd results." *Id.* (citation omitted).

16 The declared legislative purpose of NRS 706.011 *et seq.* was "to confer upon the [Nevada Transportation] Authority the power and to make it the duty of the Authority to regulate fully 17 18 regulated carriers, operators of tow-cars and brokers of regulated services to the extent provided 19 in this chapter ...." NRS 706.151(l)(a). Likewise, the relevant statutes and regulations apply to 20 and regulate **drivers**, not dispensaries such as Planet 13. NRS 706A.280 provides, in pertinent 21 part:

With respect to a passenger's destination, a **driver** shall not:

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1. Deceive or attempt to deceive any passenger who rides or desires to ride in the driver's motor vehicle.

<sup>&</sup>lt;sup>5</sup> Planet 13 does not concede that Reef has properly alleged that Planet 13 "conspired" with 27 anyone else to do anything. In fact, Reef has failed to offer any proof whatsoever of any agreement or conspiratorial plot or scheme involving Planet 13. Reef's conclusory allegations 28 obviously fall short of the evidentiary burden imposed upon Reef for relief of this sort.

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- 2. Convey or attempt to convey any passenger to a destination other than the one directed by the passenger.
- 3. Take a longer route to the passenger's destination than is necessary, unless specifically requested to do so by the passenger.
- 4. Fail to comply with the reasonable and lawful requests of the passenger as to speed of travel and route to be taken.

(Emphasis added). Similarly, NAC 706.8847(1)(f) provides that, among other things, a driver shall not "divert or attempt to divert a prospective customer from any commercial establishment." (emphasis added). Nothing about these statutes applies to Planet 13.

In Reef's Motion, Reef attempts to mislead the Court by claiming that Planet 13 is diverting customers away from Reef's dispensary. See, e.g., Reef's Motion, 6:5-6. That is simply not true. Planet 13 cannot violate any of the provisions of NRS 706A or NAC 706.552 because the express terms of the statutes and regulations do not apply to Planet 13. That Reef resorts to misleading the Court on who is liable under the statutes demonstrates, in and of itself, the frivolousness of Reef's claims.

15 Nowhere in NRS Chapter 706A does it allow a business to privately sue for violations of 16 the statute (neither is there a private right of action created under NAC 706 nor NAC 706A). 17 Violations of NRS 706A may result in discipline by the Nevada Transportation Authority.<sup>6</sup> 18 See NRS 706A.300 (only the transportation network company (i.e., ride-sharing companies) and 19 the **drivers** are subject to NTA discipline under NRS 706A). The Nevada Legislature did **not** 20 authorize private parties to seek redress from competitors for violations of NRS Chapter 706A.<sup>7</sup> 21 Hence, Reef lacks any standing to assert claims against Planet 13 for diversion.

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- <sup>6</sup> According to the Nevada Transportation Authority, it alone is the regulatory body which 24 "administers and enforces state law" regulating: (1) passenger transportation pursuant to NRS 706 and NAC 706; and (2) transportation network companies pursuant to NRS 706A and NAC 25 706A, among other things. See Overview of Nevada Transportation Authority: Before the S. Comm. on Transportation, 2017 Leg., 79th Sess. 2-3 (Feb. 16, 2017) (statements by Chair Alaina 26 Burtenshaw, including presentation marked as Exhibit C), the relevant portions of which are 27 attached hereto as Exhibit G.

<sup>7</sup> If Reef has a complaint regarding diversion of passengers by **drivers** of ride-sharing vehicles or 28 taxicabs, it needs to take that complaint up with the Nevada Transportation Authority. As the

1 Because Reef lacks standing to assert direct claims against MM for violating NRS 2 706A.280 and NAC 706.552, it likewise lacks standing to assert indirect claims against Planet 13 3 for statutory violations under the guise of a civil conspiracy claim or aiding and abetting. See 4 generally Allstate Ins. Co. v. Thorpe, 123 Nev. 565, 170 P.3d 989 (2007) (dismissing claims 5 brought under NRS 690B.012 because the statute "does not expressly create a private right of action"); Palmer v. State, 106 Nev. 151, 787 P.2d 803 (1990) (dismissing a cause of action 6 7 brought under NRS 281.370 because the statute "does not provide for any private right of action"). 8 Without a predicate wrong upon which Reef could seek relief from Planet 13, Reef cannot 9 maintain claims for civil conspiracy or aiding and abetting against Planet 13. As such, Reef has 10 failed to state a claim for relief against Planet 13 and has failed to demonstrate a likelihood of 11 success on the merits.

Reef also fails to allege any facts or present a shred of evidence to show that Planet 13 employees knew the reason why the patrons came to Planet 13. All Planet 13 knows is that a patron arrives by taxicab, Uber, or Lyft. Nothing more, nothing less. It goes without saying that Planet 13 cannot be found liable or responsible for spontaneous actions taken by the drivers.

16 In short, with nothing other than hyperbole and conjecture, Reef does not have any factual or legal basis to state or allege that Planet 13 has done anything wrong, much less that Planet 13 17 18 conspired with someone else to do something wrong. Reef has failed to demonstrate a likelihood 19 of success on the merits of its civil conspiracy claim or aiding and abetting claim. These claims 20 should be dismissed. See Woods v. Reno Commodities, Inc., 600 F. Supp. 574, 578 (D. Nev. 21 1984) (stating that "it is not enough to indicate merely that the plaintiff has a grievance, but

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Nevada Taxicab Authority administrator John Plunket stated in 2002, "[w]e will monitor 24 diversions and if we see it increase, we'll be out there to enforce the law. But you just can't stop people from taking tips." Ex. A (bold added). As Reef has utterly failed to present any 25 diversion to the Nevada Taxicab Authority, the Nevada Transportation Authority or obtain any decision from any regulatory body, it has failed to exhaust its administrative remedies. As such, 26 Nevada law mandates dismissal of the present action since this Court lacks subject matter 27 jurisdiction over Reef's grievances. See NRS 233B.130(1); see also Mesagate Homeowners Ass'n v. City of Fernley, 194 P.3d 1248, 1252 (Nev. 2008); Nevada v. Scotsman Manufacturing 28 Co., 109 Nev. 252, 255, 849 P.2d 317, 319 (1993).

sufficient detail must be given so that the defendant, and the court, can obtain a fair idea of what 1 2 the plaintiff is complaining, and can see that there is some legal basis for recovery.") (citation 3 omitted).

C. **Reef Will Not Suffer Any Irreparable Injury For Which Compensatory Damages Is An Inadequate Remedy** 

In order to obtain a preliminary injunction, Reef must demonstrate that it will suffer irreparable injury for which compensatory damages are an inadequate remedy. *Dixon v. Thatcher*, 103 Nev. 414, 415, 742 P.2d 1029, 1029–30 (1987) (noting that, with respect to injunctive relief, irreparable harm is harm for which compensatory damages would be inadequate, such as the sale of a home at trustee's sale, because real property is unique); Hansen v. Eighth Judicial Dist. Ct., 116 Nev. 650, 658, 6 P.3d 982, 987 (2000) (noting that " '[m]ere injuries, however substantial, in terms of money, time and energy necessarily expended" are not enough to show irreparable harm) (quoting Virginia Petroleum Job. Ass'n v. Federal Power Com'n, 104 U.S.App.D.C. 106, 259 F.2d 921, 925 (D.C.Cir.1958)).

Reef must also establish that the alleged harm it will suffer is "neither remote nor speculative, but actual and imminent." Shapiro v. Cadman Towers, Inc., 51 F.3d 328,332 (2d Cir. 1995) (citation omitted). "The injury must be both certain and great; it must be actual and not theoretical." Wisconsin Gas Co. v. F.E.R.C., 758 F.2d 669, 674 (D.C. Cir. 1985).<sup>8</sup> Injunctive relief "will not be granted against something merely feared as liable to occur at some indefinite time." Connecticut v. Massachusetts, 282 U.S. 660, 674, 51 S.Ct. 286, 291, 75 L.Ed. 602 (1931).

In support of its claim that it will be irreparably harmed, Reef offers this Court nothing 22 but unsubstantiated conjecture about what potential customers **might** think about theoretical 23 situations.<sup>9</sup> Reef then uses that speculation to jump to the baseless conclusion that these theories 24

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<sup>&</sup>lt;sup>8</sup> Wisconsin Gas was one of the cases regarding irreparable harm on which the Nevada Supreme 26 Court relied in Hansen. See 116 Nev. at 658, 6 P.3d at 987.

<sup>27</sup> <sup>9</sup> Of course, "[b]are allegations of what is likely to occur are of no value since the court must decide whether the harm will in fact occur." Wisconsin Gas Co. v. F.E.R.C., 758 F.2d 669, 674 28 (D.C. Cir. 1985).

it presents might irreparably harm Reef's consumer loyalty, goodwill and reputation. See Reef's 1 2 Motion, p. 23:25-24:12 ("customer may falsely conclude"; "customer is likely to conclude"; 3 "they **may** be confused") (bold added). Setting aside "[t]he fact that alleged harm is primarily in the form of lost customers and business goodwill, which at least in theory may be compensated 4 by damages, weighs against a claim of irreparable harm,"<sup>10</sup> Reef has not offered one shred of 5 evidence that Planet 13 has done anything wrong. See Goldie's Bookstore, Inc. v. Superior Court 6 7 of State of Cal., 739 F.2d 466, 472 (9th Cir.1984) (findings of loss of goodwill and customers that are speculative and not based on factual allegations **do not constitute irreparable injury**); see, 8 e.g., Aurora World, Inc. v. Ty Inc., 719 F.Supp.2d 1115, 1169 (C.D.Cal.2009) (no irreparable 9 10 injury demonstrated because of failure to provide evidence of reputational harm from 11 infringement).

12 Though not specifically argued, Reef also implies that part of its irreparable harm are those 13 statements made by drivers about Planet 13 and the comparison of Planet 13 to Reef's dispensary. 14 The statements that Reef claims are "disparaging" and "deceiving", with respect to Reef and 15 Planet 13 include the following: "Planet 13 is bigger, considered the best", "Planet 13 is better 16 and that it calls itself the biggest dispensary in the world", "Planet 13 was the best", "Planet 13 is the world's largest dispensary", "Planet 13 is newer, bigger, and better". See Affidavit attached 17 18 to Reef's Motion. Apparently, Reef's employees fancy themselves as being a much better 19 dispensary than Planet 13 and, as such, feign outrage that the drivers would dare offer contrary 20 opinions. However, what Reef's employees believe is irrelevant. And, what Reef's employees 21 fail to recognize and refute is that these statements are true or, at worst, statements of opinion of the drivers.<sup>11</sup> 22

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<sup>25 &</sup>lt;sup>10</sup> *OG Intern., Ltd. v. Ublsoft Entm't*, 2011 WL 5079552, at \*10 (N.D.Cal. Oct. 26, 2011) (bold added).

<sup>&</sup>lt;sup>11</sup> The Nevada Supreme Court has long held that, "statements of opinion as opposed to statements of fact are not actionable." *Nev. Indep. Broad. Corp. v. Allen,* 99 Nev. 404, 410, 664 P.2d 337,
<sup>27</sup> 341 (1983). Indeed, "under the first amendment, there is no such thing as a false idea, and the societal value of robust debate militates against a restriction of the expression of ideas and opinions." *Id.* (citation omitted).

	1	In reality, Planet 13 has repeatedly been recognized and received awards recognizing its			
	2	award-winning cannabis cultivation, production and dispensary operations. In 2018, Planet 13			
	3	was designated the Best Overall Dispensary in Nevada by Leafly. <sup>12</sup> Stacey Mulvey, <i>Best in State:</i>			
	4	The Top Cannabis Locations, Products, and Activities in Nevada in 2018, Leafly (Dec. 20, 2018),			
	5	https://www.leafly.com/news/strains-products/best-in-state-2018-nevada-cannabis, print-out of			
	6	webpage attached hereto as Exhibit H. In 2019, Planet 13 added to its growing collection of			
	7	awards including the 2019 US Market Leader Retail Award from MJBizDaily <sup>13</sup> , 2019 Best			
	8	Budtender Choice Award, and 2019 Clio Best Brand Design. Marijuana Business Magazine,			
	9	MJBizDaily Awards, 80-81 (Feb. 2020), a copy of the relevant pages is attached hereto as <b>Exhibit</b>			
	10	I. Most recently, on August 13, 2020, Planet 13 was named All-Time Best Dispensary of Vegas			
	11	by Las Vegas Weekly. According to Las Vegas Weekly:			
P way 59 35-6001	12	While most cannabis dispensaries are content to blend in with their surroundings,			
, LLH s Park oor a 8916 02) 38 .com	13	Planet 13 presents an eye-popping alien landscape, replete with selfie spots and interactive art elements. Inside, the fun continues with a vast selection of			
DNES Hughe enth F Nevad Fax (7	14	recreational products, a staff of attentive budtenders and a vibe unlike any other dispensary you've known.			
KEMP JONES, LI 3800 Howard Hughes Par Seventeenth Floor Las Vegas, Nevada 890 2) 385-6000 • Fax (702) 3 kic@kempiones.com	15	See All-Time Best of Vegas (2020), Best Dispensary: Planet 13, Las Vegas Weekly (Aug. 13,			
	16	2020, 2 a.m.) <u>https://lasvegasweekly.com/news/2020/aug/13/best-dispensary-planet-13/</u> ,			
38 (702)	17				
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	19	<sup>12</sup> Leafly is the largest cannabis website in the world, with more than 15 million monthly visitors and 40 million page views across its website and mobile applications. Leafly allows users to rate			
	20	and review different strains of cannabis and cannabis dispensaries.			
	21	<sup>13</sup> According to MJBizDaily's website:			
	22	As the leading business news information resource for the medical marijuana and retail cannabis industry, Marijuana Business Daily's editors and reporters bring			
	23	retailers, professional cultivators, infused product makers, ancillary service providers and finance professionals the information and networking they need to			
	24	flourish within the cannabis industry. In addition to the MJBizDaily newsletter,			
	25	MJBizDaily International, hemp industry reports, and the monthly Marijuana Business Magazine, Marijuana Business Daily also serves as producer and host of			
	26	the world's largest family of B2B tradeshows for the cannabis industry, MJBizCon. Recent recognition and awards include Trade Show Executive's			
	27	Fastest 50, The Inc. 500 and Folio Magazine's Women in Media. Marijuana Business Daily is also a proud member of the Associated Press.			
	28	See https://mjbizdaily.com/about-us/			

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1 print-out of web-based version of the article attached hereto as **Exhibit J**.

Although Reef repeatedly asserts that the drivers made disparaging statements, Reef has not submitted any discernable and admissible evidence demonstrating the falseness of the statements. Further, the statements are mere opinions of the drivers. As such, the statements themselves cannot form the basis of an alleged wrongful action.

Reef's paucity of facts and law, and unsubstantiated and impertinent claims do not demonstrate any injury, much less irreparable injury. The Court and Planet 13 are simply left to rely on Reef's pure conjecture and unadulterated speculation about what harm, if any, Reef may suffer as a result of the Court's refusal to enjoin Planet 13's lawful behavior. Failure to make even a minimal evidentiary showing of irreparable harm proves fatal to Reef's Motion. Reef's Motion should be denied.

#### D. The Balance Of The Hardships Weighs Against The Entry Of An Injunction

Finally, Courts often consider the public interest in free competition in determining whether to grant injunctive relief. See, e.g. Cincinnati Bengals, Inc. v. Bergey, 453 F. Supp. 129, 147 (S.D. Ohio 1974) (the public interest should "encourage to the fullest extent practicable free and open competition in the market place."). In Nevada, the public interest in free and open 17 competition is expressed by statute. NRS 598A.030(2)(b) ("It is the policy of this state ... to 18 preserve and protect the free, open and competitive nature of our market system."). Contrary to 19 Reef's anticipated argument that tipping drivers is not free and open competition, the Nevada 20 Supreme Court recognized over 25 years ago that in a competitive economy "the success goes to 21 him who is able to induce potential customers not to deal with a competitor." Crockett v. Sahara 22 Realty Corp., 95 Nev. 197, 199-200, 591 P.2d 11 35, 1136-37 (1979). Quoting Prosser on Torts, 23 the Court condoned the idea that "it is considered to be in the interest of the public that any 24 competitor should be free to divert them [customers] to himself by all fair and reasonable means." 25 Id., quoting Prosser, Torts (4th ed. 1971) p. 954.

The fairness and reasonableness of Planet 13's efforts to market its business through the payment of tips (or kickbacks as Reef likes to call them) to drivers is reflected by the fact that the act is not illegal. Moreover, the practice of tipping taxicab – and by extension, Uber and Lyft

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1 drivers who perform the same function – has been promoted and upheld by the Governor of 2 Nevada, the Clark County Commission, and the Nevada Taxicab Authority.

As discussed above, Nevada Governor Kenny Guinn specifically vetoed an attempt to outlaw tipping, stating: "Taxicab drivers contribute greatly to the economy of this state. I cannot support [the proposed outlawing of tipping] because it singles out and hurts the financial wellbeing of taxicab drivers." Ex. C, p. 2. The Clark County Commission, in repealing the County Ordinance that banned tipping by liquor licensees, clearly indicated its intention to permit the practice of tipping cabdrivers, as "[c]ommissioners agreed that the issue is one that can be sorted out by the free market." **Ex. B.**, p. 2. Finally, the Nevada Taxicab Authority specifically repealed a regulation that banned taxicab drivers from accepting gratuities from anyone other than their employer or a passenger. **Ex. A**. In repealing that regulation in 2002, then-administrator John Plunket said, "I think it's the right thing to do," and continued, acknowledging that diversion may happen, but "if we see it increase, we'll be out there to enforce the law." **Ex. A**.

Not only would the entry of an injunction enjoin Planet 13 from a perfectly legal activity and frustrate Nevada's clearly professed public policy of open competition among businesses, but it would also confer an unfair advantage on all businesses that are not parties to this litigation and which benefit from taxi, Uber, and Lyft traffic. Nonparty competitors of Planet 18 13 who would sustain an unfair advantage by not being so enjoined include those previously 19 listed that provide tips to drivers – and, most likely, many more.

20 Ultimately, the Clark County Commissioners summed up the issue before this Court best 21 when they found that "if businesses want to pay the drivers, the government shouldn't interfere." 22 **Ex. B.**, p. 2.

#### E. If An Injunction Is Issued, A Substantial Bond Must Be Required

24 In the unlikely event the injunction requested by Reef is granted, Reef must post a 25 substantial bond to pay costs and damages that would be sustained by Planet 13 if the injunction 26 is later determined to have been improper. See NRCP 65(c). Planet 13 hereby reserves the 27 opportunity to argue as to the specific amount of the bond required if an injunction is actually 28 granted, but will be requesting no less than one million dollars (\$1,000,000).

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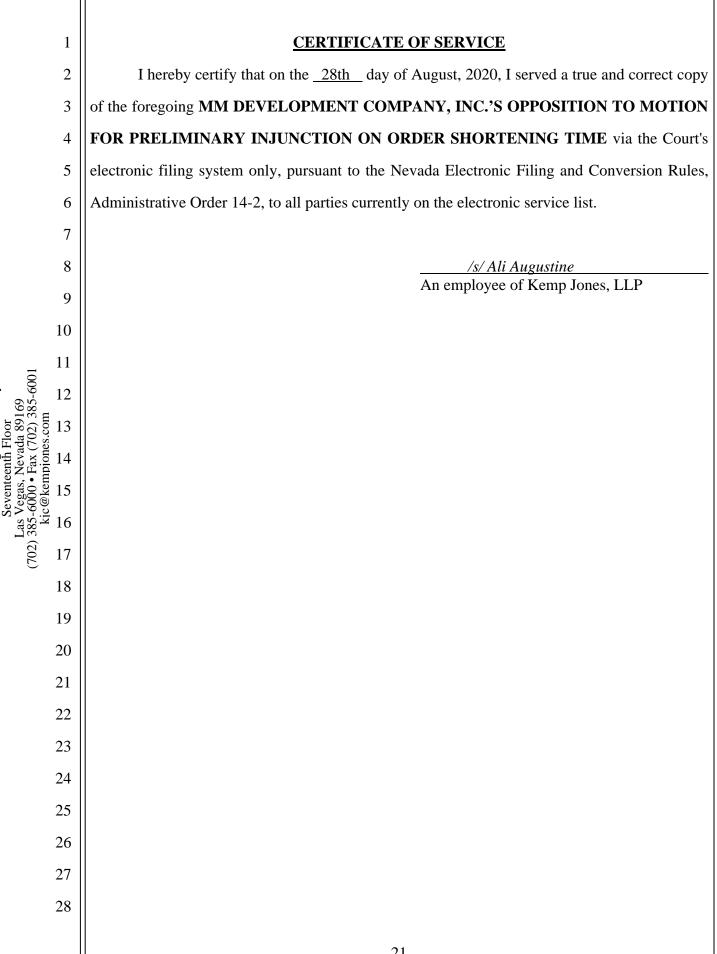
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1	<u>IV.</u>			
2	CONCLUSION			
3	It is clear that Reef has failed to carry its burden in order to obtain injunctive relief. Reef			
4	has failed to demonstrate a likelihood of success on the merits of their causes of action and has			
5	failed to demonstrate an existing or threatened irreparable injury. Finally, the balance of			
6	hardships weighs decidedly against the entry of the requested injunction. For the foregoing			
7	reasons, Planet 13 respectfully requests that the Court deny Reef's Motion.			
8	DATED this <u>28th</u> day of August, 2020.			
9	KEMP JONES, LLP			
10				
_ 11	/s/ Nathanael Rulis			
4 start free free free free free free free fr	Will Kemp, Esq. (#1205) Nathanael R. Rulis, Esq. (#11259)			
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ONE eenth Neva mpior	Attorneys for Defendant			
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**APPENDIX 403** 



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### DECLARATION OF NATHANAEL RULIS IN SUPPORT OF OPPOSITION TO REEF'S MOTION FOR PRELIMINARY INJUNCTION

I, Nathanael R. Rulis, Esq., declare as follows:

1. I am one of the attorneys representing MM Development Company, Inc. ("Planet 13") in this action pending before this court, Case No. A-19-804883-C. I make this Declaration in support of Planet 13's Opposition to Motion for Preliminary Injunction on Order Shortening Time. I am competent to testify to the facts stated herein.

2. On August 28, 2020, I downloaded the Vegas Kickback App to my phone. After downloading the application, I found that at least 16 different strip clubs (including Palomino Club, Spearmint Rhino, Déjà Vu, Sapphire, Treasures, Cheetah's, and Scores), 7 dispensaries, 3 liquor stores, 2 gun ranges, 2 auto body and repair shops, 2 clubs/pools, 2 car washes, 12 restaurants, 3 hookah lounges, one tattoo parlor, one spray tanning facility, and a pawn shop, among others, advertise tips for taxicab, Uber, Lyft, and limousine drivers through the application.

3. Attached as **Exhibit A** to Planet 13's Opposition is a true and correct copy of the June 25, 2002 Las Vegas Review-Journal written by Michael Squires, titled *Taxicab Authority Repeals Tip Law.* 

4. Attached as **Exhibit B** to Planet 13's Opposition is a true and correct copy of the Dec. 21, 2005 Las Vegas Review-Journal written by Adrienne Packer, titled *County Backs Away From Cabby Tipping Law.* 

5. Attached as **Exhibit C** to Planet 13's Opposition is a true and correct copy of the June 14, 2005 Press Release from the Office of Governor Kenny Guinn regarding his veto of AB 505.

6. Attached as **Exhibit D** to Planet 13's Opposition is a true and correct copy of the March 28, 2006 Clark County Liquor and Gaming Licensing Board Agenda regarding the deletion and/or repeal of Clark County Ordinance Section 8.20.297 and 8.20.570.

7. Attached as **Exhibit E** to Planet 13's Opposition is a true and correct copy of the March 3, 2006 Amended Complaint filed in *Nevada Assoc. of Nightclubs, Inc. v. D.I. Food & Beverage of Las Vegas, LLC, et al.*, Eighth Judicial District Court Case No. 05A514591.

8. Attached as **Exhibit F** to Planet 13's Opposition are true and correct copies of the Affidavits of Hal De Becker, III, and Michael L. Yepko filed in *Nevada Assoc. of Nightclubs, Inc. v. D.I. Food & Beverage of Las Vegas, LLC, et al.*, Eighth Judicial District Court Case No. 05A514591.

9. Attached as **Exhibit G** to Planet 13's Opposition is a true and correct copy of the Overview of Nevada Transportation Authority: Before the S. Comm. on Transportation, 2017 Leg., 79th Sess. 2-3 (Feb. 16, 2017) (statements by Chair Alaina Burtenshaw, including presentation marked as Exhibit C).

10. Attached as **Exhibit H** to Planet 13's Opposition is a true and correct copy of the December 20, 2018 Leafly article, written by Stacey Mulvey, titled *Best in State: The Top Cannabis Locations, Products, and Activities in Nevada in 2018*, which can also be found on the internet at: <u>https://www.leafly.com/news/strains-products/best-in-state-2018-nevada-cannabis</u>.

11. Attached as **Exhibit I** to Planet 13's Opposition is a true and correct copy of the relevant pages (pp. 80-81) from the February 2020 edition of Marijuana Business Magazine, regarding the 2019 MJBizDaily Awards.

12. Attached as **Exhibit J** to Planet 13's Opposition is a true and correct copy of the August 13, 2020 Las Vegas Weekly article on the All-Time Best of Vegas (2020), Best Dispensary: Planet 13, which can also be found on the internet at the following link: https://lasvegasweekly.com/news/2020/aug/13/best-dispensary-planet-13/.

I declare under penalty of perjury of the laws of the State of Nevada that the foregoing is true and correct to the best of my knowledge.

DATED this 28th day of August, 2020.

NATHANAEL RULIS, ESQ

# **Exhibit** A

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6/25/02 Las Vegas Rev.-J. 3B 2002 WLNR 440531

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> > June 25, 2002

Section: Local

#### Taxicab Authority repeals tip law

Michael Squires

Cabdrivers soon will be able to legally take their tips wherever they find them.

The Nevada Taxicab Authority Monday repealed a longtime and long-ignored regulation prohibiting cabdrivers from accepting gratuities from anyone except their employer or a passenger. Under the revamped regulation accepting a tip would be illegal only if a cabdriver lured or pressured a passenger away from their original destination, an illegal practice known as diversion, in order to receive a gratuity.

"I think it's the right thing to do," said Taxicab Authority administrator John Plunkett. "We will monitor diversions and if we see it increase we'll be out there to enforce the law. But you just can't stop people from taking tips."

The measure will take effect in 30 days. But a county ordinance barring liquor license holders from **tipping cabdrivers** and a city ordinance prohibiting privileged license holders from paying drivers gratuities will remain in effect.

Cabdrivers, union officials and company owners welcomed the decision.

Ruthie Jones, vice president of the Industrial Technical Professional Employees union, which represents about 2,000 **cabdrivers**, said the revamped regulation will give drivers access to the same source of extra income enjoyed by other workers in the tourism industry.

"Cabdrivers should be privy to whatever anybody wants to give them as long as they're not taking advantage of their customers," she said. "Everyone is privy to every gratuity. This town is based on incentives."

Bill Shranko, director of operations at Yellow-Checker-Star Cab, said he believes the decision was good for drivers and the riding public.

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Page 2

"I don't have a problem with tips as long as drivers don't divert passengers from their destination," he said.

**Cabby** Nick Vicarro said the regulation was irrelevant because drivers regularly took **tips** from restaurants, massage parlors, museums and pawn shops among other businesses.

In addition, for years casinos and shopping malls held parties to reward **cabdrivers** for dropping customers at their doors. Magician Lance Burton distributed free tickets to drivers as a reward for referrals.

"That's the way it was even though there was a law in place," Vicarro said. "If someone offers you money you're not going to turn it down."

Authorities complained the regulation was difficult to enforce and the practice so widespread that the kickbacks were considered a part of drivers' wages.

"It's like trying to enforce the unenforceable," Plunkett said. "For 30 years they've been accepting gratuities. It's almost like a part of their salary."

The review of the regulation was prompted by a legal fight involving several local strip clubs.

Three adult businesses, Olympic Garden, Club Paradise and the Crazy Horse Too Gentlemen's Club, sued other strip clubs to force them to stop paying tips to cabdrivers who brought them customers. The businesses that filed the lawsuit alleged passengers were being diverted to the clubs that paid the largest tips.

Attorney Dominic Gentile, who represents the Olympic Garden in the lawsuit, said the new regulation may force him to use racketeering law to prove wrongdoing on the part of the strip clubs.

He also said allowing businesses to tip cabdrivers will probably make diversion a bigger problem.

---- INDEX REFERENCES ----

NEWS SUBJECT: (Economics & Trade (1EC26))

INDUSTRY: (Transportation (1TR48); Taxis (1TA13); Land Transportation (1LA43); Passenger Transportation (1PA35); Transportation Regulatory (1TR42))

Language: EN

OTHER INDEXING: (CRAZY HORSE TOO GENTLEMENS CLUB; INDUSTRIAL TECHNICAL PROFESSIONAL EMPLOYEES; NEVADA TAXICAB AUTHORITY MONDAY; TAXICAB AUTHORITY; YELLOW) (Attorney Dominic Gentile; Bill Shranko; Cabby Nick Vicarro; John Plunkett; Magician Lance Burton; Plunkett; Ruthie Jones; Vicarro)

EDITION: Final

Word Count: 655

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# **Exhibit B**

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12/21/05 Las Vegas Rev.-J. 7B 2005 WLNR 20744052

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> > December 21, 2005

Section: News

County backs away from cabby tipping law

Adrienne Packer

By ADRIENNE PACKER

REVIEW-JOURNAL

If Clark County cracked down on businesses offering payouts to limousine and taxi drivers, funding enforcement would cost \$650,000 a year.

That would pay for six additional agents, who could monitor about 10 percent of the county's 40,000 licensed businesses.

When County Business License Director Jacqueline Holloway tossed around those figures Tuesday, Clark County commissioners made their position clear on the existing ordinance prohibiting businesses from tipping cabbies.

"I'm not sure if it ever made sense," Commissioner Rory Reid said. "It certainly doesn't make sense now to spend our limited resources to chase this all around town."

The debate arose from an ongoing feud between strip club owners and cabdrivers. But Holloway pointed out that it's not just topless club operators shelling out cash for cabbies to deliver passengers.

In a recent edition of the transportation industry publication Trip Sheet Magazine, attorneys offered free traffic ticket representation to **cabdrivers**, restaurants offered free coffee, clubs offered free admission and massage parlors promised cash for customers.

"There is an absolute proliferation of all types of businesses," Holloway said. "It's very clear it is a very broad situation."

The board was presented with three options on Tuesday: move to repeal the

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ordinance; amend it to include all types of commercial drivers; or keep the existing law on the books.

Commissioners agreed that the issue is one that can be sorted out by the free market. If businesses want to pay the drivers, the government shouldn't interfere.

Commissioner Lynette Boggs McDonald told colleagues it would be a waste of taxpayer dollars to "create an enforcement arm of business licensing. I'd rather see millions of dollars go into recreation facilities."

The \$650,000 a year would allow the county to hire six additional business license investigators. Its three agents currently try to regulate the 40,000 businesses in the county, officials said.

There is no way nine agents could effectively enforce the existing ordinance or a proposed amendment to extend it to limousine and shuttle drivers, Reid said. Board members agreed the 20-year-old law is antiquated and essentially useless.

"Why would we use our limited resources to give you six additional agents to not do something well?" Reid asked Holloway.

Holloway is expected to present a proposal to repeal the ordinance to the Clark County Liquor and Gaming Board on Jan. 24. The board, made up of commissioners, regulates businesses with privilege licenses. Commissioners will then hold a public hearing.

The county can only regulate businesses. It is within the Nevada Taxi Cab Authority's powers to penalize drivers who accept the tips.

Board members were troubled by the complexity and cost of enforcement since so many businesses are offering tips.

"I don't think we, as the county, can regulate this," Boggs McDonald said. "If we do go down this path, where do we draw the line?"

The ordinance was originally passed in 1985, after restaurant owners complained that payouts to **cabdrivers** delivering customers were skyrocketing.

After it passed, the dispute quieted. But in recent years, it has been **strip club** owners complaining about paying as much as \$70 per passenger dropped off at their businesses.

Earlier this month, strip club owners entered a pact to pay drivers anymore. Some cabbies said this week that some clubs have already broken the pact and started offering payouts again.

---- INDEX REFERENCES ----

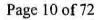
NEWS SUBJECT: (Economics & Trade (1EC26))

REGION: (USA (1US73); Americas (1AM92); North America (1NO39); Nevada (1NE81))

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12/21/05 LVRJ 7B

Page 3

Language: EN

OTHER INDEXING: (BOARD; CLARK COUNTY LIQUOR AND GAMING BOARD; NEVADA TAXI CAB AUTHORITY) (ADRIENNE PACKER; Boggs McDonald; County; Holloway; Jacqueline Holloway; Lynette Boggs McDonald; Reid; Rory Reid)

KEYWORDS: Adrienne Packer; clark county commission; ordinance; payouts; repeal; strip clubs; costs backing away; enforcement expensive; holloway reid; cabbies kickbacks

Word Count: 700 12/21/05 LVRJ 7B

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# **Exhibit** C







FOR IMMEDIATE RELEASE: June 14, 2005

Contact Greg Bortolin or John Trent 775-684-5670

### GOV. GUINN VETOES AB 505

CARSON CITY – Gov. Kenny Guinn announced today that late this afternoon he sent a letter to Senate Majority Leader William Raggio and Assembly Speaker Richard Perkins, announcing that the Governor has vetoed Assembly Bill 505.

Below is text of the letter:

June 14, 2005

The Honorable Richard D. Perkins Speaker of the Assembly Nevada State Assembly Legislative Building 401 S. Carson Street Carson City, NV 89701

To the Honorable Members of the Nevada State Assembly:

I am herewith forwarding to you, for filing within the constitutional time limit and without my approval, Assembly Bill 505, which is entitled:

AN ACT relating to transportation; revising provisions governing the registration of motor vehicles with a declared gross weight in excess of 26,000 pounds; abolishing the Transportation Services Authority; transferring the duties and responsibilities related to motor carriers and the storage of household goods and effects to the Public Utilities Commission of Nevada; revising provisions governing regulation of certain taxicab drivers; providing penalties; and providing other matters properly relating thereto.

I would be in support of Assembly Bill 505 and would sign this legislation into law if it were not for Section 133 of this legislation. Section 133 provides that:

[A] taxicab driver shall not accept a tip, gift, gratuity, money, fee or any other valuable consideration of any kind from a person who has been issued a license by a board of county commissioners, a county liquor board, a county licensing board or the city council or other governing body of an incorporated city for the conveyance of a passenger to the location of the person who holds the license.





#### Page: -2 -

Section 133 was quietly amended into Assembly Bill 505 at the very end of the Legislative Session. The proponents of Section 133 should have provided taxicab drivers with an opportunity to testify at a public hearing regarding this provision so they could describe the impact it would have on their livelihoods. A public hearing would have also allowed the proponents of Section 133 to identify the resources either needed or available to enforce Section 133, and it would have allowed them to provide an explanation as to why limo drivers, doormen, bellhops, and other professions were left out of this section of the bill. Further, if a public hearing had been provided, local governments could have identified their responsibilities with respect to curtailing the behavior of persons who have been "issued a license by a board of county commissioners, a county liquor board, a county licensing board or the city council or other governing body of an incorporated city."

Taxicab drivers contribute greatly to the economy of this state. I cannot support Section 133 of AB 505 because it singles out and hurts the financial well-being of taxicab drivers. Additionally, I know all of the legislators serving in the Legislature, and I do not believe a majority of them would have supported Section 133 had it been fully and fairly debated in an open public forum. Therefore, I am exercising my right to veto this legislation.

Sincerely,

KENNY C. GUINN Governor

Office of the Governor 101 North Carson Street Carson City, NV 89701 Fax: 775-684-7198 Grant Sawyer State Office Building 555 East Washington, Suite 5100 Las Vegas, NV 89101 Fax: 702-486-2505

You are receiving this e-mail because you are a member of Governor Kenny C. Guinn's Press Release List. To Subscribe, go to our <u>Subscribe page</u>. To Unsubscribe, go to our <u>Unsubscribe page</u>. <u>Governor Guinn's</u> <u>Archived Press Releases</u>.

# **Exhibit D**

#### CLARK COUNTY LIQUOR AND GAMING LICENSING BOARD AGENDA FOR MARCH 28, 2006

#### ORDINANCE SECTION

### BUSINESS IMPACT STATEMENT - TITLE 8 - CHAPTER 8.20 - SECTION 8.20.297 and 8.20.570

That the Liquor and Gaming Licensing Board accept and approve the business impact statement, pursuant to NRS 237, for the proposed amendment to amend Title 8, Chapter 8.20, Sections 8.20.297 and 8.20.570 of the Clark County Code.

#### PUBLIC HEARING - TITLE 8 - CHAPTER 8.20 - SECTION 8.20.297 and 8.20.570

That the Liquor and Gaming Licensing Board conduct a public hearing; approve; adopt; and authorize the Chair to sign an Ordinance to amend Title 8, Chapter 8.20, Section 8.20.297 to delete section 8.20.297, "Paying taxicab drivers", in its entirety; to amend section 8.20.570, by deleting subsection (s) referencing the paying or tipping of taxicab drivers; and providing for other matters properly relating thereto.

#### ORDINANCE INTRODUCTION - TITLE 8 - CHAPTER 8.20 - SECTION 8.20.020 and 8.20.470

That the Clark County Liquor and Gaming Licensing Board introduce and set a public hearing date for a liquor ordinance to amend Title 8, Chapter 8.20, Section 8.20.020 to add a definition for "bar"; to amend the definition of "commercial center" to remove the word "anchor" from references to "store:, and to add the ability for a shopping center to qualify as a "commercial center" if they have two retail stores each of thirty thousand square feet; to amend the definition of "full bar" to clarify where alcohol can be served; to amend the definition of "main bar" to include resort condominiums, time-share facilities, nightclubs, and to clarify where alcohol can be served; to add a definition and regulations for "nightclub"; to add a definition and regulations for "pub"; to amend the definition of "resort club" by changing its title to "resort condominiums", providing for a standard definition of resort condominiums, and providing for a graduated increase in liquor licenses based on the number of residential units; to amend the definition of "specialty merchandise store" by changing the required square footage of display area for gourmet foods from six thousand six hundred to one thousand five hundred; to amend the definition of "tavern" to clarify where alcohol can be served; to amend the definition of "time-share facility" by restructuring the existing requirements into a new format, providing for a standard definition of time-share units, and providing for a graduated increase in liquor licenses based on the number of time-share units; and to amend section 8.20.470 to set the liquor license fees for a "pub" and "instructional wine-making facility"; and providing for other matters properly relating thereto.

#### END OF ORDINANCE SECTION

#### PUBLIC COMMENTS

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**APPENDIX 418** 

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# **Exhibit E**

îŦ	• ORIGI	NAL FILED		
1 2 7010 4 5	ACOMP ANTHONY P. SGRO, ESQ. Nevada Bar No. 3811 PATTI & SGRO 720 South Seventh Street, Third Floor Las Vegas, Nevada 89101 (702) 385-9595 Attorney for Plaintiff	Han 3 3 15 FM '06 Sticky 5 fampinese OLERK		
6 7 8	DISTRICT COURT CLARK COUNTY, NEVADA			
9 10 11 12 13 14 15 16 17 18 19	NEVADA ASSOCIATION OF NIGHTCLUBS, INC., a Nevada Non-Profit Corporation; Plaintiffs, vs. D.I. FOOD & BEVERAGE OF LAS VEGAS LLC., a Nevada Limited Liability Corporation, dba SCORES; DAVID M. FRANK, dba SHERI'S CABARET; TWO M, INC., a Nevada Corporation dba DIAMOND CABARET; DOES I through X; and ROE CORPORATIONS I through X, inclusive. Defendants.	CASE NO. A514591 DEPT. NO. VII ARBITRATION EXEMPT: Extraordinary Relief Sought; Damages Exceed \$50,000.00		
20 21 22 23 24 25 26 RECEIVED	AMENDED COMPLAINT COME NOW, Plaintiff, NEVADA ASSOCIATION OF NIGHT CLUBS, INC., a Nevada Non-Profit Corporation (hereinafter "Plaintiff") and hereby alleges and states as follows. 1. That at all times relevant to this Complaint, Plaintiff is a Non-Profit Corporation of nightclub owners operating nightclubs in the County of Clark, State of Nevada, with all license and other fees duly paid. 2. Defendant, D.I. FOOD & BEVERAGE OF LAS VEGAS LLC., d/b/a SCORES, at all times mentioned herein, is a Nevada Limited Liability Corporation operating SCORES nightclub			
~ .		APPENDIX 420		

in the County of Clark, State of Nevada.

 Defendant, DAVID M. FRANK, an individual, is and was the licensed owner of SHERI'S CABARET totally nude club at all times mentioned herein.

 TWO M INC., a Nevada corporation, is and was the licensed owner of DIAMOND CABARET totally nude club at all times mentioned herein.

5. The true names or capacities, whether individual, corporate, association or otherwise, of Defendant DOE I through DOE X, are unknown to Plaintiffs, who therefore sues said Defendants by such fictitious names: Plaintiff is informed and believes and therefore alleges that each of the Defendants designated herein as DOE is responsible in some manner for the events and happenings referred herein, and as a result proximately caused damages to Plaintiffs as herein alleged. The Plaintiff will ask leave of this Court to amend this Complaint to insert the true names and capacities of DOE I through DOE X, when the same have been ascertained, and to join such Defendants in this action.

6. ROE CORPORATIONS I through ROE CORPORATION X are nightclubs operating within the County of Clark, State of Nevada and making payments to taxicab drivers or limousine drivers for the purpose of diverting or delivering patrons to nightclubs. That the true names or capacities, whether individual, corporate, association or otherwise, of Defendant ROE CORPORATION I through ROE CORPORATION X, are unknown to Plaintiffs, who therefore sues said Defendant by such fictitious names: Plaintiff is informed and believes and therefore alleges that each of the Defendants designated herein as ROE CORPORATION is responsible in some manner for the events and happenings referred herein, and as a result proximately caused damages to Plaintiffs as herein alleged. The Plaintiff will ask leave of this Court to amend this Complaint to insert the true names and capacities of ROE CORPORATION I through ROE CORPORATION X, when the same have been ascertained, and to join such Defendants in this action.

7. It is a violation of Nevada Revised Statutes § 706.8846 and § 706.8847 for a taxicab operator to divert or take a passenger to any destination other than the one designated by said passenger.

8. The NEVADA ASSOCIATION OF NIGHTCLUBS, INC., is a Non-Profit Corporation consisting of Nightclub owners who have contracted to follow all statutes, ordinances, or laws regarding the above, and Defendant SCORES is a member of Plaintiff's association. The remaining Defendants are not members of Plaintiff Association but are bound by the above cited statutes and ordinances.

9. That despite having entered into a written agreement promising to follow all statutes, ordinances, or laws, it remains the policy of SCORES, in Clark County and the City of Las Vegas, to divert passengers to it's own business by directly or indirectly compensating taxi cab drivers and other transportation providers in violation of laws and contract.

#### FIRST CAUSE OF ACTION Violation of NRS §§ 598A et seq.

Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1
 through 9 and incorporates the same by reference herein.

11. Plaintiff members have executed a contract amongst themselves to abide the laws, statutes, and ordinances in the State of Nevada, Clark County, and City of Las Vegas.

12. Two state statutes applicable to all adult night clubs, whether topless or totally nude, are Nevada Revised Statutes § 706.8846 and § 706.8847, which prohibit a taxicab operator to divert or take a passenger to any destination other than the one designated by said passenger.

13. The State of Nevada has made it clear that its concern for passengers of public
transportation is such that these statutes apply to "any person who knowingly makes or causes to be
made, either directly or indirectly,...or who violates any of the provisions of NRS 706.881 to 706.885
is guilty of a misdemeanor." (N.R.S. § 706.885).

All of the Plaintiff members are complying with the above statutes as contracted in
 their by-laws.

15. SHERI'S CABARET and DIAMOND CABARET openly and freely pay public
 transportation providers to divert their paying passengers to their respective adult night clubs,
 thereby violating the above Nevada Revised Statutes.

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**APPENDIX 422** 

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SHERI'S CABARET and DIAMOND CABARET knowingly encourage public 16. 1 transportation drivers to defame and disparage other adult nightclubs in order to facilitate the 2 3 diversion of innocent customers. 4 By far most of the customers using transportation providers are from out of town, 17. 5 and have little information about what adult nightclub is better than others. SHERI'S CABARET and DIAMOND CABARET, knowingly encourage public 6 18. 7 transportation drivers to defame and disparage other adult nightclubs, thereby depriving the 8 customers of objective opinions in order to make informed choices. 9 Defendants SHERI'S CABARET and DIAMOND CABARET have jointly 19. 10 conspired, combined or contracted to restrain trade by violating NRS § 598A.060, specifically: 11 Agreeing to establish uniform discounts or to eliminate discounts; a. 12 b. Agreements to establish prices for services; 13 Agreements not to advertise prices; C. 14 Attempting and/or conspiring to monopolize trade or commerce within this d. 15 state. 16 Plaintiff has standing to bring this private cause of action pursuant to NRS § 20. 17 598A.210 because Plaintiff's members have suffered damage to their respective businesses and 18 properties. 19 Defendants SHERI'S CABARET and DIAMOND CABARET are in violation of 21. 20 NRS §§ 598A. et seq. 21 Plaintiff is entitled to treble damages, injunctive relief, attorney's fees and costs 22. 22 pursuant to NRS § 598A.210. 23 SECOND CAUSE OF ACTION **Civil Conspiracy** 24 Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 23. 25 though 22. and incorporates the same by reference herein. 26 Defendants have conspired with the taxicab drivers and owners, in Clark County and 24. 27 the City of Las Vegas, to illegally and improperly divert passengers from Plaintiff's members 28 4 **APPENDIX 423**  nightclubs to DEFENDANTS'.

25. That taxicab drivers have conspired with each other and DEFENDANTS and taxicab owners to illegally and improperly divert passengers from and to refuse to provide service to nightclubs, such as Plaintiff's members clubs, that refuse to pay the taxicab drivers illegal referral fees.

26. DEFENDANTS' agreements with the taxicab drivers and taxicab owners to compensate the taxicab drivers to induce them to deliver passengers violates numerous laws, including but not limited to Sections 706.8846 and 706.8847 of the Nevada Revised Statutes [hereinafter NRS].

27. By paying the taxicab drivers illegal fees to deliver passengers to them, DEFENDANTS intend to cause illegal diversions to their businesses.

28. The actions of DEFENDANTS and the taxi cab drivers and owners in conspiring to pay taxicab drivers illegal fees to deliver passengers to DEFENDANTS, actually causes the illegal diversion of customers to DEFENDANTS.

29. The actions of DEFENDANTS, the taxicab owners, and taxi cab drivers, in conspiring to pay illegal fees to deliver passengers to their clubs is intended to reduce the business at Plaintiff's members other nightclubs.

30. The actions of DEFENDANTS in conspiring with taxicab drivers and taxicab owners to pay illegal fees to deliver passengers to DEFENDANTS' clubs has caused, and continues to cause both in the present and future, Plaintiff's other members to suffer severe economic harm and loss of business, revenue, and profits, all to Plaintiff's general damages, in an amount in excess of TEN THOUSAND DOLLARS (\$10,000.00).

31. The actions of DEFENDANTS, the taxicab drivers and taxicab owners, are and were willful, malicious, and made with the intent to injure Plaintiff's members, and that, therefore, DEFENDANTS should be assessed punitive damages, by way of example, in an amount in excess of TEN THOUSAND DOLLARS (\$10,000.00).

32. That it has been necessary for the Plaintiff to obtain the services of an attorney to prosecute this action, and Plaintiff is entitled to reimbursement for those attorneys fees and costs

which have been reasonably incurred.

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### THIRD CAUSE OF ACTION Violation of NRS 207.360 Nevada Civil RICO

Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1
 though 32. and incorporates the same by reference herein.

34. DEFENDANTS have, on numerous occasions, paid taxicab drivers, in Clark County and the City of Las Vegas, to illegally and improperly divert passengers from Plaintiff's members nightclubs to DEFENDANTS' clubs.

35. In order to carry out the diversion, the taxicab drivers, with DEFENDANTS active support, participation, encouragement, and payment of illegal fees, routinely misrepresent Plaintiff's members' nightclubs to passengers. For example, prospective customers are told that Plaintiff's members' clubs are closed, Plaintiff's nightclubs have been converted to gay bars, and Plaintiff's nightclubs steal from their customers.

36. Any of the diverted customers would have spent more than two hundred fifty dollars(\$250.00) at Plaintiff's members'nightclubs had they not been fraudulently induced to go to DEFENDANTS' clubs.

37. The actions of DEFENDANTS and the taxicab drivers constitutes the taking of
property from another under circumstances not amounting to robbery within the meaning of NRS
207.360(9).

38. The actions of DEFENDANTS and the taxicab drivers constitutes the obtaining of
 money valued at \$250.00 or more by means of false pretenses as set forth in NRS 207.360(26).

39. DEFENDANTS and the taxicab drivers' repeated acts of taking property from
 another within the meaning of NRS 207.360(9), or obtaining money valued at \$250.00 or more by
 means of false pretenses, constitute racketeering under Nevada law.

40. DEFENDANTS and the taxicab drivers' fraudulent diversion of passengers away
from their intended destinations at Plaintiff's members nightclubs is intended to permanently deprive
Plaintiff's members of revenue and profits.

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**APPENDIX 425** 

passengers/customers have caused, and continues to cause both in the present and the future, 2 Plaintiff's members to suffer severe economic harm and loss of business, revenue, and profits, all 3 to Plaintiff's members general damages, in an amount in excess of TEN THOUSAND DOLLARS 4 5 (\$10,000.00). That the actions of DEFENDANTS and the taxicab drivers were willful, malicious. 6 42. 7 and made with the intent to injure Plaintiff's members, and that, therefore, DEFENDANTS should 8 be assessed punitive damages, by way of example, in an amount in excess of TEN THOUSAND 9 DOLLARS (\$10,000.00). 10 Under the Nevada RICO statutes, Plaintiff's members are entitled to treble damages 43. 11 and reasonable attorneys fees and costs, 12 It has been necessary for the Plaintiff's to obtain the services of an attorney to 44 13 prosecute this action, and Plaintiff is entitled to reimbursement for those attorneys fees and costs 14 which have been reasonably incurred. 15 FOURTH CAUSE OF ACTION **Breach of Contract Against SCORES** 16 Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 45. 17 though 44. and incorporates the same by reference herein. 18 On or about December 5, 2005, SCORES, and others signed By-Laws of the Nevada 46. 19 Association of Nightclubs, Inc., a copy of which is attached herein as Exhibit 1. In fact, SCORES 20executed these By Laws three times to include two addendums which were adopted concomitantly 21 with the By Laws. (Ex. 1). 22 As part of the By Laws, all members agreed to abide by all of the Nevada Revised 47. 23 Statutes, Clark County Ordinances, and Las Vegas City Codes listed on page 1 of said By-Laws. 24 Further, the signing members all agreed that: 48. 25 The parties agree that the Association may retain counsel to 26 enforce this agreement. In conjunction with paragraph 11, said counsel has authority to file a complaint in the District Court of 27 Nevada and seek an immediate injunction, on Shortened Time, to enforce these by-laws and enjoin the violating party from any 28 further violations. 7 **APPENDIX 426** 

That the actions of DEFENDANTS and the taxicab drivers in diverting

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49. Although signing this contractual agreement, Defendants SCORES and SEAMLESS have continued to compensate taxicab operators in violation of its legal commitment to act otherwise.

50. As a direct and proximate result of Defendants' breach of contract, the other members of Plaintiff corporation have suffered economic damages and will continue to suffer economic damages until Defendant is enjoined. Plaintiff members are suffering immediate and irreparable injury to both reputation and business by SCORE'S ongoing violations of the By Laws.

51. The damages sustained by Plaintiff exceed TEN THOUSAND DOLLARS (\$10,000.00).

52. The By-Laws signed by Defendant SCORES provide for reasonable attorney's fees, costs and litigation expenses in addition to any other available remedy.

53. It has been necessary for the Plaintiff's to obtain the services of an attorney to prosecute this action, and Plaintiff is entitled to reimbursement for those attorneys fees and costs which have been reasonably incurred.

# FIFTH CAUSE OF ACTION Intentional Interference with Business Relations

54. Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 though 53. and incorporates the same by reference herein.

55. DEFENDANTS, the taxicab drivers, and the taxicab owners knew or had reason to know that passengers riding in taxicabs, limousines, or shuttle services who request transportation to Plaintiff's members' nightclubs provide a probability of future economic benefit to these nightclubs.

56. DEFENDANTS, the taxicab drivers, and the taxicab owners, knew or had reason to
 know that all passengers riding in taxicabs, limousines, or shuttles provide some probability of future
 economic benefit to Plaintiff's members nightclubs.

57. DEFENDANTS have conspired with the taxicab drivers and the taxicab owners to illegally and improperly divert passengers from Plaintiff's members to DEFENDANTS' nightclubs.

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**APPENDIX 427** 

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58. The taxicab drivers have demanded and continue to receive illegal and improper payment, tips, or referral fees from DEFENDANTS, within the County of Clark and City of Las Vegas.

59. The taxicab drivers have refused and continue to refuse to provide service or deliver passengers to Plaintiff's members' clubs, because Plaintiff's clubs refuse to pay such improper compensation.

60. That, on numerous occasions, the taxicab drivers have refused to transport passengers to Plaintiff's members' nightclubs because of their refusal to pay illegal fees. Passengers asking to be taken to a competing nightclub of DEFENDANTS are told that the drivers do not service that club.

61. DEFENDANTS intend to cause illegal diversions to their business by paying taxicab drivers illegal fees to deliver passengers to it.

62. DEFENDANTS and the taxicab owners actively, knowingly, and intentionally encourage and endorse, through both their actions and established practices, slanderous and defamatory statements made by the taxicab drivers directed at Plaintiff's nightclubs, patrons, and personnel.

63. DEFENDANTS and the taxicab owners, actively, knowingly, and intentionally engage in fraud on passengers and against Plaintiff by encouraging, conspiring, participating with, and compensating the taxicab drivers in making misrepresentations against Plaintiff's members' nightclubs.

64. That the actions of DEFENDANTS referred to in paragraphs 55. through 63. were intended, with express purpose, to unjustifiably reduce the economic benefit to Plaintiff's members and disrupt the relationship between the Plaintiff's nightclubs and passengers of the taxicab drivers.

65. DEFENDANTS were aware that their actions referred to in paragraphs 55. through 63. would, in fact, reduce the economic benefit to Plaintiff, disrupt the relationship between Plaintiff's nightclubs and passengers of the taxicab drivers, and adversely effect the Plaintiff's businesses and economic relationships.

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**APPENDIX 428** 

66. The actions of DEFENDANTS referred to in paragraphs 55. through 63. actually disrupted, and continues to disrupt, the relationship between Plaintiff's nightclubs and passengers of the taxicab drivers.

67. The actions of DEFENDANTS referred to in paragraphs 55. through 63. have caused,
and continue to cause both in the present and future, Plaintiff's members to suffer severe economic
harm and loss of business relationships, revenue, and profits, all to Plaintiff's general damages, in
an amount in excess of TEN THOUSAND DOLLARS (\$10,000.00).

8 68. The actions of DEFENDANTS are and were willful, malicious, and made with the
9 intent to injure Plaintiff's members, and that, therefore, DEFENDANTS should be assessed punitive
10 damages, by way of example, in an amount in excess of TEN THOUSAND DOLLARS
11 (\$10,000.00).

12 69. It has been necessary for the Plaintiff to obtain the services of an attorney to
 13 prosecute this action, and Plaintiff is entitled to reimbursement for those attorneys fees and costs
 14 which have been reasonably incurred.

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# SIXTH CAUSE OF ACTION Intentional Interference with Prospective Business Advantage

70. Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 though 69. and incorporates the same by reference herein.

71. DEFENDANTS knew and/or had reason to know that passengers riding in taxicabs, limousines, or shuttles who request transportation to Plaintiff's nightclubs have a prospective contractual relationship with that Plaintiff's nightclub.

72. DEFENDANTS have conspired with the taxicab drivers and taxicab owners to illegally and improperly divert passengers from Plaintiff's nightclubs to DEFENDANTS' nightclubs.

24 73. DEFENDANTS intend to cause illegal diversions to their business by paying the
 25 taxicab drivers illegal fees to deliver passengers to them.

74. The taxicab drivers continue to demand illegal payment, tips, or referral fees from the
 members of the Plaintiff since these taxicab drivers continue to receive largesse from
 DEFENDANTS.

The taxicab drivers have threatened and continue to threaten, both in the present and 75. future, to refuse to provide service or deliver passengers to Plaintiff's clubs, because Plaintiff's clubs refuse to pay the compensation currently received from DEFENDANTS.

DEFENDANTS and the taxicab owners actively, knowingly, and intentionally 76. encourage and endorse, through both their actions and established practices, slanderous and defamatory statements made by the taxicab drivers directed at Plaintiff's nightclubs, patrons, and 7 personnel.

DEFENDANTS and the taxicab owners actively, knowingly, and intentionally 8 77. engage in fraud on passengers and against Plaintiff's members by encouraging, conspiring, 9 participating with, and/or compensating taxicab drivers for making misrepresentations against 10 11 Plaintiff's nightclubs.

That the actions of DEFENDANTS referred to in paragraphs 71. through 77. were 78. intended, with express purpose, to harm the Plaintiff's members by preventing the relationship between the Plaintiff's nightclubs and passengers of the taxicab drivers.

DEFENDANTS have no privilege or justification, legal or equitable, for their illegal 79. and improper actions referred to in paragraphs 71. through 77.

That the actions of DEFENDANTS referred to in paragraphs 71. through 77. have 80. actually caused, and continue to cause both in the present and future, Plaintiff's members to suffer severe economic harm and loss of business relationships, revenue, and profits, all to Plaintiff's general damages, in an amount in excess of TEN THOUSAND DOLLARS (\$10,000.00).

That the actions of DEFENDANTS are and were willful, malicious, and made with 81. the intent to injure Plaintiff's members, and that, therefore, DEFENDANTS should be assessed punitive damages, by way of example, in an amount in excess of TEN THOUSAND DOLLARS (\$10,000.00).

It has been necessary for the Plaintiff to obtain the services of an attorney to 82. prosecute this action, and Plaintiff is entitled to reimbursement for those attorneys fees and costs which have been reasonably incurred.

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**APPENDIX 430** 

# SEVENTH CAUSE OF ACTION Injunctive Relief

83. Plaintiff repeats and re-alleges each and every allegation contained in paragraphs 1 though 82. and incorporates the same by reference herein.

84. DEFENDANTS continued violation of state and local laws require equitable relief to prevent future harm to the public and Plaintiff.

85. DEFENDANT SCORES continued violation of the By-Laws set forth in Exhibit 1 require equitable relief to prevent future harm to the public and Plaintiff.

86. SCORES, in executing the By-Laws in three different places, agreed to injunctive relief should it be in violation of said agreement.

87. Plaintiff requests that DEFENDANTS be enjoined from providing tips and other compensation to taxicab drivers and from diverting passengers/patrons from Plaintiff's clubs in violation of state and local laws and the By-Laws duly executed.

88. Plaintiff's members continue to suffer immediate and irreparable injury on a daily basis because of DEFENDANTS illegal activities as described above.

89. It has been necessary for the Plaintiff to obtain the services of an attorney to prosecute this action, and Plaintiff is entitled to reimbursement for those attorneys fees and costs which have been reasonably incurred.

WHEREFORE, Plaintiff prays for damages as follows:

1. For general damages in an amount in excess of TEN THOUSAND DOLLARS (\$10,000.00);

For special damages as proved;

3. For punitive damages in an amount in excess of TEN THOUSAND DOLLARS
(\$10,000.00);

4. For treble damages and attorneys fees, costs, and litigation expenses pursuant to
 Nevada RICO statutes and NRS §598.210.

5. For reasonable attorneys fees, costs, and litigation expenses in accordance with the
By-Laws executed by Defendant and Plaintiff's other members;

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1	4.	For pre-judgment and post-judgment interest;
2	5.	For reasonable attorney fees;
3	6.	For cost of suit;
4	7.	For such other and further relief as the Court may deem just and proper.
5	· · ·	EREFORE, on the Seventh Cause of Action, Plaintiff requests the following relief:
6	1.	An injunction prohibiting all Defendants from diverting passengers/patrons from
7	Plaintiff's cl	ubs in violation of state, local laws and contract;
8		ED this <u>3</u> day of March, 2006.
9		Submitted by:
10		PATTI & SGRO LTD.
11		$\sim$
12		
13		ANTHONY P. SGRO, ESQ. Nevada Bar No. 003811
14		720 South Seventh Street, Third Floor Las Vegas, Nevada 89101
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		13 APPENDIX 432

# BY LAWS OF NEVADA ASSOCIATION OF NIGHTCLUBS, INC.

WHEREAS, the undersigned incorporators all are currently the owners/operators of adult night clubs in Las Vegas, and/or Clark County, Nevada;

WHEREAS, the undersigned incorporators desire to work towards enhancing the public view of adult nightclubs as exhibiting the highest degree of professionalism;

WHEREAS, the undersigned incorporators intend to take any and all legal action to ensure compliance with all of the laws and regulations concerning the adult night club business;

WHEREAS, the undersigned incorporators believe that a non-profit organization formed to achieve the purposes set forth above, will raise the standards in the adult nightclub industry to the highest level;

THEREFORE, we the undersigned, being each of the original incorporators herein named, for the purpose of forming a non-profit corporation pursuant to Chapter 82 of the Nevada Revised Statutes, as amended, do hereby adopt the following by-laws:

1. Statutes, Ordinances, and Codes. All members agree to adhere to the following:

### Nevada Revised Statutes

NRS §202.055-	Sale or Furnishing of Alcoholic Beverages to Minor;
NRS §706.8846-	Prohibited Acts Concerning Destination of Passenger of Taxicab;
NRS §706.8847-	Compliance with Passenger's Directions;

# Clark County Ordinances

6.160.050-	Certain Activities Prohibited concerning exposure and alcohol service;
6.160.080-	Work Identification Card;
6.160.110-	Erotic Dance Establishment Regulations;
6.170.090-	Adult Nightclub Regulations;
6.170.070-	Attendant and Server Work Identification Cards Required;
8.20.297-	Paying Taxicab Drivers;
8.20.340-	Unlawful to Serve Minors;
8.24.020-	Work Identification Card Required;
12.08.025-	Maintaining a Place of Prostitution Unlawful;

## Las Vegas City Code

6.06.195-	Paying Tips to Taxicab Drivers for Delivering Passengers to Licensee's
	Business Location Unlawful;
6.06.010-	Privilege License Required;

The parties acknowledge and agree that this commitment to abide by the laws of Nevada, Clark County, and Las Vegas, will remain in full force and effect notwithstanding a member's withdrawal from the Nevada Association of Nightclubs, Inc.

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2. Formation and Membership in the Nevada Association of Nightclubs, Inc. All parties hereto agree to join the Nevada Association of Nightclubs, Inc., and to each pay monthly dues to the Association in the amount of \$1000. The Association shall undertake to represent the parties hereto in all facets of state, local and national lobbying for the sake of the Association, its clients, members and interests. The Association shall also act to police the compliance with paragraph 1. above, take appropriate actions to investigate violations of Paragraph 1., and take all actions necessary to enforce this paragraph. Withdrawal from the Association, however, will not otherwise invalidate or cancel any provision of these by-laws.

3. Liquidated Damages for Violating Any One of the Provisions in Paragraph 1. The Parties hereto, on behalf of themselves, their heirs, successors or assigns, their agents, employees, successors and assigns do hereby covenant not to violate the above referenced laws, codes, and ordinances as set forth in Paragraph 1. above. In addition, in order to ensure that the adult nightclub business adheres to the highest degree of professionalism, the members herein extend these by-laws to include "tips," as defined, to commercial limousines, tour buses or any other entity or individual that may transport a person or persons to a member nightclub. Any action deemed by the Association to be in violation of the by-laws shall be subject to liquidated damages in the amount set forth in Attachment "A" herein.

The parties agree that the Association may retain counsel to enforce this agreement. In conjunction with paragraph  $| \mathbf{p} |$ , said counsel has the authority to file a complaint in the District Court of Nevada and seek an immediate injunction, on Shortened Time, to enforce these by-laws and enjoin the violating party from any further violations.

4. <u>Enforcement Against Non-Members</u>. As set forth in the Articles of Incorporation and by-laws, since the purpose of this Organization is to ensure that all adult nightclubs exhibit the highest degree of professionalism, should one of the members determine that a non-member has violated any prohibited provisions in these by-laws concerning the laws, ordinances, and codes, than the members authorize the retention of private legal counsel to file an action in the District Court, Clark County, seeking to enforce the mandates established herein.

5. <u>Tip</u>. A tip shall be defined as the tender of anything of value to or on behalf of any operator of public transportation. A tip can be any of the following, but is not limited to: money, passes for free entry into anywhere, passes for free food anywhere, passes for free drinks anywhere, tickets to any event, credit for any food, beverage or service inside a club, and/or any scripts or "funny money" to be used inside any club.

6. <u>Exceptions for Convention and Other Non-value passes</u>. Nothing in these by-laws shall preclude a party's ability to allow a conventioneer free access to their club or to market non-value passes. The conventioneer must present his/her convention badge to the doorman for the respective club to be allowed free access. Examples of other non-value passes include Monday Night Football promotions which permit free entrance to patrons with betting tickets or boxing night promotions that permit free entrance to those with tickets to a boxing match.

**APPENDIX 434** 

7. <u>Assignment of Authority to the Nevada Association of Nightclubs, Inc.</u> All parties hereto do hereby assign, to the Nevada Association of Nightclubs, Inc., the authority to investigate and enforce these by-laws against any party to this Agreement that acts in violation hereto.

8. <u>Governing Law and Venue</u>. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada, notwithstanding the State of Nevada's conflicts of laws rules. In the event of litigation under this Agreement, such litigation may be commenced and maintained only in a court of competent jurisdiction located within Clark County, Nevada.

9. <u>Waiver and Severability</u>. By entering into these by-laws, the parties agree to waive defenses to the enforceability of this Agreement. Each provision of this Agreement shall be interpreted so as to be effective and valid under applicable law, but if any such provision shall in any respect be ineffective or invalid under such law, such ineffectiveness or invalidity shall not affect the remainder of such provision or the remaining provisions of this Agreement.

10. <u>Further Assurances</u>. The Parties hereto agree to perform, execute, and deliver or cause to be performed, executed, and delivered, any and all such further documents, acts, and assurances as the Parties may reasonably require in order to perform fully their obligations set forth in this Agreement.

11. Notices and Enforcement. Any Party believed to have violated these by-laws shall receive a Violation letter in writing which letter may be sent by personal delivery or mail either (i) by United States registered or certified mail, return receipt requested, postage pre-paid, or (ii) by Federal Express or similar generally recognized overnight carrier regularly providing proof of delivery, addressed as follows (subject to the right of a party to designate a different address for itself by notice similarly given) as Exhibit 1 to these by-laws. Any notice so given by mail shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be.

The Notice shall specify the violations date, approximate time, and the specific nature of the violation. The Notice shall also set forth that the breaching party shall immediately cease and desist from any further violations of these by-laws. In addition, that the breaching party shall have 72 hours to tender the amount set forth in Attachment "A" to the Association or request a hearing. The hearing shall take place within 14 days of the request for hearing. Failure to request a hearing within 72 hours shall be deemed an admission of the violation. Nothing contained herein shall constitute a waiver by the Association to seek an immediate injunction against an alleged violator of these by-laws as set forth in paragraph three (3) above.

Any alleged violation shall be heard by a panel of five (5) members, to be elected each year at a regularly scheduled meeting. A decision by a majority of the five (5) panel members shall be binding and final. The members waive any litigation in regards to the decision.

12. <u>No Admission</u>. This Agreement is entered into by the Parties to avoid the expense of litigation and to buy their peace. None of the statements or promises contained in this Agreement shall be construed as any admission of prior actions for any purpose.

**APPENDIX 435** 

Amendment. These by-laws shall not be amended except by a writing signed by cach-13. of the portion two-thirds of the members.

Counterparts. These by-laws may be executed in any number of counterparts each of 14. which shall constitute an original and all of which shall be deemed to constitute a single agreement.

Successors and Assigns. These by-laws shall be binding upon and inure to the benefit 15. of the Parties and their respective legal representatives, successors and assigns.

Attorneys' Fees. In any action or proceeding brought by the Nevada Association of 16. Nightclubs, Inc., which arises out of or relates to any provision of these by-laws, or is brought to enforce any provision of this Agreement, or to seek damages for a breach of any provision hereof, the prevailing Party shall be entitled to recover reasonable attorneys' fees, costs and litigation expenses in addition to any other available remedy.

Legal Advice. All parties further acknowledge that these by-laws are the result of 17. negotiations directly among the members of the Association and that each member had the opportunity to have their own respective attorney review the by-laws and to obtain independent legal advice.

Consideration. Consideration is hereby acknowledged by joining the Association. 18.

Confidentiality. All parties hereby acknowledge and agree to keep these by-laws 19. confidential and to disseminate it only to members of the Association and their respective attorneys. All parties further agree to neither disseminate these by-laws nor inform non-parties of these by-laws and the parties to and the provisions in this Agreement. The parties understand that public disclosure of this Agreement to non-parties, would cause substantial injuries to the members of this non-profit organization, which injuries would be difficult to quantify. As such, each violation of this confidentiality provision will be subject to a \$1,000.00 penalty and is enforceable according to paragraph 10 of these by-laws.

Signature Page

THE POWER COMPANY, INC. dba CRAZY HORSE TOO

By Frederick Rizzolo, it's duty authorized agent

Dated: 17

Service Address, 2476 Industrial Road Las Vegas, Nevada 89102

PALOMINO CLUB

it's authorized agent

Luis Hiddao

Dated: Service Address: 1848 N. Las Vegas Blvd. Las Vegas, Nevada 89030

K-k	EL, ING			
	dba	SPEARM	INT RHI	NO
By:	Kr	~m	Ke	
	tevin M	. Kelly, it	s authori	zed agent
	12	1-1.		4

Dated: /5/05 Service Address: 3340 S. Highland Dr. Las Vegas, NV 89109

**OLYMPUS GARDENS** dba OLYMPIC GARDENS

Peter Eliades, it's authorized agent

Dated: 5- 055, 0 Service Address: 1531 S. Las Vegas Blvd. Las Vegas, Nevada 89104

SHAC, LLC dba SAPPHIRE CHAR MAT

Dolores Eliades, it's authorized agent Shar Eliges LLC - 5 pro 2005

Dated: Service Address: 1531 S. Las Vegas Blvd. Las Vegas, Nevada 89104

CP FOOD AND BEVERAGE, INC. dba\_CLUB PARADISE

By:

Joseph DeMeo, it's authorized agent

Dated: 16,

Service Address! 4416 Paradise Rd Las Vegas, Nevada 89109

ANTHONY'S OF HOLLYWOOD, INC. dba STRIPTEASE

By: XINTHON rris Anthony Mudarris, it's authorized agent

Dated:

Service Address: 2129 Lookout Point Las Vegas, Nevada 89117

D.I. GOOD & BEVERAGE OF LAS VEGAS, LLC

dba SCORES By:

Dennis DeGori, it's authorized agent

Dated: 12-5-05 Service Address: 3355 Procyon St Las Vegas, Nevada 89102

D.WESTWOOD, INC dba TREASURES

By:

Hassan Davari, it's authorized agent

Dated: 12.5-05. Service Address: 2801 Westwood Dr. Las Vegas, Nevada 89109

XCO, INC.

dba SIN By: K Barry Arta, it's authorized agent

Dated:

Service Address: 3915 West Hacienda Ave., Suite A111 Las Vegas, Nevada 89118

**APPENDIX 437** 

DEJA VU SHOWGIRLS OF LAS VEGAS, LLC dba DEJA VU

B

(Harry Moon, it's authorized agent

Dated:

Service Address: 3247 Industrial Rd. Las Vegas, NV 89109

LA FUENTE, INC. dba CHEETAH'S GENTLEMAN CLUB

By: ( Jack Galardi, it's authorized agent

Dated: 12

Service Address. 713 E. Ogden Ave., Ste B Las Vegas, NV 89101

# SGC INVESTMENT HOLDINGS, LLC dba SEAMLESS

By:

David Franks, duly authorized agent of its manager, Resort Entertainment Companies, LLC

Dated:

Service Address: 6085 W Twain, Suite 200 Las Vegas, Nevada 89103

# ATTACHMENT "A"

The schedule of liquidated damages to be paid shall be:

For violation of:

# Nevada Revised Statutes:

NRS §202.055- Sale or Furnishing of Alcoholic Beverages to Minor;

# Clark County Ordinances

Certain Activities Prohibited concerning exposure and alcohol service;
Work Identification Card;
Erotic Dance Establishment Regulations;
Adult Nightclub Regulations;
Attendant and Server Work Identification Cards Required;
Unlawful to Serve Minors;
Work Identification Card Required;
Maintaining a Place of Prostitution Unlawful;

# Las Vegas City Code

6.06.010- Privilege License Required;

If no amounts are levied as a fine, penalty, or cost by any governmental or judicial agency; One Hundred Dollars (\$100.00).

For violation of:

# Nevada Revised Statutes:

NRS §706.8846-	Prohibited Acts Concerning Destination of Passenger of Taxicab;
NRS §706.8847-	Compliance with Passenger's Directions;

# **Clark County Ordinance:**

8.20.297- Paying Taxicab Drivers;

# Las Vegas City Code

6.06.195- Paying Tips to Taxicab Drivers for Delivering Passengers to Licensee's Business Location Unlawful;

Twenty Five Thousand Dollars (\$25,000.00).

## ADDENDUM #1

The parties to the attached by-laws intend to and do hereby modify the by-laws pursuant to paragraph 2 by adding the following provision:

ferest ma The parties understand and agree that the by-laws shall not bind bona fide purchasers of any club that is a party to the foregoing Agreement. The bona fide sale of a club shall release the signatory club from further duties, responsibilities, and liability under this Agreement effective as of the date of the purchase.

A bona fide sale, however, shall not release the signatory club from liquidated damages that have already accrued or for violations of the by-laws occurring prior to the date of the bona fide purchase. Liability for said liquidated damages or violations remains the responsibility of the owner(s) of the club that entered into this Agreement. Thus, if a violation occurs on day one and the club is sold the following day, the seller shall remain responsible for the violation and the liquidated damages; the purchaser, however, has no liability for said violations or liquidated damages.

Nothing in this Addendum is intended to modify the responsibilities, duties, and liability of any successors and assigns of a signatory club other than for bona fide purchasers.

# Signature Page to Addendum #1

THE POWER COMPANY, INC. dba CRAZY HORSE TOO

By:

Frederick Rizzolo. it's duly authorized agent

Dated:

K-KEL, INC. dba SPEARMINT RHINO

elly, it's authorized agent

PALOMINO CLUB

Adam Gentile, it's authorized agent

LUIS HIDAGO JR Dated:

ANTHONY'S OF HOLLYWOOD, INC. dba STRIPTEASE

Arthony Mudarris, it's authorized agent By: NA

Dated: 12-5-05

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# OLYMPUS GARDENS dba OLYMPIC GARDENS

By: eter Eliades, it's authorized agent

Dated: 12-5-05

SHAC\_LL PHIRE P. F. T. F. P. F. T. F. F. T. T. T. Dolores Eliades, it's authorized agent SHACE CLADET LLG SDEC 2005 Dated: 12-5-1

CP FOOD AND BEVERAGE, INC. dba CLUB PARADISE Joseph DeMeo, it's authorized agent Dated.

DEJA VU SHOWGIRLS OF LAS VEGAS, LLC

Bvi Harry Moon, it's authorized agent

Dated: 12-5-05

D.I. GOOD & BEVERAGE OF LAS VEGAS, LLC

dba SCORES By: Dennis DeGori, it's authorized agent

Dated: \_/2-5-05

D.WESTWOOD, INC dba TREASURES By: Hassan Davari, It's authorized agent

Dated: 12-05-05

XCO, INC. dba SIN By: / Barry Arfa, it's authorized agent -5-05 Dated:

# SGC INVESTMENT HOLDINGS, LLC dba SEAMLESS

By: \_\_\_\_\_

David Franks, duly authorized agent of its manager, Resort Entertainment Companies, LLC

Dated:

LA FUENTE, INC. dba CHEETAH'S GENTLEMAN CLUB

By: C Jack Galardi, it's authorized agent

Dated: 12-5-05

# ADDENDUM #2

The parties to the attached by-laws intend to and do hereby modify the Agreement pursuant to paragraph 12 by adding the following provision:

The term "tip" as used in the by-laws and defined in paragraph 5, shall include any complimentary, "comps," or discounts for admission prices, food, beverages, and/or any services or goods provided or sold in the club.

Nothing in this Addendum is intended to modify the exceptions to "tips" defined in paragraph 6 of the by-laws.

Signature Page to Addendum #2

THE POWER COMPANY, INC. dba CRAZY HOKSE TOO By:

Frederick Rizzolo, us duly authorized agent

12-45-05 Dated:

K-KEL, INC. dba SPEARMINT RHING evin Kelly, it's authorized agent Dated:

OLYMPUS GARDENS dba OLYMPIC GARDENS

By:

Peter Eliades, it's authorized agent

Dated: 12- 5-05

PALOMINO CLUB

ntile\_it's authorized agent

Luis Hida lao Dated:

ANTHONY'S OF HOLLYWOOD, INC. dba STRIPTEASE

By: ANDON Mudarris, it's authorized agent

Dated: 12-5-05

D.I. GOOD & BEVERAGE OF LAS VEGAS, LLC

dba SCORES

Bv:

Dennis DeGori, it's authorized agent

Dated: 12-5.05

Stor MAT SHAC. LLC RG dba SAPPHIRE Dolores Eliades, it's authorized agent Dated:

CP FOOD AND BEVERAGE, INC. dba CLUE PARADISE By Joseph DeMeo, it's authorized agent 05 Dated:

DEJA VU SHOWGIRLS OF LAS VEGAS, LLC dba DEJA VU By

Harry Moon, it's authorized agent

Dated:

LA FUENTE, INC. dba CHEETAH'S GENTLEMAN CLUB

By: ( 70.

Jack Galardi, it's authorized agent

Dated: 12-0

D.WESTWOOD, INC dba TREASURES By: Hassan Davari, it's authorized agent

XCO, INC. dba SIN By: Barry Arra, it's authorized agent 05 Dated:

# SGC INVESTMENT HOLDINGS, LLC dba SEAMLESS

By:

Dated:

David Franks, duly authorized agent of its manager, Resort Entertainment Companies, LLC

Dated:

# **Exhibit** F

# AFFIDAVIT OF MICHAEL L. YEPKO

State of Nevada

# County of Clark

Michael L. Yepko, after first being duly sworn, deposes as follows:

- 1. I make this Affidavit based upon facts within my own knowledge, save and except as to matters alleged upon information and belief and, as to those matters, I believe them to be true.
- 2. I am a Nevada licensed Private Investigator and have been in business since December 7, 1999. I conducted a surveillance investigation during the evening hours on January 25 through January 29, 2006, inclusive. The investigation involved obtaining the services of taxi cabs in Las Vegas, Nevada. I requested that the drivers transport me to various topless and/or nude female adult clubs in an effort to determine if they would "divert" me to other adult clubs. I recorded relevant information on each trip and obtained receipts where practical to do so.
- 3. On January 25, 2006, at approximately 6:44 p.m., I requested a taxi cab at the Sahara Hotel & Casino east taxi stand. I obtained a Whittlesea Blue van, number 1196, and asked the driver, Kenneth A. Fletter, Jr., to take me Deja Vu. Fletter immediately suggested that "Sheri's Cabaret was better" he drove me there. Fletter parked his cab, NV license plates: 119 RYF, and registered his name on a clipboard near the front door. I witnessed a Black male adult hand Fletter a slip of paper before he returned to his cab. Fletter is a white male, 6'0" 6'3", 280 -320 pounds.
- 4. From Sheri's Cabaret I requested a cab ride to Club Paradise. I obtained the services of Union cab, number 1862, which was driven by Shalom Haleg. I left Sheri's at approximately 8:48 p.m. Haleg's NV plates were 367 SUT. Haleg advised "Club Paradise was not that hot" and diverted me to Diamonds. Haleg parked his cab on the South side of Diamonds and approached "Chris." Chris (LNU) was the doorman at Diamonds. Chris handed Haleg a piece of paper while I paid the cover charge. Chris isa white male, 20-25 years old, with brown hair and eyeglasses.
- 5. From Diamonds I requested a cab ride to Sin. I obtained the services of Union Cab, number 1888, which was driven by H. Mamikonyan. I de-Parted Diamonds at approximately 9:26 p.m. Mamikonyan's license

- Page 2 Plates were 713 NSU (Nevada). Mamikonyan advised "Sin was a joke" And suggested The Can Can Room. Upon our arrival at The Can Can Room, "Janice," the house mom, asked why a local boy was taking a cab Ride. I advised I had friends in town from California who were still Partying at the Hotel. Janice told me she had to take my \$60.00 cover Charge and she "had to kick-back money to the cab driver." Janice is a White female, 5'4" - 5'6", 125 - 145 pounds, 50 -60 years old, with Eyeglasses. Mamikonyan waited outside near the doorman, but did not Approach the doorman until I was completely inside the Club.
  - 6. From The Can Can Room I requested a cab ride to Cheetah's. I obtained the services of Checker Yellow cab, number 1317, which was driven by Mazal Koren. Koren said "Sheri's is a lot better than Cheetah's" drove me To Sheri's Cabaret. Koren's Nevada plates were 971 SEL. Koren also Parked his cab in the main lot to the east of the club and signed a register Near the front door area. I did not see any exchange of money nor slips. Koren gave me her cellular number after she returned and gave me another Ride back to the Sahara Hotel. Her cellular number is 373-7440.
  - 7. On January 26, 2006, at approximately 7:07 p.m., I requested a cab at the Sahara Hotel & Casino taxi stand. I obtained the services of Henderson Taxi, number 5700, driven by a black male named "Ty." Ty's license Plates were 700 RAK. I asked to go to Pleasures but was taken to Sheri's Cabaret instead. Ty added Sheri's was "closer to the action."
  - 8. From Sheri's I requested a ride to Olympic Gardens. Ty was still parked in Sheri's lot and told me 'Diamonds" was closer and had "much better looking tail." Ty took me to Diamonds at approximately 9:20 p.m.
  - 9. From Diamonds I requested a cab ride to Cheetah's. I obtained the services of Desert Cab, number 4424, driven by "Lou." Lou said Cheetah's was not as good as Sheri's and told me to "trust him." Lou Did not have any receipts nor insight into why Sheri's was so much better Than Cheetah's. I was unable to get the license plate from Lou's cab.
  - 10. On January 27, 2006, at approximately 6:03 p.m, I requested a cab ride from the taxi stand at the Sahara Hotel & Casino. I secured the services of Star Cab, number 2290, driver by Abram Kagossian. I requested a ride to Sin, but was diverted to Diamonds. The plates on the cab were Nevada 305 SEL. Kagossian waited on foot outside his cab while I paid the cover charge. Kagossian waited until I entered the club to approach the front desk area, which was staffed by a white male, 20-25 years old, with black or dark brown hair.

Page 3

- 11. From Diamonds I requested a ride to the Palomino Club. I obtained the services of Union Cab, number 1813, driven by "Aris" (LNU). Aris had no picture identification near his Medallion posting, but provided a business card for "future night time fun." Aris immediately suggested I go to Sheri's Cabaret as "it was so much better than the black girls at the Palomino." Aris' cell number is 306-6113. Aris added there was an "underground whorehouse where Asian girls would satisfy me for \$250 \$500.00. My friends would only pay \$300.00 each for the chance to choose their girl.
- 12. From Sheri's Cabaret I requested a ride to Sin. I obtained the services of Whittlesea Blue van, number 1154, driven by "Big John." At approxi-Mately 10:35 p.m., "Big John" drove me to Cheetah's instead. His plates Were Nevada 154 RFD. "Big John" advised the clubs "take care of certain Drivers" and added he also knew of an underground Asian house where I Could get "full service." "Big John's cell number is 354-2916.
- 13. On January 28, 2006, at approximately 7:02 p.m., I requested a cab ride from the taxi stand at the Sahara Hotel & Casino. I obtained a Yellow Cab, number 1419, driven by Amanuel Haile. I requested a ride to The Palomino Club but was diverted to Diamonds. Haile advised he Has been a driver since 1991 and has driven the same cab since 2001. His current cab has over 331, 000 miles on it. Haile also parked his Cab in the street at Diamonds and received a small slip of paper from A white male acting as the Doorman.
- 14. From Diamonds I requested a cab ride to the Palomino Club. 1 obtained the services of Ace Cab Company (van), number 2509, driven by Ara Hakobyan. Hakobyan told me Sheri's "was much better" and also Referred me to Seamless later with two (2) free drink tickets. Hakobyan's License plates were Nevada, 259 MDC. Additionally, Hakobyan waited Near the front door of Sheri's for the black male doorman to return out-Side. This black male then handed a small piece of white paper to Hakobyan. This occurred at approximately 10:05 p.m.
  - 15. From Sheri's Cabaret I requested a cab ride to Sin. I departed Sheri's at approximately 11:06 p.m. I obtained the services of Yellow Cab, number 1424, driven by "Sue," a white female with blonde hair. "Sue" (LNU) advised Diamonds "was the place to party" and drove me there. "Sue" like all other cab drivers, parked her vehicle and stood near the front door of the club. She only engaged the doorman in conversation after I had paid the cover charge and actually entered the club.

Page 4

- 16. On January 29, 2006, at approximately 6:56 p.m., I requested a cab ride from the taxi stand at the Sahara Hotel & Casino. I obtained the services of North Las Vegas (ANLV) Cab (van), number 680, driven by Cheon Hong. I requested a ride to Club Platinum but was diverted to Sheri's Cabaret. I did not get Hong's license plates but he did take a very Lengthy route to Sheri's, i.e West On Sahara, South on Industrial, West On Desert Inn Road, then North on Highland Avenue.
- 17. From Sheri's Cabaret I requested a ride to the Library. I obtained the services of Desert Cab, number 466, driven by "Juan." Juan did not have his photo identification displayed. Juan told me Diamonds was "way better" and diverted me there. His plates on the cab were 962 PKK.
- 18. I left Diamonds at approximately 10:16 p.m. I obtained the services of Desert Cab, number 2422, driven by John Dionas, aka Johnny D. Johnny D diverted me to Sheri's Cabaret after I requested a ride to the Palomino Club. The plates on his cab were 879 NSC. Johnny D also Provided a business card entitled "Cin City Tour Guide." His cell Number was listed as (702) 677-1367.
- 19. From Sheri's Cabaret I requested a ride to Club Platinum. I obtained the services of Lucky Cab, number 717, driven by "Asmir." Asmir told me Club Platinum was a "locals dump" and Diamonds had 'better pussy." Asmir did not have a photo identification posted and was an East Indian male. His license plates were Nevada 717 NSC. Asmir dropped Me at approximately 11:45 p.m. at Diamonds, but I did not see his exit His cab before I entered the front door.

Further, Affiant sayeth naught.

Dated this 31<sup>st</sup> day of January, 2006.

Subscribed and Sworn to before me This 31st day of January, Seal enature JESSIE M. KUIPER Notary Public - State of Nevada Appointment Recorded in Washoe County No:04-93056-2 - Expires November 19, 2008

STATE OF NEVADA

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COUNTY OF CLARK

SS.

# AFFIDAVIT of Hal De Becker, III

Hal de Becker, III being duly sworn,

That I am a licensed Private Investigator in Las Vegas, Nevada. That I was assigned by the Nevada Association of Night Club Owners, to conduct an investigation in order to determine whether or not any Las Vegas Cab Drivers were diverting customers away from their requested destination, and to persuade them to go to a different location where the cab driver would presumably be paid a fee for having brought the customer to that particular establishment.

That on Monday, January 23<sup>rd</sup>, 2006, at approximately 8:05 p.m., I entered a Checker Cab at the Mirage Hotel and Casino and requested that I be taken to Olympic Gardens Topless Club. At this time, the cab driver indicated that Olympic Gardens was topless only, and that I should have him take me to an all nude club called Diamonds. The cab driver then offered me a coupon for \$50.00 off a private dance at Diamonds.

That on Monday, January 23<sup>rd</sup>, 2006, at approximately 9:12 p.m., I entered a Yellow Cab at the Treasure Island Hotel and Casino, and requested that I be taken to the Spearmint Rhino. At this time, the cab driver told me that the Spearmint Rhino was

DE BECKEJ VESTIGATIONS 7500 W. LAKE MEAD BLVD., SUITE 9-312 Las Vegas, NV 89128 (702) 380-3801

too expensive and recommended that he take me to an all nude club 1 2 called Sheri's Cabaret or Diamonds. 3 That on Monday, January 23rd, 2006, at approximately 9:35 4 5 p.m., I entered a Yellow Cab at the Treasure Island Hotel and 6 Casino, and requested that I be taken to Scores Adult Night Club. 7 At this time, the cab driver told me that Scores was very 8 expensive and recommended that I should have him take me to 9 Sheri's Cabaret, where I would get more for my money. 7500 W. LAKE MEAD BLVD., SUITE 9-312 10 VESTIGATIONS 11 Las Vegas, NV 89128 12 (702) 380-3801 DATED THIS 24th DAY OF JANUARY, 2006. 13 14 DE BECKER 15 16 Hal de Becker III, AFFIANT 17 18 SUBSCRIBED AND SWORN to me before me 19 this 24th day of January, 2006. 20 21 22 NØTARY 23 PUBI С NOTARY PUBLIC STATE OF NEVADA 24 County of Clark CYNTHIA D. HUNT 25 Appt. No. 02-79224-1 Appl. Expires Aug. 14, 2006 26 2 of 2 **APPENDIX 451** 

# **Exhibit G**

# MINUTES OF THE MEETING OF THE ASSEMBLY COMMITTEE ON TRANSPORTATION

# Seventy-Ninth Session February 16, 2017

The Committee on Transportation was called to order by Chairman Richard Carrillo at 3:16 p.m. on Thursday, February 16, 2017, in Room 3143 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda (Exhibit A), the Attendance Roster (Exhibit B), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/79th2017.

# **COMMITTEE MEMBERS PRESENT:**

Assemblyman Richard Carrillo, Chairman Assemblywoman Ellen B. Spiegel, Vice Chair Assemblywoman Shannon Bilbray-Axelrod Assemblyman Ozzie Fumo Assemblyman Richard McArthur Assemblywoman Daniele Monroe-Moreno Assemblyman Michael C. Sprinkle Assemblyman Justin Watkins Assemblyman Jim Wheeler Assemblywoman Melissa Woodbury

# **COMMITTEE MEMBERS ABSENT:**

Assemblyman John Ellison (excused)

# **GUEST LEGISLATORS PRESENT:**

None

# **STAFF MEMBERS PRESENT:**

Jann Stinnesbeck, Committee Policy Analyst Marsheilah Lyons, Committee Policy Analyst Darcy Johnson, Committee Counsel Joan Waldock, Committee Secretary Trinity Thom, Committee Assistant



Assembly Committee on Transportation February 16, 2017 Page 2

# **OTHERS PRESENT:**

Bruce Breslow, Director, Department of Business and Industry
Alaina Burtenshaw, Chair, Nevada Transportation Authority, Department of Business and Industry
Ronald Grogan, Administrator, Taxicab Authority, Department of Business and Industry
Binyam Semereab, Private Citizen, Las Vegas, Nevada
Alexander Assefa, Private Citizen, Las Vegas, Nevada

# **Chairman Carrillo:**

[Roll was called. Committee protocols and rules were explained.] Today we will have two presentations. We will first hear from the Nevada Transportation Authority.

# Bruce Breslow, Director, Department of Business and Industry:

My role is to introduce to you our new chair of the Nevada Transportation Authority (NTA). You might remember Alaina Burtenshaw from when she served on the Public Utilities Commission (PUC) of Nevada. Ron Grogan, from the Taxicab Authority, will also be testifying. The NTA and the Taxicab Authority are 2 of the 14 agencies that we oversee at the Department of Business and Industry. I will assist with any questions Ms. Burtenshaw may be unable to answer.

# Alaina Burtenshaw, Chair, Nevada Transportation Authority, Department of Business and Industry:

This is the overview of the Nevada Transportation Authority (<u>Exhibit C</u>). Our mission is to provide for fair and impartial regulation and to encourage the establishment and maintenance of reasonable charges without unjust discrimination [page 2, (<u>Exhibit C</u>)]. We regulate and enforce *Nevada Revised Statutes* (NRS) Chapter 706, NRS Chapter 706A, and NRS Chapter 712 [page 3, (<u>Exhibit C</u>)]. *Nevada Revised Statutes* Chapter 706 regulates passenger motor carriers, tow cars, and household goods movers—fully regulated carriers. We regulate their entry into the market as well their rates, charges, and safety. Transportation network companies (TNCs) are regulated under NRS Chapter 706A. Warehouse permits are authorized under NRS Chapter 712.

The *Nevada Administrative Code* (NAC) has adopted many of the regulations contained in Title 49 of the *Code of Federal Regulations*, in order to fulfill our responsibility in maintaining safety. Our compliance enforcement officers complete training in that regard. The Nevada Highway Patrol, Department of Public Safety (DPS), helps us with training for commercial vehicle safety inspections. We inspect vehicles when they are first placed into service, either temporarily or permanently. Thereafter, carriers are required to inspect their vehicles every 12 months. They provide us a copy of their inspection report.

Driver's permits for those who drive limousines require fingerprint-based background checks. The results come back to us. The permits are deemed approved, unless we identify something in a driver's background that causes us concern. In that case, we call the driver in for further questions. Carriers that we regulate must have insurance. They have to file a Form K with NTA which adds us as an additional insured. That ensures that if their insurer is canceling them, we will be notified 30 days in advance. That way we can take action.

Under "NTA's Initiatives and Challenges," you can see that we are moving after being in our location for 16 years [page 4, (<u>Exhibit C</u>)]. You can imagine that we have a lot of records to purge. I have been in transportation since 1995, when I was with the PUC. We have my files from back then. We have been working hard to eliminate some documentation, put some on scan drive, make sure we are in compliance with the archive policy of the state, and condense everything into electronic file format.

We continue to work on our driver permit database. There are about 7,000 drivers in Nevada, many of whom are seeking renewals. We have about 4,000 in our driver database at this stage. Our compliance audit investigators are constantly working on that.

We instituted a swing shift for the first time. It runs from 3 p.m. to 1 a.m., Tuesday through Friday. With the advent of the TNCs, we thought it would be appropriate to have a swing shift to gain a better idea of what is going on during the nights and on the weekends.

Another of our challenges is vehicle inspections during peak times. During large events, such as CES [a consumer electronics show] and the Electric Daisy Carnival, we have to put a number of often temporary and rental vehicles into service very quickly to accommodate the demand expected during the event. From January 5 through 8, we inspected 302 vehicles that were temporarily added to 13 of the motor carrier fleets just before the CES. Twelve of those vehicles were permanent additions to fleets.

As you can see, there is not a lot of change in our operating budget for fiscal year (FY) 2017 and FY 2018 [page 5, (<u>Exhibit C</u>)]. We have two enhancement requests. One is for an additional TNC enforcement investigator to be added in FY 2018 and another to be added in FY 2019.

Our administrative fines operating budget is \$180,000. That is in a separate account that is to be used by NTA for expenses related to enforcing statutory provisions.

*Nevada Revised Statutes* Chapter 706A is the NRS chapter that requires us to regulate TNCs [page 6, (<u>Exhibit C</u>)]. We got off and running after <u>Assembly Bill 176 of the 78th Session</u> was passed. They had a very quick rulemaking that was completed early in September 2015. By September 14, 2015, Lyft and Uber were licensed. Get Me was licensed in January 2016. During that period of time, existing enforcement personnel took over responsibility for TNC investigations until we were able to hire some of our first TNC investigators. We got that up and running in March 2016.

EXHIBITESenate Committee on TransportationDate: 2-9-2017Total pages: 10Exhibit begins with: E1thru: E10

Alaina Burtenshaw, Chair

# Transportation Authority Overview of the Nevada

The Nevada Transportation Authority ("NTA") administers and enforces state law	<ul> <li>regulating:</li> <li>Passenger transportation, household goods movers and tow cars pursuant to NRS 706and NAC 706;</li> <li>The storage of household goods pursuant to NRS 712;</li> <li>Transportation network companies pursuant to NRS 706A and NAC 706A; and</li> </ul>	<ul> <li>Motor carrier safety requirements pursuant to the Federal Motor Carrier Safety Administration (49 CFR as adopted by NAC 706.247).</li> </ul>	2	E <sup>2</sup> APPENDIX 457
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# The Nevada Transportation Authority's

(NRS 706)	Pursuant to NRS 706.151, the NTA has been charged with the responsibility to:	<ul> <li>Provide for fair and impartial regulation, to promote safe, adequate, economical and efficient service and to foster sound economic conditions in motor transportation.</li> </ul>	<ul> <li>To encourage the establishment and maintenance of reasonable charges for Intrastate transportation by fully regulated carriers; and non-consent towing services.</li> </ul>	<ul> <li>Without unjust discriminations against or undue preferences or advantages being given to any motor carrier or applicant for a certificate of public convenience and necessity.</li> </ul>				3	E3 APPENDIX 458
	(NRS 706)	<b>(NRS 706.151, the NTA has been charged with the responsibility to:</b>	<ul> <li><b>INRS 706.</b></li> <li>Insuant to NRS 706.151, the NTA has been charged with the responsibility to:</li> <li>Provide for fair and impartial regulation, to promote safe, adequate, economical and efficient service and to foster sound economic conditions in motor transportation.</li> </ul>	<ul> <li>Insuant to NRS 706.151, the NTA has been charged with the responsibility to:</li> <li>Provide for fair and impartial regulation, to promote safe, adequate, economical and efficient service and to foster sound economic conditions in motor transportation.</li> <li>To encourage the establishment and maintenance of reasonable charges for Intrastate transportation by fully regulated carriers; and non-consent towing services.</li> </ul>	<ul> <li>INRS 706.151, the NTA has been charged with the responsibility to:</li> <li>Provide for fair and impartial regulation, to promote safe, adequate, economical and efficient service and to foster sound economic conditions in motor transportation.</li> <li>To encourage the establishment and maintenance of reasonable charges for Intrastate transportation by fully regulated carriers; and non-consent towing services.</li> <li>Without unjust discriminations against or undue preferences or advantages being given to any motor carrier or applicant for a certificate of public convenience and necessity.</li> </ul>	<ul> <li>INRS 706.151, the NTA has been charged with the responsibility to:</li> <li>Provide for fair and impartial regulation, to promote safe, adequate, economical and efficient service and to foster sound economic conditions in motor transportation.</li> <li>To encourage the establishment and maintenance of reasonable charges for Intrastate transportation by fully regulated carriers; and non-consent towing services.</li> <li>Without unjust discriminations against or undue preferences or advantages being given to any motor carrier or applicant for a certificate of public convenience and necessity.</li> </ul>	<ul> <li>IMRS 706.151, the NTA has been charged with the responsibility to:</li> <li>Provide for fair and impartial regulation, to promote safe, adequate, economical and efficient service and to foster sound economic conditions in motor transportation.</li> <li>To encourage the establishment and maintenance of reasonable charges for Intrastate transportation by fully regulated carriers; and non-consent towing services.</li> <li>Without unjust discriminations against or undue preferences or advantages being given to any motor carrier or applicant for a certificate of public convenience and necessity.</li> </ul>	<ul> <li>INRS 706.151, the NTA has been charged with the responsibility to:</li> <li>Provide for fair and impartial regulation, to promote safe, adequate, economical and efficient service and to foster sound economic conditions in motor transportation.</li> <li>To encourage the establishment and maintenance of reasonable charges for Intrastate transportation by fully regulated carriers; and non-consent towing services.</li> <li>Without unjust discriminations against or undue preferences or advantages being given to any motor carrier or applicant for a certificate of public convenience and necessity.</li> </ul>	Instant to NR5 706.151, the NTA has been charged with the responsibility to: rsuant to NR5 706.151, the NTA has been charged with the responsibility to: Provide for fair and impartial regulation, to promote safe, adequate, economical and efficient service and to foster sound economic conditions in motor transportation. To encourage the establishment and maintenance of reasonable charges for Intrastate transportation by fully regulated carriers; and non-consent towing services. Without unjust discriminations against or undue preferences or advantages being given to any motor carrier or applicant for a certificate of public convenience and necessity.

<b>Regulation Under NRS 706</b>	
NRS 706 creates and identifies several different duties to regulate passenger motor carriers; tow cars; household goods movers and brokers of transportation. NRS 706 distinguishes between the regulation of fully regulated carriers and those that are not fully regulated.	
<ul> <li>Fully regulated carriers are: common carriers of passengers or household goods who must obtain a Certificate of Public Convenience and Necessity or a Contract Carrier's permit and whose rates, routes and services are subject to regulation by the NTA         <ul> <li>Examples of fully regulated carriers:</li> <li>Intrastate charter service performed in a limousine</li> </ul> </li> </ul>	
<ul> <li>Intrastate scenic tour service performed in various vehicle types</li> <li>Intrastate regular route service performed in a bus</li> <li>Intrastate taxi service anywhere in Nevada (except Clark County)</li> <li>Intrastate transportation of household goods.</li> </ul>	
t i t t	
<ul> <li>Tow Carriers</li> <li>Consent-Only tow carriers are partially regulated in the areas of safety and insurance coverage.</li> <li>Non Consent tow carriers are regulated in terms of safety, insurance, rates and services, but not regulated in terms of market or financials</li> </ul>	
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The NTA's Work Force
Three Commissioners: One of the Commissioners is designated as the Chair and Executive Officer of the Authority. The Commissioners hold hearings on contested applications, citations, impounds and driver permits. Final decisions on all matters are made at an Agenda subject to the Open Meeting Law.
One Deputy Commissioner: Serves as the Chief Financial Officer for the Authority and directs the day to day operation of the Authority.
One Administrative Attorney: Assists the Commissioners with the hearings, monthly agendas, drafts orders, notices, and provides legal guidance and research to Commissioners and Authority staff. Administrative
Attorney is assisted by one Legal Research Assistant and one Legal Secretary.
Contained in applications, petitions, annual reports and tariff modifications filed with the Authority in order
to make recommendations to the Commissioner(s) during hearings or at AgendaMeetings. Enforcement Unit: One Chief of Enforcement: three Supervisory investigators: seven investigators: and five
compliance audit investigators. The Chief of Enforcement supervises all within the Enforcement Unit. The
Enforcement Investigators enforce NRS 706, 706A and 712 by issuing citations and impounding vehicles, where authorized, and inspecting vehicles for safety compliance from time to time. The Compliance audit
investigators audit the books and records of the carriers, assist with driver's permit background checks,
assist the financial analysts in the background investigation of applications filed with the Authority, and conduct vehicle inspections for safety.
Administrative Services: two Management Analysts and three Administrative Assistants ensure the
functional day to day operations of the Authority.
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Additional NTA Safety Responsibilities
<b>49 CFR</b> The Authority has adopted (with some modifications) by reference via NAC 706.247 the regulations contained in 49 C.F.R. Parts 40, 382, 383, 385, 387, 390 to 393, inclusive, 395, 396 and 397, and Appendices B and G of 49 C.F.R. Chapter III, Subchapter B, as those regulations existed on May 30, 2012, with some limited exceptions.
Based thereon the Authority's officers may, during regular business hours, enter the property of a carrier to inspect its records, facilities and vehicles, including space for cargo and warehouses.
Each compliance enforcement officer employed by the Nevada Transportation Authority pursuant to <u>NRS 706.176</u> is required to complete training regarding the federal regulations adopted by reference in subsection 1 which relate to common, contract and private motor carriers of passengers and property, including, without limitation, training in commercial vehicle safety inspections provided by the Nevada Highway Patrol.
Vehicle Inspections
NTA enforcement personnel inspect all vehicles when first placed into service whether permanently or temporarily. Thereafter the carrier is required to perform vehicle inspections for each vehicle every 12 months and provide a copy of the inspections to the Authority.

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Commissioners identify any items of concern and request additional information from the drivers fingerprint-based background check. The results of those checks are reviewed by NTA staff, and where appropriate. If the items of concern rise to the levels outlined in NRS 706.462 (3) or NRS Pursuant to NRS 706.462, all drivers of common motor carriers are required to submit to a any drivers with items of concern are scheduled for a meeting with a Commissioner. The 706.4622, the matter is scheduled for review by the full Authority at an Agenda meeting.

# Insurance filing form K

including TNCs. As such, the NTA would receive a Form K indicating cancellation of insurance and that Form would normally be received 30 days prior to said cancellation. Prior to a TNC's permit being issued and beginning operations, the proposed insurance policy is reviewed by Division of The NTA is either a certificate holder or an additional insured on all motor carriers insurance, Insurance to ensure compliance with the statutory requirements.

Warehouse Permits
7T/ CVN
NRS 712 applies to storing for compensation the personal household goods and effects of another where the operator of a warehouse is held out to the public to provide such storage.
A Warehouse Permit is required from the NTA before engaging in the warehouse business. The Applicant must provide:
<ul> <li>Proof of financial ability to protect persons storing property from loss or damage,</li> </ul>
<ul> <li>A showing of sufficient assets, including working capital, to carry out the proposed service. The NTA must</li> </ul>
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warehouse of household goods and effects, and the regulations of the Authority governing the storage of household goods and effects
<ul> <li>Require proof that the applicant carries a legal policy of liability insurance evidencing coverage against fire, theft, loss and damage for stored property</li> </ul>
<ul> <li>Require information showing that the property to be used for storage of household goods and effects is reasonably suitable for that purpose.</li> </ul>
Failure to maintain insurance or suitable warehousing conditions is grounds for the NTA revoking a warehouse permit

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TNC'S NRS 706A
AB 176 in the 2015 Legislature provided the NTA with regulatory authority over the TNC's.
<ul> <li>TNC's are required to obtain permits from the NTA by providing information showing:         <ul> <li>The qualifications and experience of the management and operational personnel;</li> <li>The technology to be used to provide the services – which includes the ability to track and limit the hours of drivers:</li> </ul> </li> </ul>
<ul> <li>Copies of articles of incorporation, articles of organization, or partnership agreement;</li> <li>State business registration;</li> </ul>
<ul> <li>Copy of insurance policy that meets the requirements of NRS 690B.400 to 690B.495 and which identifies the NTA as a named insured; and</li> <li>An example of the required trade dress.</li> </ul>
The NTA has issued permits to three TNC's: Uber; Lyft and Get Me.
<ul> <li>TNC's are required to provide the NTA with an annual report on or before May 15 of each year and are required to pay an annual assessment to the NTA. In late 2016, the NTA conducted a rulemaking to modify the regulations on annual assessments and annual reports in late 2016. The new regulation, which is currently effective creates: <ul> <li>a tiered payment structure (which removes the reporting of actual gross operating revenue, and replaces it with a tiered range)</li> <li>proposes a format for TNC annual reports to be filed by May 15<sup>th</sup> of each year.</li> </ul> </li> </ul>
E9 APPENDIX 464

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<ul> <li>Pursuant to NRS 706A.27 0, each year TNC's are required to provide the NTA with a report showing:</li> <li>The number of motor vehicle crashes which occurred in this State;</li> <li>The highest, lowest and average amount paid for bodily injury or death to one or more persons that occurred as a result of such a crash; and</li> <li>The highest, lowest and average amount paid for damage to property that occurred as a result</li> </ul>	of such a crash. The NTA collects the reports submitted by the TNC's and reports the aggregated information to the Legislative Commission or Director of the Legislative Counsel Bureau by December 1. In that submission the NTA also makes a determination as the whether the limits of coverage required	nber 30, 2016.	
<ul> <li>Pursuant to NRS 706A.27 0, each year TNC's are required to provide the</li> <li>The number of motor vehicle crashes which occurred in this State;</li> <li>The highest, lowest and average amount paid for bodily injury or de that occurred as a result of such a crash; and</li> <li>The highest, lowest and average amount paid for damage to prope</li> </ul>	of such a crash. The NTA collects the reports submitted by the TN Legislative Commission or Director of the Legis submission the NTA also makes a determination	the Legislative Counsel Bureau on or about November 30, 2016.	L

# **Exhibit H**

Summertime weed deals nearby! Order for pickup >

# Best in State: The Top Cannabis Locations, Products, and Activities in Nevada in 2018

#### **Stacey Mulvey**

December 20, 2018

Our Best in State series spotlights the top cannabis dispensaries, companies, products, and activities in the largest cannabis markets in 2018.

here are too many amazing cannabis companies in Nevada, which is a good problem to have if you're compiling a list like this. The trouble is in attempting to narrow it down. It's a well-known secret that Nevada is *the* market to watch for cannabis trends. Nevada has a fiercely independent and discerning spirit.

#### Find legal cannabis near you-check dispensary menus.

Looking through our history, many, from the mafia to the dirtiest of corporations have tried to conquer Nevada; and only the brands considered the best of the best have managed to remain standing in the Silver State.

While the new adult-use legal cannabis market continues to unfold here, it is exciting to see new leaders emerge.

## **Overall Dispensary: Planet 13**

### (Courtesy of Planet 13)

### Las Vegas, NV

Newly opened Planet 13 is a dispensary, yes. But in true Las Vegas style, it is a larger-than-life *experience* and beyond comparison to anything else on Earth. Don't let your opinion of Las Vegas influence you before you go. Planet 13 is a unique concept unto itself, boldly presenting its own vision of what purchasing **APPENDIX 467** 

and interacting with cannabis can be.

The building itself sets out to be a landmark, visible from a panorama of 55,000 hotel rooms, it lit up at night with an electronic graffiti wall and interactive art exhibit that patrons can control. The visual delights continue on the inside, with an animated LED floor, stocked with koi fish that swim away as you walk on them, and a trip-inducing ceiling that takes more than a cursory glance to figure out. As you're gazing up at the mystery that unfolds, a light show featuring dancing orbs controlled through drone technology move in sync with the music pumped through the enue-quality sound system.

Sound enthralling? Its intentional. Planet 13 wants you there, even if you don't want to purchase cannabis. Hang out, relax, and someday consume your cannabis on-site when future development is realized after legislation allows.

## Best Budget Dispensary: Acres Cannabis

## Las Vegas, NV

Perusing the stalls at your local farmers market is a fantastic way to find great deals directly from the folks that grew the goods. That's why the Underground at Acres offers you the best deals for your cannabis budget.

Accessed through a faux smugglers tunnel located in Acres Cannabis, Nevadan cannabis vendors at Underground are allowed to set up their finest selection on either tables or in the permanent car trunks installed along the walls. The colorful graffiti and street art create a one-of-a-kind interior. Open only on Friday and Saturday, act fast if you want the best bargains. Look for deep cuts on eighths or ounces of elite flower, pre-rolls, and concentrates.

## Best Boutique Dispensary: Sierra Well

## (Courtesy of Sierra Well)

Reno, NV

Sierra Well could be called the "Biggest Little Dispensary in the World," with unique features on par with the mega dispensaries found in southern Nevada, blended with the trusted orthodoxy inherent in the patient-based culture they ve always empraced.

The focus here is on portraying cannabis in its best light, whether through thoughtfully placed topical products on shelves that reach the ceiling, engaging layouts of extracts to browse, stocked-to-the-brim edibles refrigerators, elegant arrangements of flowers ... There is no doubt as to who Sierra Well considers the star of the show at their dispensary. Cannabis is the leading lady and clients are invited to become her adoring fans.

## **Overall Company: Aether Gardens**

### Las Vegas, NV

The epitome of cannabis is right here in Nevada, and you'll find it at Aether Gardens. Founders Bronwen and Robert, who fell in love and moved to Nevada after pioneering and advocating as caregivers in Detroit, built a virtual temple dedicated to the cultivation and manufacturing of cannabis.

It starts with their cultivation standards, which are carefully applied and directed by their master grower. Proper training and a focus on compliance are of utmost importance at Aether, which currently grows indoor hydro, but will expand to include an outdoor, fully automated greenhouse early next year.

Aether's on-site tissue culture lab embodies their commitment to research and analysis of superior cannabis genetics. The collection includes a bank of 120 strains and over 300 seeds preserved for future testing and consistent release of quality products. Their new analytic equipment, acquired for the purposes of vetting and evaluating their entire process throughout every stage of production, positions Aether as a deeply trusted source of information and education for the entire industry.

## **Best Flower Products: Cannavative**

## (Courtesy of Cannavative)

### Black Rock City, NV

Tucked near Tahoe and Black Rock City, you'll find a cannabis producer adamant about every strain they grow being raised in an environment tailored to its appreciate produce Costinue coorditions have been tooted **APPENDIX 469** d

#### Nevada's Best Cannabis Products & Experiences of 2018 | Leafly

to its specific needs. Optimal conditions have been tested for and evaluated at

Cannavative to make sure the resulting plant is exhibiting its best characteristics. The cultivation staff applies an expert small-batch, artisanal mind-set to produce the highest yields of exemplary tasting buds.

Besides elite strains like Limoncello, Velvet Cake and Shortbread Cookies that they've already dialed to perfection, Grow Master Andrew Baldwin plans to release a few cross breeds from Limoncello—hopefully for production in 2019.

Find Cannavative's clear and clean smelling flower throughout the state of Nevada and Oregon, and check out their infused pre-roll: The Motivator, which uses the brand's premium flower treated with their prized honeycomb concentrate.

## **Best Concentrates: Binske**

#### Las Vegas, NV

The French would call the assumption Binske operates under as *l'art pour l'art*. Translated as art for the sake of art, each gourmet product his cannabis company conceives of is presented as pure form. The purity of their philosophy translates to their concentrates, making them superior to the point of nearly transcending the category into a class unto themselves.

Rich collages created by UK artist Martin O'Neill accompany each product, and are meant as agnostic representations created to evoke wonder and innerdirected contemplation. The impression the image, and more specifically the medicine, created within is entirely dependent on you.

## **Best Edibles: Evergreen Organix**

### (Courtesy of Evergreen Organix)

Las Vegas, NV

Starting with cookies, the focus of Evergreen Organix has been on specifics, from precise dosing, hand-crafted production methods, and ideal ingredients. Since 2015, every made-from-scratch product they've developed overwhelms consumers with optimum deliciousness.

Their goodies prompt memories of the ones Grandma used to make for their simple quality and unadulterated nature. Evergreen Organix knows that true luxury doesn't need to be complicated or overdone, and that the best things in life—especially in food—appear effortless.

## Best Topical: Canna Hemp CBD Relief Cream

Whispered about among cannabis client specialists at nearly every Nevada dispensary I have visited, Canna Hemp Relief felt like a magic potion that was perpetually out of my reach. I'd ask about the cannabis-based topical products that were available, inquire about which ones they would recommend, and in the midst of their list, a pause. "Oh, but Canna Hemp Relief"... And I'd lose whomever it was in a private reverie. Turns out they had just sold the last one in stock, and I'd be left wishing I could find some. What was the big?

When I finally laid hands on it, I understood the hype. Canna Hemp CBD Relief Cream relieves pain through a cool, rejuvenating sensation, and the light formula means your skin just soaks it up. Inflammation above and below the dermis is calmed and soothed with cannabis derived terpenes and organic botanical oils like rosemary and eucalyptus.

## Best High-CBD Product: BASK+ Extended CBD Wellness Cream

## (Courtesy of Bask)

## Las Vegas, NV

Utilizing a drug delivery method that bypasses the intestines and lungs, BASK+ Extended CBD Wellness Cream, packs a potent 400mg punch, distributing cannabidiol throughout your body via the circulatory system. This translates to an overall feeling of well-being, as opposed to a more localized effect. Great for patients treating systemic inflammatory diseases like arthritis and autoimmune disorders like lupus, transdermal administration of cannabidiol is an emerging method of consumption.

## 9 part series

#### Part one

#### Best in State: The Top Cannabis Locations, Products, and Activities in Arizona in 2018

Part two	>
Best in State: The Top Cannabis Locations, Products, and Activities in Colorado in 2018	
Part three	>
Best in State: The Top State-Specific Cannabis Products and Experiences in 2018	
Part four	>
Best in State: The Top Cannabis Locations, Products, and Activities in Maryland in 2018	
Part five	>
Best in State: The Top Cannabis Locations, Products, and Activities in Nevada in 2018	
Part six	
Best in State: The Top Cannabis Locations, Products, and Activities in Northern California	>
in 2018	
Part seven	>
Best in State: The Top Cannabis Locations, Products, and Activities in Oregon in 2018	
Part eight	
Best in State: The Top Cannabis Locations, Products, and Activities in Southern California	>
in 2018	
Part nine	>

Best in State: The Top Cannabis Locations, Products, and Activities in Washington in 2018

# **Exhibit I**



The awards ceremony was followed by a party at The Cosmopolitan Hotel in Las Vegas. All Photos by Solimon Productions

# Winners' Circle

MJBizDaily Awards honor cannabis industry leaders and induct inaugural Hall of Fame members

ome of the cannabis industry's most recognizable faces turned out Dec. 12 for the MJBizDaily Awards at The Cosmopolitan Hotel in Las Vegas.

The awards gala honored everyone from businesses considered international

"game changers" to U.S. leaders in retail, cultivation and infused products—plus companies notable for their contributions to hemp, sustainability and giving back to the community.

Finalists in each category were culled from hundreds of nominations submitted

by cannabis industry professionals. The staff of *Marijuana Business Daily* helped narrow the field of contestants for the judges, listed on page 90.

In these pages, we highlight the winners and share what prompted judges to cast their deciding votes.

INDUSTRY IMPACT AWARD

NANCY WHITEMAN CEO, Wana Brands Boulder, Colorado

Since co-founding Wana Brands in 2010, Nancy Whiteman has grown the company to the No. 1-selling edibles brand in the country. She was responsible for expanding Wana from its Colorado base to Arizona, California, Illinois, Michigan, Nevada, Ohio and Oregon, with plans to move into Florida, Maryland, Pennsylvania and Canada as well.



Nancy Whiteman, center, is presented with the Industry Impact Award from *MJBizDaily* CEO Chris Walsh, left, and co-founder Cassandra Farrington.

## MJBizDaily AWARDS

#### PLANET 13 Las Vegas

Planet 13 accounts for nearly 10% of all Nevada dispensary sales, and in a short time, its superstore has become a must-see destination for cannabis enthusiasts visiting Las Vegas. In addition to interactive light displays and Instagrammable settings, the retailer carries more than 450 products ranging from flower and pre-rolls to vaping materials, edibles, extracts, topicals, tinctures and gear.

Planet 13 Vice President of Sales and Marketing David Farris, from left, celebrates with Vice President of Operations Chris Wren and General Manager Danielle Stoker.





# **Exhibit J**

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## [ALL-TIME BEST OF VEGAS (2020)] BEST DISPENSARY: PLANET 13



Planet 13

Photo: Steve Marcus

#### Las Vegas Weekly Staff

Thu, Aug 13, 2020 (2 a.m.)

While most cannabis dispensaries are content to blend in with their surroundings, Planet 13 presents an eye-popping alien landscape, replete with selfie spots and interactive art elements. Inside, the fun continues with a vast selection of recreational products, a staff of attentive budtenders and a vibe unlike any other dispensary you've known. *2548 W. Desert Inn Road #100, 702-815-1313.* 

#### **Runner-up: The Source**

Tags: Dispensary, Best of Vegas 2020, Best of Vegas 2020 This & That, All-Time Best of Vegas (2020)

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**Electronically Filed** 9/1/2020 8:04 PM Steven D. Grierson CLERK OF THE COURT

#### RIS 1 H1 LAW GROUP Eric D. Hone, NV Bar No. 8499 2 eric@h1lawgroup.com Joel Z. Schwarz, NV Bar No. 9181 3 joel@h1lawgroup.com Jamie L. Zimmerman, NV Bar No. 11749 4 jamie@h1lawgroup.com Moorea L. Katz, NV Bar No. 12007 5 moorea@h1lawgroup.com 701 N. Green Valley Parkway, Suite 200 6 Henderson NV 89074 Phone 702-608-3720 7 Fax 702-703-1063 8 Paul A. Conant, AZ Bar No. 012667 paulconant@conantlawfirm.com 9 (Pro Hac Vice) **Conant Law Firm** 10 Henderson, Nevada 89074 2398 East Camelback Road, Suite No. 925 Phoenix, AZ 85016 11 702-608-3720 Phone 602-508-9010 Fax 602-508-9015 12 13 Attorneys for Plaintiff Tryke Tel: Companies SO NV, LLC 14 EIGHTH JUDICIAL DISTRICT COURT 15 CLARK COUNTY, NEVADA 16 TRYKE COMPANIES SO NV, LLC, a Nevada CASE NO.: A-19-804883-C 17 DEPT. NO.: 24 limited liability company, 18 Plaintiff, TRYKE COMPANIES SO NV, LLC'S 19 vs. **REPLY IN SUPPORT OF MOTION FOR PRELIMINARY INJUNCTION** MM DEVELOPMENT COMPANY, INC., dba 20 PLANET 13, a Nevada corporation; DOES I through C, inclusive; and ROE BUSINESS Date of Hearing: September 3, 2020 21 Time of Hearing: 9:00 a.m. ENTITIES, I through C, inclusive, 22 Defendants. 23 24 Plaintiff Tryke Companies SO NV, LLC ("Tryke" or "Reef Dispensary", the brand name of its marijuana dispensary), by and through the undersigned counsel, hereby submits this reply 25 in support of its *Motion for a Preliminary Injunction* (the "Motion"). 26 This reply is made and based on the following Memorandum of Points and Authorities 27 and supporting exhibits, including the Declaration of Joel Z. Schwarz (the "Schwarz Decl.") 28 1 **APPENDIX 479**

701 N. Green Valley Parkway, Suite 200

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Case Number: A-19-804883-C

attached hereto as Exhibit 1; the papers and pleadings already on file herein, including but not
limited to (1) the Motion and exhibits thereto, incorporated by reference as if fully set forth
herein, (2) the prior briefing on Defendant MM Development Company, Inc. dba Planet 13's
("Planet 13") motion to dismiss and motion for reconsideration, wherein Planet 13 made the
same unfounded and misplaced arguments regarding the merits of Tryke's claims as it makes in
its opposition to the Motion, and (3) the Court's orders correctly denying Planet 13's prior
motions; and any argument of counsel the Court may permit at the hearing of the Motion.

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

#### I. INTRODUCTION

Reading the introduction of Planet 13's opposition, one might expect that Planet 13
thereafter intends to mount a defense based upon applicable law and facts supported by
admissible evidence. Nothing could be further from the truth. Instead, Planet 13 retreads old
ground regarding the viability of Tryke's claims, obfuscates the law and the facts, and presents
unfounded arguments including its contentions that:

The payments that Planet 13 advertises as "kickbacks" and pays to drivers

<sup>1</sup>, are now "tips".

- There allegedly is no evidence of Planet 13's payments of kickbacks to drivers, but at the same time the payment of kickbacks for diverting customers is perfectly legal;
- Tryke (Reef Dispensary) somehow has no prospective relationship with passengers that have consciously decided and pre-selected Reef Dispensary as their intended destination;
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 <sup>&</sup>lt;sup>1</sup> As set forth in Tryke's concurrently-submitted Motion: (1) To File Unredacted Reply in Support of Motion for Preliminary Injunction; and (2) Application for Order Shortening Time, Tryke is filing a redacted version of its reply and submitting an unredacted version to the Court.

Planet 13's actions are protected by an asserted "competitor's privilege" that it has not pled, that exists only under California law, and that otherwise would not be applicable under the facts of this case;

- Tryke was somehow dilatory in seeking injunctive relief, when all Nevada cannabis dispensaries were closed by order of the Governor from late March through mid-May 2020, and thus Planet 13's kickback program was stopped during that time;
  - Despite well-established precedent clearly applying to the facts of this case, Tryke has not demonstrated an immediate threat of irreparable harm, and monetary damages will be a sufficient remedy in any event; and
  - The bond to enjoin the kickbacks to drivers in furtherance of Planet 13's diversion program of which there purportedly is no evidence should be at least \$1 million.

When Planet 13's baseless arguments are stripped away, the Court is left with: (1) its 14 prior rulings regarding the viability of Tryke's claims; (2) the applicable law for intentional 15 interference with prospective economic advantage as clearly articulated in Las Vegas-Tonopah-16 Reno Stage Line, Inc. v. Gray Line Tours of S. Nev., 106 Nev. 283, 287-88, 792 P.2d 386, 388 17 (1990), which Planet 13 glosses over in a footnote in its opposition; (3) the facts set forth in the 18 Motion, which Planet 13 does not refute, but rather tries to suppress via a frivolous hearsay 19 argument; and (4) the requirements for entitlement to injunctive relief, all of which Tryke has 20 met. Thus, for the reasons already set forth in the Motion and discussed further below, a 21 preliminary injunction should be entered pending a final adjudication on the merits of Tryke's 22 claims. 23

24 II. LEGAL ARGUMENT

A.

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#### Tryke is Likely to Succeed on the Merits of its Claims

The primary thrust of Planet 13's opposition brief is its contention that Tryke has not
demonstrated a reasonable probability of success on the merits of its claims in this case. Planet
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13 makes a series of unfounded and increasingly desperate arguments in furtherance of this 1 2 contention, all of which are easily disposed of based upon the facts and the law.

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#### 1. The Court already determined Tryke's claims are viable

Planet 13 devotes a significant portion of its opposition brief to arguing that Tryke "has 4 failed to state proper claims." See Opposition at 9:1-2 ("Reef has failed to state a proper claim 5 for interference with economic advantage."); 11:23-24 ("Reef has failed to state proper claims 6 for civil conspiracy or aiding and abetting . . ."). These arguments already have been the subject 7 of two rounds of briefing in this case; first Planet 13 moved to dismiss Tryke's claims, then it 8 moved for reconsideration. While the Court certainly has better things to do with its limited time 9 10 than re-reading briefs on already-decided issues, were it to revisit Planet 13's motion to dismiss and motion for reconsideration, it would find the same arguments in those filings as set forth in Planet 13's present opposition. The law has not changed since the Court denied the motion to dismiss, nor has it changed since the Court denied the motion for reconsideration.

Moreover, it is axiomatic that a party must substantiate its legal arguments with citation 14 to competent authority. Thus, even if the Court were to indulge Planet 13 for a third time on the 15 viability of Tryke's claims, the purported "authority" proffered by Planet 13 is neither admissible 16 nor persuasive (let alone binding). In particular, Planet 13 bases its argument on a discussion of 17 the supposed outcomes of prior district court actions from the early to mid-2000s, the complaint 18 in one of those actions, and newspaper articles from the same time period. District court rulings 19 20 in a different case have "no precedential value". Oliver v. Bank of Am., 128 Nev. 923, 381 P.3d 647 (2012). A complaint in a different case is hearsay and "not proof of anything". See Ruiz v. 21 Arizona Dept of Corr., No. 2 CA-CV 2008-0057, 2009 WL 224939, at \*2 (Ariz. Ct. App. Jan. 22 30, 2009); Dent v. U.S. Tennis Ass'n, Inc., 08 Civ. 1533(RJD)(VVP), 2008 WL 2483288, at \*3 23 24 (E.D.N.Y. June 17, 2008); see also NRS § 51.035 (defining hearsay); NRS § 51.065 (hearsay) inadmissible unless otherwise excepted). Newspaper articles also are hearsay. See Woods v. 25 State, 101 Nev. 128, 136, 696 P.2d 464, 470 (1985); Larez v. City of Los Angeles, 946 F.2d 630, 26 642 (9th Cir. 1991); American Civil Liberties Union of Nevada v. City of Las Vegas, 13 F.Supp. 27 2d 1064, 1070 (D. Nev. 1998); De La Cruz v. DuFreene, 533 F.Supp. 145, 149 (D. Nev. 1982). 28

In addition, even assuming arguendo any of the "authority" cited by Planet 13 was
 admissible, it is entirely irrelevant given the significant changes to the transportation industry in
 Las Vegas since the introduction of ride-sharing applications<sup>2</sup> and other technological advances.
 Newspaper articles and legal actions regarding other industries (with the cannabis industry itself
 being a nascent Nevada industry) predating this new transportation regime by more than a
 decade simply have no bearing on the present circumstances.

In short, while Planet 13 incorrectly argues that Tryke has presented inadmissible hearsay
evidence in support of its Motion (discussed further below), it is actually Planet 13 that has failed
to present any evidence in support of its arguments and has staked its entire position on
inadmissible and irrelevant "authority." And even then, for the reasons already briefed and
decided by the Court, Planet 13 is entirely wrong with respect to the viability of Tryke's claims.

#### 2. The evidence presented by Tryke is admissible

Faced with evidence of an extensive and ongoing diversion kickback program, Planet 13 argues that such evidence is inadmissible hearsay and therefore Tryke has presented no evidence from which the Court could conclude a reasonable probability of success on the merits of its claims.

First, it is internally inconsistent and entirely illogical for Planet 13 to argue that there is no proof of activities it has admitted are occurring, but which it argues (erroneously) are entirely legal.

Second, Planet 13's contention that rideshare driver statements showing an ongoing
diversion kickback program and how that program is being effectuated are hearsay is simply
wrong. As discussed further below, Planet 13 not only pays kickbacks to drivers, but also issues
tax forms to the drivers. This makes the drivers both agents of and co-conspirators with Planet
Therefore, the statements of the drivers are <u>not</u> hearsay. *See* NRS § 51.035(3)(d), (e); *see also Paul v. Imperial Palace, Inc.*, 111 Nev. 1544, 1549–50, 908 P.2d 226, 230 (1995), *Carroll*v. *State*, 132 Nev. 269, 277, 371 P.3d 1023, 1029 (2016). The agent and co-conspirator drivers'

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 <sup>&</sup>lt;sup>2</sup> The Court may take judicial notice that Uber first launched in Las Vegas in late 2015, and other ride sharing applications followed soon thereafter.

statements, whether written and posted in a chatroom or contemporaneously recorded at the time
 of their oral statements to a secret shopper, all constitute admissible evidence.<sup>3</sup>

Finally, Planet 13 does not dispute its own advertisement of its kickback program, or the
diversion reports completed by passengers who were not part of the secret shopper experience,
attached as Exhibits D-1, D-2, and F to Tryke's Motion, thus conceding the admissibility thereof.

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#### 3. Planet 13's diversion kickback program is not "tipping"

7 In prior filings, Planet 13 has attempted to recharacterize/mischaracterize Tryke's claims.
8 This has continued in the opposition to the Motion, and in addition, Planet 13 is now attempting
9 to recharacterize its own actions as "tipping".

Tips are discretionary (optional or extra) payments *determined by a customer that employees receive from customers*. https://www.irs.gov/businesses/small-businesses-selfemployed/tip-recordkeeping-and-reporting#:~:text=Tips%20are%20discretionary%20
(optional%20or,Tips%20include%3A&text=This%20includes%20a%20credit%20card,or%20ot
her%20items%20of%20value (last visited August 31, 2020) (emphasis added). To date, Planet
13 has produced only one document in connection with its initial disclosures.<sup>4</sup> That document,
attached hereto as Exhibit 1-A, contains two important pieces of information which directly
contradict Planet 13's "tipping" position.

First, the document demonstrates . That would be the

19 equivalent of tipping a pizza delivery person for delivering a pizza to a neighbor. There would be
20 no reason to provide a "tip" for services and product provided to someone else.<sup>5</sup>

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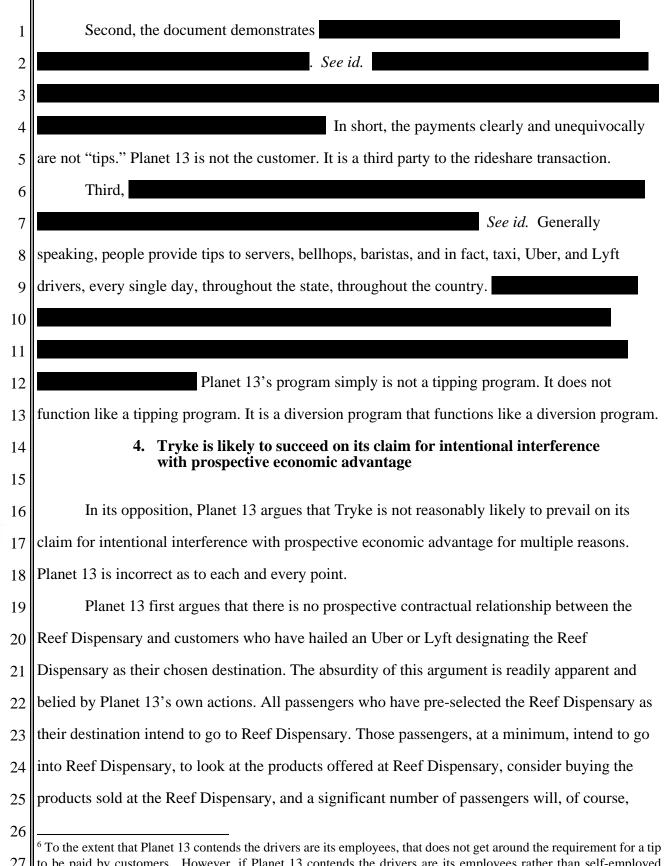


 <sup>&</sup>lt;sup>3</sup> Plaintiff is not required to have completed all discovery in this case prior to seeking a preliminary injunction. Drivers' statements constitute preliminary evidence. Disclosure and discovery will further demonstrate the facts set forth in the drivers' statements.

 <sup>&</sup>lt;sup>25</sup>
 <sup>4</sup> If not rectified, Planet 13's wholly insufficient disclosure and withholding of discoverable evidence likely will require the Court's intervention.

<sup>&</sup>lt;sup>5</sup> Perhaps the better question to Planet 13 is, "If this is a tip, would that not make you a customer? What service did you receive that you felt compelled to tip the driver?" The answer to those questions ends with the same result: even if it wants to change the word "kickback" to "tip", Planet 13 pays drivers to divert customers away from Reef

<sup>28</sup> Dispensary and to Planet 13.



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<sup>10</sup> the extent that Planet 15 contends the drivers are its employees, that does not get around the requirement for a up to be paid by customers. However, if Planet 13 contends the drivers are its employees rather than self-employed independent contractors, then its argument that statements by the drivers as its employees are hearsay is even more baseless.

make purchases at the Reef Dispensary. Passengers do not pay for a ride to a place where they
have no intention of making a purchase (to window shop). If no passengers (or only a small
percentage of passengers) designating a dispensary as their chosen destination made purchases,
then why would Planet 13 go through the trouble of paying kickbacks to drivers for diverting
passengers? Quite simply, there undoubtedly is a prospective contractual relationship between
the Reef Dispensary and every passenger that selects the Reef Dispensary as his/her intended
destination.

8 Planet 13 also argues that it is insulated from liability for intentional interference because there is no proof that it has knowledge of the specific diversion of customers from Reef 9 10 Dispensary to Planet 13. This Sargent Shultz defense is both legally and factually unsupported. After-the-fact knowledge by the tortfeasor as to whether the intended interference has occurred is 11 not an element of the claim. See Wichinsky v. Mosa, 109 Nev. 84, 88, 847 P.2d 727, 729-30 12 13 (1993); Consolidated Generator-Nev., Inc. v. Cummins Engine Co., 114 Nev. 1304, 1311, 971 P.2d 1251, 1255 (1998). Rather, to prevail on its intentional interference claim, Tryke need only 14 demonstrate that Planet 13 is aware of the prospective relationships between the Reef Dispensary 15 and customers that have selected Reef Dispensary as their chosen destination, and an intent to 16 interfere with those prospective relationships. While common sense dictates that Planet 13 is, 17 and always has been, aware of the prospective relationships between all cannabis customers and 18 their intended dispensary destinations, there can be no doubt of its particular knowledge of such 19 20 prospective relationships in the case of the Reef Dispensary, since it was put on actual notice of the same by Tryke via a pre-litigation demand and by the filings in this action. And again, as 21 already discussed above and within multiple filings in the action to date, Planet 13 clearly 22 intends to continue to interfere with a significant portion of the prospective relationships between 23 the Reef Dispensary and its customers by incentivizing drivers to divert such customers. Thus, 24 the actual elements of the claim have been met, and there can be no doubt that Tryke enjoys a 25 reasonable probability of succeeding on the merits of its claim. 26

27 Next, Planet 13 argues that its diversion kickback program is protected by the
28 "competitor privilege". As a threshold matter, this is not an affirmative defense asserted in Planet

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1 13's answer. Moreover, even if the Court were to consider this newly stated argument, the2 alleged "competitor privilege" has no application in Nevada.

Planet 13 relies upon *Pacific Express, Inc. v. United Airlines, Inc.*, 959 F.2d 814 (9th Cir.
1992), to suggest that this Court could apply a defense of "competitor's privilege" to the
intentional interference claim. *Pacific Express,* however, is a case interpreting California law, not
Nevada law. If Nevada recognized a defense of "competitor's privilege", Planet 13 surely would
have cited such authority. It did not.

8 Even assuming *arguendo* that Planet 13 had asserted the defense and that California law
9 applied in this matter, Planet 13 still would not be entitled to maintain the defense of
10 "competitor's privilege" because it does not protect unlawful activity. *See Pacific Express*, 959
11 F.2d at 820 (quoting *A-Mark Coin Co. v. General Mills, Inc.*, 148 Cal.App. 3d 312, 323-24
12 (1983)). Here, Planet 13 is engaging in tortious (i.e., unlawful) conduct, thus barring the defense.

Lastly, Planet 13 contends that kickbacks in exchange for customer diversion is a
common practice within the marijuana dispensary industry. Planet 13 has presented no
admissible evidence of such actions. More importantly, whether other businesses engage in
illegal or improper activities is irrelevant to the issue at hand: Planet 13's payments of kickbacks
to drivers for diverting Reef Dispensary customers. With its proximity to the Reef Dispensary,
Planet 13 stands alone in its ability to target Reef Dispensary customers and cause harm to
Tryke.

Having cleared Planet 13's baseless arguments, the Court is left with: (1) the law as set forth in *Las Vegas-Tonopah-Reno Stage Line, Inc. v. Gray Line Tours of S. Nev.*, 106 Nev. 283, 287-88, 792 P.2d 386, 388 (1990), which Planet 13 glosses over in a footnote in its opposition; and, (2) the facts as established in the Motion, which Planet 13 does not refute or even deny, but rather, attempts to suppress through a meritless hearsay argument. Applying the irrefutable facts to the law, Tryke is likely to succeed on the merits of its intentional interference claim.

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## 5. Tryke is likely to succeed on its claims for civil conspiracy and aiding and abetting

- 3 In its opposition, Planet 13 does not address Tryke's likelihood of success on the merits of its other claims. Rather, it argues against the viability of those claims. This issue already has 4 been addressed ad nauseum and decided by the Court, and there is no need to waste further 5 judicial resources arguing the viability of Tryke's additional claims for relief. Suffice it to say, 6 Tryke's claims are viable, and the facts and evidence certainly demonstrate a reasonable 7 8 probability of success on those claims. 9 In particular, even if kickbacks are generally regarded as "lawful" in Nevada, Tryke still 10 will prevail on its claim for civil conspiracy against Planet 13 apart from its intentional Henderson, Nevada 89074 interference claim. 11 Tel: 702-608-3720 Civil conspiracy is recognized as a tort in Nevada. Aldabe v. Adams, 81 Nev. 280, 12 402 P.2d 34, 37 (1965). Discussions of the tort are found in Short v. Hotel Riviera, 13 Inc., 79 Nev. 94, 378 P.2d 979, 985-6 (1963), Hotel Riviera, Inc. v. Short, 80 Nev. 505, 396 P.2d 855, 859-860 (1964) and Eikelberger v. Tolotti, 96 Nev. 525, 611 14 P.2d 1086, 1088 (1980). As potentially applicable to the instant litigation, these cases set forth the following rules: 15 (1) An act lawful when done by one individual may become an actionable wrong if 16 done by a number of persons acting in concert, if the result injures the party against 17 whom the action is directed; 18 (2) An act lawful when done by one individual may be the subject of an actionable civil conspiracy when it is done with the intention of injuring another or when, 19 although done to benefit the conspirators, its natural consequence is the oppression of an individual; and 20 (3) An act lawful when done by one individual, because justified by his rights, 21 becomes actionable when done by a combination of persons actuated by malice if 22 harm results to another. 23 Hubbard Business Plaza v. Lincoln Liberty Life, 596 F. Supp. 344, 346 (D. Nev 1984). 24 While Planet 13 says that it did not "direct" action against Reef Dispensary, clearly its 25 co-conspirators (the drivers) do, as demonstrated by their own statements and conduct in the record. Thus, the first rule is satisfied. 26
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With regard to the second rule, the injury to Reef Dispensary is clearly the "natural
 consequence" of the oppression of passengers' stated intentions and the prospective relationships
 with Reef Dispensary. Thus, the "intention" component of the second rule is satisfactorily
 established.

Given that Planet 13 was provided actual notice of the illegal conduct and harm to Reef
Dispensary resulting from its kickback program, and nonetheless continued the same, without
alteration, Tryke also has established malice on the part of Planet 13, thereby meeting the
requirements of rule three.

9 In sum, all "rules", (i.e., elements) of a civil conspiracy claim have been met, and Tryke
10 therefore has demonstrated a reasonable probability of success on the merits of this claim.

## B. Monetary Damages are an Insufficient Remedy for Tryke's Irreparable Harm

With respect to the "irreparable harm" factor of Tryke's request for injunctive relief,
Planet 13 argues that there is no irreparable harm, or alternatively, monetary damages alone are a
sufficient remedy. Planet 13 is incorrect in both regards.

An injury is not fully compensable by money damages if the nature of the plaintiff's loss 16 would make damages difficult to calculate. Basicomputer Corp. v. Scott, 973 F.2d 507, 511 (6th 17 Cir. 1992). Additionally, courts have recognized the difficulty in calculating money damages to 18 redress the loss of client relationships that would produce an indeterminate amount of business. 19 See, e.g., Excellence Cmtv. Mgmt. v. Gilmore, 131 Nev. 347, 351 P.3d 720 (2015) (quoting Ticor 20 Title Ins. Co. v. Cohen, 173 F.3d 63, 69 (2d Cir. 1999)). Moreover, acts committed without just 21 cause which unreasonably interfere with a business or destroy its credit or profits, may do an 22 irreparable injury. State, Dep't of Bus. & Indus., Fin. Institutions Div. v. Nevada Ass'n Servs., 23 24 Inc., 128 Nev. 362, 370, 294 P.3d 1223, 1228 (2012) (internal quotations omitted); see also Guion v. Terra Marketing of Nevada, Inc., 90 Nev. 237, 523 P.2d 847 (1974) (actions that 25 interfere with a business "or destroy its custom, its credit or its profits, do an irreparable injury 26 and thus authorize the issuance of an injunction."). 27

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Here, the evidence before the Court is that Planet 13 is paying drivers to disparage Reef
Dispensary and otherwise discourage passengers from visiting Reef Dispensary through use of a
diversion program. In so doing, Planet 13 is causing substantial damage to Tryke's sales and
customer acquisitions that can never be fully ascertained. This harm goes well beyond mere
financial damage caused by the inevitable decrease in sales; indeed, the nature of Planet 13's
actions will also lead to the irremediable loss of brand value, consumer loyalty, and inherent
goodwill of the dispensary itself, all of which is exceedingly difficult to quantify.

8 Thus, while Tryke agrees that monetary damages are an available remedy, in some part,
9 and based upon Planet 13's bond argument it appears the monetary damages will be substantial,
10 monetary damages alone are not a sufficient remedy to rectify the irreparable harm being
11 inflicted upon Tryke.

#### 1. Tryke's request is timely

Planet 13 also argues that Tryke has been dilatory in seeking an injunction, which is
somehow suggestive of a lack of harm. Like the majority of Planet 13's arguments, this position
is not grounded in fact. In particular, Planet 13 acts as if nothing occurred between the filing of
the complaint in this matter and the filing of Tryke's Motion, ignoring both the proceedings that
did take place in this case and the events occurring in the cannabis industry as a result of the
COVID-19 pandemic.

19 Based upon communications predating the filing of the action, Tryke fully expected its 20 complaint in this matter would be met with a motion to dismiss, and this turned out to be the 21 case. Rather than moving for a preliminary injunction with a motion to dismiss pending, Tryke 22 elected to conserve judicial resources and allowed the Court to rule upon - and deny - the motion 23 to dismiss. As set forth in the Motion, once the motion to dismiss (and Planet 13's motion for 24 reconsideration filed shortly thereafter), was disposed of by the Court, Tryke was prepared to 25 request an injunction if Planet 13 then continued its diversion kickback program despite the 26 Court's ruling. However, due to the COVID-19 pandemic and emergency directives issued by 27 Governor Sisolak, Nevada dispensaries were closed to in-person business from late March 111 28

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through mid-May 2020. Where customers were not allowed into the stores during that time, there
were no passengers going to those destinations (thus no passengers to divert), and effectively no
kickback program, at least for a time. When dispensaries were re-opened to the public and Tryke
confirmed Planet 13 had resumed its kickback program,<sup>7</sup> Tryke moved for a preliminary
injunction. Thus, Tryke's Motion was filed at the appropriate time and is in no way an indication
that Tryke has not suffered, and will not continue to suffer, irreparable harm if an injunction is
not granted.

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#### C. The Balance of the Hardships and the Public Interest Favor Injunctive Relief

9 In addressing the balancing of the hardships and the public interest factors, Planet 13 falls
10 back on its tried (but not true) mantra: "tipping" is perfectly legal. As already discussed above,
11 the actions at issue are not tipping, and they constitute, at minimum, intentional interference with
12 prospective economic advantage.

Planet 13 is irreparably harming Tryke and intentionally interfering with Tryke's
business and prospective economic advantage. Planet 13 is also clearly inducing illegal conduct
intended to deceive customers. Allowing such actions to continue is contrary to public policy.
Furthermore, Planet 13 will suffer no hardship if it is prohibited from engaging in tortious and
deceptive business practices, and instead is required to refrain from such activity in favor of
legitimately, legally competing with Tryke. Certainly, this should be no issue for the greatest
cannabis dispensary Nevada has ever seen, as Planet 13 touts itself to be.

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#### D. The Bond Should Be Nominal

In its opposition, Planet 13 argues that if an injunction is to be entered, the bond should be at least \$1 million.<sup>8</sup> While this is a startling admission of the scope of the diversion kickback program, there is no reason why Tryke should be made to post a bond anywhere approaching \$1 million to preclude Planet 13 from continuing its unlawful activities.

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<sup>27 &</sup>lt;sup>7</sup> Part of the admissible evidence presented with the Motion, which Planet 13 incorrectly argues is hearsay.

<sup>&</sup>lt;sup>8</sup> Based upon evidence that it will present at a later date (i.e., based upon evidence in Planet 13's exclusive possession,
28 but which has not yet been produced in this case).



Based on the foregoing, and for the reasons already set forth in the Motion, Tryke
respectfully requests that this Court enter a preliminary injunction as follows:

Prohibiting Planet 13 from paying any fee or commission to taxi or rideshare
 drivers in exchange for the drivers bringing passengers to Planet 13;

6 2. Prohibiting Planet 13 from advertising to taxi and rideshare drivers that Planet 13
7 will provide compensation to drivers in exchange for the drivers bringing passengers to Planet
8 13's dispensary; and,

3. Such other relief as this Court deems appropriate.

Dated this 1<sup>st</sup> day of September 2020.

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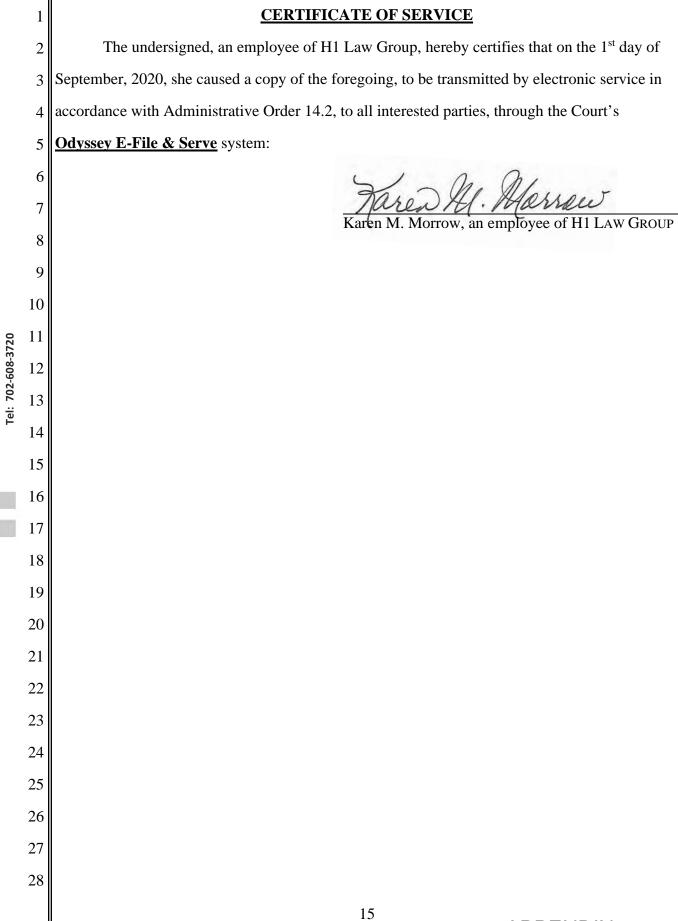
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# **EXHIBIT 1**

	1	DECLARATION OF JOEL Z. SCHWARZ IN SUPPORT OF			
	1 2	TRYKE COMPANIES SO NV, LLC'S REPLY IN SUPPORT OF MOTION FOR PRELIMINARY INJUNCTION			
	3	I, JOEL Z. SCHWARZ, hereby declare as follows:			
	4	1. I am an attorney duly licensed to practice law in the State of Nevada, and I am an			
	5	attorney with H1 Law Group, counsel for Plaintiff Tryke Companies SO NV, LLC ("Tryke") in			
	6	this matter.			
	7	2. I have personal knowledge of the matters set forth herein and know them to be			
	8	true.			
Q	9	3. On August 20, 2020, Defendant MM Development Company, Inc. dba Planet 13			
H1 LAW GROUP 701 N. Green Valley Parkway, Suite 200 Henderson, Nevada 89074 Tel: 702-608-3720	10	("Planet 13") served its Initial Disclosure of Witnesses and Documents Pursuant to NRCP 16.1			
	11	("Initial Disclosures").			
	12	4. In its Initial Disclosures, Planet 13 identified a single document, Bates Nos.			
	13	MM000001-MM000007 <sup>1</sup> . A true and correct copy of that document is attached hereto as <b>Exhibit</b>			
l. Gree Hend T	14	1-A.			
701 N	15	I declare under penalty of perjury under the laws of the State of Nevada that the forgoing			
	16	is true and correct.			
	17	Executed this 1st day of September 2020.			
	18	(2)			
	19	JOEL Z. SCHWARZ			
	20				
	21				
	22				
	23				
	24				
	25				
	26				
	27	<sup>1</sup> Planet 13 erroneously listed Bates Nos. MM000001-MM000007 in its Initial Disclosures when in actuality the Bates			
	28	Nos. are MM000001-MM000008.			

# **EXHIBIT 1-A**

# **MM000001-MM000007 REDACTED**