

**IN THE SUPREME COURT OF THE
STATE OF NEVADA**

Electronically Filed
Apr 14 2021 10:52 a.m.
Elizabeth A. Brown
Clerk of Supreme Court

NUVEDA, LLC,

Petitioner,

vs

EIGHTH JUDICIAL DISTRICT
COURT OF THE STATE OF
NEVADA, IN AND FOR THE
COUNTY OF CLARK, THE
HONORABLE ELIZABETH
GONZALEZ, DISTRICT JUDGE,

Respondent,

SHANE TERRY,

Real Party in Interest.

Supreme Court Case No. TBD

Case: A-20-817363-B

Lead Case: A-17-755479-B

Other Consolidated Cases with Lead
Case:

A-19-791405-C and A-19-796300-B

**APPENDIX FOR PETITION FOR WRIT OF PROHIBITION OR, IN THE
ALTERNATIVE, PETITION FOR WRIT OF MANDAMUS (Volume IV)**

LAW OFFICE OF MITCHELL STIPP
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Counsel for Petitioner¹

¹ A. William Maupin, of Clark Hill LLP, 3800 Howard Hughes Parkway, Suite 500, Las Vegas, Nevada 89169, serves as co-counsel to Petitioner in this matter.

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DATED this 14th day of April, 2021.

LAW OFFICE OF MITCHELL STIPP



MITCHELL STIPP, ESQ.

Nevada Bar No. 7531

1180 N. Town Center Drive

Suite 100

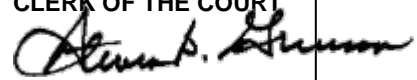
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VOLUME IV TO APPENDIX



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IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF CLARK

NUVEDA, LLC, a Nevada Limited Liability
Company; and CWNEVADA LLC, a Nevada
Limited Liability Company,

Plaintiffs,

v.

4FRONT ADVISORS LLC, foreign limited
liability company, DOES I through X and ROE
ENTITIES, II through XX, inclusive,

Defendants.

AND RELATED MATTERS.

Case: A-17-755479-B

Consolidated Cases:
A-19-791405-C, A-19-796300-B, and A-20-
817363-B

Dept. No.: 11

**REPLY TO OPPOSITION TO MOTION
TO ENTER ORDER ON SHANE TERRY'S
CLAIMS AND RELATED RELIEF**

Date of Hearing: January 11, 2021
Time of Hearing: 9:00 a.m.

NuVeda, LLC, a Nevada limited liability company ("NuVeda"), by and through counsel of
record, Mitchell Stipp, Esq., of the Law Office of Mitchell Stipp, hereby files the above-referenced
reply.

This filing is based on the papers and pleadings before the court, the memorandum of points
and authorities that follows, and the exhibits attached hereto or filed separately and incorporated herein
by this reference.

///

///

1 DATED this 4th day of January, 2021.

2
3 **LAW OFFICE OF MITCHELL STIPP**

4
5 /s/ Mitchell Stipp, Esq.

6 MITCHELL STIPP, ESQ.

7 Nevada Bar No. 7531

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13 *Attorneys for NuVeda, LLC*

14
15 **MEMORANDUM OF POINTS AND AUTHORITIES**

16
17 Shane Terry (“Mr. Terry”) filed his opposition on December 21, 2020 to NuVeda’s request
18 finally to enter an order dismissing and/or granting summary judgment in favor of NuVeda on Mr.
19 Terry’s claims. Mr. Terry’s inaccurately describes NuVeda’s original motion as a request to dismiss
20 Mr. Terry’s claim for declaratory relief. See Opposition filed on December 21, 2020, page 11 (lines
21 4-6). The original motion filed on July 29, 2020 was clear about the relief requested: NuVeda sought
22 dismissal and/or summary judgment on all of the claims asserted by Mr. Terry in the complaint against
23 NuVeda and its affiliates.

24 Mr. Terry asserts a claim for declaratory relief against NuVeda and its affiliates (First Claim
25 for Relief); unjust enrichment against NuVeda and its affiliates (Ninth Claim for Relief), an accounting
26 against NuVeda and its affiliates (Tenth Claim for Relief), violation of NRS 225.084 against NuVeda
27 and its affiliates (Eleventh Claim for Relief), injunctive relief against NuVeda and its affiliates
28 (Thirteenth Claim for Relief), and for the appointment of a receiver against NuVeda (Fourteenth Claim
for Relief). See Complaint filed June 30, 2020. This court has already ruled against injunctive relief
and the appointment of a receiver. See Exhibit A. With respect to Mr. Terry’s claim for declaratory
relief, Mr. Terry has asserted by seeking declaratory relief that NuVeda and its affiliates have an interest
in the court’s determination as to sub-parts (ix)-(xi) of paragraph 158 of the Complaint (seeking a

determination by the court that the transaction between Mr. Terry and Brian Padgett's entity, BCP 7 Holdings, LLC ("BCP 7"), is null and void due to fraud in the inducement and lack of consideration and that Mr. Terry owns the interest in and claims against NuVeda and its affiliates which he transferred to BCP 7)). Claims for unjust enrichment, an accounting, and violation of NRS 225.084 all arise from the extinguishment of Mr. Terry's interest in NuVeda, which was being litigated in arbitration and supervised by this court. See Case No. A-15-728510-B. NuVeda has not asked the court to dismiss or grant summary judgment on claims asserted by Mr. Terry against Mr. Padgett or BCP 7. However, to the extent allegations by Mr. Terry are being used by the receiver for CWNevada, LLC ("Receiver" and "CWNevada," respectively) to support causes of action against NuVeda and its affiliates, those allegations should be struck from the complaint under NRCP 12(f).

For the first time, Mr. Terry acknowledges filing a motion to set aside the dismissal of claims owned by BCP 7 as successor-in-interest to Mr. Terry against NuVeda and its affiliates before the American Arbitration Association ("AAA") on or about November 30, 2020. Mr. Terry did not serve a copy of the motion on any other party to the arbitration (including NuVeda) despite requirement under the rules of AAA and NuVeda's specific request. See Exhibit B. Mr. Terry also did not attach a copy of his motion to his opposition. See Exhibit 8 to Opposition filed on December 21, 2020. According to Mr. Terry, AAA determined that he could not seek relief because the case was closed on March 20, 2019 and AAA no longer has jurisdiction. Id.

Mr. Terry specifically argued in his opposition to NuVeda's original motion the following:

The order of dismissal was a final judgment that concluded the Arbitration as to Terry and cannot be reopened except by a motion to set aside the judgment under NRCP 60(b). *SFPP, L.P. v. Second Judicial Dist. Court of Nev.*, 123 Nev. 608, 612, 173 P.3d 715, 717 (2007). In this action, Plaintiffs seek a declaratory judgment that (i) the Terry Purchase Agreement is null and void resulting from a fraud in the inducement and for a complete failure of consideration, (ii) the Terry Interest was never transferred to BCP 7 or any other entity and (iii) a declaration that Terry is the sole and only owner of the Terry Interest. If the Terry Purchase Agreement is rescinded, and the parties are placed in the position they occupied before executing the Terry Purchase Agreement, then Padgett would never have had the ability to dismiss the Arbitration, in effect making it void. Judgments, once found to be void, should generally be set aside. *Teriano v. Nev.*

1 1 *State Bank (In re Harrison Living Trust)*, 121 Nev. 217, 222, 112 P.3d 1058 (2005). NRC
2 2 60(c)(1) does not impose a six-month time period for bringing a motion to set aside a judgment
3 3 that is void. Instead, under NRC60(b)(4) and (c)(1), a motion to set aside a void judgment must
4 4 be made within a reasonable time. *Teriano*, 121 Nev. at 221-22. Once Terry obtains rescission of
5 5 the Terry Purchase Agreement in this Court, only then can he bring a motion to set aside the
6 6 dismissal in the Arbitration case. At that time, it will be a decision for the arbitrator whether the
7 7 motion was brought within a reasonable time. Accepting all of the statements in the complaint as
8 8 true, and construing them liberally and in favor of the Plaintiffs, NuVeda's motion to dismiss
9 9 must be denied as to Terry's claims

8 See Opposition filed on August 10, 2020, pages 16-17. Mr. Terry argued that he could only seek relief
9 before AAA after the transaction between Mr. Terry and BCP 7 was successfully set aside by this court
10 through rescission. Mr. Terry's position apparently has not changed. It appears from Mr. Terry's
11 opposition filed on December 21, 2020 that he still intends to seek rescission of the transaction with
12 BCP 7 after service of the complaint has been made on Mr. Padgett and BCP 7. See Opposition, pg.
13 13-14. According to Mr. Terry, Mr. Padgett and BCP 7 have not been served. Despite this fact, Mr.
14 Terry cavalierly assumes there will be no genuine issues of material fact preventing this court from
15 granting summary judgment in favor of Mr. Terry on the request for rescission. If this court grants
16 summary judgment in favor of Mr. Terry on rescission of the transaction with BCP 7, Mr. Terry then
17 contends that the order dismissing his claims by BCP 7 before AAA could be voided by this court
18 under NRC60(b)(4). *Id.* at pg. 14-15.

19 There are genuine issues of material fact which will prevent summary judgment in favor of Mr.
20 Terry on the issue of rescission. "A party must rescind a contract within a reasonable time, but what
21 constitutes a reasonable time depends upon the facts of a particular case and must be determined by
22 the trier of fact." *Mackintosh v. California Federal Savings & Loan Ass'n*, 113 Nev. 393, 403 (Nev.
23 1997) (citing *Wall v. Foster Petroleum Corp.*, 791 P.2d 1148, 1151 (Colo.Ct.App. 1989) (emphasis
24 added). The effective date of the assignment of interests and claims is May 2, 2018. See Exhibit C.
25 Between May 2, 2018 and May 15, 2019, Mr. Terry collected \$757,757.00 (see Exhibit 2 to complaint
26 attached hereto as Exhibit D) from BCP 7 through Mr. Padgett and CWNevada before he filed his new
27 complaint to rescind the transaction on June 30, 2020—more than two (2) years after the transaction
28 was consummated and one (1) year after there was an uncured default. NuVeda contends rescission

1 on these facts is not reasonable (and if the matter becomes subject to summary judgment, NuVeda will
2 oppose it). The court should note that Mr. Terry does not disclose how much he received from Mr.
3 Padgett in his filings because it hardly supports fraud in the inducement. Generally, a person or entity
4 does not pay almost \$800,000 (approximately 1/2 of the purchase price) over twelve (12) months if
5 he/she/it never intended to perform. In any event, "[f]or a judgment to be void, there must be a defect
6 in the court's authority to enter judgment through either lack of personal jurisdiction or jurisdiction
7 over subject matter in the suit." Gassett v. Snappy Car Rental, 111 Nev. 1416, 1419, 906 P.2d 258, 261
8 (1995), superseded by rule on other grounds, NRCP 12(b), as stated in Fritz Hansen A/S v. Eighth
9 Judicial Dist. Court, 116 Nev. 650, 654-56, 6 P.3d 982, 984-85 (2000); see Landreth v. Malik, 127
10 Nev. 175, 179, 251 P.3d 163, 166 (2011) ("[I]f the district court lacks subject matter jurisdiction, the
11 judgment is rendered void."). Here, there is no dispute AAA had jurisdiction to dismiss Mr. Terry's
12 claims at the request of BCP 7, which owned them, after Mr. Terry filed a motion to substitute BCP 7
13 in place and stead of Mr. Terry. See Exhibit E (Mr. Terry's motion to substitute).

14 Despite Mr. Terry's arguments to the contrary, Mr. Terry cannot assert claims for unjust
15 enrichment, an accounting, and violation of NRS 225.084, when he does not own the claims against or
16 interest in NuVeda. Until Mr. Terry obtains rescission at trial of the transaction with BCP 7 and then
17 sets aside the order dismissing the claims, Mr. Terry cannot assert claims against NuVeda and its
18 affiliates. He does not have standing. While it may be possible for Mr. Terry to prevail on the issue
19 of rescission at trial, it is impossible to set aside the order before AAA under NRCP 60(b)(4). The
20 court should caution Mr. Terry about pursuing rescission when he cannot under Nevada law set aside
21 the dismissal of the claims by BCP 7. Furthermore, Mr. Terry's allegations cannot serve as the basis
22 of claims by the Receiver on behalf of CWNevada. The claims are barred by Nevada's claims
23 preclusion doctrine. See Five Star Capital Corp. v. Ruby, 124 Nev. 1048, 194 P.3d 709 (2008)
24 (modified by Weddell v. Sharp, 350 P.3d 80 (Nev. 2015)).

25 Frankly, NuVeda does not understand how or why Mr. Terry asserted any claims against
26 NuVeda and its affiliates. Mr. Terry's counsel was advised of the violations of NRCP 11 by bringing
27 the case. See Exhibit F. This case warrants an award of attorney's fees and costs. Exhibit 1 to the
28

1 Receiver's motion to engage contingency counsel contains the retainer/contingency agreement
2 between Mr. Terry and his counsel, which specifically provides as follows:

3
4 CLIENTS are hereby advised and notified that, in the event that CLIENTS lose the
5 action(s) related to the Claims, CLIENTS may be liable for the opposing party's ATTORNEYS'
6 fees and costs. CLIENTS are hereby advised and notified that a suit brought solely to harass or to
coerce a settlement may result in liability for malicious prosecution or abuse of process.

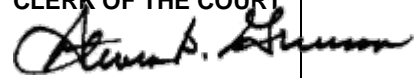
7 See Exhibit G. Mr. Terry was keenly aware at the time that he partnered with the Receiver and
8 engaged Mr. Coppedge that his case against NuVeda and its affiliates was frivolous. If NuVeda's
9 motion is granted, NuVeda intends to submit a memorandum of fees and costs for the court's
10 consideration.

11
12 DATED this 4th day of January, 2021.

13 **LAW OFFICE OF MITCHELL STIPP**

14
15 /s/ Mitchell Stipp, Esq.
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EXHIBIT A- NUVEDA'S REPLY



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Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

NUVEDA, LLC, a Nevada Limited Liability
Company; and CWNEVADA LLC, a Nevada
Limited Liability Company,

Plaintiffs,

v.

4FRONT ADVISORS LLC, foreign limited
liability company, DOES I through X and
ROE ENTITIES, II through XX, inclusive,

Defendants.

Case No.: A-17-755479-B

Consolidated With: A-19-791405-C,
A-19-796300-B, and A-20-817363-B

Dept. No.: 11

**Hearings on August 18, 2020 at 9:00 am
and in Chambers on August 28, 2020**

AND RELATED MATTERS

**ORDERS DENYING REQUEST FOR RECEIVERSHIP AND INJUNCTION AND
GRANTING MOTION FOR
CLARIFICATION ON ORDER SHORTENING TIME**

These matter having come before the Honorable Elizabeth Gonzalez on the dates and
times set forth above with NuVeda, LLC, a Nevada limited liability company ("NuVeda"),
appearing by and through its counsel of record, Mitchell Stipp of the Law Office of Mitchell
Stipp, and Dotan Y Melech, the Court-appointed receiver over CWNevada, LLC, a Nevada
limited liability company (the "Receiver"), Shane Terry ("Terry") and Phillip D. Ivey ("Ivey"),
appearing by and through their counsel of record, Michael R. Mushkin and L. Joe Coppedge of

1 the law firm of Mushkin & Coppedge, and the Court, having reviewed and considered the
2 record, the points and authorities on file, and good cause appearing, the Court finds and orders
3 as follows:

4 1. The Receiver, Terry and Ivey filed a Motion for Preliminary Injunction and for
5 Appointment of Receiver for NuVeda, LLC; CWNV LLC (“CWNV”); and CWNV1 LLC
6 (“CWNV1”) on Order Shortening Time (the “Original Motion”) on August 10, 2020.

7 2. The Original Motion sought the appointment of a receiver for the purpose
8 conducting an accounting of NuVeda, CWNV, CWNV1 and their subsidiaries and affiliates and
9 requested that the Court appoint Larry Bertsch to perform such accounting.

10 3. The Original Motion also requested that the Court enter a preliminary injunction
11 to preclude the transfer of certain cannabis licenses pending trial.

12 4. NuVeda opposed the Original Motion for the reasons set forth in its filings.

13 5. Following a telephonic hearing on August 18, 2020, the Court denied the
14 Original Motion. However, the Court announced that CWNV and CWNV1 were already under
15 the jurisdiction of the Receiver.

16 6. The parties attempted to reconcile the court’s announcement with the requests
17 for relief before the Court and the decisions by the Court at the hearing. Unfortunately, the
18 parties were unable to agree to the terms of a proposed order memorializing the Court’s
19 decision on the Original Motion, resulting in NuVeda filing the Motion for Clarification
20 (“Motion for Clarification”).

21 7. After reviewing the Motion for Clarification and related briefings, the Court
22 determined in chambers without a hearing that the Receiver “has authority over the entities in
23 which CWNevada was the majority interest holder.” Despite this finding, the Court recognized
24 that actions taken by NuVeda as the purported trustee under Chapter 86 of the NRS for CWNV
25 and CWNV1 “may ultimately be determined to be valid.”

26 Based on the foregoing, IT IS HEREBY ORDERED, ADJUDGED AND DECREED
27 that the Original Motion requesting a receivership and injunction is DENIED.

28 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that the Motion for

1 Clarification is GRANTED. The Receiver has authority over the entities in which CWNevada
2 is the majority interest holder. No determination was made by the Court about NuVeda's role
3 as purported trustee under Chapter 86 of the NRS for CWNV and CWNV1.

4 DATED this 24th day of September, 2020.

5
6 
7 _____
DISTRICT COURT JUDGE

8 Respectfully Submitted:
9 MUSHKIN & COPPEDGE

Approved as to Form and Content:
LAW OFFICE OF MITCHELL STIPP

10
11 /s/L. Joe Coppedge
12 L. JOE COPPEDGE, ESQ.
13 Nevada Bar No. 4954
6070 South Eastern Ave Ste 270
Las Vegas, NV 89119

/s/Mitchell D. Stipp
MITCHELL D. STIPP, ESQ.
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1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144

14 *Attorneys for Dotan Y. Melech, Receiver,*
15 *Shane Terry, and Phillip D. Ivey*

Attorneys for NuVeda, LLC

EXHIBIT B- NUVEDA'S REPLY

Mitchell Stipp <mstipp@stipplaw.com>

NuVeda/Shane Terry

1 message

Mitchell Stipp <mstipp@stipplaw.com>

Mon, Aug 31, 2020 at 1:01 PM

To: Joe Coppedge <jcoppedge@mccnvlaw.com>

Please advise how you intend to move forward and set aside the judgment entered by Nikki Baker which dismissed the claims of Shane Terry in NuVeda. Any communications with Ms. Baker should include all parties.--



Mitchell Stipp

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EXHIBIT C- NUVEDA'S REPLY

Assignment of Interests

Pursuant to the terms of that certain agreement between Shane Terry and BCP 7, LLC dated April 30, 2018, Mr. Terry hereby assigns all claims alleged in AAA Case No. 01-15-0005-8574 (the "Case") to BCP 7, LLC with Brian Padgett as its resident agent. The effective date of such assignment is May 2, 2018.

As set forth in the arbitration demand on file in the Case, Shane Terry was purportedly expelled as a member of NuVeda, LLC under Section 6.2 of the NuVeda, LLC Operating Agreement on March 10, 2016. Section 6.2 of the NuVeda, LLC Operating Agreement expressly contemplates a member's successor-in-interest being entitled to receive from NuVeda, LLC in exchange for all of the member's former interest the value of that terminated interest. In addition, Mr. Terry has alleged claims for damages against NuVeda, LLC, Pej Bady and Pouya Mohajer for breach of the Operating Agreement, including Sect. 6.2, as well as breach of the implied covenant of good faith and fair dealing, breach of fiduciary duty and intentional and/or negligent misrepresentations. These claims are being assigned as-is with no warranties as whether they are legally assignable or otherwise viable as a matter of fact or law.

Assignor

Shane Terry

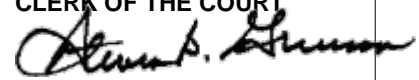
Assignee

BCP 7, LLC

By: _____

5/2/18

EXHIBIT D- NUVEDA'S REPLY



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Counsel for Plaintiff

CASE NO: A-19-796300-B
Department 16

DISTRICT COURT
CLARK COUNTY, NEVADA

SHANE TERRY, an individual,
Plaintiff,

vs.

BCP 7, LLC, a Nevada limited liability
company, BRIAN C. PADGETT, an
individual, and DOES I and X, and ROE
CORPORATIONS I through X inclusive,
Defendants.

Case No: _____

Department No.: _____

COMPLAINT

- (1) BREACH OF CONTRACT
- (2) UNJUST ENRICHMENT
- (3) BREACH OF IMPLIED COVENANT OF
GOOD FAITH AND FAIR DEALING

ARBITRATION EXEMPTION CLAIMED:
Amount Exceeds \$50,000

JURY TRIAL DEMANDED

**BUSINESS COURT ASSIGNMENT
REQUESTED**

Plaintiff, Shane Terry, an individual ("Plaintiff"), by and through its attorney, Mitchell D.
Stipp, Esq., of the Law Office of Mitchell Stipp, alleges as follows:

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PARTIES

1. Plaintiff is a resident of Clark County, State of Nevada.

2. Upon information and belief, Defendant, BCP 7, LLC is a Nevada limited liability company (“BCP7”), with its principal place of business in Clark County, State of Nevada.

3. Defendant, Brian C. Padgett, is a resident of Clark County, State of Nevada (“Padgett” and, together with BCP7, “Defendants” or individually, a “Defendant”).

4. DOES I through X and ROE CORPORATIONS I through X, inclusive, are individuals or business entities, who or which participated in the acts detailed below, and are responsible and liable to Plaintiff for their actions. The true names and capacities of those parties sued as DOES I through X and ROE CORPORATIONS I through X, inclusive, are presently unknown to Plaintiff, who therefore sues said parties by such fictitious names. When the true names and capacities of such parties become known, Plaintiff will seek leave of Court to amend its Complaint to replace one or more “Doe” and/or “Roe” parties with the true name, identity and capacity of each additional party to this action, together with the proper charges and allegations, and to authorize service of process on such additional parties.

JURISDICTION AND VENUE

5. Pursuant to Nevada Revised Statutes Section 14.065, this Court has jurisdiction over all Defendants because each Defendant is an individual resident of Clark County, Nevada, an entity incorporated or organized under the laws of Nevada, with its principal place of business in Clark County, Nevada, and/or officer, director, stockholder, manager, member, partner, or trustee of an entity incorporated, organized, or dissolved under the laws of Nevada.

6. Venue is proper because each individual Defendant resides, each Defendant, which is an entity, has its principal place of business, in Clark County, Nevada, and/or

1 substantial portion of the acts, events, and transactions complained of herein occurred in Clark
2 County, Nevada.

3 4 **GENERAL ALLEGATIONS**

5 7. Plaintiff entered into that certain Purchase and Sale Agreement for Shane Terry's
6 Ownership Interest in NuVeda and NuVeda-Managed Licenses with BCP7 as "buyer" and
7 Padgett as "guarantor" dated on or about April 30, 2018 together with Addendum #1 attached
8 thereto and dated the same date ("PSA"). A true and accurate copy of the PSA is attached hereto
9 as Exhibit "1."

10 8. The payment terms of the PSA were revised by the parties pursuant to emails
11 exchanged between Plaintiff and Defendants ("Amendments"). True and accurate copies of
12 these Amendments are attached hereto as Exhibit "2."

13
14 9. Defendants ceased making payments under the PSA as modified pursuant to the
15 Amendments ("Modified PSA") on May 15, 2019.

16 10. Plaintiff provided written notice to Defendants of their default under the Modified
17 PSA on May 18, 2019. See Exhibit "2."

18 11. Plaintiff has the right to accelerate amounts due under the Modified PSA if past
19 due amounts are not paid as required.

20 12. As of May 29, 2019, Defendants owe Plaintiff **\$1,888,811.00**, which includes
21 \$1,500,000.00 for the initial unpaid principle payment and \$388,811.00 for extension fees, late
22 fees, and interest.

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3 **FIRST CAUSE OF ACTION**
(Breach of Contract-Defendants)

4 13. Plaintiff repeats and re-alleges the allegations contained in the preceding
5 paragraphs of this Complaint as though said paragraphs were fully set forth herein.

6 14. The Modified PSA is a valid and existing agreement among Plaintiff and
7 Defendants.
8

9 15. Plaintiff performed or was excused from performance under the Modified PSA.

10 16. Defendants breached their agreements by, *inter alia*, failing to perform their
11 duties, obligations and responsibilities under the Modified PSA, including, without limitation,
12 failing to pay amounts due thereunder.

13 17. Plaintiff sustained damages as a result of Defendants' breach of their agreements.
14

15 **SECOND CAUSE OF ACTION**
16 **(Unjust Enrichment-Defendants)**

17 18. Plaintiff repeats and re-alleges the allegations contained in the preceding
18 paragraphs of this Complaint as though said paragraphs were fully set forth herein.

19 19. Defendants wrongfully received money, property and/or economic benefits to
20 which they were not entitled without performing all of their respective obligations to Plaintiff,
21 including, without limitation, retaining the interests assigned by Plaintiff pursuant to the
22 Modified PSA without fully paying therefor.
23

24 20. The money, property and benefits wrongfully received by Defendants far exceed
25 the amount they were entitled, and such amount rightfully belongs to Plaintiff.

26 ///

27 ///

THIRD CAUSE OF ACTION
(Breach of the Implied Covenant of Good Faith and Fair Dealing-Defendants)

21. Plaintiff repeats and re-alleges the allegations contained in the preceding paragraphs of this Complaint as though said paragraphs were fully set forth herein.

22. There is implied in every contract a covenant of good faith and fair dealing.

23. Plaintiff entered into valid and existing agreements as part of the Modified PSA.

24. Defendants owe duties of good faith and fair dealing to Plaintiff.

25. Defendants breached their duties of good faith and fair dealing by, *inter alia*, failing to perform their obligations as required by their agreements in the Modified PSA.

26. Plaintiff sustained damages as a result of Defendants' breach of the implied covenant of good faith and fair dealing.

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PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment as follows:

1. For damages in excess of \$15,000.00 with an exact amount to be proven at trial;
- or
2. For rescission of the Modified PSA and any assignments pursuant thereto as alternative equitable relief; and
3. For an award of attorney's fees and costs, as allowed by law or contract; and
4. For such other and further relief as the Court may deem just and proper.

DATED this 31st day of May, 2019.

LAW OFFICE OF MITCHELL STIPP

/s/ Mitchell Stipp

MITCHELL STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive
Suite 100
Las Vegas, Nevada 89144
Telephone: 702.602.1242
Facsimile: 866.220.5332
mstipp@stipplaw.com
Counsel for Plaintiff

EXHIBIT 1

Purchase and Sale Agreement for Shane Terry's Ownership Interest in NuVeda and NuVeda-Managed Licenses

Clark NMSD, LLC ("Clark") is an active Nevada domestic Limited- Liability Company with resident agent Sandy Kindler, 2171 River Plate Drive, Pahrump, Nevada 89048 and is the owner of two Dispensary license(s) issued by the State of Nevada Department of Health and Human Services, Nevada Division of Public and Behavioral Health and the Department of Taxation (along with other government entities and subdivisions, "Nevada") with resident agent Sandy Kindler, 2171 River Plate Drive, Pahrump, Nevada 89048 ("Kindler"). NuVeda, LLC ("NuVeda") is the sole manager of Clark. The Clark Dispensary licenses are identified specifically by the following State of Nevada Establishment numbers: 2502 5985 3578 6823 7824 and 9409 0342 9554 6702 0377.

Clark Natural Medicinal Solutions, LLC ("Clark Natural") is an active Nevada domestic Limited- Liability Company with resident agent Kindler. Clark Natural is the owner one Cultivation license and one Production license issued by the Nevada. NuVeda is the sole manager of Clark Natural. The Clark Natural Cultivation license is identified specifically by the following State of Nevada Establishment number: 6499 5797 7556 7012 2923. The Clark Natural Production license is identified specifically by the following State of Nevada Establishment number: 5447 7437 9374 7929 7460.

Nye Natural Medical Solutions LLC ("Nye") is an active Nevada domestic Limited-Liability Company with resident agent Kindler. Nye is the owner of a Cultivation license and Production license issued by Nevada. NuVeda is the sole manager of Nye. The Nye Cultivation license is identified specifically by the following State of Nevada Establishment number: 4073 3091 6294 5475 1109. The Nye Production license is identified specifically by the following State of Nevada Establishment number: 9160 4693 9161 6650 7699.

Shane Terry ("Seller") is registered with Nevada as the owner of a twenty-one percent (21%) owner in NuVeda, Clark, Clark Natural and Nye (the "Interest"). Seller desires to sell the Interest, as-is, to Brian C. Padgett ("Padgett") or his designee, with no warranties or representations.

BCP 7, LLC ("Buyer") is an active Nevada domestic Limited Liability Company with resident agent Brian C. Padgett, 611 S. 6th Street, Las Vegas, Nevada 89101 whose manager is the owner of Dispensary, Cultivation and Production license(s) in Nevada.

Seller hereby agrees to sell the Interest to Buyer and Buyer agrees to purchase the Interest for the following consideration and on the following terms:

1.65
45
MR

GT
Substantially reduced

Purchase Price: Buyer shall acquire Seller's Interest for a total purchase price of \$1.75 million (the "Purchase Price"). The Purchase Price is payable as follows:

Initial Payment: \$500,000.00 in good and payable U.S. funds shall be paid to Seller on or before June 15, 2018.

Monthly Payments: \$1.25 million (the "Balance") is due on or before June 15, 2028 with payments due monthly until paid in full. Monthly Payments shall be made on or before the first day of the month in an amount not less than the interest accrued on the outstanding balance at an interest rate of 18%. Monthly Payments shall commence May 1, 2018; however, the first payment shall be paid no later than May 3, 2018.

Prepayment: There shall be no prepayment penalty charged to Buyer if he elects to pay off the Balance, together with any accrued interest thereon, after the first year of Monthly Payments.

Acceleration: There shall be acceleration of the outstanding Balance and any unpaid interest accrued thereon upon 1) sale or transfer of the Interest to a vehicle not owned by Buyer, or any beneficial rights thereunder, from Buyer to a third party (other than CWNV, LLC); or 2) a default of a payment obligations, which shall result from any failure to timely pay the Initial Down Payment or any Monthly Payments on the Balance following notice of failure emailed to Padgett and no cure within 10 business days thereof.

Until otherwise directed in writing to Padgett, delivery of the funds shall be delivered to Shane Terry, c/o Erika Pike Turner, Garman Turner Gordon LLP, 650 White Drive, Suite 100, Las Vegas, Nevada.

Litigation, Releases and Cooperation:

Buyer acknowledges that there are adverse claims to the Interest, which are the subject of litigation pending in American Arbitration Association Case No. 01-15-0005-8574 (the "NuVeda Arbitration") and District Court Case No. A-15-728510-B (the "District Court Case").

Upon execution of this Agreement and receipt of the first Monthly Payment:
1) Seller shall take any and all action necessary to affirmatively release any Temporary Restraining Order or Preliminary Injunction preventing transfer of the Interest to Buyer or CWNV, LLC and Seller shall take affirmative action to support CW Nevada, LLC's withdrawal of the pending evidentiary hearing in the District Court Case, and 2) Seller shall assign any and all claims and rights in the NuVeda

2 of 5
GT

Arbitration and District Court Case to Buyer.

Other than the obligations outlined herein, Buyer and Seller agree to full mutual releases for any claims, rights or demands on behalf of themselves and their affiliates and further agree to cooperate with one another to effectuate the parties' intention to have Buyer step in the shoes of Seller for all purposes relating to the Interest and be free and clear of adverse claims related thereto. Inclusive, Buyer agrees to secure the full release of Terry from the claims asserted against him in the 4Front litigation pending at American Arbitration Association Case No. 01-17-0002-9611. Further, upon execution of this Purchase Agreement, Seller agrees that he shall not pursue any allegations or claims he has made that CW Nevada, LLC has breached the terms of its Membership Interest Purchase Agreement made with NuVeda. Seller shall also cooperate with CW Nevada, LLC in its defense of such claims at the sole cost and expense of Buyer.

Transfer: Following execution of this Agreement and receipt of the first Monthly Payment, Seller agrees to sign any and all documents provided to him by Buyer that are necessary to support the transfer of the Interest to Buyer. Until Seller receives the Initial Payment, these signed documents shall be held by attorney Amanda Connor. Upon Seller receiving the Initial Payment, the documents shall be released to Buyer. Thereafter, Seller shall sign any and all further documents as needed to process the transfer of the Interest to Buyer.

Other than Seller executing documents provided by Buyer and providing reasonable cooperation related thereto, Buyer is solely responsible for obtaining approvals of the transfer of Interest to Buyer. Further, Buyer is solely responsible for consequences to NuVeda, CWNV, LLC or others claiming rights in the Interest, and Buyer agrees to indemnify Seller and hold him harmless for any related adverse action.

If Interest relating to Clark is transferred to CWNV, LLC as a result of pending applications prior to the Initial Payment to Seller, this does not affect Buyer's obligation to make the Initial Payment or otherwise perform under this Agreement.

Guaranty: Padgett agrees to personally guaranty all payment and other performance obligations due to Seller herein.

The Parties hereto acknowledge their intent and agreement to use all reasonable means to resolve any dispute over interpretation or enforcement of the parties' duties and obligations as articulated in this Purchase and Sale Agreement. In the event any material dispute cannot be resolved informally the parties shall litigate the issue(s) in the business court of Clark County, State of Nevada in the Eighth Judicial District. Nevada Law governs any dispute, and attorneys' fees and costs 3.45

shall be awarded to the prevailing party.

The Parties acknowledge that there is no other agreement and no other term incorporated into this Purchase and Sale Agreement other than what is expressed herein.

Dated this 20th day April, 2018

BUYER:

BCP 7, LLC

By its Manager:



Name:

GUARANTOR:



Brian C. Padgett

SELLER:



Shane Terry

4.25

**ADDENDUM #1 TO Purchase and Sale Agreement for Shane Terry's
Ownership Interest in NuVeda and NuVeda-Managed Licenses**

1. All capitalized terms are as defined in the above-referenced Agreement. No terms of the Agreement are amended, save and except that: Buyer and Guarantor stipulate to Seller's allocation of the Purchase Price to \$1,350,000 for the purchase of the Interest and \$400,000 for the value of the releases provided by Buyer and Guarantor.

Purchase price is substantially reduced

RP

Dated this 30th day April, 2018

BUYER:

BCP 7, LLC
By its Manager:


Name:

GUARANTOR:


Brian C. Padgett

SELLER:


Shane Terry

SAC
g



EXHIBIT 2

From: Shane Terry shane@taprootbrands.com
Subject: Re: 26 Feb Agreement // 17 Feb 19 Extension Agreement // Fwd: 5 Sept Extension Agreement
Date: May 18, 2019 at 10:02 AM
To: Brian Padgett brian@briancpadgett.com



Brian,
Consider this written notice that per our agreement below you are in default of the monthly interest payment for May 2019.

As of our text agreement in the beginning of the month, I would accept a \$15000 payment (which was received the night of 6 May), and the remaining \$15,000 of the interest payment plus late fees would be due 15 May. I also offered to pro-rate the \$1,428/day late fee based on the initial payment if we kept to our schedule.

To continue on good terms a payment of \$29,280 will be due by 4pm Sunday which is comprised of \$15,000 for the 2nd monthly interest payment and \$14,280 in late fees.

If this payment is made in full by 4pm Sunday I offered to delay the 1 June interest payment of \$30,000 until the 10th of June with no late fees, to allow you some time with the investment coming in at the end of this month.

Finally, assuming that I receive payment in accordance with the above and the entire note isn't accelerated, as of 31 May **\$641,954** will be due in order to bring the principle down to \$1.25M and the only planned monthly charge would be the interest payment due at the beginning of the month. The extension fee of \$10,000/week will cease.

Regards,
Shane

SHANE TERRY | CEO
TapRoot Holdings, Inc.
m. 702.858.2465



On Feb 27, 2019, at 9:30 AM, Brian Padgett <brian@briancpadgett.com> wrote:

Agreed.

BCP

iPhone

On Feb 27, 2019, at 12:17 AM, Shane Terry <shane@taprootbrands.com> wrote:

Brian,
Summarizing what we discussed via text today:

On 1 March 2019 \$182,266 will be due. That does not include the second payment of \$250K that was due in September and was extended under a previous agreement in the email thread below. As you know, part of that agreement involved additional \$10K per week as an extension fee until the \$250K was paid, and at that point reoccurring payments would revert back to an interest-only payment due on the first of every month.

In order to avoid acceleration of the entire note and past dues which are currently in default, I will agree to roll most of the outstanding fees into principle payments with the following breakdown:

Payment Schedule within 30 days:

\$10K to be paid 2/26/19 (outstanding from 2/20/19)
\$12.5K on 3/4/19 (#1 of 2 of the monthly interest payment normally due 3/1/19)
\$12.5K on 3/8/19 (#2 of 2 of the monthly interest payment)
\$16,007 due 3/15/19

If that payment schedule is met, then I will roll the remaining past due payments into the principle which will be a total principle of \$1,679,819 as of close of business on 3/15/19.

Monthly Reoccurring Payments after 30 days:

Starting 4/1/19 \$30K per month will be due on the 1st of each month until the remaining initial fee of \$250K is paid. In addition, extension fees of \$10K per week will be accrued and added to the principle and compounded monthly, along with any deficit in

payment should the actual monthly interest-only payments exceed \$30K/month. By way of example only, if accrued principle would result in a monthly interest-only payment of \$35K, only a \$30K monthly cash payment would be required and the \$5K deficit would be added to the principle.

Once the remaining initial fee of \$250K is paid, then the monthly payment due on the 1st of each month will drop to an estimated \$22,500** per month, and the \$10K/month extension fee will cease.

**The actual interest-only payment will be calculated based on the current principle at that time.

Additional Agreements:

We didn't specifically address this, but to clarify, acceleration and late fees which are currently assessed at \$1,428/day after a 24 hour cure period will still apply to all payments going forward. Late fees will not become due in cash, but will be added to the principle.

After the remaining initial payment is made, any late payments will accrue fees at a rate of \$1,428 per day after a 24 hour cure period, however the right to accelerate the entire payment will be in accordance with the cure period (10 days) and terms of the original interest purchase agreement executed 30 April 2018. Similar to the above, any accrued late fees will not be paid in cash but will be added to the principle.

If you agree, please affirmatively reply.
Regards,

SHANE TERRY | CEO
TapRoot Holdings, Inc.
m. 702.858.2465

<TAPROOT_emailsig.png>

On Feb 18, 2019, at 9:47 PM, Shane Terry <shane@taprootbrands.com> wrote:

Brian,

Based on our call tonight I'd like to summarize what we discussed so that we're in agreement on the payment schedule:

\$52,500 - Due 18/19 Feb (principle extension fees)

\$25,000 - Due 22 Feb (Sept extension fee #1)

\$25,000 - Due 25 Feb (Sept extension fee #2)

\$86,914 - Due 2 March (Late fees assuming \$52,500 is paid on the 18th/19th of Feb and we don't do a deal on shelf space)

Those are just the overdue payments. Additionally, the following routine payments will become due during that time period:

\$10,000 - Due 20 Feb

\$10,000 - Due 27 Feb

\$22,500 - Due 1 March

If we come to an agreement on shelf space AND the payment deadlines are made then I'm open to waiving some of the late fees, but that's a separate discussion.

We also have \$23,361 that was a deficit on monthly interest payments through January. I'm open to paying that off or just adding it to the principle at your discretion. Just let me know which one or I'll assume I should just add it to the principle until it's paid.

Please reply that you're in agreement with this, and I'll even send calendar invites for each date so there aren't any surprises.

Regards,
Shane

SHANE TERRY | CEO
TapRoot Holdings, Inc.
m. 702.858.2465

<TAPROOT_emailsig.png>

On Feb 18, 2019, at 4:18 PM, Shane Terry <shane@taprootbrands.com> wrote:

Thank you for the response Brian and I have the following comments/questions:

- 1) What would you propose for a post-tax revenue split?

2) There was an offer that started at waiving 100% of the fees and decreased over time. Unfortunately I didn't get a response from you or payment, and that deadline passed. Given our current situation, this is what I'm willing to waive and ONLY would be on the table if I get payment from you in time to pay my NLV city fees tomorrow without having to resort to a backup plan that would cost me equity.

I'm always open to a proposal that could include waiving more than 50% of the fees, but it would require an alternative financial consideration.

Regards,
Shane

SHANE TERRY | CEO
TapRoot Holdings, Inc.
m. 702.858.2465

<TAPROOT_emailsig.png>

On Feb 18, 2019, at 3:53 AM, Brian Padgett <brian@briancpadgett.com> wrote:

Shane,

I think we are in agreement on many general terms.

Here are a items for us to discuss:

Taproot will have the rights to shelf space and a pop-up sized merchandizing for 18 months that includes 100% of the post-tax proceeds from the sale of all products TapRoot offers

100% of post tax profits is too tough for any of our stores to lose.

Additionally wasn't there a prior offer that waived ALL late fees? Currently, you have offered :

\$39,173 to be paid on 25 Feb for late fees (50% of the fees will be waived if this agreement is executed on time)

Let's discuss today. I'm open between 2-4pm.

BCP

iPhone

On Feb 17, 2019, at 9:20 PM, Shane Terry <shane@taprootbrands.com> wrote:

Brian,

Thank you for working with me on this. Just to highlight where we stand now, I've attached the demand letter that you received that highlights \$300,000 of the initial payment is still past due. Per our extension agreement last September, I was willing to extend that with certain conditions in the email thread below. Under that additional agreement, I have attached an excel sheet that shows what is currently due in addition to the \$300,000 and is summarized with the following:

\$250,000 - second half of initial payment
\$50,000 - September extension fee
\$52,500 - principle extension fees
\$78,346
- late fees
\$430,846 - Total Past Due Payments

Per our phone call tonight, to avoid commencing litigation to accelerate the entire amount outstanding of \$1,677,057 please reply stating your agreement with the following:

\$52,500 to be paid on 18 Feb 2019 for the principle extension fees
\$50,000 to be paid on 22 Feb
\$39,173 to be paid on 25 Feb for late fees (50% of the fees will be waived if this agreement is executed on time)

In addition, TapRoot will have the rights to shelf space and a pop-up sized merchandizing for 18 months that includes 100% of the post-tax proceeds from the sale of all products TapRoot offers in Canopi's three dispensaries. TapRoot will provide those products at no cost to Canopi, and will collect payment for units sold every Friday of each week along with a summary of all units sold from Canopi's accounting team. I will have my attorney draft the agreement and we will have an execution date of no later than 1 March 2019.

an execution date of no later than 1 March 2019.

Finally, as you recall the monthly interest payment (previously \$18,750) was for interest-only payments based on an outstanding principle of \$1.25m and an 18% annual interest rate. Since the initial payment was only partially made (\$250K of the \$500K initial payment), there was a total principle of \$1.5m and not \$1.25m. Therefore, 18% interest on a monthly basis should have been \$22,500 and not \$18,750. We will discuss how to rectify past deficits at a later date. I will not ask for any late fees due to this shared oversight, but moving forward the monthly interest payment due on the 1st of each month will be \$22,500. Per our September agreement I had the right to accelerate the entire note if payment wasn't received within 24 hours, and in addition to retaining that right I will also require a late fee of \$1,428/day similar to the late fees for our weekly extension payment.

Upon receipt of the \$52,500 payment on 18 Feb, I will cease accruing any late fees for past due amounts. This will not affect any late fees that might be accruing for future missed payments. If all remaining payments are made on the schedule outlined above and the merchandising/sales agreement is executed by 1 March, then I will waive 50% of the currently outstanding late fees. If this agreement is not fulfilled, then the late fees will not be waived and will retroactively be assessed along with my option to accelerate the entire note and past due payments.

I believe that covers everything that we need to memorialize, and please either reply to this email with questions/clarifications, or reply with your agreement.

Regards,
Shane

SHANE TERRY | CEO
TapRoot Holdings, Inc.
m. 702.858.2465

<TAPROOT_emailsig.png>

Begin forwarded message:

From: Shane Terry <shane@taprootbrands.com>
Subject: Re: 5 Sept Extension Agreement
Date: February 8, 2019 at 11:44:42 AM PST
To: Brian Padgett <brian@briancpadgett.com>
Cc: "ann.cooper@cwnevada.com" <ann.cooper@cwnevada.com>

Brian,
Per your request I've attached the overdue amounts.

Let me also re-iterate a summary of my text offer to you:

As of 8 Feb the following is due:

\$62,500 in principle
\$41,977 in late fees
\$104,477 total

I gave you until yesterday to pay \$62,500 in principle and I would have waived 100% of the late fees. Since that didn't happen here is the remaining schedule of the offer if you pay the \$62,500 principle:

- paid today and I'll waive 75% of late fees
- paid tomorrow and I'll waive 50%
- paid Sunday and I'll waive 25%
- Paid Monday and I'll waive 15%

Tuesday I'll have to file a default and accelerate the entire note with your attached personal guarantee.

Breakdown of individual charges is attached.

SHANE TERRY | CEO
TapRoot Holdings, Inc.
m. 702.858.2465

<TAPROOT_emailsig.png>

On Feb 6, 2019, at 11:18 AM, Shane Terry <shane@taprootbrands.com> wrote:

See attached: you're currently in default, over \$100K is outstanding and at 430 today it starts accumulating at \$4,284.

In the past I've always waived fees to make it manageable. If I get zero communication back from you I have no interest in collecting anything other than the full amount due since all this is doing is taking up my time to track you down.

SHANE TERRY | CEO
TapRoot Holdings, Inc.
m. 702.858.2465

<TAPROOT_emailsig.png>

On Feb 2, 2019, at 6:45 PM, Shane Terry <shane@taprootbrands.com> wrote:

Brian,
I've attached a spreadsheet showing what is overdue as of today. It includes the \$10K payment I received from Dell today.

As of close of business 2 February 2019 a total of \$79,628 is overdue. Late fees are accumulating at \$2,856/day. There's another \$10K payment due Wednesday, and if that is late we are back at a rate of \$4,284/day.

Out of the \$79,628 due, \$52,500 is principle payments and the rest are late fees. Until the \$52,500 is caught up the late fees will continue to accumulate at a rate that exceeds dispensary sales.

I need a plan for the payments that has specific payment dates or else I'll have no choice but to call the outstanding note (which would be due immediately).

Here's what I'm willing to offer: I will waive the late fees which are approximately \$30K and increasing daily. In exchange, we will execute a 18 month contract that 1) gives me the right to sell product through all Canopi dispensaries and recoup 100% of the retail price (net of taxes) and 2) allows us to setup an in-store display (like a pop-up) that will permanently remain in your stores.

This should be an easy win for both of us. I went to each store last week and I know product availability is limited so this will at least get more product on your shelves. Additionally, just from our marketing campaign we drove traffic to your store which gives you the opportunity for up-sells/cross-sells. You have nothing to lose.

Let me know what you think.

SHANE TERRY | CEO
TapRoot Holdings, Inc.
m. 702.858.2465

<TAPROOT_emailsig.png>

On Jan 16, 2019, at 6:09 PM, Shane Terry <shane@taprootbrands.com> wrote:

Hi Bryan,
I just brought in a new CPA and legal team and they were reviewing all our documents & payments so far and discovered that we've been underpaying the interest to date.

Per our original agreement there was a \$500K initial payment and then you would make interest only payments each month at 18% of the balance which in our contract we assumed would be a principal balance of \$1,250,000 which would equate to \$18,750/month.

However, when only half of the initial payment was made, we never adjusted the remaining principle (which is now \$1.5m instead of \$1.25m) so actually \$22,500/month was due beginning 1 August 2018 instead of \$18,750. Therefore, between August and January there was a deficit of \$3,750/month for a total of \$22,500 (6 months x \$3,750 deficit) as of 1 January 2018.

I do realize that when we agreed on a payment schedule below we did agree on \$18,750/month for the monthly payment, even though it should have been \$22,500/month. Therefore, I'll propose the following options to catch us back up. Please note that this applies to the monthly payment only and has no bearing on the weekly

as back up. Please note that this applies to the monthly payment only, and has no bearing on the weekly extensions of \$10,000/week.

1) A one-time payment of \$22,500 by end of January 2018 to catch up on the outstanding deficit, and then \$22,500/month beginning on Feb 1, 2018 and on the 1st of the month after that. Once the full initial payment has been made (of which \$300K is outstanding) then we will re-adjust the principle back to \$1.25m and the monthly payments will return to \$18,750/month in interest-only payments until the principle is further paid down.

2) We continue to stick to the agreed upon \$18,750/month, but the outstanding \$22,500 deficit will be added to the principle immediately and then an additional monthly deficit will be added to the principle and compounded monthly until there is an additional principle payment.

SHANE TERRY | CEO
TapRoot Holdings, Inc.
m. 702.858.2465

On Sep 11, 2018, at 6:13 PM, Brian Padgett <brian@briancpadgett.com> wrote:

Sounds like long days for both of us.

Will you be in town tomorrow or you need a wire?

BCP

iPhone

On Sep 11, 2018, at 5:40 PM, Shane Terry <shane@taprootbrands.com> wrote:

Also, I've settled my bill and no longer have a retainer with Erika. If continuing to accept payments is normal within legal community then I don't mind asking her, but I know the cash makes it a pain for everyone and I was trying to keep her office from having that liability.

If it's coordinated with me (or wire) then there's a better chance I'll be able to be flexible after hours and weekends to avoid fees, but that's totally up to you.

Shane Terry
CEO, TapRoot Holdings
702.858.2465

Sent from my iPhone

On Sep 11, 2018, at 4:56 PM, Brian Padgett <brian@briancpadgett.com> wrote:

In the future cash is best.

Delivery to Erika if she is still accepting on your behalf.

Why \$15,000?

What is interest on the \$11k+- ?

BCP

iPhone

On Sep 11, 2018, at 1:47 PM, Shane Terry <shane@taprootbrands.com> wrote:

I will try and be helpful on this one, and will split the difference to an even \$15,000 if it's paid today.

Shane Terry
CEO, TapRoot Holdings
702.858.2465

Sent from my iPhone

On Sep 11, 2018, at 1:42 PM, Shane Terry <shane@taprootbrands.com> wrote:

Brian, not only did she know nothing about the arrangement or what we had discussed going forward, it can't be up to me to coordinate with your staff unless you initiate it bring them in the loop and authorize it. So no, as far as her and eyes discussion there was no authorization or knowledge for a Friday payment.

Please think of this like any other loan or credit card payment. And I have giving you the wire instructions so your team can pay it whenever it to do, or take cash to the bank to pay it. I'm even trying to be helpful by telling you that I will come pick up cash to save them the hassle.

Also, Friday's payment was \$11,428 Per our email thread below and is still accumulating late fees.

I can come by this afternoon to pick up cash if you want to authorize it with your team.

Shane Terry
CEO, TapRoot Holdings
702.858.2465

Sent from my iPhone

On Sep 11, 2018, at 1:08 PM, Brian Padgett <brian@briancpadgett.com> wrote:

Hey, you saw me note the \$10k Friday payment with Diana on Wednesday

Didn't you coordinate payment with her when you picked up payment on Wednesday?

BCP

iPhone

On Sep 11, 2018, at 12:58 PM, Shane Terry <shane@taprootbrands.com> wrote:

Brian,
Thanks for coordinating the payment for last Wednesday, but I never received anything on Friday as discussed.

The amount due on Friday is now \$17,140 if paid today. Also a reminder of the next \$10,000 due tomorrow by 5pm.

Please lmk if you want me to pick up cash again or you'd like the wire info. Even though we're probably past the wire cutoff time for today, I will consider it paid if I get a transfer confirmation by 5pm.

Best,
Shane

Shane Terry
CEO, TapRoot Holdings
702.858.2465

Sent from my iPhone

Begin forwarded message:

From: Brian Padgett <brian@briancpadgett.com>
Date: September 5, 2018 at 9:40:45 AM PDT
To: Shane Terry <shane@taprootbrands.com>
Subject: Re: 5 Sept Extension Agreement

I agree to the terms per my last email.

I will advise prior to 11:30 whether you will pick up the \$18k or \$28K

Do we have an understanding?

If so, just say "GOOD".

Brian C. Padgett
Law Offices of Brian C. Padgett
611 South 6th Street

Las Vegas, Nevada 89101
(702) 304-0123

www.briancpadgett.com

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From: Shane Terry <shane@taprootbrands.com>

Date: Wednesday, September 5, 2018 at 9:39 AM

To: Brian Padgett <brian@briancpadgett.com>

Subject: Re: 5 Sept Extension Agreement

I will let Tanaka know we will follow up. If we want to extend the next payment until Friday, then I'm good with that if we add the daily pro-rata amount of \$1,428. Since I agreed to a 24 hour cure-period, it will only be assessed as 1 day late vs 2 days, so a total of \$11,428 due Friday by 5pm, and thereafter \$10,000 due every Wednesday by 5pm.

If that is good with you, let me know and I'll be in at 1130 to pickup the \$18,750.

Best,
Shane

SHANE TERRY | CEO
TapRoot Holdings, Inc.
m. 702.858.2465

<TAPROOT_emailsig.png>

On Sep 5, 2018, at 9:33 AM, Brian Padgett <brian@briancpadgett.com> wrote:

Please tell Tanaka the latter.

I am not agreeing the cure period of 10 days was ever waived.

However, I agree to your terms as set forth below.

Except, I am being told we just paid payroll and cash is low. I can have \$18750 today and I would like the option of paying the \$10k Friday. Thereafter, Wednesday.

Brian C. Padgett
Law Offices of Brian C. Padgett
611 South 6th Street
Las Vegas, Nevada 89101
(702) 304-0123
www.briancpadgett.com

www.briancpadgett.com

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From: Shane Terry <shane@taprootbrands.com>
Date: Wednesday, September 5, 2018 at 9:22 AM
To: Brian Padgett <brian@briancpadgett.com>
Subject: Re: 5 Sept Extension Agreement

You previously agreed with Erika via text that there was no longer a cure period on the monthly interest payments while the initial payment was outstanding. That was due to our monthly issues with collections. Here is what I am okay with:

24 hour cure period will apply to:

1. \$10,000 weekly payments
2. \$18,750 monthly interest
3. \$300,000 payment after notice is given.

Once the \$300,000 payment that will be extended is received, then that should conclude the modifications to the original initial payment. After that, all other terms, including the standard cure period, in the original agreement will be back in effect.

I need to receive cash by 1030 in order to comply with Tanaka's request due at 1100 PST. If you prefer, I can send him an email saying that I will respond with an update by 1300 PST and then I can pickup from you at 1130. Please let me know what you prefer.

Fair enough?

SHANE TERRY | CEO
TapRoot Holdings, Inc.
m. 702.858.2465

<TAPROOT_emailsiq.png>

On Sep 5, 2018, at 9:07 AM, Brian Padgett
<brian@briancpadgett.com> wrote:

The 24 hour cure period is only for the \$10K.

I am not waiving any standard cure period found in the original agreement.

You can pick up the cash at 11:30

All other terms are acceptable.

Please confirm your acceptance.

Brian C. Padgett

Law Offices of Brian C. Padgett
611 South 6th Street
Las Vegas, Nevada 89101
(702) 304-0123
www.briancpadgett.com

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From: Shane Terry <shane@taprootbrands.com>
Date: Wednesday, September 5, 2018 at 9:00 AM
To: Brian Padgett <brian@briancpadgett.com>
Subject: 5 Sept Extension Agreement

Memorializing what we just discussed on the phone:

\$318,750 is currently overdue, consisting of the following:

- \$250,000 payment of initial \$500,000 due in June per the Purchase Agreement
- \$50,000 extension fee to extend the \$250K until August
- \$18,750 monthly interest due 1 September.

To further extend the large payment until after the transfer is completed I will agree to the following:

- \$300,000 is extended at BCP's discretion at the cost of \$10,000 per week. BCP has the right to cancel the extension at anytime with notice and payment of \$300,000.
- The \$10,000 a week is assessed and paid by 5pm every Wednesday. There is a 24 hour cure period before it is in default, which allows the acceleration of all money due under the original Interest Purchase agreement dated 30 April 2018.
- When canceled by BCP, the pro-rata amount of \$10,000/week is due in addition to the \$300,000 payment, and will be assessed by the number of calendar days passed since the previous Wednesday at a rate of \$1,428/day.

To execute the above agreement \$28,750 will be due by 1030am today (5 Sept) which consists of the overdue 1 September interest payment (\$18,750) plus a \$10,000 weekly extension that will extend the remaining balance until next Wednesday, 12 September, 5pm.

Please let me know if you are in agreement. Today's payment can be made via wire, or I can come pick it up from your office before 1030am.

Regards,
Shane

SHANE TERRY | CEO
TapRoot Holdings, Inc.
m. 702.858.2465

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<S.Terry Outstanding Payments 2.2.19.xlsx>

<S.Terry.Outstanding Payments 6 Feb 19.pdf>

<S.Terry Overdue Payments 2.17.19.xlsx>

<Notice of Default 2 Feb 19.pdf>

<S.Terry Accelerated Payment 13 Feb 19.pdf>

<S.Terry Overdue Payments 2.8.19.xlsx>

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EXHIBIT E- NUVEDA'S REPLY

Subject: RE: Terry et al. v. NuVeda et al.- Arbitration Case No. A-15-728510-B**Erika Turner** <eturner@gtg.legal>

Fri, May 4, 2018, 10:58 AM

to Nikki Baker, AAA Lance Tanaka, Anna Diallo, Julia Melnar, Matthew Dushoff, Kristina R. Cole, Scott D. Fleming,

You are viewing an attached message. Law Office of Mitchell Stipp Mail
can't verify the authenticity of attached messages.

Arbitrator Baker,

On behalf of Shane Terry:

1. Motion to Substitute.

Please be advised that Mr. Terry has sold all of his rights and interests relative to NuVeda, LLC to third party BCP 7, LLC, resident agent Brian C. Padgett, 611 S. 6th Street, Las Vegas, NV, 89101 ("Buyer"). Inclusive in those rights and interests sold to the Buyer is an assignment of those claims alleged herein. The written agreement reflecting Mr. Terry's agreement with Buyer will be sent to you under separate cover for *in camera* review.

Under NRCP 25(c), in case of any transfer of interest, the person to whom the interest is transferred may be properly substituted in the action. Substitution of parties here is appropriate so that Mr. Terry's claims may be prosecuted in the name of the new real party in interest- Buyer. See NRCP 17(a) (providing that every action SHALL be prosecuted in the name of the real party in interest). The "real party in interest" is the person who has a right to enforce the claim and who has a significant interest in the litigation. See *Arguello v. Sunset Station, Inc.*, 252 P.3d 206, 208 (Nev. 2011); *Painter v. Anderson*, 620 P.2d 1254, 1255-56 (Nev. 1980). Generally, the assignee of a contractual right is the real party in interest as opposed to the assignor. *Easton Bus. Opportunities, Inc. v. Town Exec. Suites-E Marketplace, LLC*, 230 P.3d 827, 831-32 (Nev. 2010); *First Interstate Bank of Cal. V. HCT, Inc.*, 828 P.2d 405, 408 (Nev. 1992).

Here, there should be no impediment to the requested substitution of Buyer for Mr. Terry, as Buyer now has the sole right to prosecute claims pendent to Mr. Terry's rights and interests relative to NuVeda and make decisions relative thereto, pursuant to Buyer/Mr. Terry's voluntary agreement wherein Mr. Terry agreed to assign all rights and interests relative to NuVeda, LLC to Buyer, including the pendent claims. Further, Respondents have repeatedly argued that Mr. Terry has no rights under the Operating Agreement that survive his termination on March 10, 2016; thus, Respondents should be judicially estopped from making a contrary argument now.

2. Motion to Withdraw.

Upon substitution of Buyer as real-party-in-interest, I move to withdraw as counsel in this matter for all purposes. Buyer's counsel, Amy Sudgen, Esq., is cc'd on this email.

Thank you,

Erika

Erika Pike Turner

Partner

GARMAN | TURNER | GORDON

P 725 777 3000 | D 725 244 4573

E eturner@gtg.legal

EXHIBIT F- NUVEDA'S REPLY

Mitchell Stipp <mstipp@stipplaw.com>

Shane Terry/Phil Ivey

1 message

Mitchell Stipp <mstipp@stipplaw.com>

Tue, May 5, 2020 at 1:55 PM

To: Joe Coppedge <jcoppedge@mccnvlaw.com>

Cc: "John Savage (jsavage@nevadafirm.com)" <jsavage@nevadafirm.com>

Joe:

I still have not heard from you despite multiple calls and emails. Attached is the order entered by the court approving my motion to withdraw as counsel of record for Shane Terry. I am also including the omnibus reply filed in the receivership case pursuant to which NuVeda is opposing your firm's engagement and joint representation in response to the receiver's recent filing.

From a review of the recent filing by the receiver and Shane Terry's declaration which was included, it appears Shane will be asserting a fraud claim against Brian Padgett and conspiracy to commit fraud against NuVeda based on Brian's default and dismissal of the claims against NuVeda. For the record, Shane was expressly advised against entering into this deal with Mr. Padgett based on the concern that Brian would buy the claims, dismiss them, and then default. See attached email for your reference. Under this circumstance, there is no basis for any fraud claims.

In addition, it appears Phil Ivey will be asserting claims against subsidiaries of NuVeda for breach of contract. According to Shane's declaration, this breach occurred in December of 2015 (more than 4 years ago). Shane does not explain that Mr. Ivey did not fund the \$1.9M, and Mr. Ivey terminated the deal in December of 2014. If terminated, Shane does not explain how/why Mr. Ivey's alleged interests were "transferred" to subsidiaries of NuVeda. Where is this agreement? Shane states Mr. Ivey owned these interests until NuVeda removed him from the state records at the end of the year. Without any record of a written agreement, I will assume it was an oral one by Shane in which the statute of limitations has expired. Given Mr. Ivey's inaction, I do not believe there was any agreement.

Hopefully, you will have time to discuss. In the event the court approves of your representation, I hope you consider my attempts to reach out and provide diligence before filing anything. Claims by Messrs. Terry and Ivey are frivolous.

**Mitchell Stipp**


Law Office of Mitchell Stipp

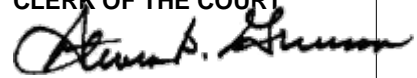
(O) 702.602.1242 | (M) 702.378.1907 | mstipp@stipplaw.com

Address: 1180 N. Town Center Drive, Suite 100

Las Vegas, Nevada 89144

Website: www.stipplaw.com

3 attachments **Notice of Entry of Order-Motion to Withdraw-Filed and Accepted-5.5.2020.pdf**
353K **Reply-Opposition by Plaintiff In Intervention and Motion to Engage Contingency Counsel-Filed and Accepted-5.4.2020.pdf**
1316K **2018-09-04-Re_ Settlement Payment Schedule.pdf**
84K



LAW OFFICE OF MITCHELL STIPP
MITCHELL STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive
Suite 100
Las Vegas, Nevada 89144
Telephone: 702.602.1242
Facsimile: 866.220.5332
mstipp@stipplaw.com
Former Counsel for Plaintiff

DISTRICT COURT
CLARK COUNTY, NEVADA

SHANE TERRY, an individual,

Plaintiff,

vs.

BCP 7, LLC, a Nevada limited liability
company, BRIAN C. PADGETT, an individual,
and DOES I and X, and ROE
CORPORATIONS I through X inclusive,

Defendants.

Case No: A-19-796300-B

Department No.: 16

**NOTICE OF ENTRY OF ORDER GRANTING
MOTION TO WITHDRAW AS COUNSEL
FOR PLAINTIFF**

PLEASE TAKE NOTICE THAT the court entered the order on May 1, 2020 attached
hereto granting the motion by Mitchell Stipp and his firm to withdraw from representation of
Plaintiff, Shane Terry, in the above-referenced case.

///

///

///

1
2 DATED: May 5, 2020
3

4 **LAW OFFICE OF MITCHELL STIPP**

5 */s/ Mitchell Stipp*

6 MITCHELL STIPP, ESQ.
7 Nevada Bar No. 7531
8 1180 N. Town Center Drive
9 Suite 100
10 Las Vegas, Nevada 89144
Telephone: 702.602.1242
Facsimile: 866.220.5332
mstipp@stipplaw.com
Former Counsel for Plaintiff

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 5th day of May, 2020, I served a true and correct copy of the attached document electronically via the Court's E-filing system, which provided notice to the e-service participants registered in this case, and mailed a copy of the same via U.S. Mail as follows:

Plaintiff:

Shane Terry
2930 Village Center Circle #3-1747
Las Vegas, Nevada 89134
Telephone: 702-858-2465

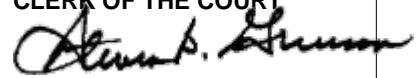
Defendants:

The Law Offices of Brian C. Padgett
611 South 6th Street, 2nd Floor
Las Vegas, Nevada 89101

LAW OFFICE OF MITCHELL STIPP

/s/ Amy Hernandez

Amy Hernandez, an employee



LAW OFFICE OF MITCHELL STIPP
MITCHELL STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive
Suite 100
Las Vegas, Nevada 89144
Telephone: 702.602.1242
Facsimile: 866.220.5332
mstipp@stipplaw.com
Counsel for Plaintiff

DISTRICT COURT
CLARK COUNTY, NEVADA

SHANE TERRY, an individual,

Plaintiff,

vs.

BCP 7, LLC, a Nevada limited liability
company, BRIAN C. PADGETT, an individual,
and DOES I and X, and ROE
CORPORATIONS I through X inclusive,

Defendants.

Case No: A-19-796300-B

Department No.: 16

ORDER ON
WITHDRAW AS COUNSEL FOR PLAINTIFF

Date: April 29, 2020
Time: 9:00 a.m.

Plaintiff, SHANE TERRY, an individual ("Plaintiff"), by and through his attorney of record, Mitchell D. Stipp, Esq., of the Law Office of Mitchell Stipp (the "Firm"), filed a motion for the withdrawal of Mr. Stipp and the Firm as his attorney of record in this case. After review of the papers and pleadings before it and due consideration of oral argument by Mr. Stipp at the hearing, the court finds as follows:

1. Plaintiff was represented by Mr. Stipp and the Firm in this case on the condition that Plaintiff would not assert causes of action against NuVeda, LLC, a Nevada limited

1 liability, and its affiliates (“NuVeda”). Plaintiff specifically acknowledged as part of
2 his engagement of the Firm that Mr. Stipp and the Firm represented NuVeda at the
3 time and would withdraw from representing Plaintiff in this case and continue to
4 represent NuVeda (including against Plaintiff) if any conflict arose between Plaintiff
5 and NuVeda.
6

- 7 2. Mr. Stipp was informed by motion by the receiver of CWNevada, LLC
8 (“CWNevada”) in Case A-17-755479-B (Department 11) that Plaintiff and
9 CWNevada have engaged Muskin & Coppedge jointly to litigate their respective
10 disputes with NuVeda and the Defendants in this case.
11
- 12 3. The request to engage counsel by CWNevada is scheduled to be heard on May 8,
13 2020 in Case A-17-755479-B (Department 11). NuVeda opposes this joint
14 representation for, among other reasons, the conflict between Plaintiff and
15 CWNevada, which it believes cannot be waived under the Nevada Rules of
16 Professional Conduct. Plaintiff was paid in part by CWNevada and asserted a proof
17 of claim against CWNevada in Case A-17-755479-B (Department 11).
18
- 19 4. Mr. Stipp and the Firm are representing NuVeda in all matters in Case A-17-755479-
20 B (Department 11).
21
- 22 5. Before initiating this case against the Defendants, Plaintiff has been advised that his
23 claims against NuVeda are not supported by the facts or law because Plaintiff sold his
24 interest and claims “as-is” and “without any contingencies” to BCP 7, LLC, an
25 affiliate of CWNevada (“BCP 7”). Further, Brian Padgett on behalf of CWNevada,
26 BCP 7, and other parties for which Mr. Padgett had authority, dismissed Plaintiff’s
27 causes of action against NuVeda with prejudice in Case A-15-728510-B
28 (Department 11).

6. The Firm will represent NuVeda in connection with any causes of action asserted by Plaintiff against NuVeda, and Plaintiff consents to such representation. Plaintiff also understands the consequences of pursuing claims against NuVeda, which have no merit. Mr. Stipp has notified Plaintiff's substitute counsel of the same without any response.

NOW THEREFORE, for the reasons set forth above, the request by Mr. Stipp and the Firm to withdraw as attorney of record for Plaintiff is hereby **GRANTED**. Any and all papers, pleading and notices in this case shall be served on Plaintiff at the following:

Shane Terry
2930 Village Center Circle #3-1747
Las Vegas, Nevada 89134
Telephone: 702-858-2465

IT IS SO ORDERED.

DATE: May 1, 2020

Timothy C. Williams
DISTRICT COURT JUDGE

DISTRICT COURT JUDGE

CG

Dated this 29th day of April, 2020

LAW OFFICE OF MITCHELL STIPP

/s/ Mitchell Stipp

MITCHELL STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive
Suite 100
Las Vegas, Nevada 89144
Telephone: 702.602.1242
Facsimile: 866.220.5332
mstipp@stipplaw.com
Counsel for Plaintiff

EXHIBIT G- NUVEDA'S REPLY

**ATTORNEYS RETAINER AGREEMENT
(CONTINGENCY AND DISCOUNTED HOURLY)**

2 April 2020

THIS AGREEMENT made this 2 day of ~~March~~, 2020 at Las Vegas, Nevada by and between the undersigned, Dotan Y. Melech, as the Court Appointed Receiver for CWNevada, LLC, a Nevada Limited Liability Company (the "Receiver"), Shane Terry ("Terry"), an individual and Phillip D. Ivey ("Ivey"), an individual (collectively, the Receiver, Terry and Ivey are referred to as the "CLIENTS") and the law firm of Mushkin & Coppedge, (hereinafter designated as "ATTORNEYS").

CLIENTS retain ATTORNEYS to represent CLIENTS in an action related to claims that each possess against NuVeda, LLC, its subsidiaries, licensees, members and/or related entities, and Brian Padgett, individually (the "Claims").

CLIENTS empower ATTORNEYS to take all steps in said matter(s) deemed by ATTORNEYS to be advisable, including, to effect a compromise, to institute legal proceedings in a court of competent jurisdiction, and to take all other appropriate steps which ATTORNEYS deem necessary and proper to resolve CLIENTS' cause(s) of action.

ATTORNEYS will diligently institute and prosecute the Claims to a final determination and make all reasonable and necessary efforts to collect any judgment that may be rendered therein in favor of the CLIENTS and that ATTORNEYS will promptly communicate to the CLIENTS any offers of compromise. In the event of a judgment unfavorable to CLIENTS, ATTORNEYS will, if reasonable grounds therefor exist and subject to Terry's and Ivey's approval, appeal the unfavorable judgment to the appellate court and prosecute the same to final determination. ATTORNEYS will also defend any judgment appealed by any opposing party to the appellate court and prosecute the same to final determination.

CLIENTS shall pay to ATTORNEYS, as ATTORNEYS' fees for such representation, the following:

An initial, non-refundable retainer of \$0.00.

By signing this Agreement, Terry and Ivey agree to compensate ATTORNEYS time at the reduced hourly rates set forth in the attached Exhibit A. Compensation at the hourly rate is due upon the sending by ATTORNEYS of its monthly billings. Receiver shall not be responsible for any compensation of ATTORNEYS other than the contingent fee payable pursuant to the following two paragraphs from its share of any recovery.

As additional compensation, ATTORNEYS will be entitled to a contingent fee of Fifteen Percent (15%) of any amount recovered by the Receiver against NuVeda, its subsidiaries, licensees, members and/or related entities, as well as Brian Padgett, individually, as a result of any compromise, settlement or by filing and prosecution of a lawsuit.

CLIENTS acknowledge that ATTORNEYS has accepted this case on a reduced hourly rate and contingency basis in lieu of traditional compensation on a strictly hourly fee, as set forth on the attached Schedule of Rates, for all time ATTORNEYS works on CLIENTS' case. Should CLIENTS, subject to Terry's and Ivey's approval, decide to terminate this action without settlement or trial against the recommendation of ATTORNEYS or should CLIENTS discharge ATTORNEYS prior to a final resolution of CLIENTS'S cause of action, Terry and Ivey agree to compensate ATTORNEYS for the time expended on this matter at the full (non-discounted) hourly rate. SHOULD, HOWEVER, THERE BE NO RECOVERY UPON FINAL RESOLUTION OF CLIENTS' CAUSE OF ACTION, EITHER BY SETTLEMENT, TRIAL, APPEAL OR OTHERWISE, CLIENTS SHALL NOT OWE ANY AMOUNT FOR ATTORNEYS'S FEES FOR THE CONTINGENCY PORTION OF THE COMPENSATION DUE ATTORNEYS, ONLY. In the event of no recovery, Terry and Ivey will still owe ATTORNEYS for the hours incurred in working on this case at the reduced hourly rate.

Terry and Ivey shall bear responsibility for all costs and/or expenses related to the Claims only, including but not limited to, filing fees, court reporter fees and transcribing charges, expert consultant and witness fees, computer research fees, private investigator fees, process server fees, courier fees, copy charges, travel expenses, long distance and/or cellular telephone charges, mail charges, medical report, repair estimates, appraiser costs, photocopies, photographs, and other disbursements in connection with this matter. Such costs and/or expenses may be advanced by ATTORNEYS and charged against CLIENTS' portion of any recovery on their claim as advanced costs and/or expenses. Costs and/or expenses are not to be deducted from the amount recovered by the Receiver in the calculation of the contingency fee. Terry and Ivey shall bear responsibility for all costs and/or expenses related to the Claims regardless of the outcome of the matter. Receiver shall not bear responsibility for any costs and/or expenses related to the Claims regardless of the outcome of the matter.

CLIENTS are hereby advised and notified that, in the event that CLIENTS lose the action(s) related to the Claims, CLIENTS may be liable for the opposing party's ATTORNEYS' fees and costs. CLIENTS are hereby advised and notified that a suit brought solely to harass or to coerce a settlement may result in liability for malicious prosecution or abuse of process.

ATTORNEYS shall not settle or compromise this matter without the approval of CLIENTS. Any settlement or compromise will be mutually agreed by the CLIENTS.

CLIENTS hereby give and grant unto ATTORNEYS a lien on said cause of action, any proceeds and any settlement or judgment thereunder, to the extent of the share and sums herein agreed to as ATTORNEYS' fees, costs and disbursements; and CLIENTS expressly assign to ATTORNEYS their share of any proceeds and any judgment relative to said cause of action, to the extent of said unpaid ATTORNEYS' fees and disbursements are to be paid by such CLIENT (severally and not jointly).

ATTORNEYS may receive any settlement or judgment amount and may retain therefrom his ATTORNEYS' fees and costs advanced as set forth above. Before disbursing the remainder to CLIENTS, ATTORNEYS may deduct therefrom any amount of unpaid ATTORNEYS' fees, costs and expenses advanced. Notwithstanding the foregoing, any retention or deduction may only be made from the portion of the settlement or judgment attributable to the CLIENT responsible for such fees or costs. Any settlement of judgment amount designated as an award of attorney's fees or costs shall be applied to any unpaid hourly fees or costs and, upon payment of all unpaid hourly fees or costs, paid to the CLIENT incurring such fees and costs and not included in the amount of recovery for purposes of determining any contingent fee.

ATTORNEYS make no warranties or representations concerning the successful resolution of CLIENTS' cause of action or the favorable outcome of any legal action that may be filed, and ATTORNEYS does not warrant or guaranty that they will obtain reimbursement for CLIENTS of any costs or expenses resulting from the pursuit of this claim. Any expressions or statements of ATTORNEYS on these matters are statements of opinion only.

ATTORNEYS may withdraw from CLIENTS'S representation upon reasonable written notice to CLIENTS for CLIENTS'S conduct that materially hinders or prevents an on-going attorney-client relationship, including, the failure of the CLIENT to follow the reasonable legal advice of the Law Firm. In such event, Terry and Ivey shall remain liable to ATTORNEYS for costs advanced by ATTORNEYS. However, CLIENTS are not liable for any ATTORNEYS fees in excess of the reduced hourly rate already invoiced and/or paid.

ATTORNEYS' representation, subject to Terry's and Ivey's approval, may be terminated by CLIENTS upon reasonable written notice to ATTORNEYS. In such event, Terry and Ivey shall remain liable to ATTORNEYS for costs advanced and are liable for ATTORNEYS' fees incurred at the regular hourly rates of \$475.00 for Michael R. Mushkin, \$400.00 for L. Joe Coppedge and from \$150.00 up to \$350.00 per hour for Associates up to the point of termination of ATTORNEYS' representation.

CLIENTS agree to do all that is necessary to provide ATTORNEYS with information requested by ATTORNEYS for the preparation, trial and/or appeal of CLIENTS' case. CLIENTS further agree to keep ATTORNEYS advised of his whereabouts at all times during the term of his agreement, to make all necessary court or deposition appearances and to cooperate fully with ATTORNEYS in matters that may require CLIENTS' assistance.

The law of the State of Nevada shall govern the enforceability and interpretation of this Agreement. Any disputes hereunder shall be submitted to the Nevada State Bar Association for Arbitration in the City of Las Vegas, Nevada.

ATTORNEYS acknowledge that the Receiver is executing this Agreement, and may execute other documents and instruments in connection with this Agreement and the Claims, solely in its capacity as the court appointed receiver for CWNevada LLC and not in any other capacity. Notwithstanding anything contained in this Agreement to the contrary, neither the Receiver nor any of its officers directors, shareholders, trustees, partners, employees, members, managers, agents and/or affiliates (collectively, the "Receiver Parties") shall incur any personal liability or culpability whatsoever under this Agreement or in connection with the and any obligations hereunder shall be the solely the obligations of CWNevada LLC. None of the Receiver Parties shall be obligated to advance its own funds for any costs and/or expenses of the receivership estate or for which Receiver is responsible under this Agreement. ATTORNEYS acknowledge that this Agreement, and the Receiver hereunder are subject to the approval of the Court in Eighth Judicial District Court case number A-17-755479-B (the "Receivership Action").

Additionally, any settlement reached or judgment obtained on behalf of Receiver prior to the Court's approval of this Agreement shall not be subject to this Agreement and the neither the ATTORNEYS nor the other CLIENTS shall share in any such settlement or judgment proceeds.

ATTORNEYS:

CLIENTS:

MUSHKIN & COPPEDGE

/s/L. Joe Coppedge

L. JOE COPPEDGE.


DOTAN T. MELECH, RECEIVER

SHANE TERRY

Shane Terry

PHILLIP D. IVEY

Phillip D. Ivey

EXHIBIT A

SCHEDULE OF RATES

HOURLY RATES FOR LEGAL PERSONNEL

Michael R. Mushkin \$300.00

L. Joe Coppedge \$250.00

Associates - \$150 - \$200 (depending upon experience and rate then applicable)

Paralegal – Legal Assistant \$75.00 - \$125.00

Clerical staff overtime when and if necessary, will be charged at 1.5 hours the base hourly rate or at the rates required by applicable law, whichever is greater. The base hourly rate for clerical personnel presently ranges between \$15.00 and \$45.00 per hour. All air travel to be business class and hotel rooms to be single occupancy.

The rates on this schedule will remain the same for six months from the date services commence and thereafter are subject to change as set forth in the agreement.

ADDENDUM A

BUDGET FORECAST

ATTORNEYS will draft a rolling 3-month budget forecast ("Forecast") to be reviewed and approved by Terry and Ivey.

The initial Forecast will be presented no later than April 10, 2020 to include the proposed budget for the months of April, May and June of 2020. Subsequent monthly updates will be provided no later than the end of the current month, and include an updated budget for the following 3-months.

In addition to the monthly updates, any material change that would result in an increase greater than 25% to the current month's Forecast will require approval by Terry and Ivey.

**WAIVER OF ACTUAL AND APPEARANCE OF
CONFLICT OF INTEREST**

2 April 2020

This Waiver of Actual and Appearance of Conflict of Interest (herein "Waiver") is made this day of March, 2020 by and between Dotan Y. Melech, as the Court Appointed Receiver for CWNevada, LLC, a Nevada Limited Liability Company (the "Receiver"), Shane Terry ("Terry"), an individual and Phillip Ivey ("Ivey"), an individual (collectively, the Receiver, Terry and Ivey are referred to as the "Clients").

RECITALS

WHEREAS Dotan Y. Melech was appointed as the Receiver of CWNevada, LLC pursuant to an Order Appointing Receiver filed in Case No. A-17-755479-C presently pending in the Eighth Judicial District Court, Clark County, Nevada (the "Matter");

WHEREAS, the law offices of Mushkin & Coppedge have been asked to represent the Clients in collection matters to be filed against NuVeda, LLC, its subsidiaries, members and/or related entities and Brian Padgett, individually;

WHEREAS, the Clients may have competing claims to limited funds available by the opposing parties;

WHEREAS, there exists current conflicts of interest among the Clients, including that a successful outcome of claims made by the Receiver could have an adverse material effect on the value or business of NuVeda, LLC, of which Terry is a member, and an appearance of conflict or additional actual conflicts between the Clients may arise at a later date;

WHEREAS, The law offices of Mushkin & Coppedge is herein advising Clients, that said office is currently, and may be in the future, in a conflict of interest or at least the appearance of a conflict of interest due to the competing interests of the Clients;

WHEREAS, while there would exist certain benefits to Clients in joint representation such as in the sharing of attorney's fees and costs of litigation, they cannot be represented by the law offices of Mushkin & Coppedge without their waiver of the actual and potential conflict of interest;

WHEREAS, under applicable rules of professional conduct, a law firm owes each of its clients a duty of loyalty, which would normally preclude any attorney within the firm from undertaking a representation adverse to any client of the firm without the affected client's informed consent. Other rules generally prohibit a firm from undertaking any representation involving an actual or potential conflict of interest without the informed consent of all affected parties. Such a situation exists whenever a firm represents two clients simultaneously in a situation in which their interests are actually or potentially adverse.

WHEREAS, the conflict of interest, and the need for informed consent, exist no matter how cordial the relationship between the parties currently is or is anticipated to be, and no matter how non-controversial the litigation is anticipated to be.

WHEREAS, we have recommended that each of you seek the advice of independent counsel of your own choice regarding this Waiver. If it is the wish of all Clients that we undertake the simultaneous representation of the parties with respect to the litigation, we will undertake to do so under the terms described herein and as set forth in our Engagement Letter

WHEREAS, if a dispute should arise in the future between the Clients concerning the above stated actions or any other aspect of your dealings with each other, we believe we would have to withdraw, or would be disqualified, from representing the Clients with regard to that dispute or any other relationship you might then have with each other. You would then each have to retain separate counsel, resulting in additional expense and inconvenience that

you might not have incurred had you been separately represented from the outset.

WHEREAS, Clients have agreed to waive the actual and potential conflict of interest;

NOW, THEREFORE, in consideration of avoiding additional expenses and the time of engaging new and separate counsel and in the interest of sharing appropriate attorney's fees and costs, the undersigned, by the signing of this Waiver, agree to waive any and all claims that may arise from the representation by law offices of Mushkin & Coppedge, their attorneys, and staff arising out of any actual or potential conflict of interest from the representation of all Clients herein. Clients have fully read the above-recitals and acknowledge its disclosure herein. Said undersigned have been informed that a jury or judge or fact finder may very well determine that either Client is entitled to certain amounts of money or that individual client may have to pay certain amounts of money at the expense of the other client. If the latter occurs it is only natural for the clients to place blame against one another during the trial and possibly after the trial.

Clients have been advised herein and acknowledge that this document is a legal and binding document and that they have the right and should consult separate counsel before signing it.

This Waiver may be signed in counterparts, the combination of which will form the whole. Facsimile and electronically transmitted executed copies of this Waiver will have the force and effect of an original. This Waiver, together with the firm's Engagement Letter, contains the complete representations of the attorneys and cannot be modified except in writing signed by all parties hereto.

Dated on the date first above written.


DOAN Y. MELECH, RECEIVER


SHANE TERRY


PHILLIP D. IVEY

Page 3 of 3

JOINT REPRESENTATION AGREEMENT

2 April 2020

This Joint Representation Agreement (the "Agreement") is made and entered into as of ~~March 20, 2020~~ by and between Dotan Y. Melech, as the Court Appointed Receiver for CWNevada, LLC, a Nevada Limited Liability Company (the "Receiver"), Shane Terry ("Terry"), an individual and Phillip Ivey ("Ivey"), an individual (the Receiver, Terry and Ivey are referred to herein as a "Party", and collectively as the "Parties").

RECITALS

WHEREAS, the Parties possess common legal interests in the analysis and prosecution of certain claims against NuVeda, LLC, its subsidiaries, members and/or related entities and Brian Padgett, individually (the "Claims").

WHEREAS, the Parties intend to file an action against NuVeda, LLC, its subsidiaries, members and/or related entities and Brian Padgett, individually (the "Action") in furtherance of their common legal interests and to pay the proceeds of such action as set forth herein.

WHEREAS, the Parties wish to ensure that their attorneys are free to share and exchange information that may be useful in the representation of each Party, without waiving the confidentiality of communications and documents protected by the attorney-client privilege, the attorney-work product doctrine, or any other applicable privilege.

WHEREAS, the Parties are in agreement that all disclosures between and among the Parties and their counsel for purposes of prosecuting the Claims shall be and are confidential, covered by the attorney-client privilege, the work-product doctrine, and any other applicable privileges, and that the Parties intend to preserve and extend the applicability of any applicable privilege or immunity to all information shared or exchanged pursuant to this Agreement in pursuing the Claims.

WHEREAS, the Parties have entered into the Attorneys Retainer Agreement (Contingency and Discounted Hourly) dated ~~March 20, 2020~~ (the "Retainer Agreement").

2 April 2020

NOW, THEREFORE, the Parties agree as follows:

1. Retainer Agreement. The Parties agree to engage counsel to jointly represent them in the Action and to pay the costs, fees and expenses of the Action as set forth in the Retainer Agreement. In the event the Retainer Agreement is terminated, or a Party withdraws from the Retainer Agreement, and the Parties are not able to reach a representation agreement with another counsel acceptable to the Parties in their sole discretion, any of the Parties may withdraw from this Agreement by notice to the other and this Agreement shall terminate with respect to such withdrawing Party and be of no further force or effect except for those provisions that survive the termination of this Agreement.

2. Sharing of Proceeds.

The Parties shall share any proceeds of the Action as follows:

a. Any proceeds of any settlement, judgement, or other recovery arising from the Action, other than an award of attorney's fees and costs, shall be paid half to Terry and Ivey on the one hand and half to the Receiver on the other hand. Terry will pay Ivey from their share of the proceeds pursuant to a separate agreement between Terry and Ivey. Any award of attorney's fees and costs shall be paid to the Party responsible for the payment of such fees and costs pursuant to the Retainer Agreement.

b. The Parties shall each be responsible for the payment of attorney's fees and costs to be paid by such Party as set forth in the Retainer Agreement. In the event an award of attorney's fees or costs, fines, penalties, sanctions in favor of any opposing party in the Action and against the Parties, such amounts shall be paid by the Party responsible for such award.

3. Shared Information.

a. The Parties are entitled to communicate and share information with each other, both orally and in writing, in connection with the Action. To that end, Parties (i) may share with each other information protected by the attorney-client privilege and the attorney work-product doctrine in order to assert common claims or defenses to the claims that are or may be asserted in the Action, and (ii) may exchange with each other privileged and work-product information,

whether oral, written, or electronic in form, including without limitation factual and/or legal analyses, mental impressions, legal memoranda, legal research, reports of witness interviews, expert reports, draft briefs and pleadings, and other information (once exchanged, the "Shared Information"). The Shared Information include, but are not limited to, the following: (a) any information or documents relating or referring to the Action provided by or on behalf of any Party, (b) all copies, memoranda, summaries, analyses, and notes prepared by any Party or their respective counsel, experts or consultants relating to the Action; (c) any portion, communication, or transmission of any information or documents described in this paragraph (d) information regarding the identification and description of documents relating to the Action; (e) information regarding the transactions and events that are the subject of the Action; (f) information and documents obtained from interviews with, and investigations of, clients, whether joint or individual; (g) information and documents obtained from interviews with, and investigations of, witnesses and potential witnesses; (h) information and documents obtained from interviews with experts or consultants; (i) drafts of pleadings and other papers; and (j) research, analyses, strategies, theories, mental impressions and other attorney work product.

b. To the extent the Parties and/or Counsel already have communicated and shared with each other confidential attorney-client communications and/or attorney work product or other information concerning this Action that come within the definition of Shared Information under this Agreement, all such communications and information previously shared are subject to the terms of this Agreement.

4. Preservation of All Privileges.

a. Except as set forth below, unless expressly stated in writing to the contrary, any communications among the Parties concerning Shared Information are confidential and remain protected from disclosure to any third party by the attorney-client privilege, work product protection and the joint defense doctrine, and any other applicable privileges, to the maximum extent permitted by law. Any inadvertent disclosure of Shared Information exchanged pursuant to this Agreement shall not constitute a waiver of any privilege or protection.

b. No Party may waive, intentionally or otherwise, any privilege possessed by any other Party. In the event any Party or Counsel purports to waive any privilege of another Party, intentionally or otherwise, that waiver shall not be considered a waiver of the privilege by the Party or Counsel possessing the privilege and cannot be construed against the Party or Counsel possessing the privilege.

5. No Disclosure to Third Parties. The Parties shall take reasonable steps to preserve the confidentiality of the Shared Information. Except as set forth in this Agreement, the Parties shall not disclose Shared Information to third parties without the consent of the other Parties to this Agreement. All persons permitted access to any Shared Information shall be informed in writing that such information is confidential and privileged and subject to the terms of this Agreement.

6. No Agency or Fiduciary Relationship. The existence of this Agreement shall not be deemed to create a fiduciary relationship between the Parties, nor any new attorney-client relationship between any attorney and any Party, nor any new fiduciary or agency relationship between any attorney and any Party. This Agreement shall not be deemed to create a partnership among the Parties and neither Party shall have any authority to act on behalf of or bind the other Party. Any attorney-client or fiduciary relationships shall be determined without reference to this Agreement. This Agreement shall not be used offensively or defensively in any Action between the Parties to this Agreement involving any issues relating to or deriving from the Action.

7. No Conflict of Interest. No Party to this Agreement will claim that counsel for any other Party is now or will be in the future disqualified from representing any Party in any proceeding by reason of this Agreement or the joint defense effort. Nothing in this Agreement shall create a conflict of interest requiring disqualification of counsel, and the Parties to this Agreement hereby knowingly and willingly waive any such conflict of interest. The Parties represent that they have been informed by their counsel of the general nature of the conflicts that might arise, and that they have knowingly and intelligently waived any conflict of interest that may arise on account of the Agreement, including, specifically from an attorney of a Party examining the Party at trial or any other proceeding relating to the Action. Therefore, the Parties hereby waive any right to seek the disqualification of counsel for the other Party based on a communication of Shared Information made in accordance with this Agreement.

8. Compliance With Discovery Obligations. Nothing in this Agreement shall be interpreted as requiring or suggesting that any Party has agreed to withhold any materials properly discoverable under applicable law. This Agreement is not intended to and should not be construed to evidence any agreement to prevent disclosure of all properly discoverable information, documents and materials.

9. Notice of Discovery Demands or Disclosure. The Parties, and each of them, shall claim, assert and defend the joint defense privilege and any other applicable privilege for the Shared Information. Should any member of the Parties become aware of a request for, or actual, disclosure to a third party of any materials or information protected by this Agreement, whether pursuant to subpoena or otherwise, the member will immediately notify the Parties of such request or disclosure, and take all reasonable steps necessary or appropriate to permit the assertion of applicable rights with respect to such Shared Information. In the event of any efforts by a third party to compel disclosure of information obtained solely as a result of this Agreement, the target of the subpoena or other form of compulsory process shall promptly notify the Parties so as to afford the Parties the opportunity to seek protection from the disclosure of such information.

10. No Waiver of Defenses. By entering into this Agreement, none of the members is waiving any claim or defense in connection with the Action or otherwise.

11. Return of Shared Information. At the resolution of the Action, the Parties and Counsel shall within thirty (30) business days, return to the producing Party, or destroy, all Shared Information provided to that Party by the other Parties and shall provide written confirmation of the same.

12. Modifications. No amendment or modification of this Agreement shall be effective unless it is in writing and signed by the other members of the Parties.

13. Governing Law. This Agreement is governed by the laws of the State of Nevada and may be enforced by any of the parties to this Agreement in any court of appropriate jurisdiction. The Parties agree that the rights, privileges and interests protected by this Agreement are unique and that any violation of this Agreement will result in irreparable harm and injury to the other members. Therefore, the Parties agree that the terms of this Agreement may be enforced by appropriate injunctive or other equitable relief.

14. Actions Between Members of the Parties. For avoidance of doubt, the Parties' community of interest shall not include any claims, actions, proceedings or suits by any Party against any other Party.

15. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all counterparts taken together shall constitute one agreement. A telefax or PDF signature on a copy of this Agreement shall be deemed as effective and binding as if it were an original signature.

16. Entire Agreement. This Agreement constitutes the complete agreement of the Parties with respect to the subject matter hereto, and memorializes and supersedes any prior or written agreements, and applies to all prior and future communications and exchanges of Joint Defense Materials.

17. Confidentiality of Agreement. This Agreement and its terms are confidential and may not be produced or disclosed in discovery or offered in evidence in any proceedings, for any purpose, except to prove its existence and the agreement of the Parties hereto.

18. Survival of Certain Provisions. The provisions of this Agreement, other than Section 2 shall survive the termination of this Agreement.

19. Attorney's Fees. In the event of any action arising out of any dispute amount the Parties relating to this Agreement, the prevailing party to such action shall be entitled to an award of its reasonable attorney's fees and costs.

20. Equitable Remedies. The Parties acknowledge that monetary damages may not be an adequate remedy for the breach of the provisions of this Agreement and that each Party, in addition to any remedy they may have at law or in equity, shall be entitled to all equitable remedies.

21. Receivership Provisions. The Parties acknowledge that the Receiver is executing this Agreement, and may execute other documents and instruments in connection with this Agreement and the Claims, solely in its capacity as the court appointed receiver for CWNevada LLC and not in any other capacity. Notwithstanding anything contained in this Agreement to the contrary, neither the Receiver nor any of its officers directors, shareholders, trustees, partners, employees, members, managers, agents and/or affiliates (collectively, the "Receiver Parties") shall incur any personal liability or culpability whatsoever under this Agreement or in connection with the and any obligations hereunder shall be the solely the obligations of CWNevada LLC. None of the Receiver Parties shall be obligated to advance its own funds for any costs and/or expenses of the receivership estate or for which Receiver is responsible under this Agreement. The Parties acknowledge that this Agreement, and the Receiver hereunder are subject to the

approval of the Court in Eighth Judicial District Court case number A-17-755479-B (the "Receivership Action").

IN WITNESS THEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

<p>2 April 2020</p> <p>Dated this <u>2</u> day of March, 2020</p> <p>SHANE TERRY</p> <p><i>Shane Terry</i></p> <p>Shane Terry</p>	<p>2 April 2020</p> <p>Dated this <u>2</u> day of March, 2020</p> <p>DOTAN Y. MELECH, RECEIVER</p> <p><i>[Signature]</i></p> <p>Dotan Y. Melech, Receiver</p>
<p>2 April 2020</p> <p>Dated this <u>2</u> day of March, 2020</p> <p>PHILLIP IVEY</p> <p><i>Phillip Ivey</i></p> <p>Phillip Ivey</p>	

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