

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

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.

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Elizabeth A. Brown
Clerk of Supreme Court

Supreme Court Case No. 82767

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 VII)**

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/ Email: mstipp@stipplaw.com
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.

DATED this 9th day of June, 2021.

LAW OFFICE OF MITCHELL STIPP

A handwritten signature in black ink, appearing to read "Mitchell Stipp", is positioned above a horizontal line.

MITCHELL STIPP, ESQ.

Nevada Bar No. 7531

1180 N. Town Center Drive

Suite 100

Las Vegas, Nevada 89144

Telephone: (702) 602-1242

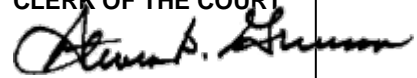
mstipp@stippplaw.com

Counsel for Petitioner

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MITCHELL D. STIPP, ESQ.
Nevada Bar No. 7531
LAW OFFICE OF MITCHELL STIPP
1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144
Telephone: 702.602.1242
mstipp@stippplaw.com
Attorneys for NuVeda, LLC

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

**MOTION TO DISMISS OR FOR
SUMMARY JUDGMENT**

REQUEST FOR HEARING¹

Plaintiff NUVEDA, LLC, a Nevada limited liability company, by and through its counsel of record, Mitchell Stipp, Esq., of the Law Office of Mitchell Stipp, hereby files the above-referenced motion.

This motion is based on the papers and pleadings before the court, the memorandum of points and authorities that follows, the Declaration of Dr. Pejman Bady included herewith, the exhibits attached hereto or filed separately and incorporated herein by this reference, and the argument of counsel at the hearing.

///

NUVEDA'S APPENDIX 0436

¹ NuVeda has no objection to the court deciding the matter without a hearing.

1 DATED this 29th day of July, 2020.

2
3 **LAW OFFICE OF MITCHELL STIPP**

4
5 /s/ Mitchell Stipp, Esq.

6 MITCHELL STIPP, ESQ.

7 Nevada Bar No. 7531

8 LAW OFFICE OF MITCHELL STIPP

9 1180 N. Town Center Drive, Suite 100

10 Las Vegas, Nevada 89144

11 Telephone: 702.602.1242

12 mstipp@stipplaw.com

13 *Attorneys for NuVeda, LLC*

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

- 2
- 3 1. The Joint Venture between CWNevada and NuVeda cannot be enforced due to
4 impossibility of performance by CWNevada.

5 The court on July 23, 2020 consolidated Case Nos. A-19-791405-C, A-19-796300-B, and A-
6 20-817363-B as part of Case No. A-17-755479-B. The court also instructed NuVeda, LLC, a Nevada
7 limited liability company ("NuVeda"), to refile its countermotion for relief before the court as a motion
8 for summary judgment. See **Exhibit 1**. CWNevada, LLC, a Nevada limited liability company
9 ("CWNevada"), by and through its receiver, Dotan Melech (the "Receiver"), filed a complaint against
10 NuVeda asserting various causes of action/requests for relief including a request for declaratory relief
11 in Case No. A-20-817363-B. The nature of CWNevada's declaratory relief is a determination by this
12 court that the membership interest purchase agreement (together with all amendments and addenda)
13 between CWNevada and NuVeda are valid and enforceable. See Complaint filed on June 30, 2020 in
14 Case No. A-20-817363-B, paragraphs 153-158 (pages 21-22) (specifically---items (i)-(v) as part of
15 paragraph 158) ("Joint Venture Agreements").

16 In Nebaco, Inc. v. Riverview Realty Co., Inc., 87 Nev. 55, 57, 482 P.2d 305, 307 (1971), the
17 Nevada Supreme Court stated Nevada's rule for the defense of impossibility in contract actions:

18 Generally, the defense of impossibility is available to a promisor where his
19 performance is made impossible or highly impractical by the occurrence of
20 unforeseen contingencies (Restatement of Contracts, § 454 (1932)), but if
21 the unforeseen contingency is one which the promisor should have foreseen,
22 and for which he should have provided, this defense is unavailable to him.
23 Restatement of Contracts, § 457 (1932); 6 Williston on Contracts, § 1932
(rev. ed. 1938). If the foreseeable contingency is provided for in the
contract, its occurrence does, of course, provide an excuse for
nonperformance. 6 Williston on Contracts, § 1968 (rev. ed. 1938).

24 The Joint Venture Agreements provide several conditions to close that must be satisfied or waived in
25 order for NuVeda to perform. See **Exhibit 2**. The court should note that CWNV, LLC, a now
26 dissolved Nevada limited liability company ("CWNV"), is the party required to obtain the approval
27 from the Nevada Department of Taxation ("State") of any change of ownership of any cannabis licenses
28

required by the Joint Venture Agreements.² The Joint Venture Agreements also provide for the joint operation of the cannabis facilities of CWNevada and NuVeda. See Exhibit 4. This joint operation is further confirmed by the additions to CWNV's operating agreement, which additions are set forth in a schedule to the Joint Venture Agreements. See Exhibit 5. As part of the schedule, CWNV is required to build a cultivation and production facility and if it fails to do so, CWNevada (not CWNV/CWNV1) is obligated to pay lost profits. Id. There is no dispute the facility was not constructed, and lost profits have not been paid. In answering NuVeda's allegations that CWNevada through CWNV managed NuVeda's dispensaries, collected all revenues, and made no disbursements to NuVeda and its affiliates (but engaged in conduct that subjected NuVeda and its affiliates to disciplinary proceedings by the State), the Receiver claims to lack knowledge or information sufficient to form a belief about NuVeda's allegations. See Answer filed July 21, 2020 in Case No. A-19-791405-C (paragraphs 29 and 30). Such response is troubling given Case No. A-19-701405-C has been pending since March 19, 2019, and these issues were detailed in the proof of claim filed with the Receiver in Case No. A-17-755479-B. **To be clear, CWNevada was entitled to membership in CWNV/CWNV1—not ownership in whole or part to any cannabis licenses issued to NuVeda and/or its affiliates.** The deal was a joint venture---not an outright sale of assets/licenses to CWNevada.

CWNevada is subject to a receivership order. See Exhibit 6. Brian Padgett was one of the members of the board of managers of CWNV/CWNV1. Mr. Padgett's marijuana agent card is also subject to revocation by the State. CWNevada entered into a stipulation with the Cannabis Compliance Board to resolve the disciplinary case initiated by the State against CWNevada, which settlement requires the sale of all remaining CWNevada's licenses (i.e., those not voluntarily revoked) within six (6) months. See Exhibit 7. The requirement by the State for CWNevada to liquidate was to prevent CWNevada from operating (including through the Receiver) cannabis licensed businesses. The Receiver confirmed in his July 8, 2020 filing in Case No. A-17-755479-B that this "condition was required by the Department to prevent CWNevada's licenses/certificates from being operated under

² CWNV1, LLC ("CWNV1"), has also been dissolved. While the Receiver disputes the basis under which these entities were dissolved, the operating agreements for these entities expressly contemplate dissolution and winding up of affairs upon the filing of a bankruptcy petition. See Exhibit 8. Dr. Pejman Bady is a member of these entities, and Dr. Pejman Bady served as a manager for each. In any event, the dissolution of these entities does not change the analysis.

the Receivership in perpetuity.” See Exhibit 8 (emphasis added). If CWNevada (and Mr. Padgett) cannot be licensed by the Cannabis Compliance Board, then CWNevada cannot own, operate or manage the joint venture interest as described in the Joint Venture Agreements.

The Receiver has engaged a broker to market the licenses and other assets of CWNevada for sale in anticipation of liquidating the estate. See Exhibit 9. Since the appointment of the Receiver, CWNevada has not performed any of its obligations under the Joint Venture Agreements. Further, the Receiver has not proposed any plan for the consummation of the transactions contemplated by the Joint Venture Agreements in any filings in this case (including the monthly operating reports). The Receiver has simply demanded money from NuVeda. While the Receiver has been focused on generating “revenue” for CWNevada at Ali Baba, Highland and Oakridge facilities (similar to the joint venture at Blue Diamond), these joint ventures make it clear that the Receiver is wholly dependent on third-party operators. Furthermore, CWNevada is insolvent with more than \$31.5M in approved claims (from over \$200M) and an estimated \$1.9M available from the final liquidation of the estate. See e.g., Exhibit 10 (Exhibit 10 to Receiver’s 10th Interim Report filed on June 30, 2020) and Motion for Good Faith Settlement filed on July 7, 2020.

The Joint Venture Agreements make it clear that NuVeda entered into a partnership arrangement with Mr. Padgett through CWNevada—not a joint venture with a receiver.

Based on the foregoing, it is impossible for CWNevada to perform under the Joint Venture Agreements. In Wood v. Safeway, 121 Nev. 724, 731-32 (Nev. 2005), the Nevada Supreme Court determined as follows:

Summary judgment is appropriate under NRCP 56 when the pleadings, depositions, answers to interrogatories, admissions, and affidavits, if any, that are properly before the court demonstrate that no genuine issue of material fact exists, and the moving party is entitled to judgment as a matter of law. The substantive law controls which factual disputes are material and will preclude summary judgment; other factual disputes are irrelevant. A factual dispute is genuine when the evidence is such that a rational trier of fact could return a verdict for the nonmoving party. While the pleadings and other proof must be construed in a light most favorable to the nonmoving party, that party bears the burden to "do more than simply show that there is some metaphysical doubt" as to the operative facts in order to avoid summary judgment being entered in the moving party's favor. The nonmoving party "must, by affidavit or otherwise, set forth specific facts demonstrating the existence of a genuine issue for trial or have summary judgment entered against him." The

1 nonmoving party "is not entitled to build a case on the gossamer threads of whimsy,
2 speculation, and conjecture."

3 (citations omitted). There are no genuine issues of material fact in dispute on the issue of impossibility.
4 Express conditions to closing have not been satisfied or waived. CWNevada is subject to a
5 receivership. Mr. Padgett is subject to discipline by the State. CWNevada is required to liquidate its
6 remaining licenses which will leave CWNevada assetless. CWNevada is also currently insolvent. In
7 short, CWNevada has no ability to perform under the Joint Venture Agreements.

8 2. The Complaint filed on April 10, 2019 by creditors of CWNevada against NuVeda should
9 be dismissed with prejudice because the dispute is moot.

10 The court has determined that the binding settlement reached by CWNevada and various
11 creditors is not enforceable due to impossibility. See **Exhibit 11**. This settlement was the basis for the
12 complaint filed by creditors of CWNevada against NuVeda, CWNevada and 4Front Advisors, LLC in
13 Case No. A-17-755479-B. These creditors of CWNevada sought declaratory relief as it relates to
14 rights of the parties arising from loans provided to CWNevada (since CWNevada collaterally assigned
15 all or portions of the Joint Venture Agreements as security for these loans). These same creditors
16 opposed the enforcement of the settlement due to impossibility. See **Exhibit 12**. Under the same
17 analysis (which was adopted by the court), the Joint Venture Agreements are not enforceable. If the
18 court determines CWNevada cannot perform under the Joint Venture Agreements, then the collateral
19 assignment in favor of these creditors is also not enforceable. The exercise of any remedies by these
20 creditors will only place them in the same position as CWNevada under the Joint Venture Agreements.

21 An Article 9 security interest attaches and therefore is enforceable against the debtor if three
22 requirements are met: (1) value was given; (2) the debtor has rights in the collateral; and (3) either (a)
23 the debtor has authenticated a security agreement describing the collateral, or (b) the secured party
24 possesses the collateral pursuant to a security agreement. NRS 104.9203(a)-(c). Although "contract
25 rights" under the Joint Venture Agreements could be a category of collateral (if the relevant description
26 reasonably identifies the contract rights at issue), the validity of the security interests in the Joint
27 Venture Agreements is not material to the analysis. In other words, if the court determines that the
28 Joint Venture Agreements are not enforceable due to impossibility (just like the settlement), then these

creditors cannot enforce their alleged security interest, and the dispute is moot. See Personhood Nev. v. Bristol, 126 Nev. 599, 602, 245 P.3d 572, 574 (2010) (recognizing that a claim that is cognizable at its beginning may become moot due to events occurring after the complaint is filed).

3. Shane Terry's claims against NuVeda and its affiliates are barred as a matter of Nevada law and should be dismissed with prejudice.

The complaint in Case No. A-19-796300-B is required to be dismissed pursuant to NRCP 4 based on the failure to serve the defendants. Mr. Terry confirms the same in his filings. See Exhibit 13. Mr. Terry's other claims against NuVeda were disposed of in Case No. A-15-728510-B (in Department 11) and the underlying arbitration. Mr. Terry filed a lawsuit against NuVeda in 2015. Mr. Terry sought to stop the potential joint venture between CWNevada and NuVeda. However, the court denied his request for a preliminary injunction. See Exhibit 14. The Nevada Supreme Court also upheld the court's decision on Mr. Terry's appeal. See Exhibit 15. The parties in that case requested their disputes be handled via binding arbitration in accordance with the operating agreement of NuVeda. See Arbitration Demands attached as part of Exhibit 16. The court should note that the allegations in the complaint filed in Case No. A-20-817363-B mirrors the allegations by Mr. Terry in the litigation/arbitration. Compare id. with Complaint filed on June 30, 2020 in Case No. A-20-817363-B, paragraph 16-21 and 30-62. Mr. Terry entered into a binding agreement to sell his claims against and any interest in NuVeda. See Exhibit 17. After Mr. Terry entered into this agreement, Mr. Terry through his counsel (Erika Pike Turner) filed a motion to substitute the buyer in place of Mr. Terry as the real party in interest with all rights to Mr. Terry's claims and interest. See Exhibit 18. Mr. Terry's motion specifically argues the following:

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.

NUVEDA'S APPENDIX 0442

1 (emphasis added). The arbitrator permitted the buyer to substitute into the case for Mr. Terry.
2 Subsequently, the buyer dismissed these claims against NuVeda and related parties with prejudice.
3 See Exhibit 19. In accordance with the motion filed by Mr. Terry and the request by the buyer to
4 dismiss the claims with prejudice, the arbitrator ordered these claims finally to be dismissed on October
5 9, 2018. See Exhibit 20.

6 The decision by the arbitrator in Case No. A-15-728510-B (Department 11) is not subject to
7 being set aside. NRCP 60(b) and (c) provides as follows:

8
9 (b) Grounds for Relief From a Final Judgment, Order, or Proceeding. On
10 motion and just terms, the court may relieve a party or its legal
11 representative from a final judgment, order, or proceeding for the following
12 reasons:

13 (1) mistake, inadvertence, surprise, or excusable neglect;

14 (2) newly discovered evidence that, with reasonable diligence,
15 could not have been discovered in time to move for a new trial under Rule
16 59(b);

17 (3) fraud (whether previously called intrinsic or extrinsic),
18 misrepresentation, or misconduct by an opposing party;

19 (4) the judgment is void;

20 (5) the judgment has been satisfied, released, or discharged; it is
21 based on an earlier judgment that has been reversed or vacated; or applying
22 it prospectively is no longer equitable; or

23 (6) any other reason that justifies relief.

24 (c) Timing and Effect of the Motion.

25 (1) Timing. A motion under Rule 60(b) must be made within a
26 reasonable time — and for reasons (1), (2), and (3) no more than 6 months
27 after the date of the proceeding or the date of service of written notice of
28 entry of the judgment or order, whichever date is later. The time for filing
the motion cannot be extended under Rule 6(b).

(emphasis added). Mr. Terry has not filed a motion to set aside the decision by the arbitrator. Instead,
Mr. Terry seeks to have his deal with the buyer rescinded based on fraud in the inducement and lack
of consideration (so he can pursue his previous claims against NuVeda). See Complaint filed on June

30, 2020 in Case No. A-20-817363-B, paragraph 158 (specifically---items (ix)-(xi) as part of paragraph 158). Unfortunately, if rescission is successful, Mr. Terry is out of time to set aside the order dismissing his claims under NRCP 60. Accordingly, the judgment by the arbitrator is final.

The claims raised by Mr. Terry in Case No. A-20-817363-B against NuVeda and its affiliates are barred by Nevada's claims preclusion doctrine. See Five Star Capital Corp. v. Ruby, 124 Nev. 1048, 194 P.3d 709 (2008) (modified by Weddell v. Sharp, 350 P.3d 80 (Nev. 2015)). The stipulation by Mr. Terry's buyer and the judgment by the arbitrator is a final judgment which is valid, the current action by Mr. Terry is based on the same claims, and the relevant parties are the same in the current case as they were in the previous lawsuit.

4. The remedies requested in the complaint filed on June 30, 2020 in Case No. A-20-817363-B of a preliminary injunction and a receivership should be denied.

CWNevada requests a preliminary injunction preventing any sale, transfer, pledge or other disposition of any interest in NuVeda and its affiliates. See Complaint filed on June 30, 2020 in Case No. A-20-817363-B, paragraphs 245-249. A preliminary injunction may be issued if a plaintiff establishes: (1) likelihood of success on the merits; (2) likelihood of irreparable harm in the absence of preliminary relief; (3) that the balance of equities tips in his favor; and (4) that an injunction is in the public interest. Winter v. Natural Res. Def. Council, Inc., 555 U.S. 7, 20 (2008). Nevada law entitles a litigant to seek a preliminary injunction in the following circumstances.

1. When it shall appear by the complaint that the plaintiff is entitled to the relief demanded, and such relief or any part thereof consists in restraining the commission or continuance of the act complained of, either for a limited period or perpetually.
2. When it shall appear by the complaint or affidavit that the commission or continuance of some act, during the litigation, would produce great or irreparable injury to the plaintiff.
3. When it shall appear, during the litigation, that the defendant is doing or threatens, or is about to do, or is procuring or suffering to be done, some act in violation of the plaintiff's rights respecting the subject of the action, and tending to render the judgment ineffectual.

NRS 33.010.

CWNevada does not have any interest in NuVeda and its affiliates. The allegations which are advanced to support a preliminary injunction are based substantially on the barred claims made by Mr.

1 Terry. See Exhibit 13 and Complaint filed on June 30, 2020 in Case No. A-20-817363-B, paragraph
2 16-21 and 30-62. However, the Receiver makes the following additional, allegations to support the
3 requested relief: (1) NuVeda dissolved CWNV; (2) NuVeda failed to provide an accounting of
4 CWNV's assets, liabilities and operations; (3) NuVeda caused an eviction order to be issued against
5 CWNevada and prevented the Receiver from accessing NuVeda's premises at Oxbow; and (4) NuVeda
6 has agreed to sell marijuana licenses to undisclosed third-parties. See Complaint filed on June 30,
7 2020 in Case No. A-20-817363-B as clarified by CWNevada's Opposition to Motion for Preliminary
8 Injunction. See Exhibit 21. CWNV was dissolved per the terms of its operating agreement when
9 CWNevada filed a Chapter 11 bankruptcy petition. See Exhibit 3 (supra note 2). There are no known
10 assets of CWNV to distribute. The eviction of CWNevada from the Oxbow facility was lawful
11 pursuant to the sublease, which was breached. See Exhibit 22. NuVeda does not have an agreement
12 to sell cannabis licenses to third-parties. All of these allegations (which have been addressed with the
13 Receiver) should not serve as a basis for the injunction requested.

14 The claims by CWNevada boil down to a contract dispute over money damages which has been
15 pending since March of 2019—more than a year. As this court is aware, money damages are not
16 traditionally considered irreparable because the injury can later be remedied by a monetary award. See
17 Boulder Oaks Cmty, Ass'n v. B & J Andrews Enters., LLC, 125 Nev. 397, 403, 215 P.3d 27, 31 (2009).
18 When courts find an injunction is warranted in money-damages cases, it is usually based on sufficient
19 evidence that the defendant will be insolvent if the court waits for a final judgment or evidence that the
20 defendant is likely to soon dispose of his assets. See In re Estate of Ferdinand Marcos, Human Rights
21 Litig., 25 F.3d 1467, 1478 (9th Cir. 1994) (discussing preliminary injunctions in money-damages
22 cases). The Ninth Circuit has explained that this remedy is "restricted to only extraordinary cases,"
23 like when there is evidence a defendant "has engaged in a pattern of secreting or dissipating assets to
24 avoid judgment." Id. Here, there is no evidence before the court that NuVeda and its affiliates are
25 insolvent (or likely to dispose of their assets). Further, NuVeda and its affiliates have not engaged in
26 a pattern of secreting or dissipating assets to avoid judgment in this case (or any other matter). The
27 judgment in favor of 4Front Advisors, LLC was satisfied. See Exhibit 23.

28 The preliminary injunction standard asks whether the remedy for the claims will be jeopardized

1 during the pendency of the case so that the movant needs an injunction to preserve the status quo.
2 Again, the case against CWNevada has been pending for more than a year. Given the timing,
3 CWNevada does not want to preserve the status quo. It wants a golden ticket to judgment and
4 collection, with the goal of liquidating the cannabis licenses of NuVeda and its affiliates with the
5 remaining licenses of CWNevada. Given that CWNevada seeks money damages here, it has failed to
6 show that the extraordinary remedy of an injunction is warranted. Therefore, any request for a
7 preliminary injunction should be denied.

8 CWNevada also seeks the appointment of a receiver (despite the fact that CWNevada is in
9 receivership). The appointment of a receiver is a harsh and extreme remedy which should be used
10 sparingly and only when the securing of ultimate justice requires it. Hines v. Plante, 99 Nev. 259 (Nev.
11 1983) (citing Bowler v. Leonard, 70 Nev. 370, 269 P.2d 833 (1954)). A corollary of this rule is that
12 if the desired outcome may be achieved by some method other than appointing a receiver, then this
13 course should be followed. Id. (citing State v. District Court, 406 P.2d 828 (Mont. 1965) and Hawkins
14 v. Aldridge, 7 N.E.2d 34 (Ind. 1937)). According to the Nevada Supreme Court in Hines, the reasons
15 for the above rules are fundamental: appointing a receiver to supervise the affairs of a business is
16 potentially costly, as the receiver (like the Receiver in this case) must be paid for his/her services. Id.
17 A receivership also significantly impinges on the right of individuals or entities to conduct their
18 business affairs as they see fit, and may endanger the viability of a business. Id. The existence of a
19 receivership can also impose a substantial administrative burden on the court. Id. As the court is
20 aware, after more than a year of work and millions of dollars in administrative costs/fees and debt
21 certificates, CWNevada remains insolvent. See **Exhibit 10** (Exhibit 10 to Receiver's 10th Interim
22 Report filed on June 30, 2020).

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2
3 DATED this 29th day of July, 2020.

4 **LAW OFFICE OF MITCHELL STIPP**

5
6 /s/ Mitchell Stipp, Esq.

7 MITCHELL STIPP, ESQ.

8 Nevada Bar No. 7531

9 LAW OFFICE OF MITCHELL STIPP

10 1180 N. Town Center Drive, Suite 100

11 Las Vegas, Nevada 89144

12 Telephone: 702.602.1242

13 mstipp@stipplaw.com

14 Attorneys for NuVeda, LLC

15 **DECLARATION OF PEJMAN BADY**

16 The undersigned, Dr. Pejman Bady, authorized agent for NuVeda, LLC, certifies to the court
17 as follows:

18 1. I am an authorized agent of Plaintiff in the above referenced case.

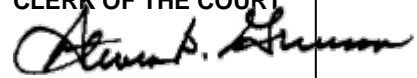
19 2. I submit the above-titled declaration in support of Plaintiff's motion to dismiss or for
20 summary judgment which has been filed concurrently herewith. I have personal knowledge of the facts
21 contained therein unless otherwise qualified by information and belief or such knowledge is based on the
22 record in this case, and I am competent to testify thereto, and such facts are true and accurate to the best
23 of my knowledge and belief.

24 3. The exhibits filed in support of the motion are true, accurate and complete.

25 Dated this 29th day of July, 2020.

26 /s/ Pejman Bady

27 Dr. Pejman Bady, Authorized Agent for Plaintiff



MITCHELL D. STIPP, ESQ.
Nevada Bar No. 7531
LAW OFFICE OF MITCHELL STIPP
1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144
Telephone: 702.602.1242
mstipp@stippplaw.com
Attorneys for NuVeda, LLC

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

CWNEVADA, LLC, a Nevada limited liability
company; NUVEDA, LLC, a Nevada limited
liability company,

Plaintiffs,

v.

4FRONT ADVISORS, LLC;

Defendant.

AND RELATED MATTERS.

Case No.: A-17-755479-B

Dept. No.: 11

**NUVEDA'S EXHIBITS IN SUPPORT OF
MOTION TO DISMISS OR FOR
SUMMARY JUDGMENT**

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

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NUVEDA'S APPENDIX 0449

1
2 DATED this 29th day of July, 2020.
3

4 **LAW OFFICE OF MITCHELL STIPP**
5

6 /s/ Mitchell Stipp, Esq.

7 MITCHELL STIPP, ESQ.

8 Nevada Bar No. 7531

9 LAW OFFICE OF MITCHELL STIPP

10 1180 N. Town Center Drive, Suite 100

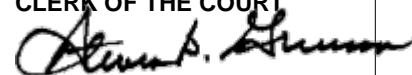
11 Las Vegas, Nevada 89144

12 Telephone: 702.602.1242

13 mstipp@stipplaw.com

14 *Attorneys for NuVeda, LLC*
15
16
17
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EXHIBIT 1



NEOJ
RICHARD F. HOLLEY, ESQ.
Nevada Bar No. 3077
E-mail: rholley@nevadafirm.com
JOHN J. SAVAGE, ESQ.
Nevada Bar No. 011455
E-mail: JSavage@nevadafirm.com
HOLLEY DRIGGS
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101
Telephone: 702/791-0308
Facsimile: 702/791-1912

Attorney for Dotan Y. Melech, Receiver

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
Dept. No.: XI

**NOTICE OF ENTRY OF ORDER
REGARDING RECEIVER'S MOTION TO
ENFORCE RECEIVERSHIP ORDER ON
ORDER SHORTENING TIME AND
NUVEDA'S COUNTERMOTION FOR
RELATED RELIEF**

YOU, and each of you, will please take notice that an **Order Regarding Receiver's Motion to Enforce Receivership Order on Order Shortening Time and NuVeda's Countermotion for Related Relief** in the above-entitled matter was filed and entered by the Clerk of the above-entitled Court on the 27th day of July 2020, a copy of which is attached hereto.

Dated this 27th day of July 2020.

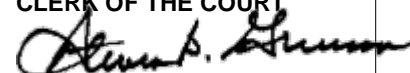
HOLLEY DRIGGS

/s/ John J. Savage
JOHN J. SAVAGE, ESQ.
Nevada Bar No. 011455
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101

Attorneys for Dotan Y. Melech, Receiver

NUVEDA'S APPENDIX 0452

- 1 -



ORDR
RICHARD F. HOLLEY, ESQ.
Nevada Bar No. 3077
E-mail: rholley@nevadafirm.com
JOHN J. SAVAGE, ESQ.
Nevada Bar No. 11455
E-mail: jsavage@nevadafirm.com
HOLLEY DRIGGS
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101
Telephone: 702/791-0308
Facsimile: 702/791-1912

Attorneys for Dotan Y. Melech, Receiver

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
Dept. No.: XI

Hearing Date: July 23, 2020
Hearing Time: 11:45 a.m.

**ORDER REGARDING RECEIVER'S MOTION TO ENFORCE
RECEIVERSHIP ORDER ON ORDER SHORTENING TIME
AND NUVEDA'S COUNTERMOTION FOR RELATED RELIEF**

On July 23, 2020, the Court heard oral argument on the Receiver's Motion to Enforce Receivership Order on Order Shortening Time and NuVeda's Countermotion for Related Relief (the "Hearing"). The Court, having considered (a) the Receiver's Motion to Enforce Receivership Order on Order Shortening Time, which was filed by Dotan Y. Melech, the Court-appointed receiver over CWNevada, LLC ("CWNevada") in this matter ("Receiver") on July 20, 2020 ("Motion to Enforce"); (b) NuVeda's Opposition to Motion to Enforce and Countermotion for Related Relief, which was filed by NuVeda, LLC ("NuVeda") on July 20, 2020 ("NuVeda's Countermotion"); (c) the Receiver's Reply in Support of Motion to Enforce and Opposition to

NUVEDA'S APPENDIX 0453

NuVeda's Countermotion; (d) NuVeda's Reply to Opposition to NuVeda's Countermotion; and
(e) the arguments of all parties present at the Hearing for this matter on July 23, 2020, orders as
follows:

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Receiver's
Motion to Enforce is **MOOT** as a result of the Court granting the Receiver's Motion to Consolidate
Cases A-19-791405-C, A-19-796300-B and A-20-817363-B with the Receivership Action on
Order Shortening Time.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that NuVeda's
Countermotion shall be refiled as a motion for summary judgment.

IT IS SO ORDERED.

Dated this 27th day of July 2020.



THE HONORABLE ELIZABETH GONZALEZ
DISTRICT COURT JUDGE

Submitted by:
HOLLEY DRIGGS

/s/ John J. Savage
RICHARD F. HOLLEY, ESQ.
Nevada Bar No. 3077
JOHN J. SAVAGE, ESQ.
Nevada Bar No. 11455
400 South Fourth Street, Third Floor
Las Vegas, Nevada 89101
Attorneys for Dotan Y. Melech, Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of Holley Driggs and that on the 27th day of July 2020, and pursuant to NRCP 5(b) and NEFCR 9, I caused to be served electronically using the Court's electronic filing system (EFS) the foregoing **NOTICE OF ENTRY OF ORDER REGARDING RECEIVER'S MOTION TO ENFORCE RECEIVERSHIP ORDER ON ORDER SHORTENING TIME AND NUVEDA'S COUNTERMOTION FOR RELATED RELIEF** to all registered users on the above-captioned case in the Eighth Judicial District Court Electronic Filing System.

Parties:

NuVeda LLC - Plaintiff
 4Front Advisors LLC - Defendant
 CWNevada LLC - Plaintiff
 CIMA Group LLC - Other
 Highland Partners NV LLC - Intervenor
 MI-CW Holdings Fund 2 LLC - Intervenor
 MI-CW Holdings LLC - Intervenor
 Green Pastures Fund, LLC Series 1 (CWNevada, LLC) - Intervenor
 Jakal Investments, LLC - Intervenor
 Green Pastures Group, LLC - Intervenor
 Jonathan S. Fenn Revocable Trust - Intervenor
 Growth Opportunities, LLC - Intervenor
 CIMA Group LLC - Intervenor
 Timothy Smits Van Oyen - Intervenor
 Dotan Y Melech - Receiver
 Nevada Department of Taxation - Other
 Brian C Padgett - Intervenor
 Renaissance Blue Diamond, LLC - Other
 Stalking Horse Bidder TRC - Evolution NV, LLC - Other
 G3 Labs, LLC - Other
 Rad Source Technologies - Other
 Fortress Oakridge, LLC - Other
 Kirby C. Gruchow, Jr. -
 Ace Legal Corp. -

/s/ Olivia Swibies
 Employee of Holley Driggs

EXHIBIT 2

NUVEDA'S APPENDIX 0456

any breach of representation or warranty of CW or CWNV or nonfulfillment of or failure to perform any covenant or agreement by CW or CWNV contained in this Agreement (determined in all cases as if the terms "material" or "materially" were not included therein).

6.4 The indemnity provisions contained in Sections 6.2 and 6.3 shall survive for a period of twelve (12) months following the date upon which the Transfer Approvals are obtained.

SECTION 7

Conditions to Closing

7.1 Conditions to Obligations of NuVeda. The obligations of NuVeda to consummate any of the transactions contemplated in this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing (such date being referred to, respectively, as the "Closing Date" or "Closing"), of each of the following conditions:

(a) The representations and warranties of CW and CWNV contained in this Agreement and any certificate or other writing delivered pursuant hereto shall be true and correct in all material respects on the Closing Date with the same effect as though made at and as of such date.

(b) CWNV shall have obtained all required Transfer Approvals, including from the Division and, to the extent required, the Counties.

(c) CW and CWNV shall have duly performed and complied with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(d) No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.

(e) CWNV shall have delivered to NuVeda such other documents or instruments as NuVeda reasonably requests.

7.2 Conditions to Obligations of CW and CWNV. The obligations of CW and CWNV to consummate any of the transactions contemplated in this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing (such date being referred to, respectively, as the "Closing Date"), of each of the following conditions:

(a) The representations and warranties of NuVeda contained in this Agreement and any certificate or other writing delivered pursuant hereto shall be true and correct in all material respects on the Closing Date with the same effect as though made at and as of such date.

(b) CWNV shall have obtained all required Transfer Approvals, including from the Division and, to the extent required, the Counties.

[Handwritten signatures: JK, PM, PBM, MP]

(c) NuVeda shall have duly performed and complied with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(d) No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.

(e) NuVeda shall have delivered to CW and CWNV such other documents or instruments as CW and CWNV reasonably request.

SECTION 8

Termination

8.1 **Termination Events.** The parties hereby agree that this Agreement may be terminated upon the earliest to occur of the following:

(a) The mutual written agreement of NuVeda and CWNV;

(b) By NuVeda upon the material breach by CW or CWNV of any covenant or agreement contained herein, provided that such breach is not cured within thirty (30) days of written notice by NuVeda that such a breach has occurred, or if such breach is not capable of cure within such thirty (30) day period, that CW and CWNV have taken action to commence a cure by such date and is diligently pursuing the same; or

(c) By CW or CWNV upon the material breach by NuVeda of any covenant or agreement contained herein, provided that such breach is not cured within thirty (30) days of written notice by CWNV that such a breach has occurred, or if such breach is not capable of cure within such thirty (30) day period, that NuVeda has taken action to commence a cure by such date and is diligently pursuing the same.

8.2 **CWNV Remedies for NuVeda Default.** Notwithstanding any other provision in this Agreement to the contrary, upon the occurrence of a material breach or default of this Agreement by, NuVeda, CW and/or CWNV shall be entitled to any and all rights and remedies in law or in equity including, but not limited to, return of all CW capital investments at a rate of 16% interest per annum should the NuVeda majority owners lose control of NuVeda to NuVeda minority owners.

8.3 **NuVeda Remedies for CW and CWNV Breach or Default.** Notwithstanding any other provision in this Agreement to the contrary, upon the occurrence of a material breach or default of this Agreement by CW and/or CWNV, NuVeda shall be entitled to any and all rights and remedies in law or in equity.

JK my PBM ml

EXHIBIT 3

NUVEDA'S APPENDIX 0459

AFFIDAVIT

Before me, the undersigned authority, personally appeared Dr. Pejman Bady (“**Affiant**”) who, after being first duly sworn, deposes and says that:

1. Affiant is a manager of NuVeda, LLC, a Nevada limited liability company (“NuVeda”).

2. NuVeda was a member of CWNV, LLC, a now dissolved Nevada limited liability company (“CWNV”). CWNeveda, LLC, a Nevada limited liability company (“CWNeveda”), was also a member of CWNV. The Operating Agreement for CWNV provides for the dissolution of CWNV in the event of the bankruptcy of CWNeveda or NuVeda.

3. CWNeveda filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court in the District of Nevada on April 16, 2019 (Case No. 19-12300-mkn).

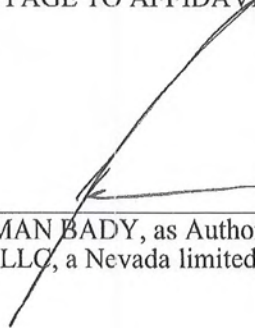
4. Affiant as a manager of NuVeda instructed and authorized Mitchell Stipp, Esq., of the Law Office of Mitchell Stipp, to prepare, complete and attach Affiant’s electronic signature to articles/certificate of dissolution for CWNV and file the same with the Nevada Secretary of State.

[SIGNATURE CONTINUES ON FOLLOWING PAGE]

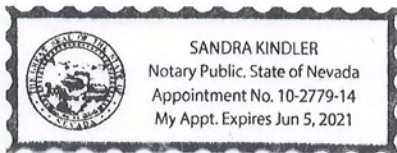
[SIGNATURE PAGE TO AFFIDAVIT]

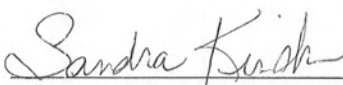
Effective Date: December 5, 2019

Affiant:


DR. PEJMAN Bady, as Authorized Signatory of
NuVeda, LLC, a Nevada limited liability company

SWORN TO AND SUBSCRIBED before me this 5th day of December, 2019.




Notary Public
Name of Notary Printed
SANDRA KINDLER

My commission expires: JUN 5, 2021
My commission number is: 10-2779-14

(NOTARY SEAL)



BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov



130706

**Dissolution of
Limited-Liability Company**
(PURSUANT TO NRS 86.531)

Filed in the office of <i>Barbara K. Cegavske</i> Barbara K. Cegavske Secretary of State State of Nevada	Document Number 20190215089-17 Filing Date and Time 05/17/2019 12:23 PM Entity Number E0028092016-3
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USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

**Articles of Dissolution
for a Nevada Limited-Liability Company**
(Pursuant to NRS 86.531)

1. Name of the limited-liability company:

CWNV LLC

2. Entity or NV I.D. number: E0028092016-3

3. The company has been or will be dissolved.

4. Effective date and time of the dissolution: Date: 04/16/2019 Time: 11:00 pm

(must not be later than the effective date
and time of the articles of dissolution)

5. Signature (must be signed by a manager, or if there is no manager by a member):

Manager of CWNV LLC and
X *Pejman Bady, Manager of NuVeda, LLC, Its Member*

Signature (manager or member)

FILING FEE: \$100.00

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

NUVEDA'S APPENDIX 0462

Nevada Secretary of State NRS 86.531 DLLC Dissolution
Revised: 1-26-16



BARBARA K. CEGAVSKE
Secretary of State
202 North Carson Street
Carson City, Nevada 89701-4201
(775) 684-5708
Website: www.nvsos.gov



130706

**Dissolution of
Limited-Liability Company**
(PURSUANT TO NRS 86.531)

Filed in the office of <i>Barbara K. Cegavske</i> Barbara K. Cegavske Secretary of State State of Nevada	Document Number 20190233926-37 Filing Date and Time 05/30/2019 3:13 PM Entity Number E0272412018-1
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USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

**Articles of Dissolution
for a Nevada Limited-Liability Company**
(Pursuant to NRS 86.531)

1. Name of the limited-liability company:

CWNV1, LLC

2. Entity or NV I.D. number: E0272412018-1

3. The company has been or will be dissolved.

4. Effective date and time of the dissolution: Date: 04/16/2019 Time: 11:00 pm

(must not be later than the effective date
and time of the articles of dissolution)

5. Signature (must be signed by a manager, or if there is no manager by a member):

X *Pejman Bady, Manager of NuVeda, LLC, its Manager*

Signature (manager or member)

FILING FEE: \$100.00

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

NUVEDA'S APPENDIX 0463

EXHIBIT 4

SECTION 9

OPERATIONS COMMENCING ON THE EFFECTIVE DATE

9.1 **CWNV Duties.** Commencing on the Effective Date, CWNV will develop, manage, operate and promote the facilities and shall be charged with the duties to protect the licenses and maximize profits and the overall value and goodwill of the facilities. The management of the facilities will include, but not necessarily be limited to, the following services absent any management fee paid to CWNV or its managers:

- a. Oversight and management of the day-to-day commercial operations of the facilities;
- b. Oversight and management of the development, interior design and construction of the facilities;
- c. Implementation, oversight and management of SOPs, aesthetics, and general practices consistent with the other facilities of CW and CWNV;
- d. Hiring and management of all facilities personnel and management of all HR matters;
- e. Procurement of all inventories, supplies and services;
- f. Identification, procurement, installation and operation of all operating systems (e.g., inventory management, POS, security, regulatory compliance, HR, etc.);
- g. Advertising, marketing, signage and promotion;
- h. Risk-mitigation, and oversight and management of third-party security and regulatory compliance companies;
- i. Consumer and product-preference tracking and analysis;
- j. Establishment and management of a customer loyalty and/or membership program;
- k. Development and management of a delivery service program;
- l. Development and implementation of an annual business plan and budget, which shall serve as the basis for mutually agreed-upon performance goals and targets;
- m. Reporting, and records management and retention;
- n. Procurement and management of insurance;
- o. General maintenance, upkeep, and improvement of the subject property, as applicable; and
- p. Oversight and management of any other responsibilities appurtenant to the successful operation of the facilities.
- q. The debt of NuVeda due and outstanding as of the Effective Date is not more than \$2,182,130.00. CW shall be responsible for resolving up to \$1,500,000.00 of this debt and the parties shall work together diligently to negotiate resolutions of this debt.

9.2 **CWNV Inventory Obligations.** CWNV shall be responsible for obtaining the inventories for Clark on a consignment basis with the same or similar inventories as that of CW's other dispensaries, and CWNV shall ensure that Clark has priority to receive all wholesale inventories on the same basis as any other wholesale purchaser. The wholesale price for all inventories shall be mutually agreed upon up by representatives of CWNV and NuVeda, subject to periodic adjustment as necessary. CWNV guarantees that the wholesale price paid by Clark shall never exceed the lowest price paid for the same or similar inventories as other CW dispensaries. Upon the retail sale of the

[Handwritten signatures: JKM, JEM, ml]

inventories by Clark, CWNV will be reimbursed for said inventories based on the agreed-upon wholesale pricing.

9.3 **Priority of Dispensaries.** CW, CWNV and NuVeda agree that the build-out of the facilities and dispensaries licensed to Clark is of paramount importance and shall be the first priority for CW and CWNV. CW and CWNV shall use their best efforts to fully stock the Clark dispensaries with its existing facilities and those scheduled to come online on or before May 3, 2016 and in accordance with the Timeline.

9.4 **Cultivation and Production Facilities.** CW, CWNV and NuVeda representatives shall discuss and develop in good faith a business plan for the timing and placement of the Nye cultivation and production licenses, with set milestones and in accordance with the Timeline.

9.5 **Building Insurance Claim.** NuVeda and Clark shall use their best efforts to pursue and resolve the building insurance claim relating to the Third Street dispensary. Any and all proceeds from the resolution of such claim shall be delivered to CWNV (or otherwise used solely to pay costs of the build-out of the Clark dispensaries).

SECTION 10

Definitions

For purposes of this Agreement, the following definitions shall apply:

“Action” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

“Articles of Organization” shall mean the Articles of Organization of NuVeda, Clark and Nye, filed with the Nevada Secretary of State.

“Governmental Authority” means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision.

“Law” or “Laws” means all laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision or of any Governmental Authority, including all common laws.



EXHIBIT 5

NUVEDA'S APPENDIX 0467

Additions to Operating Agreement

Budget: A budget of all operational expenses for the upcoming year will be presented to the Board for approval at the end of the prior year. Budget vs. actuals will be presented at each quarterly meeting of the Board to ensure that the company is operating within the annual budget approved by the Board. This will ensure that funds are being allocated and spent prudently.

Marketing: All of the dispensaries will be under The Green House umbrella, so a lot of the general marketing/branding costs can be shared (i.e. website, social media, management staff) through a pro rata allocation between CW and CWNV. Individual advertising costs for each dispensary (directive billboards for example) will be borne by the company who owns the dispensary.

Inventory Control: Each CW and CWNV dispensary shall have access to equal stock and equal pricing (this is covered already in the agreement). This is only subject to shelf space constraints based on the size of the dispensary. For example: The 2,500 sf dispensary on 3rd St won't be able to carry every product the larger Blue Diamond dispensary will carry.

Delivery: Each dispensary gets credit for deliveries made within its municipality – regardless of which store makes the delivery.

Disbursements: Pete and Joe can work together to add standard language found in Operating Agreements covering profits, payment of debt, allocations for expansion and disbursement but payment to debt and expansion should consist of not less than 50% of net income.

Timeline: Dispensaries to be complete on or about April 16, 2016. The only caveat to this depends on the construction status/timing of the City of Las Vegas location which has been destroyed. Cultivation and production shall be up and running by the end of December 2016.

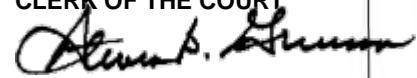
All licenses shall be safeguarded to meet the May 2016 State of Nevada compliance cut-off. If a CWNV license is lost due to being unable to meet the May 2016 compliance date then CW shall provide an extra license of the same type to CWNV at its cost and build to a similar standard as originally planned.

The first greenhouse built on CWNV Nye cultivation license shall be approximately 25,000/sf with a completion date of 12/2016. Construction shall commence thereafter on phase 2 (an additional approximate 25,000/sf) as determined by market demand.

Lost Profits: If Cultivation and Production are not up and running in earnest by the end of 2016, CW shall provide lost profits to CWNV based on the number of months the facilities are tardy in opening and based on the profits those facilities actually make for that same number of months upon opening.

12/6/15
12/6/15
PBM
JLC
12/6/15
PJP

EXHIBIT 6



Justin Carley, Esq.
Nevada Bar No. 9994
Bradley Austin, Esq.
Nevada Bar No. 13064
SNELL & WILMER L.L.P.
3883 Howard Hughes Parkway, Suite 1100
Las Vegas, NV 89169
Telephone (702) 784-5200
Facsimile (702) 784-5252
jcarley@swlaw.com
baustin@swlaw.com

Cory Braddock, Esq.
Arizona Bar No. 024668 (Admitted *Pro Hac Vice*)
SNELL & WILMER L.L.P.
400 E. Van Buren, Suite 400
Phoenix, Arizona 85004
Telephone (602) 382-6336
Facsimile (602) 382-6070
cbraddock@swlaw.com

Attorneys for 4Front Advisors LLC

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

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

CASE NO. A-17-755479-C
DEPT. NO. XXXII

Plaintiffs,

**NOTICE OF ENTRY OF ORDER
APPOINTING RECEIVER**

vs.

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

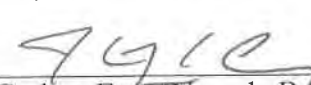
Defendants.

TO: ALL INTERESTED PARTIES AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE that the attached Order Appointing Receiver was entered on
July 10, 2019.

Dated: July 10, 2019

SNELL & WILMER L.L.P.


Justin Carley, Esq. (Nevada Bar No. 9994)
Bradley Austin, Esq. (Nevada Bar No. 13064)
Cory Braddock, Esq. (Admitted *Pro Hac Vice*)

Attorneys for 4Front Advisors LLC

NUVEDA'S APPENDIX 0470

CERTIFICATE OF SERVICE

I hereby declare under penalty of perjury, that I am over the age of eighteen (18) years, and I am not a party to, nor interested in, this action. On this date, I caused to be served a true and correct copy of the foregoing **NOTICE OF ENTRY OF ORDER APPOINTING RECEIVER** by the method indicated below:

- ☐ **BY HAND:** by personally delivering the document(s) listed above to the person(s) at the address(es) set forth below.
- ☐ **BY MAIL:** by placing the document(s) listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Las Vegas, Nevada addressed as set forth below.
- ☐ **BY E-MAIL:** by transmitting via e-mail the document(s) listed above to the e-mail address(es) set forth below.
- ☒ **BY ELECTRONIC SUBMISSION:** submitted to the above-entitled Court for electronic filing and service upon the Court's Service List for the above-referenced case.

Jason M. Wiley, Esq.
Ryan S. Peterson, Esq.
WILEY PETERSEN
1050 Indigo Drive, Ste. 130
Las Vegas, NV 89145

Attorneys for NuVeda, LLC

L. Edward Humphrey, Esq.
HUMPHREY LAW PLLC
140 Washington Street, Suite 210
Reno, Nevada 89503

Attorney for The CIMA Group LLC

David S. Lee, Esq.
Charlene N. Renwick, Esq.
LEE, HERNANDEZ, LANDRUM & CARLSON, APC
7575 Vegas Drive, Suite 150
Las Vegas, Nevada 89128

Attorneys for Timothy Smits Von Oyen

Steven B. Cohen, Esq.
H. Stan Johnson, Esq.
COHEN JOHNSON PARKER EDWARDS
375 E. Warm Springs Road, #104
Las Vegas, NV 89119

Attorneys for CWNevada LLC

Ryan J. Works, Esq.
Rory T. Kay, Esq.
McDONALD CARANO LLP
2300 West Sahara Avenue, Suite 1200
Las Vegas, Nevada 89102

Attorneys for MC Brands, LLC

William R. Urga, Esq.
David J. Malley, Esq.
Kyle M. Wyant, Esq.
JOLLEY URGa WOODBURY HOLTHUS & ROSE
330 S. Rampart Blvd., Suite 380
Las Vegas, NV 89145

Attorneys for Highland Partners NV LLC, MI-CW Holdings Fund 2 LLC, and MI-CW Holdings LLC

Mark E. Ferrario, Esq.
Christopher R. Miltenberger, Esq.
GREENBERG TRAURIG, LLP
10845 Griffith Peak Dr., #600
Las Vegas, NV 89135

Richard F. Holley, Esq.
HOLLEY DRIGGS
400 S. 4th Street, Suite 300
Las Vegas, NV 89101

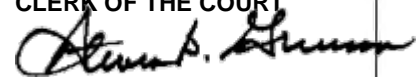
Attorneys for the Receiver Dotan Melech

*Attorneys for Green Pastures Fund, LLC
Series 1 (CWNevada, LLC), Jakal
Investments, LLC, Green Pastures Group,
LLC, Jonathan S. Fenn Revocable Trust, and
Growth Opportunities, LLC*

DATED: July 10, 2019

/s/ Ruby Lengsavath
An Employee of Snell & Wilmer L.L.P.

4851-8398-2666.1



Justin Carley, Esq.
Nevada Bar No. 9994
Bradley Austin, Esq.
Nevada Bar No. 13064
SNELL & WILMER L.L.P.
3883 Howard Hughes Parkway, Suite 1100
Las Vegas, NV 89169
Telephone (702) 784-5200
Facsimile (702) 784-5252
jcarley@swlaw.com
baustin@swlaw.com

Cory Braddock, Esq.
Arizona Bar No. 024668 (Admitted *Pro Hac Vice*)
SNELL & WILMER L.L.P.
400 E. Van Buren, Suite 400
Phoenix, Arizona 85004
Telephone (602) 382-6336
Facsimile (602) 382-6070
cbraddock@swlaw.com

Attorneys for 4Front Advisors LLC

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

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

CASE NO. A-17-755479-C
DEPT. NO. XXXII

Plaintiffs,

ORDER APPOINTING RECEIVER

vs.

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

Defendants.

Having considered (a) 4Front Advisors LLC's ("4Front") February 25, 2019 Application to Appoint Receiver, (b) CWNevada's February 27, 2019 Opposition and March 21, 2019 Supplemental Opposition, (c) Nuveda, LLC's February 27, 2019 Opposition and March 21, 2019 Supplemental Opposition, (d) 4Front's March 28, 2019 Reply, and (e) all joinders and receivership briefing filed by all intervening parties in their intervening papers; and

Having conducted hearings on the Application and considered the arguments of all parties present on February 28, April 4, April 17, and June 14, 2019, including the stipulation of the

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1 parties placed on the record during the June 14, 2019 hearing on the Application;

2 And with good cause appearing therefore, this Court **GRANTS** the Application to
3 Appoint Receiver as follows:

4 **IT IS HEREBY ORDERED THAT:**

5 Dotan Y. Melech ("Receiver") is hereby appointed Receiver over CWNevada LLC and all
6 of its assets including, without limitation, all assets and rights related to any subsidiary and
7 affiliated entities (collectively "CWNevada") in which CWNevada has an ownership interest,
8 including but not limited to CWNV LLC, with the powers granted by this Order as follows:

9 1. The Receiver shall be the agent of the Court and shall be accountable directly to
10 this Court. This Court hereby asserts exclusive jurisdiction and takes exclusive possession of all
11 assets and property owned by, controlled by, or in the name of CWNevada, including all assets,
12 rights, contracts, monies, securities, inventory, real property, personal property, tangible property
13 and intangible property, of whatever kind and description and wherever situated, including but
14 not limited to the following Nevada marijuana establishment licenses and the businesses and
15 properties associated therewith: 8926 2643 4085 3963 7228; 0918 7693 7133 1267 8064; 1376
16 1794 0956 7505 0382; 3908 4961 6157 3630 3651; and 4358 1723 6737 5350 5053, as well as
17 domain names, website and content, cloud-based storage accounts, all social media accounts and
18 email record hosted by CWNevada and any third parties (all assets are, collectively, the
19 "Receivership Estate"). For all purposes, the Receiver shall, together with one or more
20 Management Agents if necessary and as set forth herein, have the power and authority to take
21 possession of, manage and operate the Receivership Estate. The Receiver shall conduct the duties
22 set forth herein and in doing so shall, together with one or more Management Agent[s] (if
23 necessary), care for, manage, preserve, protect, sell, operate and collect the revenues generated by
24 CWNevada's business operations and the Receivership Estate in its reasonable business judgment
25 as is most beneficial to CWNevada's creditors and as instructed by the Court, consistent with the
26 laws of Nevada, including the marijuana regulations of the Department of Taxation and the
27 statutes of Nevada.
28

2. If required by any state or local government body, or if deemed advisable in the Receiver's business judgment, the Receiver shall promptly engage the services of one or more "Management Agent[s]" to operate the aspects of the Receivership Estate that are subject to the Nevada marijuana laws and the marijuana regulations of the Department of Taxation or any other state or local governmental or regulatory body, including cultivation, production, and dispensary operations, that may be necessary or advisable to comply with all Nevada laws and regulations relating to marijuana establishment licenses. The engagement of any Management Agent[s] is subject to Court approval. Neither the Receiver and/or the Management Agent shall take any action that either believes could jeopardize CWNevada's marijuana establishment licenses, without Court approval. The Receiver's powers and duties set forth herein shall include, as advisable and/or necessary to comply with Nevada law, utilizing the services of the Management Agent[s], under the Receiver's supervision and control, to comply with Nevada marijuana laws and regulations, including by utilizing the Management Agent[s] to:

a. Negotiate, execute, perform, extend, re-negotiate, amend, or modify any contracts or obligations, to the extent any such contract or agreement is necessary for CWNevada to maintain the status and resources required of it under Nevada law to remain eligible for its marijuana establishment licenses in accordance with the Department of Taxation regulations and Nevada statutes;

b. Hire, manage, and terminate the employment of any employee, contractor, or agent to the extent such action is necessary for CWNevada to maintain CWNevada's marijuana establishment licenses; and

c. Interact as authorized Management Agent[s] for CWNevada with any governmental entity, agency department, employee, agent or inspector in connection with obtaining any approvals, certificates, licenses, rights of occupancy or use, zoning approval, variances, special use permits, permits or rights or approvals required by Nevada law for CWNevada to remain eligible for its marijuana establishment licenses and any approvals to operate such establishments.

3. In addition to other duties set forth herein, Management Agent[s] shall:

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1 a. Obtain and be authorized to obtain all required agent cards for all necessary
2 employees or agents of CWNevada and, to the extent required by Nevada law, for the
3 Receiver and its personnel; and

4 b. Interface with the Department of Taxation and any other relevant State and
5 local governmental agencies or bodies on behalf of CWNevada.

6 4. The Receiver is authorized to perform a review and accounting of all of
7 CWNevada's assets, holdings, and interests, and may, but shall not be required to, apply to the
8 Court on an order shortening time with notice to all parties to amend this Order as necessary to
9 provide the Receiver with the authority to act on behalf of the Receivership Estate and/or to
10 identify and include any asset or entity that belongs to the Receivership Estate. The Receiver is
11 empowered to use any and all lawful means to identify and secure the assets, rights, holdings and
12 interests of the Receivership Estate.

13 5. The Receiver may contact any party it reasonably believes to be an account debtor
14 of CWNevada and arrange for direct payment of the obligations due from account debtors to the
15 Receiver. The Receiver is further empowered to commence a lawsuit against an account debtor
16 or defend any lawsuit brought by an account debtor.

17 6. In conjunction with any Management Agent[s], the Receiver may liquidate any
18 and all assets of CWNevada, including any assets held on its behalf by entities and persons
19 including but not limited to any affiliates, subsidiaries, agents, officers, directors, members,
20 managers, employees, persons, and businesses in the Receivership Estate, or that are later added
21 as set forth in Paragraph 4 above. In the event the Receiver determines that the liquidation or sale
22 of assets within the Receivership Estate, other than within the ordinary course of business of
23 CWNevada (the sale of CWNevada's products and inventory) is in the best interest of the
24 Receivership Estate, the Receiver shall provide notice to all parties who have appeared in this
25 action with the opportunity to object, and any such sale is subject to Court review and approval
26 and, if necessary, the State of Nevada.

27 7. The Receiver shall serve without bond.
28

1 8. Immediately upon the filing of the Receiver's oath, the Receiver in its business
2 judgment may direct and, if so directed, CWNevada and/or any of its officers, directors,
3 managers, and members shall:

4 a. Turn over and surrender to the Receiver all assets of and income from the
5 Receivership Estate currently held by CWNevada or any of its officers, directors, managers,
6 affiliates, employees, members, principals, agents, representatives or others;

7 b. Turn over and surrender to the Receiver all property of the Receivership
8 Estate, including (without limitation): (i) all monies accountable to the proceeds, revenues, issues
9 and profits of the Receivership Estate, now in the possession, custody or control of CWNevada
10 and its affiliates, agents, members, principals, representatives or others; (ii) all records,
11 statements, copies of checks, bills, invoices and other data from all bank accounts maintained by
12 CWNevada in connection with the Receivership Estate, including but not limited to all accounts
13 maintained at any bank, credit union, brokerage firm, or any financial institution, any other
14 accounts where the funds relating to the Receivership Estate were transferred or deposited, and all
15 other records, books of account, ledgers, business records, expense accounts and all documents
16 and records (including records maintained in electronic form) pertaining to the operation,
17 maintenance and control of the Receivership Estate (collectively, the "Books and Records"),
18 whether in the possession and control of CWNevada or in the possession and control of affiliates,
19 agents, members, managers, representatives, principals, servants, or employees of CWNevada or
20 others, provided, however, that said Books and Records shall be made available for the use of
21 CWNevada upon reasonable notice in the normal course of the performance of its duties, as
22 necessary; (iii) all keys relating to the Receivership Estate, (iv) all computer systems, servers,
23 and/or software, including any cloud storage or cloud/remote based programs, intellectual
24 property rights, and websites (with all associated system access information, passwords, alarm
25 codes, keycards, software, or similar items) that may be used in connection with the Receivership
26 Estate, wherever located in and whatever mode maintained; (v) all documents and rights that
27 constitute or pertain to insurance policies, whether currently in effect or lapsed which relate to the
28 Receivership Estate; (vi) all contracts, leases and subleases, royalty agreements, licenses,

assignments or other agreements of any kind whatsoever, whether currently in effect or lapsed, which relate to any interest in the Receivership Estate; (vii) all income and monies derived from the Receivership Estate wherever, whenever, and however deposited, stored, secured, and/or maintained; (viii) all mail relating to the Receivership Estate; (ix) all keys, passwords, and combinations for all safes and locks relating to or located on any property or premises associated with the Receivership Estate; and (x) all credit card terminals and merchant accounts.

c. Provide access and control to the Receiver to all real property, personal property, intangible property, and any other physical facilities relating to the Receivership Estate.

d. The Receiver is the holder of all privileges held by CWNevada including without limitation, the attorney-client privilege and the attorney work product privilege.

9. Immediately upon the filing of the Receiver's oath, the Receiver shall immediately have the following powers and legal responsibilities, which it may exercise in its business judgment, working with the Management Agent[s] as appropriate:

a. The Receiver is authorized to exclude CWNevada and any affiliates, members, managers, principals, agents, attorneys, employees or representatives thereof, or anyone claiming under any of them, from operating or managing the Receivership Estate, or being present at any location within the Receivership Estate;

b. The Receiver is authorized to take physical custody and possession of, and CWNevada shall assist the Receiver in taking physical custody and possession of, all the real property and personal property, whether tangible or intangible, and other facilities, furniture, fixtures and equipment constituting the Receivership Estate;

c. The Receiver is authorized to continue to operate, care for, preserve, maintain and collect revenue generated by, and sell the Receivership Estate in the normal course of business in a manner necessary to preserve its overall value and shall incur the expenses necessary in such operation, care, preservation, maintenance, collection and sale of the Receivership Estate, all without further order of this Court; that monies coming into the possession of the Receiver pursuant hereto and not expended for any of the purposes herein

1 authorized shall be held by the Receiver, subject to such orders as this Court may hereinafter
2 issue as to its disposition;

3 d. The Receiver is authorized to determine, in its discretion, how best to use,
4 operate, manage, control, market and sell the Receivership Estate, so long as any sale of the
5 Receivership Estate outside of CWNevada's normal course of business must be approved by the
6 Court;

7 e. The Receiver is authorized to purchase materials, supplies, and services
8 and to pay therefor at ordinary and usual rates and prices out of funds that shall come into its
9 possession as Receiver, and to compromise debts of the Receivership Estate, and as Receiver to
10 do all things and to incur the risks and obligations ordinarily incurred by owners, managers, and
11 operators of similar businesses and that no such risk or obligation so incurred shall be the
12 personal risk or obligation of the Receiver but shall be a risk or obligation of the Receivership
13 Estate. No funds of the Receivership Estate may be expended without the authorization of the
14 Receiver and the Receiver may impose whatever safeguards it deems necessary to ensure every
15 expenditure is properly authorized;

16 f. By virtue of its appointment, the Receiver shall have the authority to, in its
17 sole and absolute discretion, terminate or reject any contracts or agreements relating to the
18 Receivership Estate. The Receiver may employ other or additional agents and employees, as
19 necessary to preserve, protect, maintain, manage and sell the Receivership Estate and to pay each
20 of the foregoing, at ordinary and usual rates and prices, pursuant to appropriate contracts, or
21 otherwise, out of funds that come into its possession as Receiver without seeking the Court's
22 consent for such employment;

23 g. The Receiver is authorized to review, analyze, account for and approve the
24 Receivership Estate's expenses, payments, transfers, withdrawals, and distributions (collectively
25 "Payments") to ensure that all such Payments are proper and made in the ordinary course of
26 business. In addition, the Receiver shall have the authority to write checks for the purpose of
27 making any payments required or permitted to be made hereunder, including, without limitation,
28 expenses on account of bank service charges, commissions, marketing and sale costs, dues and

publications, insurance, maintenance, accounting and other professional services, postage costs and courier or other delivery costs, interest, inventory, office expenses, rent or other payment arising under a lease or rental agreement, repairs and maintenance, supplies, taxes, utilities and telephone expenses, wages and premiums. The Receiver may open any/all operating or security accounts deemed necessary for the estate and transfer any/all funds from estate accounts to these receivership accounts and operate out of these receivership accounts, if deemed necessary and appropriate, in order to preserve and protect the estate and in order to be able to supply reviewed and reconciled financials;

h. The Receiver is authorized to take all proper actions related to the (i) marketing and sale of all or any portion of the Receivership Estate in the normal course of business, (ii) collection of accounts receivable and other amounts owed in respect of the Receivership Estate, (iii) removal from the Receivership Estate of persons not entitled to entry thereon, (iv) securement and protection of the Receivership Estate, (v) damage caused to the Receivership Estate, (vi) recovery of possession of the Receivership Estate, and (vii) initiation or prosecution of any claims or litigation for the benefit of the Receivership Estate;

i. The Receiver may hire, employ, retain, terminate, and otherwise obtain the advice and assistance of United AMS, LLC, a Nevada limited liability company ("United AMS") and such legal counsel, accounting and other professionals, including a Management Agent[s] and/or cannabis compliance consultants and licensed or licensable operators of a Nevada cannabis business, as may be reasonably necessary to the proper discharge of the Receiver's duties (and to pay such professionals' reasonable fees, including those fees reasonably incurred prior to Dotan Y. Melech's appointment as Receiver), without further order of the Court;

j. The Receiver is authorized to receive proceeds and profits from any sale, use, transfer or disposition of the Receivership Estate; and to deposit and hold such funds in one or more interest-bearing accounts as deemed appropriate;

k. The Receiver may hire, employ, retain, and terminate consultants, operating companies and/or other professionals, management, brokers, auctioneers and any other personnel or employees which the Receiver deems necessary to assist it in the discharge of his

1 duties, to whom the Receiver may delegate operational responsibilities for the Receivership
2 Estate, subject to applicable regulations and laws, as set forth in this Order and, at the Receiver's
3 election, pay any federal, state, and local payroll and other taxes due in connection with
4 employees and operations of the Receiver and Receivership Estate, provided, however, that no
5 contract shall extend beyond the termination of the receivership unless authorized by the Court;

6 l. The Receiver shall immediately disclose to all parties any financial
7 relationship between the Receiver and any person or entity hired to assist in the management or
8 sale of all or any portion of the Receivership Estate;

9 m. The Receiver is authorized to immediately acquire from CWNevada and all
10 of its affiliates, members, managers, principals, employees, agents or officers, all keys,
11 passwords, system access and/or alarm codes, locks, keycards, and similar items relating to the
12 Receivership Estate, and may change any and all of the foregoing;

13 n. The Receiver may, in its sole and absolute discretion, continue in effect
14 and/or assume any contracts, agreements, leases, letters of credit and all other instruments
15 presently existing and not in default relating to the Receivership Estate;

16 o. The Receiver may enter into and modify contracts related to the normal
17 course of business for the sale of all or any portion of the Receivership Estate with any other
18 liquidation or sale of the Receivership Estate assets, including licenses, being completed only
19 subject to prior notice and Court and State of Nevada approval (as necessary);

20 p. The Receiver may communicate, directly or indirectly, with any person,
21 firm or entity, including without limitation, any representative of CWNevada;

22 q. The Receiver may take any and all steps necessary to retrieve, collect and
23 review all mail and/or e-mail addressed to CWNevada or related entities or individuals at the
24 Receivership Estate and the Receiver is authorized to instruct the United States Postmaster to
25 reroute, hold and/or release said mail to the Receiver. The Receiver shall redirect mail
26 determined (whether before or after opening) to be of a personal nature, not involving the
27 business activities of CWNevada conducted at the Receivership Estate, to the person to whom the
28

1 mail was intended to be delivered (if the Receiver knows the forwarding address of said person)
2 or shall return such mail to the sender;

3 r. The Receiver shall have all the powers, duties and authority that the
4 Receiver believes may be necessary or appropriate to secure, operate, manage, control and sell the
5 Receivership Estate and/or to protect, preserve and maximize the value of the Receivership Estate
6 and/or to do any other acts and incur any of the risks and obligations ordinarily taken or incurred
7 by an owner of property similar to the property at issue in the normal course of business;
8 provided, however, that no such risk or obligation shall be the personal risk or obligation of the
9 Receiver, but shall be solely the risk and obligation of the Receivership Estate; and

10 s. The Receiver may, after expending the necessary funds to operate the
11 business of the Receivership Estate and paying all reasonable and necessary costs and expenses
12 associated with such operation, maintain any remaining funds for distribution to creditors and
13 such other party or non-party as may be legally entitled to receive such funds in accordance with
14 Nevada law; and may distribute such funds from time to time upon further order of this Court.

15 10. The Receiver shall, within thirty days of its qualification hereunder, file in this
16 action an inventory of all property of which it shall have taken possession pursuant hereto,
17 including, without limitation, the identity of all written or non-written contracts (whether for sale
18 or otherwise), options, insurance policies, fixtures or personal property. The Receiver may
19 thereafter, to the extent necessary, conduct periodic inventories of all property of the Receivership
20 Estate of which he shall have taken possession pursuant to this Order, and to provide counsel
21 herein with regular and material updates.

22 11. Upon entering into an agreement for sale or transfer of any material asset or
23 property in the Receivership Estate outside the sale of CWNevada's products and inventory in the
24 normal course of business, the Receiver shall file a Motion with the Court, giving at least thirty
25 days' notice to all parties, setting forth the details of the proposed sale and seeking the Court's
26 approval for said sale. This shall be done for each proposed sale of any asset of CWNevada in
27 the possession or control of the Receiver outside of the ordinary course of business.
28

12. The Receiver shall prepare monthly operating reports which shall include a statement reflecting the Receiver's fees and expenses incurred for said period in the operation and administration of the Receivership Estate, as well as the fees and expenses of any attorneys, accountants, Management Agent[s] or other professionals employed by the Receiver ("Interim Receiver Report"). The Receiver shall charge the fees set forth in the Fee Schedule attached to this Order as Exhibit 1 and shall charge the fees set forth in Exhibit 1 for United AMS' personnel's services. The Receiver shall primarily use the services of United AMS personnel to manage the Receivership Estate, to the extent permitted under applicable law, at hourly rates, pursuant to the fee schedule attached hereto as Exhibit 1, unless an outside vendor is deemed appropriate.

13. Upon completion of an Interim Receiver Report and ten days after mailing the report to the parties' respective attorneys of record (or via e-mail, at counsel's request) or any other designated person or agent, the Receiver shall be paid from Receivership Estate funds, if any, the amount of the invoice as per the Interim Receiver Report as set forth herein. Payment of the Receiver's fees and administrative expenses shall be submitted to the Court for final approval and confirmation, in the form of either a noticed interim request for fees, stipulation among the parties, or in monthly interim reports or the Receiver's Final Account and Report.

14. The Receiver shall have the power to execute any and all documents (including documents for the sale of any portion of the Receivership Estate in the normal course of business) without a specific court order, to close existing bank accounts, money market accounts, CDs or other financial instruments associated with the Receivership Estate, and shall maintain or establish accounts at such bank as the Receiver may determine are necessary for the Receivership Estate for the purpose of securing and depositing the funds of the Receivership Estate collected by the Receiver, and the Receiver shall have the authority to write checks on such accounts for the purpose of making any payments required or permitted to be made hereunder by the Receivership Estate, and the Receiver shall receive the federal tax identification number from CWNevada or its agents to provide to the bank so as to establish such an account. The Receiver may also employ a bank or other financial institution, or any other bank of the Receiver's choice,

1 to establish a payroll service. The Receiver may also employee a third party certified accountant
2 to reconcile and review monthly financials.

3 15. The Receiver is authorized and empowered to take possession of all bank accounts
4 of CWNevada and all cash or other liquid funds, accounts and chattel paper wherever located, and
5 shall receive possession of any money on deposit in said bank accounts immediately upon
6 appointment. The Receiver is empowered to take possession of all credit card terminals and
7 related merchant accounts. The receipt by the Receiver for said funds shall discharge said bank
8 from further responsibility for accounting to said account holder for funds as to which the
9 Receiver shall give his receipt.

10 16. The Receiver may use any federal taxpayer identification numbers of CWNevada
11 relating to the Receivership Estate for any lawful purpose.

12 17. The Receiver shall determine upon taking possession of the Receivership Estate
13 whether in the Receiver's judgment there is sufficient insurance coverage. If coverage is in place,
14 CWNevada, and its members, principals, agents and employees, may not cancel policies or
15 coverages for the said estate and must turn over all information regarding any/all coverages
16 immediately. If sufficient insurance coverage does not exist, the Receiver shall immediately
17 notify interested parties and advise the Court of any need to procure sufficient insurance for the
18 Receivership Estate; provided, however, that if the Receiver does not have sufficient funds to do
19 so, the Receiver shall seek instructions from the Court with regard to whether insurance shall be
20 obtained and how it is to be paid for. The Receiver shall name himself and United AMS as an
21 additional insured for any insurance policies that the Receiver procures or takes over from
22 CWNevada. CWNevada shall immediately name the Receiver as named insured and United
23 AMS as additional insured on the existing insurance policy(ies) for the period that the Receiver
24 shall be in possession of the Receivership Estate. If consistent with existing law, the Receiver
25 shall not be responsible for claims arising from the lack of procurement or inability to obtain
26 insurance. The parties and their agents and representatives are prohibited from canceling,
27 reducing or modifying any and all insurance coverage currently in existence with respect to the
28 Receivership Estate.

1 18. The Receiver shall, as necessary and appropriate, notify all local, state and federal
2 governmental agencies, all vendors and suppliers, known creditors, and any and all others who
3 provide goods or services to the Receivership Estate of its appointment as Receiver.

4 19. All pending or potential court actions and litigation or other adversarial action
5 brought by or against CWNevada shall be stayed from entry of this Order, unless the Court, upon
6 a motion brought by the Receiver or other interested party (providing notice and an opportunity
7 for interested parties to be heard) orders the stay lifted, extended, or otherwise modified upon a
8 showing of good cause (the "Litigation Stay"). Pursuant to the Litigation Stay: (i) no landlord or
9 lessor may terminate any lease or commence or continue any eviction related actions connected
10 with the Receivership Estate without prior order of this Court; (ii) no utility may terminate service
11 to the Receivership Estate as a result of non-payment of pre-receivership obligations without prior
12 order of this Court; (iii) no insurance company may cancel their existing current-paid policy as a
13 result of the appointment of the Receiver; (iv) no individual or entity may sue the Receiver or
14 bring an action with respect to the Receivership Estate without first obtaining the permission of
15 this Court; (v) all civil legal proceedings of any nature, including, but not limited to, bankruptcy
16 proceedings, arbitration proceedings, mediation proceedings, foreclosure actions, default
17 proceedings, or other actions of any nature involving the Receivership Estate are stayed unless the
18 stay is lifted pursuant to this paragraph; (vi) no individual or entity may sue the Receiver or any
19 portion of the Receivership Estate without first obtaining the permission of this Court; and (vii)
20 the Department of Taxation and any other state, county, city, or other jurisdiction in Nevada may
21 not cancel any license, permit, or other governmental approval previously issued to CWNevada as
22 a result of the appointment of the Receiver.

23 20. The Receiver and/or Management Agent[s], as appropriate, may apply for, obtain
24 and pay any reasonable fees for any lawful license, permit or other governmental approval
25 relating to the Receivership Estate or the operation thereof; confirm the existence of and, to the
26 extent permitted by law, exercise the privileges of any existing license, permit or governmental
27 approval; and do all things necessary to protect and maintain those licenses, permits and
28 approvals. No governmental agency or entity may terminate, revoke or fail to renew any licenses,

1 permits, or governmental approvals necessary for the operation of the business of the
2 Receivership Estate or otherwise take any action to require the business of the Receivership
3 Estate to cease or desist as a result of appointment of the Receiver or the carrying out of the duties
4 of the Receiver without prior order of this Court.

5 21. The Receiver and/or Management Agent[s], as appropriate, may apply for, obtain
6 and pay any reasonable fee to apply for any lawful license, permit or other governmental approval
7 relating to new licenses for the cultivation, production, or distribution of marijuana if any such
8 licenses become available from the State of Nevada, Clark County, or Nye County, if the
9 Receiver believes it in its reasonable business judgment that such an application(s) is in the best
10 interest of the Receivership Estate. Submission of any such applications is subject to the Court's
11 prior approval.

12 22. The Receiver is acting solely in its capacity as a court-appointed Receiver and the
13 debts of the Receiver are solely the debts of the Receivership Estate. In no event shall the
14 Receiver or United AMS and its personnel have any personal liability or obligation for the proper
15 debts of the Receiver and/or the Receivership Estate.

16 23. If the Receiver receives notice that a bankruptcy has been filed and part of the
17 bankruptcy estate includes property that is the subject of this Order, the Receiver may file
18 appropriate motions with the bankruptcy court to remain in possession of such property during
19 the pendency of the bankruptcy. Upon receiving notice of bankruptcy as set forth above, the
20 Receiver's authority to preserve the property at issue shall be limited as follows until further
21 instruction from the bankruptcy court:

- 22 a. The Receiver may continue to collect income;
- 23 b. The Receiver may make only those disbursements necessary to preserve
24 and protect the Receivership Estate, to pay taxes on the Receivership Estate;
- 25 c. The Receiver shall not execute any contracts, except those which the
26 Receiver deems necessary to assist it in the discharge of its duties under this Paragraph 22; and
- 27 d. The Receiver shall do nothing that would effect a material change in the
28 circumstances of the Receivership Estate. The Receiver may petition the court to retain legal

1 counsel to assist the Receiver with issues arising out of the bankruptcy proceedings that affect the
2 receivership.

3 24. In addition to the powers hereinabove set forth, the Receiver is hereby vested
4 during its appointment with all powers, authorities, and rights under applicable law possessed by
5 CWNevada and its officers, directors, members, managers, and general and limited partners of
6 CWNevada under applicable law. In this, the powers of any officers, directors, members,
7 managers, and general and limited partners of CWNevada are hereby suspended and such persons
8 shall have no authority with respect to CWNevada or the Receivership Estate, except which may
9 be granted hereafter by future order of the Court.

10 25. The Receiver shall be authorized to borrow money, if necessary, in total amounts
11 and upon such terms as authorized by the Court, to perform its duties during appointment and to
12 issue Receiver's Certificates of Indebtedness ("Certificates") to evidence such borrowings, a form
13 of which is attached hereto as Exhibit 2. With respect to such borrowings:

14 a. To the extent permitted by applicable law, the principal and interest
15 evidenced by the Certificates shall be a first and prior lien and security interest upon the
16 Receivership Estate. The lien of each Certificate shall be prior and superior to the rights, titles
17 and interests in the Receivership Estate of all parties to this action and creditors of CWNevada.
18 The lien of each Certificate shall be prior and superior to the interest or lien of all judgment
19 holders, mechanics' lien claimants, partners, members, managers, officers, directors, shareholders,
20 and creditors of CWNevada; and

21 b. Nothing herein shall obligate any party to advance all or any part of the
22 borrowings authorized herein;

23 26. CWNevada and its agents, servants, members, managers, principals, officers,
24 affiliates, employees, representatives, and all other persons and entities who are successors in
25 interest to or who are acting in concert or participating with them, or any of them are hereby
26 restrained and enjoined from engaging in or performing, directly or indirectly, any of the
27 following acts:
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1 a. Retaining possession of the Receivership Estate or any other portion of the
2 Receivership Estate, including any assets of the Receivership Estate as to which the Receiver has
3 requested be turned over;

4 b. Expending, disbursing, transferring, assigning, selling, conveying,
5 devising, pledging, mortgaging, creating a security interest in, encumbering, concealing or in any
6 manner whatsoever dealing in or disposing of the whole or any part of the assets of the
7 Receivership Estate, including, but not limited to, any contract or other agreement concerning the
8 Receivership Estate, without the written consent of the Court first obtained;

9 c. Demanding, collecting, receiving, expending, disposing, assigning,
10 secreting or in any other way diverting, using or making unavailable to the Receiver any asset of
11 the Receivership Estate or any of the rents, issues, proceeds, or profits thereof;

12 d. Doing any act which will, or which will tend to, impair, defeat, divert,
13 prevent or prejudice the preservation of the Receivership Estate or creditor's interest therein, in
14 whatever form the interest is held or used as of this date, pending further proceedings in this
15 action;

16 e. Destroying, altering, concealing, transferring or failing to preserve any
17 document and other record (including records maintained in electronic form) which evidences,
18 reflects, relates, or pertains to CWNevada, including (without limitation) the factual basis of any
19 actual or anticipated lawsuit involving CWNevada, or CWNevada's disposition of the
20 Receivership Estate, or any part thereof; and

21 f. Interfering in any manner with the operation of the Receivership Estate or
22 the Receiver's possession thereof, including, without limitation, interfering with the Receiver's
23 efforts to secure the Receivership Estate or otherwise interfering with the management,
24 preservation, protection, maintenance, operation, or control of the Receivership Estate (including
25 but not limited to) removing funds from estate accounts, and/or concealing cash or other funds
26 belonging to the Receivership Estate.

1 27. The Receiver and the interested parties to the Receivership Estate may petition this
2 Court for instructions in connection with this Order and any further orders which this Court may
3 make.

4 28. The Receiver shall continue in possession of the Receivership Estate until
5 discharged by this Court. The Receiver shall also apply to the Court for a formal discharge and
6 approval of its final accounting no later than sixty days after it relinquishes control of the
7 Receivership Estate or otherwise ordered by the Court. Until such time as the Receiver's final
8 report and accounting has been approved by the Court, or by earlier order of this Court, the
9 Receiver shall not turn over any receivership funds to any party or entity without prior Court
10 order.

11 29. All persons or entities now in possession of any part of the Receivership Estate
12 must vacate and surrender possession thereof upon the request of the Receiver.

13 30. Unless otherwise ordered by the Court, the Receiver shall file tax returns on behalf
14 of CWNevada or the Receivership Estate as required by law.

15 31. Unless otherwise ordered by the Court, the Receiver shall not be responsible for
16 paying any expense of CWNevada, or other payables owed to third parties, which payables were
17 due and owing prior to the appointment of the Receiver. However, the Receiver may, in his sole
18 discretion, pay costs and expenses incurred prior to the Receiver's appointment if the Receiver
19 determines in its business judgment that payment of such items is necessary for the preservation,
20 care and maintenance of the Receivership Estate, or otherwise in the best interests of the
21 Receivership Estate.

22 32. Unless expressly limited herein, the Receiver shall be further granted all powers
23 given to an equity receiver, provided by N.R.S. Chapter 32 and/or common law.

24 33. Dotan Y. Melech is acting solely in his capacity as Receiver and no risk,
25 obligation or expense incurred shall be the personal risk, obligation or expense of Dotan Y.
26 Melech or United AMS, but shall be the risk, obligation or expense of the Receivership Estate.

27 34. No individual or entity may sue the Receiver without first obtaining the permission
28 of this Court.

35. Individuals or entities interested in the Receivership Estate may contact the Receiver directly by and through the following individual:

Dotan Y. Melech
United AMS
8350 West Sahara Ave, Suite 150
Las Vegas, Nevada 89117


IT IS SO ORDERED.

Dated: ^{July} June 9, 2019


DISTRICT COURT JUDGE

ROB BARE
JUDGE, DISTRICT COURT, DEPARTMENT 3

Respectfully submitted:
SNELL & WILMER LLP


Justin Carley, Esq. (Nevada Bar No. 9994)
Cory Braddock, Esq. (Admitted *Pro Hac Vice*)
3883 Howard Hughes Parkway, Ste. 1100
Las Vegas, Nevada 89169
Attorneys for 4Front Advisors LLC

Dated: June __, 2019


**COHEN JOHNSON PARKER
EDWARDS**

Steven B. Cohen, Esq.
H. Stan Johnson, Esq.
375 E. Warm Springs Road, #104
Las Vegas, NV 89119

Attorneys for CW Nevada LLC

Dated: June ^{25th} __, 2019

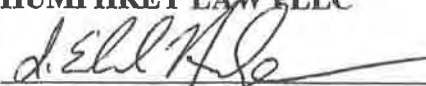
**LEE, HERNANDEZ, LANDRUM &
CARLSON, APC**


David S. Lee, Esq.
Charlene N. Renwick, Esq.
7575 Vegas Drive, Suite 150
Las Vegas, Nevada 89128

Attorneys for Timothy Smits Van Oyen

Dated: June 25, 2019


HUMPHREY LAW PLLC


L. Edward Humphrey, Esq.
140 Washington Street, Suite 210
Reno, Nevada 89503

Attorney for The CIMA Group LLC

Dated: June ____, 2019


GREENBERG TRAURIG, LLP


Mark E. Ferrario, Esq.
Christopher R. Miltenberger, Esq.
10845 Griffith Peak Dr., #600
Las Vegas, NV 89135

*Attorneys for Green Pastures Fund, LLC
Series 1 (CW Nevada, LLC), Jakal
Investments, LLC, Green Pastures Group,
LLC, Jonathan S. Fenn Revocable Trust, and
Growth Opportunities, LLC*

Dated: June ____, 2019


**JOLLEY URGAL WOODBURY
HOLTHUS & ROSE**


William R. Urga, Esq.
David J. Malley, Esq.
330 S. Rampart Blvd., Suite 380
Las Vegas, NV 89145

*Attorneys for Highland Partners NV LLC,
MI-CW Holdings Fund 2 LLC, and MI-CW
Holdings LLC*

Dated: June ____, 2019

HOLLEY DRIGGS


Richard F. Holley, Esq.
400 S. 4th Street, Suite 300
Las Vegas, NV 89101

Attorneys for the Receiver Dotan Melech

Dated: June ____, 2019

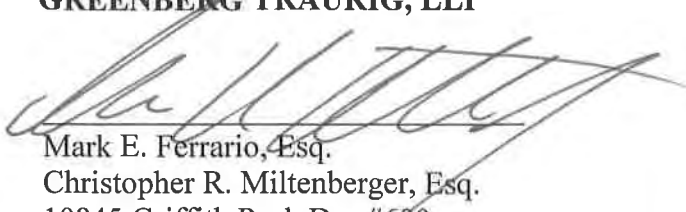
HUMPHREY LAW PLLC

L. Edward Humphrey, Esq.
140 Washington Street, Suite 210
Reno, Nevada 89503

Attorney for The CIMA Group LLC

Dated: June 20th, 2019

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Mark E. Ferrario, Esq.
Christopher R. Miltenberger, Esq.
10845 Griffith Peak Dr., #600
Las Vegas, NV 89135

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HOLTHUS & ROSE**

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David J. Malley, Esq.
330 S. Rampart Blvd., Suite 380
Las Vegas, NV 89145

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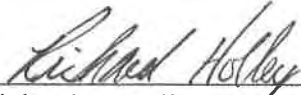
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Richard F. Holley, Esq.
400 S. 4th Street, Suite 300
Las Vegas, NV 89101

Attorneys for the Receiver Dotan Melech

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EXHIBIT 1

EXHIBIT “ 1 ”

Fee Schedule¹

Receiver/Partner	\$495.00
Senior Associate	\$395.00
Associate	\$325.00
Accounting and Bookkeeping	\$295.00
Project Coordinator/Analyst	\$175.00
Administrator	\$150.00

¹ Hourly rates shall be subject to adjustment annually when UnitedAMS adjusts its rates generally. UnitedAMS reserves the right to add other categories of consulting Advisors and other staff as it deems necessary to perform the services of this Order.

Policies Relating to Professional Fees and Services

This statement of Policies Relating to Professional Fees and Services ("Policies") describes how United AMS bills for services rendered and expenses incurred in connection with projects.

In order to help us determine the value of services that we render on behalf of our clients, our staff maintains written records of the actual time they spend working for each client in 1/4-hour increments. Billed time includes all time spent on the project and encompasses, but is not limited to, activities such as conferences, telephone calls, discovery of data, drafting of reports and other documents, financial and other analysis, correspondence, negotiations, research, and travel time. Those rendering services are assigned an hourly rate based upon the type of work that they perform and their level of experience and skill. We periodically review our rates and make adjustments as necessary. Although our hourly rates are the most common component of our fees, they are not the only factor that we take into account in determining the value of our services. For example, consideration will be given to the type of services that we have been asked to perform, any special level of skill or expertise required, the size and scope of the matter, any special time constraints imposed, expedited matters, and the results of our efforts.

In addition to our fees for services, our clients are responsible for all out-of-pocket costs that we incur on their behalf. For example, charges for expenses associated with travel, long-distance telephone calls, computerized research services, courier services, fax and other forms of communication, copy services, permit fees, and any other out-of-pocket expenses will be billed to the client. While we may sometimes advance our funds to cover out-of-pocket expenses incurred on behalf of a client, we reserve the right to pass any such expenses on to our clients for payment directly to the person who provided the services. We will make every effort to include the out-of-pocket disbursements that we make on our clients' behalf in their next monthly statement. However, some disbursements, such as telephone charges, are not immediately available to us and, as a result, may not appear on a statement until sometime after the charges were actually incurred.

Our statements for services rendered and costs incurred are sent to our clients on a monthly basis unless other arrangements have been made. All statements are due and payable upon receipt. Any statements not paid in full within fifteen (15) days of the statement date will be assessed a late charge on the unpaid balance at the rate of one and one-half percent (1-1/2%) per month; late charges are due on the first day of each subsequent fifteen-day period. Whether or not the client calls with an inquiry, any dispute as to the accuracy or validity of any billed charges, or requests for adjustment of any costs, expenses, or fees for services billed to the client, must be made in writing to United AMS within fifteen (15) days of the date of the statement containing that cost, expense, or fee for services. If the client does not do so within fifteen (15) days of a billing statement, the statement will be conclusively presumed to be correct. In other words, if the client does not contact us in writing within fifteen (15) days of a billing statement, the client will have irrevocably agreed that the statement is accurate and correct. We reserve the right to withdraw from representation in the matter if timely payment is not received. The client will pay any fees and costs that are incurred by us to collect fees, costs, or expenses from the client, including reasonable attorney's fees.

United AMS may require a non-refundable fee before commencing work. Additionally, we require a client to pay on a monthly basis for time expended by us on the client's project and costs incurred on the client's behalf. The upfront, non-refundable fee is not a retainer and will not be held by United AMS as payment on the final invoice or any other charges incurred.

We are sometimes asked to estimate the service fees and other costs that will be incurred in connection with a particular matter. While we are happy to do that when possible, but it should be understood that any such estimate necessarily incorporates a number of assumptions. There are almost always uncertainties involved in the handling of any project; accordingly, no such estimate is to be interpreted as a guarantee or maximum unless expressly so stated. The actual fees and costs may be more or less than any estimate, and the client will be charged on the basis described above without regard to that estimate. The fees and costs incurred in connection with our services for a client are not contingent upon the successful completion of any project.

The client may discharge us at any time and United AMS may withdraw their services at any time at our discretion. In either such circumstance, 30-days written notice shall be given by the party wishing to withdraw and work will conclude 30-days after written notice is received. If the client shall desire to retain other services, United AMS will be paid in full for all services performed on the project(s).

Nothing in our statements to the client will be construed as a promise or guarantee about the outcome of the client's project. We make no such promises or guarantees. Our comments about the outcome of the client's project, if any, are expressions of opinion only. It is impossible to predict how long a project will take, how much it will cost, or what the resulting outcome may be. Similarly, we do not make any guarantees to the client about the expense of the client's project. We encourage our clients to contact United AMS if they have questions about our billing policies or procedures.

EXHIBIT 2

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

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

Plaintiffs,

vs.

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

Defendants.

CASE NO. A-17-755479-C
DEPT. NO. XXXII

**RECEIVER'S CERTIFICATE OF
INDEBTEDNESS NO.**

NUVEDA'S APPENDIX 0499

1 1. This certificate of indebtedness is issued by Dotan Y. Melech ("Receiver"), not
2 individually, but in its capacity as Receiver of certain assets and interests owned by Defendant.

3 2. This certifies that there is due to Plaintiff from the Receiver the principal sum of
4 \$ _____ together with interest thereon as provided in Paragraph 3 below, payable
5 (a) upon the sale (by foreclosure or otherwise) or refinance of any or all of the assets of
6 Defendant including but not limited to the real and personal property assets described on
7 Attachment 1 attached hereto (the "Collateral"), or (b) upon the date of the final distribution of
8 the receivership's assets, from liquid assets over and above those necessary to pay debts incurred
9 by the Receiver by reason of his appointment in accordance with the *Order Appointing Receiver*,
10 entered on _____, 2019 (the "Order"). If the indebtedness evidenced hereby has not
11 been paid in full before or pursuant to final distribution of the receivership's assets, this certificate
12 shall continue to be a lien on all collateral, real and personal, of the receivership estate distributed
13 in the final distribution of the Receivership estate assets, with such priority as provided in
14 Paragraph 4, below, and the indebtedness evidenced hereby shall be payable from any proceeds
15 generated (a) upon the sale or refinance of the Receivership Estate, from the proceeds thereof or
16 (b) upon collection of rental or other income from the Receivership Estate, from the monies
17 collected thereby, until such indebtedness is paid in full. All payments hereunder shall be applied
18 first to the payment of any accrued and unpaid interest, fees, and costs, and then to the payment of
19 principal. Payment due hereunder shall be made at such place as Plaintiff or its successors or
20 assigns shall direct and upon such payment, such obligee shall, if so requested, surrender this
21 certificate to the person making such payment, marking the same "paid in full," and, if so
22 requested, shall deliver to the person making such payment an instrument in recordable form
23 executed by the obligee hereof, such obligee's successor in interest or such obligee's assign (in
24 which case written assignment hereof in recordable form shall also be delivered), releasing the
25 lien of this certificate on all collateral encumbered hereby.

3. Interest on the principal sum of this certificate shall accrue from the date that the funds are advanced to or at the direction of the Receiver at the rate of ____ percent (____%) per annum. Interest will be computed on a three hundred sixty (360) day basis and the actual number of days elapsed, compounded monthly.

4. This certificate shall constitute a lien on all of the Collateral, and, *pari passu* with other certificates of indebtedness issued by the Receiver, shall have priority over all other liens encumbering the Collateral, whether previously existing or hereafter created.

5. This certificate is issued under the authority of, and in accordance with, the orders of this Court in the receivership proceeding, including, without limitation the Order.

6. This certificate is declared to be a debt of the Receiver, and his successors as Receiver, and the Receiver shall have no personal liability with respect to any of the obligations referred to herein.

7. This certificate shall not be obligatory for any purpose until signed by the Receiver.

Dated: _____
Dotan Y. Melech, Receiver

STATE OF _____)
COUNTY OF _____)

On _____, before me, _____, a Notary Public, personally appeared Dotan Y. Melech, an individual, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of Nevada that the foregoing is true and correct.

WITNESS my hand and official seal.

Signature _____
4850-5164-7130